



A PAUSE for THOUGHT!

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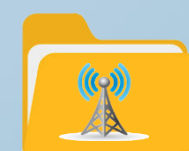
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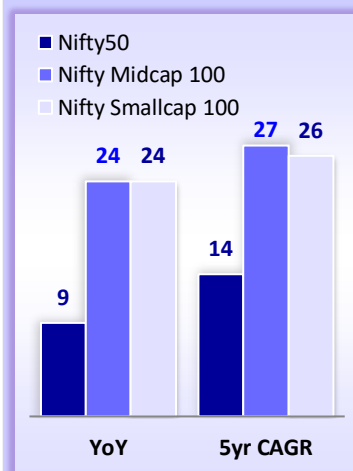
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BSE Sensex: 78,199

Nifty 50: 23,703



Mid and Small-caps outperform
Nifty-50 handsomely (as of Dec'24)



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A PAUSE for THOUGHT!

Déjà vu for earnings in 3Q!

Market correction – a sign of things to come? Even as the calendar flips from 2024 to 2025, the underlying backdrop for Indian equities remains broadly unchanged. Following a blazing rally in CY23 and 9MCY24, the Indian markets are currently navigating an interim phase of course correction, with the Nifty-50 retreating 10% from its peak. This market correction has coincided with a slowdown in earnings growth, as the Nifty-50 has managed only a modest 4% PAT growth in 9MFY25E (following a 20%+ CAGR during FY20-24). This deceleration can be attributed to a broad-based slowdown in consumption (esp. urban), a cutback in government capex, and banks taking a more cautious approach to the heady unsecured personal loans, with credit growth easing from a robust 16-17% to a more tempered 11-12% at present. Additionally, urban consumers are feeling the pinch from rising prices, although rural consumption is showing signs of recovery thanks to a bountiful monsoon, which has exceeded the long-period average by 8%.

Divergence in institutional flows signifies a shift in market dynamics: As we dive into 2HCY24, the Indian markets have been navigating through a sea of uncertainty, stirred by a cocktail of multiple domestic developments and pivotal global events that unfolded in late 2024. The triumph of Donald Trump in the US elections, coupled with the Federal Reserve (Fed)'s cycle of rate cuts and sporadic stimulus measures from China (albeit with less impact), has left global markets in a state of suspense, amplifying volatility. Accordingly, this has prompted a sharp reaction from foreign investors, who pulled out ~USD12b in 3QFY25. In contrast, domestic investors have remained steadfast and continued to display unstinted support. The SIPs continued to scale record highs, averaging ~INR250b/month during the quarter, enabling overall DII inflows of ~USD22b in 3QFY25. Interestingly, this divergence in institutional flows also manifested in a rare phenomenon where small- and mid-cap stocks posted a sharper recovery than their large-cap counterparts, despite the latter's seemingly favorable valuations. We believe this intriguing trend highlights the market's potential for structural diversification. Currently, the Nifty-50 is trading at ~20x one-year forward earnings, while the mid- and small-caps are trading at 56% and 17% premiums, respectively.

Early signs of a growth pickup beginning to manifest

In the realm of domestic politics, the third quarter has been somewhat favorable for the markets. The NDA government has managed to regain some of its lost momentum following a lukewarm Lok Sabha election verdict. NDA's recent triumphs in Haryana, a sweeping victory in the crucial state of Maharashtra, and success in the bye-elections in Uttar Pradesh – the largest and politically pivotal state – have set the stage for renewed focus on development initiatives. This renewed vigor could lead to an increase in capital expenditures, which had been stagnant in 1HFY25, dipping 12.7% YoY due to a flurry of key elections, extreme weather conditions, and the government's preoccupation with coalition building following the Jun'24 Lok Sabha verdict.

However, the landscape isn't without its challenges. Several key High Frequency Indicators (HFIs) are showing some signs of fatigue, hinting at an overall interim slowdown, with 2QFY25 GDP hitting a seven-quarter low of 5.4%. Yet, as we stepped

into Dec'24, the HFIs painted a mixed picture of economic activity. Auto sales have remained subdued (vehicle registration for 2Ws/3Ws/PVs/CVs declined 18%/5%/2%/5% YoY in Dec'24), reflecting a slowdown in consumption. However, growth in real rural wages improved to 1.3% YoY, which typically augurs well for rural consumption of staples. On the flip side, toll collection growth decelerated, and while power generation saw some improvement, it still lagged behind expectations.

Union Budget & policies of the new US administration to keep markets jittery

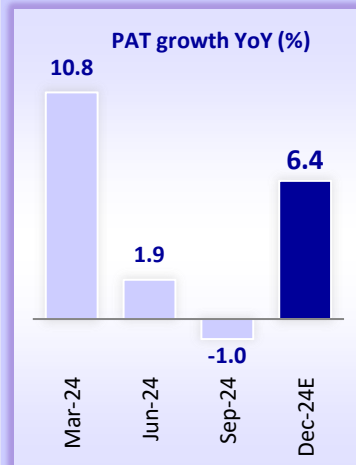
As we gaze into the future, the Union Budget is poised to be a pivotal moment, capturing our attention for hints of a revival in government capex and quick fixes to boost consumption. Moreover, the RBI monetary policy in Feb'25 will also be critical in shaping interest rate trends. We believe that the RBI will initiate a modest rate-cut cycle to ease concerns about an economic slowdown. Moreover, rural income and consumption are expected to improve, thanks to a bountiful monsoon, a successful Kharif harvest, and promising Rabi sowing, along with the anticipated positive ripple effects of increased government spending.

On the global stage, the most notable factor keeping markets on edge will be the follow-through on the protectionist promises from the incoming Trump administration. Markets will remain volatile as they navigate the tug-of-war between government rhetoric and the challenging reality of implementing radical "Make America Great Again" initiatives.

Amid the challenges, the medium-term opportunities remain intact

Notwithstanding the near-term challenges on both the macro and micro fronts, we remain optimistic about India's growth story in the medium to long run. As the aftereffects of the slowdown in government spending and monetary tightening recede, we expect the corporate earnings growth for FY26E to look healthy (at 16% earnings growth for FY26E for the Nifty-50). The domestic flows in equities remain resilient. However, the supply of paper has also risen considerably. CY24 has been a blockbuster year for the Indian primary market, with INR1.9t raised through IPOs – an all-time high. Capital raised through QIPs also reached a record high of INR1.3t (2.5x of CY23). With a lean domestic political calendar in CY25, the resumption of capital spending, and recovery in corporate earnings, we expect the backdrop for Indian equities to turn better progressively in CY25 even as we expect a range-bound market in 1HCY25 until earnings catch up with the rich broader market valuations.

MOFSL Universe to clock ~6% earnings growth in 3QFY25E



Earnings trajectory similar to 2Q; Nifty EPS cut 0.6%/1.7% for FY25E/26E

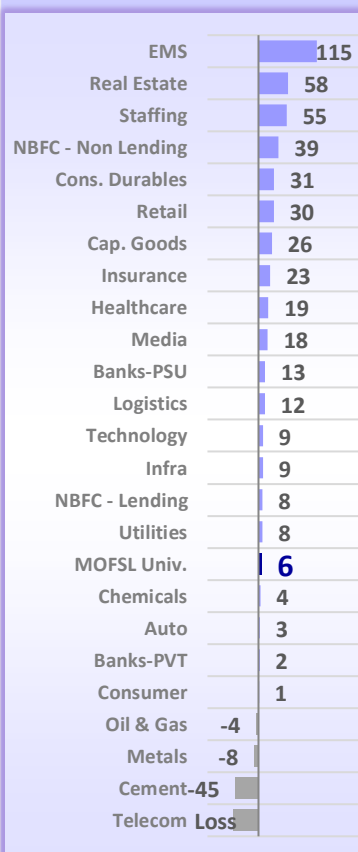
We estimate the MOFSL Universe and Nifty-50 earnings to grow 6% YoY each in 3QFY25. Ex-Metals and O&G, we project the MOFSL Universe and Nifty earnings to grow 10% and 8% YoY, respectively, vs. 11% and 10% in 2QFY25, respectively. The EBITDA margin (ex-Financials) is likely to remain flat YoY for the MOFSL Universe, reaching 17.1%, mainly aided by Healthcare and Telecom but dragged down by Commodities and Cement sectors. Meanwhile, the margin is projected to expand 30bp for the Nifty-50 at 20.2%. The overall modest earnings growth is broadly anticipated to be driven by BFSI (+8% YoY), along with Capital Goods (+26% YoY), Technology (+9% YoY), Healthcare (19% YoY), and Real Estate (+58% YoY) sectors. Conversely, earnings growth is likely to be weakened by global cyclicals, such as Metals (-8% YoY), O&G (-4% YoY), and Cement (-45% YoY). Meanwhile, Consumer Durables (+31% YoY) and Retail (+30%) are projected to deliver strong growth, while

Auto (+3% YoY) and Consumers (+1% YoY) are anticipated to post flattish performance. We have cut our FY25E and FY26E Nifty EPS by 0.6% and 1.7% to INR1,050 and INR1,220, respectively. O&G has driven ~80% of the 0.6% cut in our FY25E earnings. We estimate the Nifty EPS to grow 4%/16% in FY25/FY26.

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

The past two financial years experienced an interesting interplay of revenue and earnings growth, driven by global macros. In FY23, the MOFSL Universe experienced a sharp drag on margins as commodity prices surged during the Russia-Ukraine conflict. This resulted in just 11% earnings growth for the MOFSL Universe, despite 24% revenue growth. FY24 witnessed a reversal of this trend, as commodity prices moderated and margins sharply rebounded. Thus, the MOFSL Universe delivered 30% earnings growth despite just 4% revenue growth. For FY25, we expect earnings to normalize and track the revenue trend. For FY25, we anticipate the MOFSL Universe to deliver 6% revenue growth and EBITDA/PAT to grow 5%/4% YoY. The Nifty-50 is also likely to deliver 4% earnings growth in FY25 over a high base of FY24 (+26% YoY).

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



Earnings highlights – 3QFY25E | BFSI to drive modest earnings growth aided by Capital Goods, Technology, and Healthcare; Commodities continue to drag

- We expect the **MOFSL earnings to grow 6% YoY, while those of Nifty would also grow 6% YoY in 3QFY25**. Excluding global commodities (i.e., Metals and O&G), the MOFSL Universe and Nifty are likely to report 10% and 8% YoY earnings growth, respectively, for the quarter.
- Sales and EBITDA of the MOFSL Universe are likely to grow 8% and 9% YoY, while for the Nifty, we expect sales and EBITDA to improve 5% and 9% YoY, respectively. Ex-Commodities, EBITDA of the MOFSL Universe/Nifty is likely to grow 13%/12% YoY.
- The modest earnings growth is likely to be driven once again by BFSI, with positive contributions from Technology, Capital Goods, Healthcare, and Real Estate. The earnings growth of PSU Banks, NBFC-Lending, and Private Banks is expected to be 13%, 8%, and 2% YoY, respectively. The 2%/13% earnings growth in Private/PSU Banks is the lowest in 13/10 quarters. Also, NBFC Non-lending (Capital market players') earnings are likely to rise 39% YoY, primarily led by exchanges and brokers.
- The **Auto** sector's earnings are likely to rise 3% YoY, the lowest in 11 quarters.
- The **Capital Goods** sector is projected to report an earnings growth of 26% YoY for the quarter, the seventh consecutive quarter of 20%+ earnings growth.
- The **Healthcare** universe is likely to report strong 19% YoY earnings growth; its seventh consecutive quarter of robust earnings growth.
- The **Real Estate** universe is likely to deliver another quarter of strong earnings growth of 58% YoY.
- The **Technology** sector is likely to deliver earnings growth of 9% YoY in 3QFY25.
- The **Metals** universe is projected to report an 8% YoY earnings decline on a high 3QFY24 base.
- The **O&G** Universe is expected to report a 4% YoY earnings decline, dragged down by IOCL and others but partially offset by BPCL and HPCL.

- The **Cement** universe is expected to report a 45% YoY earnings decline. The sector is likely to clock the third consecutive quarter of sharp earnings decline driven by low pricing and a high base of margins YoY.
- The **Telecom** universe is likely to post the lowest loss figure of INR3.3b since Jun'18, mainly led by improved margins in Bharti Airtel.
- The **Chemicals** sector is likely to report a 4% YoY earnings growth; the first quarter of earnings growth after declining for six consecutive quarters.
- We expect EBITDA margin (ex-Financials) to remain flat YoY for the MOFSL Universe at 17.1%. Conversely, for Nifty-50, excluding Financials, margin is likely to expand 30bp YoY to 20.2% during the quarter.
- In 3QFY25, the MOFSL Large-cap/Mid-cap Universe is likely to register a PAT growth of 5%/17%, while the Small-cap Universe is projected to report a 3% YoY PAT decline during the quarter. Moreover, sales for large-/mid-/small-caps are likely to grow 8%/4%/9% YoY, and their EBITDA to clock 8%/13%/10% YoY growth.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 7%/12%/17% over Dec'22-Dec'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/PAT growth of 6%/5%/4% YoY. Financials, Metals, Technology, Automobile, Capital Goods, and Healthcare, are likely to be the key earning drivers with 13%, 13%, 9%, 8%, 25%, 21% YoY growth, respectively. These six sectors are projected to contribute 223% of the incremental earnings for the MOFSL Universe in FY25.
- **Nifty EPS cut for FY25E/26E:** We reduce our FY25E and FY26E Nifty EPS estimates by 0.6%/1.7% to INR1,050 and INR1,220, respectively. O&G has led to 80% of the 0.6% cut in FY25E Nifty earnings. We estimate the Nifty EPS to grow 4.5%/16.1% in FY25/FY26.

MOFSL TOP IDEAS: Largecaps – ICICI Bank, SBI, L&T, HCL Tech, M&M, Trent, Bharti Airtel, Titan Company, Sun Pharma, and Dixon Tech.

Midcaps and Smallcaps – Indian Hotels, Cummins India, BSE, Godrej Properties, Coforge, Metro Brands, IPCA Labs, Angel One, Anant Raj and JSW Infrastructure.

Model portfolio: Key changes

Constructing a model portfolio in the current volatile backdrop of moderating earnings and expensive broader market valuations presents a unique challenge. As always, we have made several adjustments to our model portfolio and sectoral stance. Overall, with broader markets trading at significant premiums vs. their own LPA and Nifty, we remain biased towards large-caps with a 76% allocation, while mid-caps and small-caps occupy the rest. We discuss the key changes in the model portfolio below:

- We are OW on BFSI, IT, Industrials, Healthcare, and Real Estate, while we are UW on Oil & Gas, Cement, Automobiles, and Metals. We have also made several additions from a bottom-up viewpoint across sectors.
- **FINANCIALS:** We are trimming HDFC Bank and adding weights in Non-Lending NBFCs. We are adding BSE to the model portfolio while keeping our weights intact in Angel and HDFC Life. In the first leg of F&O regulations, BSE premium turnover has remained flat despite the decline in notional turnover. This will lead to better profitability as revenue is linked to premium turnover, while costs are linked to notional turnover. Further, we expect the market share to improve as Sensex expiry is shifted to Tuesday. In Lending-NBFCs, we are adding Shriram



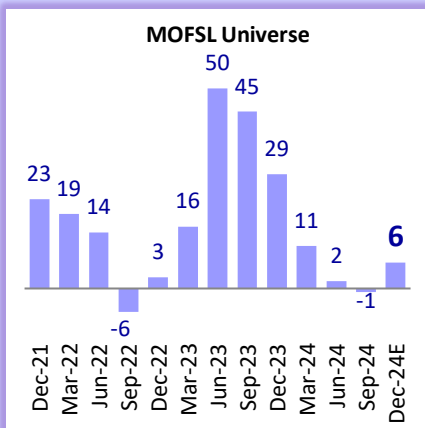
Finance to the model portfolio. SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities. Valuations, at 1.8x FY26 P/B, look attractive for 17% RoE and an expected 20% earnings CAGR over FY25-27E.

- **TECHNOLOGY:** We reiterate our OW stance on IT and maintain our weights. However, following the sharp outperformance by Persistent, we are now replacing it with LTI Mindtree. LTIMindtree's presence in the BFSI and Hi-tech verticals, which are projected to rebound in the near term, underpins its ability to seize the demand in these market segments supported by its expertise in data, ERP, and application modernization. Despite current uncertainties regarding management succession and margin pressures (reflected in its current valuations), a significant recovery in margins is anticipated by FY27. Together these factors present an asymmetric risk-reward scenario, and this makes a strong case to include the stock in our model portfolio.
- **CONSUMPTION:** We continue to stay OW in Discretionary and UW in Staples. Within Discretionary, we are adding Trent as we expect Trent to continue its significant outperformance (vs. retail peers), driven by robust store additions in Zudio, backed by its superior store economics. We are also introducing Page Industries to our model portfolio. 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.
- **AUTOMOBILES:** We maintain our UW stance on Automobiles and continue to reiterate M&M and TVS Motors as our preferred ideas.
- **INDUSTRIALS:** This sector remains our favorite theme, and we maintain our OW stance and weights in the sector with allocation towards L&T, ABB, and Dixon Technologies.
- **HEALTHCARE:** We maintain our OW stance on Healthcare and raise weights further. We are reintroducing Sun Pharma in the model portfolio and also adding IPCA. SUNP has multiple sustainable growth levers, such as: 1) adding products/improving prescriptions for the specialty portfolio, 2) clinical development of differentiated products, and 3) volumes/new introductions in the branded generics market. We expect 14%/17% EBITDA/PAT CAGR over FY25-27. Following a muted performance in the US over the past eight years due to compliance issues, IPCA is well-poised to revive its US business through new product launches, relaunches, stable pricing in its base business, and the integration of the Unichem business over the next 12-24M. We expect 30% earnings CAGR and an improvement in the RoEs to ~16% over FY25-27E.
- **UTILITY:** We are adding JSW Energy to our model portfolio. We expect a spike in installed capacity to over 14GW by FY27 from 7.7GW in 1HFY25. This is accompanied by solid execution with a proportion of the renewable pipeline backed by PPA significantly higher than peers. We forecast EBITDA to nearly double to INR11.1b by the end of FY27E from INR5.3b at the end of FY24.
- **REAL ESTATE:** We continue to remain OW in Real Estate and add Anant Raj in the model portfolio. India's DC market is on the brink of a growth phase, fueled by the country's rapid digital transformation and increasing demand for data storage. With competitive lease rates of INR9m per MW per month and lower construction costs, ARCP's DCs are set to deliver healthy profits. Strong pre-sales, collections, and operational cash flows underpin ARCP's growth.

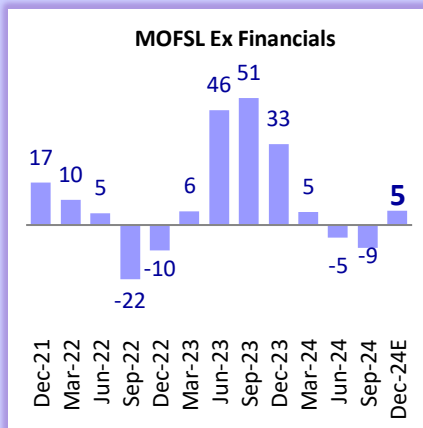
Corporate earnings at a glance: BFSI and Defensives to propel earnings growth

Banks, Telecom, Technology, and Healthcare would lead the charge; excluding Metals and O&G, profits would grow 10% and 8% YoY for the MOFSL Universe and Nifty, respectively.

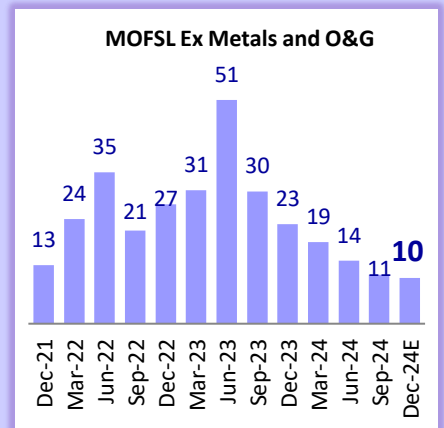
PAT expected to grow 6% YoY for the MOFSL Universe



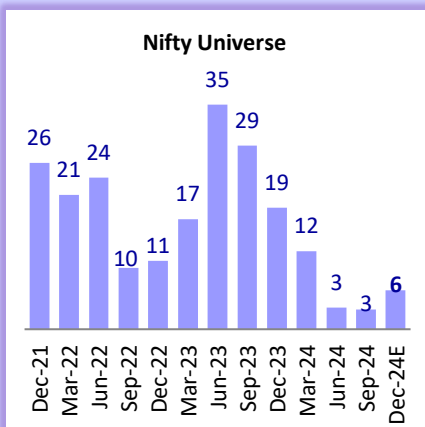
PAT likely to rise 5% YoY for the MOFSL Universe, excluding Financials



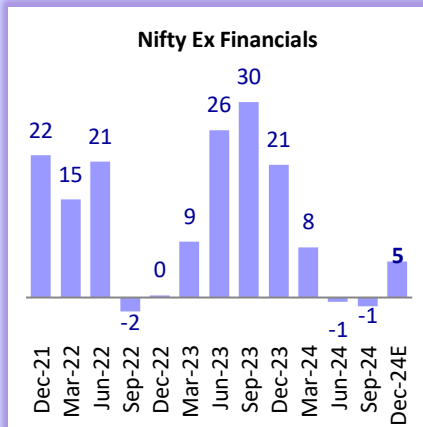
PAT to grow 10% YoY for the MOFSL Universe, sans Metals and O&G



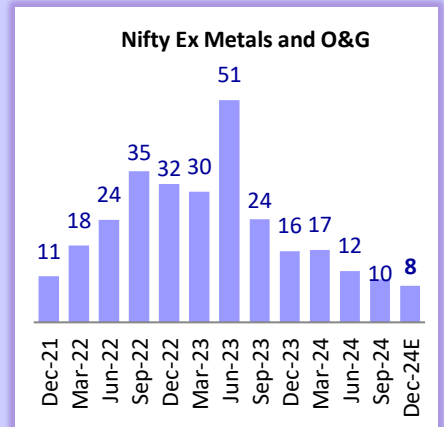
PAT growth for the Nifty Universe likely to be only 6% YoY



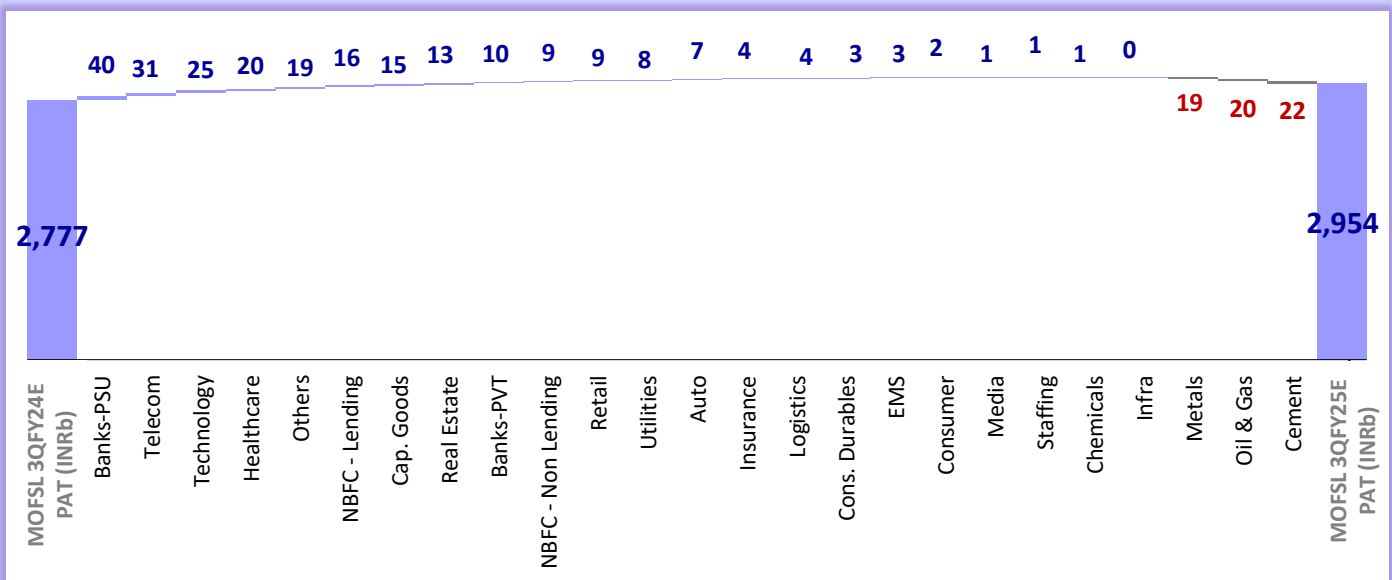
PAT to grow 5% YoY for the Nifty Universe, barring Financials



PAT to grow 8% YoY for the Nifty Universe, sans Metals and O&G

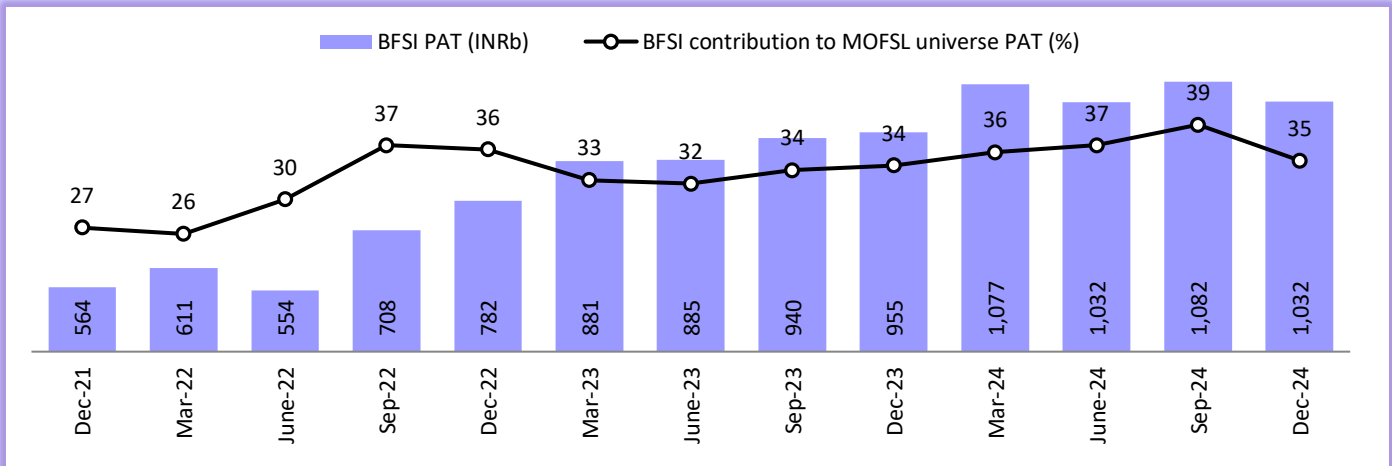


Performance of the MOFSL Universe to be driven by Capital Goods, Healthcare, BFSI & Technology in 3QFY25E

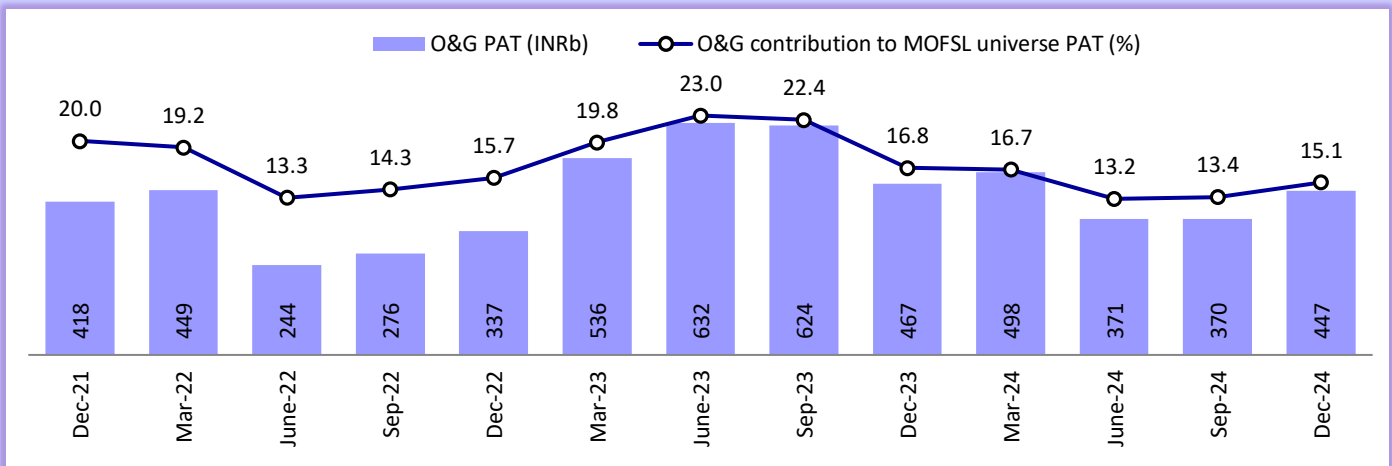


Corporate earnings at a glance: BFSI's contribution likely to contract

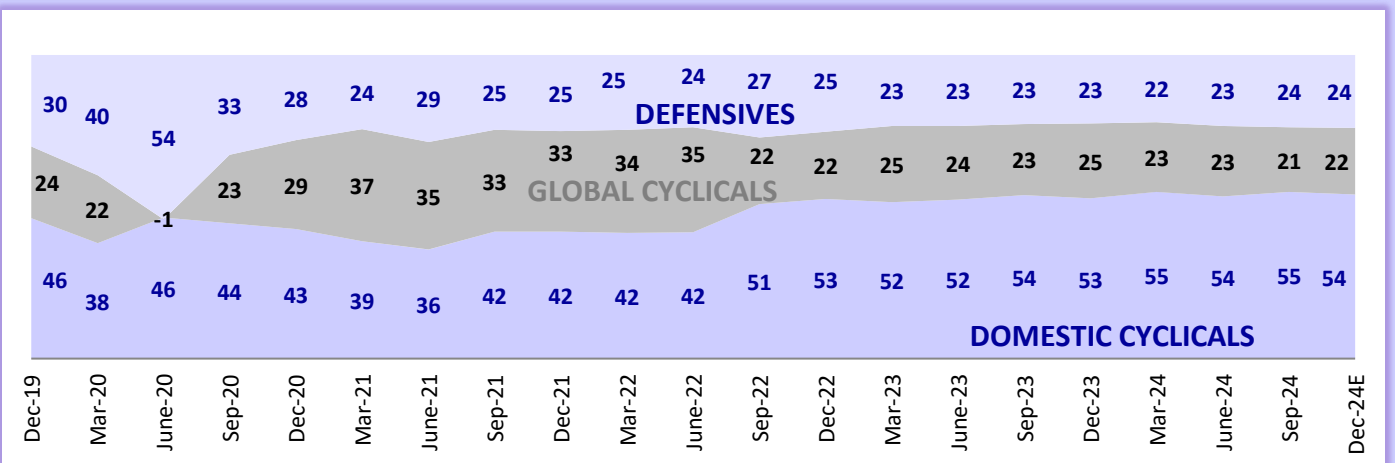
Financials' contribution likely to contract sequentially while still account for over one-third of the overall profit pool



O&G's PAT contribution to the MOFSL Universe shows some signs of sequential recovery in 3QFY25



MOFSL (ex-OMC)'s PAT share (%): Domestic cyclicals to continue drive the modest 3QFY25 earnings



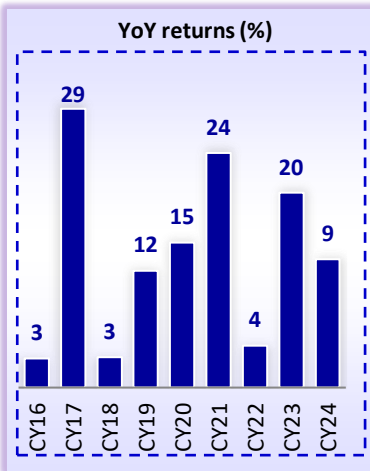
MOFSL: MODEL PORTFOLIO

SECTOR WEIGHT / PORTFOLIO PICKS	BSE 100	MOST WEIGHT	WEIGHT RELATIVE TO BSE100	EFFECTIVE SECTOR STANCE	PAT YoY / CAGR (%)				
					FY24	FY25E	FY26E	FY27E	FY24- FY26
Financials	32.0	33.0	1.0	Overweight					
Private Banks	21.9	20.0	-1.9	Underweight					
ICICI Bank	6.6	9.0	2.4	Buy	28	13	10	14	12
HDFC Bank	9.7	7.0	-2.7	Buy	38	10	12	14	11
Kotak Mahindra Bank	2.0	4.0	2.0	Neutral	22	2	13	19	8
PSU Bank	3.1	4.0	0.9	Overweight					
SBI	2.2	4.0	1.8	Buy	21	18	11	17	15
Diversified Financials	6.9	9.0	2.1	Overweight					
Angel One	0.0	3.0	3.0	Buy	26	17	6	45	12
Shriram Finance	0.6	2.0	1.4	Buy	20	18	18	21	18
BSE	0.0	2.0	2.0	Buy	275	74	30	23	50
PNB Hsg Fin	0.0	2.0	2.0	Buy	44	25	23	21	24
Technology	12.6	14.0	1.4	Overweight					
Infosys	5.2	6.0	0.8	Buy	1	8	13	12	10
HCL Technologies	1.5	3.0	1.5	Buy	6	10	13	10	12
LTIMindtree	0.4	3.0	2.6	Buy	2	5	17	21	11
Coforge	0.0	2.0	2.0	Buy	2	17	59	23	36
Consumption / Retail	14.0	14.0	0.0	Neutral					
Titan Company	1.1	3.0	1.9	Buy	7	8	25	19	17
HUL	1.6	3.0	1.4	Buy	1	3	14	10	8
Trent	1.2	2.0	0.8	Buy	163	61	38	39	49
Indian Hotels	0.6	2.0	1.4	Buy	26	35	26	18	30
Metro Brands	0.0	2.0	2.0	Buy	-5	9	27	25	17
Page Industries	0.0	2.0	2.0	Buy	0	18	19	20	19
Energy/Telecom	11.3	10.0	-1.3	Underweight					
Reliance Industries	6.2	6.0	-0.2	Buy	4	-4	24	13	9
Bharti Airtel	3.2	4.0	0.8	Buy	39	77	24	39	48
Cap Goods, Infra & Cement	9.3	9.0	-0.3	Neutral					
Larsen & Toubro	3.1	5.0	1.9	Buy	25	18	23	17	20
ABB India	0.0	2.0	2.0	Buy	82	51	16	16	32
Dixon Tech.	0.0	2.0	2.0	Buy	44	132	28	29	72
Healthcare	4.9	7.0	2.1	Overweight					
Sun Pharma	1.5	3.0	1.5	Buy	16	19	20	14	20
Ipca Labs	0.0	2.0	2.0	Buy	0	59	34	25	46
Global Health	0.0	2.0	2.0	Buy	47	7	26	26	16
Auto	7.4	5.0	-2.4	Underweight					
Mahindra & Mahindra	2.1	3.0	0.9	Buy	34	14	19	17	17
TVS Motor	0.4	2.0	1.6	Neutral	44	22	24	19	23
Metals / Utilities	6.6	5.0	-1.6	Underweight					
Power Grid Corp.	1.1	2.0	0.9	Buy	1	10	3	5	7
Tata Steel	0.8	2.0	1.2	Neutral	-61	65	183	47	116
JSW Energy	0.0	1.0	1.0	Buy	24	47	27	6	36
Real Estate	0.0	3.0	3.0	Overweight					
Godrej Properties	0.0	2.0	2.0	Buy	20	91	-38	-16	9
Anant Raj	0.0	1.0	1.0	Buy	76	124	26	13	68
Others	1.9	0.0	-1.9	Underweight					
TOTAL	100	100			16	13	17	17	15

LP: Loss to Profit

MARKETS

Nifty-50: Nine successive years of positive returns



Resilient performance during uncertain times...

...fueled by record DII inflows, offset by volatile FII flows with the onset of Fed rate cuts and the new US administration!

- The relentless run-up:** Indian markets celebrated another year of gains, marking a historic milestone with nine consecutive years of positive returns. Both the global and Indian markets faced significant challenges in CY24, including geopolitical headwinds, regulatory tightening, a minor setback for the NDA in the Lok Sabha elections, mixed state election outcomes, increased capital gains taxes, a strengthening USD, persistent inflation, high interest rates, a consumption slowdown, earnings moderation, valuation concerns in mid/small caps, and volatile FII flows, leading to heightened market volatilities. After scaling a new peak, the Indian market corrected 10% from its Sep'24 highs amidst earnings slowdown concerns, moderating macros, and sharp FII selling. Nevertheless, the Nifty-50 declined 8% QoQ; however, it ended CY24 with 9% gains.
- Mid-and small-caps remain the winners for the second consecutive year:** Both Nifty Midcap 100 and Nifty Smallcap 100 grew 24% YoY each, outperforming Nifty-50 (+9%) by 15pp each in CY24. Notably, mid- and small-cap indices clocked a CAGR of 27% and 26% between Dec'19 and Dec'24, outperforming the Nifty-50 (+14%) by 13pp and 12pp, respectively. However, the mid- and small-cap indices reported a CAGR 6% and 2% between Dec'14 and Dec'19, underperforming Nifty-50 (+8%) by 2% and 6%, respectively.
- The outperformance** was fueled by the business momentum in sectors such as Real Estate, Capital Goods, Automobiles, Infrastructure, Industrials, Utilities, Hotels, and PSUs (mainly falling under the mid- and small-cap categories), which is driving stock prices as well. Conversely, sharp FII outflows from large-cap stocks (Nifty-50) have led to their underperformance this year again. Despite ~30% correction in a few stock prices from their Sep'24 highs, the mid- and small-cap indices handsomely outperformed the large-cap index.
- Global markets clock healthy gains in CY24:** Key global market indices such as US S&P500 (23%), Taiwan (+20%), Germany (+12%), China (+10%), Japan (+7%), **India (+6%)**, MSCI EM (+5%), and the UK (+4%) gained, while France (-8%), South Korea (-21%), Russia (-26%), and Brazil (-30%) declined in CY24 in USD terms. Though MSCI India (+11%) outperformed MSCI EM (+5%), its performance remained in line with MSCI World (+17%) in CY24.
- India's outperformance vs. the global market:** As the global markets recover from their lows in CY23, India's outperformance slid from the highs in CY24. However, despite relative moderation, India outperformed most global markets in local currency terms (barring China) and in USD terms (only after the US and Taiwan) over the last 10 years. The Nifty-50 posted a CAGR of 11%/14%/11% (in local currency terms) and a CAGR of 6%/10%/8% (in USD terms) during the three-year/five-year/ten-year periods ended Dec'24.
- DII's clock record inflows, while FIIs post outflows in CY24:** DII inflows continue to remain healthy, backed by sustained strength in retail participation and monthly SIP flows of ~USD3b. DII inflows over the past 12 months (at ~USD63b) have also exceeded the combined DII inflows of CY22 and CY23. Global uncertainties, cautious commentary from the US Fed on interest rate cuts, Mr. Trump winning the presidential election, and recovery in the US markets led to significant volatility and FII outflows in the past three months. The global interest rates are further expected to cool down (albeit lower than earlier

expectations), and retail participation as well as institutional flows will continue to remain strong going forward. However, the extent of interest rate cuts, geopolitical uncertainties, and recovery in domestic earnings would be the key monitorables that would drive FII flows into the Indian markets.

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

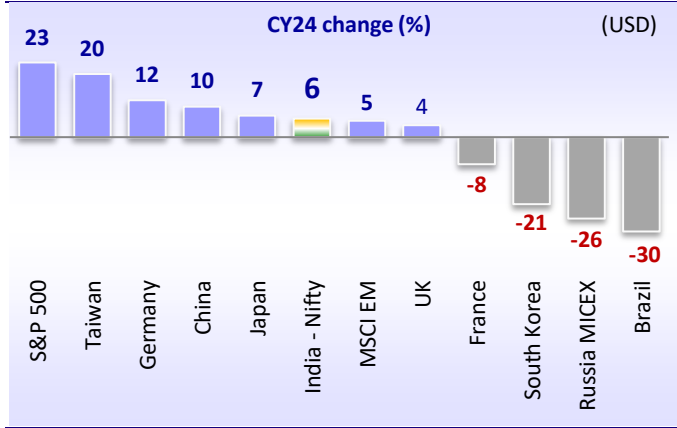


Exhibit 2: World equity indices in local currency terms (%)

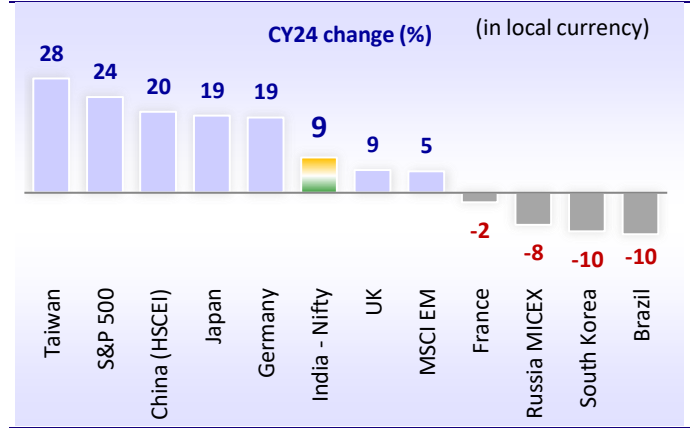


Exhibit 3: Over the last 12 months, India's market cap has surged 23.6% to reach USD5.2t, while the global market cap has increased ~11% (by USD12.2t)

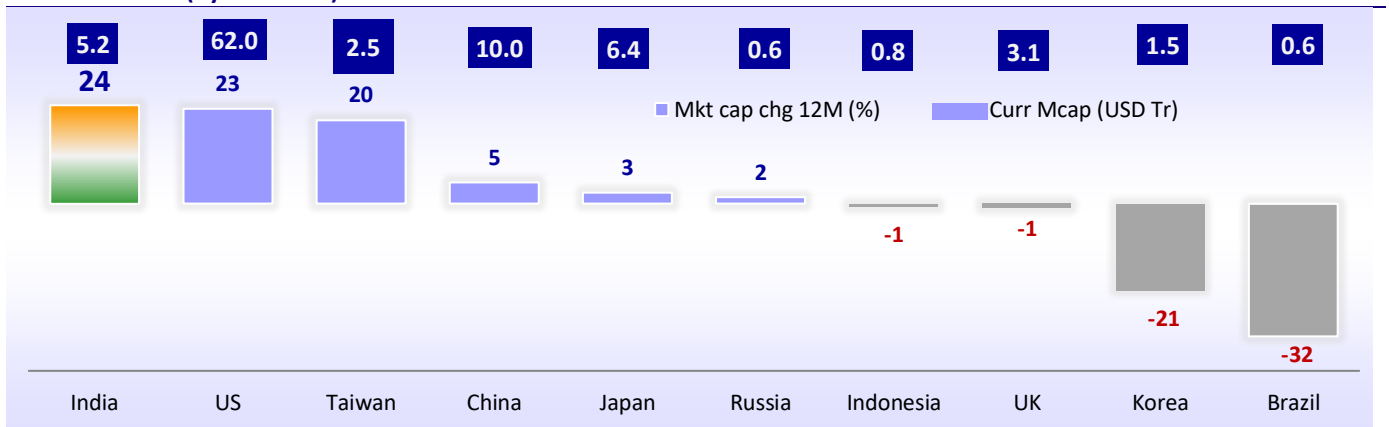


Exhibit 4: Trend in India's contribution to the global market cap (%) – at an all-time high

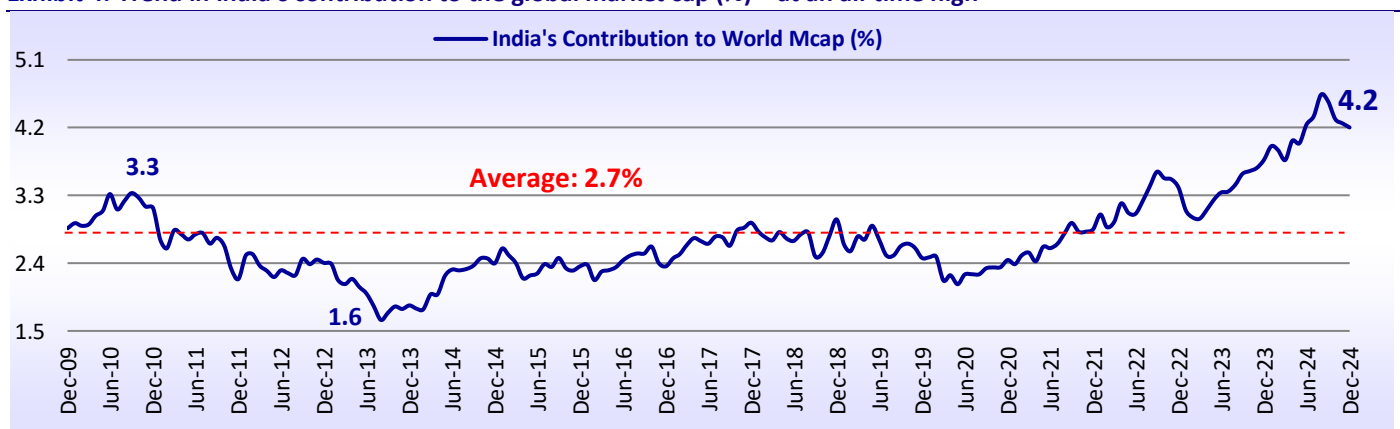


Exhibit 5: FIIs report outflows during the year...

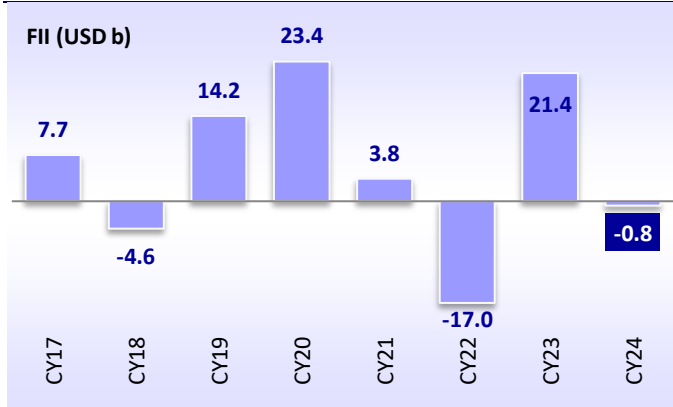


Exhibit 6: ...while DII inflows broke earlier records

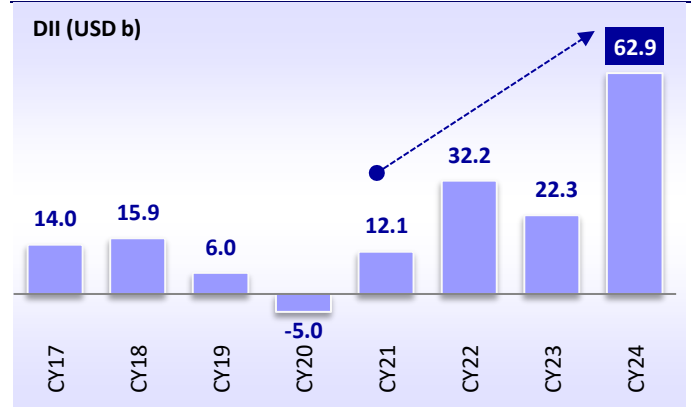


Exhibit 7: FII flows remained volatile in CY24

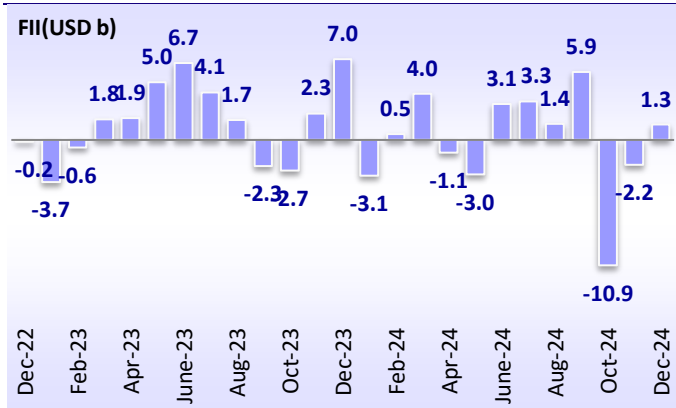


Exhibit 8: DII flows have been robust since the last 17 months

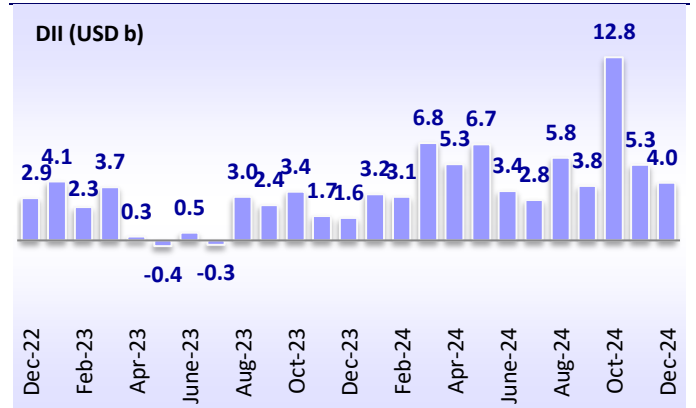
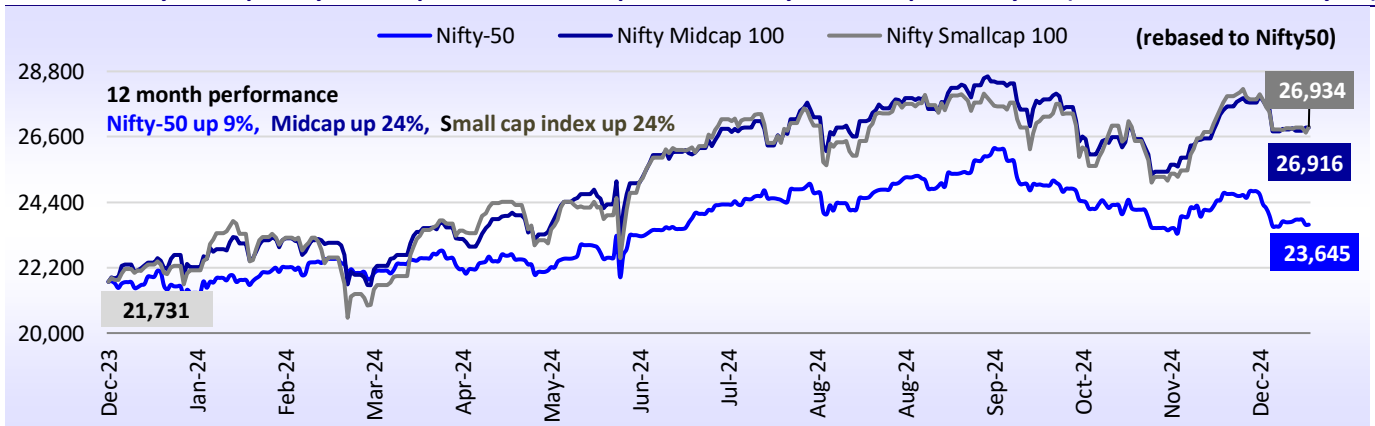


Exhibit 9: Nifty Midcap/Nifty Smallcap indices have outperformed Nifty-50 in the past one year (indices rebased to Nifty-50)



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

- Nifty is trading at a 12-month forward P/E of 19.9x, 3% below its own LPA. Notably, Nifty-50's EPS CAGR of 17% (to INR1,050 in FY25E) has converged with the index CAGR of ~14% during the last five years (ended Dec'24). We expect FY25/FY26 EPS to grow 5%/16% to INR1,050/INR1,221.
- India's market capitalization-to-GDP ratio has been volatile, plummeting to 57% (of FY20 GDP) in Mar'20 from 80% in FY19 and then sharply reviving to 112% in FY22; the ratio moderated to 96% in FY23, though. The ratio is now at 138% (of FY25E GDP), above its long-term average of 85%. We expect the nominal GDP to increase 9.2% YoY in FY25.

Exhibit 10: Nifty-50 down 10% from Sep'24 highs and valuations marginally below the LPA

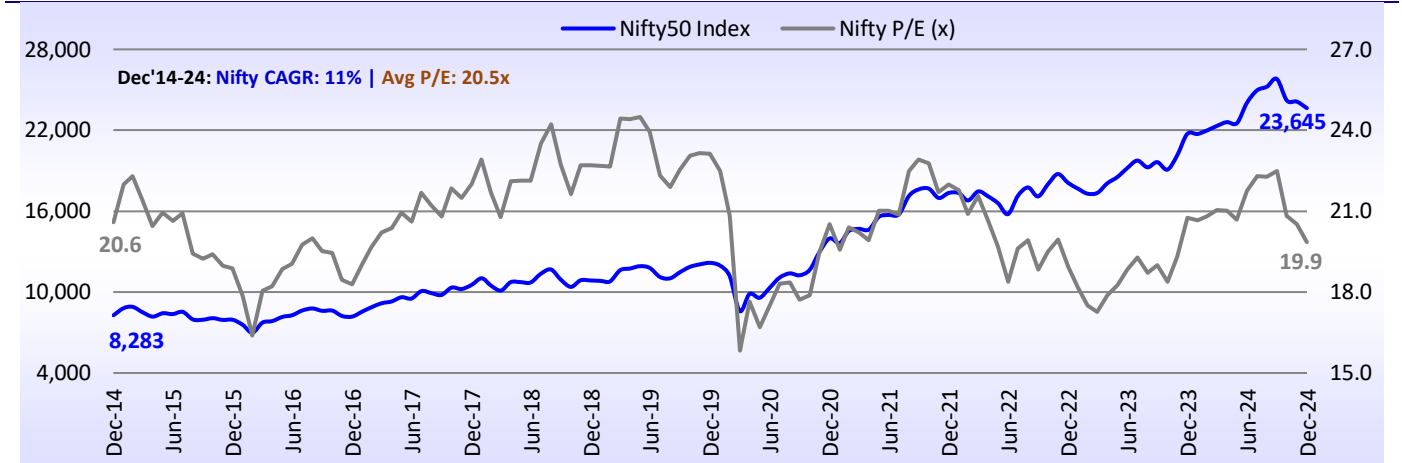


Exhibit 11: 12-month forward Nifty P/B (x)



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

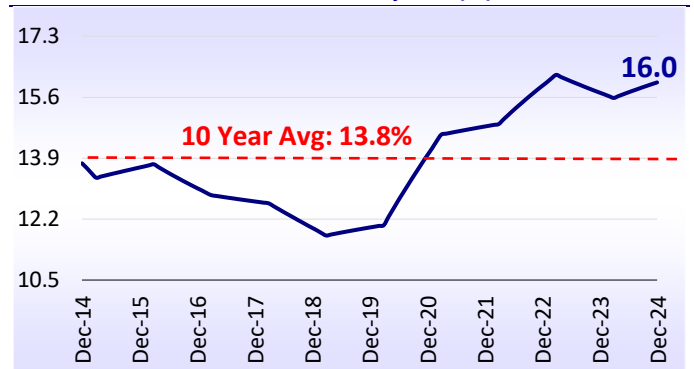


Exhibit 13: Broader markets trade at a significant premium to large-caps

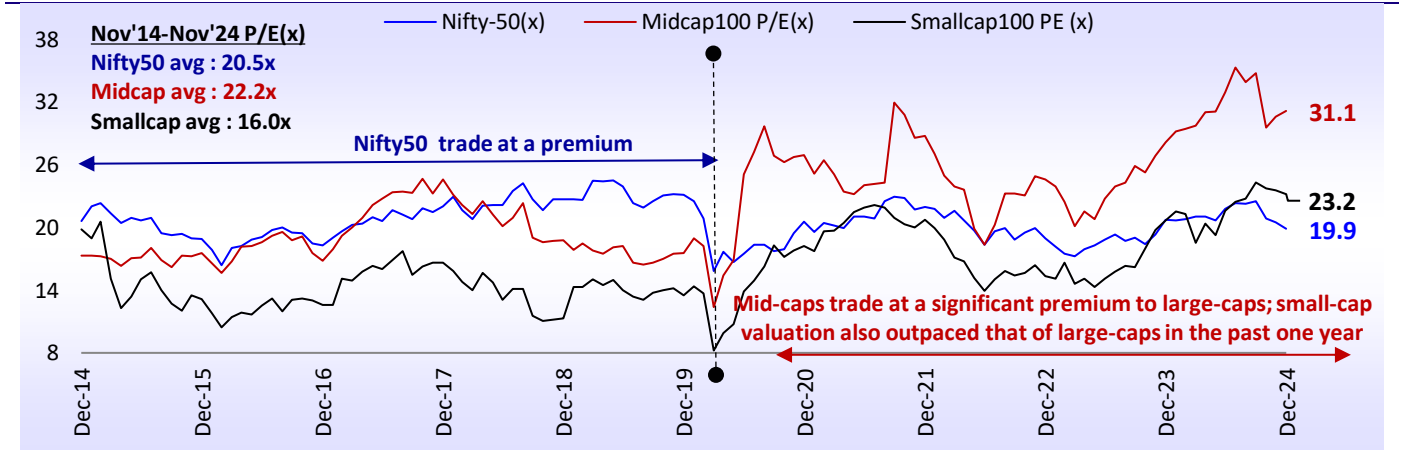
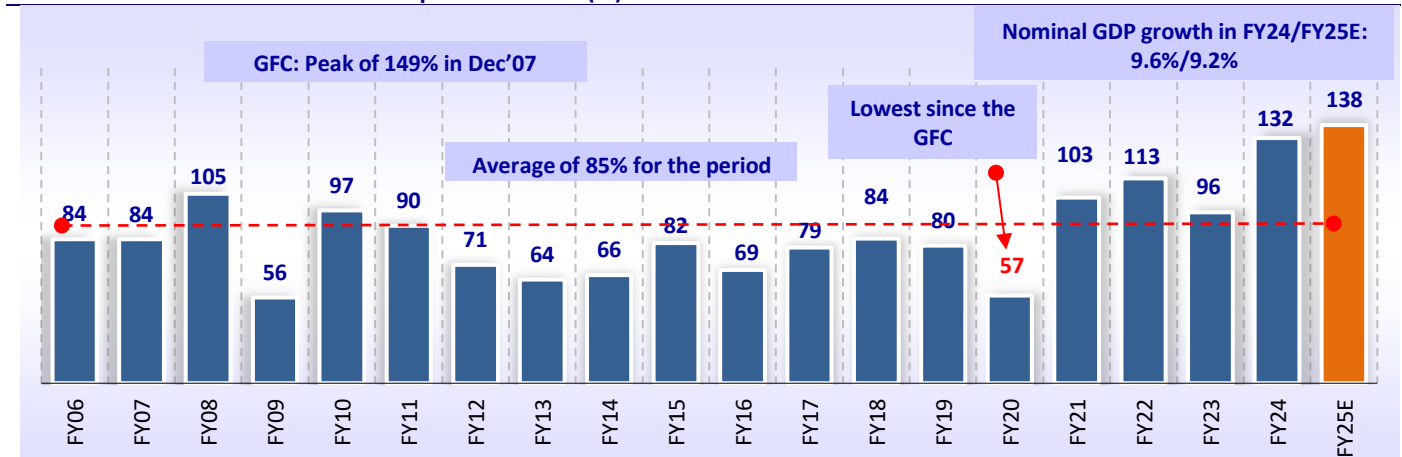


Exhibit 14: Trend in India's market-cap-to-GDP ratio (%)



3QFY25 PREVIEW

Expect BFSI to lead the incremental profit growth in 3QFY25

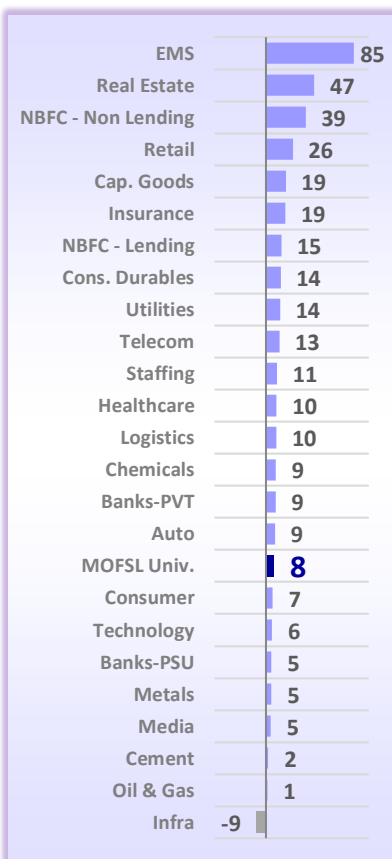
Of the 18 major sectors under MOFSL Coverage, only 7 sectors are likely to witness an expansion in EBITDA margin

Earnings to improve; commodities to drag

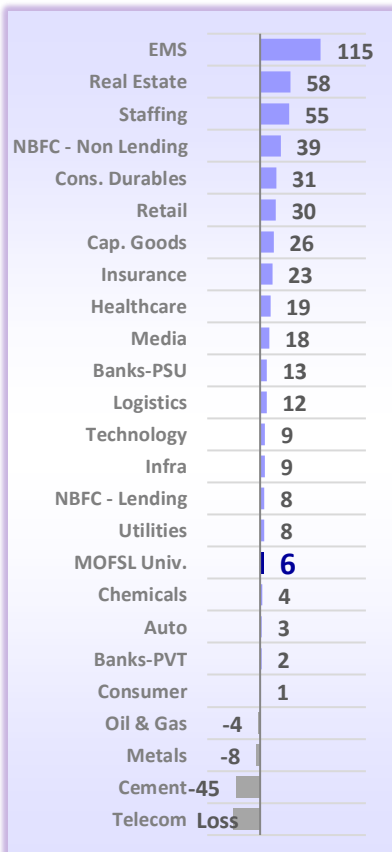
MOFSL (ex-Commodities) earnings likely to grow 10% YoY

- The **Auto** sector's earnings are likely to rise 3% YoY during the quarter. The Auto OEMs are expected to deliver just ~6% YoY volume growth in 3QFY25, despite the festive season. Revenue/EBITDA/PAT for our coverage companies (ex-JLR) are anticipated to grow ~9%/9%/6% YoY in 3Q. Given sequentially stable input costs, we expect OEMs within our coverage universe to post steady margins. For Auto Ancillaries under our coverage, we expect ~11%/3%/10% YoY growth in revenue/EBITDA/PAT during the quarter.
- **BFSI**: We expect an 8% YoY adj. earnings growth for our BFSI universe, which will be driven by Insurance (+23%), PSBs (+13%), NBFC Non-lending (+39%), NBFC-Lending (+8%), and Private Banks (+2%). We estimate the NII for our banking coverage universe to grow 7.3% YoY in 3QFY25. **For the private banks under our coverage**, we estimate PPOP growth of 10.4% YoY and PAT growth of 2.3% YoY in 3QFY25. **PSBs to report earnings growth of 13% YoY** due to lower other income and soft margins. NII is likely to inch up 5.4% YoY as the margin bias remains negative. We estimate earnings of the MOFSL Banking Universe to grow 7% YoY in 3QFY25, while the sector earnings would clock a 12.6% CAGR over FY25-27E. **NBFCs**: We estimate ~15%/15%/8% YoY growth in NII/PPoP/PAT in 3QFY25 for our NBFC coverage universe. **NBFC Non-lending**: The **Capital market** players' earnings are likely to rise 39% YoY, primarily led by exchanges and brokers, while the **Insurance** players are likely to post 23% YoY earnings growth in 3Q.
- The **Technology** sector's (IT services companies) 3QFY25 revenue growth is likely to be 6% YoY. The most important catalyst for the sector now would emerge after 3Q, when client budgets for CY25 would be finalized and the magnitude of changes in client behavior would become clearer. We expect aggregate revenue/EBIT/PAT to grow 5.8%/6.1%/8.9% YoY (all in INR terms) for our coverage universe.
- The **Capital Goods** sector's earnings are projected to rise 26% YoY during the quarter. With FY25 being an election year, order inflows were expected to be weak, but orders are anticipated to ramp up from 4QFY25. However, ordering activity has remained strong across thermal power, renewables, T&D, data centers, buildings, and factories, while it has been weak in water and railways. The defense sector's ordering activity is also likely to ramp up based on the recent approvals. Overall, we believe that despite selective order inflow improvement, the strong existing order books provide healthy revenue visibility for companies within the sector. We expect a 19% YoY growth in execution for 3QFY25. We expect margins to remain largely stable QoQ, given the benign commodity prices. As a result, we expect a ~20bp YoY expansion in EBITDA margin for our coverage universe.
- For the MOFSL **Consumer** coverage universe (ex-QSR and Jewelry), revenue/EBITDA/PAT are expected to clock 7%/2%/1% YoY growth in 3QFY25. Within our coverage universe, all segments (barring paints) are anticipated to deliver revenue/EBITDA growth YoY in 3QFY25 – staples +5%/+4%, liquor +12%/+19%, innerwear +10%/+16%, QSR +18%/+14%, and jewelry +31%/+21%. The paints segment is expected to post a decline of 1%/12% in revenue/EBITDA in 3Q.
- The **Healthcare** companies under our coverage are expected to report a healthy YoY earnings growth of 19% in 3QFY25. We expect aggregate sales to increase 10.4% YoY, aided by strong traction in domestic formulation (DF) sales and

Sectoral sales growth for the quarter-ended Dec'24 (YoY %)



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



partially aided by the US segment. EBITDA is likely to exhibit 16.8 % YoY growth, fueled by a higher share of niche launches in the US generics. PAT is likely to grow 19.4% YoY. For hospitals, we expect profitability to improve due to the addition of beds, higher volumes, and optimization of the case mix/payor mix.

- The **Metal** companies within our coverage universe are likely to record a muted revenue growth of 5% YoY, a 2% YoY decline in EBITDA, and an 8% YoY dip in PAT. We expect **ferrous** companies to report revenue growth of 3% YoY and 6% QoQ, fueled by better volumes. Considering this, we believe margins for ferrous players will remain under pressure due to weak metal prices, which will be partly offset by moderated coking coal prices. We believe **non-ferrous** players will perform better than ferrous companies. However, the rising CoP might limit earnings growth.
- The **Cement** sector's earnings are projected to decline 45% YoY. We estimate our cement coverage universe to report a volume growth of ~8% YoY in 3QFY25. Cement prices have also moved upwards, driven by MoM price hikes of ~3-5% (INR10-15/bag) in Dec'24 across regions. The all-India average cement price grew ~2% QoQ (down ~5% YoY) in 3QFY25. We estimate the average EBITDA/t for our cement coverage to decline ~28% YoY (up 28% QoQ) to INR842. The average opex/t for our coverage universe is estimated to decline ~4%/2% YoY/QoQ, led by positive operating leverage and favorable fuel prices.
- The **O&G** sector is expected to report: 1) flat YoY sales (ex-OMCs), 2) flat YoY EBITDA (ex-OMCs), and 3) a PAT decline of 4% YoY (ex-OMCs) in 3QFY25. **OMCs**: Standalone EBITDA for HPCL/BPCL/IOCL is estimated to jump, with SG GRM averaging USD5/bbl in 3Q (vs. USD3.6/bbl in 2Q). **CGD**: We estimate a YoY volume growth of 13%/4%/6% for MAHGL/IGL/GUJGA. **Upstream**: For ONGC/OINL, we expect oil sales volumes to remain flat YoY, while gas sales volumes might see a 7%/4% YoY decline. We reduce our Brent price assumption by 7% for FY26 to USD70/bbl (vs. USD75/bbl earlier), and expect Brent to average USD70/bbl in FY27 as well. The marketing margin outlook remains robust and OMCs' profitability is likely to remain strong.
- The **Power Utility** companies under our coverage universe are anticipated to report a revenue/EBITDA/adj. PAT growth of 14%/17%/8% YoY in 3QFY25. Overall, healthy growth in power demand and RE generation should drive the sector's profitability in 3QFY25E.
- The **Real Estate** companies under our coverage universe are expected to report pre-sales of INR338b, +10% YoY/+46% QoQ in 3QFY25. New launches were muted for our coverage companies, excluding DLF, GPL, BRGD, OBER, and PEPL. These companies launched key projects in NCR, MMR, Pune, and Bengaluru. Cumulative collections for our coverage companies are likely to jump 47% YoY to INR237b, implying a collection efficiency of ~70%, guided by strong executions in the absence of new launches. The cumulative revenue recognition for our coverage universe is expected at INR167b (up 47% YoY), with an EBITDA of INR47b (up 44% YoY).
- The **Chemicals** sector is projected to report an earnings growth of 4% YoY in 3QFY25 after six consecutive quarters of decline. With Brent remaining range-bound at USD70-75/bbl, chemical prices have remained subdued, as most of these prices are linked to crude oil. Additionally, a sustained increase in demand has not materialized over the past few quarters, further contributing to the lack of price movement.

- **The 3QFY25E snapshot:** We expect EBITDA/PBT/PAT to rise 9%/10%/6% YoY in 3QFY25 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/PBT/PAT for the MOFSL Universe would grow 13%/15%/10% YoY.
- The **EBITDA margins** for the Capital Goods, Consumer Durables, Healthcare, Telecom, and Utilities sectors are likely to expand, while margins for Auto, Cement, Chemicals, Consumer, EMS, Logistics, Metals, Real Estate, Retail, and Technology are anticipated to contract on a YoY basis.
- **Nifty earnings to grow 6% YoY in 3QFY25:** Ex-Commodities, the Nifty earnings are anticipated to rise ~8% YoY. Bharti Airtel, SBI, Hindalco, BPCL, ICICI Bank, and TCS are likely to drive Nifty earnings, while Coal India, JSW Steel, IndusInd Bank, Tata Steel and TATA Motors are projected to drag the same.
- **The FY25E snapshot:** The MOFSL Universe and Nifty are likely to record 4% YoY earnings growth each in FY25E. Excluding Metals and O&G, the MOFSL Universe and Nifty should post a 12% and 11% YoY earnings growth, respectively.

Exhibit 15: MOFSL and Nifty Universe to post 6% YoY earnings growth each, respectively, in 3QFY25 (INR b)

Sector	Sales	Growth (%)		EBIDTA	Growth (%)		PAT	Growth (%)		PAT	PAT	Delta
	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	INRb	Share (%)	Share (%)
PAT growth sectors	4,708	21	8	704	27	14	413	30	25	96	14	54
EMS (7)	148	85	-3	9	80	9	5	115	27	3	0	2
Real Estate (13)	167	47	19	47	44	29	34	58	22	13	1	7
Staffing (4)	122	11	2	4	10	7	3	55	28	1	0	1
Others (19)	687	23	12	145	45	59	64	42	1,739	19	2	11
NBFC - Non Lending (14)	70	39	-1	39	59	-2	32	39	-6	9	1	5
Consumer Durables (5)	172	14	3	17	22	12	12	31	11	3	0	2
Retail (21)	676	26	18	78	23	32	37	30	56	9	1	5
Capital Goods (12)	999	19	7	116	21	4	72	26	4	15	2	8
Insurance (6)	747	19	14	35	7	12	22	23	2	4	1	2
Healthcare (24)	872	10	0	203	17	-3	126	19	-2	20	4	12
Media (3)	47	5	4	11	13	8	7	18	11	1	0	1
Med/Low growth sectors	9,507	8	4	3,098	10	1	1,848	6	0	111	63	63
Banks-PSU (6)	902	5	2	605	17	-8	345	13	-12	40	12	22
Logistics (8)	164	10	5	61	8	2	36	12	7	4	1	2
Technology (12)	1,965	6	1	441	5	1	309	9	3	25	10	14
Infrastructure (3)	43	-9	19	12	-6	15	5	9	26	0	0	0
NBFC - Lending (22)	435	15	3	351	15	0	210	8	5	16	7	9
Utilities (5)	766	14	10	269	17	12	103	8	5	8	3	4
Chemicals (12)	164	9	-2	29	7	-5	16	4	-10	1	1	0
Automobiles (26)	3,260	9	7	430	3	10	251	3	10	7	8	4
Banks-Private (12)	925	9	2	693	10	1	424	2	-2	10	14	5
Consumer (20)	884	7	-1	209	2	1	150	1	5	2	5	1
PAT de-growth sectors	12,002	3	7	1,875	2	16	693	-4	21	-30	23	-17
Oil & Gas (15)	7,876	1	8	941	1	22	447	-4	21	-20	15	-11
Metals (10)	2,870	5	6	499	-2	8	222	-8	13	-19	8	-11
Cement (11)	561	2	10	78	-23	40	27	-45	19	-22	1	-13
Telecom (4)	695	13	6	357	24	10	-3	Loss	Loss	31	0	18
MOFSL Universe (294)	26,217	8	6	5,677	9	7	2,954	6	7	177	100	100
MOFSL Ex OMCs (291)	21,830	9	4	5,444	10	5	2,840	7	4	183		
MOFSL Ex Metals and O&G (269)	15,470	12	6	4,237	13	4	2,285	10	4	216		
MOFSL Ex. Financials	23,139	7	6	3,954	7	12	1,922	5	15	99		
Nifty (49)	14,611	5	4	3,633	9	6	1,969	6	3	108		
Sensex (30)	10,472	7	3	2,885	10	4	1,543	8	4	108		

Exhibit 16: Expect a two-year PBT/PAT CAGR of 16%/17% each for the MOFSL Universe (INR b)

Sector	PBT (INR b)				Growth (%)			PAT (INR b)				Growth (%)		
	Dec-22	Dec-23	Sep-24	Dec-24	YoY	Two-yr CAGR	QoQ	Dec-22	Dec-23	Sep-24	Dec-24	YoY	Two-yr CAGR	QoQ
	Automobiles (26)	178	303	303	321	6	34	6	142	244	228	251	3	33
Capital Goods (12)	70	85	103	106	25	23	3	46	57	69	72	26	26	4
Cement (11)	34	69	31	39	-43	7	26	24	50	23	27	-45	6	19
Chemicals (12)	29	20	24	21	8	-14	-10	22	15	18	16	4	-15	-10
Consumer (20)	177	194	192	199	3	6	4	132	149	144	150	1	7	5
Consumer Durables (5)	11	13	15	16	24	22	10	9	9	10	12	31	16	11
EMS (7)	2	3	8	7	125	75	-10	2	2	4	5	115	73	27
Financials (60)	1,047	1,185	1,438	1,373	16	15	-4	782	955	1,082	1,032	8	15	-5
Banks-Private (12)	448	528	564	563	7	12	0	338	414	433	424	2	12	-2
Banks-PSU (6)	352	357	539	473	33	16	-12	252	306	393	345	13	17	-12
Insurance (6)	16	19	23	24	25	22	1	16	18	22	22	23	16	2
NBFC - Lending (22)	208	253	267	273	8	15	2	160	194	201	210	8	15	5
NBFC - Non Lending (14)	22	29	45	41	41	36	-9	16	23	34	32	39	38	-6
Healthcare (24)	117	136	173	164	20	18	-6	88	105	129	126	19	19	-2
Infrastructure (3)	6	6	6	6	5	7	6	4	4	4	5	9	8	26
Logistics (8)	28	41	41	44	8	25	7	23	32	33	36	12	24	7
Media (3)	9	8	8	9	17	-1	14	6	6	6	7	18	9	11
Metals (10)	231	343	297	326	-5	19	10	133	241	197	222	-8	29	13
Oil & Gas (15)	458	645	512	636	-1	18	24	337	467	370	447	-4	15	21
Oil Ex OMCs (12)	433	484	482	484	0	6	0	312	347	350	333	-4	3	-5
Real Estate (13)	24	26	30	41	58	30	36	20	22	28	34	58	33	22
Retail (21)	36	39	31	49	28	18	60	27	29	24	37	30	18	56
Staffing (4)	2	2	2	3	41	36	26	2	2	2	3	55	23	28
Technology (12)	381	385	409	417	8	5	2	284	284	300	309	9	4	3
Telecom (4)	-37	-11	28	46	LP	LP	62	-59	-35	-17	-3	Loss	Loss	Loss
Utilities (5)	127	123	130	133	9	2	2	91	95	97	103	8	6	5
Others (19)	50	42	11	71	70	19	546	42	45	3	64	42	23	1,739
MOFSL Universe (294)	2,980	3,654	3,793	4,028	10	16	6	2,154	2,777	2,756	2,954	6	17	7
MOFSL Ex Metals and O&G (269)	2,291	2,667	2,984	3,067	15	16	3	1,685	2,069	2,189	2,285	10	16	4
MOFSL Ex OMCs (291)	2,955	3,493	3,763	3,876	11	15	3	2,129	2,657	2,735	2,840	7	16	4
Nifty (49)	2,177	2,438	2,623	2,697	11	11	3	1,563	1,861	1,903	1,969	6	12	3
Sensex (30)	1,713	1,877	2,067	2,129	13	11	3	1,209	1,436	1,480	1,543	8	13	4

Sales/PAT for the MOFSL Universe to grow 8%/6% YoY in 3QFY25

Exhibit 17: Expect sales for the MOFSL Universe to grow 8% YoY in 3QFY25

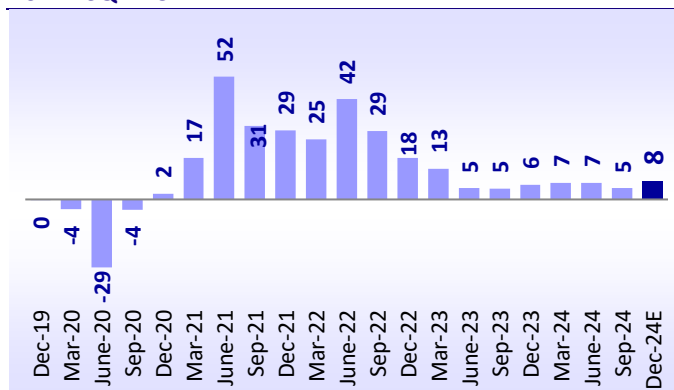


Exhibit 18: Expect MOFSL Universe earnings to grow 6% YoY in 3QFY25

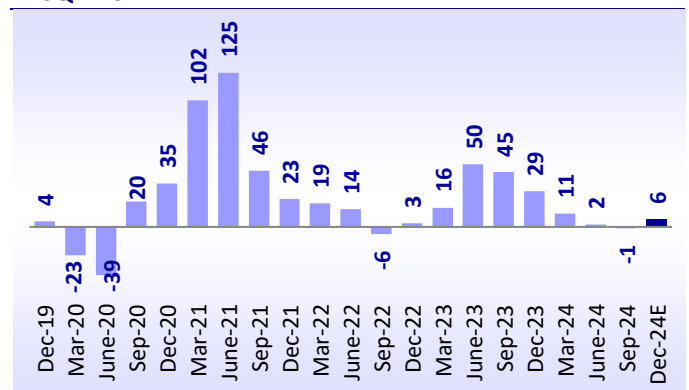
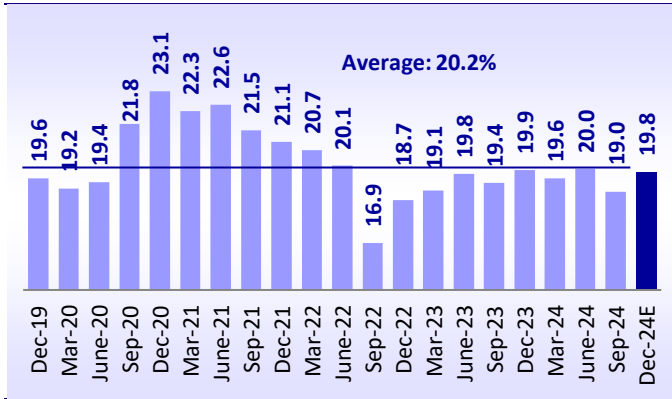
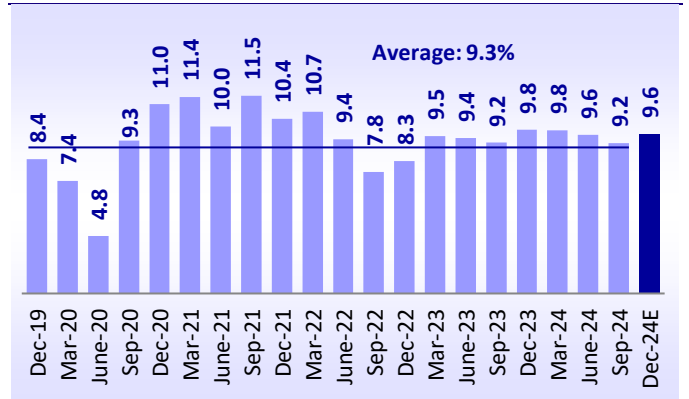


Exhibit 19: Expect EBITDA margin (ex-Financials and O&G) to decline slightly by 10bp YoY at 19.8% in 3QFY25



Source: MOFSL, excluding Financials and OMCs

Exhibit 20: Expect PAT margin to also contract 20bp YoY to 9.6% during the quarter



Source: MOFSL, excluding Financials and OMCs

Exhibit 21: PSU Banks, Telecom, Technology, and Healthcare to lead; while Cement, O&G, and Metals to drag earnings in 3QFY25

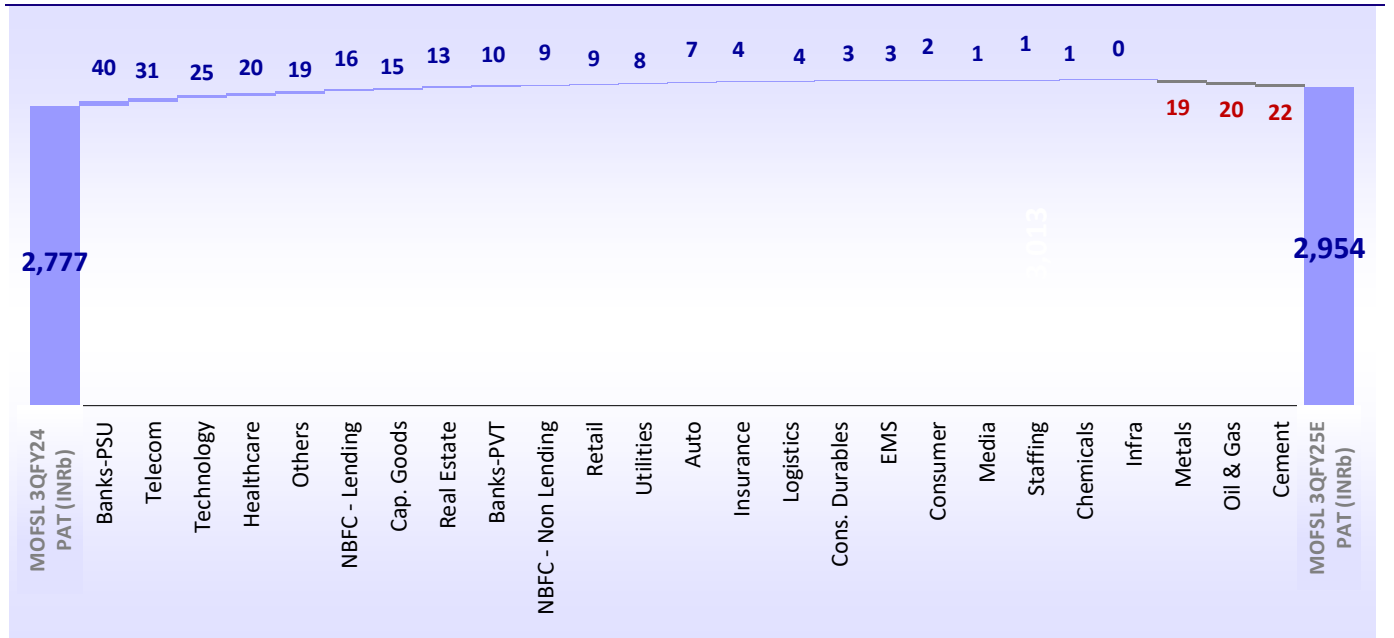


Exhibit 22: Quarterly sectoral PAT trend (INR b) – MOFSL Universe to report a 6% YoY growth in PAT in 3QFY25

Sector	Dec-21	Mar-22	June-22	Sep-22	Dec-22	Mar-23	June-23	Sep-23	Dec-23	Mar-24	June-24	Sep-24	Dec-24E
Automobiles	59	86	13	97	142	186	187	221	244	261	238	228	251
Banks-Private	258	289	266	301	338	369	363	409	414	436	427	433	424
Banks-PSU	150	152	133	226	252	300	307	294	306	379	347	393	345
Insurance	8	16	14	15	16	20	18	19	18	20	23	22	22
NBFC - Lending	132	140	128	147	160	175	177	197	194	215	204	201	210
NBFC - Non Lending	15	14	13	18	16	17	20	21	23	26	30	34	32
Capital Goods	38	63	32	41	46	69	46	58	57	88	56	69	72
Cement	33	43	43	20	24	38	44	42	50	51	34	23	27
Chemicals	18	22	25	24	22	25	20	18	15	15	16	18	16
Consumer	119	116	124	127	132	134	150	144	149	145	153	144	150
Consumer Durables	7	10	7	7	9	11	10	9	9	13	14	10	12
EMS	1	2	1	2	2	4	2	2	2	4	3	4	5
Healthcare	87	79	78	97	88	81	98	110	105	116	127	129	126
Infrastructure	3	6	8	4	4	5	5	3	4	5	4	4	5
Logistics	23	22	29	26	23	29	27	30	32	32	34	33	36
Media	8	7	8	5	6	3	6	8	6	4	6	6	7
Metals	353	414	333	139	133	242	227	191	241	212	266	197	222
Oil & Gas	418	449	244	276	337	536	632	624	467	498	371	370	447
Real Estate	21	25	15	15	20	32	18	19	22	38	29	28	34
Retail	28	18	25	22	27	16	22	22	29	19	22	24	37
Staffing	2	2	2	2	2	2	2	2	2	1	2	2	3
Technology	256	263	242	264	284	286	271	277	284	291	292	300	309
Telecom	-45	-25	-48	-42	-59	-21	-32	-43	-35	-25	-19	-17	-3
Utilities	84	117	84	84	91	102	86	83	95	107	91	97	103
Others	19	7	11	7	42	41	48	19	45	41	35	3	64
MOFSL Universe	2,094	2,336	1,829	1,924	2,154	2,702	2,753	2,782	2,777	2,994	2,804	2,756	2,954

Expect Nifty constituents' earnings to rise 6% YoY in 3QFY25

- We expect sales/EBITDA/PBT/PAT for Nifty constituents to improve 5%/9%/11%/6% YoY.
- Bharti Airtel, SBI, Hindalco, BPCL, ICICI Bank, and TCS are likely to drive Nifty earnings, while Coal India, JSW Steel, IndusInd Bank, Tata Motors, and Ultratech Cement are projected to drag the same.
- Ten Nifty companies are likely to report a PAT growth of above 20% YoY. Whereas 14 Nifty companies are expected to report a YoY decline in PAT.

Exhibit 23: Sector-wise PAT breakdown for the Nifty constituents in 3QFY25E (YoY %)

Telecom, Insurance, Retail, Cap Goods, and NBFCs are likely to lead Nifty earnings in 3QFY25

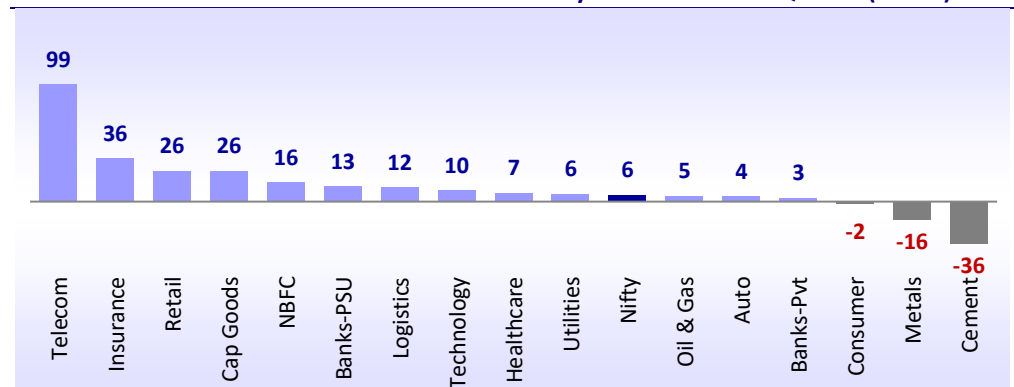


Exhibit 24: Expect Nifty's revenue to grow 5% YoY in 3QFY25

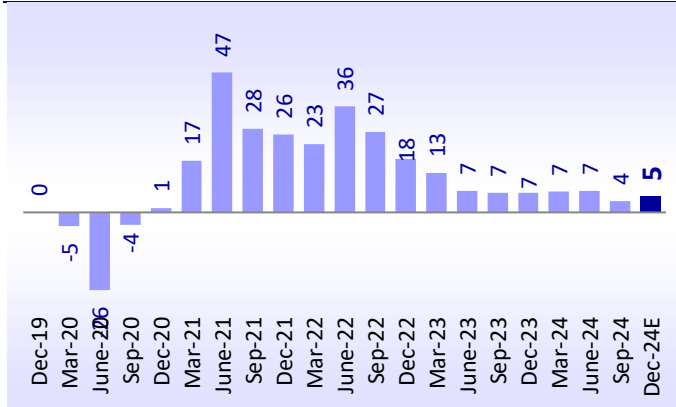


Exhibit 25: Expect Nifty's EBITDA to grow 9% YoY in 3QFY25

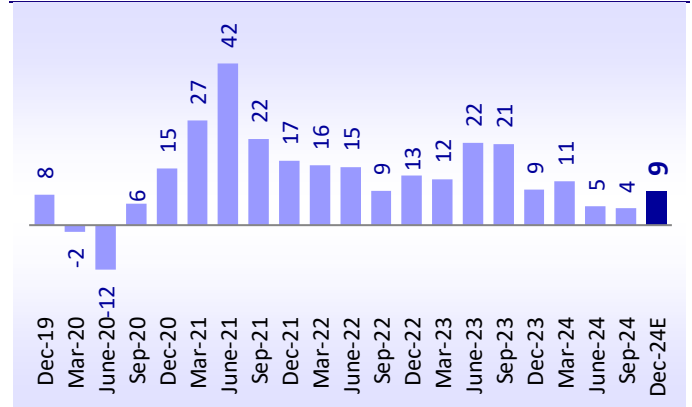


Exhibit 26: Expect Nifty's PAT to rise by 6% YoY in 3QFY25

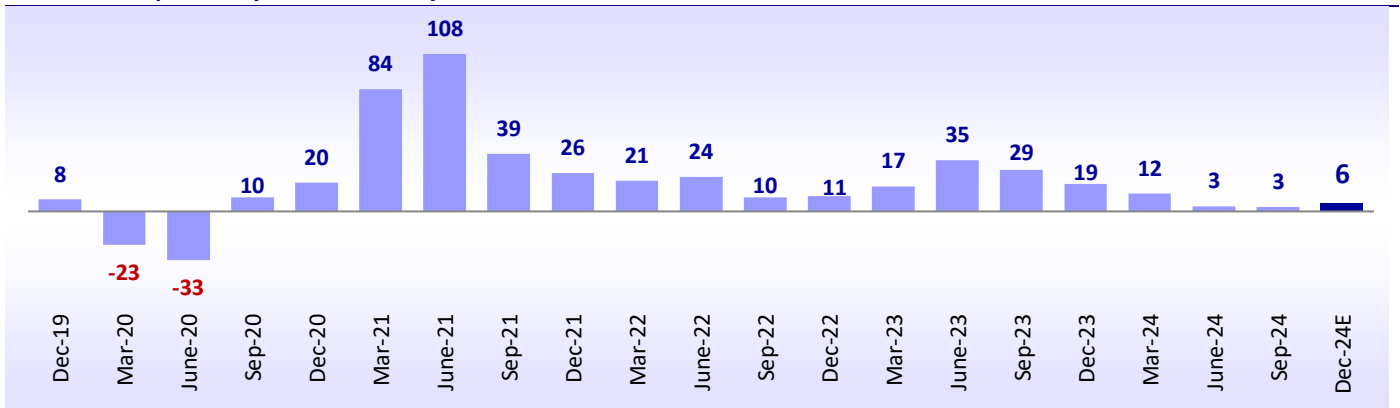


Exhibit 27: Nifty's earnings snapshot for 3QFY25 (INR b)

Company	Sector	Sales (INR b)			EBIDTA (INR b)			PAT (INR b)			Contribution to PAT	
		Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	(%)	growth (%)
Bajaj Auto	Automobiles	130	7.5	-0.8	26	6.3	-2.6	22	6.1	-2.3	1.1	0.1
Eicher Motors	Automobiles	50	20.5	18.2	13	20.0	20.3	11	12.3	1.7	0.6	0.1
Hero MotoCorp	Automobiles	101	4.2	-3.2	14	-3.1	-6.2	11	-5.5	-7.4	0.6	0.0
Mahindra & Mahindra	Automobiles	312	23.5	13.4	44	37.4	12.6	32	30.3	-16.7	1.6	0.4
Maruti Suzuki	Automobiles	385	15.6	3.5	44	12.1	-0.8	35	11.2	-5.2	1.8	0.2
Tata Motors	Automobiles	1,150	4.0	13.3	147	-3.8	25.7	66	-7.7	96.0	3.3	-0.3
Axis Bank	Banks-Private	137	9.0	1.3	103	12.7	-3.9	64	5.2	-7.6	3.2	0.2
HDFC Bank	Banks-Private	303	6.5	0.7	248	4.7	0.2	166	1.7	-1.0	8.5	0.2
ICICI Bank	Banks-Private	207	10.9	3.3	167	13.5	-0.1	114	11.2	-2.8	5.8	0.7
IndusInd Bank	Banks-Private	53	-0.3	-1.2	36	-10.8	0.1	14	-37.6	7.9	0.7	-0.5
Kotak Mahindra Bank	Banks-Private	71	8.9	1.7	52	14.6	2.6	34	12.4	1.0	1.7	0.2
State Bank	Banks-PSU	423	6.2	1.6	270	33.0	-7.7	162	13	-11.4	8.2	1.1
HDFC Life Insur.	Insurance	183	20.1	10.4	10	13.0	3.1	4	18.8	0.2	0.2	0.0
SBI Life Insurance	Insurance	259	15.3	26.9	18	6.5	23.4	5	56.1	-5.1	0.3	0.1
Bajaj Finance	NBFC - Lending	93	21.9	5.6	77	24.6	4.7	41	12.9	2.3	2.1	0.3
Bajaj Finserv	NBFC - Lending	291	20.0	5.3	82	22.3	3.6	26	21.9	26.0	1.3	0.3
Shriram Finance	NBFC - Lending	57	15.2	3.5	41	11.7	3.5	21	15.8	1.7	1.1	0.2
Bharat Electronics	Capital Goods	50	20.1	8.4	12	18.3	-10.6	10	15.4	-5.6	0.5	0.1
Larsen & Toubro	Capital Goods	664	20.4	7.8	69	20.3	8.9	38	28.7	11.7	1.9	0.5
Grasim Industries	Cement	83	29.7	8.9	5	-11.0	42.9	0	-99.4	-99.8	0.0	-0.1
Ultratech Cement	Cement	170	1.7	8.9	28	-14.4	38.0	13	-27.3	57.5	0.7	-0.3
Asian Paints	Consumer	86	-5.0	7.7	16	-21.1	30.8	12	-20.7	33.9	0.6	-0.2
Britannia	Consumer	46	7.0	-2.4	8	-1.8	2.9	6	0.0	5.1	0.3	0.0
Hind. Unilever	Consumer	161	3.1	0.8	38	4.7	1.2	27	6.9	4.0	1.4	0.1
ITC	Consumer	192	6.7	-7.3	68	4.8	0.8	53	-0.9	6.0	2.7	0.0
Nestle	Consumer	48	5.4	-5.0	12	3.5	-1.7	8	1.2	5.3	0.4	0.0
Tata Consumer	Consumer	44	16.0	4.7	6	-3.6	-11.9	3	-3.3	-12.7	0.2	0.0
Apollo Hospitals	Healthcare	55	12.4	-2.5	8	23.4	-7.1	3	40.7	-8.9	0.2	0.1
Cipla	Healthcare	70	5.5	-1.2	18	1.7	-5.8	12	-0.9	-8.9	0.6	0.0
Dr Reddy's Labs	Healthcare	80	11.2	0.1	21	1.6	-6.4	12	-13.7	-12.5	0.6	-0.1
Sun Pharma	Healthcare	134	10.1	0.9	36	15.1	-4.9	30	19.7	1.1	1.5	0.3
Adani Ports	Logistics	75	8.3	6.1	44	4.9	0.5	26	11.8	6.9	1.3	0.2
Coal India	Metals	367	1.6	19.7	104	-13.0	45.2	84	-17.6	32.8	4.2	-1.0
Hindalco	Metals	595	12.7	2.3	77	30.8	-2.7	38	61.6	-11.8	1.9	0.8
JSW Steel	Metals	421	0.4	6.2	51	-29.5	-6.8	8	-64.1	34.5	0.4	-0.9
Tata Steel	Metals	523	-5.5	-3.0	45	-27.7	-18.0	2	-77.1	-57.0	0.1	-0.4
BPCL	Oil & Gas	1,014	-12.2	-1.4	81	28.6	77.6	48	41.3	100.3	2.4	0.8
ONGC	Oil & Gas	321	-7.8	-5.3	187	9.0	2.6	95	-4.4	-21.1	4.8	-0.3
Reliance Inds.	Oil & Gas	2,308	2.5	-0.3	421	3.5	7.8	177	2.7	7.0	9.0	0.3
Titan Company	Retail	184	29.9	26.6	19	18.5	21.5	12	15.5	30.7	0.6	0.1
Trent	Retail	46	40.0	14.9	9	39.9	36.1	5	58.6	28.7	0.3	0.1
HCL Technologies	Technology	300	5.3	3.8	68	1.2	6.2	45	4.1	7.0	2.3	0.1
Infosys	Technology	414	6.7	1.1	98	6.7	0.0	68	12.0	5.1	3.5	0.4
TCS	Technology	645	6.4	0.3	171	4.3	2.0	127	8.1	6.4	6.5	0.6
Tech Mahindra	Technology	132	0.7	-0.9	17	26.6	-2.0	10	43.1	-17.7	0.5	0.2
Wipro	Technology	222	-0.2	-0.7	45	5.7	-2.3	30	9.7	-7.9	1.5	0.2
Bharti Airtel	Telecom	445	17.5	7.3	246	24.0	12.5	50	98.7	26.6	2.5	1.4
NTPC	Utilities	397	0.7	-1.5	117	17.8	21.0	48	9.9	13.9	2.4	0.3
Power Grid Corp.	Utilities	114	7.1	11.4	99	5.3	12.6	40	2.3	13.1	2.0	0.1
Nifty Universe		14,611	5.4	3.6	3,633	8.6	5.6	1,969	5.8	3.4	100	6

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

Exhibit 28: Expect 12% PAT CAGR for the MOFSL Universe over FY24-26

Sector	Sales CAGR (%)	EBIDTA CAGR (%)	PAT (INR b)				PAT Grw / CAGR (%)				PAT Delta (INR b)	PAT Delta Share (%)	
	(FY24-26)	(FY24-26)	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	(FY24-26)	(FY24-26E)	(FY24-26)
High PAT CAGR (>25%)	13	20	1,370	1,741	2,564	3,183	18	27	47	24	37	1,195	40
Telecom (4)	13	17	-134	-11	54	184	Loss	Loss	LP	244	LP	188	6
EMS (7)	53	52	11	20	29	41	27	87	45	42	65	18	1
Others (19)	16	26	142	144	287	384	150	2	100	34	42	145	5
Staffing (4)	12	19	7	10	13	16	-3	45	33	20	39	6	0
Real Estate (13)	24	34	97	128	180	195	19	32	41	8	36	83	3
Metals (10)	9	20	871	987	1,412	1,642	0	13	43	16	27	542	18
Retail (21)	19	20	93	109	147	187	5	17	35	27	26	55	2
Consumer Durables (5)	16	22	42	52	65	81	23	25	25	24	25	23	1
Capital Goods (12)	16	21	243	303	377	453	32	25	24	20	25	134	4
Medium PAT CAGR (10-25%)	10	13	7,445	8,306	9,487	10,884	23	12	14	15	13	2,043	69
Infrastructure (3)	7	11	17	19	26	32	-12	10	38	20	23	9	0
Logistics (8)	14	16	121	142	176	212	12	17	24	21	21	55	2
Healthcare (24)	12	17	429	519	624	703	25	21	20	13	21	194	7
Chemicals (12)	11	15	68	70	93	114	-29	2	34	22	17	25	1
Financials (64)	11	14	4,333	4,880	5,548	6,456	23	13	14	16	13	1,216	41
Banks-PVT (12)	12	12	1,667	1,781	2,026	2,361	27	7	14	17	10	359	12
Banks-PSU (6)	7	13	1,294	1,561	1,700	1,943	34	21	9	14	15	406	14
Insurance (7)	10	16	481	517	555	617	12	7	7	11	7	74	2
NBFC - Lending (25)	19	19	797	893	1,111	1,348	5	12	24	21	18	315	11
NBFC - Non Lending (14)	28	36	94	128	156	188	45	36	22	20	29	62	2
Media (3)	4	7	24	23	30	36	17	-4	31	17	12	6	0
Utilities (5)	9	12	420	441	517	553	12	5	17	7	11	98	3
Technology (12)	7	10	1,117	1,220	1,374	1,521	4	9	13	11	11	257	9
Auto (26)	9	9	915	992	1,098	1,256	88	8	11	14	10	183	6
Low PAT CAGR (<10%)	0	-1	3,250	2,462	2,993	3,307	59	-24	22	10	-4	-258	-9
Consumer (20)	8	7	592	601	686	764	16	2	14	11	8	94	3
Cement (11)	8	11	233	179	260	327	30	-23	45	26	5	26	1
Oil & Gas (15)	-1	-4	2,425	1,682	2,047	2,216	80	-31	22	8	-8	-378	-13
Ex OMCs (12)	-1	6	1,589	1,413	1,732	1,889	21	-11	23	9	4	143	5
MOFSL (298)	7	11	12,065	12,509	15,044	17,373	30	4	20	15	12	2,979	100
MOFSL Ex OMCs (295)	9	13	11,228	12,241	14,728	17,047	22	9	20	16	15	3,500	NA
Nifty (50)	6	11	7,914	8,257	9,646	11,005	26	4	17	14	10	1,731	NA
Sensex (30)	8	13	5,837	6,363	7,409	8,605	21	9	16	16	13	1,573	NA

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

Exhibit 29: Upgrades/downgrades for Nifty-50 vs. 2QFY25 review

(INR)	Current EPS (INR)			EPS UPGRADE/ DOWNGRADE (%)		EPS GROWTH (%)		
	FY24	FY25E	FY26E	FY25E	FY26E	FY24	FY25E	FY26E
Mahindra & Mahindra	88.7	101.3	120.6	1.5	3.8	34.0	14.1	19.2
SBI Life Insurance	18.9	25.1	25.7	5.2	3.7	9.9	32.6	2.4
Power Grid Corp.	16.7	18.5	19.1	5.4	3.6	1.0	10.4	3.3
Maruti Suzuki	429.0	472.2	517.7	6.2	3.4	56.8	10.1	9.6
Eicher Motors	146.3	160.2	175.8	0.9	2.6	37.3	9.5	9.7
Infosys	63.3	63.5	71.5	0.2	0.6	10.0	0.4	12.6
JSW Steel	36.8	19.8	68.2	-37.3	0.6	148.7	-46.3	244.7
NTPC	21.5	20.6	25.8	-4.5	0.5	23.1	-3.8	25.0
Wipro	10.2	11.5	12.3	1.3	0.3	-1.5	12.4	7.0
Grasim Industries	95.6	79.5	100.6	-3.1	0.1	-2.9	-16.9	26.6
Shriram Finance	191.3	224.9	264.9	0.7	0.1	19.8	17.5	17.8
Hindalco	45.7	68.9	63.1	0.7	0.0	0.8	51.0	-8.4
Apollo Hospitals	62.4	97.4	126.3	0.0	0.0	29.6	56.0	29.7
Larsen & Toubro	94.5	111.1	137.2	0.0	0.0	24.5	17.6	23.4
Bharat Electronics	5.5	6.7	8.2	0.0	0.0	33.7	21.0	22.7
Sun Pharma	41.4	49.3	59.3	0.0	0.0	15.8	19.0	20.2
Hind. Unilever	43.7	44.8	51.0	-1.1	0.0	0.7	2.6	13.8
Coal India	60.7	56.7	67.4	0.0	0.0	17.8	-6.5	18.8
State Bank	75.2	89.1	98.7	-0.2	-0.1	20.6	18.5	10.8
HCL Technologies	57.9	63.3	71.9	-0.7	-0.1	5.6	9.4	13.5
ITC	16.4	16.7	18.2	0.1	-0.2	9.0	2.0	8.9
Cipla	52.5	57.1	62.6	0.5	-0.2	39.0	8.8	9.6
Bajaj Finance	233.7	264.5	342.9	-0.8	-0.3	22.8	13.2	29.6
BPCL	63.3	28.2	26.1	31.6	-0.4	1271.9	-55.5	-7.5
Titan Company	39.3	42.6	53.4	-1.0	-0.5	6.8	8.5	25.3
ONGC	46.3	38.7	46.5	-5.0	-0.5	44.9	-16.4	20.0
Ultratech Cement	244.5	214.9	311.8	1.4	-0.6	39.4	-12.1	45.1
Nestle	41.0	33.8	38.3	-0.6	-0.8	62.5	-17.6	13.2
ICICI Bank	58.4	65.6	72.4	0.3	-1.1	27.5	12.4	10.4
HDFC Bank	80.0	87.9	98.8	-0.3	-1.3	1.0	9.8	12.4
Trent	29.2	47.0	65.0	-1.7	-1.5	162.5	60.7	38.4
Dr Reddy's Labs	63.4	64.3	78.3	-7.2	-1.7	29.6	1.4	21.8
Britannia	88.7	91.3	105.0	-2.4	-1.9	10.1	2.9	15.0
HDFC Life Insur.	7.3	8.4	9.3	1.8	-2.0	15.3	15.2	10.6
Adani Ports	41.3	49.1	59.2	-3.4	-2.1	16.5	18.9	20.8
Kotak Mahindra Bank	91.6	93.9	106.0	-1.7	-2.4	21.9	2.5	12.9
TCS	126.3	139.0	153.0	-1.4	-2.4	9.5	10.1	10.1
Tata Steel	2.7	3.8	11.9	-33.3	-2.5	-61.8	41.1	210.7
Tech Mahindra	41.1	47.8	62.1	-0.1	-2.5	-28.2	16.3	29.9
Tata Consumer	14.3	14.8	19.0	-7.6	-2.9	26.1	2.9	28.5
Hero MotoCorp	204.6	227.6	240.3	0.1	-3.6	40.5	11.3	5.6
Axis Bank	80.7	85.4	94.2	0.4	-4.1	14.9	5.9	10.2
Asian Paints	57.9	46.2	52.5	-2.6	-4.8	30.9	-20.2	13.6
Tata Motors	58.7	65.6	59.5	2.9	-5.5	2628.0	11.7	-9.3
Reliance Inds.	51.4	49.5	61.2	2.3	-5.6	4.4	-3.9	23.7
Bharti Airtel	19.7	34.8	41.1	-3.0	-9.5	36.7	76.9	18.2
IndusInd Bank	115.5	84.5	112.3	-10.9	-12.4	20.3	-26.9	33.0
Bajaj Auto	276.1	292.3	337.1	-3.2	-13.1	28.9	5.9	15.3
Nifty (50)	1,005	1,050	1,220	-0.6	-1.7	24.1	4.5	16.1

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

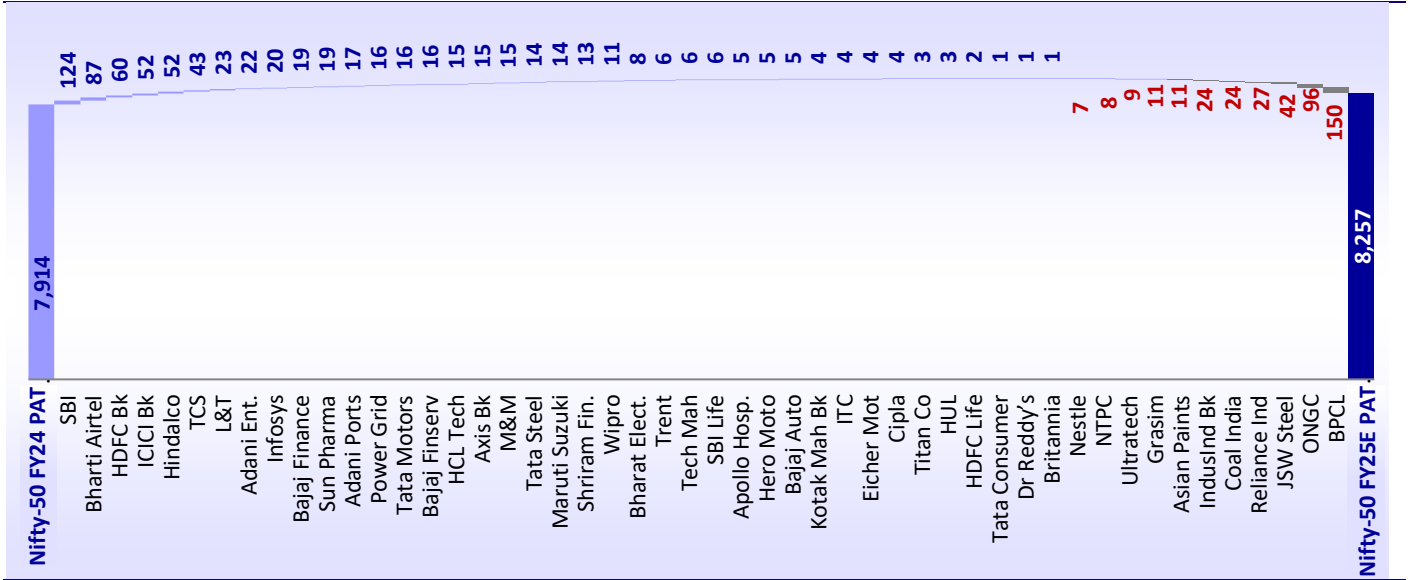


Exhibit 31: Absolute change in FY26E PAT for Nifty constituents (INR b)

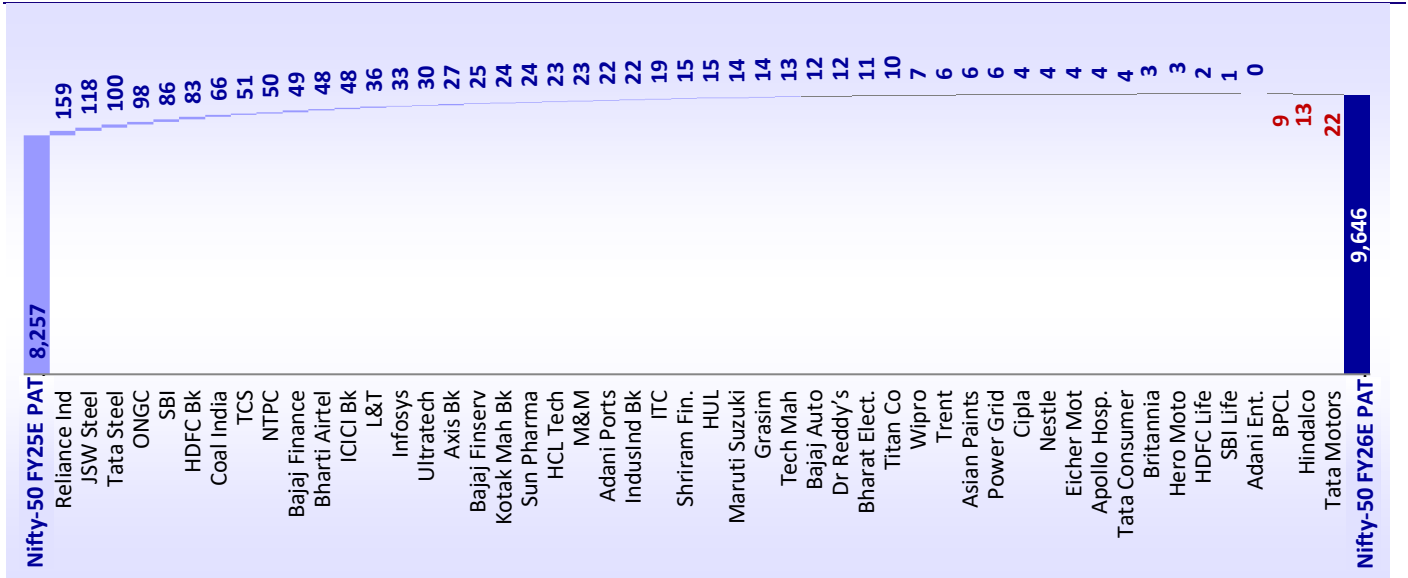


Exhibit 32: Nifty performance – Expect FF PAT CAGR (FY24-26E) at 11%

Company	Sales CAGR % 24-26	EBIDTA Margin (%)			EBITDA CAGR % 24-26	PAT (INR b)				PAT CAGR % 24-26	Contbn to Delta %
		FY25E	FY26E	FY27E		FY24	FY25E	FY26E	FY27E		
High PAT Growth (20%+)	12	25	26	28	21	912	1,114	1,570	1,979	31	38
Tata Steel	6	11	15	17	29	34	48	148	222	109	7
Trent	37	16	16	17	40	10	17	23	32	49	1
Bharti Airtel	17	55	56	56	21	113	200	248	346	48	8
Apollo Hospitals	15	14	14	14	22	9	14	18	24	42	1
JSW Steel	11	13	19	19	20	90	48	166	209	36	4
Adani Enterprises	3	13	13	13	12	35	57	57	57	28	1
Tech Mahindra	3	13	16	16	23	36	42	55	62	23	1
Bajaj Finserv	32	67	61	58	20	81	98	122	147	23	2
Bharat Electronics	19	25	25	25	20	40	49	60	72	22	1
Bajaj Finance	26	82	80	79	26	144	164	212	273	21	4
Larsen & Toubro	15	11	11	11	18	130	153	189	220	20	3
Adani Ports	13	60	61	61	14	89	106	128	153	20	2
Sun Pharma	10	27	29	29	16	100	119	143	162	20	2
Med. PAT Growth (0-20%)	5	26	28	29	10	6,322	6,639	7,571	8,465	9	72
Shriram Finance	21	74	74	75	20	72	85	100	120	18	2
Hindalco	7	13	11	12	9	101	153	140	164	18	2
Tata Consumer	11	14	14	14	10	14	15	19	21	17	0
Mahindra & Mahindra	15	14	14	14	19	106	121	145	169	17	2
Titan Company	18	10	10	10	17	35	38	48	57	17	1
SBI Life Insurance	15	6	7	7	13	19	25	26	29	17	0
State Bank	7	67	67	68	19	671	795	881	1,035	15	12
Ultratech Cement	10	17	20	21	15	71	62	92	115	14	1
HDFC Life Insur.	16	6	6	6	18	16	18	20	22	13	0
HCL Technologies	8	22	22	22	9	157	172	196	216	12	2
ICICI Bank	11	82	82	83	14	409	461	509	579	12	6
Dr Reddy's Labs	15	27	28	25	14	53	54	65	57	11	1
HDFC Bank	11	82	83	85	9	608	668	751	855	11	8
Bajaj Auto	13	20	20	20	14	77	82	94	108	10	1
Infosys	8	23	24	25	9	243	264	297	333	10	3
Maruti Suzuki	9	13	14	14	11	135	148	163	182	10	2
NTPC	7	29	32	33	14	208	200	250	271	10	2
Eicher Motors	10	27	26	26	9	40	44	48	53	10	0
TCS	7	27	28	28	9	462	505	556	607	10	5
Cipla	8	25	25	25	9	42	46	51	53	9	0
Reliance Inds.	2	18	20	21	9	696	669	828	939	9	8
Britannia	8	18	18	18	6	21	22	25	28	9	0
Hero MotoCorp	8	14	14	14	8	41	46	48	52	8	0
Axis Bank	10	77	79	80	13	249	264	291	335	8	2
Hind. Unilever	6	24	24	24	7	103	105	120	132	8	1
Wipro	2	20	20	20	6	110	121	129	136	8	1
Kotak Mahindra Bank	11	75	74	75	10	182	187	211	251	8	2
Power Grid Corp.	6	86	85	83	5	156	172	178	187	7	1
ITC	9	35	36	36	7	205	209	228	247	5	1
Coal India	9	34	35	35	11	374	350	415	435	5	2
Grasim Industries	17	5	8	9	11	63	52	66	78	3	0
ONGC	-7	16	20	20	2	583	487	585	597	0	0
PAT de-growth (<0%)	-1	12	12	13	-7	680	504	505	561	-14	-10
IndusInd Bank	10	69	71	72	5	90	66	87	111	-1	0
Tata Motors	6	13	13	13	3	225	241	219	238	-1	0
Nestle	-4	24	25	25	-3	40	33	37	42	-3	0
Asian Paints	4	18	19	19	-3	56	44	50	57	-5	0
BPCL	-11	6	6	6	-30	271	120	111	114	-36	-9
Nifty (PAT free float)	6	24	26	26	11	4,459	4,718	5,479	6,282	11	100

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Sectors & Companies

BSE Sensex: 78,199

Nifty 50: 23,703

January 2025

MOFSL Universe: 3QFY25 Highlights & Ready Reckoner

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 January 2025, unless otherwise stated.**

MOFSL Universe: 3QFY25 aggregate performance highlights

Exhibit 33: Quarterly Performance - MOFSL Universe (INR b)

Sector (Nos of Cos)	Sales			EBITDA			PAT		
	Dec-24	Var. % YoY	Var. % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Automobiles (26)	3,260	8.6	7.0	430	3.1	9.9	251	2.7	9.9
Capital Goods (12)	999	19.3	7.1	116	21.4	4.0	72	25.9	4.0
Cement (11)	561	2.3	9.9	78	-23.0	39.8	27	-45.4	19.5
Chemicals (12)	164	9.4	-2.4	29	7.2	-4.6	16	4.0	-10.0
Consumer (20)	884	6.5	-0.7	209	2.5	1.3	150	1.1	4.6
Consumer Durables (5)	172	14.3	2.8	17	22.0	12.2	12	30.7	11.4
EMS (7)	148	85.4	-3.5	9	79.7	8.7	5	114.8	27.1
Financials (60)	3,079	11.5	4.6	1,723	14.2	-2.7	1,032	8.1	-4.6
Banks-Private (12)	925	9.3	1.6	693	10.4	0.6	424	2.3	-2.2
Banks-PSU (6)	902	5.4	2.1	605	16.7	-8.4	345	12.9	-12.2
Insurance (6)	747	18.8	14.0	35	6.9	12.4	22	23.2	1.9
NBFC - Lending (22)	435	14.9	2.6	351	14.8	0.1	210	8.1	4.6
NBFC - Non Lending (14)	70	38.5	-0.6	39	59.2	-2.3	32	39.0	-6.2
Healthcare (24)	872	10.4	0.1	203	16.8	-2.7	126	19.4	-2.4
Infrastructure (3)	43	-9.1	19.2	12	-6.0	14.5	5	8.9	26.4
Logistics (8)	164	10.0	5.4	61	8.0	1.9	36	12.3	7.0
Media (3)	47	4.6	3.5	11	13.2	7.5	7	17.6	11.2
Metals (10)	2,870	5.2	5.7	499	-2.4	7.5	222	-7.9	12.5
Oil & Gas (15)	7,876	1.3	7.8	941	1.2	21.8	447	-4.2	20.9
Oil Ex OMCs (12)	3,489	-0.9	-1.5	708	2.6	7.0	333	-4.0	-4.7
Real Estate (13)	167	47.1	19.4	47	44.0	29.0	34	57.6	22.2
Retail (21)	676	26.1	18.2	78	22.6	31.8	37	29.7	55.5
Staffing (4)	122	10.7	2.1	4	10.3	6.6	3	55.2	27.5
Technology (12)	1,965	5.8	1.1	441	5.2	1.3	309	8.9	3.0
Telecom (4)	695	13.1	5.8	357	23.5	10.2	-3	Loss	Loss
Utilities (5)	766	13.6	10.0	269	17.0	11.9	103	8.0	5.4
Others (19)	687	23.0	11.5	145	44.8	59.4	64	42.0	1,738.5
MOFSL Universe (294)	26,217	7.6	6.2	5,677	9.1	7.0	2,954	6.4	7.2
Nifty (49)	14,611	5.4	3.6	3,633	8.6	5.6	1,969	5.8	3.4
Sensex (30)	10,472	7.1	3.5	2,885	9.8	4.4	1,543	7.5	4.3

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

Exhibit 34: Quarter-wise sales growth (% YoY)

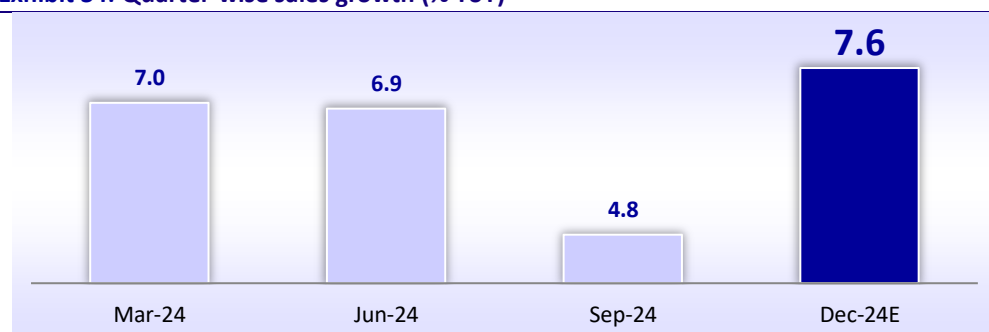
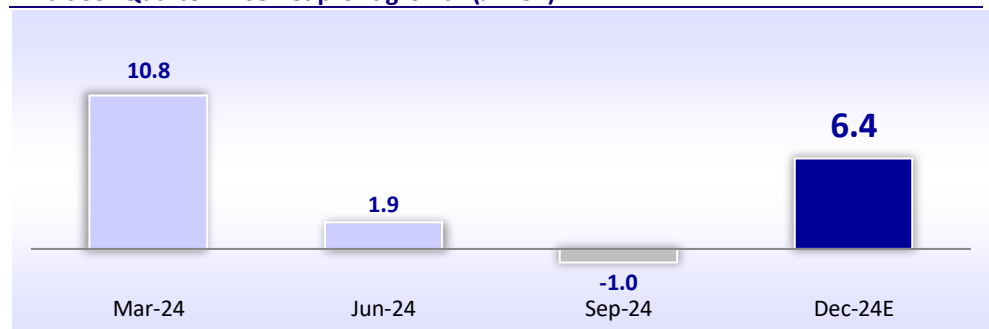


Exhibit 35: Quarter-wise net profit growth (% YoY)



Annual performance - MOFSL universe (INR b)

Sector	Sales (INR b)			Chg. YoY (%)			EBIDTA (INR b)			Chg. YoY (%)			PAT (INR b)			Chg. YoY (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Auto (26)	12,970	14,435	16,037	7.2	11.3	11.1	1,761	1,968	2,211	6.1	11.8	12.3	992	1,098	1,256	8.4	10.7	14.4
Capital Goods (12)	4,004	4,583	5,268	18.3	14.4	14.9	478	572	666	22.5	19.6	16.4	303	377	453	24.8	24.3	20.3
Cement (11)	2,306	2,661	2,966	1.8	15.4	11.5	335	464	564	-11.7	38.6	21.4	179	260	327	-23.4	45.1	26.0
Chemicals (12)	677	770	867	9.2	13.8	12.6	124	158	186	4.7	27.4	17.7	70	93	114	2.0	33.8	21.8
Consumer (20)	3,567	3,929	4,321	5.5	10.2	10.0	848	949	1,053	2.9	11.9	10.9	601	686	764	1.6	14.0	11.4
Consumer Durables (5)	746	861	990	16.9	15.4	14.9	73	90	112	19.2	24.0	23.6	52	65	81	25.0	24.8	24.3
EMS (7)	583	745	918	82.4	27.8	23.1	35	47	63	69.6	36.7	33.3	20	29	41	87.3	45.0	42.3
Financials (64)	17,548	19,532	22,069	11.0	11.3	13.0	7,165	8,161	9,527	14.5	13.9	16.7	4,880	5,548	6,456	12.6	13.7	16.4
Banks-PVT (12)	3,684	4,148	4,798	11.4	12.6	15.7	2,764	3,145	3,678	10.2	13.8	16.9	1,781	2,026	2,361	6.9	13.8	16.5
Banks-PSU (6)	3,588	3,899	4,379	5.2	8.7	12.3	2,530	2,755	3,133	16.5	8.9	13.8	1,561	1,700	1,943	20.7	8.9	14.3
Insurance (7)	8,160	8,945	9,842	11.4	9.6	10.0	241	296	345	9.6	23.2	16.5	517	555	617	7.5	7.3	11.1
NBFC - Lending (25)	1,832	2,203	2,654	17.7	20.2	20.5	1,475	1,775	2,143	17.5	20.3	20.7	893	1,111	1,348	12.0	24.5	21.3
NBFC-Non Lending (14)	284	336	396	39.4	18.3	17.8	156	189	228	52.6	21.6	20.6	128	156	188	36.3	21.8	20.4
Healthcare (24)	3,480	3,911	4,335	10.9	12.4	10.8	830	967	1,069	18.5	16.5	10.5	519	624	703	20.8	20.2	12.8
Infrastructure (3)	179	216	252	-5.9	20.6	16.7	50	62	73	-2.0	25.1	18.1	19	26	32	10.4	37.9	20.4
Logistics (8)	643	757	896	10.8	17.7	18.3	241	287	336	12.1	19.2	17.2	142	176	212	17.1	24.1	20.5
Media (3)	184	206	224	-2.6	11.8	8.8	40	48	54	-5.7	20.3	12.9	23	30	36	-3.8	30.7	16.9
Metals (10)	11,534	13,276	14,322	3.3	15.1	7.9	2,097	2,700	3,012	11.3	28.7	11.6	987	1,412	1,642	13.3	43.1	16.3
Oil & Gas (15)	35,396	34,824	35,843	-0.2	-1.6	2.9	3,691	4,297	4,619	-20.2	16.4	7.5	1,682	2,047	2,216	-30.6	21.7	8.2
Ex OMCs (12)	18,822	18,557	19,478	-0.4	-1.4	5.0	3,003	3,537	3,825	-5.1	17.8	8.1	1,413	1,732	1,889	-11.0	22.5	9.1
Real Estate (13)	625	753	865	27.6	20.4	14.9	174	243	269	28.9	39.3	10.5	128	180	195	31.7	40.7	8.1
Retail (21)	2,402	2,841	3,340	19.4	18.3	17.5	262	322	386	16.8	22.7	20.0	109	147	187	17.2	35.5	27.0
Staffing (4)	479	545	621	11.2	13.8	13.8	17	21	25	15.5	22.6	17.8	10	13	16	45.4	32.7	19.7
Technology (12)	7,795	8,472	9,219	6.0	8.7	8.8	1,746	1,977	2,178	6.5	13.2	10.2	1,220	1,374	1,521	9.2	12.6	10.7
Telecom (4)	2,701	3,102	3,452	11.5	14.8	11.3	1,390	1,562	1,743	21.7	12.4	11.6	-11	54	184	Loss	LP	243.6
Utilities (5)	3,282	3,551	3,767	10.4	8.2	6.1	1,176	1,325	1,434	11.3	12.7	8.2	441	517	553	5.1	17.4	6.9
Others (19)	2,590	3,051	3,559	14.1	17.8	16.7	448	590	749	21.2	31.6	27.0	144	287	384	1.6	99.5	33.9
MOFSL (298)	1,13,692	1,23,021	1,34,131	6.0	8.2	9.0	22,981	26,811	30,328	5.4	16.7	13.1	12,509	15,044	17,373	3.7	20.3	15.5
MOFSL Ex OMCs (295)	97,117	1,06,754	1,17,766	7.2	9.9	10.3	22,293	26,051	29,534	9.6	16.9	13.4	12,241	14,728	17,047	9.0	20.3	15.7

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

Valuations - MOFSL universe

Sector	PE (x)			PB (x)			EV/EBIDTA (x)			ROE (%)			EARN. CAGR (FY24-FY26)
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	
Auto (26)	25.4	23.0	20.1	4.8	4.2	3.6	13.5	11.8	10.2	18.8	18.1	18.1	9.5
Capital Goods (12)	46.7	37.6	31.3	8.1	7.0	5.9	30.0	24.8	20.9	17.4	18.5	19.0	24.6
Cement (11)	49.3	34.0	27.0	3.4	3.1	2.9	26.9	19.3	15.7	7.0	9.2	10.8	5.5
Chemicals (12)	41.7	31.2	25.6	4.1	3.7	3.3	23.8	18.6	15.6	9.9	11.9	13.0	16.8
Consumer (20)	47.4	41.6	37.3	10.9	10.2	9.4	32.8	29.1	26.0	23.0	24.5	25.1	7.6
Consumer Durables (5)	63.7	51.0	41.1	10.2	8.9	7.6	44.1	35.4	28.4	16.1	17.4	18.5	24.9
EMS (7)	109.9	75.8	53.2	17.4	14.2	11.2	62.9	46.0	34.1	15.8	18.7	21.1	64.8
Financials (64)	15.1	13.3	11.4	2.4	2.1	1.8	N.M	N.M	N.M	15.9	15.8	16.1	13.2
Banks-PVT (12)	18.0	15.9	13.6	2.6	2.2	2.0	N.M	N.M	N.M	14.2	14.2	14.5	10.3
Banks-PSU (6)	7.7	7.1	6.2	1.2	1.1	1.0	N.M	N.M	N.M	16.2	15.6	15.9	14.6
Insurance (7)	21.1	19.7	17.7	5.8	4.6	3.8	N.M	N.M	N.M	27.3	23.6	21.7	7.4
NBFC - Lending (25)	15.1	12.1	10.0	2.2	1.9	1.7	N.M	N.M	N.M	14.7	15.9	16.6	18.1
NBFC - Non Lending (14)	39.1	32.1	26.6	10.7	9.6	8.6	N.M	N.M	N.M	27.4	30.0	32.2	28.8
Healthcare (24)	39.3	32.7	29.0	5.7	4.9	4.3	24.2	20.4	18.0	14.5	15.1	14.8	20.5
Infrastructure (3)	31.1	22.6	18.8	2.3	2.1	1.9	12.2	9.6	7.6	7.4	9.3	10.1	23.4
Logistics (8)	29.2	23.5	19.5	4.6	4.0	3.4	18.5	15.4	12.9	15.7	16.9	17.5	20.5
Media (3)	22.3	17.0	14.6	1.7	1.6	1.5	12.4	9.9	8.3	7.8	9.5	10.4	12.1
Metals (10)	13.7	9.6	8.2	2.3	2.0	1.7	7.5	5.7	4.9	16.7	20.7	20.8	27.4
Oil & Gas (15)	16.5	13.6	12.6	1.6	1.5	1.3	9.1	7.6	6.9	9.7	10.8	10.7	-8.1
Ex OMCs (12)	16.8	13.7	12.6	1.7	1.5	1.4	9.0	7.4	6.6	10.0	11.2	11.1	4.4
Real Estate (13)	57.8	41.1	38.0	5.4	4.8	4.3	43.1	30.8	27.4	9.3	11.7	11.3	36.1
Retail (21)	104.4	77.0	60.7	14.8	12.8	11.0	44.6	36.3	30.2	14.2	16.7	18.1	26.0
Staffing (4)	22.6	17.0	14.2	3.0	2.6	2.3	13.3	10.5	8.6	13.2	15.3	15.8	38.9
Technology (12)	30.7	27.3	24.6	9.2	8.8	8.5	20.6	18.2	16.4	29.8	32.4	34.4	10.9
Telecom (4)	-1,049.5	216.8	63.1	66.1	35.9	27.1	10.4	8.9	7.5	-6.3	16.5	43.0	LP
Utilities (5)	19.6	16.7	15.7	2.7	2.5	2.3	10.8	9.7	9.0	13.6	14.7	14.5	11.0
Others (19)	80.1	40.1	30.0	7.2	6.2	5.2	25.5	19.2	15.0	8.9	15.4	17.4	42.4
MOFSL (298)	25.1	20.9	18.1	3.7	3.3	3.0	16.0	13.4	11.7	14.9	16.0	16.4	11.7
MOFSL Ex OMCs (295)	25.3	21.0	18.2	3.8	3.4	3.0	16.3	13.6	11.9	15.2	16.3	16.7	14.5

N.M.: Not Meaningful

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Amara Raja Energy	1210	Neutral	31,699	10.0	1.1	4,535	4.3	2.9	2,557	1.2	6.2
Apollo Tyres	527	Buy	67,712	2.7	5.2	9,900	-18.1	12.8	4,055	-20.0	34.6
Ashok Leyland	223	Buy	90,525	-2.4	3.2	10,553	-5.3	3.7	6,310	8.7	-9.0
Bajaj Auto	8741	Neutral	1,30,278	7.5	-0.8	25,839	6.3	-2.6	21,660	6.1	-2.3
Balkrishna Inds	2870	Neutral	25,202	8.8	2.2	6,275	6.9	1.5	3,834	24.3	9.7
Bharat Forge	1300	Neutral	24,113	6.5	7.3	6,703	3.9	7.2	3,930	7.8	11.9
Bosch	33987	Neutral	45,416	8.0	3.4	6,061	4.8	8.1	5,445	15.3	9.7
CEAT	3199	Buy	33,483	13.0	1.3	3,516	-15.8	-3.0	1,206	-33.5	-1.0
CIE Automotive	486	Buy	20,958	-6.5	-1.8	3,176	-3.0	-3.9	1,893	6.9	-2.8
Craftsman Auto	5323	Neutral	16,992	50.4	40.0	1,954	-11.3	1.4	594	-18.8	-3.7
Eicher Motors	4886	Sell	50,373	20.5	18.2	13,088	20.0	20.3	11,189	12.3	1.7
Endurance Tech.	2267	Buy	29,333	14.5	0.7	3,891	30.1	2	2,099	37.8	3.4
Escorts Kubota	3299	Neutral	31,133	34.2	25.7	3,736	19.5	39.6	3,136	13.1	-4.0
Exide Inds.	421	Neutral	43,014	12.0	0.8	4,947	12.4	2.3	2,818	17.3	-5.4
Happy Forgings	1001	Buy	3,591	5.0	-0.6	1,049	10.2	-0.5	683	17.9	2.5
Hero Motocorp	4183	Buy	1,01,288	4.2	-3.2	14,225	-3.1	-6.2	11,147	-5.5	-7.4
Hyundai Motor	1797	Buy	1,65,954	-3.5	-3.9	20,401	-18.4	-7.5	12,359	-29.4	-10.1
Mahindra & Mahindra	3081	Buy	3,12,328	23.5	13.4	44,473	37.4	12.6	31,977	30.3	-16.7
Maruti Suzuki	11221	Buy	3,85,081	15.6	3.5	43,808	12.1	-0.8	34,796	11.2	-5.2
Samvardhana Motherson	155	Buy	2,89,042	12.7	3.9	26,467	14.3	8.1	7,963	46.9	6.6
Motherson Wiring	59	Buy	24,187	14.4	4.0	2,702	3.1	8.3	1,674	-0.3	10.1
MRF	129286	Sell	68,340	13.0	1.1	9,531	-8.3	-2.1	4,121	-18.9	-9.5
Sona BLW Precis.	591	Neutral	8,625	11.1	-6.8	2,337	2.8	-8.3	1,399	4.8	-9.5
Tata Motors	749	Neutral	11,49,697	4.0	13.3	1,47,472	-3.8	25.7	65,531	-7.7	96.0
Tube Investments	3576	Buy	20,591	8.5	-0.3	2,430	1.5	-1.2	1,709	8.5	1.9
TVS Motor	2407	Neutral	91,060	10.4	-1.3	10,530	13.9	-2.5	6,495	9.5	-2.0
Automobiles			32,60,015	8.6	7.0	4,29,599	3.1	9.9	2,50,578	2.7	9.9
ABB India	6929	Buy	31,440	14.0	8.0	5,751	37.8	6.5	4,690	35.8	6.5
Bharat Electronics	294	Buy	49,662	20.1	8.4	12,415	18.3	-10.6	10,306	15.4	-5.6
Cummins India	3230	Buy	26,881	6.1	7.9	5,242	-2.6	9.0	4,694	2.9	4.2
Hitachi Energy	15479	Neutral	17,047	33.8	9.7	1,568	130.6	42.9	887	286.3	69.7
KEC International	1201	Neutral	57,915	15.7	13.3	3,880	26.0	21.2	1,502	55.0	75.8
Kalpataru Proj.	1312	Buy	49,405	19.1	19.4	4,199	22.1	20.5	1,956	35.8	47.8
Kirloskar Oil	1009	Buy	13,140	15.7	10.0	1,550	16.7	-6.0	1,012	23.1	-8.9
Larsen & Toubro	3667	Buy	6,63,515	20.4	7.8	69,292	20.3	8.9	37,937	28.7	11.7
Siemens	6633	Buy	54,874	13.7	-15.1	7,179	20.4	-23.5	5,970	18.1	-28.2
Thermax	3929	Neutral	28,249	21.5	8.2	2,647	41.2	-4.8	1,722	22.7	-13.0
Triveni Turbine	754	Buy	5,020	16.3	0.2	1,054	25.9	-5.4	892	30.0	-2.0
Zen Technologies	2476	Buy	2,310	135.6	-4.4	859	94.3	8.2	637	101.1	-2.4
Capital Goods			9,99,458	19.3	7.1	1,15,638	21.4	4.0	72,204	25.9	4.0
ACC	2051	Buy	49,445	0.5	7.3	5,928	-34.4	38.1	3,138	-40.5	34.2
Ambuja Cements	538	Buy	82,714	1.8	10.0	13,668	-21.1	23.0	5,758	-30.0	8.8
Birla Corporation	1234	Buy	21,817	-5.6	11.7	2,654	-29.9	49.8	444	-59.3	LP
Dalmia Bharat	1772	Buy	33,819	-6.2	9.6	5,739	-26.3	32.2	1,480	-45.0	169.1
Grasim Industries	2440	Buy	83,003	29.7	8.9	4,648	-11.0	42.9	14	-99.4	-99.8
India Cements	377	Sell	9,678	-10.5	-4.8	-854	PL	Loss	-1,435	Loss	Loss
J K Cements	4582	Buy	28,700	-2.2	12.1	4,598	-26.4	61.9	1,567	-44.8	336.2
JK Lakshmi Cem.	834	Buy	14,794	-13.1	19.9	1,894	-37.3	112.1	502	-63.5	LP
Ramco Cements	966	Neutral	20,250	-3.9	-0.6	3,233	-18.2	3.6	329	-64.8	28.7
Shree Cement	25495	Neutral	46,092	-6.0	23.7	9,035	-26.8	52.5	2,363	-67.8	153.7
Ultratech Cement	11450	Buy	1,70,326	1.7	8.9	27,855	-14.4	38.0	12,914	-27.3	57.5
Cement			5,60,637	2.3	9.9	78,397	-23.0	39.8	27,075	-45.4	19.5
Alkyl Amines	1809	Neutral	3,764	16.9	-9.3	528	-11.5	-28.3	298	-10.9	-37.2
Atul	6908	Buy	13,233	16.3	-5.0	2,221	46.4	-8.5	1,178	63.5	-15.6
Clean Science	1541	Neutral	2,361	21.2	-0.9	863	-0.4	-3.8	603	-3.7	2.6
Deepak Nitrite	2498	Neutral	18,577	-7.5	-8.6	2,350	-22.9	-21.0	1,451	-28.2	-25.3
Fine Organic	4583	Sell	6,424	50.9	7.9	1,583	71.4	10.8	1,246	78.9	10.2
Galaxy Surfactants	2510	Buy	10,917	16.1	2.7	1,239	10.1	-2.9	798	11.8	-5.8
Navin Fluorine	3276	Neutral	6,525	30.5	25.8	1,387	83.3	29.2	745	106.1	26.7
NOCIL	252	Neutral	3,529	3.6	-2.7	351	-26.4	-5.4	239	-19.6	-42.3
P I Industries	3693	Buy	19,506	2.8	-12.2	5,462	-1.3	-13.1	4,068	-9.3	-20.0

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
SRF	2212	Neutral	35,422	16.0	3.4	6,066	3.9	8.2	2,639	-2.8	17.8
Tata Chemicals	1039	Neutral	38,304	2.7	-4.2	5,723	5.6	-7.4	1,642	3.9	-15.4
Vinati Organics	1804	Buy	5,576	24.5	0.8	1,430	24.6	6.7	1,031	33.9	-2.8
Chemicals			1,64,136	9.4	-2.4	29,201	7.2	-4.6	15,940	4.0	-10.0
Asian Paints	2305	Neutral	86,479	-5.0	7.7	16,215	-21.1	30.8	11,697	-20.7	33.9
Britannia	4793	Neutral	45,543	7.0	-2.4	8,061	-1.8	2.9	5,588	0.0	5.1
Colgate	2702	Neutral	14,934	7.0	-7.8	4,893	4.5	-1.6	3,515	6.5	-1.1
Dabur	511	Buy	33,414	2.7	10.3	6,756	1.2	22.3	5,246	0.4	21.1
Emami	605	Buy	10,530	5.7	18.2	3,357	6.6	34.0	3,046	7.7	30.6
Godrej Consumer	1079	Buy	37,550	2.6	2.4	7,846	-13.3	3.0	5,510	-6.0	11.2
Hind. Unilever	2323	Buy	1,60,544	3.1	0.8	38,374	4.7	1.2	27,059	6.9	4.0
Indigo Paints	1383	Buy	3,715	5.0	24.0	595	-4.4	43.3	366	-1.8	61.6
ITC	484	Buy	1,92,184	6.7	-7.3	68,185	4.8	0.8	52,942	-0.9	6.0
Jyothy Labs	401	Neutral	7,142	5.4	-2.7	1,255	5.8	-9.4	953	4.8	-9.3
L T Foods	432	Buy	22,067	13.6	4.7	2,432	1.9	6.1	1,538	1.8	3.7
Marico	643	Buy	27,930	15.3	4.8	5,802	13.1	11.1	4,326	12.9	4.7
Nestle	2170	Neutral	48,483	5.4	-5.0	11,684	3.5	-1.7	7,904	1.2	5.3
P&G Hygiene	14651	Neutral	12,354	9.0	8.8	3,430	10.7	18.1	2,562	11.9	20.9
Page Industries	47771	Buy	13,479	9.7	8.2	2,660	15.8	-5.5	1,822	19.6	-6.7
Pidilite Inds.	2862	Neutral	33,804	8.0	4.5	8,313	12.0	8.1	5,899	15.5	8.9
Tata Consumer	920	Buy	44,122	16.0	4.7	5,517	-3.6	-11.9	3,360	-3.3	-12.7
United Breweries	2091	Neutral	20,414	12.0	-3.5	1,851	27.1	-18.4	1,124	32.5	-15.0
United Spirits	1657	Neutral	33,671	12.6	18.4	5,729	16.6	13.0	3,883	11.5	15.9
Varun Beverages	651	Buy	36,014	35.0	-25.0	5,869	40.3	-49.0	2,069	57.1	-66.6
Consumer			8,84,374	6.5	-0.7	2,08,824	2.5	1.3	1,50,409	1.1	4.6
Havells India	1681	Neutral	49,329	11.8	8.7	4,563	5.5	21.7	3,182	10.5	18.8
KEI Industries	4467	Buy	23,912	16.1	4.9	2,493	16.2	13.0	1,748	16.0	12.9
Polycab India	7342	Buy	53,165	22.5	-3.3	6,587	15.7	4.3	4,609	11.6	4.8
R R Kabel	1424	Buy	17,494	7.1	-3.4	1,026	-8.9	19.6	583	-17.8	17.7
Voltas	1825	Buy	28,336	7.9	8.2	1,890	565.2	16.5	1,532	LP	14.4
Consumer Durables			1,72,236	14.3	2.8	16,559	22.0	12.2	11,654	30.7	11.4
Amber Enterp.	7675	Buy	18,408	42.2	9.3	1,304	66.1	14.6	354	LP	84.1
Avalon Tech	972	Buy	2,786	30.0	1.3	322	94.4	6.7	202	207.2	15.6
Cyient DLM	674	Buy	4,495	40.0	15.4	433	47.2	37.0	265	43.8	71.6
Data Pattern	2498	Neutral	1,925	38.0	111.5	815	35.7	137.5	661	29.6	118.1
Dixon Tech.	18009	Buy	1,02,872	113.5	-10.8	3,806	106.4	-10.7	2,257	134.0	5.3
Kaynes Tech	7598	Buy	7,894	55.0	38.0	1,196	71.2	45.7	892	97.4	48.1
Syrma SGS Tech.	625	Buy	10,035	42.0	20.5	704	81.5	-0.8	367	136.6	1.3
EMS			1,48,415	85.4	-3.5	8,580	79.7	8.7	4,998	114.8	27.1
Ajanta Pharma	3003	Buy	11,109	0.5	-6.4	3,055	-5.0	-9.3	2,058	-3.2	-12.6
Alembic Pharma	1048	Neutral	16,921	3.8	2.7	2,674	0.2	11.7	1,616	-10.6	13.5
Alkem Lab	5574	Neutral	33,061	-0.5	-3.2	6,612	-6.6	-12.2	5,526	-14.0	-19.8
Apollo Hospitals	7370	Buy	54,502	12.4	-2.5	7,576	23.4	-7.1	3,452	40.7	-8.9
Aurobindo Pharma	1351	Neutral	76,116	3.5	-2.4	16,289	1.7	4.0	9,030	0.0	10.5
Biocon	369	Neutral	37,171	3.1	3.5	7,248	25.7	5.6	715	LP	95.7
Cipla	1531	Neutral	69,671	5.5	-1.2	17,766	1.7	-5.8	11,864	-0.9	-8.9
Divis Labs	6071	Neutral	23,347	25.9	-0.1	7,028	43.7	-1.8	5,147	49.3	4.9
Dr Reddy's Labs	1370	Neutral	80,208	11.2	0.1	20,613	1.6	-6.4	11,887	-13.7	-12.5
Eris Lifescience	1332	Neutral	7,732	59.0	4.3	2,729	55.5	3.2	1,008	-1.9	10.0
Gland Pharma	1810	Buy	14,054	-9.0	0.0	3,022	-19.2	1.7	1,805	-11.5	10.4
Glenmark Pharma	1614	Buy	34,504	37.6	0.5	6,211	LP	3.2	3,710	LP	6.3
Global Health	1101	Buy	8,789	5.1	-8.1	2,153	-2.8	-8.1	1,294	4.8	-5.5
Granules India	598	Buy	10,445	-9.6	8.1	2,350	-6.2	15.6	1,225	-2.5	26.0
GSK Pharma	2234	Neutral	8,492	5.5	-16.0	2,480	13.7	-22.9	1,910	-8.6	-22.9
IPCA Labs.	1697	Buy	22,929	11.7	-2.6	4,081	23.3	-7.8	1,984	77.9	-13.9
Laurus Labs	615	Buy	13,340	11.6	9.0	2,308	27.2	29.4	628	171.3	216.4
Lupin	2365	Neutral	57,448	10.5	3.6	12,466	22.0	0.8	7,556	26.0	-1.6
Mankind Pharma	2887	Buy	33,579	28.8	9.1	9,201	51.7	8.2	5,663	24.8	-13.3
Max Healthcare	1140	Buy	21,193	26.0	0.0	5,510	18.5	-2.8	3,710	8.7	0.2
Piramal Pharma	258	Buy	20,709	5.7	-7.6	2,281	-15.0	-33.2	108	-69.3	-52.4
Sun Pharma	1890	Buy	1,33,819	10.1	0.9	35,997	15.1	-4.9	29,639	19.7	1.1

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Torrent Pharma	3416	Neutral	29,317	7.3	1.5	9,616	10.7	2.4	5,024	31.8	10.9
Zydu Lifesciences	974	Neutral	53,535	18.8	2.2	13,973	29.2	-1.3	9,067	20.6	3.2
Healthcare			8,71,991	10.4	0.1	2,03,238	16.8	-2.7	1,25,626	19.4	-2.4
G R Infraproject	1473	Buy	16,907	-6.4	49.9	2,113	-7.3	80.4	1,700	14.0	46.4
IRB Infra	60	Neutral	16,803	-14.6	6.0	8,131	-6.5	6.1	2,013	7.4	101.6
KNR Constructions	342	Buy	8,848	-2.3	3.4	1,460	-0.9	5.8	882	3.1	-40.3
Infrastructure			42,558	-9.1	19.2	11,705	-6.0	14.5	4,595	8.9	26.4
Adani Ports	1219	Buy	74,964	8.3	6.1	43,929	4.9	0.5	26,324	11.8	6.9
Blue Dart Express	6981	Buy	15,102	9.2	4.3	1,422	5.9	16.7	763	-6.4	25.6
Concor	779	Buy	24,581	11.5	7.7	5,711	11.6	-0.7	3,519	5.2	-11.1
JSW Infra	324	Buy	10,650	13.3	6.4	5,751	19.8	10.5	3,278	6.5	24.7
Mahindra Logistics	384	Neutral	15,759	12.8	3.6	788	50.9	18.7	116	LP	LP
TCL Express	825	Neutral	3,292	5.6	5.7	398	-12.6	8.4	268	-16.7	6.6
Transport Corp.	1161	Buy	11,376	13.5	1.5	1,223	22.4	4.4	1,036	30.5	-2.6
VRL Logistics	510	Buy	8,182	11.1	2.3	1,325	40.4	-0.4	419	205.8	16.9
Logistics			1,63,906	10.0	5.4	60,546	8.0	1.9	35,723	12.3	7.0
PVR Inox	1318	Neutral	16,671	7.8	2.8	2,264	11.8	21.0	506	22.8	125.9
Sun TV	690	Neutral	9,432	6.5	4.8	5,893	2.7	11.4	4,494	2.8	12.9
Zee Entertainment	123	Neutral	20,722	1.3	3.6	2,996	43.2	-6.7	1,883	76.8	-5.2
Media			46,824	4.6	3.5	11,153	13.2	7.5	6,883	17.6	11.2
Coal India	387	Buy	3,67,148	1.6	19.7	1,03,853	-13.0	45.2	83,515	-17.6	32.8
Hindalco	593	Buy	5,95,382	12.7	2.3	76,688	30.8	-2.7	37,665	61.6	-11.8
Hindustan Zinc	444	Neutral	82,050	12.2	-0.6	40,521	15.1	-1.7	23,065	13.7	-4.3
JSPL	938	Buy	1,34,315	14.8	19.8	26,713	-6.0	21.4	11,103	-42.4	29.0
JSW Steel	906	Buy	4,21,272	0.4	6.2	50,654	-29.5	-6.8	8,192	-64.1	34.5
Nalco	214	Neutral	40,351	20.6	0.8	14,252	84.3	-8.0	9,418	100.1	-10.0
NMDC	66	Buy	66,279	22.5	34.7	22,373	11.5	61.5	18,000	7.5	50.5
SAIL	113	Neutral	2,56,994	10.1	11.6	10,804	-49.6	-15.3	-1,669	PL	Loss
Tata Steel	137	Neutral	5,22,651	-5.5	-3.0	45,262	-27.7	-18.0	1,939	-77.1	-57.0
Vedanta	444	Neutral	3,83,925	8.0	2.0	1,07,396	25.9	9.3	30,516	51.6	3.4
Metals			28,70,366	5.2	5.7	4,98,516	-2.4	7.5	2,21,744	-7.9	12.5
Aegis Logistics	814	Neutral	20,006	6.8	14.3	2,905	37.2	29.7	1,469	12.9	16.6
BPCL	295	Neutral	10,13,852	-12.2	-1.4	80,764	28.6	77.6	48,008	41.3	100.3
Castrol India	204	Buy	13,897	9.9	7.9	3,018	-8.3	5.5	2,298	-5.0	10.8
GAIL	191	Buy	3,26,342	-4.7	-0.8	38,009	-0.6	1.5	25,234	-11.2	-5.6
Gujarat Gas	504	Buy	41,169	4.8	8.9	3,792	-5.4	-26.3	1,850	-16.0	-39.7
Gujarat State Petronet	365	Neutral	2,504	-45.0	5.2	1,940	-48.9	0.6	1,479	-43.6	-62.0
HPCL	413	Buy	9,31,077	-16.3	-6.8	49,509	132.7	78.8	23,441	343.1	271.4
Indraprastha Gas	410	Sell	35,237	-0.8	-4.7	3,244	-41.9	-39.5	2,027	-48.3	-53.0
IOC	137	Buy	24,42,535	22.7	40.5	1,02,806	-34.1	172.5	42,667	-47.1	LP
Mahanagar Gas	1282	Buy	17,782	13.3	3.9	3,239	-27.8	-18.7	2,179	-31.3	-22.9
MRPL	149	Sell	2,15,919	-12.5	-13.5	8,401	-29.1	LP	1,912	-50.6	LP
Oil India	437	Buy	53,370	-8.2	-3.3	21,997	4.5	0.8	14,045	-11.4	-23.4
ONGC	237	Buy	3,20,781	-7.8	-5.3	1,87,153	9.0	2.6	94,607	-4.4	-21.1
Petronet LNG	347	Neutral	1,33,854	-9.2	2.8	13,197	-22.6	9.9	8,959	-24.8	5.7
Reliance Inds.	1222	Buy	23,08,026	2.5	-0.3	4,20,936	3.5	7.8	1,77,302	2.7	7.0
Oil & Gas			78,76,350	1.3	7.8	9,40,909	1.2	21.8	4,47,477	-4.2	20.9
Oil Ex OMCs			34,88,886	-0.9	-1.5	7,07,831	2.6	7.0	3,33,360	-4.0	-4.7
Anant Raj	856	Buy	3,568	-9.0	-30.4	2,659	195.2	135.7	1,595	122.0	51.1
Brigade Enterpr.	1237	Buy	13,410	14.3	25.1	4,291	63.8	47.0	2,212	200.9	85.9
DLF	825	Buy	17,071	12.2	-13.6	3,546	-30.6	-29.4	8,034	22.5	3.6
Godrej Properties	2774	Buy	8,338	152.3	-23.7	753	LP	135.8	2,785	344.0	-16.6
Kolte Patil Dev.	356	Buy	5,693	651.1	84.7	727	LP	349.4	335	LP	244.3
Macrotech Developers	1365	Buy	38,732	32.2	47.5	10,264	16.3	45.7	5,955	4.5	40.8
Mahindra Lifespace	464	Neutral	1,040	26.8	1,266.3	-468	Loss	Loss	211	-57.8	LP
Oberoi Realty	2279	Neutral	14,653	39.1	11.0	8,589	68.6	5.5	6,304	75.0	6.9
Phoenix Mills	1588	Neutral	10,415	5.6	13.5	6,161	11.6	19.0	2,810	0.6	28.9
Prestige Estates	1655	Buy	28,128	56.6	22.1	7,538	36.7	19.4	2,009	72.7	4.5
SignatureGlobal	1354	Buy	11,176	296.6	49.2	966	LP	LP	803	3,474	1,866
Sobha	1574	Buy	11,758	71.7	25.9	1,764	137.9	128.7	915	507.0	250.9
Sunteck Realty	508	Buy	3,002	607.2	77.6	647	LP	73.1	464	LP	34.0

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Real Estate			1,66,983	47.1	19.4	47,436	44.0	29.0	34,432	57.6	22.2
Aditya Birla Fashion	282	Neutral	43,081	3.4	18.2	5,711	3.2	58.1	-963	Loss	Loss
Avenue Supermarts	3561	Buy	1,59,765	17.7	10.6	12,790	14.2	16.9	8,031	16.2	21.8
Barbeque Nation	444	Neutral	3,423	3.5	12.0	654	-1.4	43.4	55	13.9	LP
Bata India	1398	Neutral	9,584	6.1	14.5	2,089	14.5	19.7	755	30.3	45.3
Campus Activewear	320	Buy	5,191	10.0	55.8	924	64.3	142.1	544	118.4	280.2
Devyani Intl.	183	Buy	12,738	51.1	4.2	2,134	45.9	7.4	132	160.1	LP
Jubilant Foodworks	739	Neutral	15,583	15.0	6.2	3,226	14.1	13.5	737	20.9	41.6
Kalyan Jewellers	774	Buy	72,280	38.4	19.2	4,911	32.8	23.9	2,643	46.3	45.2
Metro Brands	1234	Buy	7,103	11.8	21.3	2,244	12.8	44.9	1,205	22.0	67.9
P N Gadgil Jewellers	666	Buy	23,358	18.5	16.7	1,199	32.5	66.4	768	38.9	45.2
Raymond Lifestyle	2068	Buy	17,968	NA	5.2	2,428	NA	13.0	1,022	NA	0.6
Relaxo Footwear	625	Neutral	7,452	4.6	9.7	999	14.6	13.9	453	17.5	23.4
Restaurant Brands	85	Buy	4,868	9.3	-1.1	740	4.6	5.8	-120	Loss	Loss
Sapphire Foods	345	Buy	7,506	12.8	7.9	1,290	6.0	15.2	178	80.8	243.1
Senco Gold	1127	Buy	20,653	25.0	37.6	2,129	17.5	160.4	1,304	19.3	278.0
Shoppers Stop	603	Neutral	12,938	7.2	21.1	2,368	9.9	61.3	408	14.7	LP
Titan Company	3254	Buy	1,83,997	29.9	26.6	18,542	18.5	21.5	12,164	15.5	30.7
Trent	7068	Buy	46,375	40.0	14.9	8,718	39.9	36.1	5,449	58.6	28.7
V-Mart Retail	3876	Neutral	10,270	15.5	55.4	1,530	27.8	296.2	401	42.2	LP
Vedant Fashions	1272	Neutral	5,234	10.3	95.3	2,722	12.5	123.1	1,795	13.8	168.3
Westlife Foodworld	788	Neutral	6,566	9.4	6.3	946	-1.5	20.3	126	-27.1	3,263
Retail			6,75,934	26.1	18.2	78,294	22.6	31.8	37,087	29.7	55.5
Qness Corp	665	Neutral	51,802	7.0	0.0	1,983	9.6	1.4	1,026	22.5	11.4
SIS	366	Buy	33,924	10.4	3.8	1,605	6.0	10.9	1,039	181.4	51.1
Team Lease Serv.	2999	Buy	28,577	16.9	2.2	406	12.6	21.3	385	39.9	54.7
Updater Services	374	Buy	7,464	17.4	9.8	455	30.9	4.2	276	0.5	-1.4
Staffing			1,21,766	10.7	2.1	4,450	10.3	6.6	2,726	55.2	27.5
Coforge	9628	Buy	32,521	40.0	6.2	5,557	38.5	19.8	2,985	25.4	47.6
Cyient	1807	Buy	18,571	2.0	0.4	3,101	-4.9	4.6	1,786	-6.9	-4.3
HCL Technologies	1913	Buy	2,99,641	5.3	3.8	67,730	1.2	6.2	45,297	4.1	7.0
Infosys	1883	Buy	4,14,288	6.7	1.1	97,513	6.7	0.0	68,402	12.0	5.1
LTIMindtree	5674	Buy	95,948	6.4	1.7	15,352	-3.1	-9.7	10,949	-6.4	-12.5
L&T Technology	4700	Buy	26,818	10.7	4.2	5,069	3.9	8.8	3,489	3.8	9.2
Mphasis	2854	Neutral	35,576	6.6	0.6	6,226	3.6	-3.9	4,337	16.1	2.4
Persistent Systems	6438	Buy	30,267	21.2	4.5	5,145	16.5	7.0	3,549	24.0	9.2
TCS	4113	Buy	6,44,580	6.4	0.3	1,71,146	4.3	2.0	1,27,256	8.1	6.4
Tech Mahindra	1704	Neutral	1,31,954	0.7	-0.9	17,154	26.6	-2.0	10,284	43.1	-17.7
Wipro	300	Neutral	2,21,529	-0.2	-0.7	44,572	5.7	-2.3	29,550	9.7	-7.9
Zensar Tech	747	Neutral	13,162	9.3	0.6	2,040	-1.7	1.5	1,431	-11.5	-8.2
Technology			19,64,854	5.8	1.1	4,40,606	5.2	1.3	3,09,316	8.9	3.0
Bharti Airtel	1596	Buy	4,45,159	17.5	7.3	2,45,671	24.0	12.5	49,501	98.7	26.6
Indus Towers	344	Neutral	77,285	7.4	3.5	51,820	44.6	6.5	14,809	-3.9	4.4
Tata Comm	1726	Neutral	59,493	5.6	3.2	11,975	5.6	7.2	2,920	26.8	58.4
Vodafone Idea	8	Neutral	1,12,830	5.7	3.2	47,360	8.9	4.1	-70,536	Loss	Loss
Telecom			6,94,766	13.1	5.8	3,56,826	23.5	10.2	-3,307	Loss	Loss
Indian Energy Exch.	180	Neutral	1,230	6.7	-11.7	1,034	3.5	-14.0	886	-0.9	-16.5
JSW Energy	644	Buy	39,136	53.9	20.9	16,642	49.8	-1.2	5,484	137.1	-35.7
NTPC	334	Neutral	3,97,208	0.7	-1.5	1,17,113	17.8	21.0	47,873	9.9	13.9
Power Grid Corp.	311	Buy	1,14,348	7.1	11.4	98,965	5.3	12.6	39,619	2.3	13.1
Tata Power	392	Buy	2,14,179	46.2	36.4	35,022	44.9	-6.5	8,762	-8.1	-18.6
Utilities			7,66,101	13.6	10.0	2,68,776	17.0	11.9	1,02,623	8.0	5.4
APL Apollo Tubes	1583	Buy	58,120	39.1	21.7	3,327	19.0	141.0	2,041	23.3	279.2
Cello World	757	Buy	5,695	8.1	16.2	1,432	8.4	20.7	939	10.7	15.0
Coromandel International	1928	Buy	64,419	17.9	-13.3	6,637	85.5	-31.9	4,513	95.4	-32.0
Dreamfolks Services	397	Buy	3,367	10.4	6.3	259	-5.2	12.3	189	-5.4	18.2
EPL	263	Buy	10,663	9.4	-1.8	2,220	21.1	0.7	922	7.1	6.0
Godrej Agrovet	743	Buy	26,050	11.1	6.4	2,540	59.7	13.7	1,410	53.5	47.2
Gravita India	2176	Buy	9,554	26.1	3.0	1,078	20.2	6.2	753	24.9	4.6
Indiamart Inter.	2285	Buy	3,591	17.6	3.3	1,072	25.7	-20.4	900	10.4	-33.4
Indian Hotels	873	Buy	25,088	27.7	37.4	9,954	35.9	98.6	5,967	32.0	84.1

Ready reckoner: Quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Info Edge	8728	Neutral	6,841	14.9	4.3	2,779	15.4	1.3	2,508	17.4	29.3
Interglobe Aviation	4591	Neutral	2,19,350	12.8	29.3	70,042	28.7	194.1	36,942	23.2	LP
Kajaria Ceramics	1169	Buy	12,245	6.3	3.8	1,733	-3.1	9.0	1,032	-1.0	22.4
Lemon Tree Hotel	159	Buy	3,528	22.2	24.1	1,776	27.1	35.8	664	87.5	123.9
MTAR Tech	1674	Buy	1,693	43.0	-11.0	359	50.3	-2.6	193	84.5	2.7
One 97 Comm.	987	Neutral	18,002	-36.9	8.4	-3,463	Loss	Loss	-3,561	Loss	Loss
SBI Cards	678	Neutral	15,667	13.0	4.3	18,160	12.1	3.3	4,313	-21.5	6.6
Swiggy	542	Neutral	38,757	NA	7.5	2,414	NA	-53.1	-6,500	PL	Loss
UPL	501	Neutral	1,09,572	10.8	-1.2	19,910	378.6	26.4	8,140	LP	LP
Zomato	277	Buy	54,648	66.2	13.9	2,583	406.4	14.3	2,673	93.7	51.9
Others			6,86,851	23.0	11.5	1,44,811	44.8	59.4	64,038	42.0	1,738.5

PL: Profit to Loss; LP: Loss to Profit

Ready reckoner: Quarterly performance

	CMP (INR)	RECO	NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Financials											
AU Small Finance	568	Buy	20,255	52.9	2.6	11,109	69.1	-1.8	4,887	30.2	-14.5
Axis Bank	1072	Neutral	1,36,557	9.0	1.3	1,02,990	12.7	-3.9	63,894	5.2	-7.6
Bandhan Bank	160	Neutral	29,968	18.7	1.6	23,967	44.8	29.2	7,957	8.6	-15.1
DCB Bank	121	Buy	5,335	12.6	4.8	2,353	11.2	-7.8	1,383	9.3	-11.0
Equitas Small Fin.	65	Buy	8,295	5.7	3.4	3,561	-1.2	1.8	802	-60.3	522.6
Federal Bank	200	Buy	24,411	15.0	3.1	15,505	7.9	-1.0	10,293	2.2	-2.6
HDFC Bank	1782	Buy	3,03,356	6.5	0.7	2,47,596	4.7	0.2	1,66,449	1.7	-1.0
ICICI Bank	1284	Buy	2,07,058	10.9	3.3	1,67,120	13.5	-0.1	1,14,222	11.2	-2.8
IDFC First Bank	64	Neutral	49,589	15.7	3.6	20,276	29.8	3.3	5,004	-30.1	149.3
IndusInd Bank	969	Buy	52,810	-0.3	-1.2	36,044	-10.8	0.1	14,358	-37.6	7.9
Kotak Mahindra Bank	1788	Neutral	71,355	8.9	1.7	52,323	14.6	2.6	33,788	12.4	1.0
RBL Bank	158	Neutral	15,545	0.6	-3.7	9,937	29.9	9.2	700	-70.0	-68.6
Banks-Private			9,24,534	9.3	1.6	6,92,779	10.4	0.6	4,23,737	2.3	-2.2
Bank of Baroda	241	Buy	1,20,254	8.3	3.5	78,654	12.1	-17.0	44,003	-3.9	-16.0
Canara Bank	100	Buy	96,112	2.1	3.2	75,007	10.2	-2.0	40,142	9.8	0.0
Indian Bank	517	Buy	63,430	9.1	2.4	45,394	10.8	-4.0	25,814	21.8	-4.6
Punjab National Bank	103	Neutral	1,07,702	4.6	2.4	65,814	4.0	-4.0	36,464	64.0	-15.3
State Bank	793	Buy	4,22,762	6.2	1.6	2,70,482	33.0	-7.7	1,62,373	12.8	-11.4
Union Bank	123	Buy	91,824	0.2	1.5	70,041	-3.8	-13.7	36,386	1.4	-22.9
Banks-PSU			9,02,084	5.4	2.1	6,05,391	16.7	-8.4	3,45,182	12.9	-12.2
HDFC Life Insur.	617	Buy	1,82,967	20.1	10.4	9,671	13.0	3.1	4,336	18.8	0.2
ICICI Lombard	1808	Buy	48,728	13.2	-3.0	-2,635	Loss	Loss	6,344	47.0	-8.6
ICICI Pru Life	661	Buy	1,33,568	29.9	10.6	5,974	37.0	2.0	2,549	12.0	1.3
Max Financial	1101	Neutral	84,662	16.0	9.4	4,861	-0.6	-5.1	1,572	4.1	12.8
SBI Life Insurance	1401	Buy	2,58,978	15.3	26.9	17,888	6.5	23.4	5,022	56.1	-5.1
Star Health	482	Buy	37,936	15.2	2.4	-564	PL	Loss	2,178	-24.8	95.7
Insurance			7,46,839	18.8	14.0	35,196	6.9	12.4	22,001	23.2	1.9
AAVAS Financiers	1677	Neutral	2,552	15.6	5.5	1,893	20.0	-2.9	1,428	22.4	-3.5
Bajaj Finance	6937	Neutral	93,311	21.9	5.6	76,530	24.6	4.7	41,069	12.9	2.3
Can Fin Homes	730	Neutral	3,457	5.1	1.8	2,938	2.6	2.1	2,214	10.6	4.7
Chola. Inv & Fin.	1185	Buy	29,099	34.0	7.3	20,462	35.0	6.5	10,697	22.1	11.1
CreditAccess	891	Buy	9,219	14.8	-1.2	6,598	9.6	-1.8	1,311	-62.9	-29.6
Five-Star Business	793	Buy	5,354	27.2	3.7	3,909	30.2	2.9	2,723	25.6	1.6
Fusion Finance	178	Neutral	3,708	9.5	-7.0	2,537	-2.5	-10.6	-2,050	PL	Loss
Home First Fin.	1045	Buy	1,586	18.0	1.2	1,302	18.7	3.3	961	21.9	4.2
IIFL Finance	418	Buy	13,332	-15.3	-0.5	8,209	-14.4	-3.8	2,013	-59.0	LP
L&T Finance	138	Buy	21,113	8.1	-3.1	14,464	8.1	-9.0	5,909	-7.7	-15.2
LIC Housing Fin	600	Buy	19,958	-4.8	1.1	17,442	-7.4	0.1	12,826	10.3	-3.5
M & M Financial	266	Buy	18,788	10.6	3.8	12,388	16.6	3.6	6,888	24.6	86.4
Manappuram Finance	191	Neutral	16,286	12.1	-0.4	10,265	9.7	-0.6	4,993	-13.2	-12.7
MAS Financial	272	Buy	2,022	28.9	5.6	1,359	23.3	5.9	795	27.2	3.8
Muthoot Finance	2216	Neutral	25,693	34.8	2.0	19,444	39.5	1.5	13,353	30.0	6.7
PFC	448	Buy	45,546	9.5	3.3	47,418	7.5	-11.0	39,623	17.3	-9.3
PNB Housing	908	Buy	6,809	14.8	2.9	5,796	16.1	3.7	4,810	42.1	2.4
Poonawalla Fincorp	314	Buy	5,965	21.6	6.7	3,664	4.6	31.2	1,520	-42.7	LP
REC	505	Buy	49,644	15.7	-0.1	50,079	20.1	2.3	41,160	25.9	2.8
Repco Home Fin	432	Neutral	1,692	3.5	2.2	1,386	1.2	1.4	1,091	9.7	-3.0
Shriram Finance	2917	Buy	56,555	15.2	3.5	41,228	11.7	3.5	21,054	15.8	1.7
Spandana Sphoorty	330	Buy	2,870	-9.2	-17.7	1,435	-40.3	-37.0	-4,567	PL	Loss
NBFC - Lending			4,34,559	14.9	2.6	3,50,746	14.8	0.1	2,09,818	8.1	4.6
360 One WAM	1276	Buy	5,678	29.2	-3.5	2,705	30.1	-6.5	2,342	20.7	-5.3

	CMP (INR)	RECO	NII (INR M)			OP. PROFITS (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Aditya Birla AMC	837	Buy	4,255	24.6	0.3	2,487	28.0	-0.7	2,155	2.9	-11.1
Anand Rathi Wealth	3935	Neutral	2,522	38.2	4.0	1,094	37.0	5.1	797	37.3	4.5
Angel One	3017	Buy	8,437	22.7	-13.7	4,287	22.2	-25.1	3,173	21.9	-25.1
BSE	5426	Buy	7,589	104.2	1.7	4,204	356.5	8.1	3,690	248.1	6.7
Cams Services	5108	Buy	3,725	28.6	2.0	1,744	34.8	2.4	1,255	41.8	3.9
CDSL	1809	Neutral	3,086	43.9	-4.2	1,886	43.5	-5.6	1,614	50.1	-0.3
HDFC AMC	4162	Buy	9,113	35.7	2.7	7,217	41.1	2.6	6,067	23.9	5.2
KFin Technologies	1545	Neutral	2,945	34.7	5.0	1,352	38.1	6.8	958	43.3	7.2
MCX	6285	Neutral	3,180	66.1	11.4	2,036	LP	13.5	1,728	LP	12.5
Nippon Life AMC	754	Buy	5,855	38.3	2.5	3,860	48.9	3.1	3,255	14.6	-9.6
Nuvama Wealth	6974	Buy	7,413	32.8	0.2	3,267	41.8	-6.2	2,430	37.9	-5.8
Prudent Corp.	2726	Neutral	2,922	39.2	2.2	700	40.0	1.9	524	46.7	1.7
UTI AMC	1366	Buy	3,776	30.2	1.2	1,825	60.4	-0.2	1,612	-20.7	-38.7
NBFC - Non Lending			70,497	38.5	-0.6	38,664	59.2	-2.3	31,599	39.0	-6.2

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

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles						25.4	23.0	20.1	4.8	4.2	3.6	18.8	18.1	18.1
Amara Raja Energy	1,210	Neutral	54.6	59.6	67.0	22.2	20.3	18.1	2.9	2.6	2.3	13.9	13.5	13.5
Apollo Tyres	527	Buy	21.5	30.3	37.1	24.5	17.4	14.2	1.8	1.6	1.5	9.5	12.3	13.6
Ashok Leyland	223	Buy	9.3	11.3	13.5	24	20	16.5	6.5	5.6	4.8	28.9	30.6	31.5
Bajaj Auto	8,741	Neutral	292.3	337.1	388.5	29.9	25.9	22.5	8.8	7.9	7.1	31.1	32.2	33.3
Balkrishna Inds	2,870	Neutral	85.0	108.7	129.1	33.8	26.4	22.2	5.5	4.7	4.1	17.3	19.2	19.6
Bharat Forge	1,300	Neutral	28.0	39.5	48.4	46.5	32.9	26.8	7.7	6.7	5.9	17.3	21.8	23.4
Bosch	33,987	Neutral	722.3	855.8	999.3	47.1	39.7	34.0	7.6	7.0	6.3	16.9	18.3	19.5
CEAT	3,199	Buy	131.0	176.1	230.9	24.4	18.2	13.9	2.9	2.6	2.2	12.4	15.0	17.2
CIE Automotive	486	Buy	22.0	24.3	28.0	22.1	20.0	17.4	2.8	2.5	2.3	13.2	13.2	13.7
Craftsman Auto	5,323	Neutral	120.1	193.3	279.2	44.3	27.5	19.1	4.1	3.6	3.1	12.0	13.9	17.4
Eicher Motors	4,886	Sell	160.2	175.8	195.1	30.5	27.8	25.0	6.4	5.6	4.9	22.5	21.5	20.8
Endurance Tech.	2,267	Buy	60.2	75.4	90.6	37.7	30.0	25.0	5.6	4.9	4.2	15.9	17.4	18.1
Escorts Kubota	3,299	Neutral	102.0	113.8	140.6	32.3	29.0	23.5	4.0	3.6	3.2	12.9	13.0	14.3
Exide Inds.	421	Neutral	13.9	16.3	17.9	30.3	25.8	23.6	2.5	2.4	2.2	8.4	9.1	9.2
Happy Forgings	1,001	Buy	28.7	36.4	44.6	34.8	27.5	22.4	5.1	4.4	3.8	15.7	17.3	18.3
Hero Motocorp	4,183	Buy	227.6	240.3	260.3	18.4	17.4	16.1	4.4	4.1	3.8	24.5	24.2	24.5
Hyundai Motor	1,797	Buy	67.3	75.6	85.2	26.7	23.8	21.1	10.5	8.3	6.7	44.4	38.9	35.1
Mahindra & Mahindra	3,081	Buy	101.3	120.6	141.2	30.4	25.5	21.8	6.0	5.1	4.3	21.3	21.5	21.3
Maruti Suzuki	11,221	Buy	472.2	517.7	579.3	23.8	21.7	19.4	3.8	3.3	3.0	14.8	15.3	15.2
Motherson Wiring	59	Buy	1.4	1.7	2.1	40.7	33.9	28.4	13.3	11.0	9.1	35.2	35.4	35.0
MRF	1,29,286	Sell	4,423.8	5,040.9	5,855.6	29.2	25.6	22.1	3.0	2.7	2.4	10.7	11.1	11.6
Samvardhana Motherson	155	Buy	5.1	7.0	8.6	30.6	22.3	18.2	3.2	2.9	2.6	11.8	13.4	15.0
Sona BLW Precis.	591	Neutral	9.8	11.3	13.3	60.1	52.3	44.6	11.0	9.7	8.5	19.3	19.7	20.3
Tata Motors	749	Neutral	65.6	59.5	64.7	11.4	12.6	11.6	2.6	2.2	1.8	25.1	18.6	17.1
Tube Investments	3,576	Buy	46.0	64.2	78.2	77.8	55.7	45.7	11.7	9.8	8.2	16.1	19.1	19.5
TVS Motor	2,407	Neutral	53.5	66.1	79.0	45.0	36.4	30.5	11.6	9.2	7.4	28.9	28.2	26.8
Capital Goods						46.7	37.6	31.3	8.1	7.0	5.9	17.4	18.5	19.0
ABB India	6,929	Buy	88.7	102.5	119.3	78.1	67.6	58.1	19.1	15.2	12.3	27.6	25.1	23.4
Bharat Electronics	294	Buy	6.7	8.2	9.9	44.2	36.0	29.8	10.6	8.5	6.8	24.0	23.5	22.9
Cummins India	3,230	Buy	71.1	86.2	101.5	45.4	37.4	31.8	12.9	11.4	10.0	30.1	32.3	33.4
Hitachi Energy	15,479	Neutral	75.2	155.5	232.3	205.9	99.5	66.6	39.1	28.1	19.8	19.0	28.2	29.6
Kalpataru Proj.	1,312	Buy	46.2	64.8	84.7	28.4	20.2	15.5	3.0	2.7	2.3	12.0	14.0	15.9
KEC International	1,201	Neutral	23.7	39.6	48.8	50.7	30.3	24.6	5.9	5.2	4.5	13.3	18.3	19.7
Kirloskar Oil	1,009	Buy	32.7	42.9	55.9	30.9	23.5	18.0	4.9	4.3	3.6	16.9	19.4	21.8
Larsen & Toubro	3,667	Buy	111.1	137.2	160.3	33.0	26.7	22.9	5.1	4.5	3.9	16.5	17.9	18.2
Siemens	6,633	Buy	76.3	84.6	107.0	86.9	78.5	62.0	15.4	13.4	11.6	19.1	18.3	20.1
Thermax	3,929	Neutral	63.1	81.4	97.9	62.3	48.3	40.1	8.9	7.7	6.6	15.1	17.1	17.8
Triveni Turbine	754	Buy	11.5	14.3	19.4	65.4	52.7	38.8	19.6	15.4	12.0	33.6	32.8	34.8
Zen Technologies	2,476	Buy	31.7	49.0	68.1	78.1	50.5	36.3	12.9	10.2	8.0	26.1	22.6	24.7
Cement						49.3	34.0	27.0	3.4	3.1	2.9	7.0	9.2	10.8
ACC	2,051	Buy	81.2	110.1	143.4	25.3	18.6	14.3	2.2	2.0	1.8	9.1	11.3	13.2
Ambuja Cements	538	Buy	9.2	13.6	17.2	58.2	39.4	31.3	2.4	2.3	2.2	4.8	6.1	7.3
Birla Corporation	1,234	Buy	25.4	58.8	79.8	48.7	21.0	15.5	1.4	1.3	1.2	2.9	6.5	8.3
Dalmia Bharat	1,772	Buy	44.3	62.1	79.3	40.0	28.5	22.4	2.0	1.9	1.8	5.0	6.7	8.1
Grasim Industries	2,440	Buy	79.5	100.6	119.3	30.7	24.3	20.5	3.0	2.9	2.8	-1.5	1.9	4.2
India Cements	377	Sell	-20.3	-0.7	6.2	-18.6	-535.0	61.1	2.4	2.4	2.3	-12.2	-0.4	3.8
J K Cements	4,582	Buy	83.9	126.0	179.2	54.6	36.4	25.6	6.0	5.3	4.6	11.0	15.6	19.2
JK Lakshmi Cem.	834	Buy	22.1	39.5	39.2	37.7	21.1	21.3	2.9	2.6	2.4	7.9	13.0	11.6
Ramco Cements	966	Neutral	12.2	22.4	31.4	79.5	43.1	30.8	3.0	2.8	2.6	3.9	6.7	8.8
Shree Cement	25,495	Neutral	292.8	319.3	421.8	87.1	79.9	60.4	4.4	4.2	4.0	5.1	5.4	6.8
Ultratech Cement	11,450	Buy	214.9	311.8	390.8	53.3	36.7	29.3	5.1	4.3	3.8	9.9	12.8	13.9
Chemicals						41.7	31.2	25.6	4.1	3.7	3.3	9.9	11.9	13.0
Alkyl Amines	1,809	Neutral	32.0	46.9	62.5	56.5	38.5	28.9	6.7	6.0	5.3	12.4	16.5	19.5
Atul	6,908	Buy	153.2	202.1	252.4	45.1	34.2	27.4	3.7	3.4	3.1	8.5	10.4	11.8
Clean Science	1,541	Neutral	23.7	36.0	45.6	64.9	42.8	33.8	11.5	9.3	7.5	19.2	24.1	24.7
Deepak Nitrite	2,498	Neutral	61.5	78.0	87.5	40.6	32.0	28.5	6.2	5.3	4.5	16.2	17.7	17.1

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Fine Organic	4,583	Sell	145.3	121.8	120.8	31.5	37.6	37.9	6.2	5.4	4.8	21.6	15.3	13.3
Galaxy Surfactants	2,510	Buy	95.6	118.3	139.3	26.3	21.2	18.0	3.7	3.2	2.9	14.7	16.2	16.9
Navin Fluorine	3,276	Neutral	57.7	82.3	103.4	56.7	39.8	31.7	6.3	5.6	5.0	11.5	14.9	16.7
NOCIL	252	Neutral	7.8	8.7	12.9	32.3	29.1	19.6	2.4	2.3	2.1	7.5	8.0	11.2
P I Industries	3,693	Buy	114.4	126.5	144.8	32.3	29.2	25.5	5.5	4.7	4.0	18.3	17.2	16.9
SRF	2,212	Neutral	39.6	66.5	87.9	55.9	33.3	25.2	5.4	4.8	4.2	10.0	15.3	17.8
Tata Chemicals	1,039	Neutral	28.0	49.6	62.2	37.1	20.9	16.7	1.2	1.1	1.1	3.2	5.5	6.6
Vinati Organics	1,804	Buy	42.3	51.9	61.3	42.6	34.7	29.4	6.7	5.8	5.0	16.7	17.9	18.3
Consumer						47.4	41.6	37.3	10.9	10.2	9.4	23.0	24.5	25.1
Asian Paints	2,305	Neutral	46.2	52.5	59.5	49.8	43.9	38.7	11.5	11.0	10.1	23.4	25.6	27.2
Britannia	4,793	Neutral	91.3	105.0	118.3	52.5	45.7	40.5	26.8	23.3	19.6	53.3	54.5	52.5
Colgate	2,702	Neutral	54.7	60.3	65.8	49.4	44.8	41.0	34.4	30.4	27.1	74.2	71.9	69.8
Dabur	511	Buy	10.5	12.0	13.7	48.7	42.6	37.3	8.5	8.0	7.5	18.2	19.4	20.7
Emami	605	Buy	20.3	22.2	24.0	29.8	27.3	25.2	9.5	8.5	7.6	34.0	32.8	31.7
Godrej Consumer	1,079	Buy	20.1	24.9	28.7	53.6	43.4	37.6	8.1	7.4	6.9	15.7	17.9	19.1
Hind. Unilever	2,323	Buy	44.8	51.0	56.2	51.8	45.5	41.3	10.6	10.4	10.1	20.5	23.0	24.7
Indigo Paints	1,383	Buy	29.8	35.4	41.6	46.4	39.1	33.3	6.5	5.7	4.9	14.8	15.5	15.8
ITC	484	Buy	16.7	18.2	19.8	29.0	26.6	24.5	7.8	7.4	7.1	27.5	28.7	29.6
Jyothy Labs	401	Neutral	10.6	11.7	12.9	38.0	34.4	31.1	7.8	7.1	6.4	20.9	21.5	21.5
L T Foods	432	Buy	18.1	24.0	28.4	23.8	18.0	15.2	3.8	3.3	2.8	17.3	19.6	19.8
Marico	643	Buy	12.9	14.4	15.5	49.8	44.7	41.5	20.7	19.5	18.4	42.6	45.1	45.7
Nestle	2,170	Neutral	33.8	38.3	43.1	64.1	56.7	50.3	50.6	42.9	36.6	87.2	81.9	78.5
P&G Hygiene	14,651	Neutral	251.7	281.5	317.2	58.2	52.0	46.2	50.7	42.4	35.8	95.5	88.8	84.2
Page Industries	47,771	Buy	603.3	720.5	865.8	79.2	66.3	55.2	30.4	26.1	22.3	38.4	39.4	40.4
Pidilite Inds.	2,862	Neutral	42.4	49.0	56.0	67.5	58.4	51.2	15.2	13.7	11.1	24.0	24.7	24.0
Tata Consumer	920	Buy	14.8	19.0	20.9	62.4	48.6	44.1	3.9	3.5	3.3	7.4	7.9	8.2
United Breweries	2,091	Neutral	21.5	31.4	38.9	97	67	53.7	12.3	11.2	10.1	13.1	17.6	19.8
United Spirits	1,657	Neutral	19.1	21.6	23.9	87	77	69.3	14.4	12.1	10.3	16.6	15.8	14.9
Varun Beverages	651	Buy	7.7	10.4	12.5	84.1	62.7	52.0	13.4	11.3	9.4	22.5	19.5	19.7
Consumer Durables						63.7	51.0	41.1	10.2	8.9	7.6	16.1	17.4	18.5
Havells India	1,681	Neutral	23.3	28.8	36.0	72.2	58.4	46.6	12.5	11.0	9.5	17.4	18.9	20.5
KEI Industries	4,467	Buy	72.2	88.4	107.9	61.9	50.5	41.4	7.3	6.5	5.6	15.4	13.6	14.5
Polycab India	7,342	Buy	128.6	152.6	183.7	57.1	48.1	40.0	11.4	9.6	8.1	20.0	20.0	20.2
R R Kabel	1,424	Buy	21.6	36.6	51.4	66.1	38.9	27.7	8.1	7.0	5.8	12.7	19.2	22.8
Voltas	1,825	Buy	27.2	35.1	44.4	67.2	52.0	41.1	9.1	8.0	6.9	13.5	15.3	16.8
EMS						109.9	75.8	53.2	17.4	14.2	11.2	15.8	18.7	21.1
Amber Enterp.	7,675	Buy	78.0	113.0	172.3	98.4	67.9	44.5	11.1	9.5	7.9	12.0	15.1	19.4
Avalon Tech	972	Buy	8.8	15.9	25.2	111.0	61.2	38.5	10.6	9.0	7.3	10.0	15.9	20.9
Cyient DLM	674	Buy	11.3	21.7	30.2	59.8	31.1	22.3	5.4	4.6	3.8	9.4	15.9	18.6
Data Pattern	2,498	Neutral	38.9	51.0	65.0	64.3	48.9	38.4	9.1	7.7	6.4	15.2	17.1	18.2
Dixon Tech.	18,009	Buy	142.6	182.1	234.6	126.3	98.9	76.8	42.6	29.9	21.6	40.4	35.5	32.7
Kaynes Tech	7,598	Buy	53.8	93.3	151.8	141.2	81.4	50.1	17.2	14.2	11.0	12.9	19.1	24.8
Syrma SGS Tech.	625	Buy	9.5	14.7	22.0	66.0	42.5	28.4	6.3	5.6	4.7	10.0	14.0	18.0
Financials														
Banks-Private						18.0	15.9	13.6	2.6	2.2	2.0	14.2	14.2	14.5
AU Small Finance	568	Buy	29.9	37.3	48.3	19.0	15.3	11.8	2.6	2.2	1.9	14.6	15.6	17.2
Axis Bank	1,072	Neutral	85.4	94.2	108.5	12.5	11.4	9.9	1.9	1.6	1.4	16.1	15.3	15.1
Bandhan Bank	160	Neutral	22.7	23.9	27.7	7.0	6.7	5.8	1.1	0.9	0.8	16.0	15.0	15.4
DCB Bank	121	Buy	18.6	23.7	30.2	6.5	5.1	4.0	0.7	0.6	0.5	11.5	13.2	14.8
Equitas Small Fin.	65	Buy	2.6	6.4	9.8	24.8	10.2	6.6	1.2	1.1	1.0	4.9	11.4	15.6
Federal Bank	200	Buy	16.8	19.7	24.3	11.9	10.2	8.3	1.5	1.3	1.1	13.3	13.7	14.9
HDFC Bank	1,782	Buy	87.9	98.8	112.5	20.3	18.0	15.8	2.8	2.5	2.2	14.3	14.4	14.6
ICICI Bank	1,284	Buy	65.6	72.4	82.4	19.6	17.7	15.6	3.3	2.8	2.4	18.1	17.2	16.8
IDFC First Bank	64	Neutral	3.0	5.1	7.0	21.3	12.7	9.2	1.3	1.2	1.1	6.4	10.0	12.3
IndusInd Bank	969	Buy	84.5	112.3	142.1	11.5	8.6	6.8	1.1	1.0	0.9	10.0	12.2	13.7
Kotak Mahindra Bank	1,788	Neutral	93.9	106.0	126.1	19.0	16.9	14.2	2.4	2.1	1.8	13.6	13.2	13.7
RBL Bank	158	Neutral	12.8	22.4	35.8	12.3	7.0	4.4	0.6	0.6	0.5	5.1	8.6	12.8

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Banks-PSU						7.7	7.1	6.2	1.2	1.1	1.0	16.2	15.6	15.9
Bank of Baroda	241	Buy	36.1	38.2	42.1	6.7	6.3	5.7	1.0	0.9	0.8	16.3	15.3	15.1
Canara Bank	100	Buy	17.8	18.8	21.1	5.6	5.3	4.8	1.0	0.9	0.8	19.2	17.7	17.8
Indian Bank	517	Buy	76.7	83.1	91.2	6.7	6.2	5.7	1.1	1.0	0.9	18.3	17.2	16.6
Punjab National Bank	103	Neutral	13.9	15.1	17.1	7.4	6.8	6.0	1.0	0.9	0.8	14.4	13.9	14.0
State Bank	793	Buy	89.1	98.7	115.9	8.9	8.0	6.8	1.5	1.3	1.1	18.8	17.4	17.3
Union Bank	123	Buy	20.7	21.5	23.5	5.9	5.7	5.2	0.9	0.8	0.7	16.2	14.9	14.4
Insurance						21.1	19.7	17.7	5.8	4.6	3.8	27.3	23.6	21.7
HDFC Life Insur.	617	Buy	8.4	9.3	10.3	73.5	66.4	60.1	2.4	2.1	1.8	16.9	16.4	16.9
ICICI Lombard	1,808	Buy	50.0	56.6	74.5	36.2	31.9	24.3	6.5	5.7	4.8	19.3	19.1	21.5
ICICI Pru Life	661	Buy	7.1	8.3	11.6	93.6	79.7	57.1	1.9	1.6	1.3	19.0	20.2	20.6
Life Insurance Corp.	896	Buy	67.2	71.4	77.1	13.3	12.6	11.6	0.7	0.6	0.5	15.5	11.1	10.9
Max Financial	1,101	Neutral	14.6	16.9	22.8	75.5	65.1	48.3	2.0	1.7	1.4	19.0	19.4	19.3
SBI Life Insurance	1,401	Buy	25.1	25.7	28.8	55.8	54.5	48.7	2.0	1.7	1.4	21.1	19.8	18.9
Star Health	482	Buy	13.9	18.4	25.0	34.6	26.1	19.3	3.8	3.3	2.8	11.6	13.5	15.8
NBFC - Lending						15.1	12.1	10.0	2.2	1.9	1.7	14.7	15.9	16.6
AAVAS Financiers	1,677	Neutral	72.5	89.6	109.6	23.1	18.7	15.3	3.1	2.6	2.2	14.1	15.1	15.8
Aditya Birla Cap	179	Buy	14.5	16.8	20.3	12.4	10.6	8.8	1.5	1.4	1.2	13.2	13.6	14.5
Bajaj Finance	6,937	Neutral	264.5	342.9	440.0	26.2	20.2	15.8	4.4	3.7	3.1	18.8	19.8	21.2
Can Fin Homes	730	Neutral	65.2	71.2	82.6	11.2	10.3	8.8	1.9	1.6	1.4	18.3	17.0	16.9
Chola. Inv & Fin.	1,185	Buy	51.6	68.4	90.0	23.0	17.3	13.2	4.2	3.2	2.6	20.0	21.3	22.0
CreditAccess	891	Buy	59.1	101.0	127.3	15.1	8.8	7.0	1.9	1.6	1.3	13.5	19.7	20.3
Five-Star Business	793	Buy	36.7	41.5	47.9	21.6	19.1	16.5	3.7	3.1	2.6	18.7	17.7	17.2
Fusion Finance	178	Neutral	-65.4	30.7	51.7	-2.7	5.8	3.4	0.8	0.7	0.6	-26.1	13.2	18.8
Home First Fin.	1,045	Buy	42.4	52.4	63.3	24.6	19.9	16.5	3.8	3.2	2.7	16.4	17.4	17.8
IIFL Finance	418	Buy	13.3	46.7	58.4	31.6	9.0	7.2	1.4	1.3	1.1	4.9	15.1	16.3
Indostar Capital	271	Buy	10.7	16.4	24.8	25.2	16.5	10.9	1.1	1.0	1.0	4.4	6.7	9.1
L&T Finance	138	Buy	10.4	13.6	18.5	13.3	10.1	7.4	1.3	1.2	1.1	10.6	12.7	15.3
LIC Housing Fin	600	Buy	93.1	96.1	103.6	6.5	6.3	5.8	0.9	0.8	0.7	15.3	14.1	13.6
M & M Financial	266	Buy	19.5	25.1	31.6	13.6	10.6	8.4	1.6	1.4	1.3	12.1	14.1	15.9
Manappuram Finance	191	Neutral	25.1	26.8	33.3	7.6	7.1	5.7	1.2	1.1	0.9	17.1	15.8	16.9
MAS Financial	272	Buy	17.1	21.4	26.3	15.9	12.7	10.3	2.0	1.7	1.5	14.7	14.5	15.6
Muthoot Finance	2,216	Neutral	127.6	152.4	171.0	17.4	14.5	13.0	3.1	2.7	2.3	19.5	19.9	19.1
PFC	448	Buy	49.7	55.9	63.3	9.0	8.0	7.1	1.6	1.4	1.3	19.3	19.0	18.8
Piramal Enterprises	1,094	Neutral	39.2	57.4	75.3	27.9	19.1	14.5	0.9	0.9	0.8	3.3	4.7	5.9
PNB Housing	908	Buy	72.6	89.4	108.5	12.5	10.2	8.4	1.4	1.3	1.1	11.9	13.0	14.0
Poonawalla Fincorp	314	Buy	2.4	14.2	22.6	128.7	22.1	13.9	3.0	2.6	2.2	2.3	12.5	17.4
REC	505	Buy	61.1	69.3	80.6	8.3	7.3	6.3	1.6	1.4	1.2	21.5	20.9	20.8
Repco Home Fin	432	Neutral	70.3	69.9	77.9	6.2	6.2	5.6	0.8	0.7	0.6	14.2	12.4	12.3
Shriram Finance	2,917	Buy	224.9	264.9	320.3	13.0	11.0	9.1	2.0	1.7	1.5	16.3	16.8	17.6
Spandana Sphoorty	330	Buy	-93.2	48.4	81.5	-3.5	6.8	4.0	0.8	0.7	0.6	-20.1	10.9	16.1
NBFC - Non Lending						39.1	32.1	26.6	10.7	9.6	8.6	27.4	30.0	32.2
360 ONE WAM	1,276	Buy	25.3	34.1	40.3	50.5	37.4	31.6	7.9	7.3	6.9	20.1	20.2	22.4
Aditya Birla AMC	837	Buy	32.0	37.3	42.8	26.1	22.4	19.5	6.9	6.1	5.4	27.6	28.8	29.4
Anand Rathi Wealth	3,935	Neutral	75.3	102.1	122.5	52.2	38.5	32.1	22.9	15.8	11.5	45.9	48.3	41.3
Angel One	3,017	Buy	159.3	169.7	246.8	18.9	17.8	12.2	4.3	3.7	3.2	29.7	22.4	28.0
BSE	5,426	Buy	98.9	129.0	158.2	54.8	42.1	34.3	19.8	17.4	15.1	36.2	41.3	44.0
Cams Services	5,108	Buy	99.2	119.5	144.0	51.5	42.7	35.5	23.1	19.4	16.3	48.6	49.3	49.9
CDSL	1,809	Neutral	30.1	37.2	46.3	60.1	48.6	39.1	20.8	17.7	14.9	38.3	39.3	41.4
HDFC AMC	4,162	Buy	114.1	136.0	154.7	36.5	30.6	26.9	11.6	10.6	9.6	33.0	36.1	37.4
KFin Technologies	1,545	Neutral	20.9	26.8	33.8	74.0	57.6	45.8	21.5	17.9	14.5	31.5	33.9	35.0
MCX	6,285	Neutral	119.0	166.6	198.8	52.8	37.7	31.6	21.4	19.2	17.1	42.2	53.6	57.2
Nippon Life AMC	754	Buy	21.6	26.6	31.2	34.9	28.4	24.2	11.7	11.5	11.2	33.9	40.9	46.9
Nuvama Wealth	6,974	Buy	272.7	314.9	363.2	25.6	22.1	19.2	7.5	6.6	5.8	31.3	31.8	32.2
Prudent Corp.	2,726	Neutral	49.4	67.1	87.5	55.2	40.6	31.2	84.6	61.0	44.7	35.6	34.9	33.1
UTI AMC	1,366	Buy	69.1	76.8	87.2	19.8	17.8	15.7	3.3	3.1	3.0	17.2	18.2	19.5
Healthcare						39.3	32.7	29.0	5.7	4.9	4.3	14.5	15.1	14.8

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Ajanta Pharma	3,003	Buy	72.4	82.4	97.0	41.5	36.4	31.0	9.0	7.6	6.4	23.5	22.6	22.5
Alembic Pharma	1,048	Neutral	31.7	37.9	47.5	33.1	27.7	22.1	3.9	3.5	3.0	12.1	13.1	14.5
Alkem Lab	5,574	Neutral	183.8	204.8	231.2	30.3	27.2	24.1	5.5	4.8	4.2	19.7	18.9	18.4
Apollo Hospitals	7,370	Buy	97.4	126.3	164.5	75.7	58.4	44.8	12.4	10.3	8.4	18.4	19.9	21.3
Aurobindo Pharma	1,351	Neutral	61.7	70.8	81.1	21.9	19.1	16.7	2.4	2.1	1.9	11.5	11.8	12.1
Biocon	369	Neutral	2.0	4.7	9.6	188.8	78.7	38.3	2.2	2.1	2.0	1.2	2.7	5.4
Cipla	1,531	Neutral	57.1	62.6	66.0	26.8	24.5	23.2	4.0	3.5	3.1	15.0	14.3	13.3
Divis Labs	6,071	Neutral	74.8	97.1	119.6	81.1	62.5	50.8	10.8	9.6	8.5	13.9	16.3	17.8
Dr Reddy's Labs	1,370	Neutral	64.3	78.3	68.8	21.3	17.5	19.9	3.5	2.9	2.6	17.6	18.2	13.8
Eris Lifescience	1,332	Neutral	28.6	40.1	54.2	46.6	33.2	24.6	6.3	5.4	4.5	14.3	17.6	20.1
Gland Pharma	1,810	Buy	46.2	58.7	70.0	39.1	30.8	25.8	3.1	2.9	2.6	8.4	9.7	10.5
Glenmark Pharma	1,614	Buy	47.3	60.7	70.6	34.1	26.6	22.9	4.9	4.2	3.5	15.7	17.0	16.7
Global Health	1,101	Buy	19.1	24.0	30.2	57.7	45.9	36.5	8.9	7.7	6.5	16.4	17.9	19.3
Granules India	598	Buy	21.3	28.3	35.6	28.1	21.1	16.8	3.9	3.3	2.8	14.9	17.0	18.0
GSK Pharma	2,234	Neutral	50.2	56.2	64.6	44.5	39.7	34.6	17.5	14.3	11.6	39.3	36.0	33.4
IPCA Labs.	1,697	Buy	33.1	44.3	55.5	51.2	38.3	30.6	6.1	5.4	4.7	12.6	14.9	16.4
Laurus Labs	615	Buy	4.9	10.5	14.5	126.6	58.8	42.3	7.6	6.9	6.1	6.2	12.3	15.2
Lupin	2,365	Neutral	68.9	75.7	83.9	34.3	31.3	28.2	6.2	5.2	4.4	19.8	18.2	17.0
Mankind Pharma	2,887	Buy	57.1	60.1	76.6	50.6	48.0	37.7	10.4	8.9	7.6	22.4	20.1	21.8
Max Healthcare	1,140	Buy	15.1	19.9	24.0	75.7	57.3	47.5	10.3	8.7	7.4	14.6	16.5	16.8
Piramal Pharma	258	Buy	2.0	4.7	7.1	128.3	55.1	36.2	3.8	3.5	3.2	3.3	7.3	10.2
Sun Pharma	1,890	Buy	49.3	59.3	67.4	38.3	31.9	28.0	6.1	5.2	4.4	17.2	17.8	17.1
Torrent Pharma	3,416	Neutral	58.4	77.9	97.8	58.5	43.8	34.9	7.1	5.9	4.9	26.4	29.5	30.5
Zydus Lifesciences	974	Neutral	44.6	49.4	43.6	21.9	19.7	22.3	3.9	3.3	2.9	19.8	18.1	14.0
Infrastructure						31.1	22.6	18.8	2.3	2.1	1.9	7.4	9.3	10.1
G R Infraproject	1,473	Buy	73.6	91.3	111.5	20.0	16.1	13.2	1.8	1.6	1.4	9.4	10.6	11.6
IRB Infra	60	Neutral	1.3	2.1	2.5	45.4	28.0	24.0	2.5	2.3	2.2	5.6	8.7	9.3
KNR Constructions	342	Buy	14.9	17.1	21.8	23.0	20.0	15.7	2.5	2.2	1.9	11.8	11.7	13.2
Logistics						29.2	23.5	19.5	4.6	4.0	3.4	15.7	16.9	17.5
Adani Ports	1,219	Buy	49.1	59.2	70.8	24.8	20.6	17.2	4.2	3.6	3.1	18.4	18.9	19.2
Blue Dart Express	6,981	Buy	114.2	208.5	259.8	61.1	33.5	26.9	10.6	8.6	6.9	18.0	28.4	28.6
Concor	779	Buy	22.8	29.7	35.7	34.1	26.3	21.8	3.8	3.5	3.2	11.4	13.8	15.3
JSW Infra	324	Buy	6.1	7.5	9.5	53.4	43.0	34.3	7.5	6.6	5.8	14.9	16.4	18.1
Mahindra Logistics	384	Neutral	2.3	17.0	28.9	163.5	22.5	13.3	5.6	4.6	3.5	3.3	21.9	29.5
TCI Express	825	Neutral	26.6	38.4	44.7	31.0	21.5	18.4	4.1	3.5	3.1	13.8	17.6	17.8
Transport Corp.	1,161	Buy	53.0	63.0	73.7	21.9	18.4	15.7	3.8	3.1	2.6	18.4	18.3	18.1
VRL Logistics	510	Buy	16.0	21.4	26.3	31.8	23.8	19.4	4.5	4.1	3.8	14.4	18.0	20.3
Media						22.3	17.0	14.6	1.7	1.6	1.5	7.8	9.5	10.4
PVR Inox	1,318	Neutral	-17.9	20.4	43.9	-73.8	64.5	30.0	1.8	1.8	1.7	-2.4	2.8	5.7
Sun TV	690	Neutral	46.1	48.9	52.8	15.0	14.1	13.1	2.4	2.2	2.0	16.0	15.5	15.4
Zee Entertainment	123	Neutral	7.2	9.6	10.9	17.1	12.8	11.3	1.0	1.0	0.9	6.2	7.8	8.3
Metals						13.7	9.6	8.2	2.3	2.0	1.7	16.7	20.7	20.8
Coal India	387	Buy	56.7	67.4	70.5	6.8	5.7	5.5	2.4	2.0	1.7	35.1	34.6	30.8
Hindalco	593	Buy	68.9	63.1	74.0	8.6	9.4	8.0	1.4	1.2	1.1	17.6	14.0	14.5
Hindustan Zinc	444	Neutral	22.3	31.0	31.9	19.9	14.3	13.9	15.7	9.4	6.6	69.4	82.2	55.7
JSPL	938	Buy	46.7	95.4	110.0	20.1	9.8	8.5	1.9	1.6	1.4	10.1	18.1	17.8
JSW Steel	906	Buy	19.8	68.2	85.7	45.8	13.3	10.6	2.7	2.3	1.9	6.1	18.6	19.5
Nalco	214	Neutral	18.6	13.9	16.2	11.5	15.4	13.2	2.3	2.1	1.8	21.7	14.1	14.7
NMDC	66	Buy	8.2	9.1	9.8	8.1	7.3	6.7	1.9	1.6	1.4	25.3	23.5	21.7
SAIL	113	Neutral	0.8	10.4	14.8	147.2	10.9	7.6	0.8	0.8	0.7	0.5	7.2	9.8
Tata Steel	137	Neutral	3.8	11.9	17.8	35.8	11.5	7.7	2.0	1.9	1.6	5.6	16.8	22.7
Vedanta	444	Neutral	36.9	44.7	50.6	12.0	10.0	8.8	5.1	4.0	3.2	43.5	45.3	40.7
Oil & Gas						16.5	13.6	12.6	1.6	1.5	1.3	9.7	10.8	10.7
Aegis Logistics	814	Neutral	16.8	21.0	23.3	48.5	38.8	34.9	6.7	6.0	5.4	14.4	16.3	16.3
BPCL	295	Neutral	28.2	26.1	26.8	10.5	11.3	11.0	1.5	1.4	1.4	15.3	13.2	12.7
Castrol India	204	Buy	8.9	9.2	10.0	22.8	22.2	20.3	9.0	8.5	8.0	40.4	39.3	40.5
GAIL	191	Buy	15.5	18.0	20.5	12.3	10.6	9.3	1.7	1.6	1.4	15.2	16.0	16.6

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Gujarat Gas	504	Buy	14.9	17.8	19.3	33.8	28.3	26.0	4.1	3.8	3.5	12.8	14.0	13.9
Gujarat State Petronet	365	Neutral	15.5	11.0	11.0	23.5	33.1	33.2	1.9	1.8	1.7	8.3	5.6	5.4
HPCL	413	Buy	22.1	38.1	40.9	18.6	10.8	10.1	1.7	1.6	1.4	9.7	15.2	14.6
Indraprastha Gas	410	Sell	17.5	21.2	24.9	23.5	19.4	16.5	3.1	2.7	2.5	13.6	14.9	15.8
IOC	137	Buy	7.3	9.0	9.1	18.7	15.3	15.1	1.0	1.0	0.9	5.4	6.3	6.2
Mahanagar Gas	1,282	Buy	101.1	104.6	109.2	12.7	12.3	11.7	2.2	2.0	1.8	18.3	17.1	16.1
MRPL	149	Sell	-0.9	11.0	12.8	-162.3	13.6	11.7	2.0	1.8	1.6	-1.2	13.9	14.4
Oil India	437	Buy	38.3	47.6	51.3	11.4	9.2	8.5	1.5	1.3	1.2	13.5	15.1	14.7
ONGC	237	Buy	38.7	46.5	47.4	6.1	5.1	5.0	0.8	0.7	0.7	13.8	14.9	13.8
Petronet LNG	347	Neutral	25.5	29.3	31.4	13.6	11.9	11.1	2.7	2.4	2.2	21.2	21.8	20.8
Reliance Inds.	1,222	Buy	49.5	61.2	69.4	24.7	20.0	17.6	1.9	1.8	1.6	8.1	9.3	9.7
Real Estate						57.8	41.1	38.0	5.4	4.8	4.3	9.3	11.7	11.3
Anant Raj	856	Buy	17.4	21.9	24.8	49.2	39.2	34.5	6.9	5.9	5.1	14.1	15.1	14.6
Brigade Enterpr.	1,237	Buy	37.8	44.1	63.1	32.7	28.1	19.6	4.3	3.8	3.1	16.2	14.3	17.5
DLF	825	Buy	10.4	18.1	13.0	79.1	45.6	63.3	3.5	3.2	3.1	6.3	10.2	6.9
Godrej Properties	2,774	Buy	51.3	32.0	26.9	54.1	86.7	103.1	6.8	6.3	5.9	13.3	7.5	5.9
Kolte Patil Dev.	356	Buy	15.1	44.0	39.5	23.6	8.1	9.0	3.3	2.4	1.9	14.8	34.4	23.9
Macrotech Developers	1,365	Buy	22.6	34.1	36.8	60.4	40.0	37.1	6.7	5.8	5.1	11.7	15.5	14.6
Mahindra Lifespace	464	Neutral	5.5	6.0	21.4	84.9	77.3	21.6	3.7	3.6	3.2	4.5	4.8	15.6
Oberoi Realty	2,279	Neutral	66.7	82.8	96.6	34.1	27.5	23.6	5.2	4.4	3.8	16.3	17.4	17.3
Phoenix Mills	1,588	Neutral	29.8	41.3	55.7	53.3	38.4	28.5	5.4	4.8	4.1	10.7	13.3	15.5
Prestige Estates	1,655	Buy	21.7	22.2	26.5	76.4	74.6	62.4	3.6	3.5	3.3	5.7	4.8	5.4
SignatureGlobal	1,354	Buy	19.1	58.6	120.5	71.0	23.1	11.2	21.3	11.1	5.6	35.2	63.0	66.0
Sobha	1,574	Buy	30.3	67.2	83.2	51.9	23.4	18.9	4.2	3.6	3.0	9.7	16.5	17.4
Sunteck Realty	508	Buy	11.7	31.3	10.1	43.3	16.2	50.2	2.3	2.0	1.9	5.4	13.1	3.9
Retail						104.4	77.0	60.7	14.8	12.8	11.0	14.2	16.7	18.1
Aditya Birla Fashion	282	Neutral	-7.3	-6.2	-5.9	-38.8	-45.7	-47.6	7.2	8.6	10.6	-17.8	-18.0	-21.0
Avenue Supermarts	3,561	Buy	45.1	53.4	62.8	78.9	66.7	56.7	10.7	9.2	7.9	14.6	14.9	15.1
Barbeque Nation	444	Neutral	-1.6	1.9	4.9	-276	233	91.5	4.5	4.4	4.2	-1.6	1.9	4.6
Bata India	1,398	Neutral	22.6	26.0	30.9	61.9	53.8	45.2	10.2	9.3	8.4	17.7	18.1	19.6
Campus Activewear	320	Buy	4.1	5.5	7.5	77.2	57.9	42.9	12.6	10.3	8.3	16.3	17.9	19.4
Devyani Intl.	183	Buy	0.4	1.7	2.2	408.5	110.3	84.3	33.3	37.2	39.7	6.3	31.8	45.5
Jubilant Foodworks	739	Neutral	5.5	8.1	10.4	135.6	91.7	71.2	21.8	20.8	19.2	16.0	22.7	26.9
Kalyan Jewellers	774	Buy	8.1	10.9	13.7	96.1	70.9	56.5	17.1	14.6	12.4	18.7	22.2	23.7
Metro Brands	1,234	Buy	13.8	17.5	21.9	89.2	70.3	56.3	15.1	12.8	10.7	18.6	20.1	21.2
P N Gadgil Jewellers	666	Buy	17.1	23.2	29.4	39.0	28.7	22.6	5.6	4.7	3.9	21.6	17.8	18.7
Raymond Lifestyle	2,068	Buy	46.6	77.0	94.0	44.4	26.8	22.0	1.3	1.2	1.1	6.2	9.5	10.5
Relaxo Footwear	625	Neutral	7.6	9.5	11.7	82.7	65.9	53.3	7.3	6.7	6.1	9.1	10.6	12.0
Restaurant Brands	85	Buy	-3.6	-1.1	1.1	-23.6	-77.4	79.8	9.4	10.6	9.4	-33.2	-12.9	12.5
Sapphire Foods	345	Buy	1.3	3.4	4.9	264.5	101.2	70.4	8.0	7.4	6.7	3.1	7.6	10.0
Senco Gold	1,127	Buy	32.5	39.1	45.4	34.7	28.8	24.8	5.6	4.8	4.0	17.3	17.9	17.6
Shoppers Stop	603	Neutral	-1.7	0.1	6.5	-349.7	8,848	92.9	16.5	16.5	13.4	-6.0	0.2	20.9
Titan Company	3,254	Buy	42.6	53.4	63.7	76.4	61.0	51.1	24.0	18.8	15.0	35.4	34.7	32.7
Trent	7,068	Buy	47.0	65.0	90.5	151	109	78.1	40.9	29.2	20.9	34.0	33.5	33.3
V-Mart Retail	3,876	Neutral	-12.6	5.0	23.7	-307	782	163.6	9.7	9.6	9.0	NM	1.3	6.2
Vedant Fashions	1,272	Neutral	17.9	22.0	27.3	71	58	46.5	17.5	15.3	13.2	25.3	25.6	27.5
Westlife Foodworld	788	Neutral	1.1	6.0	9.7	716.7	132.2	80.8	16.5	16.8	13.9	2.6	12.6	18.8
Staffing						22.6	17.0	14.2	3.0	2.6	2.3	13.2	15.3	15.8
Qess Corp	665	Neutral	26.7	33.1	39.4	24.9	20.1	16.9	2.6	2.4	2.1	13.9	16.1	17.4
SIS	366	Buy	25.0	33.0	39.5	14.6	11.1	9.3	0.9	0.8	0.7	14.0	15.9	16.2
Team Lease Serv.	2,999	Buy	76.3	124.6	143.1	39.3	24.1	21.0	5.5	4.5	3.7	14.6	20.2	19.1
Updater Services	374	Buy	16.5	21.4	28.1	22.7	17.5	13.3	2.6	2.2	1.9	12.1	13.7	15.5
Technology						30.7	27.3	24.6	9.2	8.8	8.5	29.8	32.4	34.4
Coforge	9,628	Buy	145.7	229.2	282.3	66.1	42.0	34.1	15.0	12.9	10.9	24.0	32.7	34.2
Cyient	1,807	Buy	63.7	84.8	96.9	28.3	21.3	18.6	4.4	4.0	3.7	15.1	18.7	19.8
HCL Technologies	1,913	Buy	63.3	71.9	79.7	30.2	26.6	24.0	7.7	7.8	7.9	25.4	29.3	32.8
Infosys	1,883	Buy	63.5	71.5	80.1	29.6	26.3	23.5	8.8	8.8	8.8	29.9	33.6	37.5

Ready reckoner: Full year valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
LTIMindtree	5,674	Buy	162.2	189.2	229.9	35.0	30.0	24.7	7.4	6.4	5.6	22.4	22.9	24.3
L&T Technology	4,700	Buy	127.1	153.4	174.7	37.0	30.6	26.9	8.3	7.0	6.0	24.2	25.1	24.4
Mphasis	2,854	Neutral	90.7	104.3	115.1	31.5	27.4	24.8	5.7	5.3	4.8	18.9	20.1	20.5
Persistent Systems	6,438	Buy	88.5	116.5	136.1	72.8	55.3	47.3	17.1	14.4	12.2	25.3	28.3	27.9
TCS	4,113	Buy	139.0	153.0	167.3	29.6	26.9	24.6	15.6	14.6	13.7	54.1	56.1	57.6
Tech Mahindra	1,704	Neutral	47.8	62.1	69.6	35.6	27.4	24.5	5.5	5.3	5.2	15.7	19.8	21.5
Wipro	300	Neutral	11.5	12.3	13.0	26.2	24.5	23.1	4.3	4.2	4.1	16.3	17.4	18.1
Zensar Tech	747	Neutral	26.9	30.9	35.1	27.7	24.2	21.3	4.2	3.7	3.3	16.3	16.6	16.7
Telecom						-1,049	217	63.1	66.1	35.9	27.1	-6.3	16.5	43.0
Bharti Airtel	1,596	Buy	34.8	41.1	57.2	45.9	38.8	27.9	9.8	7.7	6.7	23.1	23.9	27.7
Indus Towers	344	Neutral	21.9	24.1	26.5	15.7	14.3	13.0	2.7	2.5	2.5	18.9	17.8	18.6
Tata Comm	1,726	Neutral	36.6	56.0	73.2	47.2	30.8	23.6	19.9	13.5	9.7	49.0	52.3	48
Vodafone Idea	8	Neutral	-9.7	-9.6	-8.8	-0.8	-0.8	-0.9	-0.2	-0.2	-0.2	NM	NM	NM
Utilities						20	17	15.7	2.7	2.5	2.3	13.6	14.7	14.5
Indian Energy Exch.	180	Neutral	4.4	5.4	6.3	40.6	33.7	28.7	14.0	11.6	10.3	37.8	37.7	38.0
JSW Energy	644	Buy	14.5	18.4	19.5	44.4	35.0	33.0	4.9	4.4	3.9	11.6	13.2	12.6
NTPC	334	Neutral	20.6	25.8	28.0	16.2	12.9	11.9	1.9	1.7	1.6	12.0	13.9	13.9
Power Grid Corp.	311	Buy	18.5	19.1	20.1	16.8	16.3	15.4	3.2	3.0	2.9	19.3	19.1	19.3
Tata Power	392	Buy	12.3	16.4	17.3	31.8	23.9	22.7	3.4	3.0	2.7	11.5	13.5	12.5
Others						80.1	40.1	30.0	7.2	6.2	5.2	8.9	15.4	17.4
APL Apollo Tubes	1,583	Buy	25.3	42.1	54.7	62.7	37.6	28.9	10.6	8.5	6.8	18.1	25.2	26.1
Cello World	757	Buy	16.8	21.7	26.7	44.9	34.9	28.3	10.8	8.3	6.5	24.0	23.8	25.7
Coromandel International	1,928	Buy	56.6	73.8	87.1	34.1	26.1	22.1	5.3	4.6	3.9	16.6	18.8	19.0
Dreamfolks Services	397	Buy	13.0	18.8	22.4	30.5	21.1	17.7	6.8	5.1	3.9	26.2	28.7	25.9
EPL	263	Buy	10.9	14.7	17.3	24.1	17.9	15.2	3.7	3.2	2.8	15.9	19.2	19.8
Godrej Agrovet	743	Buy	26.4	34.9	41.7	28.2	21.3	17.8	5.1	4.3	3.5	19.0	21.9	21.7
Gravita India	2,176	Buy	42.2	59.8	79.0	51.5	36.4	27.5	7.5	6.2	5.1	20.9	18.7	20.4
Indiamart Inter.	2,285	Buy	72.8	77.9	97.2	31.4	29.3	23.5	6.5	5.6	5.0	22.8	20.7	22.4
Indian Hotels	873	Buy	11.9	15.0	17.8	73.2	58.2	49.1	11.0	9.3	7.9	16.3	17.4	17.4
Info Edge	8,728	Neutral	64.0	91.1	110.6	136.4	95.8	78.9	4.3	4.2	4.0	2.8	4.4	5.2
Interglobe Aviation	4,591	Neutral	187.1	265.9	247.7	24.5	17.3	18.5	19.3	9.1	6.1	130.3	71.9	39.5
Kajaria Ceramics	1,169	Buy	26.8	32.0	39.1	43.7	36.6	29.9	6.6	6.1	5.5	15.2	16.9	18.9
Lemon Tree Hotel	159	Buy	2.3	3.8	4.5	68.1	41.9	35	10.8	8.6	6.9	17.3	22.9	21.7
MTAR Tech	1,674	Buy	26.1	45.3	70.2	64.1	37.0	24	6.8	5.7	4.6	11.2	16.9	21.5
One 97 Comm.	987	Neutral	-43.9	-3.4	13.0	-22.5	-292.0	76	4.8	5.0	4.9	-21.4	-1.7	6.6
SBI Cards	678	Neutral	22.1	31.4	39.1	30.6	21.6	17.3	4.6	3.9	3.2	16.2	19.4	20.2
Swiggy	542	Neutral	-10.9	-5.1	1.3	-49.9	-107.3	403	12.9	14.7	14.2	-28.8	-12.8	3.6
UPL	501	Neutral	25.2	48.0	66.5	19.9	10.4	7.5	1.0	0.9	0.8	7.7	13.9	17.1
Zomato	277	Buy	1.2	3.5	7.5	235.3	79.5	36.9	11.1	9.7	7.7	4.8	13.1	23.3

Sectors & Companies

BSE Sensex: 78,199

Nifty 50: 23,703

January 2025

Sector and Companies Preview Compendium

Automobiles

Capital Goods

Cement

Chemicals-Specialty

Consumer

Consumer Durables

EMS

Financials – Banks

Financials – NBFC: Lending

Financials – NBFC: Non Lending

Healthcare

Infrastructure

Logistics

Metals

Oil & Gas

Real Estate

Retail

Technology

Telecom

Utilities

Others

Note: In our quarterly performance tables, our four-quarter numbers may not always add up to the full-year numbers. This is because of differences in classification of account heads in the company's quarterly and annual results or because of differences in the way we classify account heads as opposed to the company. **All stock prices and indices as on 1 January 2025, unless otherwise stated.**

Automobiles

Company

Amara Raja Energy Mobility

Ashok Leyland

Apollo Tyres

Bajaj Auto

Balkrishna Industries

Bharat Forge

BOSCH

Ceat

CIE Automotive

Craftsman Automation

Eicher Motors

Endurance Technologies

Escorts

Exide Industries

Happy Forgings

Hero MotoCorp

Mahindra & Mahindra

Maruti Suzuki

Samvardhana Motherson

Motherson Wiring

MRF

Sona BLW Precision Ltd

Tata Motors

TVS Motor Company

Tube Investments

Festive season fails to revive demand

Reversal in demand trends for PVs & 2Ws; OE margins likely to remain stable QoQ

- Auto OEMs are expected to deliver just ~6% YoY volume growth in 3QFY25E despite the festive season. While 2W demand turned weak in 3Q, PV OEMs saw a better demand uptick, especially in the festive season. Tractor demand saw a marked revival in 3Q, a clear indicator of improving rural sentiment. However, CVs continued to see weak demand.
- Given stable input costs QoQ, we expect OEMs within our coverage universe to post stable margins. Revenue/EBITDA/PAT for our coverage companies (excl. JLR) are expected to grow ~9%/9%/6% YoY in 3QFY25. MM (+30%), Eicher (+12%) and MSIL (+11%) are likely to outperform peers. On the other hand, Hyundai Motors is likely to see the steepest earnings decline of 29%.
- For auto ancillaries under our coverage, we expect ~11%/3%/10% YoY growth in revenue/EBITDA/PAT in 3QFY25. We expect SAMIL (+47%), Endurance (+38%), BKT (+24%), Happy Forge (+18%), Exide (+17%) and Bosch (+15%) to be the top earnings growth drivers. On the other hand, tyre companies are likely to continue to post earnings declines due to persistent input cost pressure.
- In 3QFY25, we have further cut estimates for 7 out of 26 companies, with no material upgrades, as we remain cautious on the prospects of a meaningful demand recovery across segments.

Subdued dispatches even in festive season; demand outlook remains weak

Auto OEMs are expected to deliver just ~6% YoY volume growth in 3QFY25 despite the festive season. The incremental worrying factor is that the 2W segment, which had been the key growth driver for the Auto sector in 1HFY25, saw a marked slowdown in 3Q. The four listed 2W OEMs have posted flat growth YoY in domestic 2W sales in 3Q (vs. 15% growth in 1H). The only silver lining for 2W OEMs has been that exports are now seeing a gradual recovery in key markets, including Africa. CV demand remained weak even in 3Q. The top three listed OEMs posted flat growth YoY in CVs in 3Q. On the other hand, PV OEMs, which saw weak demand in 1H, saw a much improved demand trajectory in 3Q. The top four listed PV OEMs posted 10% YoY growth in PVs in 3Q (vs. flat growth for PV industry in 1H). Further, the other positive factor for the sector has been that tractor demand saw a marked recovery in 3Q. The two listed tractor OEMs posted strong 17% YoY growth in 3Q (vs. flat growth YoY in 1H for industry).

Commodity basket remains stable in 3Q, barring the surge in rubber prices

Revenue/EBITDA/PAT for our OEM coverage universe (excl. JLR) are expected to grow ~9%/9%/6% YoY in 3QFY25. The raw material basket for auto OEMs is likely to remain stable QoQ. As a result, we expect margins for our OEM coverage universe to largely remain stable on YoY and QoQ basis. For auto ancillaries under our coverage, we expect our coverage universe to post ~11%/3%/10% YoY growth in revenue/EBITDA/PAT in 3QFY25. Tyre companies are likely to continue to witness margin pressure given rising input costs even in 3Q.

Estimated hits and misses in 3QFY25

As highlighted above, we expect the auto OEM under our coverage to post 6% YoY earnings growth in 3Q. MM (+30%), Eicher (+12%) and MSIL (+11%) are likely to

outperform peers. On the other hand, Hyundai Motors is likely to see the steepest earnings decline of 29%, due to a contraction in margins and lower other income. For our ancillary coverage universe, we expect SAMIL (+47%), Endurance (+38%), BKT (+24%), Exide (+17%), Happy Forge (+18%) and Bosch (+15%) to be the top earnings growth drivers. On the other hand, tyre companies are likely to continue to post earnings declines due to persistent input cost pressure.

Yet another quarter of earnings estimate cuts

2QFY25 had witnessed significant earnings downgrades for most of our coverage companies, driven by weak demand and adverse macroeconomic factors. In 3QFY25, we have further cut our estimates for 7 out of 26 companies, with no material upgrades, as we remain cautious about the prospects of a meaningful demand recovery across segments. Notable downgrades include BJAUT (13%), TTMT (6%), AL (7%), MOTHERSO (5%), SONACOMS (16%), MSUMI (7%) and HAPPYFORG (6%). A muted demand outlook across segments in the domestic auto industry and uncertainty in export demand make us maintain our cautious stance on the sector.

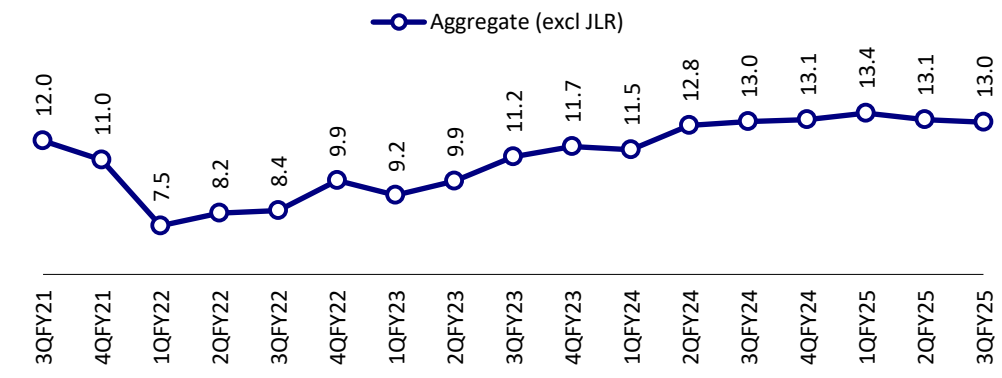
MSIL/HYUNDAI our top OEM picks; prefer MOTHERSO/ENDU/HAPPY in Ancs

Except for the tractor segment, which is seeing a healthy demand uptick, we are not seeing any signs of healthy growth in any other key auto segments, at least in the near term. MSIL is our top pick among auto OEMs as its upcoming new launches are expected to continue to help improve the mix and drive healthy earnings growth. We also like Hyundai as it appears well-aligned to benefit from the industry trends toward UVs. Among ancillaries, we prefer MOTHERSO, ENDU and HAPPYFORG.

Exhibit 1: Summary of 3QFY25 earnings estimates

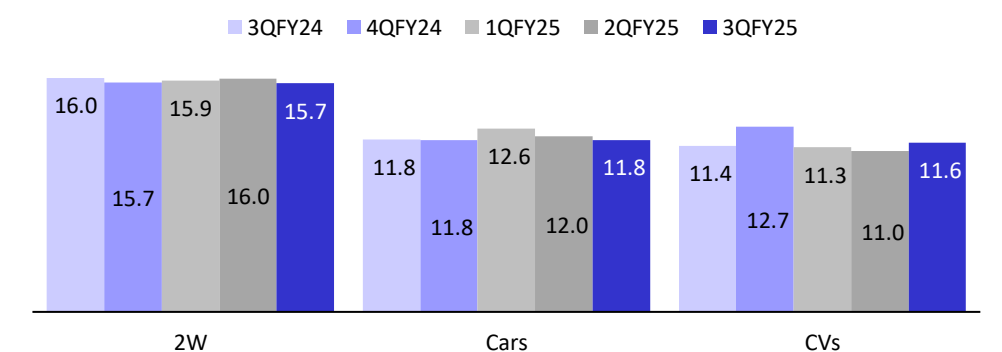
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Amara Raja Energy	1210	Neutral	31,699	10.0	1.1	4,535	4.3	2.9	2,557	1.2	6.2
Apollo Tyres	527	Buy	67,712	2.7	5.2	9,900	-18.1	12.8	4,055	-20.0	34.6
Ashok Leyland	223	Buy	90,525	-2.4	3.2	10,553	-5.3	3.7	6,310	8.7	-9.0
Bajaj Auto	8741	Neutral	1,30,278	7.5	-0.8	25,839	6.3	-2.6	21,660	6.1	-2.3
Balkrishna Inds	2870	Neutral	25,202	8.8	2.2	6,275	6.9	1.5	3,834	24.3	9.7
Bharat Forge	1300	Neutral	24,113	6.5	7.3	6,703	3.9	7.2	3,930	7.8	11.9
Bosch	33987	Neutral	45,416	8.0	3.4	6,061	4.8	8.1	5,445	15.3	9.7
CEAT	3199	Buy	33,483	13.0	1.3	3,516	-15.8	-3.0	1,206	-33.5	-1.0
CIE Automotive	486	Buy	20,958	-6.5	-1.8	3,176	-3.0	-3.9	1,893	6.9	-2.8
Craftsman Auto	5323	Neutral	16,992	50.4	40.0	1,954	-11.3	1.4	594	-18.8	-3.7
Eicher Motors	4886	Sell	50,373	20.5	18.2	13,088	20.0	20.3	11,189	12.3	1.7
Endurance Tech.	2267	Buy	29,333	14.5	0.7	3,891	30.1	2	2,099	37.8	3.4
Escorts Kubota	3299	Neutral	31,133	34.2	25.7	3,736	19.5	39.6	3,136	13.1	-4.0
Exide Inds.	421	Neutral	43,014	12.0	0.8	4,947	12.4	2.3	2,818	17.3	-5.4
Happy Forgings	1001	Buy	3,591	5.0	-0.6	1,049	10.2	-0.5	683	17.9	2.5
Hero Motocorp	4183	Buy	1,01,288	4.2	-3.2	14,225	-3.1	-6.2	11,147	-5.5	-7.4
Hyundai Motor	1797	Buy	1,65,954	-3.5	-3.9	20,401	-18.4	-7.5	12,359	-29.4	-10.1
Mahindra & Mahindra	3081	Buy	3,12,328	23.5	13.4	44,473	37.4	12.6	31,977	30.3	-16.7
Maruti Suzuki	11221	Buy	3,85,081	15.6	3.5	43,808	12.1	-0.8	34,796	11.2	-5.2
Samvardhana Motherson	155	Buy	2,89,042	12.7	3.9	26,467	14.3	8.1	7,963	46.9	6.6
Motherson Wiring	59	Buy	24,187	14.4	4.0	2,702	3.1	8.3	1,674	-0.3	10.1
MRF	129286	Sell	68,340	13.0	1.1	9,531	-8.3	-2.1	4,121	-18.9	-9.5
Sona BLW Precis.	591	Neutral	8,625	11.1	-6.8	2,337	2.8	-8.3	1,399	4.8	-9.5
Tata Motors	749	Neutral	11,49,697	4.0	13.3	1,47,472	-3.8	25.7	65,531	-7.7	96.0
Tube Investments	3576	Buy	20,591	8.5	-0.3	2,430	1.5	-1.2	1,709	8.5	1.9
TVS Motor	2407	Neutral	91,060	10.4	-1.3	10,530	13.9	-2.5	6,495	9.5	-2.0
Automobiles			32,60,015	8.6	7.0	4,29,599	3.1	9.9	2,50,578	2.7	9.9

Exhibit 2: EBITDA margin expected to remain flattish



Source: MOFSL

Exhibit 3: Trends in segment-wise EBITDA margins (%)



Source: MOFSL

Exhibit 4: Our auto OEM coverage universe (excl. JLR) expected to witness flat earnings growth

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	3QFY25	3QFY24	YoY (bp)	2QFY25	QoQ (bp)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)
Bajaj Auto	1,224	1,201	2.0	1,222	0.2	19.8	20.1	-20	20.2	-40	21,660	20,419	6.1	22,160	-2.3
Hero MotoCorp	1,464	1,460	0.3	1,520	-3.7	14.0	15.1	-110	14.5	-40	11,147	11,801	-5.5	12,035	-7.4
TVS Motor	1,212	1,101	10.1	1,228	-1.3	11.6	11.2	40	11.7	-10	6,495	5,934	9.5	6,626	-2.0
Maruti Suzuki	566	501	13.0	542	4.6	11.4	11.7	-40	11.9	-50	34,796	31,300	11.2	39,068	-10.9
Hyundai	186	191	-2.4	192	-2.9	12.3	14.5	-220	12.8	-50	12,359	17,516	-29.4	13,755	-10.1
M&M	344	292	17.8	301	14.0	14.2	12.8	140	14.3	-10	31,977	24,540	30.3	38,409	-16.7
TTMT India CV**	98	99	-0.4	86	14.4	11.6	11.1	50	10.7	80	17,578	16,560	6.1	13,140	33.8
TTMT India PV**	138	139	-0.3	131	5.9	6.3	6.5	-20	6.2	20	2,032	4,060	-50.0	2,290	-11.3
TTMT (JLR)	114	114	-0.3	97	16.8	13.5	16.2	-260	11.7	180	365	592	-38.4	283	29.0
Ashok Leyland	46	47	-1.4	46	1.7	11.7	12.0	-40	11.6	10	6,310	5,804	8.7	6,933	-9.0
Eicher(Consol)						26.9	27.5	-60	26.3	60	11,189	9,960	12.3	11,003	1.7
Eicher - RE	272	228	19.4	228	19.5	26.9	27.5	-60	26.3	60	11,194	9,137	22.5	10,099	10.8
Eicher - VECV	21	21	1.5	21	1.1	7.0	7.9	-90	7.1	-10	2,007	2,067	-2.9	2,090	-4.0
Aggregate	5,663	5,336	6.1	5,612	0.9	13.0	13.0	0	13.1	-10	155,033	146,771	5.6	149,990	3.4

Source: JLR in GBP m, MOFSL

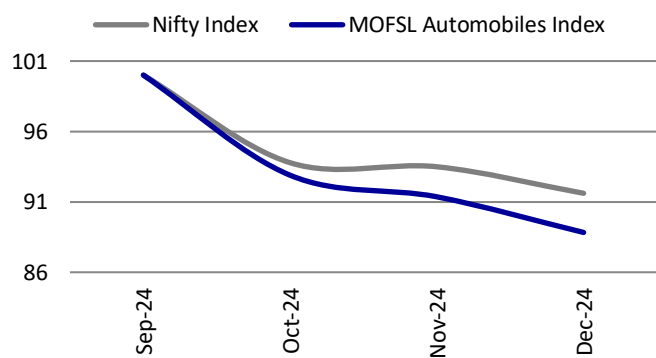
Exhibit 5: Our revised estimates

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	292.3	302.1	-3.2	337.1	387.9	-13.1
HMCL	227.6	227.4	0.1	240.3	249.1	-3.6
TVSL	53.5	52.5	2.1	66.1	67.9	-2.6
EIM *	160.2	161.1	-0.6	175.8	175.7	0.1
MSIL *	472.2	444.6	6.2	517.7	500.6	3.4
HYUNDAI*	67.3	68.3	-1.5	75.6	77.3	-2.1
MM	101.3	99.7	1.5	120.6	116.2	3.8
TTMT *	65.6	63.7	2.9	59.5	63.0	-5.5
Hyundai*	67.3	68.3	-1.5	75.6	77.3	-2.1
AL	9.3	9.7	-4.2	11.3	12.1	-6.6
ESCORTS	102.0	102.0	0.0	113.8	113.8	0.0
ARE&M	54.6	53.8	1.5	59.6	61.3	-2.8
EXID	13.9	13.5	3.0	16.3	16.0	1.8
BOSCH	722	732	-1.3	856	877.4	-2.5
ENDU	8,465.0	8,707.7	-2.8	10,612.5	10,452.4	1.5
CIEINDIA	22.0	21.8	0.6	24.3	24.4	-0.3
BHFC	28.0	28.0	0.0	39.5	39.5	0.0
MOTHERSO *	5.1	5.5	-7.7	7.0	7.3	-4.8
SONACOMS	9.8	10.7	-7.9	11.3	13.5	-16.3
CEAT	131.0	131.9	-0.7	176.1	176.3	-0.1
APTY *	21.5	21.3	1.0	30.3	29.0	4.6
BIL	85.0	85.0	0.0	108.7	110.6	-1.7
MRF	4,423.8	4,472.1	-1.1	5,040.9	5,093.3	-1.0
MSUMI	1.4	1.4	0.7	1.7	1.9	-6.7
TIINDIA	46.0	46.0	0.0	64.2	64.2	0.0
CRAFTSMA	120.1	120.1	0.0	193.3	193.3	0.0
HAPPYFORG*	29.7	30.2	-1.9	38.4	40.8	-5.8

** Consolidated

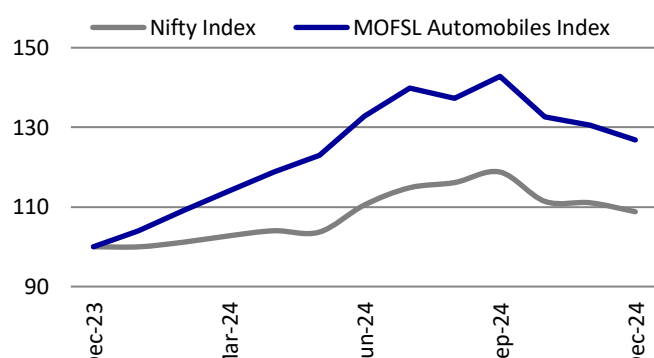
Source: MOFSL

Exhibit 6: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 7: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 8: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles						25.4	23.0	20.1	4.8	4.2	3.6	18.8	18.1	18.1
Amara Raja Energy	1,210	Neutral	54.6	59.6	67.0	22.2	20.3	18.1	2.9	2.6	2.3	13.9	13.5	13.5
Apollo Tyres	527	Buy	21.5	30.3	37.1	24.5	17.4	14.2	1.8	1.6	1.5	9.5	12.3	13.6
Ashok Leyland	223	Buy	9.3	11.3	13.5	24	20	16.5	6.5	5.6	4.8	28.9	30.6	31.5
Bajaj Auto	8,741	Neutral	292.3	337.1	388.5	29.9	25.9	22.5	8.8	7.9	7.1	31.1	32.2	33.3
Balkrishna Inds	2,870	Neutral	85.0	108.7	129.1	33.8	26.4	22.2	5.5	4.7	4.1	17.3	19.2	19.6
Bharat Forge	1,300	Neutral	28.0	39.5	48.4	46.5	32.9	26.8	7.7	6.7	5.9	17.3	21.8	23.4
Bosch	33,987	Neutral	722.3	855.8	999.3	47.1	39.7	34.0	7.6	7.0	6.3	16.9	18.3	19.5
CEAT	3,199	Buy	131.0	176.1	230.9	24.4	18.2	13.9	2.9	2.6	2.2	12.4	15.0	17.2
CIE Automotive	486	Buy	22.0	24.3	28.0	22.1	20.0	17.4	2.8	2.5	2.3	13.2	13.2	13.7
Craftsman Auto	5,323	Neutral	120.1	193.3	279.2	44.3	27.5	19.1	4.1	3.6	3.1	12.0	13.9	17.4
Eicher Motors	4,886	Sell	160.2	175.8	195.1	30.5	27.8	25.0	6.4	5.6	4.9	22.5	21.5	20.8
Endurance Tech.	2,267	Buy	60.2	75.4	90.6	37.7	30.0	25.0	5.6	4.9	4.2	15.9	17.4	18.1
Escorts Kubota	3,299	Neutral	102.0	113.8	140.6	32.3	29.0	23.5	4.0	3.6	3.2	12.9	13.0	14.3
Exide Inds.	421	Neutral	13.9	16.3	17.9	30.3	25.8	23.6	2.5	2.4	2.2	8.4	9.1	9.2
Happy Forgings	1,001	Buy	28.7	36.4	44.6	34.8	27.5	22.4	5.1	4.4	3.8	15.7	17.3	18.3
Hero Motocorp	4,183	Buy	227.6	240.3	260.3	18.4	17.4	16.1	4.4	4.1	3.8	24.5	24.2	24.5
Hyundai Motor	1,797	Buy	67.3	75.6	85.2	26.7	23.8	21.1	10.5	8.3	6.7	44.4	38.9	35.1
Mahindra & Mahindra	3,081	Buy	101.3	120.6	141.2	30.4	25.5	21.8	6.0	5.1	4.3	21.3	21.5	21.3
Maruti Suzuki	11,221	Buy	472.2	517.7	579.3	23.8	21.7	19.4	3.8	3.3	3.0	14.8	15.3	15.2
Motherson Wiring	59	Buy	1.4	1.7	2.1	40.7	33.9	28.4	13.3	11.0	9.1	35.2	35.4	35.0
MRF	1,29,286	Sell	4,423.8	5,040.9	5,855.6	29.2	25.6	22.1	3.0	2.7	2.4	10.7	11.1	11.6
Samvardhana Motherson	155	Buy	5.1	7.0	8.6	30.6	22.3	18.2	3.2	2.9	2.6	11.8	13.4	15.0
Sona BLW Precis.	591	Neutral	9.8	11.3	13.3	60.1	52.3	44.6	11.0	9.7	8.5	19.3	19.7	20.3
Tata Motors	749	Neutral	65.6	59.5	64.7	11.4	12.6	11.6	2.6	2.2	1.8	25.1	18.6	17.1
Tube Investments	3,576	Buy	46.0	64.2	78.2	77.8	55.7	45.7	11.7	9.8	8.2	16.1	19.1	19.5
TVS Motor	2,407	Neutral	53.5	66.1	79.0	45.0	36.4	30.5	11.6	9.2	7.4	28.9	28.2	26.8

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

Bajaj Auto

Neutral

CMP: INR8,741 | TP: INR9,015 (+3%)

EPS CHANGE (%): FY25 | 26E: -3 | -13

- 2W volumes grew ~1% YoY as domestic 2W volumes declined 10% YoY. On the other hand, 3W volumes grew 6% YoY. Exports grew ~22% YoY, indicating sustained recovery in the global markets.
- We expect the impact of a weaker mix (within domestic and exports + lower 3W domestic mix) to impact EBITDA margin by 40bp sequentially to 19.8%.
- We cut FY26E EPS by 13% to factor in weaker domestic demand, KTM woes and lower margins.

Quarterly Performance

	FY24				FY25E				INR m	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Volumes ('000 units)	1,027	1,054	1,201	1,069	1,102	1,222	1,224	1,162	4,351	4,710
Growth YoY (%)	10.0	-8.4	22.1	24.3	7.3	15.9	2.0	8.7	10.8	8.2
Realization (INR/unit)	1,00,347	1,02,256	1,00,862	1,07,476	1,08,234	1,07,470	1,06,395	1,07,530	1,02,703	1,07,384
Growth YoY (%)	17.0	15.4	6.5	3.8	7.9	5.1	5.5	0.0	10.7	4.6
Net Sales	1,03,098	1,07,773	1,21,135	1,14,847	1,19,280	1,31,275	1,30,278	1,24,896	4,46,852	5,05,729
Change (%)	28.8	5.6	30.0	29.0	15.7	21.8	7.5	8.8	22.7	13.2
EBITDA	19,539	21,329	24,299	23,063	24,154	26,522	25,839	24,827	88,229	1,01,341
EBITDA Margins (%)	19.0	19.8	20.1	20.1	20.2	20.2	19.8	19.9	19.7	20.0
Other Income	3,463	3,614	3,461	3,487	3,209	3,845	3,800	3,772	14,025	14,626
Interest	121	65	121	228	207	159	120	114	535	600
Depreciation	835	876	881	906	937	956	960	960	3,498	3,813
PBT after EO	22,046	24,000	26,758	25,416	26,219	27,139	28,559	27,525	98,220	1,09,442
Effective Tax Rate (%)	24.5	23.5	23.7	23.8	24.2	26.1	24.2	22.2	23.9	24.2
Adj. PAT	16,648	18,361	20,419	19,360	19,884	22,160	21,660	21,408	74,788	84,605
Change (%)	41.9	20.0	36.9	35.1	19.4	20.7	6.1	10.6	32.9	13.1

Eicher Motors

Sell

CMP: INR4,886 | TP: INR4,139(-15%)

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

- Overall RE volumes grew 19% YoY, driven by more than doubling of exports and 13% growth in domestic.
- We expect RE margins to expand 60bp QoQ due to operating leverage benefits.
- However, we expect ASP to decline due to higher mix of 350cc models.
- VECV- Revenue is expected to grow by ~1% YoY, while EBITDA/PAT are likely to decline ~10%/3% YoY.

Quarterly performance (Consol)

Y/E March	FY24				FY25E				INR m	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Operating income	39,864	41,145	41,788	42,560	43,931	42,631	50,373	44,248	1,65,358	1,81,182
Growth (%)	17.3	16.9	12.3	11.9	10.2	3.6	20.5	4.0	14.5	9.6
EBITDA	10,208	10,872	10,903	11,286	11,654	10,877	13,088	11,544	43,269	47,164
EBITDA Margins (%)	25.6	26.4	26.1	26.5	26.5	25.5	26.0	26.1	26.2	26.0
PAT	8,179	9,146	8,821	9,386	9,269	9,866	10,097	8,746	35,533	37,977
Share of JV Loss/(PAT)/ Min. Int.	-1,004	-1,016	-1,139	-1,318	-1,746	-1,138	-1,092	-1,863	-4,477	-5,838
Recurring PAT	9,183	10,163	9,960	10,705	11,015	11,003	11,189	10,609	40,010	43,815
Growth (%)	50.4	54.7	34.4	18.2	19.9	8.3	12.3	-0.9	37.3	9.5

Standalone (Royal Enfield)

Y/E March	FY24				FY25E				INR Million	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Royal Enfield ('000 units)	228	229	228	228	226	228	272	245	913	971
Growth (%)	21.6	10.4	3.0	4.2	-0.7	-0.6	19.4	7.6	9.3	6.4
Net Realn (INR '000/unit)	171.3	171.4	177.8	184.1	187.2	184.6	182.7	181.9	176.2	184.0
Change - YoY (%)	-1.3	4.8	9.6	5.0	9.3	7.7	2.8	-1.2	4.6	4.4
Net operating income	39,012	39,307	40,542	41,921	42,313	42,054	49,751	44,574	1,60,782	1,78,692
Growth (%)	20.1	15.7	12.9	9.4	8.5	7.0	22.7	6.3	14.3	11.1
EBITDA	10,127	10,974	11,148	11,553	11,786	11,049	13,366	12,073	43,802	48,274
EBITDA Margins (%)	26.0	27.9	27.5	27.6	27.9	26.3	26.9	27.1	27.2	27.0
Recurring PAT	9,139	9,385	9,137	9,833	10,880	10,099	11,194	10,179	37,494	42,353
Growth (%)	57.5	52.6	34.2	31.7	19.1	7.6	22.5	3.5	43.0	13.0

Hero MotoCorp**Buy****CMP: INR4,183 | TP: INR4,895 (+17%)****EPS CHANGE (%): FY25E | FY26E: - | -4**

- Volume growth remained flat YoY in 3Q as 2W demand lagged expectations. We expect its ASP to improve ~4% YoY, led by improved mix of 125cc. This is likely to drive revenue growth of 4% YoY.
- However, we expect EBITDA margins to contract 50bp QoQ to 14%, led by lower volumes and higher discounts during the festivals.
- As a result, we expect PAT to decline 5.5% YoY in 3Q.

Quarterly Performance (S/A)

Y/E March									INR m	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes ('000 nos)	1,353	1,417	1,460	1,392	1,535	1,520	1,464	1,430	5,621	5,949
Growth YoY (%)	-2.7	-0.8	17.8	9.6	13.5	7.3	0.3	2.7	5.5	5.8
Net Realization	64,819	66,680	66,604	68,373	66,076	68,851	69,195	69,669	66,632	68,416
Growth YoY (%)	7.4	4.9	2.8	4.6	1.9	3.3	3.9	1.9	5.0	2.7
Net Op Revenues	87,673	94,454	97,237	95,193	1,01,437	1,04,632	1,01,288	99,624	3,74,557	4,06,982
Growth YoY (%)	4.5	4.1	21.1	14.6	15.7	10.8	4.2	4.7	10.8	8.7
RM Cost (% sales)	69.4	68.6	66.2	66.4	67.7	66.7	66.6	66.6	67.6	66.9
Staff Cost (% sales)	6.6	6.1	6.2	6.8	6.0	6.2	6.4	6.6	6.4	6.3
Other Exp (% sales)	10.3	11.2	12.5	12.5	11.9	12.6	13.0	12.8	11.7	12.6
EBITDA	12,063	13,283	14,687	13,592	14,598	15,159	14,225	13,972	53,624	57,954
EBITDA Margins (%)	13.8	14.1	15.1	14.3	14.4	14.5	14.0	14.0	14.3	14.2
Other Income	2,222	2,483	2,420	1,800	2,317	2,830	2,500	2,455	8,926	10,102
Interest	47	48	45	46	48	49	50	33	185	180
Depreciation	1,690	1,749	1,825	1,851	1,932	1,937	1,950	1,965	7,114	7,783
PBT before EO Exp/(Inc)	12,548	13,970	15,237	13,496	14,935	16,003	14,725	14,429	55,250	60,092
Effective Tax Rate (%)	24.7	24.6	22.6	24.7	24.8	24.8	24.3	22.7	24.1	24.2
Adj. PAT	9,462	10,538	11,801	10,161	11,226	12,035	11,147	11,160	41,962	45,569
Growth (%)	51.5	47.2	66.0	18.3	18.6	14.2	-5.5	9.8	44.2	8.6

TVS Motor Company**Neutral****CMP: INR2,407 | TP: INR2,631 (+9%)****EPS CHANGE (%): FY25E | FY26E: 2 | -3**

- 2W volumes grew 11% YoY, while 3W volumes declined 23% YoY, resulting in overall volume growth of ~10% YoY. Overall, we expect TVSL to post ~10% YoY revenue growth.
- We expect EBITDA margin to remain largely stable QoQ at 11.6%.
- Overall, we expect TVSL to post 10% YoY growth in earnings in 3Q.

S/A Performance

Y/E March									INR m	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Vols ('000 units)	953.2	1,074.4	1,100.8	1,062.5	1,087.2	1,228.2	1,212.0	1,179.9	4,191	4,707
Growth (%)	5.1	4.6	25.2	22.4	14.1	14.3	10.1	11.0	13.8	12.3
Realn (INR '000/unit)	75.7	75.8	74.9	76.9	77.0	75.1	75.1	77.1	75.8	76.1
Growth (%)	14.3	7.9	0.6	1.1	1.7	(0.9)	0.3	0.3	5.8	0.3
Net Sales	72,179	81,446	82,450	81,688	83,756	92,282	91,060	90,961	3,17,764	3,58,059
Growth (%)	20.1	12.8	26.0	23.7	16.0	13.3	10.4	11.4	20.5	12.7
RM (% of sales)	74.6	74.0	73.7	72.8	71.4	71.5	71.8	72.0	73.7	71.7
Emp cost (% of sales)	5.2	4.8	4.9	5.1	5.7	5.4	5.4	5.1	5.0	5.4
Other exp (% of sales)	9.6	10.1	10.2	10.8	11.4	11.4	11.2	11.2	10.2	11.3
EBITDA	7,638	8,998	9,244	9,262	9,602	10,798	10,530	10,605	35,141	41,535
EBITDA Margin(%)	10.6	11.0	11.2	11.3	11.5	11.7	11.6	11.7	11.1	11.6
Interest	474	523	448	372	372	319	340	406	1,816	1,438
Depreciation	1,636	1,701	1,781	1,887	1,763	1,806	1,850	1,957	7,004	7,376
Other Income	576	462	734	-287	363	299	320	218	1,485	1,200
PBT after EO Exp	6,104	7,237	7,750	6,716	7,829	8,972	8,660	8,460	27,807	33,921
Total Tax	1427	1871	1817	1862	2056	2346	2165	1913	6977	8480
Tax rate (%)	23.4	25.9	23.4	27.7	26.3	26.1	25.0	22.6	25.1	25.0
Adjusted PAT	4,677	5,366	5,934	4,854	5,773	6,626	6,495	6,547	20,830	25,441
Growth (%)	45.9	31.7	68.2	33.4	23.4	23.5	9.5	34.9	44.4	22.1

Maruti Suzuki**Buy****CMP: INR11,221 | TP: INR13,955 (+24%)****EPS CHANGE (%): FY25E|FY26E: 6|3**

- MSIL has been able to buck the weak demand trend in PVs in 3Q, with 13% YoY growth in volumes. While domestic sales (ex of sale to Toyota) rose 6% YoY, exports grew 38% YoY. In fact, MSIL was able to clock record 250k unit sales in Dec'24 itself, up 8% YoY.
- While discounts are likely to be high QoQ due to seasonality, the surge in discounts is expected to be lower than normal.
- While input costs are likely to be stable QoQ, the benefits from operating leverage would be offset by higher discounts. We expect MSIL margins to decline by 50bp QoQ.

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

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Financial Performance										
Volumes ('000 units)	498.0	552.1	501.2	583.7	521.9	541.6	566.2	567.0	2,134.9	2,196.6
Change (%)	6.4	6.7	7.6	13.3	4.8	-1.9	13.0	-2.9	8.6	2.9
ASP (INR '000/car)	649.1	671.3	664.6	655.1	680.9	687.0	680.1	684.8	660.1	683.2
Change (%)	14.6	16.1	6.6	5.3	4.9	2.3	2.3	4.5	10.4	3.5
Net operating revenues	323.3	370.6	333.1	382.3	355.3	372.0	385.1	388.3	1,409	1,501
Change (%)	22.0	23.8	14.7	19.3	9.9	0.4	15.6	1.6	19.9	6.5
RM Cost (% of sales)	72.8	70.6	70.9	71.4	70.2	71.9	72.1	71.9	71.4	71.5
Staff Cost (% of sales)	4.5	3.5	4.0	3.6	4.4	3.9	3.8	3.7	3.9	3.9
Other Cost (% of sales)	13.5	12.9	13.3	12.8	12.8	12.3	12.7	12.6	13.1	12.6
EBITDA	29.8	47.8	39.1	46.9	45.0	44.2	43.8	46.0	164	179
EBITDA Margins (%)	9.2	12.9	11.7	12.3	12.7	11.9	11.4	11.8	11.6	11.9
Depreciation	7.5	7.9	7.5	7.3	7.3	7.5	7.7	7.8	30.2	30.3
EBIT	22.4	39.9	31.6	39.6	37.7	36.7	36.1	38.2	134	149
EBIT Margins (%)	6.9	10.8	9.5	10.3	10.6	9.9	9.4	9.8	9.5	9.9
Interest	0.5	0.4	0.4	0.8	0.6	0.4	0.5	0.5	1.9	1.9
Non-Operating Income	10.0	8.4	9.3	11.2	9.8	14.8	9.5	9.9	38.5	43.9
PBT	31.9	48.0	40.5	50.0	46.9	42.6	45.2	47.7	170.4	190.7
Effective Tax Rate (%)	22.1	22.6	22.8	22.4	22.2	28.0	22.9	23.2	22.5	22.9
Adjusted PAT	24.9	37.2	31.3	38.8	36.5	36.7	34.8	36.6	132.1	147.0
Change (%)	145.4	80.3	33.1	47.8	46.9	-1.2	11.2	-5.6	64.1	11.3

Hyundai Motor**Buy****CMP: INR1,797 | TP: INR2,170 (+21%)****EPS CHANGE (%): FY25E|FY26E: -1.5 |-2.1**

- Hyundai posted 2% YoY decline in volumes in 3Q. We expect ASP to decline by 1% due to adverse mix (lower Creta). As a result, we expect revenue decline of 3.5% YoY in 3Q.
- Led by weaker mix and expected higher discounts QoQ, we expect margins to decline 50bp QoQ to 12.3%.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes ('000 units)	183.4	209.8	191.0	193.7	192.1	191.9	186.4	198.0	777.9	768.4
Change (%)					4.7	-8.5	-2.4	2.2		-1.2
Realizations (INR/car)	9,06,393	8,89,501	9,00,676	8,95,388	9,03,085	8,99,264	8,90,271	8,99,906	8,97,693	8,98,203
Change (%)					-0.4	1.1	-1.2	0.5		0.1
Net operating revenues	1,66,235	1,86,597	1,72,010	1,73,448	1,73,442	1,72,604	1,65,954	1,78,181	6,98,291	6,90,181
Change (%)					4.3	-7.5	-3.5	2.7		-1.2
RM Cost (% of sales)	75.7	74.8	71.9	73.1	71.9	72.5	72.7	72.5	73.9	72.4
Staff Cost (% of sales)	2.9	2.6	2.9	2.9	3.2	3.2	3.3	3.1	2.8	3.2
Other Cost (% of sales)	9.4	9.5	10.7	11.4	11.5	11.5	11.7	11.6	10.2	11.6
Total Cost	1,46,263	1,62,196	1,47,012	1,51,493	1,50,040	1,50,551	1,45,553	1,55,488	6,06,964	6,01,631
EBITDA	19,973	24,400	24,998	21,955	23,402	22,053	20,401	22,694	91,326	88,550
EBITDA Margins (%)	12.0	13.1	14.5	12.7	13.5	12.8	12.3	12.7	13.1	12.8
Depreciation	5,597	5,566	5,338	5,578	5,290	5,185	5,200	5,455	22,079	21,131
EBIT	14,376	18,834	19,660	19,640	18,112	16,868	15,201	17,238	69,247	67,420
EBIT Margins (%)	8.6	10.1	11.4	11.3	10.4	9.8	9.2	9.7	9.9	9.8
Interest	372	346	488	375	316	292	300	300	1,581	1,208
Non-Operating Income	3,881	3,832	3,689	3,331	2,238	1,923	1,800	1,717	14,733	7,677
PBT	17,885	22,320	22,861	19,333	20,033	18,498	16,701	18,656	82,399	73,889
Tax	4,593	6,036	5,345	5,825	5,137	4,744	4,342	4,988	21,798	19,211
Effective Tax Rate (%)	25.7	27.0	23.4	30.1	25.6	25.6	26.0	26.7	26.5	26.0
Adjusted PAT	13,292	16,285	17,516	16,771	13,508	13,755	12,359	13,668	60,600	54,678
Change (%)					12.1	-15.5	-29.4	-18.5		-9.8

Mahindra & Mahindra**Buy****CMP: INR3,081 | TP: INR3,515 (+14%)****EPS CHANGE (%): FY25E|FY26E: 2|4**

- While auto volumes were up 17% YoY, tractors posted a smart recovery with a 20% YoY growth in 3Q.
- While tractor segment margins should improve 100bp QoQ to 18.5%, auto segment margin to decline 50bp QoQ to 9% due to high discounts and increased promotional spends in 3Q.

Quarterly Performance

Y/E March	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
INR b										
Total Volumes ('000 units)	301	303	292	264	315	301	344	293	1,120	1,253
Growth YoY (%)	10.7	10.9	3.5	-5.3	4.7	-0.5	17.8	10.8	1.4	11.8
Net Realization (INR '000/unit)	802	805	867	954	857	914	909	941	884	905
Growth YoY (%)	10.5	4.7	12.8	17.9	7.0	13.5	4.9	-1.3	15.1	2.3
Net Op. Income	241	244	253	252	270	276	312	275	991	1,134
Growth YoY (%)	22.4	16.1	16.8	11.6	12.0	12.9	23.5	9.4	16.6	14.4
RM Cost (% of sales)	75.1	75.3	75.4	73.2	73.7	74.2	74.2	75.3	74.7	74.4
Staff (% of sales)	4.4	4.7	4.5	4.5	4.3	4.2	4.1	4.2	4.5	4.2
Oth. Exp. (% of Sales)	7.0	7.2	7.3	9.2	7.0	7.3	7.5	7.1	7.6	7.2
EBITDA	33	31	32	33	40	39	44	37	131	161.1
EBITDA Margins (%)	13.6	12.8	12.8	13.1	14.9	14.3	14.2	13.4	13.3	14.2
Other income	9.3	20.6	7.4	3.5	3.5	20.0	6.0	4.5	39.4	34.0
Interest	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.6	1.4	2.2
Depreciation	8.4	8.3	8.2	9.9	9.1	9.6	9.7	9.8	34.9	38.2
PBT after EO	33.4	43.2	31.2	26.2	34.1	49.3	40.2	31.1	134.6	154.7
Tax	5.8	9.3	6.7	6.2	7.9	10.9	8.2	6.2	28.2	33.3
Effective Tax Rate (%)	17.4	21.5	21.4	23.8	23.3	22.1	20.5	19.9	20.9	21.5
Reported PAT	27.6	33.9	24.5	20.0	26.1	38.4	32.0	24.9	106.4	121.4
Adj PAT	21.2	33.9	24.5	20.0	26.1	38.4	32.0	24.9	106.4	121.4
Change (%)	51.0	45.1	10.7	1.3	23.2	13.2	30.3	24.6	34.2	14.1

ESCORTS**Neutral****CMP: INR3,299 | TP: INR3,560 (+8%)****EPS CHANGE (%): FY25E|FY26E: -|-**

- Escorts has underperformed the market leader and posted just 4.5% YoY growth in tractors in 3Q.
- Given a seasonally strong quarter for tractors, we expect margins to improve 120bp QoQ to 12%.

Standalone Quarterly Performance

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

*We have not discontinued Railway division business as the sale is not complete yet

Tata Motors

Neutral

CMP: INR749 | TP: INR810 (+8%)

EPS CHANGE (%): FY25E|FY26E: 3|-6

- For India, both PV and CV volumes remained largely flat YoY. ■ JLR volumes are expected to remain flat YoY. However, we expect EBITDA margin to remain under pressure and contract 270bp YoY due to rising discounts.
- CV's EBITDA margin is expected to expand 50bp YoY, while EBITDA margin for PV is likely to remain stable YoY. ■ We cut our FY26E EPS by 5.5% to factor in continued margin pressure, particularly for JLR business.

Quarterly Performance [Consol]

INR b	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
JLR Volumes (incl JV; '000 units)	106.3	109.1	113.9	120.6	110.5	97.2	113.6	124.4	450.0	445.6
JLR EBITDA Margins (%)	16.3	14.9	16.2	16.3	15.8	11.7	13.5	14.8	15.9	14.0
India CV Volumes ('000 units)	88.6	106.8	98.8	111.3	93.7	86.0	98.4	108.9	405.5	386.9
India CV EBITDA Margins (%)	9.4	10.4	11.1	11.9	11.6	10.7	11.6	12.5	10.8	11.6
India PV Volumes ('000 units)	140.4	139.0	138.6	155.6	138.8	130.5	139.8	151.8	573.6	560.9
India PV EBITDA Margins (%)	5.2	6.4	6.5	7.3	5.8	6.2	6.4	7.4	6.4	6.5
Net Consol. Op Income	1022.4	1051.3	1105.8	1199.9	1080.5	1014.5	1149.7	1285.1	4379.3	4529.8
Growth (%)	42.1	32.1	25.0	13.3	5.7	-3.5	4.0	7.1	26.6	3.4
Consol. EBITDA	135.6	137.2	153.3	169.9	155.1	117.4	147.5	179.8	596.1	599.7
EBITDA Margins (%)	13.3	13.1	13.9	14.2	14.4	11.6	12.8	14.0	13.6	13.2
Depreciation	66.3	66.4	68.5	71.5	65.7	60.1	61.0	68.2	272.7	255.0
Other Income	13.6	16.3	15.0	14.6	15.8	15.7	15.2	14.8	59.5	61.4
Interest Expenses	26.2	27.0	24.8	22.3	20.9	20.3	22.0	22.9	100.3	86.1
PBT before EO	53.3	61.1	75.8	92.1	87.0	56.9	79.7	103.5	282.3	327.0
EO Exp/(Inc)	6.8	1.2	0.9	-87.0	-0.4	0.0	0.0	0.0	-78.12	-0.42
PBT after EO Exp	46.5	59.9	74.9	179.1	87.4	56.9	79.7	103.5	360.4	327.4
Tax rate (%)	33.6	36.8	7.2	3.5	36.4	40.8	18.0	16.5	13.7	26.4
PAT	30.9	37.8	69.5	172.8	55.6	33.7	65.3	86.4	311.1	241.1
Minority Interest	-1.0	-0.7	-1.2	-1.2	-1.3	-1.1	-1.0	-1.2	-4.1	-4.5
Share in profit of Associate	2.1	0.5	1.9	2.5	1.3	0.8	1.2	1.5	7.0	4.8
Reported PAT	32.0	37.6	70.3	174.1	55.7	33.4	65.5	86.8	314.0	241.4
Adj PAT	37.9	38.7	71.0	77.3	55.3	33.4	65.5	86.8	224.9	241.1
Growth (%)	-158.3	-407.9	140.1	37.4	46.1	-13.6	-7.7	12.3	2629.7	7.2

Ashok Leyland

Buy

CMP: INR223 | TP: INR257 (+15%)

EPS CHANGE (%): FY25E|FY26E:-4|-7

- Overall volumes declined ~1.4% YoY in 3Q due to subdued demand across most of the underlying industries. ■ We expect EBITDA margin to largely remain stable QoQ.
- We cut FY25/26E EPS by 4%/7% to factor in weaker demand.

Quarterly Performance (S/A)

INR m	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Total Volumes (nos)	41,329	49,846	47,071	56,437	43,893	45,624	46,404	52,357	1,94,683	1,88,278
Growth %	4.2	10.0	-1.0	-5.5	6.2	-8.5	-1.4	-7.2	1.3	-3.3
Realizations (INR '000)	1,981	1,934	1,970	1,996	1,959	1,922	1,951	1,997	1,971	1,958
Change (%)	8.8	6.0	3.8	2.5	-1.1	-0.6	-1.0	0.0	4.8	-0.6
Net operating revenues	81,893	96,380	92,730	1,12,667	85,985	87,688	90,525	1,04,536	3,83,670	3,68,735
Change (%)	13.4	16.6	2.7	-3.1	5.0	-9.0	-2.4	-7.2	6.2	-3.9
RM/sales %	73.7	73.5	72.2	71.8	72.2	71.2	71.2	72.3	72.7	71.7
Staff/sales %	6.6	5.9	6.1	4.9	6.4	6.8	6.5	5.8	5.8	6.4
Other exp/sales %	9.7	9.3	9.6	9.1	10.9	10.4	10.6	8.5	9.4	10.0
EBITDA	8,208	10,798	11,139	15,921	9,109	10,173	10,553	14,061	46,066	43,895
EBITDA Margins(%)	10.0	11.2	12.0	14.1	10.6	11.6	11.7	13.5	12.0	11.9
Interest	699	587	616	592	591	607	590	605	2,494	2,392
Other Income	512	475	300	1,179	223	973	250	524	2,466	1,970
Depreciation	1,794	1,803	1,785	1,797	1,727	1,754	1,800	1,802	7,178	7,084
PBT before EO Item	6,227	8,883	9,039	14,711	7,014	8,785	8,413	12,178	38,859	36,390
EO Exp/(Inc)	6	229	6	697	0	-1,174	0	0	937	0
PBT after EO	6,221	8,654	9,033	14,014	7,014	9,958	8,413	12,178	37,922	36,390
Effective Tax Rate (%)	7.3	35.2	35.8	35.8	25.1	22.7	25.0	24.5	31.0	25.0
Adj PAT	5,768	5,768	5,804	9,485	5,256	6,933	6,310	9,199	26,826	27,292
Change (%)	868.8	197.4	62.7	32.7	-8.9	20.2	8.7	-3.0	102.5	1.7

Apollo Tyres

Buy
CMP: INR527 | TP: INR600 (+14%)
EPS CHANGE (%): FY25E|FY26E: 1|5

- Total revenue is expected to grow ~3% YoY, supported by steady replacement demand in domestic markets even as domestic OEM demand remains muted.
- Apollo has taken about 2% price hike in TBR and 3% in PCR in 3Q. However, this is unlikely to be sufficient to cover the continue rise in input costs.
- Hence, we expect EBITDA margin in India business to contract sequentially by 60bp. Even in Europe, margins are likely to decline by about 80bp YoY over a high base of last year.

Consolidated - Quarterly Earning Model

(INR M)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	62,446	62,796	65,954	62,582	63,349	64,370	67,712	64,074	2,53,777	2,59,505
YoY Change (%)	5.1	5.4	2.7	0.2	1.4	2.5	2.7	2.4	3.3	2.3
EBITDA	10,515	11,598	12,081	10,794	9,093	8,779	9,900	8,633	44,987	36,404
Margins (%)	16.8	18.5	18.3	17.2	14.4	13.6	14.6	13.5	17.7	14.0
Depreciation	3,620	3,603	3,676	3,880	3,695	3,759	3,785	3,818	14,778	15,056
Interest	1,355	1,328	1,230	1,146	1,070	1,197	1,068	1,044	5,059	4,379
Other Income	355	253	184	743	308	217	360	655	1,536	1,540
PBT before EO expense	5,896	6,921	7,358	6,511	4,636	4,040	5,407	4,426	26,685	18,508
Extra-Ord expense	132	122	151	1,381	404	52	0	0	1,786	456
PBT	5,764	6,799	7,207	5,130	4,232	3,988	5,407	4,426	24,899	18,053
Tax Rate (%)	31.1	30.3	31.1	31.0	28.6	25.4	25.0	25.6	30.9	26.1
MI & Profit/Loss of Asso. Cos.	0	-2	-1	-1	0	-1	0	0	-3	-2
Reported PAT	3,969	4,743	4,966	3,541	3,020	2,975	4,055	3,293	17,219	13,342
Adj PAT	4,060	4,827	5,071	4,649	3,319	3,013	4,055	3,293	18,607	13,679
YoY Change (%)	112.9	169.1	81.9	18.1	-18.3	-37.6	-20.0	-29.2	80.8	-26.5
Margins (%)	6.5	7.7	7.7	7.4	5.2	4.7	6.0	5.1	7.3	5.3

Balkrishna Industries

Neutral
CMP: INR2,870 | TP: INR2,975 (+4%)
EPS CHANGE (%): FY25E|FY26E: 0|-2

- Revenue is expected to grow ~9% YoY, led by ~2%/7% YoY growth in volumes/realizations.
- BKT took a price hike of 1-2% in 3Q, which is equivalent to the rise in input costs. We also expect some reduction in freight costs on QoQ basis.
- Overall, EBITDA margin is expected to decline 40bp YoY/20bp QoQ at 24.9% due to high RM costs.

Quarterly Earning Model (Standalone)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volumes (Ton)	67,209	70,585	72,749	82,085	83,570	73,298	74,204	79,427	2,92,628	3,10,499
YoY Change (%)	-19.2	-10.5	9.4	12.9	24.3	3.8	2.0	-3.2	-2.8	6.1
Realizations (INR '000/ton)	314.7	318.3	318.3	328.6	328.1	336.3	339.6	340.8	320.4	336.0
YoY Change (%)	-4.0	-10.5	-4.5	2.7	4.2	5.6	6.7	3.7	-4.2	4.9
Net Revenues	21,150	22,468	23,158	26,971	27,415	24,648	25,202	27,065	93,760	1,04,331
YoY Change (%)	-22.4	-19.9	4.5	16.0	29.6	9.7	8.8	0.4	-6.9	11.3
EBITDA	4,863	5,480	5,868	7,098	7,137	6,185	6,275	6,866	23,322	26,463
Margins (%)	23.0	24.4	25.3	26.3	26.0	25.1	24.9	25.4	24.9	25.4
Depreciation	1,537	1,586	1,591	1,724	1,617	1,647	1,700	1,732	6,438	6,695
Interest	208	229	354	299	143	404	300	225	1,089	1,072
Forex loss/(gain)	-330	-250	520	-490	-60	530	0	0	-550	500
Other Income	660	520	700	870	830	1,048	750	435	2,750	3,063
PBT before EI	4,108	4,435	4,104	6,436	6,267	4,653	5,025	5,345	19,095	21,259
Extra-Ord expense	0	0	0	98	0	0	0	0	98	0
PBT	4,108	4,435	4,104	6,337	6,267	4,653	5,025	5,345	18,997	21,259
Rate (%)	23.9	24.5	24.8	24.1	23.8	24.9	23.7	24.7	24.3	24.3
Adj PAT	3,125	3,350	3,084	4,884	4,773	3,496	3,834	4,027	14,456	16,100
YoY Change (%)	-2.3	-17.1	209.9	89.6	52.7	4.3	24.3	-17.6	34.0	11.4

Ceat**Buy****CMP: INR3,199 | TP: INR3,690 (+15%)****EPS CHANGE (%): FY25E | FY26E: -1 | 0**

- Revenue is likely to grow 13% YoY, led by sustained traction in replacement demand and price hikes.
- Expect EBITDA margin to contract 50bp QoQ to 10.5% largely due to an increase in input costs (3%/2% QoQ increase in rubber prices in 2Q/3Q respectively).

Consolidated**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	29,352	30,533	29,631	29,919	31,928	33,045	33,483	33,305	1,19,435	1,31,762
YoY Change (%)	4.1	5.5	8.7	4.1	8.8	8.2	13.0	11.3	5.6	10.3
RM cost (%)	58.9	56.7	58.7	57.7	60.8	62.6	63.1	62.7	58.0	62.3
Employee cost (%)	6.7	7.1	7.3	7.2	6.1	6.6	6.6	6.2	7.1	6.4
Other expenses (%)	21.2	21.3	19.9	22.0	21.1	19.8	19.8	20.1	21.1	20.2
EBITDA	3,871	4,561	4,175	3,915	3,829	3,623	3,516	3,678	16,522	14,645
Margins (%)	13.2	14.9	14.1	13.1	12.0	11.0	10.5	11.0	13.8	11.1
Depreciation	1,209	1,245	1,273	1,361	1,318	1,371	1,380	1,388	5,088	5,457
Interest	701	717	656	617	619	665	650	646	2,691	2,579
Other Income	33	105	29	31	62	35	70	114	197	280
PBT before EO expense	1,993	2,704	2,276	1,969	1,954	1,622	1,556	1,757	8,941	6,889
Exceptional item	0	0	0	582	-75	0	0	74	582	0
PBT	1,993	2,704	2,276	1,387	2,029	1,621	1,556	1,683	8,359	6,889
Tax Rate (%)	26.5	25.3	23.9	33.0	26.6	28.6	26.0	22.8	26.5	26.0
Minority Int. & Profit of Asso. Cos.	18	-59	-84	-157	-53	-61	-55	-32	-282	-200
Reported PAT	1,446	2,080	1,815	1,086	1,542	1,219	1,206	1,331	6,427	5,298
Adj PAT	1,446	2,080	1,815	1,513	1,486	1,219	1,206	1,386	6,854	5,298
YoY Change (%)	1,383	745	408	8	3	-41	-34	-8	227	-23

MRF**Sell****CMP: INR1,29,286 | TP: INR1,07,385 (-17%)****EPS CHANGE (%): FY25E | FY26E: -1 | -1**

- Expect 13% YoY revenue growth, led by steady growth in replacement demand and price hikes.
- We expect EBITDA margin to decline 50bp QoQ to 13.9% due to rise in input costs.

Standalone**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	63,233	60,876	60,478	62,151	70,778	67,604	68,340	67,503	2,46,737	2,74,225
YoY Change (%)	12.9	6.4	9.3	8.6	11.9	11.1	13.0	8.6	9.3	11.1
Total Expenditure	52,091	49,589	50,084	52,096	59,400	57,869	58,809	57,717	2,04,595	2,33,796
EBITDA	11,142	11,286	10,394	10,055	11,378	9,734	9,531	9,786	42,142	40,430
Margins (%)	17.6	18.5	17.2	16.2	16.1	14.4	13.9	14.5	17.1	14.7
Depreciation	3,317	3,500	3,591	3,842	3,943	4,079	4,100	4,110	14,250	16,232
Interest	780	749	776	858	754	667	710	760	3,163	2,891
Other Income	739	696	766	924	827	1,121	810	880	3,125	3,638
PBT before EO expense	7,783	7,734	6,792	6,279	7,509	6,109	5,531	5,796	27,853	24,944
Extra-Ord expense	0	0	0	1,200	0	0	0	0	464	0
PBT	7,783	7,734	6,792	5,079	7,509	6,109	5,531	5,796	27,389	24,944
Tax	1,969	2,015	1,712	1,284	1,883	1,555	1,410	1,513	6,980	6,361
Rate (%)	25.3	26.1	25.2	25.3	25.1	25.4	25.5	26.1	25.5	25.5
Reported PAT	5,814	5,719	5,080	3,795	5,625	4,554	4,121	4,283	20,409	18,584
Adj PAT	5,814	5,719	5,080	4,692	5,625	4,554	4,121	4,283	20,755	18,584
YoY Change (%)	417.6	361.3	200.2	32.7	-3.3	-20.4	-18.9	-8.7	173.9	-10.5

Amara Raja Energy Mobility**Neutral****CMP: INR1,210 | TP: INR1,305 (+8%)****EPS CHANGE (%): FY25E|FY26E: 2|-3**

- We expect 10% YoY growth in revenue driven by steady demand from aftermarket division, growth in OEMs especially PVs and new energy business.
- We expect EBITDA margins to marginally improve QoQ due to soft lead prices.

Quarterly Performance

Y/E March (INR m)	FY24				FY25E				(INR M)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Sales	27,707	28,111	28,817	27,967	31,312	31,358	31,699	31,586	1,12,603	1,25,956
YoY Change (%)	5.8	4.1	9.3	14.9	13.0	11.6	10.0	12.9	8.4	11.9
RM Cost (% of sales)	69.6	66.6	66.0	65.5	68.9	67.6	67.5	67.4	66.9	67.9
Staff Cost (% of sales)	6.4	6.3	6.3	5.8	5.9	6.1	6.0	6.0	6.2	6.0
Other Exp (% of sales)	10.7	12.5	12.6	14.1	11.5	12.2	12.2	12.1	12.5	12.0
EBITDA	3,689	4,099	4,349	4,077	4,304	4,407	4,535	4,578	16,214	17,823
Margins (%)	13.3	14.6	15.1	14.6	13.7	14.1	14.3	14.5	14.4	14.2
Depreciation	1,168	1,207	1,202	1,210	1,183	1,220	1,265	1,325	4,787	4,993
Interest	76	81	77	97	90	131	115	94	332	430
Other Income	218	277	238	283	256	185	255	265	1,015	960
PBT before EO expense	2,662	3,087	3,307	3,053	3,287	3,240	3,410	3,423	12,110	13,360
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO	2,662	3,087	3,307	3,053	3,287	3,240	3,410	3,423	12,110	13,360
Tax	676	823	779	773	841	833	852	840	3,052	3,367
Tax Rate (%)	25.4	26.7	23.6	25.3	25.6	25.7	25.0	24.5	25.2	25.2
Adj PAT	1,987	2,264	2,528	2,280	2,446	2,407	2,557	2,583	9,059	9,993
YoY Change (%)	51.1	12.0	13.5	29.7	23.1	6.3	1.2	13.3	18.4	10.3

Exide Industries**Neutral****CMP: INR421 | TP: INR440 (+5%)****EPS CHANGE (%): FY25E|FY26E: 3|2**

- We expect 12% YoY growth in revenue on a low base of last year, aided by steady replacement demand.
- EBITDA margins to improve QoQ due to soft lead prices.
- Overall, we expect 3Q PAT to grow 17% YoY.

S/A Quarterly Performance

Y/E March	FY24				FY25E				(INR M)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Sales	40,726	41,067	38,405	40,094	43,128	42,673	43,014	44,755	1,60,292	1,73,569
Growth YoY (%)	4.4	10.4	12.6	13.2	5.9	3.9	12.0	11.6	9.8	8.3
RM cost (%)	71.7	68.9	68.5	67.0	69.3	68.5	69.0	68.5	69.1	68.8
Employee cost (%)	5.8	6.2	6.4	6.1	6.1	6.3	6.3	6.0	6.1	6.2
Other Exp(%)	11.8	13.1	13.6	14.1	13.1	13.9	13.2	12.8	13.1	13.3
EBITDA	4,322	4,831	4,399	5,162	4,943	4,836	4,947	5,684	18,714	20,410
EBITDA Margin(%)	10.6	11.8	11.5	12.9	11.5	11.3	11.5	12.7	11.7	11.8
Change (%)	11.8	17.1	9.7	40.6	14.4	0.1	12.4	10.1	19.3	9.1
Non-Operating Income	192	392	227	34	142	528	250	36	845	956
Interest	98	115	145	128	87	103	130	181	486	500
Depreciation	1,194	1,259	1,274	1,248	1,257	1,270	1,290	1,305	4,975	5,122
PBT after EO Exp	3,222	3,849	3,208	3,819	3,741	3,991	3,777	4,235	14,099	15,743
Effective Tax Rate (%)	24.9	25.4	25.1	25.7	25.3	25.4	25.4	24.0	25.3	25.0
Adj. PAT	2,419	2,870	2,403	2,838	2,796	2,978	2,818	3,217	10,530	11,808
Change (%)	6.9	16.6	7.7	36.5	15.6	3.8	17.3	13.4	16.5	12.1

Bharat Forge**Neutral****CMP: INR1,300 | TP: INR1,386 (+7%)****EPS CHANGE (%): FY25E|FY26E: -|-**

■ Standalone revenue is expected to grow 7% YoY in 3Q, driven by ramp-up of defense orders. CV business, both domestic and exports, may decline in 3Q.

■ We expect standalone margins to largely remain stable QoQ at 27.8%.

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

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating income	21,273	22,494	22,634	23,286	23,381	22,467	24,113	26,021	89,686	95,980
Change (%)	20.9	20.7	15.9	16.6	9.9	-0.1	6.5	11.7	18.4	7.0
RM/Sales (%)	44.3	43.3	41.9	41.4	41.8	40.8	42.0	42.0	42.7	41.7
Staff Cost (% of Sales)	7.0	6.7	6.7	6.5	7.0	7.2	7.0	6.7	6.7	7.0
Other Exp. (% of Sales)	22.7	22.8	22.9	24.0	23.4	24.2	23.2	23.3	23.0	23.5
EBITDA	5,534	6,111	6,453	6,541	6,515	6,255	6,703	7,283	24,777	26,754
EBITDA Margins (%)	26.0	27.2	28.5	28.1	27.9	27.8	27.8	28.0	27.6	27.9
Non-Operating Income	472	424	346	382	446	348	400	462	1,623	1,656
Interest	705	726	809	634	702	635	600	583	2,874	2,520
Depreciation	1089	1128	1124	1079	1094	1083	1120	1204	4,420	4,501
EO Exp / (Inc)	47	63	-179	82	1,457	-135	0	0	154	
PBT after EO items	4,165	4,616	5,044	5,127	3,708	5,019	5,383	5,958	18,952	21,388
Tax	1050	1156	1266	1231	1014	1407	1454	1900	4,703	5,775
Eff. Tax Rate (%)	25.2	25.0	25.1	24.0	27.3	28.0	27.0	31.9	24.8	27.0
Rep. PAT	3,115	3,460	3,778	3,897	2,694	3,612	3,930	4,058	14,250	15,613
Change (%)	42.4	28.7	21.6	85.7	-13.5	4.4	4.0	4.1	36.3	9.6
Adj. PAT	3,150	3,508	3,644	3,958	3,787	3,510	3,930	4,058	14,250	14,292
Change (%)	19.0	30.9	32.3	31.4	20.2	0.1	7.8	2.5	36.3	0.3

E: MOFSL Estimates

CIE Automotive**Buy****CMP: INR486 | TP: INR587 (+21%)****EPS CHANGE (%): CY24E|25E: 1|-**

■ We expect India business to post 2% YoY growth in revenue, while the EU business is likely to post 24% YoY decline due to a business slowdown in Metalcastello and also in Europe.

■ Overall, consol. revenue is projected to decline 6.5% YoY. EBITDA margin is expected to contract ~30bp QoQ, likely to be a function of weak demand.

Quarterly performance (Consol.)

(INR m)	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Y/E December										
Net Sales	24,402	23,203	22,794	22,404	24,268	22,927	21,346	20,958	92,803	89,499
YoY Change (%)	18.4	4.7	2.2	-0.3	-0.5	-1.2	-6.4	-6.5	6.0	-3.6
EBITDA	3,806	3,704	3,454	3,274	3,606	3,600	3,306	3,176	14,239	13,687
Margins (%)	15.6	16.0	15.2	14.6	14.9	15.7	15.5	15.2	15.3	15.3
Depreciation	825	833	783	781	863	836	798	813	3,222	3,311
Interest	240	221	310	303	220	211	169	123	1,074	723
Other Income	160	195	200	265	513	306	243	265	820	1,327
Share of profit from associates	3	-3	-2	-3	4	6	19	20	-5	49
PBT before EO expense	2,901	2,846	2,561	2,455	3,035	2,859	2,581	2,505	10,763	10,980
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0
PBT after EO exp	2,901	2,846	2,561	2,455	3,035	2,859	2,581	2,505	10,763	10,980
Tax Rate (%)	24.2	24.9	27.0	27.8	24.3	24.5	25.3	25.2	25.8	24.8
Adj. PAT	2,203	2,136	1,867	1,770	2,302	2,164	1,947	1,893	7,976	8,305
YoY Change (%)	34.1	15.7	11.4	6.4	4.5	1.3	4.3	6.9	16.8	4.1
Revenues										
India	14,449	14,348	15,354	14,833	15,066	15,047	15,270	15,172	58,985	60,555
Growth (%)	13	4	0	6	4	5	-1	2	6	3
EU	9,954	8,855	7,440	7,570	9,202	7,879	6,077	5,787	33,819	28,945
Growth (%)	28	6	5	-11	-8	-11	-18	-24	7	-14
EBITDA Margins										
India	15.0	14.8	15.1	14.7	14.7	15.5	15.6	15.3	14.9	15.3
EU	16.4	17.8	15.3	14.5	15.1	16.1	15.2	14.8	16.1	15.3

Craftsman Auto**Neutral****CMP: INR5,323 | TP: INR5,435 (+2%)****EPS CHANGE (%): FY25E | FY26E: -|-**

- Standalone revenue likely to grow ~18% YoY, led by 12%/30%/16% YoY growth in auto powertrain/ aluminum/ industrials divisions.
- Revenue for DR Axion is expected to decline ~4% YoY.
- We have also factored in revenue from its new acquisitions- Sunbeam (INR3.8b) and Fornburg (INR590m).
- However, these acquisitions may drag down profits initially; hence, we expect EBITDA margin to contract QoQ.

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

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating income	10,376	11,791	11,297	11,053	11,512	12,140	16,992	18,736	44,517	59,379
Change (%)	53.5	52.9	50.8	12.7	10.9	3.0	50.4	69.5	39.9	33.4
RM/Sales (%)	52.5	53.2	53.2	54.1	56.3	55.6	57.0	57.3	53.3	56.7
Staff Cost (% of Sales)	6.5	6.1	6.8	6.6	6.4	6.9	9.5	8.2	6.5	7.9
Other Exp. (% of Sales)	20.4	20.6	20.6	20.5	20.1	21.6	22.0	20.7	20.5	21.1
EBITDA	2,142	2,375	2,202	2,069	1,973	1,928	1,954	2,598	8,788	8,453
EBITDA Margins (%)	20.6	20.1	19.5	18.7	17.1	15.9	11.5	13.9	19.7	14.2
Non-Operating Income	37	47	35	53	48	64	120	109	172	342
Interest	424	416	442	464	492	413	480	503	1745	1888
Depreciation	683	668	703	723	725	762	1050	1124	2777	3661
Minority Int/Share of Profit	62	97	82	79	61	-4	0	0	320	57
PBT after EO items	1,011	1,241	1,010	856	744	821	544	1,079	4,118	3,189
Eff. Tax Rate (%)	26.3	23.8	27.6	27.2	28.5	24.9	-9.2	-3.9	26.1	10.2
Rep. PAT	745	945	731	623	532	617	594	1,121	3,045	2,864
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-18.8	79.9	22.6	-5.9
Adj. PAT	745	945	731	623	532	617	594	1,121	3,045	2,864
Change (%)	34.0	56.0	41.7	-22.3	-28.6	-34.7	-18.8	79.9	22.6	-5.9

Endurance Technologies**Buy****CMP: INR2,267 | TP: INR2,825 (+25%)****EPS CHANGE (%): FY25E | FY26E: -3|2**

- We expect India business to grow 15% YoY, largely on a low base (flat QoQ). EU business may grow 10% YoY on the back of execution of its order book. Maxwell revenue is likely to decline YoY. Overall, we expect consol. revenues to post 15% YoY growth.
- Expect EBITDA margin to marginally improve QoQ, led largely by improvement in Europe margins (seasonal effect).

Consolidated - Quarterly

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
INR m										
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	3,891	4,152	13,080	15,604
Margins (%)	13.1	12.5	11.7	13.9	13.2	13.1	13.3	13.8	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	2,754	3,016	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	2,754	3,016	8,969	11,107
Eff. Tax Rate (%)	24.3	24.8	24.1	23.5	23.9	23.6	23.8	23.8	75.9	23.8
Adj. PAT	1,635	1,546	1,523	1,950	2,039	2,030	2,099	2,298	6,653	8,465
YoY Change (%)	47.0	17.5	40.7	42.9	24.7	31.3	37.8	17.9	36.5	27.2

Happy Forgings**Buy****CMP: INR1,001 | TP: INR1,195 (+19%)****EPS CHANGE (%): FY25|26E: -5|-11**

- Revenue is expected to grow ~5% YoY, mainly due to growth in industrial division and new orders in PVs.
- We expect EBITDA margin to largely remain stable QoQ at 29.2%.

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

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating income	3,298	3,431	3,420	3,433	3,415	3,611	3,591	3,691	13,582	14,307
Change (%)			16.2	13.5	3.5	5.3	5.0	7.5	13.5	5.3
RM/Sales (%)	43.0	44.7	44.5	43.5	43.5	41.2	41.0	40.8	43.9	41.6
Staff Cost (%)	7.5	8.5	9.0	8.6	8.5	8.5	8.8	9.7	8.4	8.9
Other Exp. (%)	19.1	19.5	18.7	19.6	19.4	21.2	21.0	20.4	19.1	20.5
EBITDA	1,002	938	952	971	976	1,054	1,049	1,074	3,875	4,152
EBITDA Margins (%)	30.4	27.3	27.8	28.3	28.6	29.2	29.2	29.1	28.5	29.0
Non-Operating Income	34	7	33	72	77	83	82	81	134	323
Interest	27	44	38	9	14	16	14	14	118	57
Depreciation	155	162	171	160	180	197	200	207	647	783
EO Exp						-48				
PBT after EO items	855	738	777	875	859	973	917	934	3,244	3,635
Tax	214	185	198	217	220	259	234	214	814	927
Eff. Tax Rate (%)	25.1	25.1	25.5	24.8	25.6	26.6	25.5	22.9	25.1	25.5
Rep. PAT	640	553	579	658	639	714	683	720	2,430	2,708
Change (%)			39.2	29.7	-0.3	29.3	17.9	9.4	18.3	11.4
Adj. PAT	640	553	579	658	639	666	683	720	2,430	2,708
Change (%)			39.2	29.7	-0.3	20.6	17.9	9.4	16.4	11.4

Sona Comstar**Neutral****CMP: INR591 | TP: INR590 (0%)****EPS CHANGE (%): FY25|FY26E: -8|-16**

- We expect its order book execution to see some slowdown given weakness in global markets and a slower transition to EVs globally.
- We expect EBITDA margin to contract 50bp QoQ to 27.6% due to weak product mix and lower volumes. Overall, we expect the company to post just 5% YoY PAT growth.
- As a result, we expect slower revenue growth of ~11% YoY in 3Q.
- We cut FY25/26E EPS by 8%/16% to factor in slower order book execution going ahead.

Consol. Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net operating revenues	7,322	7,908	7,766	8,853	8,930	9,251	8,625	9,013	31,848	35,820
Change (%)	24.3	20.3	13.4	19.0	22.0	17.0	11.1	1.8	19.0	12.5
EBITDA	2,034	2,233	2,273	2,481	2,512	2,549	2,337	2,448	8,651	9,846
EBITDA Margins (%)	27.8	28.2	29.3	28.0	28.1	27.6	27.1	27.2	27.2	27.5
Depreciation	511	534	559	598	606	626	630	641	2,202	2,503
EBIT	1,523	1,699	1,714	1,883	1,905	1,923	1,707	1,807	6,449	7,344
EBIT Margins (%)	20.8	21.5	22.1	21.3	21.3	20.8	19.8	20.1	20.2	20.5
Interest	53	60	73	71	86	106	80	64	258	335
Non-Operating Income	54	61	50	75	70	210	190	109	239	579
PBT	1,495	1,641	1,690	1,886	1,889	1,918	1,817	1,853	6,343	7,477
Effective Tax Rate (%)	25.1	24.4	21.0	21.5	25.0	25.1	23.0	22.8	24.3	24.0
Adjusted PAT	1,142	1,286	1,336	1,481	1,417	1,546	1,399	1,430	4,871	5,766
Change (%)	50.6	39.0	24.7	20.2	24.0	20.2	4.8	-3.4	31.8	18.4

Bosch**Neutral****CMP: INR33,987 | TP: INR33,721 (-1%)****EPS CHANGE (%): FY25 | 26E: -1|-3**

- We expect ~8% YoY revenue growth, led by growth in the mobility division (2Ws and aftermarket) and steady demand from building technology.
- EBITDA margin is likely to improve 50bp QoQ due to an improved mix.
- On the back of steady revenue growth, high other income and a lower tax rate, we expect Bosch to post 15% YoY growth in PAT in 3Q.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	41,584	41,301	42,052	42,334	43,168	43,943	45,416	45,855	1,67,271	1,78,382
YoY Change (%)	17.3	12.8	14.9	4.2	3.8	6.4	8.0	8.3	12.0	6.6
RM Cost (% of sales)	64.5	66.8	62.3	65.5	64.6	65.1	64.0	63.6	64.8	64.3
Staff Cost (% of sales)	7.4	8.1	7.9	8.5	7.8	7.8	7.7	7.6	8.0	7.7
Other Expenses (% of sales)	17.9	13.2	16.0	12.8	15.7	14.3	15.0	14.9	14.7	14.9
EBITDA	4,679	4,913	5,784	5,572	5,197	5,605	6,061	6,385	20,948	23,248
Margins (%)	11.3	11.9	13.8	13.2	12.0	12.8	13.3	13.9	12.5	13.0
Depreciation	921	1,013	1,173	1,188	856	900	1,050	1,089	4,295	3,895
Interest	308	122	39	39	26	22	30	42	508	120
Other Income	1,875	1,542	1,548	2,262	1,793	2,089	2,000	2,195	7,227	8,077
PBT before EO expense	5,325	5,320	6,120	6,607	6,108	6,772	6,981	7,449	23,372	27,309
Extra-Ord expense	0	-7,850	-588	0	0	-485	0	0	-8,438	0
PBT after EO Expense	5,325	13,170	6,708	6,607	6,108	7,257	6,981	7,449	31,810	27,309
Tax	1,235	3,181	1,527	962	1,453	1,898	1,536	1,121	6,905	6,008
Tax Rate (%)	23.2	24.2	22.8	14.6	23.8	26.2	22.0	15.1	21.7	22.0
Reported PAT	4,090	9,989	5,181	5,645	4,655	5,359	5,445	6,327	24,905	21,301
Adj PAT	4,090	3,843	4,721	5,645	4,655	4,965	5,445	6,327	18,058	21,301
YoY Change (%)	22.4	3.2	48.0	41.5	13.8	29.2	15.3	12.1	26.8	18.0

Motherson Wiring India**Buy****CMP: INR59 | TP: INR70 (+18%)****EPS CHANGE (%): FY25E | FY26E: 1|-7**

- Revenue likely to grow 14% YoY, aided by recovery in PV segment volumes and new order execution.
- EBITDA margin to expand 50bp QoQ, aided by operating leverage benefits.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	18,718	21,046	21,145	22,327	21,848	23,256	24,187	23,569	83,283	92,860
YoY Change (%)	12.0	14.7	25.4	16.7	16.7	10.5	14.4	7.9	17.8	11.5
RM Cost (% of sales)	65.2	66.2	65.5	65.1	65.1	64.9	65.2	65.1	65.5	65.1
Staff Cost (% of sales)	17.5	16.3	16.1	15.4	17.2	17.3	16.7	16.3	16.3	16.9
Other Expenses (% of sales)	6.2	5.7	6.0	6.4	6.7	7.1	6.9	6.9	6.1	6.9
EBITDA	2,072	2,481	2,620	2,913	2,388	2,496	2,702	2,767	10,132	10,353
Margins (%)	11.1	11.8	12.4	10.9	10.9	10.7	11.2	11.7	12.2	11.1
Depreciation	338	364	377	394	399	444	450	454	1,473	1,747
Interest	77	74	64	58	55	72	65	61	273	252
Other Income	5	56	11	43	50	48	45	43	69	185
PBT before EO expense	1,661	2,100	2,190	1,984	1,984	2,027	2,232	2,295	8,455	8,538
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO Expense	1,661	2,100	2,190	2,505	1,984	2,027	2,232	2,295	8,455	8,538
Tax Rate (%)	26	26	23	25	25	25	25	25	25	25
Reported PAT	1,231	1,559	1,679	1,914	1,489	1,521	1,674	1,720	6,383	6,404
Adj PAT	1,231	1,559	1,679	1,914	1,489	1,521	1,674	1,720	6,383	6,404
YoY Change (%)	-2.2	33.9	58.1	7.5	20.9	-2.4	-0.3	15.5	31.1	0.3

Samvardhana Motiherson Sumi**Buy****CMP: INR155 | TP: INR195 (+26%)****EPS CHANGE (%): FY25E|FY26E: -8|-5**

- Execution of its healthy order book, along with contribution from recent acquisitions, should drive revenue growth of 13% YoY.
- EBITDA margin to expand 40bp QoQ to 9.2%, led by seasonally better quarter in EU and ramp-up in new businesses.
- Overall, we expect earnings to jump 47% YoY, mainly due to the contributions from acquisitions.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	2,24,622	2,35,275	2,56,439	2,68,612	2,88,680	2,78,119	2,89,042	2,96,682	9,84,947	11,52,522
YoY Change (%)	27.2	28.8	26.5	19.3	28.5	18.2	12.7	10.4	25.0	17.0
EBITDA	19,246	19,878	23,159	26,686	27,753	24,479	26,467	30,021	90,206	1,08,720
Margins (%)	8.6	8.4	9.0	9.9	9.6	8.8	9.2	10.1	9.2	9.4
Depreciation	8,389	8,674	10,164	10,878	10,646	11,028	11,200	11,501	38,105	44,375
Interest	2,526	4,879	6,203	4,504	4,445	5,462	5,000	4,783	18,112	19,689
Other income	529	664	1,084	836	709	862	710	745	1,876	3,026
PBT before EO expense	8,860	6,989	7,877	12,140	13,371	8,852	10,977	14,482	35,865	47,682
Extra-Ord expense	0	2,494	9	-4,974	0	-1,730	0	0	-2,472	-1,730
PBT after EO Expense	8,860	4,495	7,868	17,114	13,371	10,582	10,977	14,482	38,336	49,412
Tax Rate (%)	29.5	32.8	27.6	28.3	26.0	33.2	27.0	27.4	29.3	28.0
Min. Int & Share of profit	241	188	272	-43	-51	-1,152	50	-141	658	-1,293
Reported PAT	6,009	2,016	5,420	13,718	9,942	8,797	7,963	10,661	27,162	37,364
Adj PAT	6,009	4,510	5,420	9,170	9,942	7,470	7,963	10,661	25,108	36,101
YoY Change (%)	325.5	43.2	19.2	45.6	65.5	65.7	46.9	16.3	65.6	43.8

Tube Investments**Buy****CMP: INR3,576 | TP: INR4,136 (+16%)****EPS CHANGE (%): FY25E|FY26E: 0|0**

- Robust growth in the 2W business, diversification in other segments, and exports to drive QoQ growth in its engineering business.
- EBIT margin for the mobility business is likely to remain negative; engineering business/other businesses may see margin improvement of 30bp/140bp QoQ to 12.6%/5%, while metal-formed business margins are likely to contract 40bp QoQ.
- Metal-formed business to clock 9% YoY growth, though margin pressure would persist due to increased competition. Revenue for engineering division may grow 9% YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	17,801	19,696	18,983	19,624	19,603	20,648	20,591	21,979	76,105	82,821
YoY Change (%)	-9.0	3.3	11.0	18.0	10.1	4.8	8.5	12.0	5.2	8.8
EBITDA	2,160	2,514	2,395	2,171	2,400	2,460	2,430	2,458	9,239	9,748
Margins (%)	12.1	12.8	12.6	11.1	12.2	11.9	11.8	11.2	12.1	11.8
Depreciation	331	346	361	370	386	407	430	434	1,408	1,656
Interest	70	77	74	75	72	69	65	61	295	267
Other Income	219	358	137	1,451	137	261	350	1,624	2,165	2,372
PBT before EO expense	1,979	2,448	2,096	3,178	2,079	2,245	2,285	3,588	9,701	10,197
Tax	502	634	521	699	534	567	576	900	2,359	2,577
Tax Rate (%)	25.4	25.9	24.9	22.0	25.7	25.3	25.2	25.1	24.3	25.3
Adj PAT	1,477	1,814	1,575	2,479	1,545	1,678	1,709	2,689	7,345	7,620
YoY Change (%)	10.0	13.2	14.4	-9.2	4.6	-7.5	8.5	8.5	4.1	3.7

Capital Goods

Company

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

Eyes on execution growth and margins

The capital goods sector stocks have declined over the last six months on account of concerns around order inflow improvement, the sustainability of execution growth, as well as high margins. With FY25 being an election year, order inflow was expected to be weak, but it is anticipated to ramp up from 4QFY25 onwards. However, ordering has remained strong across thermal power, renewables, T&D, data centers, buildings, and factories, while it has been weak in water and railways. Defense sector ordering is also expected to ramp up based on recent approvals. For genset players, as highlighted in our recent [note](#), demand was initially impacted in October and November for low-to-mid kVA nodes but has started to recover. Overall, we believe that despite selective order inflow improvement, the strong existing order books provide healthy revenue visibility for companies in the sector. We expect a 19% YoY growth in execution for 3QFY25. We expect margins to remain largely stable QoQ, given the benign commodity prices. As a result, we expect a ~20bp YoY expansion in EBITDA margin for our coverage universe. For 3QFY25, we estimate our coverage companies to report revenue growth of 19% YoY, EBITDA growth of 21% YoY, and PAT growth of 26% YoY.

Expectations line up for inflow revival in 4QFY25

Due to the impact of elections (center and state) during 9MFY25, ordering activity was selective. We have witnessed continued traction across sectors such as power T&D, renewables, thermal, semiconductors, data centers, and electronics, while ordering from traditional sectors remained weak, although there is a build-up in the inquiry pipeline now. However, despite weaker ordering, strong inflows during FY24 have supported order books. We expect ordering to pick up from 4QFY25, primarily from government capex, which has been weak so far. The upcoming union budget is expected to provide more clarity regarding the government's policy direction. Defense sector ordering is also expected to materialize in 4QFY25 as the focus on indigenization continues. During the quarter, LT bagged an ultra-mega order from NTPC for thermal power plants in MP and Bihar, addressing some concerns on domestic ordering ramp-up. LT announced orders worth ~INR225b, BHE won ~INR23.6b, KECI secured ~INR60.1b, and KPIL acquired ~INR54.3b worth of orders. With strong existing order books, we estimate 19% YoY growth in execution in 3QFY25 for our coverage universe.

Stable margins to be supported by benign RM inflation

EPC companies are expected to continue reporting sequential margin recovery, in line with their guidance, as execution takes place at favorable terms and commodity prices remain at comfortable levels. We expect EBITDA and gross margin for select large product companies to be either flat or witness slight moderation QoQ due to pricing corrections amid select demand weakness. Product companies are continuously focusing on high-margin areas, tech-led offerings, and deeper penetration in tier 3 and 4 markets; hence, we expect margins to remain high YoY. Prices of key inputs continue to be at manageable levels. Since May'24, copper/aluminum/HRC prices have corrected by 12%/1%/13%, respectively, while zinc prices have risen 3%. We expect ~20bp YoY margin expansion in 3QFY25 for our coverage universe.

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Exports bottom out; expect to improve QoQ

International ordering has remained healthy during the quarter, primarily backed by the global push for renewable energy and infrastructure investments, as reflected in inflows for KECI and KPIL. The ongoing situation in the Middle East merits a closer observation as the trajectory of crude prices has a direct bearing on the fiscal health, and consequently on the capex outlay of key markets such as Saudi Arabia, Qatar, and the UAE. For companies such as KKC, the exports trajectory has shown a sequential uptick and appears to have bottomed out, with improved traction from Europe and LatAm, while other markets are still experiencing weakness. On the other hand, TRIV is clocking healthy export growth, driven by its focus on expanding its international presence.

Long-term capex cycle remains intact

While there have been some near-term hiccups, we believe these are transient in nature. Our long-term thesis on the capex cycle remains intact, supported by policy continuity and a relatively stable macro environment. Sectors such as renewables, transmission, PLI, and defense continue to witness robust traction, wherein the government has already initiated policy measures that provide long-term visibility. These factors, along with healthy bank and corporate balance sheets, create an enabling environment for private sector capex, which has so far been selective. Companies are sitting on healthy order books, which should provide visibility for a healthy revenue CAGR going forward.

Our top picks

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

Exhibit 1: Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
ABB India	6929	Buy	31,440	14.0	8.0	5,751	37.8	6.5	4,690	35.8	6.5
Bharat Electronics	294	Buy	49,662	20.1	8.4	12,415	18.3	-10.6	10,306	15.4	-5.6
Cummins India	3230	Buy	26,881	6.1	7.9	5,242	-2.6	9.0	4,694	2.9	4.2
Hitachi Energy	15479	Neutral	17,047	33.8	9.7	1,568	130.6	42.9	887	286.3	69.7
KEC International	1201	Neutral	57,915	15.7	13.3	3,880	26.0	21.2	1,502	55.0	75.8
Kalpataru Proj.	1312	Buy	49,405	19.1	19.4	4,199	22.1	20.5	1,956	35.8	47.8
Kirloskar Oil	1009	Buy	13,140	15.7	10.0	1,550	16.7	-6.0	1,012	23.1	-8.9
Larsen & Toubro	3667	Buy	6,63,515	20.4	7.8	69,292	20.3	8.9	37,937	28.7	11.7
Siemens	6633	Buy	54,874	13.7	-15.1	7,179	20.4	-23.5	5,970	18.1	-28.2
Thermax	3929	Neutral	28,249	21.5	8.2	2,647	41.2	-4.8	1,722	22.7	-13.0
Triveni Turbine	754	Buy	5,020	16.3	0.2	1,054	25.9	-5.4	892	30.0	-2.0
Zen Technologies	2476	Buy	2,310	135.6	-4.4	859	94.3	8.2	637	101.1	-2.4
Capital Goods			9,99,458	19.3	7.1	1,15,638	21.4	4.0	72,204	25.9	4.0

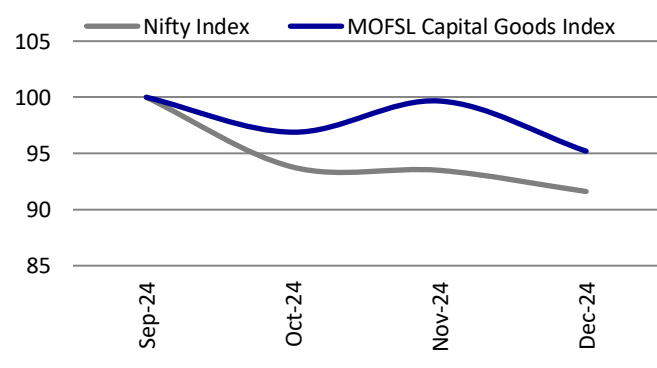
ABB: December ending; SIEM: September ending

Exhibit 2: Comparative valuations

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Capital Goods						49.2	39.1	32.6	8.6	7.4	6.3	17.5	18.9	19.2
ABB India	6,929	Buy	88.7	102.5	119.3	78.1	67.6	58.1	19.1	15.2	12.3	27.6	25.1	23.4
Bharat Electronics	294	Buy	6.7	8.2	9.9	44.2	36.0	29.8	10.6	8.5	6.8	24.0	23.5	22.9
Cummins India	3,230	Buy	71.1	86.2	101.5	45.4	37.4	31.8	12.9	11.4	10.0	30.1	32.3	33.4
Hitachi Energy	15,479	Neutral	75.2	155.5	232.3	205.9	99.5	66.6	39.1	28.1	19.8	19.0	28.2	29.6
Kalpataru Proj.	1,312	Buy	46.2	64.8	84.7	28.4	20.2	15.5	3.0	2.7	2.3	12.0	14.0	15.9
KEC International	1,201	Neutral	23.7	39.6	48.8	50.7	30.3	24.6	5.9	5.2	4.5	13.3	18.3	19.7
Kirloskar Oil	1,009	Buy	32.7	42.9	55.9	30.9	23.5	18.0	4.9	4.3	3.6	16.9	19.4	21.8
Larsen & Toubro	3,667	Buy	111.1	137.2	160.3	33.0	26.7	22.9	5.1	4.5	3.9	16.5	17.9	18.2
Siemens	6,633	Buy	76.3	84.6	107.0	86.9	78.5	62.0	15.4	13.4	11.6	19.1	18.3	20.1
Thermax	3,929	Neutral	63.1	81.4	97.9	62.3	48.3	40.1	8.9	7.7	6.6	15.1	17.1	17.8
Triveni Turbine	754	Buy	11.5	14.3	19.4	65.4	52.7	38.8	19.6	15.4	12.0	33.6	32.8	34.8
Zen Technologies	2,476	Buy	31.7	49.0	68.1	78.1	50.5	36.3	12.9	10.2	8.0	26.1	22.6	24.7

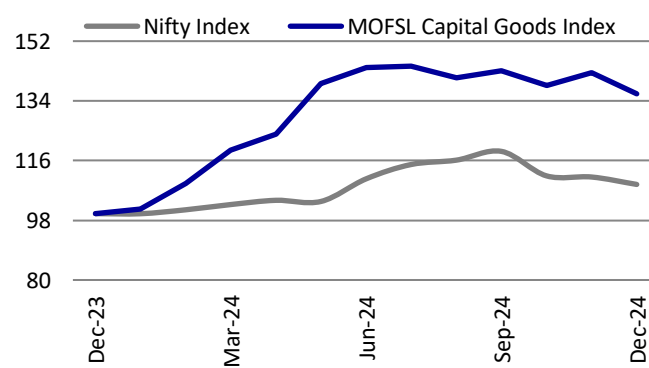
ABB: December ending; SIEM: September ending

Exhibit 3: Relative performance – three months (%)



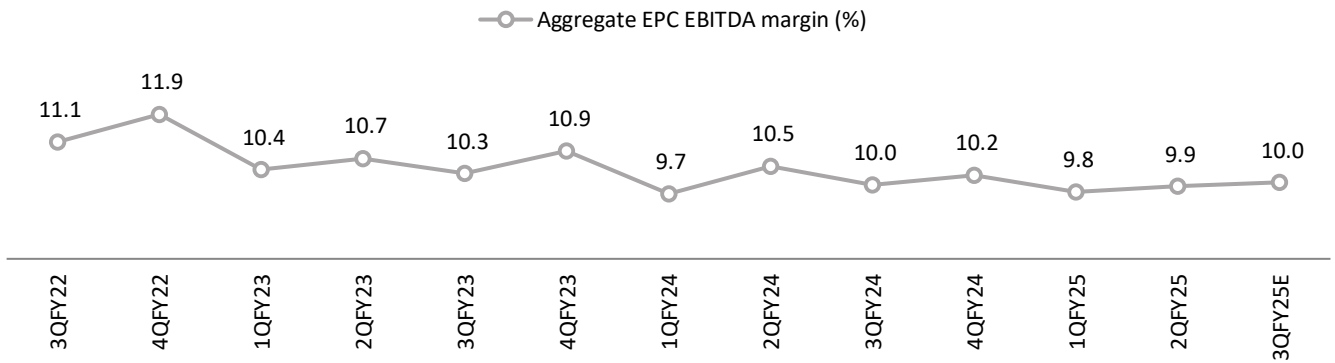
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one year (%)



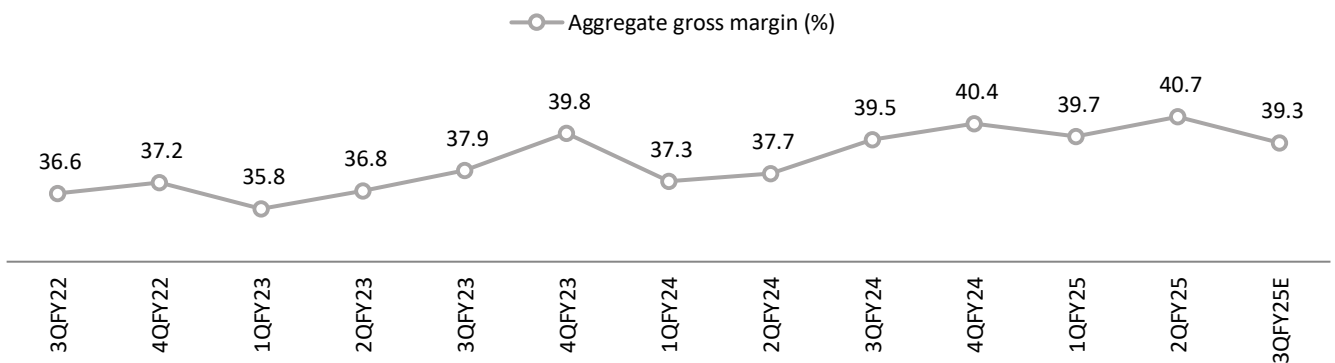
Source: Bloomberg, MOFSL

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



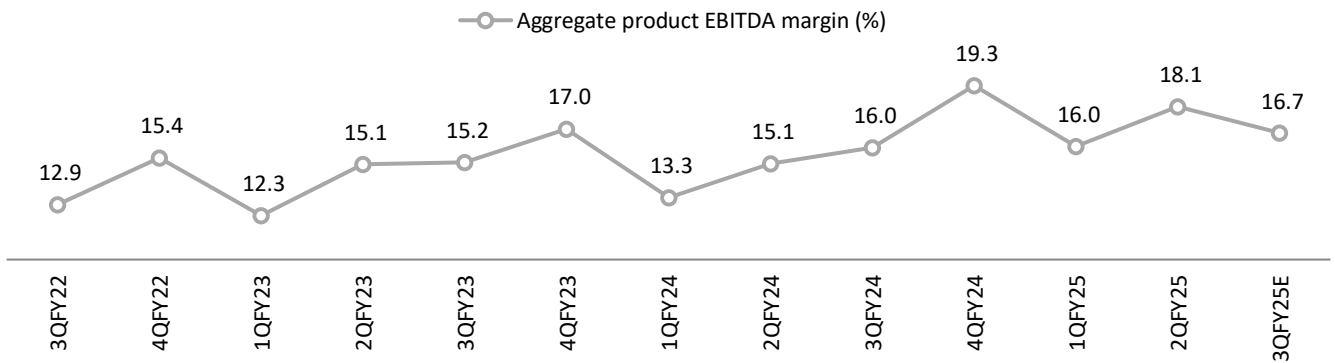
Source: Company, MOFSL

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



Source: Company, MOFSL

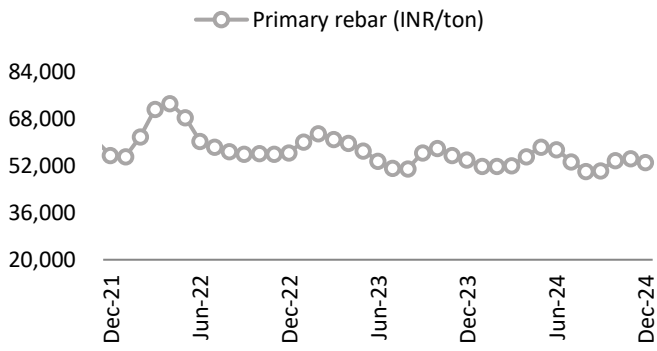
Exhibit 7: EBITDA margin snapshot for product companies under our coverage



Source: Company, MOFSL

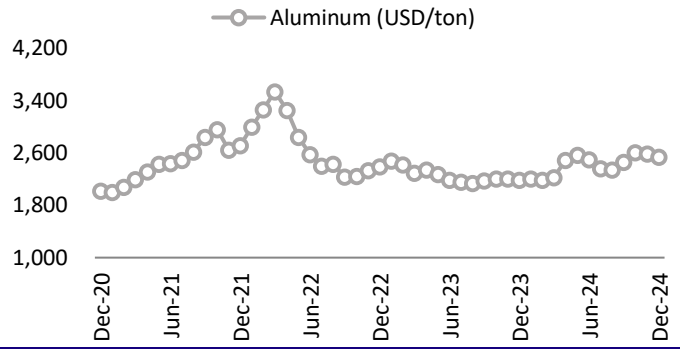
Input prices are stable QoQ

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



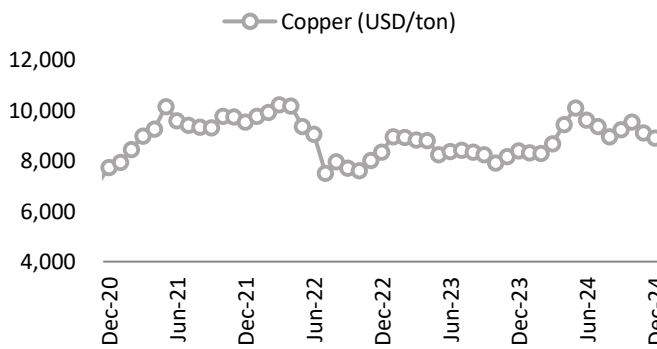
Source: Bloomberg, MOFSL

Exhibit 9: Aluminum price trend (USD/ton)



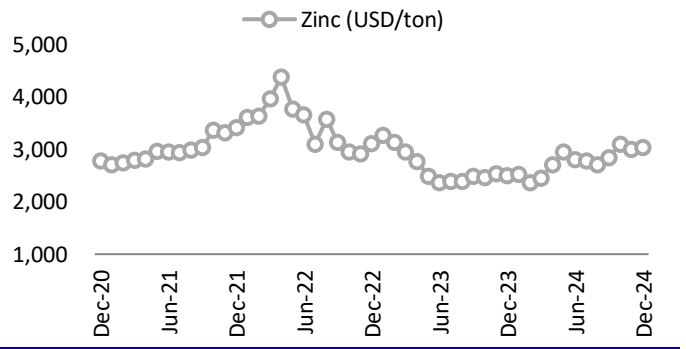
Source: Bloomberg, MOFSL

Exhibit 10: Copper price trend (USD/ton)



Source: Bloomberg, MOFSL

Exhibit 11: Zinc price trend (USD/ton)



Source: Bloomberg, MOFSL

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

ABB India

Buy

CMP: INR6,929 | TP: INR8,500 (+23%)

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

- ABB's revenue growth moderated in 3QCY24 due to a change in the composition of the order book. Execution would be the key monitorable in light of the same.
- We expect revenue to grow 14% YoY, driven by the Robotics & Motion and Electrification segments. Strong demand traction continues, which should result in order inflow growth.
- We expect margin to expand ~320bp YoY, aided by a better product mix, share of services, and operating leverage.
- We would watch out for incremental inflows from transmission, railways, data center, and private capex to support order inflow growth. Key monitorables include sustainability of inflows and margins, outlook on exports, and localization levels.

Standalone - Quarterly Snapshot

Y/E December	CY23				CY24E				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	24,112	25,086	27,692	27,575	30,804	28,309	29,122	31,440	1,04,465	1,20,347
YoY Change (%)	22.5	22.2	30.6	13.6	27.8	12.8	5.2	14.0	21.9	15.2
Total Expenditure	21,259	21,599	23,307	23,403	25,152	22,884	23,719	25,689	89,567	97,443
EBITDA	2,853	3,487	4,385	4,172	5,652	5,425	5,402	5,751	14,898	22,904
Margins (%)	11.8	13.9	15.8	15.1	18.3	19.2	18.6	18.3	14.3	19.0
Depreciation	274	292	303	329	314	310	328	345	1,199	1,297
Interest	22	14	9	82	38	45	30	31	127	144
Other Income	723	750	768	776	871	868	929	989	3,017	3,657
PBT before EO expense	3,279	3,931	4,842	4,537	6,171	5,938	5,973	6,366	16,589	25,120
PBT	3,279	3,931	4,842	4,537	6,171	5,938	5,973	6,366	16,589	25,120
Tax	827	972	1,222	1,085	1,575	1,511	1,568	1,676	4,106	6,330
Rate (%)	25.2	24.7	25.2	23.9	25.5	25.5	26.3	26.3	24.8	25.2
Reported PAT	2,452	2,959	3,620	3,452	4,596	4,426	4,405	4,690	12,483	18,790
Adj PAT	2,452	2,959	3,620	3,452	4,596	4,426	4,405	4,690	12,483	18,790
YoY Change (%)	-34.3	110.9	84.0	13.1	87.4	49.6	21.7	35.8	79.5	51.2
Margins (%)	10.2	11.8	13.1	12.5	14.9	15.6	15.1	14.9	11.9	15.6

Bharat Electronics

Buy

CMP: INR294 | TP: INR360 (22%)

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

- We expect revenue growth of 20% YoY, led by healthy execution of the record OB of INR746b.
- Gross margin is expected to normalize post the 2Q spike.
- Key monitorables include update on order inflows, status of QRSAM/MRSAM, execution of orders for LRSAM and EW projects, share of exports, and working capital cycle.
- We expect margins to return to FY24 levels and contract ~40bp YoY, reaching 25%. Margins in BHE are a function of the project mix and can vary sharply during a quarter.
- Further indigenization of modules, subsystems, etc are expected to support BEL in future margin expansion.

Standalone - Quarterly Snapshot

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	35,108	39,933	41,367	85,285	41,988	45,834	49,662	99,001	2,01,694	2,36,484
Change (%)	12.8	1.2	0.1	32.1	19.6	14.8	20.1	16.1	14.3	17.2
EBITDA	6,644	10,044	10,494	22,800	9,367	13,885	12,415	23,715	49,982	59,383
Change (%)	29.4	17.4	23.0	24.9	41.0	38.2	18.3	4.0	23.5	18.8
Margin (%)	18.9	25.2	25.4	26.7	22.3	30.3	25.0	24.0	24.8	25.1
Depreciation	1,013	1,004	998	1,109	997	1,032	1,110	1,413	4,124	4,552
Interest	11	15	5	39	12	13	18	28	70	70
Other Income	1,417	1,705	2,232	2,205	2,015	1,668	2,388	3,720	7,558	9,792
PBT	7,038	10,729	11,723	23,856	10,373	14,509	13,676	25,994	53,346	64,552
Tax	1,729	2,606	2,790	6,021	2,612	3,596	3,370	6,329	13,146	15,907
Effective Tax Rate (%)	24.6	24.3	23.8	25.2	25.2	24.8	24.6	24.3	24.6	24.6
Reported PAT	5,308	8,123	8,933	17,835	7,761	10,913	10,306	19,665	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	46.2	34.3	15.4	10.3	33.7	21.0
Adj PAT	5,308	8,123	8,933	17,835	7,761	10,913	10,306	19,665	40,200	48,645
Change (%)	23.0	32.9	49.2	30.6	46.2	34.3	15.4	10.3	33.7	21.0

Cummins India**Buy****CMP: INR3,230 | TP: INR4,250 (+32%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect revenue to grow 6% YoY on a high base of 3QFY24, which witnessed the delivery of a large data center order. Sequentially, we expect 8% overall revenue growth.
- Key monitorables include demand outlook across segments, pricing environment in Powergen, and the export trajectory.
- We expect EBITDA margin to contract ~170bp YoY as 3QFY24 margins had the impact of higher data centre volumes too. Sequentially, we expect a ~20bp expansion.
- Within segments, we expect powergen segment portfolio under transition to benefit from price hikes. We also expect exports to grow 41% YoY on a low base.
- With other players launching their CPCB 4+ products, pricing dynamics across nodes will be key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	22,087	18,997	25,341	23,162	23,042	24,923	26,881	28,231	89,586	1,03,077
YoY Change (%)	31.0	-2.6	16.2	20.3	4.3	31.2	6.1	21.9	15.7	15.1
Total Expenditure	18,681	15,611	19,961	17,719	18,369	20,113	21,639	22,330	71,972	82,450
EBITDA	3,406	3,386	5,379	5,443	4,673	4,810	5,242	5,901	17,614	20,627
Margins (%)	15.4	17.8	21.2	23.5	20.3	19.3	19.5	20.9	19.7	20.0
Depreciation	358	379	419	420	439	452	418	404	1,576	1,713
Interest	77	67	63	62	48	26	72	150	268	295
Other Income	1,175	1,322	1,136	2,045	1,322	1,611	1,428	1,495	5,678	5,856
PBT before EO expense	4,146	4,263	6,034	7,006	5,509	5,944	6,181	6,843	21,448	24,476
Extra-Ord expense			17						17	0
PBT	4,146	4,263	6,017	7,006	5,509	5,944	6,181	6,843	21,431	24,476
Tax	989	978	1,467	1,390	1,311	1,438	1,486	1,651	4,824	5,886
Rate (%)	23.9	22.9	24.4	19.8	23.8	24.2	24.0	24.1	22.5	24.0
Reported PAT	3,157	3,285	4,549	5,615	4,198	4,506	4,694	5,192	16,606	18,590
Adj PAT	3,157	3,285	4,562	5,615	4,198	4,506	4,694	5,192	16,619	18,590
YoY Change (%)	50.6	30.2	26.7	76.3	33.0	37.2	2.9	-7.5	45.7	11.9
Margins (%)	14.3	17.3	18.0	24.2	18.2	18.1	17.5	18.4	18.6	18.0

Hitachi Energy India**Neutral****CMP: INR15,479 | TP: INR13,800 (-11%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect revenue growth of 34% YoY to INR17b, led by healthy execution of the opening OB of INR89.1b.
- Key monitorables include further ramp-up in margins, progress on HVDC projects, and STATCOM order finalization. It recently won the Khavda-Nagpur HVDC order from PGCIL, in consortium with BHEL.
- We expect EBITDA margin to expand ~390bp, aided by operating leverage gains and easing of supply chain-related issues.
- The execution of the Mumbai HVDC project is expected to provide near-term support to revenue.
- We increase our TP to INR13,800 on roll forward to Mar'27.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	10,401	12,280	12,742	16,953	13,272	15,537	17,047	22,331	52,375	68,188
Change (%)	5.5	10.2	23.2	27.1	27.6	26.5	33.8	31.7	17.2	30.2
EBITDA	337	653	680	1,820	479	1,097	1,568	2,675	3,490	5,820
Change (%)	31.3	-13.7	72.4	91.4	42.3	68.0	130.6	47.0	47.9	66.8
Margins (%)	3.2	5.3	5.3	10.7	3.6	7.1	9.2	12.0	6.7	8.5
Depreciation	223	225	227	225	221	228	238	290	900	978
Interest	110	107	137	112	109	164	145	145	466	563
Other Income	29	2	22	39	1	1	16	16	93	34
PBT	34	324	338	1,522	150	706	1,201	2,256	2,217	4,314
Tax	10	76	108	385	46	183	314	584	579	1,127
Effective Tax Rate (%)	28.7	23.6	32.0	25.3	30.8	25.9	26.1	25.9	26.1	26.1
Extra-ordinary Items										
Reported PAT	24	247	230	1,137	104	523	887	1,673	1,638	3,187
Change (%)	79.9	-33.3	401.5	123.7	332.4	111.4	286.3	47.2	74.4	94.6
Adj PAT	24	247	230	1,137	104	523	887	1,673	1,638	3,187
Change (%)	79.9	-33.3	401.5	123.7	332.4	111.4	286.3	47.2	74.4	94.6

Kalpataru Projects International**Buy****CMP: INR1,312 | TP: INR1,500 (+14%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect revenue growth of 19% YoY as execution has been healthy across segments, barring the Water segment, which is still weak.
- Key monitorables include execution ramp-up, margin trajectory, customer collections, and outlook on the urban infra and B&F division.
- We expect EBITDA margin of 8.5% (+20bp YoY/+10bp QoQ) with further expansion in 4QFY25.
- We would also watch out for the working capital cycle and debt levels, which would have likely come down sequentially post the QIP and receipt of certain payments in the Water segment.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	36,220	38,440	41,470	51,470	37,220	41,361	49,405	69,632	1,67,600	1,97,618
YoY Change (%)	15.4	16.7	18.2	17.1	2.8	7.6	19.1	35.3	16.9	17.9
Total Expenditure	33,080	35,360	38,030	47,470	34,080	37,877	45,205	63,559	1,53,940	1,80,721
EBITDA	3,140	3,080	3,440	4,000	3,140	3,485	4,199	6,073	13,660	16,897
Margins (%)	8.7	8.0	8.3	7.8	8.4	8.4	8.5	8.7	8.2	8.6
Depreciation	930	880	940	930	930	914	971	1,070	3,680	3,886
Interest	750	850	830	940	860	998	874	763	3,370	3,494
Other Income	290	250	270	320	290	264	275	270	1,130	1,099
PBT before EO expense	1,750	1,600	1,940	2,450	1,640	1,836	2,629	4,511	7,740	10,616
Extra-Ord expense	0	0	0	350	0	0	0	0	350	0
PBT	1,750	1,600	1,940	2,100	1,640	1,836	2,629	4,511	7,390	10,616
Tax	490	470	500	600	470	513	673	1,062	2,060	2,718
Rate (%)	28.0	29.4	25.8	28.6	28.7	27.9	25.6	23.5	27.9	25.6
Reported PAT	1,260	1,130	1,440	1,500	1,170	1,323	1,956	3,449	5,330	7,898
Adj PAT	1,260	1,130	1,440	1,750	1,170	1,323	1,956	3,449	5,582	7,898
YoY Change (%)	-23.2	8.7	29.7	52.6	-7.1	17.1	35.8	97.1	19.1	41.5
Margins (%)	3.5	2.9	3.5	3.4	3.1	3.2	4.0	5.0	3.3	4.0

KEC International**Neutral****CMP: INR1,201 | TP: INR1,050 (-13%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect 16% YoY revenue growth, driven by a strong opening order book of INR327b.
- Key monitorables include order pipeline in both T&D and civil, execution ramp-up, and margin expansion. Recently, KECI has hived off its Cables business to its subsidiary.
- We expect EBITDA margin to expand 60bp YoY/40bp QoQ, in line with guidance.
- We would watch out for the payment cycle, debt levels, and NWC improvement.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	42,436	44,990	50,067	61,648	45,119	51,133	57,915	68,584	1,99,141	2,22,751
YoY Change (%)	27.9	10.7	14.4	11.6	6.3	13.7	15.7	11.2	15.2	11.9
Total Expenditure	39,992	42,247	46,988	57,768	42,415	47,931	54,035	62,627	1,86,996	2,07,008
EBITDA	2,444	2,743	3,079	3,880	2,704	3,202	3,880	5,957	12,146	15,743
Margins (%)	5.8	6.1	6.1	6.3	6.0	6.3	6.7	8.7	6.1	7.1
Depreciation	418	465	488	483	465	453	531	584	1,853	2,033
Interest	1,587	1,778	1,644	1,543	1,550	1,681	1,413	1,281	6,551	5,924
Other Income	28	158	260	78	431	66	82	104	524	683
PBT before EO expense	467	658	1,207	1,933	1,120	1,135	2,018	4,196	4,265	8,470
Extra-Ord expense										
PBT	467	658	1,207	1,933	1,120	1,135	2,018	4,196	4,265	8,470
Tax	44	100	239	415	245	281	517	1,126	798	2,168
Rate (%)	9.4	15.2	19.8	21.5	21.8	24.7	25.6	26.8	18.7	25.6
Reported PAT	423	558	969	1,517	876	854	1,502	3,070	3,467	6,301
Adj PAT	423	558	969	1,517	876	854	1,502	3,070	3,467	6,301
YoY Change (%)	36.8	1.0	449.5	110.2	106.9	53.1	55.0	102.3	96.9	81.7
Margins (%)	1.0	1.2	1.9	2.5	1.9	1.7	2.6	4.5	1.7	2.8

Kirloskar Oil Engines**Buy****CMP: INR1,009 | TP: INR1,540 (+53%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue growth of 16% YoY, led by Industrial and Distribution segments. We expect the Powergen segment's performance to pick up after some weakness seen during October and November.
- Key monitorables include outlook on genset demand, pricing environment, and export ramp-up.
- We expect the EBITDA margin to be flattish YoY as certain low-to-mid kVA nodes have seen some price correction.
- Ramp-up of the US business, B2C business, and Arka Fincap performance will be closely observed.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	12,647	10,590	11,352	13,917	13,429	11,944	13,140	16,237	48,505	54,749
YoY Change (%)	26.5	4.8	13.5	20.7	6.2	12.8	15.7	16.7	17.8	12.9
Total Expenditure	11,102	9,603	10,023	12,135	11,452	10,294	11,589	14,296	42,864	47,632
EBITDA	1,545	986	1,329	1,782	1,977	1,650	1,550	1,940	5,642	7,117
Margins (%)	12.2	9.3	11.7	12.8	14.7	13.8	11.8	12.0	11.6	13.0
Depreciation	213	243	257	257	247	266	250	236	970	999
Interest	14	16	20	29	27	26	33	46	78	132
Other Income	70	64	57	85	108	118	96	62	274	383
PBT before EO expense	1,388	791	1,109	1,581	1,810	1,476	1,364	1,721	4,868	6,370
PBT	1,388	791	1,109	1,581	1,810	1,476	1,364	1,721	4,868	6,370
Tax	355	205	287	405	462	365	352	463	1,252	1,642
Rate (%)	25.6	25.9	25.9	25.6	25.5	24.7	25.8	26.9	25.7	25.8
Reported PAT	1,032	586	822	1,176	1,347	1,111	1,012	1,258	3,616	4,727
Adj PAT	1,032	586	822	1,176	1,347	1,111	1,012	1,258	3,616	4,727
YoY Change (%)	59.9	-19.3	20.5	81.3	30.5	89.6	23.1	6.9	33.8	30.7
Margins (%)	8.2	5.5	7.2	8.5	10.0	9.3	7.7	7.7	7.5	8.6

Larsen & Toubro**Buy****CMP: INR3,667 | TP: INR4,300 (+17%)****EPS CHANGE (%): FY25|26: -|-**

- We expect consolidated revenue growth of 20% YoY, led by 24% YoY revenue growth for Core E&C.
- Key monitorables include domestic order pipeline, margin performance, as well as working capital cycle. Notably, the company has bagged thermal and defense orders in 3QFY25, allaying concerns on domestic ordering.
- We expect Core E&C EBITDA margin of 8.1%, up 40bp YoY/50bp QoQ.
- We would also look out for execution ramp-up in Saudi projects and trend in the GCC order pipeline.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	479	510	551	671	551	616	664	808	2,211	2,638
YoY Change (%)	33.6	19.3	18.8	15.0	15.1	20.6	20.4	20.4	20.6	19.3
Total Expenditure	430	454	494	598	495	552	594	717	1,976	2,358
EBITDA	49	56	58	72	56	64	69	91	235	280
Margins (%)	10.2	11.0	10.4	10.8	10.2	10.3	10.4	11.3	10.6	10.6
Depreciation	8	9	9	10	10	10	10	10	37	41
Interest	9	9	9	9	9	9	8	8	35	32
Other Income	11	11	8	10	9	11	9	9	42	37
PBT before EO expense	43	50	48	63	47	56	60	83	204	244
Extra-Ord expense	0	0	0	-1	0	0	0	0	-1	0
PBT	43	50	48	64	47	56	60	83	205	244
Tax	12	11	12	14	12	14	16	22	49	63
Rate (%)	28.1	22.8	24.7	22.1	26.4	26.0	26.2	26.1	24.1	25.8
MI & P/L of Asso. Cos.	6	6	6	6	7	7	6	7	25	26
Reported PAT	25	32	29	44	28	34	38	54	131	155
Adj PAT	25	32	29	43	28	34	38	54	130	155
YoY Change (%)	46.5	44.6	20.0	8.4	11.7	5.4	28.7	25.3	49.8	19.2
Margins (%)	5.2	6.3	5.3	6.4	5.1	5.5	5.7	6.7	5.9	5.9

Siemens**Buy****CMP: INR6,633 | TP: INR8,000 (+21%)****EPS CHANGE (%): FY25|26: -|-**

- We expect 14% YoY revenue growth with execution ramp-up in Energy, Smart Infra, and Mobility segments.
- Key monitorables include margin trajectory, execution progress of the locomotive order, demand trajectory of the digital industries segment, and the private capex pipeline.
- We expect EBITDAM to expand ~70bp on account of healthy improvement in Energy and Smart Infra divisions.
- Demand outlook from both government and private sector and export outlook to be watched keenly.

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

Y/E September	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	48,252	57,499	52,035	64,611	54,874	66,708	61,189	79,695	2,22,397	2,62,466
YoY Change (%)	20.2	18.4	6.8	11.3	13.7	16.0	17.6	23.3	13.7	18.0
Total Expenditure	42,291	48,717	45,120	55,230	47,695	57,562	52,471	67,639	1,91,358	2,25,366
EBITDA	5,961	8,782	6,915	9,381	7,179	9,146	8,718	12,057	31,039	37,100
Margins (%)	12.4	15.3	13.3	14.5	13.1	13.7	14.2	15.1	14.0	14.1
Depreciation	785	800	855	856	865	865	865	865	3,296	3,461
Interest	34	313	53	205	151	151	151	151	605	605
Other Income	1,641	3,210	1,568	2,833	1,870	1,870	1,870	1,870	9,252	7,479
PBT before EO expense	6,783	10,879	7,575	11,153	8,032	9,999	9,571	12,910	36,390	40,513
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	6,783	10,879	7,575	11,153	8,032	9,999	9,571	12,910	36,390	40,513
Tax	1,726	2,851	1,794	2,841	2,063	2,568	2,458	3,315	9,212	10,403
Rate (%)	25.4	26.2	23.7	25.5	25.7	25.7	25.7	25.7	25.3	25.7
Reported PAT	5,057	8,028	5,781	8,312	5,970	7,432	7,114	9,595	27,178	30,110
Adj PAT	5,057	8,028	5,781	8,312	5,970	7,432	7,114	9,595	27,178	30,110
YoY Change (%)	9.3	70.2	26.9	45.4	18.1	-7.4	23.1	15.4	38.5	10.8
Margins (%)	10.5	14.0	11.1	12.9	10.9	11.1	11.6	12.0	12.2	11.5

Thermax**Neutral****CMP: INR3,929 | TP: INR4,400 (+12%)****EPS CHANGE (%): FY25|26: -|-2**

- We expect revenue to grow 22% YoY and EBITDA margin to expand 130bp YoY to 9.4%. Sequentially, margin is estimated to contract ~220bp due to the one-off government incentive received in 2QFY25.
- Key monitorables include the large order pipeline, margin outlook, and industrial Infra and Chemicals segment.
- We expect healthy YoY EBITDA and PAT growth of 41% and 23%, respectively.
- The performance of key subsidiaries (FEPL, TOESL) needs to be monitored closely.
- We reduce our FY26/27 estimates baking in slightly lower revenue growth.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	19,330	23,025	23,244	27,637	21,844	26,116	28,249	34,264	93,235	1,10,474
YoY Change (%)	16.8	10.9	13.4	19.6	13.0	13.4	21.5	24.0	15.2	18.5
Total Expenditure	18,008	20,978	21,369	24,905	20,433	23,336	25,603	31,002	85,261	1,00,373
EBITDA	1,322	2,046	1,874	2,732	1,412	2,780	2,647	3,263	7,974	10,101
Margins (%)	6.8	8.9	8.1	9.9	6.5	10.6	9.4	9.5	8.6	9.1
Depreciation	294	330	358	499	360	421	440	440	1,481	1,660
Interest	134	198	266	278	275	294	348	348	876	1,265
Other Income	531	659	584	553	841	598	447	447	2,326	2,332
PBT before EO expense	1,425	2,177	1,834	2,507	1,617	2,663	2,306	2,921	7,943	9,507
Extra-Ord expense	506	0	-1,261						-755	0
PBT	919	2,177	3,095	2,507	1,617	2,663	2,306	2,921	8,698	9,507
Tax	315	589	721	633	519	683	583	621	2,258	2,405
Rate (%)	34.3	27.0	23.3	25.2	32.1	25.6	25.3	21.2	26.0	25.3
Reported PAT	600	1,586	2,371	1,876	1,094	1,980	1,722	2,305	6,432	7,102
Adj PAT	932	1,586	1,403	1,952	1,094	1,980	1,722	2,305	5,873	7,102
YoY Change (%)	58.1	45.3	11.0	24.9	17.4	24.9	22.7	18.1	42.7	10.4
Margins (%)	4.8	6.9	6.0	7.1	5.0	7.6	6.1	6.7	6.3	6.4

Triveni Turbine**Buy****CMP: INR754 | TP: INR880 (+17%)****EPS CHANGE (%): FY25|26: -|-**

- We expect revenue growth of 16% YoY on account of robust traction in exports and aftermarket, while domestic has started to inch up.
- Key monitorables include domestic order inflow, inquiry pipeline, and trend in the US business.
- We expect EBITDA margin to expand ~160bp YoY, led by higher aftermarket and exports share.
- Domestic ordering, update on API turbines, and performance of 30-100MW segment need to be observed.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,764	3,878	4,317	4,581	4,633	5,011	5,020	5,665	16,539	20,328
YoY Change (%)	45.3	32.4	32.5	23.9	23.1	29.2	16.3	23.7	32.6	22.9
Total Expenditure	3,055	3,134	3,480	3,682	3,677	3,897	3,966	4,418	13,351	15,957
EBITDA	709	744	837	898	956	1,114	1,054	1,246	3,188	4,371
Margins (%)	18.8	19.2	19.4	19.6	20.6	22.2	21.0	22.0	19.3	21.5
Depreciation	49	51	55	53	62	61	62	64	208	249
Interest	7	6	6	7	10	8	8	5	27	30
Other Income	134	146	172	171	194	196	207	207	622	804
PBT before EO expense	786	832	949	1,009	1,078	1,241	1,191	1,385	3,576	4,895
PBT	786	832	949	1,009	1,078	1,241	1,191	1,385	3,576	4,895
Tax	177	190	264	252	274	331	299	326	883	1,231
Rate (%)	22.4	22.8	27.8	25.0	25.4	26.7	25.1	23.5	24.7	25.1
MI & Profit/Loss of Asso. Cos.	0	-2	-2	5	0	0			2	
Reported PAT	610	644	686	751	804	910	892	1,059	2,691	3,665
Adj PAT	610	644	686	751	804	910	892	1,059	2,691	3,665
YoY Change (%)	59.2	39.0	30.4	35.1	31.8	41.4	30.0	40.9	39.5	36.0
Margins (%)	16.2	16.6	15.9	16.4	17.4	18.2	17.8	18.7	16.3	18.0

Zen Technologies**Buy****CMP: INR2,476 | TP: INR2,750 (+11%)****EPS CHANGE (%): FY25|26: +7|+7**

- We expect revenue to continue on a sharp incline on account of strong execution of orders in both domestic and export markets.
- Key monitorables include order inflows for both training simulators and anti-drones in domestic and export markets in the following years, as well as working capital days expected to return to normal levels.
- We expect EBITDA/PAT to increase 94%/101% YoY and margin to be at 1HFY25 levels.
- We revise our full-year estimates on lower tax rate assumptions and increase our TP based on March'27 EPS.
- The launch of new remote-controlled weapon systems, grant of patents, and expansion into foreign markets are expected to support future growth.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,324	640	981	1,357	2,540	2,417	2,310	2,778	4,303	10,045
YoY Change (%)	298.5	203.1	197.8	83.0	91.7	277.4	135.6	104.7	166.5	133.5
Total Expenditure	663	423	539	906	1,508	1,623	1,451	1,647	2,530	6,228
EBITDA	662	218	442	451	1,032	794	859	1,132	1,772	3,817
Margins (%)	50.0	34.0	45.1	33.2	40.6	32.9	37.2	40.7	41.2	38.0
Depreciation	15	18	19	22	22	23	22	22	73	90
Interest	4	4	4	6	10	21	17	17	18	64
Other Income	26	48	42	23	30	84	35	35	139	185
PBT	670	243	461	422	1,030	835	856	1,128	1,796	3,848
Tax	199	70	144	140	288	182	219	296	552	985
Rate (%)	29.6	28.7	31.2	33.2	28.0	21.8	25.6	26.2	30.7	25.6
Reported PAT	471	173	317	282	742	652	637	832	1,244	2,863
Adj PAT	471	173	317	306	742	652	637	832	1,268	2,863
YoY Change (%)	474.2	279.1	467.2	77.3	57.4	276.1	101.1	171.7	237.0	125.7
Margins (%)	35.6	27.1	32.3	22.6	29.2	27.0	27.6	29.9	29.5	28.5

Cement

Company

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

Weak print, yet gradual recovery aligns with expectations

Estimate ~8% YoY volume growth for our coverage universe in 3QFY25

- After a subdued demand growth of ~1-2% YoY in 1HFY25, cement demand has improved in 3QFY25. However, regional headwinds such as pollution-related curbs in Delhi-NCR, scarcity of sand, and other aggregates in Odisha; and unfavorable weather conditions (severe cold and unseasonal rains) in certain regions during the quarter have weighed on overall demand growth. We estimate our cement coverage universe to report a volume growth of ~8% YoY in 3QFY25, supported by a low base, pent-up demand, and a pickup in construction activities. We estimate an average grinding capacity utilization of ~75% vs. ~76%/70% in 3QFY24/2QFY25.
- Cement prices have also experienced an upward trend, driven by MoM price hikes of ~3-5% (INR10-15/bag) in Dec'24 across regions. The all-India average cement price grew ~2% QoQ (down ~5% YoY) in 3QFY25. We estimate the blended realization for our coverage universe to improve 1.3% QoQ (down ~8% YoY). Our channel check suggests that industry players may announce additional price hikes in the near term. However, their sustainability will need to be monitored. We estimate the aggregate revenue/EBITDA for our cement coverage universe to decline ~2%/22% YoY to INR428.2b/INR67.8b and OPM to contract 4.3pp YoY (up 3.3pp QoQ) to ~16%. We estimate the average EBITDA/t for our cement coverage to decline ~28% YoY (up 28% QoQ) to INR842.
- GRASIM's revenue is estimated to increase 30% YoY, aided by contributions from high-growth businesses (Paints and B2B Ecommerce). VSF volume/realization is estimated to grow ~7%/6% YoY and chemical segment volume/realization is likely to increase ~2%/12%. Overall EBITDA is estimated to decline 11% YoY to INR4.6b and OPM will be at ~6%, down 2.6pp YoY due to losses in high-growth businesses. It is estimated to report PAT of INR14m (down 99% YoY) led by higher depreciation and interest costs.

Demand improves; quarter-end price hikes boost OPM sequentially

- Cement volume growth is estimated at ~8% YoY in 3QFY25. Volume declined ~10-11% YoY in Oct'24 due to festivals (Durga Puja and Diwali). However, it recovered in Nov-Dec'24 (up ~18-20%) YoY, aided by a low base, pent-up demand, and a pickup in construction activities following the monsoon and festivals. We estimate volume growth of ~10-11% YoY for ACEM (Consol.), ACC, and UTCEM, followed by ~7-9% for TRCL and ICEM, ~4-5% for DALBHARA and JKCE, and ~2-3% for BCORP and SRCM. Volume for JKLC is estimated to decline ~2% YoY.
- The average opex/t for our coverage universe is estimated to decline ~4%/2% YoY/QoQ, led by positive operating leverage and favorable fuel prices. Average imported petcoke price was down ~24%/9% YoY/QoQ in 3QFY25, while domestic petcoke price was down 15%/6% YoY/QoQ. We estimate the average variable cost/t to decline 5%/3% YoY/QoQ, while freight cost/t will remain flat YoY (up 2% QoQ). We estimate other expenses/t to decline ~7%/8% YoY/QoQ.

- › We estimate an EBITDA/t of INR995 for SRCM (the highest within our coverage universe), followed by INR943 for JKCE, and INR925 for UTCHEM. EBITDA/t for ACEM is estimated at INR848, while it is between INR600 and INR800 for ACC, BCORP, DALBHARA, JKLC, and TRCL. ICEM's operating loss/t is estimated at INR402.
- › We estimate UTCHEM and TRCL to report an EBITDA decline of ~14-18% YoY, followed by ~21-27% YoY decline for ACEM (Consol.), SRCM, DALBHARA, and JKCE and ~30-37% decline for ACC, BCORP, and JKLC. ICEM is estimated to report an operating loss of INR854m compared to EBITDA of INR490m in 3QFY24.

Sector outlook and recommendations

- › There are signs of recovery in cement demand after the festive season, and we estimate industry volume growth of ~8-9% YoY in 2HFY25, driven by pent-up demand, an expected rebound in government spending, and robust demand in the real estate and housing sectors. Strong volumes growth and improvement in clinker utilizations (estimated to peak out in 4QFY25) will support price hikes in the industry. We maintained earnings estimates for our coverage companies for FY25-27. Further, we shift our valuation multiples for our coverage companies to Dec'26E from Sep'26E.
- › We are structurally positive on the industry. We prefer players with a balanced geographic mix, higher capacity utilizations, and a strong track record of capacity expansion and successful integration. Further, we are positive on companies that have a strong presence in the North, Central and West regions. We believe these regions are less vulnerable to the demand-supply mismatch and volatility in the cement price.
- › We prefer UTCHEM and ACEM in the large-cap space, while JKCE is our preferred pick in the mid-cap space.

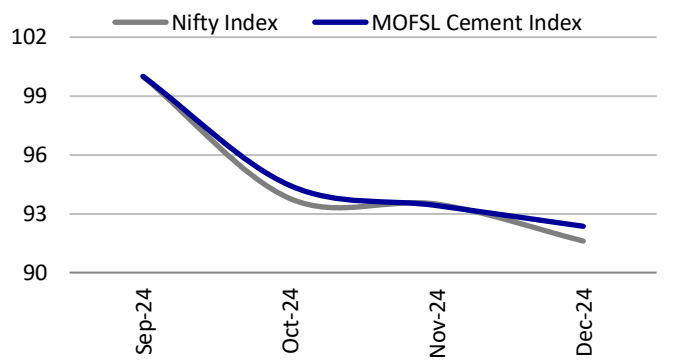
Exhibit 1: Summary of our 3QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
ACC	2051	Buy	49,445	0.5	7.3	5,928	-34.4	38.1	3,138	-40.5	34.2
Ambuja Cements	538	Buy	82,714	1.8	10.0	13,668	-21.1	23.0	5,758	-30.0	8.8
Birla Corporation	1234	Buy	21,817	-5.6	11.7	2,654	-29.9	49.8	444	-59.3	LP
Dalmia Bharat	1772	Buy	33,819	-6.2	9.6	5,739	-26.3	32.2	1,480	-45.0	169.1
Grasim Industries	2440	Buy	83,003	29.7	8.9	4,648	-11.0	42.9	14	-99.4	-99.8
India Cements	377	Sell	9,678	-10.5	-4.8	-854	PL	Loss	-1,435	Loss	Loss
J K Cements	4582	Buy	28,700	-2.2	12.1	4,598	-26.4	61.9	1,567	-44.8	336.2
JK Lakshmi Cem.	834	Buy	14,794	-13.1	19.9	1,894	-37.3	112.1	502	-63.5	LP
Ramco Cements	966	Neutral	20,250	-3.9	-0.6	3,233	-18.2	3.6	329	-64.8	28.7
Shree Cement	25495	Neutral	46,092	-6.0	23.7	9,035	-26.8	52.5	2,363	-67.8	153.7
Ultratech Cement	11450	Buy	1,70,326	1.7	8.9	27,855	-14.4	38.0	12,914	-27.3	57.5
Cement			5,60,637	2.3	9.9	78,397	-23.0	39.8	27,075	-45.4	19.5

Exhibit 2: Comparative valuations

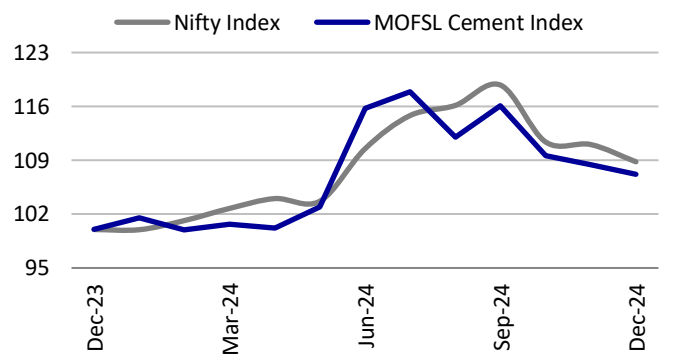
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cement						49.3	34.0	27.0	3.4	3.1	2.9	7.0	9.2	10.8
ACC	2,051	Buy	81.2	110.1	143.4	25.3	18.6	14.3	2.2	2.0	1.8	9.1	11.3	13.2
Ambuja Cements	538	Buy	9.2	13.6	17.2	58.2	39.4	31.3	2.4	2.3	2.2	4.8	6.1	7.3
Birla Corporation	1,234	Buy	25.4	58.8	79.8	48.7	21.0	15.5	1.4	1.3	1.2	2.9	6.5	8.3
Dalmia Bharat	1,772	Buy	44.3	62.1	79.3	40.0	28.5	22.4	2.0	1.9	1.8	5.0	6.7	8.1
Grasim Industries	2,440	Buy	79.5	100.6	119.3	30.7	24.3	20.5	3.0	2.9	2.8	-1.5	1.9	4.2
India Cements	377	Sell	-20.3	-0.7	6.2	-18.6	-535.0	61.1	2.4	2.4	2.3	-12.2	-0.4	3.8
J K Cements	4,582	Buy	83.9	126.0	179.2	54.6	36.4	25.6	6.0	5.3	4.6	11.0	15.6	19.2
JK Lakshmi Cem.	834	Buy	22.1	39.5	39.2	37.7	21.1	21.3	2.9	2.6	2.4	7.9	13.0	11.6
Ramco Cements	966	Neutral	12.2	22.4	31.4	79.5	43.1	30.8	3.0	2.8	2.6	3.9	6.7	8.8
Shree Cement	25,495	Neutral	292.8	319.3	421.8	87.1	79.9	60.4	4.4	4.2	4.0	5.1	5.4	6.8
Ultratech Cement	11,450	Buy	214.9	311.8	390.8	53.3	36.7	29.3	5.1	4.3	3.8	9.9	12.8	13.9

Exhibit 3: Relative performance – three months (%)



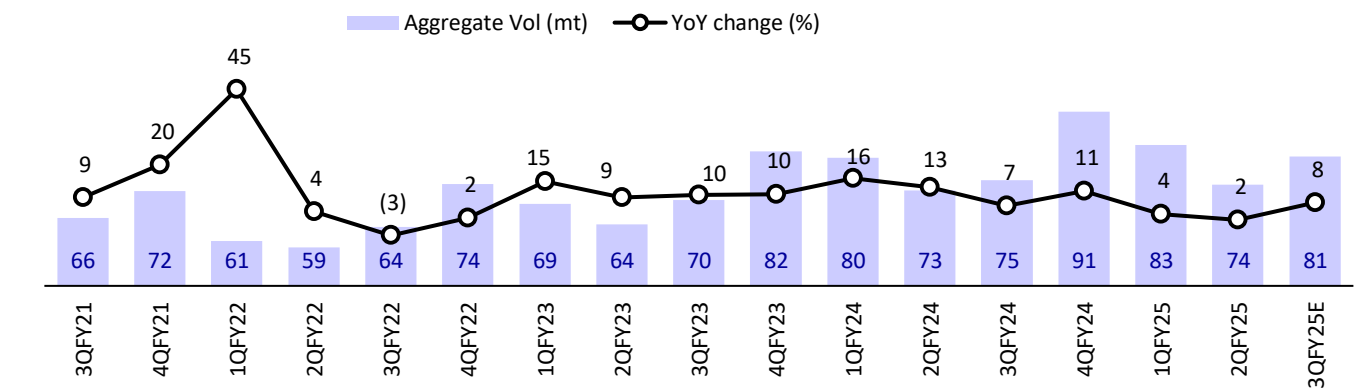
Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one year (%)



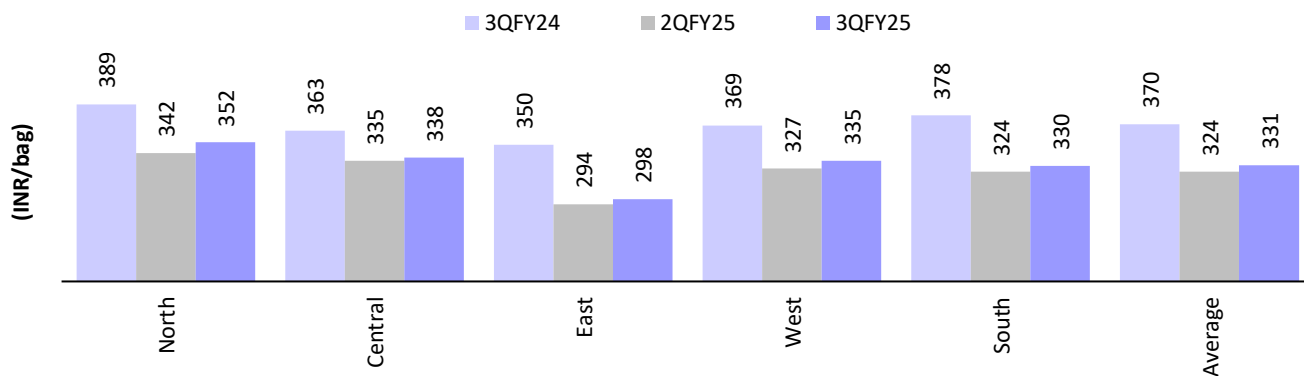
Source: Bloomberg, MOFSL

Exhibit 5: Expect 8% YoY growth in the aggregate sales volume for our coverage universe



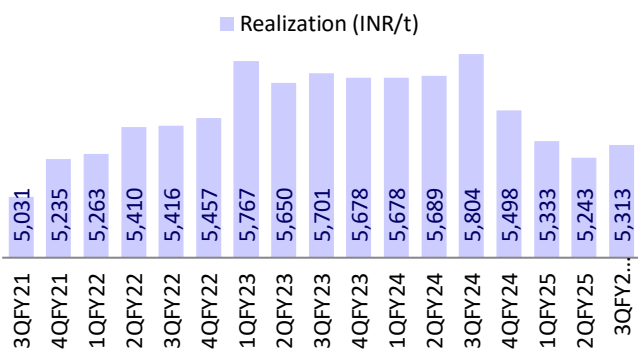
Source: MOFSL, Company, E: MOFSL estimate

Exhibit 6: Pan-India average cement price down ~11% YoY (up ~2% QoQ)



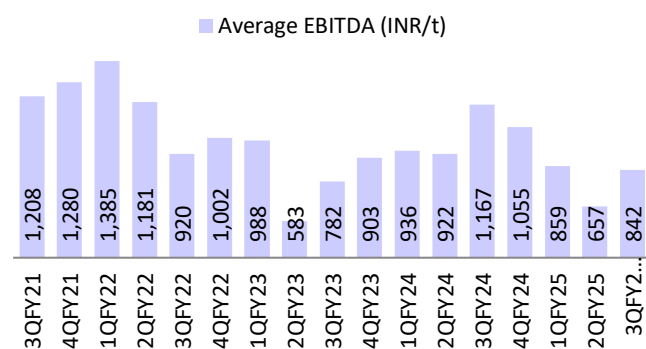
Source: MOFSL, Industry

Exhibit 7: Expect realization to decline 8% YoY (up 1% QoQ)



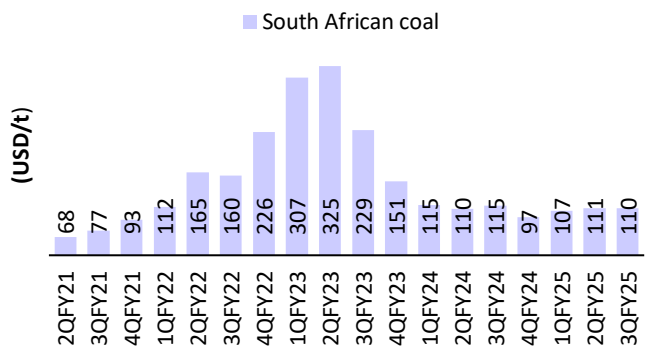
Source: MOFSL; E: MOFSL estimate

Exhibit 8: Expect EBITDA/t to decline 28% YoY (up 28% QoQ)



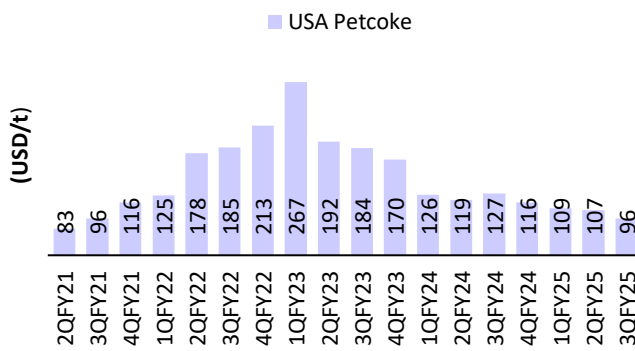
Source: Company, MOFSL; E: MOFSL estimate

Exhibit 9: Average South African coal price down 4% YoY in 3QFY25



Source: Bloomberg, MOFSL

Exhibit 10: Average US petcoke price down 24% YoY in 3QFY25



Source: Company, Industry

Exhibit 11: Key operating parameters

Companies	Volume (mt)			Realization (INR/t)			EBITDA (INR/t)		
	3QFY25E	YoY (%)	QoQ (%)	3QFY25E	YoY (INR)	QoQ (INR)	3QFY25E	YoY (INR)	QoQ (INR)
ACC	9.9	11.0	6.0	5,016	(522)	61	601	(416)	140
Ambuja Cements	15.7	11.0	9.9	5,285	(480)	7	848	(380)	68
Birla Corporation	4.3	3.0	9.0	5,043	(462)	125	614	(288)	167
Dalmia Bharat	7.2	5.4	7.0	4,717	(583)	110	800	(345)	153
India Cements	2.1	7.0	(7.7)	4,557	(893)	140	(402)	(649)	310
J K Cements	4.9	3.6	12.7	5,888	(349)	(29)	943	(385)	287
JK Lakshmi Cem.	2.9	(1.7)	17.5	5,083	(670)	100	651	(370)	290
Ramco Cements	4.4	8.9	(3.0)	4,649	(616)	110	742	(246)	47
Shree Cement	9.1	2.1	19.5	5,075	(435)	171	995	(392)	215
Ultratech Cement	30.1	10.2	8.1	5,659	(468)	43	925	(266)	201
Sector aggregate/avg.	80.6	7.5	9.0	5,313	(491)	71	842	(326)	185

Exhibit 12: Valuation summary

Company Name	M-cap (USD b)	CMP INR	Rating	EV/EBITDA (x)			EV/t (USD)			Net debt/EBITDA (x)		
				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cement												
UltraTech Cement	39.2	11,450	Buy	26.4	19.3	15.7	231	206	187	0.1	(0.0)	(0.3)
Ambuja Cements (Consol.)	12.7	538	Buy	24.2	16.9	13.5	184	144	135	(2.4)	(1.5)	(1.5)
Shree Cement	10.9	25,495	Neutral	23.5	19.9	17.1	176	154	136	(1.4)	(0.9)	(0.7)
ACC	4.6	2,051	Buy	12.4	9.0	6.7	94	85	79	(1.1)	(1.3)	(1.5)
JK Cement	4.2	4,582	Buy	21.1	15.8	12.5	188	150	148	2.6	2.0	1.5
Dalmia Bharat	3.9	1,772	Buy	12.1	10.4	8.9	81	80	77	0.6	0.5	0.2
The Ramco Cements	2.7	966	Neutral	17.3	13.9	11.7	126	120	120	3.1	2.6	2.1
India Cements	1.4	377	Sell	Loss	33.1	20.4	112	110	108	Loss	5.9	3.2
Birla Corp	1.1	1,234	Buy	11.3	8.4	7.0	71	65	59	2.9	2.2	1.8
JK Lakshmi	1.2	834	Buy	14.3	11.1	9.7	74	73	66	2.5	1.9	2.6

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

ACC**Buy****CMP: INR2,051 | TP: INR2,680 (+31%)****EPS CHANGE (%): FY25|26: +0.1|+1.1**

- Sales volume is expected to grow 11% YoY, whereas blended realization is expected to decline 9% YoY.
- EBITDA/t is expected to stand at INR601 vs. INR1,017/INR462 in 3QFY24/2QFY25.
- Variable cost/t is expected to increase 3% YoY and opex/t to decline 2%. OPM is expected to contract 6.4pp to ~12%.
- Adj. PAT is likely to decline 41% YoY due to lower EBITDA (estimated to decline ~34% YoY).

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	52.0	44.3	49.2	54.0	51.6	46.1	49.4	58.7	199.5	205.8
Change (YoY %)	16.4	11.2	8.4	12.7	(0.9)	3.9	0.5	8.8	(10.2)	3.2
EBITDA	7.7	5.5	9.0	8.4	6.8	4.3	5.9	9.8	30.6	26.7
Change (YoY %)	80.8	3,456.3	138.7	79.5	(11.9)	(21.7)	(34.4)	16.6	140.5	(12.5)
Margin (%)	14.8	12.4	18.4	15.5	13.1	9.3	12.0	16.6	15.3	13.0
Depreciation	2.0	2.1	2.3	2.3	2.2	2.3	2.3	2.4	8.8	9.2
Interest	0.3	0.3	0.3	0.7	0.3	0.3	0.3	0.3	1.5	1.3
Other Income	0.8	2.1	0.8	1.2	0.7	1.5	0.9	1.0	4.9	4.2
PBT before EO Item	6.2	5.2	7.2	6.6	4.9	3.2	4.2	8.1	25.2	20.4
EO Income/(Expense)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT after EO Item	6.2	5.2	7.2	6.6	4.9	3.2	4.2	8.1	25.2	20.4
Tax	1.6	1.3	1.9	-0.9	1.3	0.8	1.0	1.9	3.9	5.1
Rate (%)	25.5	25.5	26.6	(13.2)	25.6	26.5	25.0	24.0	15.7	25.0
Reported PAT	4.6	3.8	5.3	7.5	3.7	2.3	3.1	6.1	21.2	15.3
Adjusted PAT	4.6	3.8	5.3	4.9	3.7	2.3	3.1	6.1	18.7	15.3
Change (YoY %)	108.8	NM	212.1	72.0	(21.1)	(39.1)	(40.5)	24.8	88.7	(18.2)

Ambuja Cements**Buy****CMP: INR538 | TP: INR750 (+39%)****EPS CHANGE (%): FY25|26: +3.5|+1.3**

- Consolidated volume is expected to increase ~11% YoY. Blended realization is estimated to decline ~8% YoY.
- Consolidated EBITDA/t is expected to be INR848 vs. INR1,228/INR780 in 3QFY24/2QFY25.
- We estimate variable cost/t to increase ~1% YoY. Opex/t is likely to decline ~2% YoY.
- EBITDA is estimated to decline 21% YoY, while adj. PAT (after MI) is estimated to decline 30% YoY.

Consolidated quarterly performance**(INR b)**

Y/E December/March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	87.1	74.2	81.3	88.9	83.1	75.2	82.7	91.2	331.6	332.2
Change (YoY %)	8.5	4.1	2.8	11.6	-4.6	1.2	1.8	2.5	6.5	0.2
EBITDA	16.7	13.0	17.3	17.0	12.8	11.1	13.7	17.8	64.0	55.3
Change (YoY %)	50.0	298.4	69.6	37.1	-23.2	-14.6	-21.1	4.6	73.0	-13.5
Margin (%)	19.1	17.5	21.3	19.1	15.4	14.8	16.5	19.5	19.3	16.7
Depreciation	3.7	3.8	4.2	4.5	4.7	5.5	6.0	6.7	16.2	22.9
Interest	0.5	0.6	0.7	0.9	0.7	0.7	0.7	0.9	2.8	3.0
Other Income	2.6	4.8	1.9	2.3	3.5	3.7	3.4	3.0	11.7	13.6
PBT before JV profit/(loss)	15.1	13.4	14.4	13.9	11.0	8.7	10.3	13.1	56.7	43.1
Share of JV Profit	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.2	0.2
Extraordinary Inc./ (Exp.)	0.0	0.0	0.0	2.1	0.0	-1.6	0.0	0.0	2.1	-1.6
PBT after EO Exp./ (Inc.)	15.1	13.4	14.5	16.0	11.0	7.1	10.4	13.2	59.0	41.8
Tax	3.8	3.5	3.6	0.8	3.1	2.4	2.8	3.4	11.6	11.8
Prior Period Tax Adj. and Reversal	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	2.6	0.0
Rate (%)	24.9	26.3	24.8	20.8	28.4	33.6	27.2	26.1	19.7	28.3
Reported Profit	11.4	9.9	10.9	15.3	7.9	4.7	7.6	9.8	47.4	30.0
Minority Interest	2.3	1.9	2.7	4.7	1.4	0.2	1.8	4.5	11.6	7.9
Adj. Pat after MI	9.1	7.9	8.2	5.3	6.5	5.3	5.8	5.3	30.5	22.8
Change (YoY %)	20.4	579.6	52.6	(29.4)	(28.6)	(33.2)	(30.0)	(1.2)	8.2	(25.4)

Birla Corporation**Buy****CMP: INR1,234 | TP: INR1,580 (+28%)****EPS CHANGE (%): FY25 | 26: +2.6 | -2.2**

- Volume is expected to grow 3% YoY. Blended realization is expected to decline 9% YoY.
- EBITDA/t is expected to stand at INR614 vs. INR901/INR446 in 3QFY24/2QFY25.
- Variable cost/t is estimated to decline 8% YoY and opex/t is estimated to decline 4% YoY.
- EBITDA is estimated to decline 30% YoY, while adj. PAT is estimated to decline 59% YoY to INR444m.

Consolidated quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	24.1	22.9	23.1	26.6	21.9	19.5	21.8	26.3	96.6	89.6
Change (YoY %)	9.3	14.3	14.7	7.9	(9.1)	(14.6)	(5.6)	(0.9)	11.3	(7.3)
EBITDA	3.0	2.9	3.8	4.7	2.6	1.8	2.7	3.7	14.4	10.8
Change (YoY %)	14.9	207.4	162.1	72.2	-13.3	-38.7	-29.9	-20.8	86.2	-25.2
Margin (%)	12.4	12.6	16.4	17.8	11.8	9.1	12.2	14.2	14.9	12.0
Depreciation	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.4	5.8	5.8
Interest	1.0	1.0	1.0	0.8	0.9	0.9	0.8	0.8	3.7	3.3
Other Income	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.4	0.9	1.0
Profit before Tax	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.7	2.6
EO (Income)/Expense	-	0.0	-	(0.1)	-	-	-	-	(0.1)	-
Profit before Tax after EO	0.8	0.8	1.5	2.7	0.4	-0.4	0.6	1.9	5.8	2.6
Tax	0.2	0.2	0.4	0.8	0.1	-0.1	0.2	0.5	1.6	0.7
Rate (%)	21.7	24.3	28.9	29.2	25.9	29.4	29.4	24.9	27.5	25.5
Reported PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	2.0
Adj. PAT	0.6	0.6	1.1	1.9	0.3	-0.3	0.4	1.4	4.2	2.0
Change (YoY %)	(16.2)	NM	NM	164.6	(45.4)	NM	(59.3)	(23.9)	1,052.2	(53.0)

Dalmia Bharat**Buy****CMP: INR1,772 | TP: INR2,250 (+27%)****EPS CHANGE (%): FY25 | 26: -3.7 | -4.4**

- Sales volume is expected to grow 5% YoY and realization is expected to decline 11% YoY.
- EBITDA/t is expected to stand at INR800 vs. INR1,146 /INR648 in 3QFY24/2QFY25.
- Variable cost/t is expected to decline 15% YoY. Opex/t is likely to decline 6% YoY.
- EBITDA is estimated to decline 26% YoY. Adj. PAT is estimated to dip 45% YoY.

Consolidated quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	36.3	31.5	36.0	43.1	36.2	30.9	33.8	45.8	146.9	146.7
Change (YoY %)	10.0	6.0	7.4	10.1	-0.3	-2.0	-6.2	6.4	8.5	-0.1
EBITDA	6.2	5.9	7.8	6.5	6.7	4.3	5.7	10.1	26.4	26.9
Change (YoY %)	5.3	55.4	21.0	-7.5	8.4	-26.3	-26.3	54.6	13.9	1.8
Margin (%)	17.0	18.7	21.6	15.2	18.5	14.1	17.0	22.1	18.0	18.3
Depreciation	4.0	4.0	3.7	3.3	3.2	3.4	3.4	3.7	15.0	13.7
Interest	0.8	1.0	1.1	0.9	1.0	1.0	1.0	1.2	3.9	4.2
Other Income	0.5	0.9	0.6	1.2	0.5	0.7	0.8	0.7	3.2	2.7
PBT before EO Expense	1.9	1.7	3.6	3.5	3.1	0.7	2.1	5.9	10.7	11.8
Extra-Ord. Expense	0.0	0.0	0.0	0.0	1.1	0.0	0.0	0.0	0.0	1.1
PBT after EO Expense	1.9	1.7	3.6	3.5	1.9	0.7	2.1	5.9	10.7	10.6
Tax	0.4	0.5	1.0	0.3	0.5	0.2	0.6	1.7	2.2	3.0
Prior Period Tax Adj.	0.0	0.0	0.1	-0.6	0.0	0.1	0.0	0.0	-0.6	0.1
Rate (%)	22.2	27.9	24.7	26.7	16.0	20.5	27.0	28.9	15.0	29.0
Reported PAT	1.4	1.2	2.7	3.2	1.5	0.5	1.5	4.2	8.5	7.6
Minority + Associate	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.3	0.2
PAT Adj. for EO Items	1.2	1.2	2.7	2.5	2.3	0.6	1.5	4.1	7.6	8.4
Change (YoY %)	-36.9	325.0	33.8	-3.1	82.9	-53.8	-45.0	62.4	11.5	9.8

Grasim Industries

Buy

CMP: INR2,440 | TP: INR3,210 (+32%)

EPS CHANGE (%): FY25|26: -12.2|-1.6

- Revenue for VSF/Chemical segments is expected to increase 13%/14% YoY.
- EBITDA for the VSF segment is expected to grow 25% YoY and OPM is expected to expand 1.2pp YoY to ~12%.
- The Chemical segment's EBITDA is expected to increase 34% YoY and OPM is likely to expand 2.3pp YoY to ~16%.
- Standalone revenue is estimated to grow ~30% YoY. EBITDA is likely to decline 11% YoY to INR4.6b due to loss in high-growth businesses. OPM is estimated at 5.6%.
- Interest/depreciation are estimated to increase ~41% YoY (each). Adjusted profit is expected to decline 99% YoY to INR14m.

Standalone quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	62.4	64.4	64.0	67.7	68.9	76.2	83.0	86.2	258.5	314.4
Change (YoY %)	(14.0)	(4.5)	3.3	1.8	10.5	18.3	29.7	27.4	(3.7)	21.6
EBITDA	6.7	5.9	5.2	5.3	3.3	3.3	4.6	6.0	23.2	17.1
Change (YoY %)	(49.0)	(37.9)	9.5	23.6	(51.7)	(45.2)	(11.0)	13.2	(27.2)	(26.1)
Margin (%)	10.8	9.2	8.2	7.8	4.7	4.3	5.6	6.9	9.0	5.4
Depreciation	2.9	2.9	3.0	3.4	3.5	4.1	4.2	4.2	12.2	15.9
Interest	1.1	1.1	1.1	1.2	1.4	1.6	1.5	1.5	4.4	6.1
Other Income	1.2	7.6	1.2	2.6	0.9	12.9	1.1	1.1	12.6	16.0
PBT before EO Items	4.0	9.6	2.4	3.3	-0.7	10.5	0.0	1.3	19.2	11.2
Extraordinary Inc./ (Exp.)	-	-	-	(7.2)	-	(0.5)	-	-	(7.2)	(0.5)
PBT after EO Items	4.0	9.6	2.4	-3.9	-0.7	10.0	0.0	1.3	12.0	10.7
Tax	0.4	1.6	0.0	0.5	-0.2	2.8	0.0	0.3	2.6	3.0
Rate (%)	10.2	16.8	1.2	(13.5)	25.8	28.0	20.0	24.7	21.3	27.7
Reported PAT	3.6	7.9	2.4	-4.4	-0.5	7.2	0.0	1.0	9.5	7.7
Prior period tax Adj.	-	-	-	-	-	-	-	-	-	-
Adj. PAT	3.6	7.9	2.4	2.3	-0.5	7.6	0.0	1.0	16.2	8.1
Change (YoY %)	(56.1)	(22.9)	46.9	145.3	(114.7)	(4.7)	(99.4)	(56.0)	(22.8)	(50.0)

India Cements

Sell

CMP: INR377 | TP: INR320 (-15%)

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

- Sales volume is expected to increase 7% YoY and blended realization is likely to decline 16% YoY.
- Operating loss/t is estimated at INR402 vs. EBITDA/t of INR247 in 3QFY24 and operating loss/t of INR712 in 2QFY25.
- Variable cost/t is expected to decline 7% YoY. Opex/t is likely to decline 5% YoY.
- ICEM is estimated to report a net loss of INR1.4b vs. a loss of INR345m/INR2.5b in 3QFY24/2QFY25.

Standalone quarterly performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	13.9	12.2	10.8	12.5	9.7	10.2	9.7	12.3	49.4	41.8
Change (YoY %)	(3.7)	(2.6)	(11.3)	(14.7)	(30.3)	(16.8)	(10.5)	(1.5)	(8.1)	(15.4)
EBITDA	0.1	0.1	0.5	0.5	(0.3)	(1.6)	(0.9)	(0.2)	1.1	(3.0)
Change (YoY %)	(83.7)	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	0.4	0.7	4.5	3.8	(3.2)	(16.1)	(8.8)	(1.4)	2.2	(7.1)
Depreciation	0.5	0.5	0.6	0.6	0.6	0.5	0.6	0.6	2.2	2.2
Interest	0.6	0.6	0.6	0.6	0.8	0.7	0.8	0.9	2.4	3.2
Other Income	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.5	0.4
PBT before EO Expense	(1.0)	(1.0)	(0.5)	(0.5)	(1.6)	(2.8)	(2.1)	(1.5)	(3.0)	(7.9)
Extra-Ord. Expense	-	-	(0.3)	(0.2)	(2.4)	(0.1)	-	-	(0.4)	(2.5)
PBT	(1.0)	(1.0)	(0.2)	(0.3)	0.8	(2.7)	(2.1)	(1.5)	(2.5)	(5.5)
Tax	(0.2)	(0.2)	(0.1)	(0.0)	0.2	(0.3)	(0.6)	(0.2)	(0.5)	(1.0)
Rate (%)	23.9	17.6	31.3	10.9	26.6	12.6	30.0	16.8	20.5	18.2
Reported PAT	(0.8)	(0.8)	(0.2)	(0.3)	0.6	(2.4)	(1.4)	(1.2)	(2.0)	(4.5)
Tax	-	-	-	-	-	-	-	-	-	-
Adj. PAT	(0.8)	(0.8)	(0.3)	(0.4)	(1.2)	(2.5)	(1.4)	(1.2)	(2.3)	(6.3)
Change (YoY %)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Margin (%)	(5.4)	(6.7)	(3.2)	(3.5)	(12.3)	(24.2)	(14.8)	(9.9)	(4.7)	(15.1)

JK Cement**Buy****CMP: INR4,582 | TP: INR5,300 (+16%)****EPS CHANGE (%): FY25|26: -1.0|-0.8**

- JKCE's volume is expected to grow 4% YoY. Blended realization is estimated to decline 6% YoY (flat QoQ).
- EBITDA/t is estimated at INR943 vs. INR1,329/INR656 in 3QFY24/2QFY25.
- Variable cost/t is estimated to decline 3% YoY. Opex/t is estimated to increase marginally by 1% YoY (dip 6% QoQ).
- Depreciation/interest costs are likely to increase 5%/7% YoY. Adj. PAT is estimated to decline 45% YoY.

Consolidated quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	27.6	27.5	29.3	31.1	28.1	25.6	28.7	32.8	115.6	115.2
Change (YoY %)	21.7	23.1	20.5	11.8	1.6	(7.0)	(2.2)	5.6	18.9	(0.3)
EBITDA	4.1	4.7	6.3	5.6	4.9	2.8	4.6	6.2	20.6	18.5
Change (YoY %)	1.0	48.8	152.7	60.2	19.2	-39.2	-26.4	11.1	56.7	-10.1
Margin (%)	14.8	17.0	21.3	18.0	17.3	11.1	16.0	19.0	17.8	16.1
Depreciation	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.4	5.7	5.8
Interest	1.1	1.2	1.1	1.1	1.1	1.2	1.2	1.3	4.5	4.8
Other Income	0.3	0.3	0.4	0.5	0.4	0.4	0.5	0.5	1.5	1.8
PBT before EO Expense	2.0	2.4	4.1	3.4	2.7	0.5	2.4	4.0	11.9	9.6
Extra-Ord. Expense	0.2	-	-	(0.1)	-	(1.0)	-	-	0.1	(1.0)
PBT	1.8	2.4	4.1	3.5	2.7	1.6	2.4	4.0	11.8	10.7
Tax	0.7	0.7	1.3	1.3	0.9	0.2	0.8	1.6	3.9	3.5
Profit from Associate and MI	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.1	-	-	(0.0)	0.1
Tax-Rate (%)	37.2	26.9	30.6	36.7	32.3	12.2	33.6	40.3	32.4	32.7
Reported PAT	1.1	1.8	2.8	2.2	1.9	1.3	1.6	2.4	8.0	7.1
Adj. PAT	1.2	1.8	2.8	2.1	1.9	0.4	1.6	2.4	8.0	6.2
Change (YoY %)	(23.7)	59.8	628.0	90.3	49.3	(80.0)	(44.8)	12.1	87.9	(22.9)

JK Lakshmi**Buy****CMP: INR834 | TP: INR970 (+16%)****EPS CHANGE (%): FY25|26: -1.0|-1.7**

- Sales volume is expected to decline 2% YoY. Realization is estimated to decline ~12% YoY.
- EBITDA/t is estimated at INR651 vs. INR1,021/INR360 in 3QFY24/2QFY25.
- We expect opex/t to decline ~6% YoY. Variable cost/t is expected to decline ~10% YoY.
- Depreciation/interest costs are expected to increase 14% YoY (each). Adj. PAT is estimated to decline ~64% YoY.

Consolidated quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	17.3	15.7	17.0	17.8	15.6	12.3	14.8	17.8	67.9	60.6
Change (YoY %)	4.6	14.6	9.0	(4.4)	(9.6)	(21.6)	(13.1)	0.1	5.2	(10.7)
EBITDA	2.0	2.2	3.0	3.4	2.2	0.9	1.9	2.9	10.5	7.9
Change (YoY %)	(23.6)	32.5	63.1	44.6	13.3	(58.9)	(37.3)	(13.0)	25.4	(24.6)
Margin (%)	11.3	13.8	17.7	18.9	14.2	7.2	12.8	16.4	15.5	13.1
Depreciation	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	2.5	3.0
Interest	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.5	1.5	1.8
Other Income	0.1	0.1	0.2	0.3	0.1	0.1	0.1	0.2	0.7	0.5
PBT before EO Expense	1.2	1.4	2.1	2.5	1.2	(0.2)	0.8	1.9	7.2	3.7
Extra-Ord. Exp. (Inc.)	-	-	(0.1)	-	-	-	-	-	(0.1)	-
PBT	1.2	1.4	2.2	2.5	1.2	(0.2)	0.8	1.9	7.3	3.7
Tax	0.4	0.5	0.7	0.9	0.5	(0.1)	0.4	0.5	2.4	1.3
Prior Period Tax Adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	32.7	32.0	32.7	35.1	43.6	46.2	46.2	25.0	33.4	34.6
Reported PAT	0.8	1.0	1.5	1.6	0.7	(0.1)	0.5	1.4	4.9	2.4
Adj. PAT	0.8	0.9	1.4	1.6	0.7	(0.1)	0.5	1.5	4.7	2.6
Change (YoY %)	(29.4)	51.9	80.1	42.7	(10.4)	(115.1)	NA	(2.1)	29.9	(44.1)

The Ramco Cements**Neutral****CMP: INR966 | TP: INR950 (-2%)****EPS CHANGE (%): FY25|26: +4.8|+3.5**

- Volume is expected to increase 9% YoY and realization is expected to decline ~12% YoY.
- EBITDA/t is estimated at INR742 vs. INR988/INR695 in 3QFY24/2QFY25.
- Variable cost/t is expected to decline 8% YoY. Opex/t is expected to decline 9% YoY.
- It is estimated to report an exceptional gain of INR4b on account of the sale of non-core assets. Adj. PAT is estimated to decline 65% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	22.4	23.3	21.1	26.7	20.9	20.4	20.2	27.9	93.5	89.4
Change (YoY %)	26.4	30.5	4.8	4.0	(6.8)	(12.5)	(3.9)	4.3	14.9	(4.4)
EBITDA	3.4	4.0	4.0	4.2	3.2	3.1	3.2	5.5	15.5	15.0
Change (YoY %)	13.6	116.9	38.9	1.0	(6.5)	(21.7)	(18.2)	31.3	31.4	(3.2)
Margin (%)	15.2	17.1	18.8	15.6	15.3	15.3	16.0	19.6	16.6	16.8
Depreciation	1.5	1.6	1.7	1.7	1.7	1.7	1.7	1.8	6.4	6.9
Interest	0.9	1.2	1.0	1.0	1.1	1.2	1.1	1.1	4.2	4.6
Other Income	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4
PBT before EO Expense	1.1	1.4	1.3	1.6	0.5	0.3	0.5	2.7	5.4	4.0
Extra-Ord Exp./(Inc.)	-	-	-	-	-	-	(4.0)	-	-	(4.0)
PBT	1.1	1.4	1.3	1.6	0.5	0.3	4.5	2.7	5.4	8.0
Tax	0.3	0.4	0.4	0.4	0.1	0.1	1.2	0.7	1.5	2.2
Prior Year Tax Adj.	-	-	-	-	-	-	-	-	-	-
Rate (%)	27.0	26.7	30.8	25.2	26.3	26.9	27.5	27.8	27.3	27.5
Reported PAT	0.8	1.0	0.9	1.2	0.4	0.3	3.2	1.9	3.9	5.8
Adj. PAT	0.8	1.0	0.9	1.2	0.4	0.3	0.3	1.9	3.9	2.9
Change (YoY %)	(29.7)	783.2	38.6	(20.4)	(55.0)	(74.7)	(64.8)	59.3	15.0	(27.2)

Shree Cement**Neutral****CMP: INR25,495 | TP: INR25,000 (-2%)****EPS CHANGE (%): FY25|26: -2.4|-2.0**

- Volume is expected to increase 2% YoY and blended realization is likely to dip 8% YoY.
- We estimate EBITDA/t at INR995 vs. INR1,387/INR780 in 3QFY24/2QFY25.
- Variable cost/t is estimated to decline 3% YoY. Opex/t is estimated to decline 1% YoY.
- Depreciation is estimated to increase 93% YoY due to the commissioning of new capacities in 2HFY24. Adj. PAT is estimated to dip 68% YoY.

Standalone quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	49.7	45.6	49.0	50.7	48.3	37.3	46.1	52.5	195.0	184.2
Change (YoY %)	18.3	20.6	20.4	6.0	-2.7	-18.3	-6.0	3.5	15.8	-5.5
EBITDA	9.3	8.7	12.3	13.3	9.2	5.9	9.0	12.1	43.6	36.2
Change (YoY %)	13.9	66.3	74.3	48.7	-1.7	-31.9	-26.8	-8.9	48.3	-17.0
Margin (%)	18.8	19.1	25.2	26.2	19.0	15.9	19.6	23.0	22.4	19.7
Depreciation	3.1	3.3	3.5	6.3	6.4	6.7	6.7	6.8	16.1	26.6
Interest	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	2.6	2.3
Other Income	1.6	1.3	1.4	1.4	1.3	1.8	1.4	1.2	5.6	5.7
PBT before EO Exp.	7.1	6.0	9.7	7.7	3.5	0.4	3.2	5.9	30.5	13.0
Extra-Ord. Exp./(Inc.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	7.1	6.0	9.7	7.7	3.5	0.4	3.2	5.9	30.5	13.0
Tax	1.3	1.1	2.3	1.1	0.3	-0.5	0.8	1.8	5.8	2.5
Rate (%)	18.2	17.6	24.0	14.3	9.4	-108.1	25.0	31.0	19.0	19.0
Reported PAT	5.8	4.9	7.3	6.6	3.2	0.9	2.4	4.1	24.7	10.6
Prior Period Tax Adj.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj. PAT	5.8	4.9	7.3	6.6	3.2	0.9	2.4	4.1	24.7	10.6
Change (YoY %)	84.2	159.1	165.3	68.8	-45.3	-81.0	-67.8	-38.2	110.3	-57.2

UltraTech Cement

Buy

CMP: INR11,450 | TP: INR13,800 (+21%)

EPS CHANGE (%): FY25|26: -1.4|-0.6

- Sales volume (consolidated) is expected to increase 10% YoY and blended realization is likely to decline 8% YoY.
- RMC revenue is expected to increase 10% YoY, whereas white cement revenue is expected to increase 1% YoY.
- We expect EBITDA/t at INR925 vs. INR1,191/INR725 in 3QFY24/2QFY25.
- Variable cost per ton is estimated to decline 5% YoY and opex/t is likely to dip 4% YoY.
- EBITDA is estimated to decline 14% YoY and OPM is expected to contract 3.1pp YoY to ~16%.
- Depreciation/interest expenses are estimated to increase 16%/25% YoY. Adj. PAT is expected to decline 27% YoY.

Consolidated performance

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	177.4	160.1	167.4	204.2	180.7	156.3	170.3	218.7	709.1	726.0
Change (YoY %)	17.0	15.3	7.9	9.4	1.9	-2.4	1.7	7.1	12.1	2.4
EBITDA	30.5	25.5	32.5	41.1	30.4	20.2	27.9	45.0	129.7	123.4
Change (YoY %)	-1.5	36.7	39.3	23.8	-0.3	-20.9	-14.4	9.3	22.1	-4.8
Margin (%)	17.2	15.9	19.4	20.1	16.8	12.9	16.4	20.6	18.3	17.0
Depreciation	7.5	8.0	7.8	8.1	8.4	9.0	9.1	9.4	31.5	35.9
Interest	2.1	2.3	2.6	2.6	2.6	3.2	3.3	3.6	9.7	12.6
Other Income	1.7	1.7	1.4	1.4	1.7	2.2	1.7	1.8	6.2	7.3
PBT before EO Expense	22.6	16.9	23.5	31.7	21.1	10.2	17.2	33.7	94.7	82.2
Extra-Ord. Expense	-	-	-	0.7	(0.3)	-	-	-	0.7	(0.3)
PBT after EO Expense	22.6	16.9	23.5	31.0	21.4	10.2	17.2	33.7	94.0	82.5
Tax	5.8	4.1	5.8	8.5	4.5	1.9	4.3	9.5	24.2	20.2
Prior Period Tax Adj.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate (%)	25.5	24.3	24.7	27.5	20.9	18.8	25.0	28.2	25.7	24.5
Reported PAT	16.9	12.8	17.7	22.5	16.9	8.3	12.9	24.2	69.8	62.3
Minority Interest	0.0	0.0	-0.1	-0.1	0.0	0.1	0.0	0.0	-0.2	0.0
Adj. PAT	16.9	12.8	17.8	23.1	16.7	8.2	12.9	24.2	70.6	62.0
Change (YoY %)	6.3	69.6	67.9	38.7	-1.0	-36.0	-27.3	4.8	39.2	-12.1

Chemicals

Company

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

Not out of the woods yet...

...YoY lower base comes into play, but margin to remain subdued

- With Brent remaining range-bound at USD70-75/bbl, chemical prices have remained subdued, as most of these prices are linked to crude oil. Additionally, a sustained increase in demand has not materialized over the past few quarters, further contributing to the lack of price movement. Geopolitical tensions, including the Red Sea crisis, have been driving container and freight rates higher in the near term. The lead time has also increased and in some cases doubled depending on the export destination.
- Though there was a YoY uptick in export volumes in the first two months of 3QFY25, export realization witnessed a meaningful double-digit decline for most companies. This indicates that pricing pressure still persists in the sector. Managements of various companies have earlier said that a meaningful recovery could be seen in 2H (which wouldn't be the case looking at our 3Q estimates). Some managements have hinted at possible pricing pressures in CY25.
- Prices of organic compounds such as Butadiene (Korea)/Benzene rose 21%/3% YoY in Dec'24, while prices of Toluene (Korea)/Propylene (Korea) decreased 9%/1% YoY in Dec'24. Prices of other key materials, such as Acetic Acid/ACN/Acetone/IPA dipped 13%/4%/20%/11% YoY in Dec'24, while the price of Aniline inched up 1% YoY in Dec'24. Blended Phenol and Acetone spread stood at INR80/kg in 3QFY25 (down 9% YoY). Ammonia prices increased 65% YoY to INR33/kg in 3QFY25.
- We estimate our coverage universe to report: 1) a sales growth of 9% YoY, 2) an EBITDA growth of 7% YoY, and 3) a PAT growth of 4% YoY in 3QFY25. Aggregate gross margin is likely to contract 80bp YoY. Aggregate EBITDAM may contract 40bp YoY and QoQ. Margin contraction (YoY) is anticipated for AACL, CLEAN, DN, GALSURF, NOCIL, PI, and SRF. The aggregate PAT margin is likely to contract 50bp YoY in 3QFY25.**
- The commissioning of new capacities has been delayed by companies, although none of them have been shelved completely given the promising long-term volume off-take for the products. However, we expect a migration of chemical industries towards the US, the Middle East, and Africa in the long term, where cheaper feedstock is available. The valuation multiples of companies remain elevated. **We have a BUY rating on ATLP, GALSURF, PI, and VO.**

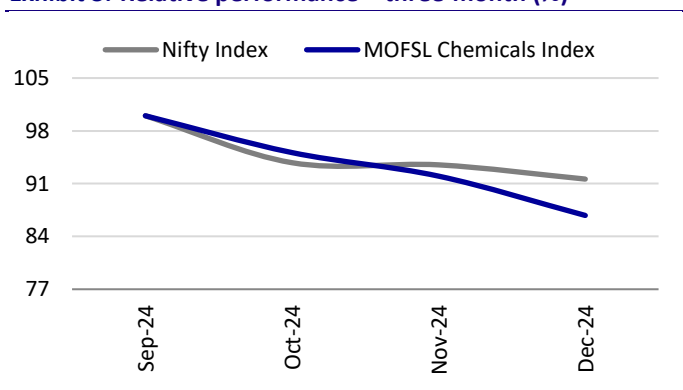
Exhibit 1: Expected 4QFY24 performance summary

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Alkyl Amines	1809	Neutral	3,764	16.9	-9.3	528	-11.5	-28.3	298	-10.9	-37.2
Atul	6908	Buy	13,233	16.3	-5.0	2,221	46.4	-8.5	1,178	63.5	-15.6
Clean Science	1541	Neutral	2,361	21.2	-0.9	863	-0.4	-3.8	603	-3.7	2.6
Deepak Nitrite	2498	Neutral	18,577	-7.5	-8.6	2,350	-22.9	-21.0	1,451	-28.2	-25.3
Fine Organic	4583	Sell	6,424	50.9	7.9	1,583	71.4	10.8	1,246	78.9	10.2
Galaxy Surfactants	2510	Buy	10,917	16.1	2.7	1,239	10.1	-2.9	798	11.8	-5.8
Navin Fluorine	3276	Neutral	6,525	30.5	25.8	1,387	83.3	29.2	745	106.1	26.7
NOCIL	252	Neutral	3,529	3.6	-2.7	351	-26.4	-5.4	239	-19.6	-42.3
P I Industries	3693	Buy	19,506	2.8	-12.2	5,462	-1.3	-13.1	4,068	-9.3	-20.0
SRF	2212	Neutral	35,422	16.0	3.4	6,066	3.9	8.2	2,639	-2.8	17.8
Tata Chemicals	1039	Neutral	38,304	2.7	-4.2	5,723	5.6	-7.4	1,642	3.9	-15.4
Vinati Organics	1804	Buy	5,576	24.5	0.8	1,430	24.6	6.7	1,031	33.9	-2.8
Chemicals			1,64,136	9.4	-2.4	29,201	7.2	-4.6	15,940	4.0	-10.0

Exhibit 2: Comparative valuations

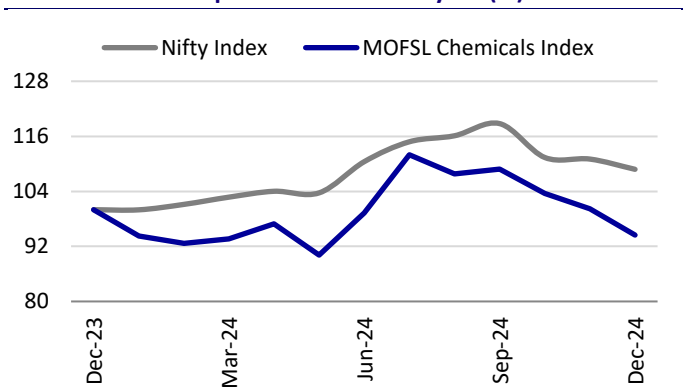
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Chemicals						41.7	31.2	25.6	4.1	3.7	3.3	9.9	11.9	13.0
Alkyl Amines	1,809	Neutral	32.0	46.9	62.5	56.5	38.5	28.9	6.7	6.0	5.3	12.4	16.5	19.5
Atul	6,908	Buy	153.2	202.1	252.4	45.1	34.2	27.4	3.7	3.4	3.1	8.5	10.4	11.8
Clean Science	1,541	Neutral	23.7	36.0	45.6	64.9	42.8	33.8	11.5	9.3	7.5	19.2	24.1	24.7
Deepak Nitrite	2,498	Neutral	61.5	78.0	87.5	40.6	32.0	28.5	6.2	5.3	4.5	16.2	17.7	17.1
Fine Organic	4,583	Sell	145.3	121.8	120.8	31.5	37.6	37.9	6.2	5.4	4.8	21.6	15.3	13.3
Galaxy Surfactants	2,510	Buy	95.6	118.3	139.3	26.3	21.2	18.0	3.7	3.2	2.9	14.7	16.2	16.9
Navin Fluorine	3,276	Neutral	57.7	82.3	103.4	56.7	39.8	31.7	6.3	5.6	5.0	11.5	14.9	16.7
NOCIL	252	Neutral	7.8	8.7	12.9	32.3	29.1	19.6	2.4	2.3	2.1	7.5	8.0	11.2
P I Industries	3,693	Buy	114.4	126.5	144.8	32.3	29.2	25.5	5.5	4.7	4.0	18.3	17.2	16.9
SRF	2,212	Neutral	39.6	66.5	87.9	55.9	33.3	25.2	5.4	4.8	4.2	10.0	15.3	17.8
Tata Chemicals	1,039	Neutral	28.0	49.6	62.2	37.1	20.9	16.7	1.2	1.1	1.1	3.2	5.5	6.6
Vinati Organics	1,804	Buy	42.3	51.9	61.3	42.6	34.7	29.4	6.7	5.8	5.0	16.7	17.9	18.3

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



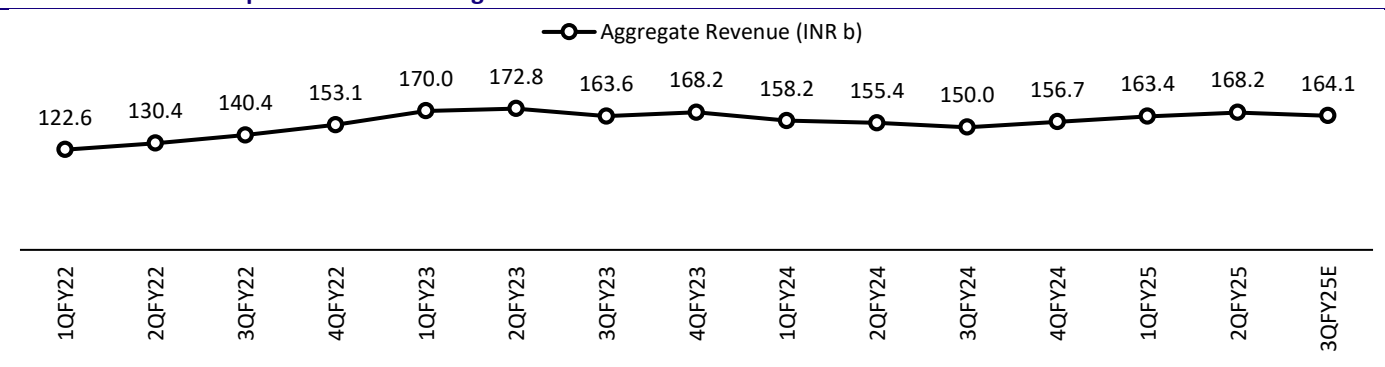
Source: Bloomberg, MOFSL

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



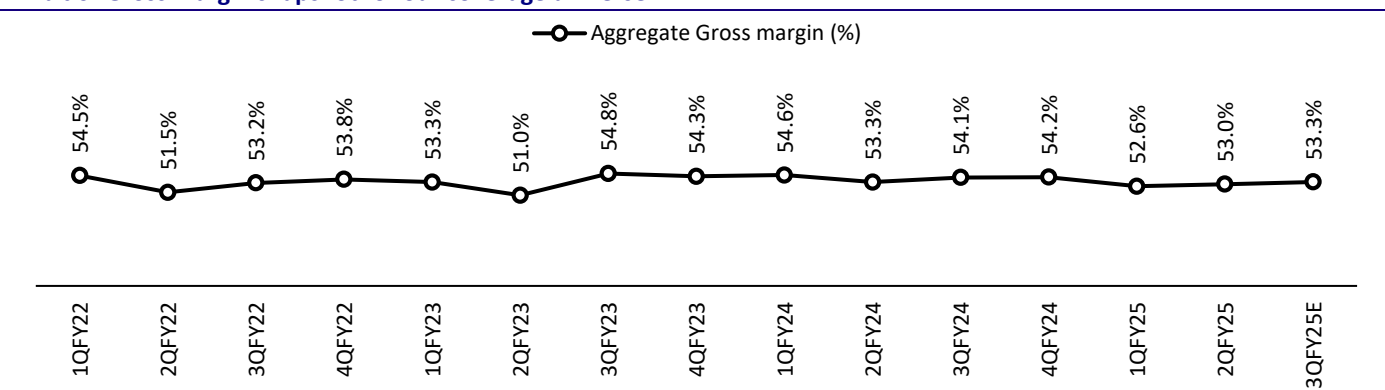
Source: Bloomberg, MOFSL

Exhibit 5: Revenue snapshot for our coverage universe



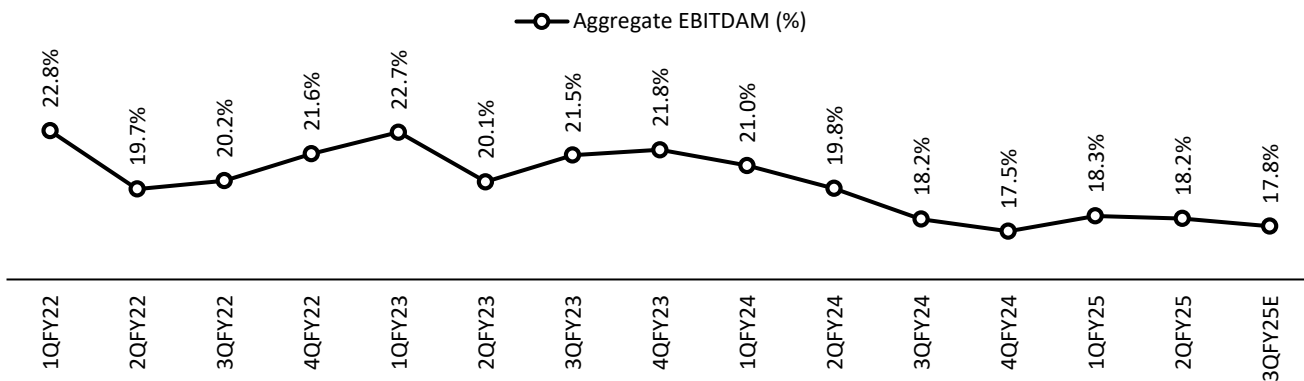
Source: Company, MOFSL

Exhibit 6: Gross margin snapshot for our coverage universe



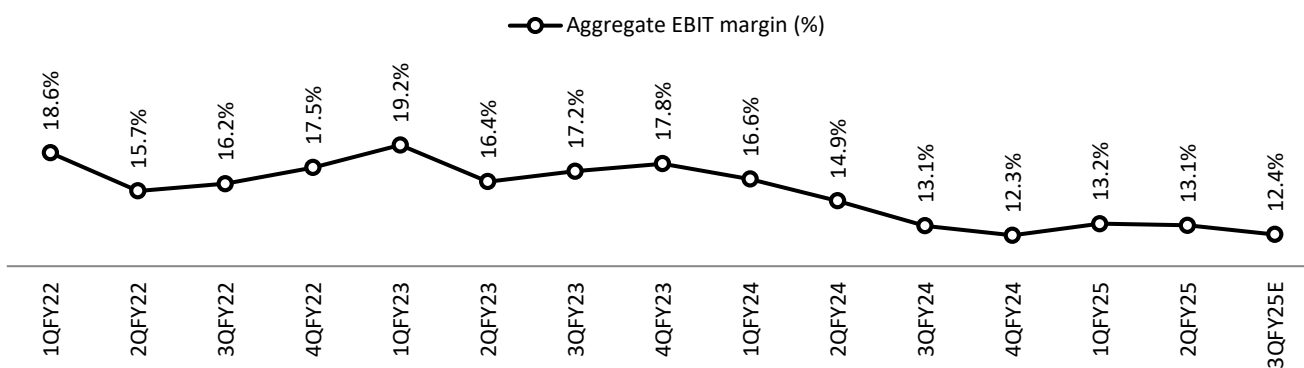
Source: Company, MOFSL

Exhibit 7: EBITDAM snapshot for our coverage universe



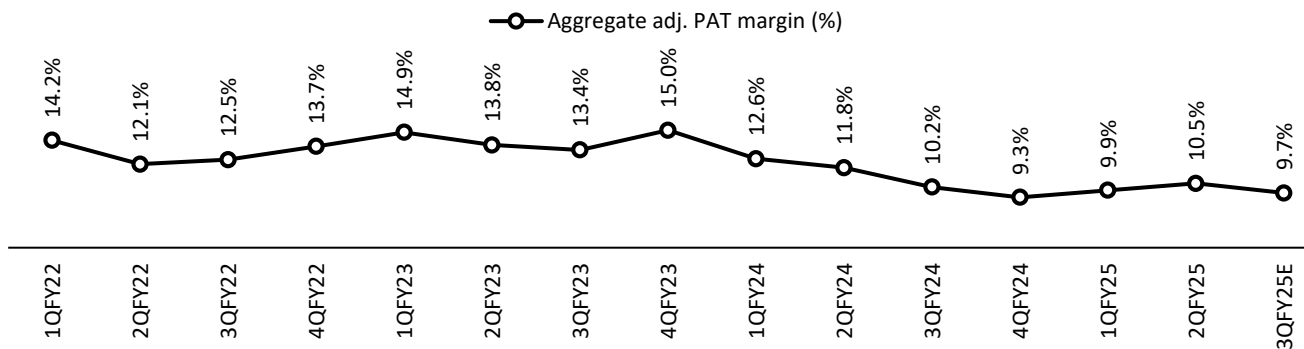
Source: Company, MOFSL

Exhibit 8: EBIT margin snapshot for our coverage universe



Source: Company, MOFSL

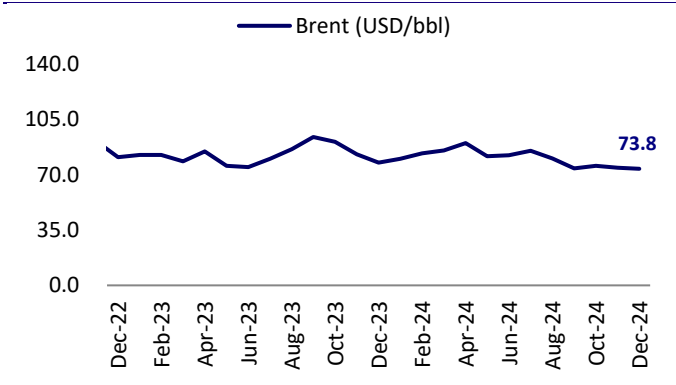
Exhibit 9: PAT margin snapshot for our coverage universe



Source: Company, MOFSL

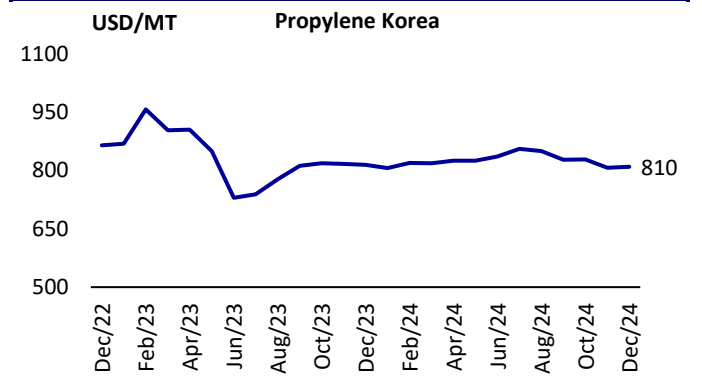
Trends in key RM and product prices

Exhibit 10: Brent crude price down 5% YoY



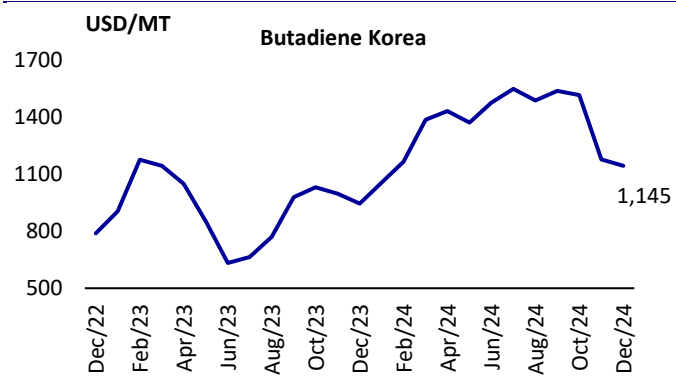
Source: Reuters, MOFSL

Exhibit 11: Propylene (Korea) price down 1% YoY



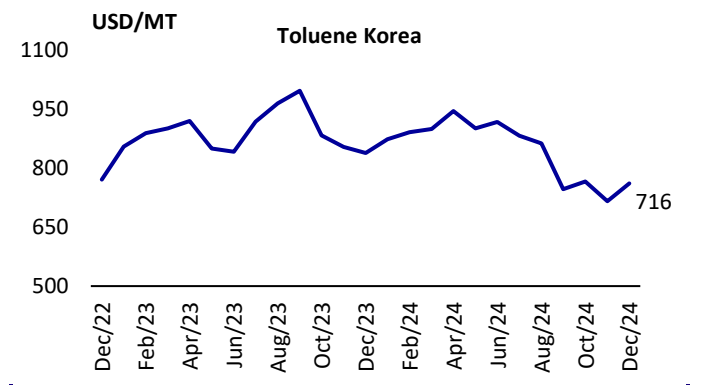
Source: Bloomberg, MOFSL

Exhibit 12: Butadiene price up 21% YoY



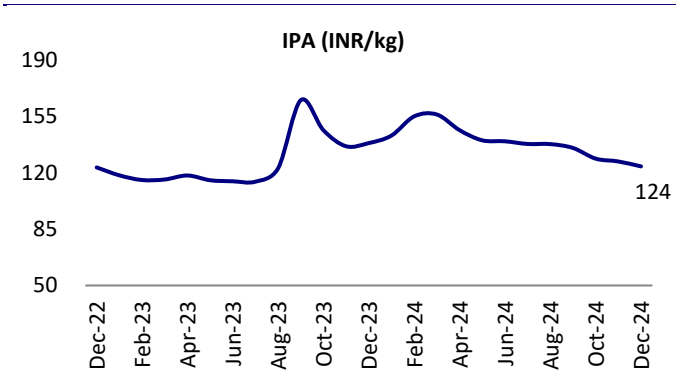
Source: Bloomberg, MOFSL

Exhibit 13: Toluene (Korea) price down 9% YoY



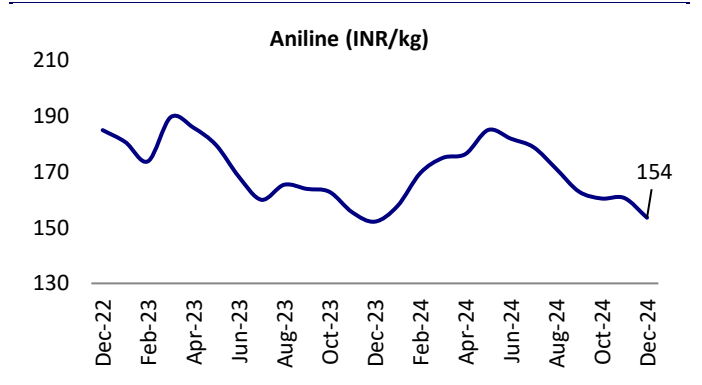
Source: Bloomberg, MOFSL

Exhibit 14: IPA price down 10% YoY



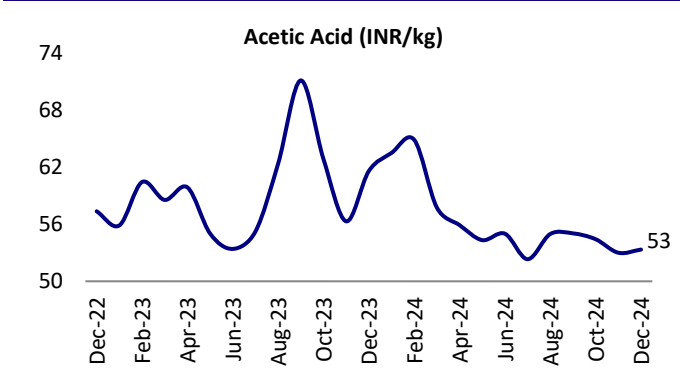
Source: IndiaPetroChem, MOFSL

Exhibit 15: Aniline price up 1% YoY



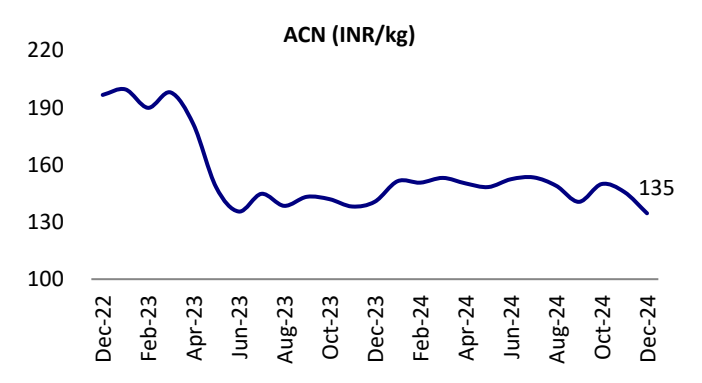
Source: IndiaPetroChem, MOFSL

Exhibit 16: Acetic Acid price down 13% YoY



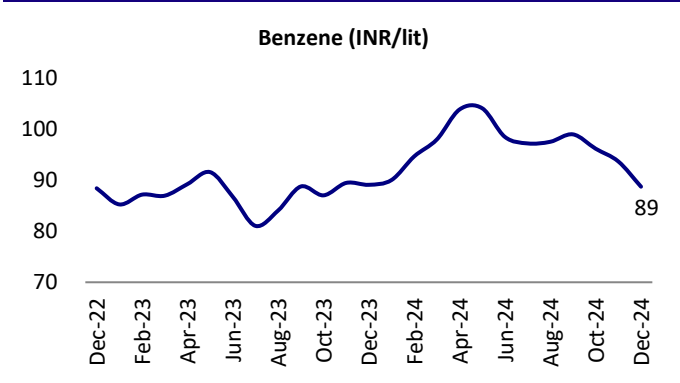
Source: IndiaPetroChem, MOFSL

Exhibit 17: ACN price down 4% YoY



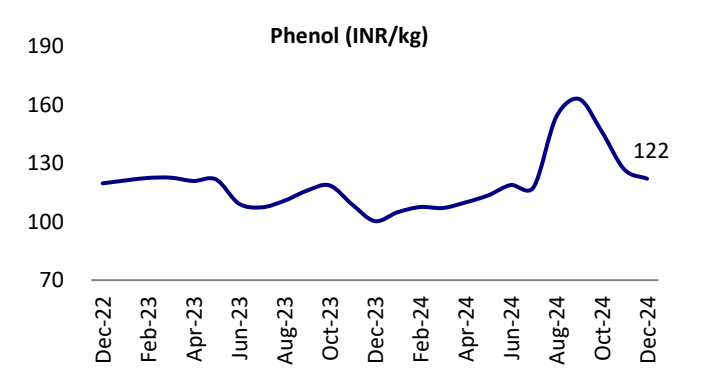
Source: IndiaPetroChem, MOFSL

Exhibit 18: Benzene price flat YoY



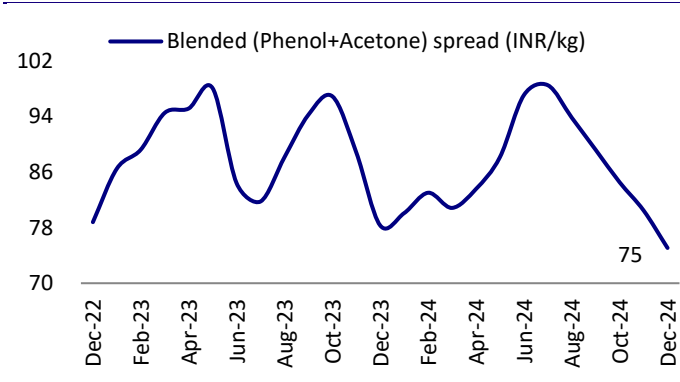
Source: IndiaPetroChem, MOFSL

Exhibit 19: Phenol price up 22% YoY



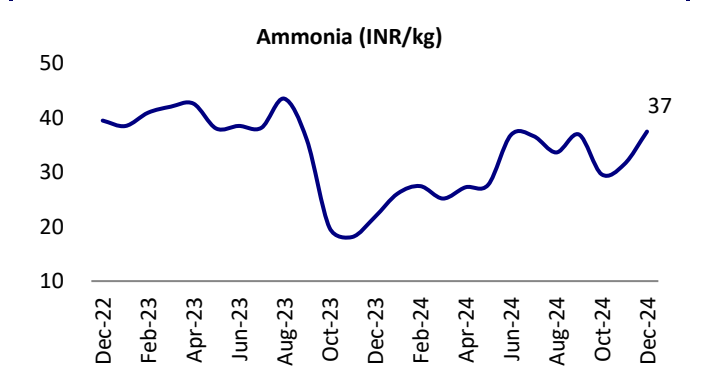
Source: IndiaPetroChem, MOFSL

Exhibit 20: Acetone price up 20% YoY



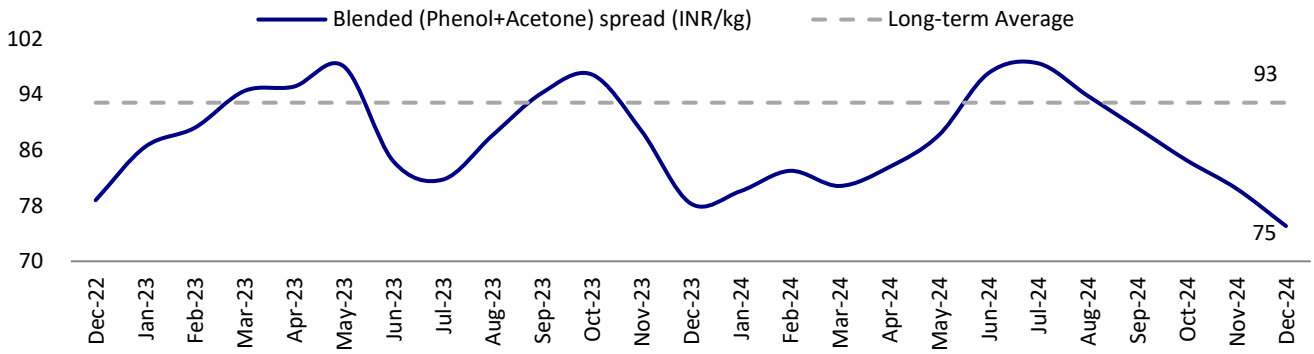
Source: IndiaPetroChem, MOFSL

Exhibit 21: Ammonia price up 72% YoY



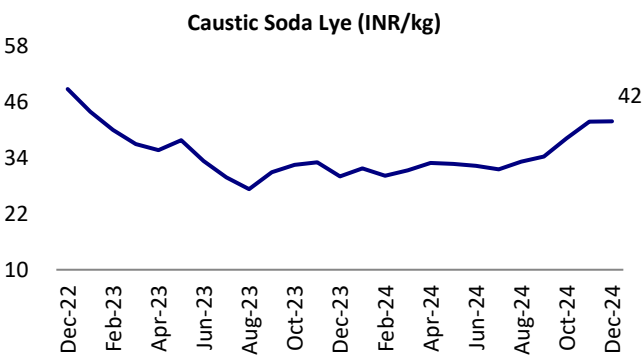
Source: IndiaPetroChem, MOFSL

Exhibit 22: Blended Phenol and Acetone spread down 4% YoY



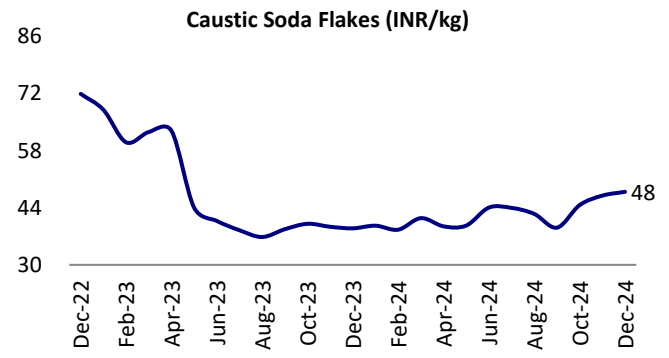
Source: IndiaPetroChem, MOFSL

Exhibit 23: Caustic Soda Lye price up 39% YoY



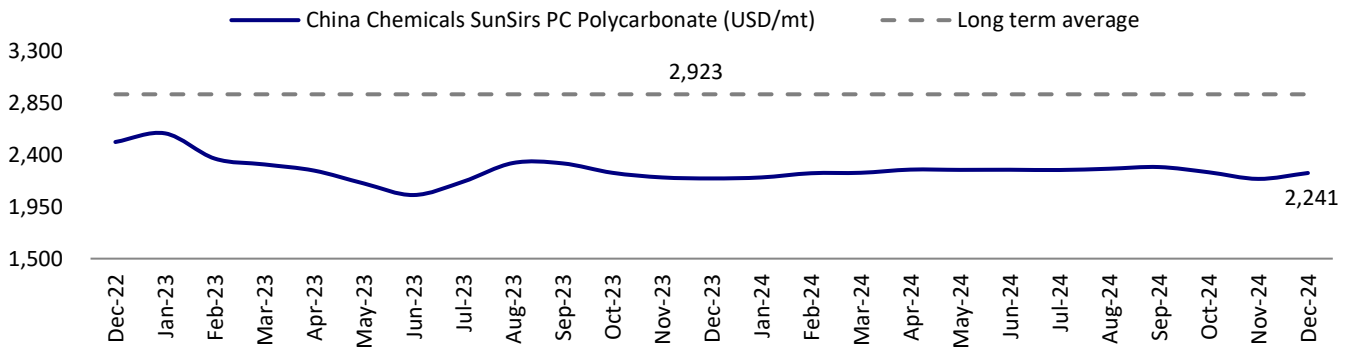
Source: IndiaPetroChem, MOFSL

Exhibit 24: Caustic Soda Flakes price up 23% YoY



Source: IndiaPetroChem, MOFSL

Exhibit 25: Polycarbonate price up 2% YoY



Source: Bloomberg, MOFSL

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

Alkyl Amines

Neutral

CMP: INR1,809 | TP: INR1,760 (-3%)

EPS CHANGE (%): FY25 | 26: -14 | -9

- Expect revenue to increase 17% YoY and EBITDA to decline 12% YoY.
- Key monitorables: Stabilization of the Ethylamines plant and update on the ACN market conditions.
- Expect EBITDA margin to contract 450bp YoY to 14% in 3QFY25.
- Watch out for updates on the progress of new products and ADD probe on ACN and MIPA

Standalone - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	4,098	3,522	3,221	3,566	3,997	4,149	3,764	3,937	14,406	15,847
YoY Change (%)	-13.5	-13.9	-17.1	-13.5	-2.5	17.8	16.9	10.4	-14.4	10.0
Gross Margin (%)	44.7%	45.7%	47.6%	49.2%	47.0%	45.4%	45.6%	50.0%	46.7%	47.0%
EBITDA	740	483	596	689	791	735	528	655	2,507	2,709
Margin (%)	18.1	13.7	18.5	19.3	19.8	17.7	14.0	16.6	17.4	17.1
Depreciation	122	125	168	174	177	180	194	213	589	764
Interest	9	17	11	7	2	4	5	8	44	19
Other Income	55	24	46	26	47	92	70	68	151	276
PBT before EO expense	664	364	463	533	659	643	398	501	2,025	2,202
PBT	664	364	463	533	659	643	398	501	2,025	2,202
Tax	166	92	129	149	170	169	100	125	536	565
Rate (%)	25.0	25.2	27.8	27.9	25.9	26.2	25.2	25.0	26.5	25.7
Adj PAT	498	272	334	385	489	475	298	376	1,489	1,637
YoY Change (%)	-39.2	-48.0	-26.8	-20.9	-1.8	74.2	-10.9	-2.3	-34.9	9.9
Margin (%)	12.1	7.7	10.4	10.8	12.2	11.4	7.9	9.5	10.3	10.3

Atul

Buy

CMP: INR6,908 | TP: INR8,395 (+22%)

EPS CHANGE (%): FY25 | 26: -14 | -13

- Expect revenue to increase 16% YoY and EBITDA to rise 46% YoY.
- Expect revenue for Life Science Chemicals to improve 36% YoY, while revenue for Performance to increase 10% YoY.
- EBITDA margin is likely to expand 340bp YoY and gross margin is anticipated to improve 620bp YoY.
- Watch out for commissioning and ramp-up of its new capacity expansions in CY25.

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	11,820	11,937	11,378	12,122	13,221	13,928	13,233	13,907	47,257	54,289
YoY Change (%)	-20.0	-19.7	-10.3	1.4	11.8	16.7	16.3	14.7	-12.9	14.9
Gross Margin (%)	46.5%	44.1%	47.1%	49.7%	50.0%	53.1%	53.4%	41.7%	46.9%	49.5%
EBITDA	1,823	1,552	1,517	1,476	2,232	2,427	2,221	1,841	6,367	8,721
Margin (%)	15.4	13.0	13.3	12.2	16.9	17.4	16.8	13.2	13.5	16.1
Depreciation	519	540	612	758	766	775	789	810	2,429	3,140
Interest	20	19	21	51	54	89	91	114	111	348
Other Income	82	221	150	129	130	315	204	165	582	814
PBT before EO expense	1,365	1,215	1,034	796	1,543	1,878	1,544	1,082	4,409	6,048
PBT	1,365	1,215	1,034	796	1,543	1,878	1,544	1,082	4,409	6,048
Tax	364	325	334	242	455	514	390	273	1,265	1,633
Rate (%)	26.7	26.7	32.3	30.4	29.5	27.4	25.3	25.3	28.7	27.0
Minority Interest and Profit/Loss of Asso. Cos.	20	22	21	34	33	31	24	9	97	97
Reported PAT	1,021	912	721	588	1,121	1,395	1,178	818	3,241	4,512
Adj PAT	1,021	912	721	588	1,121	1,395	1,178	818	3,241	4,512
YoY change (%)	-37.6	-38.4	-30.0	-36.2	9.8	52.9	63.5	39.1	-36.0	39.2
Margin (%)	8.6	7.6	6.3	4.9	8.5	10.0	8.9	5.9	6.9	8.3

Clean Science & Technology**Neutral****CMP: INR1,541 | TP: INR1,515 (-2%)****EPS CHANGE (%): FY25|26: -3|0**

- Expect revenue to increase 21% YoY; EBITDA to remain flat YoY.
- Key monitorables: Ramp up of the new HALS plant in the subsidiary and updates on new product commissioning.
- Expect EBITDAM to contract 110bp YoY in 3QFY25.
- Watch out for the changing sales mix between the flagship and non-flagship products.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	1,881	1,811	1,947	2,275	2,240	2,381	2,361	2,462	7,915	9,444
YoY Change (%)	-19.6	-26.8	-18.0	4.9	19.1	31.5	21.2	8.2	-15.4	19.3
Gross Margin (%)	61.4%	65.9%	66.8%	65.7%	65.4%	62.4%	61.6%	61.7%	65.0%	62.8%
EBITDA	761	748	866	945	947	897	863	953	3,321	3,660
Margin (%)	40.5	41.3	44.5	41.5	42.3	37.7	36.6	38.7	42.0	38.8
Depreciation	108	111	113	127	158	175	180	193	459	706
Interest	1	3	1	6	1	0	1	2	9	5
Other Income	134	60	78	141	99	111	124	138	413	472
PBT	787	695	830	953	887	832	806	896	3,265	3,421
Tax	198	173	204	250	228	245	203	225	825	900
Rate (%)	25.1	24.9	24.6	26.3	25.7	29.4	25.2	25.1	25.3	26.3
Adj. PAT	589	522	626	703	659	587	603	672	2,440	2,521
YoY Change (%)	-6.3	-23.2	-25.3	-12.7	11.9	12.6	-3.7	-4.4	-17.3	3.3
Margin (%)	31.3	28.8	32.2	30.9	29.4	24.7	25.5	27.3	30.8	26.7

Deepak Nitrite**Neutral****CMP: INR2,498 | TP: INR2,555 (+2%)****EPS CHANGE (%): FY25|26: 0|0**

- Expected revenue decline YoY to be led by DPL in 3QFY25. Expect EBITDA margin of 12.6% (vs. 15.2% in 3QFY24).
- Watch out for the updates on various capex under implementation.
- Updates on Oman subsidiary and downstream products (MIBK, MIBC, and Polycarbonate) to be keenly monitored.
- Key risks: Substantial margin fluctuations due to the highly commoditized nature of the products.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	17,683	17,781	20,092	21,262	21,668	20,320	18,577	23,883	76,818	84,448
YoY Change (%)	-14.1	-9.4	0.9	8.4	22.5	14.3	-7.5	12.3	-3.6	9.9
Gross Margin (%)	30.8%	34.4%	31.7%	30.7%	30.8%	32.0%	30.7%	35.1%	31.8%	32.3%
EBITDA	2,098	3,023	3,047	3,011	3,092	2,975	2,350	4,377	11,178	12,793
Margin (%)	11.9	17.0	15.2	14.2	14.3	14.6	12.6	18.3	14.6	15.1
Depreciation	381	394	417	465	475	485	492	496	1,657	1,947
Interest	18	27	29	44	58	63	66	79	118	266
Other Income	319	170	136	191	188	213	181	221	816	802
PBT	2,017	2,772	2,736	3,492	2,748	2,640	1,972	4,023	11,017	11,383
Tax	518	721	715	953	723	698	521	1,057	2,908	2,999
Rate (%)	25.7	26.0	26.1	27.3	26.3	26.4	26.4	26.3	26.4	26.4
Reported PAT	1,499	2,051	2,020	2,538	2,025	1,942	1,451	2,965	8,108	8,384
Adj PAT	1,499	2,051	2,020	1,958	2,025	1,942	1,451	2,965	7,521	8,384
YoY Change (%)	-36.1	17.5	-3.4	-16.3	35.1	-5.3	-28.2	51.4	-11.7	11.5
Margin (%)	8.5	11.5	10.1	9.2	9.3	9.6	7.8	12.4	9.8	9.9

Fine Organic Industries

Sell
CMP: INR4,583 | TP: INR3,630 (-21%)
EPS CHANGE (%): FY25|26: -1|+7

- Expect revenue to increase 51% YoY and EBITDA margin to expand 300bp YoY to 24.6% in 3QFY25.
- Key monitorables: an update on the progress of the JV to be set up in Thailand and more details on the new capex announced.
- Watch out for escalating freight costs and high lead time, which have gone up for exports to the US and Europe.
- Key risk: A delay in the addition of new capacities could deter growth, with almost all existing capacities running at optimum utilization levels.

Standalone - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	5,321	4,717	4,258	5,215	5,083	5,955	6,424	6,440	19,511	23,902
YoY Change (%)	-29.3	-43.0	-43.2	-25.3	-4.5	26.2	50.9	23.5	-35.6	22.5
Gross Margin (%)	42.9%	41.9%	41.8%	43.6%	42.2%	40.5%	40.3%	37.4%	42.6%	40.0%
EBITDA	1,519	1,044	924	1,322	1,218	1,429	1,583	1,382	4,809	5,612
Margin (%)	28.5	22.1	21.7	25.4	24.0	24.0	24.6	21.5	24.6	23.5
Depreciation	117	144	147	153	117	124	130	145	561	516
Interest	6	7	5	5	4	4	6	9	23	23
Other Income	145	172	174	226	241	217	219	223	717	900
PBT before EO expense	1,540	1,064	946	1,391	1,338	1,518	1,666	1,450	4,941	5,973
Extra-Ord expense	0	0	0	6	0	0	0	0	6	0
PBT	1,540	1,064	946	1,385	1,338	1,518	1,666	1,450	4,935	5,973
Tax	397	270	249	342	348	387	420	362	1,259	1,517
Rate (%)	25.8	25.4	26.4	24.7	26.0	25.5	25.2	24.9	25.5	25.4
Reported PAT	1,142	794	697	1,043	990	1,131	1,246	1,088	3,676	4,456
Adj PAT	1,142	794	697	1,047	990	1,131	1,246	1,088	3,680	4,456
YoY Change (%)	-27.4	-51.6	-46.9	-24.2	-13.3	42.5	78.9	3.9	-37.7	21.1
Margin (%)	21.5	16.8	16.4	20.1	19.5	19.0	19.4	16.9	18.9	18.6

Galaxy Surfactants

Buy
CMP: INR2,510 | TP: INR3,350 (+33%)
EPS CHANGE (%): FY25|26: 0|0

- Expect revenue to increase 16% YoY, with volume and realization improvements in 3QFY25.
- Watch out for the updates on further demand recovery in the AMET region and rural & urban demand recovery in India
- Expect EBITDA margin to be 11.3%, with absolute EBITDA/kg improving 1% YoY.
- The impact of the ongoing Red Sea crisis would also be keenly monitored.

Consolidated - Quarterly Snapshot

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	9,418	9,831	9,405	9,290	9,741	10,630	10,917	10,301	37,944	41,588
YoY Change (%)	-18.7	-20.5	-13.3	-5.2	3.4	8.1	16.1	10.9	-14.9	9.6
Gross Margin (%)	32.4%	31.5%	31.8%	32.6%	33.6%	33.0%	31.4%	35.3%	32.1%	33.3%
EBITDA	1,232	1,249	1,125	1,017	1,241	1,276	1,239	1,451	4,622	5,207
Margin (%)	13.1	12.7	12.0	10.9	12.7	12.0	11.3	14.1	12.2	12.5
Depreciation	238	247	251	262	266	278	287	307	998	1,138
Interest	57	54	59	54	40	41	43	44	224	167
Other Income	25	27	64	239	54	87	78	72	355	291
PBT	962	975	878	940	989	1,045	987	1,172	3,755	4,193
Tax	210	201	165	165	192	198	189	226	740	805
Rate (%)	21.8	20.6	18.8	17.5	19.4	18.9	19.2	19.3	19.7	19.2
Reported PAT	752	774	714	775	797	847	798	946	3,015	3,388
Adj PAT	752	774	714	775	797	847	798	946	3,015	3,388
YoY Change (%)	-25.1	-7.7	-32.8	-14.4	6.0	9.4	11.8	22.0	-20.9	12.4
Margin (%)	8.0	7.9	7.6	8.3	8.2	8.0	7.3	9.2	7.9	8.1

Navin Fluorine International**Neutral****CMP: INR3,276 | TP: INR3,435 (+5%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Modeled revenue of INR6.5b led by growth across business segments (HPP, Spec Chem, and CDMO).
- Key monitorable: progress on the upcoming AHF capacity announced in addition to the already existing capacity.
- EBITDA margin to contract 610bp YoY to 21.3%.
- Watch out for the updates on the launch of new molecules and deferred molecules in the previous quarters.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	4,912	4,718	5,001	6,020	5,237	5,186	6,525	8,234	20,650	25,182
YoY Change (%)	23.6	12.5	-11.3	-13.6	6.6	9.9	30.5	36.8	-0.6	21.9
Gross Margin (%)	58.7%	57.2%	54.1%	50.0%	56.0%	56.8%	59.2%	51.4%	54.7%	55.5%
EBITDA	1,142	983	757	1,101	1,004	1,074	1,387	1,796	3,983	5,260
Margin (%)	23.3	20.8	15.1	18.3	19.2	20.7	21.3	21.8	19.3	20.9
Depreciation	213	243	249	257	267	279	284	293	962	1,123
Interest	194	200	177	174	156	139	245	278	746	818
Other Income	83	231	119	125	103	112	138	151	559	504
PBT before EO expense	818	772	450	794	683	768	997	1,376	2,834	3,823
Extra-Ord. expense	0	0	521	0	0	0	0	0	521	0
PBT	818	772	972	794	683	768	997	1,376	3,355	3,823
Tax	202	166	191	90	171	179	251	361	650	962
Rate (%)	24.8	21.5	19.7	11.4	25.0	23.4	25.2	26.2	19.4	25.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	615	606	780	704	512	588	745	1,015	2,705	2,861
Adj. PAT	615	606	362	704	512	588	745	1,015	2,285	2,861
YoY Change (%)	-17.4	4.8	-66.1	-48.4	-16.8	-2.9	106.1	44.2	-39.1	25.2
Margin (%)	12.5	12.8	7.2	11.7	9.8	11.3	11.4	12.3	11.1	11.4

NOCIL**Neutral****CMP: INR252 | TP: INR235 (-7%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect revenue to increase 4% YoY to INR3.5b; higher volumes to offset lower realizations
- Key monitorables: further details on the new capex announcements.
- EBITDAM to contract 410bp YoY to 9.9% in 3QFY25; absolute EBITDA/kg to also decline YoY.
- Key risk: Higher dumping from China as ADD was rejected by the Gol in FY22.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	3,967	3,509	3,406	3,565	3,722	3,627	3,529	4,219	14,447	15,097
YoY Change (%)	-22.1	-9.9	4.6	-9.2	-6.2	3.4	3.6	18.4	-10.6	4.5
Gross Margin (%)	42.7%	43.4%	46.3%	42.1%	41.7%	43.3%	44.4%	40.2%	43.6%	42.3%
EBITDA	547	445	477	434	398	371	351	505	1,903	1,625
Margin (%)	13.8	12.7	14.0	12.2	10.7	10.2	9.9	12.0	13.2	10.8
Depreciation	126	127	132	130	128	130	136	145	515	541
Interest	4	3	5	4	5	5	5	3	16	18
Other Income	44	45	61	249	100	88	110	143	399	440
PBT before EO expense	461	360	402	549	364	324	320	499	1,771	1,507
PBT	461	360	402	549	364	324	320	499	1,771	1,507
Tax	125	91	104	138	92	-91	81	125	458	207
Rate (%)	27.2	25.3	25.9	25.1	25.3	-28.0	25.2	25.2	25.8	13.8
Reported PAT	336	269	298	411	272	415	239	373	1,314	1,300
Adj PAT	336	269	298	411	272	415	239	373	1,314	1,300
YoY Change (%)	-48.8	-25.2	58.7	44.9	-18.9	54.3	-19.6	-9.2	-11.7	-1.1
Margin (%)	8.5	7.7	8.7	11.5	7.3	11.4	6.8	8.8	9.1	8.6

PI Industries

Buy

CMP INR3,963 | TP: INR4,650 (+26%)

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

- The CSM business is likely to grow ~3% YoY.
- Demand scenario and product launches in the domestic and CSM segments will be the key focus areas.
- EBITDA margin is likely to contract to ~28% in 3QFY25 from 29.2% in 3QFY24.
- Update on the Pharma Intermediate segment will be a key monitorable.

Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	19,104	21,169	18,975	17,410	20,689	22,210	19,506	19,480	76,658	81,884
YoY Change (%)	23.8	19.6	17.6	11.2	8.3	4.9	2.8	11.9	18.1	6.8
Total Expenditure	14,426	15,655	13,439	12,992	14,857	15,928	14,044	14,370	56,512	59,199
EBITDA	4,678	5,514	5,536	4,418	5,832	6,282	5,462	5,110	20,146	22,686
Margins (%)	24.5	26.0	29.2	25.4	28.2	28.3	28.0	26.2	26.3	27.7
Depreciation	697	803	783	799	834	798	850	950	3,082	3,432
Interest	43	78	70	109	83	85	60	55	300	283
Other Income	469	469	561	579	727	1,222	700	720	2,078	3,369
PBT before EO expense	4,407	5,102	5,244	4,089	5,642	6,621	5,252	4,825	18,842	22,340
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,407	5,102	5,244	4,089	5,642	6,621	5,252	4,825	18,842	22,340
Tax	625	317	772	418	1,175	1,546	1,208	1,110	2,132	5,039
Rate (%)	14.2	6.2	14.7	10.2	20.8	23.3	23.0	23.0	11.3	22.6
Minority Interest & Profit/Loss of Asso. Cos.	-47	-20	-14	-24	-21	-7	-24	-31	-105	-83
Reported PAT	3,829	4,805	4,486	3,695	4,488	5,082	4,068	3,746	16,815	17,384
Adj PAT	3,829	4,805	4,486	3,695	4,488	5,082	4,068	3,746	16,815	17,384
YoY Change (%)	45.9	43.5	27.5	31.7	17.2	5.8	-9.3	1.4	36.8	3.4
Margins (%)	20.0	22.7	23.6	21.2	21.7	22.9	20.9	19.2	21.9	21.2

SRF

Neutral

CMP INR2,212 | TP: INR2,340 (+6%)

EPS CHANGE (%): FY25 | 26: -2 | -1

- Expect the Packaging/Technical Textiles/Chemicals segments to grow 30%/12%/7% YoY.
- Commissioning and ramp up of the Specialty Chemicals and Fluorochemicals plants will be the key focus areas.
- Demand scenario and realizations for key chemicals will be the key monitorables.
- Watch out for an update on the demand-supply scenario of Packaging businesses.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	33,384	31,774	30,530	35,697	34,641	34,243	35,422	42,041	1,31,385	1,46,347
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	3.8	7.8	16.0	17.8	-11.6	11.4
Total Expenditure	26,184	25,320	24,691	28,581	28,435	28,637	29,356	33,713	1,04,777	1,20,140
EBITDA	7,200	6,453	5,839	7,116	6,207	5,606	6,066	8,328	26,608	26,207
Margins (%)	21.6	20.3	19.1	19.9	17.9	16.4	17.1	19.8	20.3	17.9
Depreciation	1,566	1,612	1,689	1,859	1,882	1,939	1,950	2,180	6,726	7,951
Interest	656	793	674	900	965	938	920	900	3,023	3,723
Other Income	118	291	188	234	253	333	300	310	830	1,196
PBT before EO expense	5,095	4,339	3,664	4,591	3,612	3,063	3,496	5,558	17,689	15,729
Extra-Ord expense & DO	237	191	181	158	172	226	0	0	767	398
PBT	4,858	4,148	3,483	4,433	3,440	2,837	3,496	5,558	16,922	15,331
Tax	1,265	1,140	949	211	918	822	856	1,362	3,565	3,959
Rate (%)	24.8	26.3	25.9	4.6	25.4	26.9	24.5	24.5	20.2	25.2
Reported PAT	3,593	3,008	2,534	4,222	2,522	2,014	2,639	4,196	13,357	11,372
Adj PAT	3,830	3,199	2,715	4,380	2,695	2,240	2,639	4,196	14,124	11,770
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-29.6	-30.0	-2.8	-4.2	-37.7	-16.7
Margins (%)	11.5	10.1	8.9	12.3	7.8	6.5	7.5	10.0	10.8	8.0

Tata Chemicals

Neutral

CMP INR1,039 | TP: INR1,100 (+6%)

EPS CHANGE (%): FY25|26: -9|+1

- Revenue is likely to grow 3% YoY led by 7% growth in India. Expect revenue decline of ~1%/2% in North America/Europe
- The current demand scenario in Soda Ash in the company's key markets is a key focus area.
- EBITDA margin is likely to expand marginally by 40bp to ~14.9%.
- Pricing outlook on Soda Ash will be the key monitorable.

Consolidated - Quarterly Earning Model

(INRM)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	42,180	39,980	37,300	34,750	37,890	39,990	38,304	38,967	1,54,210	1,55,150
YoY Change (%)	5.6	-5.7	-10.1	-21.1	-10.2	0.0	2.7	12.1	-8.1	0.6
Total Expenditure	31,750	31,790	31,880	30,320	32,150	33,810	32,581	32,815	1,25,740	1,31,356
EBITDA	10,430	8,190	5,420	4,430	5,740	6,180	5,723	6,151	28,470	23,794
Margins (%)	24.7	20.5	14.5	12.7	15.1	15.5	14.9	15.8	18.5	15.3
Depreciation	2,290	2,340	2,460	2,710	2,730	2,770	2,730	2,735	9,800	10,965
Interest	1,230	1,450	1,320	1,300	1,330	1,450	1,100	911	5,300	4,791
Other Income	490	850	380	1,140	470	1,080	600	750	2,860	2,900
PBT before EO expense	7,400	5,250	2,020	1,560	2,150	3,040	2,493	3,255	16,230	10,938
Extra-Ord expense	-90	-1,020	0	9,630	0	0	0	0	8,520	0
PBT	7,490	6,270	2,020	-8,070	2,150	3,040	2,493	3,255	7,710	10,938
Tax	1,710	1,200	680	220	940	810	611	798	3,810	3,158
Rate (%)	22.8	19.1	33.7	-2.7	43.7	26.6	24.5	24.5	49.4	28.9
MI & Profit/Loss of Asso. Cos.	550	790	-240	-20	-140	290	240	260	1,080	650
Reported PAT	5,230	4,280	1,580	-8,270	1,350	1,940	1,642	2,198	2,820	7,130
Adj PAT	5,163	3,515	1,580	-1,048	1,350	1,940	1,642	2,198	9,210	7,130
YoY Change (%)	-12.8	-44.4	-60.1	-114.7	-73.8	-44.8	3.9	-309.8	-60.5	-22.6
Margins (%)	12.2	8.8	4.2	-3.0	3.6	4.9	4.3	5.6	6.0	4.6

Vinati Organics

Buy

CMP: INR1,804 | TP: INR2,655 (+47%)

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

- Expect revenue to increase 24% YoY to INR5.6b driven by ATBS, Butyl Phenols, and 'Others' segments.
- Key driver: Ramp-up of Antioxidants (AOs) plant to aid sales growth in CY25.
- EBITDA margin expected to be 25.6% (flat YoY), with gross margin at 48.3% (+110bp YoY) in 3QFY25.
- Watch out for the capex updates (mainly on Veeral Organics) and other new product announcements.

Standalone - Quarterly Earning Model

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	4,387	4,629	4,480	5,503	5,247	5,533	5,576	7,437	19,000	23,793
YoY Change (%)	-13.3	-18.3	-13.3	6.0	19.6	19.5	24.5	35.1	-8.3	25.2
Gross Margin (%)	47.6%	45.8%	47.2%	46.6%	44.9%	45.8%	48.3%	48.4%	46.8%	47.0%
EBITDA	1,004	1,048	1,147	1,502	1,251	1,340	1,430	1,964	4,701	5,985
Margin (%)	22.9	22.6	25.6	27.3	23.8	24.2	25.6	26.4	24.7	25.2
Depreciation	167	173	193	194	196	205	213	217	728	830
Interest	9	9	10	9	4	1	2	3	36	10
Other Income	98	106	88	96	93	222	164	176	388	654
PBT before EO expense	925	972	1,032	1,396	1,144	1,357	1,378	1,920	4,325	5,799
PBT	925	972	1,032	1,396	1,144	1,357	1,378	1,920	4,325	5,799
Tax	231	247	262	351	284	295	347	483	1,091	1,409
Rate (%)	25.0	25.4	25.4	25.1	24.8	21.8	25.2	25.2	25.2	24.3
Reported PAT	694	725	770	1,045	860	1,061	1,031	1,437	3,234	4,390
Adj PAT	694	725	770	1,045	860	1,061	1,031	1,437	3,234	4,390
YoY Change (%)	-31.4	-37.5	-28.0	-0.2	23.9	46.4	33.9	37.5	-22.8	35.7
Margin (%)	15.8	15.7	17.2	19.0	16.4	19.2	18.5	19.3	17.0	18.4

Consumer

Valuation summary

Consumer	CMP	TP	Rating
Britannia Inds.	4,793	5,200	Neutral
Colgate-Palm.	2,702	3,000	Neutral
Dabur India	511	675	Buy
Emami	605	800	Buy
Godrej Consumer	1,079	1,400	Buy
Hind. Unilever	2,323	3,100	Buy
ITC	484	575	Buy
Jyothy Labs	401	450	Neutral
L T Foods	432	520	Buy
Marico	643	750	Buy
Nestle India	2,170	2,400	Neutral
P & G Hygiene	14651	15500	Neutral
Tata Consumer	920	1,150	Buy
Varun beverages	651	750	Buy
Paints			
Asian Paints	2,305	2,550	Neutral
Indigo Paints	1,383	1,650	Buy
Pidilite Inds.	2,862	3,200	Neutral
Liquor			
United Breweries	2,091	2,200	Neutral
United Spirits	1,657	1,650	Neutral
Innerwear			
Page Industries	47,771	57,000	Buy
QSR			
Barbeque Nation	444	500	Neutral
Devyani intl.	183	215	Buy
Jubilant Food.	739	800	Neutral
Restaurant Brands	85	135	Buy
Sapphire Foods	345	415	Buy
Westlife Foodworld	788	850	Neutral
Jewelry			
Kalyan Jewellers	774	875	Buy
P N Gadgil Jewellers	666	950	Buy
Senco Gold	1127	1,450	Buy
Titan	3,254	3,850	BUY

Mixed trends; jewelry and liquor to outperform

In our consumer coverage universe, all segments, except paint, are expected to deliver revenue/EBITDA growth YoY in 3QFY25 – staples +5%/+4%, liquor +12%/+19%, innerwear +10%/+16%, QSR +18%/+14%, and jewelry +31%/+21%. The paint segment is expected to post a decline of 1%/12% in revenue/EBITDA.

- Consumption trends were mixed in 3Q. Staple companies are likely to witness a muted quarter amid sluggish urban demand, weak uptake for the winter portfolio, and high palm oil prices impacting the personal-wash portfolio (grammage reduction). Paint companies are impacted by a delayed monsoon and an early festive season. Demand has remained soft after the festive season and 3Q is expected to remain weak across companies. Value growth will continue to lag volume growth (price cut impact will be in the base after 4Q). Liquor companies are expected to clock strong growth, led by a new liquor policy in Andhra Pradesh, positive demand for P&A, and a higher number of weddings in 2HFY25. Innerwear companies saw positive demand trends in the festive season. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve the sales mix. As high trade inventory pressure has eased, primary growth is expected to rise in 2HFY25. QSR companies saw minor improvement in demand in 3Q, particularly at the quarter end, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and beyond. The revenue gap between dine-in and delivery is expected to narrow down, with improvement in dine-in footfall. Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver flat SSSG QoQ. Store expansion will further boost revenue growth.
- With high commodity prices (particularly in agri basket) and insufficient price hikes, gross margin is expected to see pressure for most categories/companies. Staple companies are expected to limit A&P spends to maintain EBITDA margin. While QSR and paint companies may see EBITDA margin contraction, liquor and innerwear companies are expected to see EBITDA margin expansion (softening RM and improving mix). Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin.
- Among our coverage companies, MRCO, UNSP, JUBI, Kalyan Jewelers, and PN Gadgil are expected to be outliers in 3QFY25, whereas Asian Paints, Indigo Paint, GCPL, HUL and Dabur will likely be the underperformers.
- We continue to like HUL, GCPL, Dabur (despite near-term soft earnings) as we do not see much downside risk and expect a better operating print in the coming quarters. We like PAGE and PN Gadgil on earnings improvement expectation. For JUBI and UNSP, we are constructive on business improvement, but we remain Neutral on rich valuations.

Segment-wise performance

- **Staples:** Demand trends in 3Q were quite similar to 2Q, but we may see growth diversion in 3Q at the category/company level. Winter demand was muted, which would affect the performance of healthcare, skincare, OTC, HI, etc. High palm oil prices will affect multiple products, especially the personal wash portfolio, where pricing action is insufficient to offset inflation. Grammage reduction will also impact volume performance. Some companies have witnessed a higher share of LUPs, which will impact the product mix too. For

most companies, YoY volume growth is expected to decline in 3Q vs. 2Q. Price cut pressure on value growth will see a reversal in 3Q, and we expect positive pricing for most companies. Gross margin for most companies may see weakness in 3Q (high RM inflation, mix and weak winter portfolio). Cost control and rationalization on marketing spends should help to sustain EBITDA margins. We expect sales/EBITDA/PAT growth of 5%/4%/2% for staples companies under our coverage in 3QFY25.

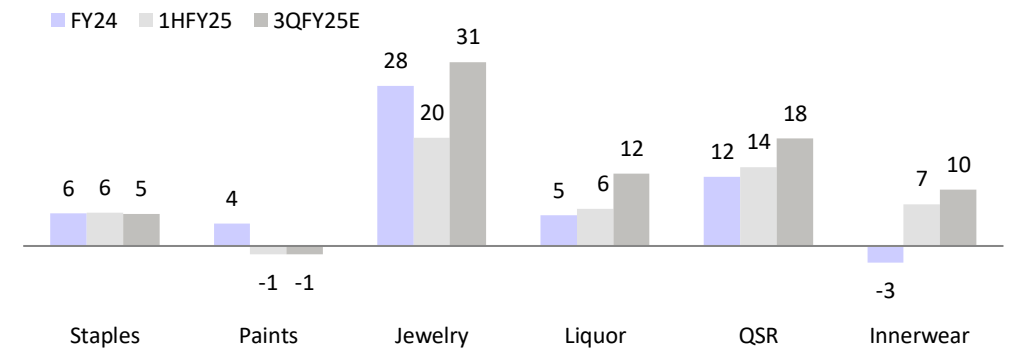
- **Paint:** Demand trends remained weak for paint companies as extended monsoons and early Diwali dampened festive demand. Nov'24 saw a slight improvement, but overall trends were subdued. The impact of rising competition was less, and the large impact was due to weak industry demand. The product mix can be slightly better as the economy segment has seen more pressure. 3QFY25 is expected to witness similar growth pressure that was seen in 2QFY25. In 3QFY24, paint companies cut prices by ~2% and by 4-5% in 4QFY24. Thereby, after 4QFY25, price cuts will be in the base. Moreover, prices were increased by ~2% in 2QFY25. Hence, value growth can be marginally higher than volume growth from 4QFY25 onward. EBITDA margin is expected to be subdued due to higher marketing spend and insufficient pricing. We expect sales/EBITDA/PAT to decline by 1%/12%/11% for paint companies under our coverage in 3QFY25.
- **Liquor:** The P&A portfolio continues to benefit from a demand uptrend, a new liquor policy in Andhra Pradesh, and a higher number of weddings, leading to healthy volume growth in 3Q for liquor companies. Gross margin is expected to see some improvement, aided by cost efficiencies, price hikes in earlier quarters and stable RM prices. ENA inflation is in low single digits, while glass prices are declining, leading to a softness in raw material prices. With improvement in volume, we expect EBITDA margin expansion YoY. We expect sales/EBITDA/PAT growth of 12%/19%/16% for our coverage companies in 3QFY25.
- **Innerwear:** Demand trends in 3Q were similar to 2Q. The festive season was healthy, although some benefits have preponed to 2Q due to early Diwali. Traditional channels remained sluggish, while emerging channels continued to drive growth and improve sales mix. Trade inventory is normalizing, which is expected to drive a better performance at the primary level (which was in opposite trend in the last a few quarters). We expect sales/EBITDA/PAT growth of 10%/16%/20% for our coverage innerwear companies in 3QFY25.
- **QSR:** QSR companies saw marginal improvement in demand trends in 3Q, particularly at the end of the quarter, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and thereafter. The revenue gap between dine-in and delivery is expected to narrow down with improvement in dine-in footfall. Weak underlying growth will continue to impact operating margin performance, leading to pressure on restaurant margins and EBITDA margins for most brands. Improving menu and activation drives for dine-in are driving improvement in footfall/orders. Delivery channels remain strong, while dine-in is showing marginal improvement in the second half of the quarter. We expect sales/EBITDA/PAT growth of 18%/14%/34% for our coverage QSR companies in 3QFY25.
- **Jewelry:** Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver similar SSSG as seen in 2Q. Store

expansion will further boost revenue growth. Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin. The reduction in customs duty is expected to result in an inventory loss of INR2-2.5b for Titan, ~INR0.5-0.6b for Kalyan, and INR0.2b for Senco in 3Q. We do not factor in this one-time impact of inventory loss on operating performance to compare margin on a like-to-like basis. We expect sales/EBITDA/PAT growth of 31%/21%/18% for our coverage jewelry companies in 3QFY25.

Agri commodity prices remain high; non-agri prices stable

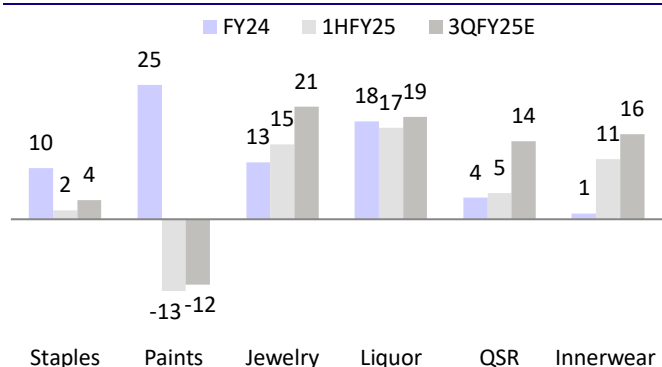
- Agricultural commodities have witnessed YoY inflation for the third consecutive quarter, impacting FMCG companies like Dabur, HUL, Nestlé, Britannia, Marico, and Tata Consumer. Conversely, non-agricultural commodities, including crude oil and its derivatives, along with VAM prices, have stabilized. Oil commodity basket has faced inflationary pressures due to higher import duties, affecting margins for companies in the soaps and detergents category.
- **Agricultural commodities:** Wheat prices rose by 12% YoY and 7% QoQ, while barley prices surged 13% YoY and 8% QoQ, likely impacting companies like UBBL and Nestlé. Sugar prices declined by 3% YoY but remained flat QoQ. Coffee prices increased 11% YoY and were stable QoQ, posing challenges for companies like Nestlé and HUL. Copra prices have soared 42% YoY and 21% QoQ, while palm oil prices jumped 32% YoY and 21% QoQ, driven by higher import duties.
- **Non-agricultural commodities:** Crude oil prices declined by 11% YoY and 7% QoQ, currently trading at ~USD74/barrel. Other commodities like TiO2 and TiO2 (China) are showing a downward trend. VAM (China) prices fell by 11% YoY and remained stable QoQ, benefiting companies like Pidilite. On the other hand, gold prices jumped by 26% YoY and 7% QoQ, putting pressure on the margins of jewelry companies.

Exhibit 1: Coverage universe revenue growth in FY24, 1HFY25 and 3QFY25E (%)



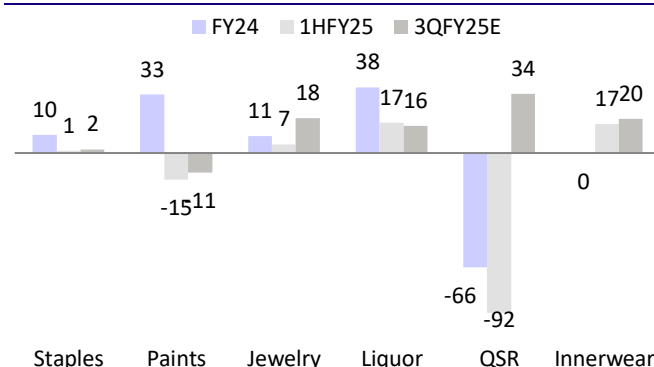
Source: Company, MOFSL

Exhibit 2: Coverage universe EBITDA growth in FY24, 1HFY25 and 3QFY25E (%)



Source: Company, MOFSL

Exhibit 3: Coverage universe APAT growth in FY24, 1HFY25 and 3QFY25E (%)



Source: Company, MOFSL

Exhibit 4: Summary of 3QFY25 earnings estimates

Sector	CMP (INR)	Reco	Sales (INR M)		Growth (%)		EBIDTA (INR M)			PAT (INR M)		
			Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	Dec-24	YoY	QoQ	
Staples												
Britannia	4793	Neutral	45,543	7.0	-2.4	8,061	-1.8	2.9	5,588	0.0	5.1	
Colgate	2702	Neutral	14,934	7.0	-7.8	4,893	4.5	-1.6	3,515	6.5	-1.1	
Dabur	511	Buy	33,414	2.7	10.3	6,756	1.2	22.3	5,246	0.4	21.1	
Emami	605	Buy	10,530	5.7	18.2	3,357	6.6	34.0	3,046	7.7	30.6	
Godrej Consumer	1079	Buy	37,550	2.6	2.4	7,846	-13.3	3.0	5,510	-6.0	11.2	
Hind. Unilever	2323	Buy	1,60,544	3.1	0.8	38,374	4.7	1.2	27,059	6.9	4.0	
ITC	484	Buy	1,92,184	6.7	-7.3	68,185	4.8	0.8	52,942	-0.9	6.0	
Jyothy Labs	401	Neutral	7,142	5.4	-2.7	1,255	5.8	-9.4	953	4.8	-9.3	
L T Foods	432	Buy	22,067	13.6	4.7	2,432	1.9	6.1	1,538	1.8	3.7	
Marico	643	Buy	27,930	15.3	4.8	5,802	13.1	11.1	4,326	12.9	4.7	
Nestle	2170	Neutral	48,483	5.4	-5.0	11,684	3.5	-1.7	7,904	1.2	5.3	
P&G Hygiene	14651	Neutral	12,354	9.0	8.8	3,430	10.7	18.1	2,562	11.9	20.9	
Pidilite Inds.	2862	Neutral	33,804	8.0	4.5	8,313	12.0	8.1	5,899	15.5	8.9	
Tata Consumer	920	Buy	44,122	16.0	4.7	5,517	-3.6	-11.9	3,360	-3.3	-12.7	
Varun Beverages	651	Buy	36,014	35.0	-25.0	5,869	40.3	-49.0	2,069	57.1	-66.6	
Paints												
Asian Paints	2305	Neutral	86,479	-5.0	7.7	16,215	-21.1	30.8	11,697	-20.7	33.9	
Indigo Paints	1383	Buy	3,715	5.0	24.0	595	-4.4	43.3	366	-1.8	61.6	
Liquor												
United Breweries	2091	Neutral	20,414	12.0	-3.5	1,851	27.1	-18.4	1,124	32.5	-15.0	
United Spirits	1657	Neutral	33,671	12.6	18.4	5,729	16.6	13.0	3,883	11.5	15.9	
Innerwear												
Page Industries	47771	Buy	13,479	9.7	8.2	2,660	15.8	-5.5	1,822	19.6	-6.7	
QSR												
Barbeque Nation	444	Neutral	3,423	3.5	12.0	654	-1.4	43.4	55	13.9	LP	
Devyani Intl.	183	Buy	12,738	51.1	4.2	2,134	45.9	7.4	132	160.1	LP	
Jubilant Foodworks	739	Neutral	15,583	15.0	6.2	3,226	14.1	13.5	737	20.9	41.6	
Restaurant Brands	85	Buy	4,868	9.3	-1.1	740	4.6	5.8	-120	Loss	Loss	
Sapphire Foods	345	Buy	7,506	12.8	7.9	1,290	6.0	15.2	178	80.8	243.1	
Westlife Foodworld	788	Neutral	6,566	9.4	6.3	946	-1.5	20.3	126	-27.1	3,263	
Jewelry												
Kalyan Jewellers	774	Buy	72,280	38.4	19.2	4,911	32.8	23.9	2,643	46.3	45.2	
P N Gadgil Jewellers	666	Buy	23,358	18.5	16.7	1,199	32.5	66.4	768	38.9	45.2	
Senco Gold	1127	Buy	20,653	25.0	37.6	2,129	17.5	160.4	1,304	19.3	278.0	
Titan Company	3254	Buy	1,83,997	29.9	26.6	18,542	18.5	21.5	12,164	15.5	30.7	

Exhibit 5: Volume growth expectation in 3QFY25

Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	7.0	-0.5	-1.0
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	5.5	6.0	8.0	8.0	5.0
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0	7.0	8.0	5.0
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	5.2	-7.0	1.0
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-1.0	6.4	8.7	1.7	5.0
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0	7.0	1.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	4.0	3.0	1.0
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-1.0	2	3.0	3.5	4.0
Jyothy labs	3.0	1.4	2.1	3.3	9.0	9.0	11.0	10.0	10.8	3.0	4.0
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.0	5.0	5.7
Page Industries	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1	2.6	6.7	6.5
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9	5.0	5.0	6.0
United spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7	3.5	-4.4	7.9

Source: Company, MOFSL

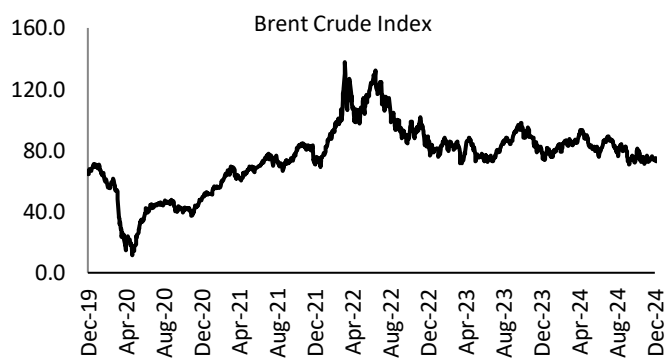
Exhibit 6: Gross and EBITDA margins expansion in 3QFY25E (%)

Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
Staples						
Britannia	42.0	-187	48	17.7	-159	92
Colgate	71.0	-117	246	32.8	-80	205
Dabur	49.1	49	-24	20.2	-30	197
Emami	69.5	74	-119	31.9	27	375
Godrej Consumer	54.9	-96	-66	20.9	-383	12
HUL	51.2	-76	-39	23.9	35	9
ITC	62.0	108	610	35.5	-61	287
Jyothy	49.7	-6	-49	17.6	6	-130
LT Foods	31.8	82	-61	11.0	-127	14
Marico	50.3	-98	-49	20.8	-41	118
Nestle	57.8	-80	118	24.1	-44	81
P&G Hygiene	63.0	279	11	27.8	44	218
Tata consumer	41.4	-243	-224	12.5	-254	-236
Varun Beverages	55.7	-93	16	16.3	62	-766
Paints						
Asian Paints	41.5	-211	73	18.8	-384	331
Indigo Paints	46.3	-188	260	16.0	-158	216
Pidilite	54.3	142	-5	24.6	87	83
Liquor						
United Breweries	43.8	-19	-5	9.1	108	-166
United Spirits	44.6	118	-60	17.0	57	-82
Innerwear						
Page Industries	54.0	92	-249	19.7	104	-285
QSR						
Barbeque Nation	67.8	-6	-26	19.1	-94	419
Devyani intl.	69.2	-141	-14	16.8	-59	50
Jubilant Food.	76.2	-45	14	20.7	-16	133
Restaurant Brands	67.8	70	30	15.2	-70	100
Sapphire Foods	68.8	-4	3	17.2	-110	109
Westlife Foodworld	70.3	2	62	14.4	-159	168
Jewelry						
Kalyan	14.2	-35	48	6.8	-29	26
PN Gadgil	10.3	185	265	5.1	54	153
Senco	17.7	-96	346	10.3	-65	486
Titan	23.0	-26	28	10.1	-97	-42

Exhibit 7: Trend in commodity prices

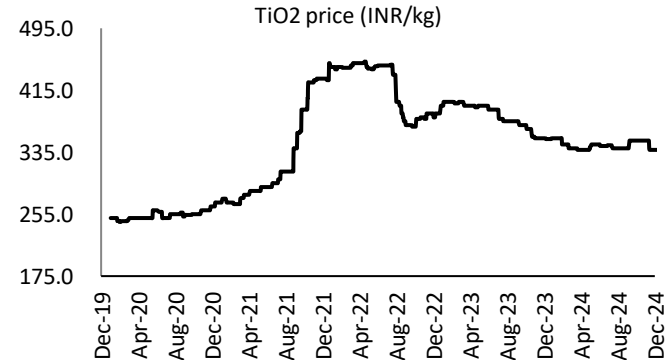
Commodity	Unit	Companies	CMP (INR)	Average prices of commodities					Change in prices (%)	
				3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY	QoQ
Non- Agri Commodity										
Brent Crude	\$/barell	Paints, PIDI,	74	84	83	85	80	75	-11%	-7%
Titanium Dioxide	INR/kg	GCPL, JYL	340	356	345	342	343	344	-3%	0%
Titanium Dioxide China	CNY/MT	Paints	14,960	17,038	16,730	16,742	15,771	15,206	-11%	-4%
VAM China	USD/MT	Paints	788	880	994	813	778	784	-11%	1%
Soda Ash	INR/50kg	PIDI, Paints	1,825	1,828	1,788	1,813	1,832	1,803	-1%	-2%
Glass	India WPI Index	HUL, GCPL,	173	175	176	175	174	173	-1%	-1%
Gold	MCX Gold (INR/10gm)	UNSP, UBBL	75,874	60,591	63,177	71,749	71,543	76,411	26%	7%
HDPE	INR/10kg	Jewelry	940	1,010	1,045	1,035	1,026	966	-4%	-6%
Agri Commodity										
Wheat	INR/quintel	ITC, NESTLE,	3,013	2,631	2,559	2,525	2,743	2,948	12%	7%
Sugar	INR/quintel	HUL, ITC, NESTLE, DABUR, BRIT	3,820	3,978	3,831	3,933	3,901	3,874	-3%	-1%
Mentha	INR/KG	HMN, HUL, CLGT, DABUR	1,015	1,021	1,020	1,006	1,012	1,002	-2%	-1%
Cashew	India WPI Index	BRIT	171	148	146	154	164	170	15%	4%
Maize	INR/quintel	HUL, CLGT, DABUR	2,455	2,136	2,233	2,201	2,527	2,437	14%	-4%
Molasses	India WPI Index	UNSP	159	150	155	157	157	159	6%	1%
Barley	INR/quintel	UBBL, NESTLE	2,425	2,115	2,027	2,064	2,221	2,396	13%	8%
Tea	India WPI Tea	HUL	208	162	139	187	208	219	35%	5%
Cocoa beans	USD/MT	NESTLE	11,507	3,979	6,128	9,467	8,555	8,661	118%	1%
Coffee	India WPI Coffee	NESTLE, HUL	232	209	216	221	232	233	11%	0%
Tabaccoo	India WPI Tabaccoo	ITC	114	114	114	114	114	114	0%	0%
Milk	India WPI Milk	NESTLE, BRIT	185	181	183	185	186	185	2%	0%
SMP	US\$/CWT	NESTLE, BRIT		138	131	127	129	137	0%	6%
Copra	Copra WPI Index	MRCO, DABUR	214	149	156	155	175	212	42%	21%
Yarn	NNS Cotton Yarn Hosiery Yarn Carded 40 price INR/kg India	PAGE	255	252	263	262	258	255	1%	-1%
Oil Commodities										
Palm Fatty acid	USD/MT	HUL, GCPL, JYL	1,004	747	745	810	844	960	29%	14%
Malaysia Palm oil	MYR/MT	HUL, GCPL, JYL	4,999	3,678	4,006	4,037	4,000	4,839	32%	21%
Coconut Oil	INR/quintel	MRCO, DABUR	18,000	12,172	11,187	12,796	13,617	18,794	54%	38%
Rice Bran oil	Rice Bran oil Index	MRCO	182	141	137	147	155	177	26%	15%
Sunflower oil	INR/MT	MRCO	1,27,000	85,386	86,900	89,133	96,071	1,28,419	50%	34%

Exhibit 8: Crude oil prices down 11% YoY/7% QoQ in Dec'24



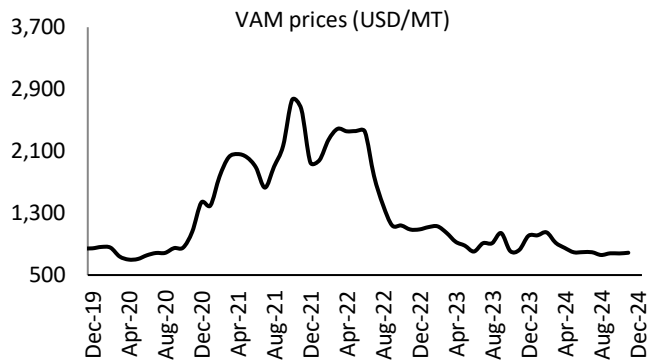
Source: Bloomberg, MOFSL

Exhibit 9: TiO2 prices down 3% YoY/flat QoQ in Dec'24



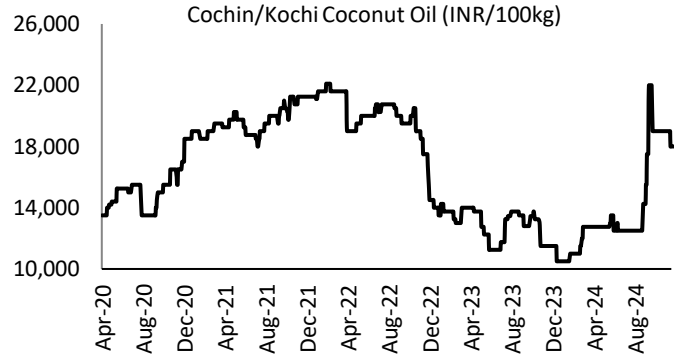
Source: Bloomberg, MOFSL

Exhibit 10: VAM prices fell 11% YoY and flat QoQ in Dec'24



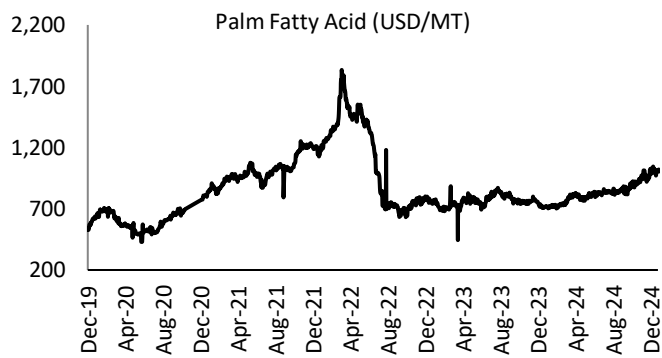
Source: Bloomberg, MOFSL

Exhibit 11: Coconut oil prices up 54% YoY/38% QoQ in Dec'24



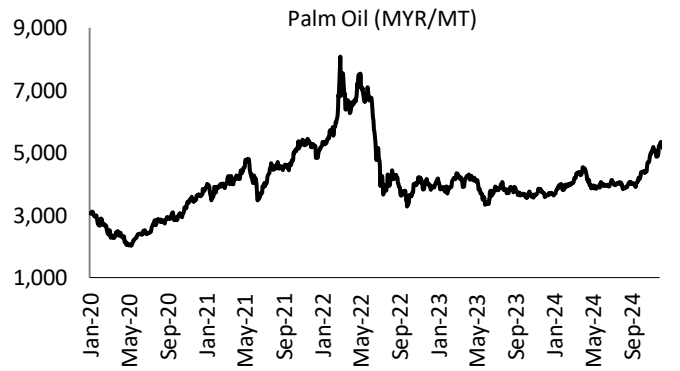
Source: Company, MOFSL

Exhibit 12: PFAD prices up by 29% YoY and 14% QoQ in Dec'24



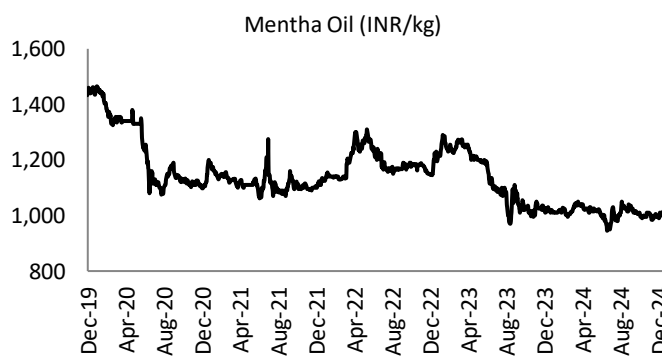
Source: Bloomberg, MOFSL

Exhibit 13: Malaysian palm oil prices rose 32% YoY and 21% QoQ in Dec'24



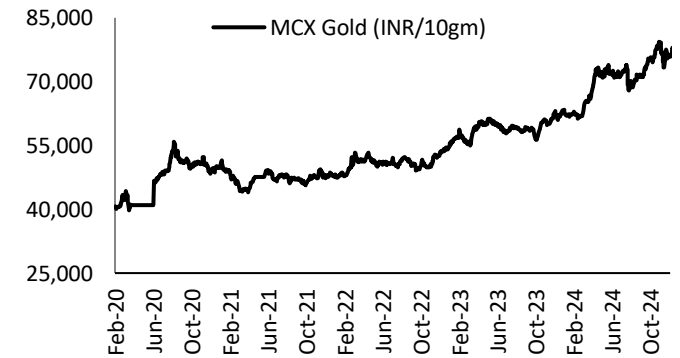
Source: Bloomberg, MOFSL

Exhibit 14: Mentha oil prices fell 2% YoY while flat QoQ in Dec'24



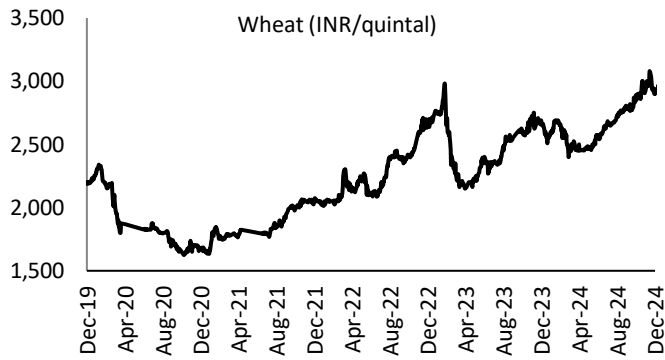
Source: Bloomberg, MOFSL

Exhibit 15: Average Gold prices rose 26% YoY and 7% QoQ in Dec'24



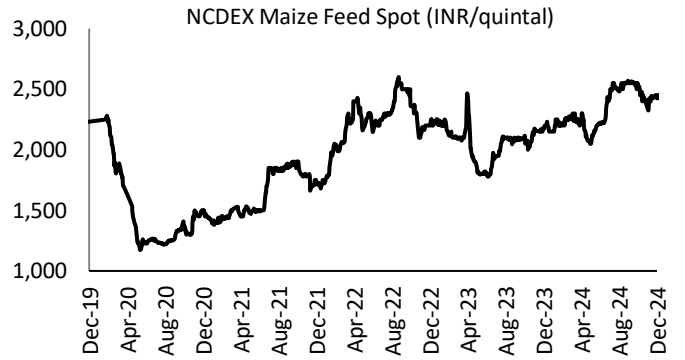
Source: Bloomberg, MOFSL

Exhibit 16: Wheat prices rose 12% YoY/7% QoQ in Dec'24



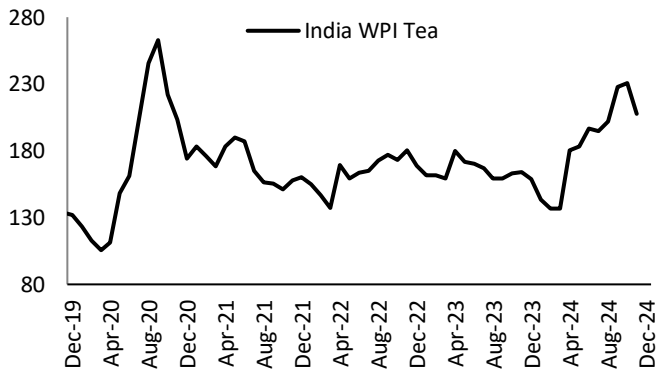
Source: Bloomberg, MOFSL

Exhibit 17: Maize prices rose 14% YoY while down 4% QoQ in Dec'24



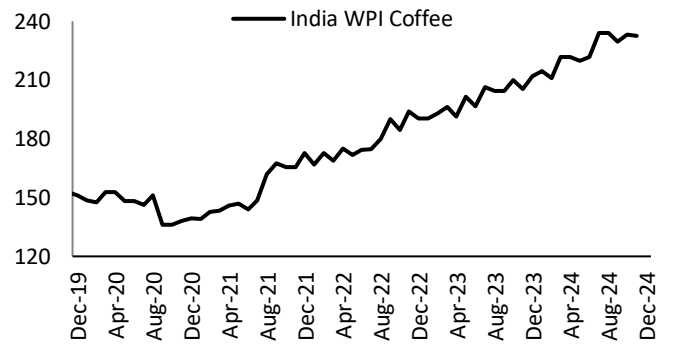
Source: Bloomberg, MOFSL

Exhibit 18: India WPI Tea prices up 35% YoY and 5% QoQ in Dec'24



Source: Bloomberg, MOFSL

Exhibit 19: India coffee prices up 11% YoY and flat QoQ in Dec'24

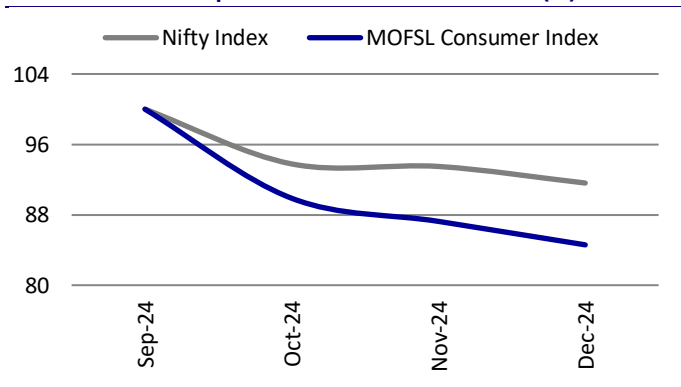


Source: Bloomberg, MOFSL

Exhibit 20: Comparative valuation

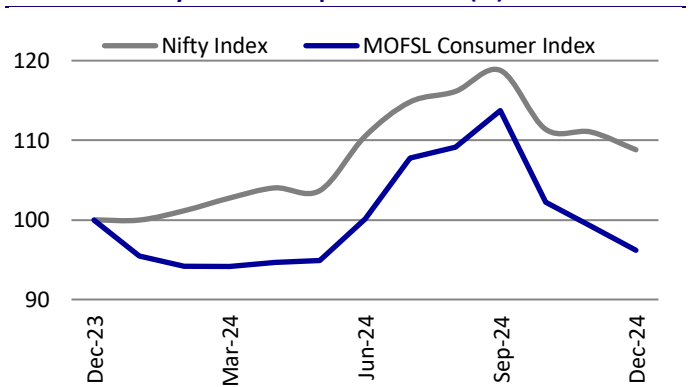
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Staples														
Britannia	4,793	Neutral	91.3	105.0	118.3	52.5	45.7	40.5	26.8	23.3	19.6	53.3	54.5	52.5
Colgate	2,702	Neutral	54.7	60.3	65.8	49.4	44.8	41.0	34.4	30.4	27.1	74.2	71.9	69.8
Dabur	511	Buy	10.5	12.0	13.7	48.7	42.6	37.3	8.5	8.0	7.5	18.2	19.4	20.7
Emami	605	Buy	20.3	22.2	24.0	29.8	27.3	25.2	9.5	8.5	7.6	34.0	32.8	31.7
Godrej Consumer	1,079	Buy	20.1	24.9	28.7	53.6	43.4	37.6	8.1	7.4	6.9	15.7	17.9	19.1
Hind. Unilever	2,323	Buy	44.8	51.0	56.2	51.8	45.5	41.3	10.6	10.4	10.1	20.5	23.0	24.7
ITC	484	Buy	16.7	18.2	19.8	29.0	26.6	24.5	7.8	7.4	7.1	27.5	28.7	29.6
Jyothy Labs	401	Neutral	10.6	11.7	12.9	38.0	34.4	31.1	7.8	7.1	6.4	20.9	21.5	21.5
L T Foods	432	Buy	18.1	24.0	28.4	23.8	18.0	15.2	3.8	3.3	2.8	17.3	19.6	19.8
Marico	643	Buy	12.9	14.4	15.5	49.8	44.7	41.5	20.7	19.5	18.4	42.6	45.1	45.7
Nestle	2,170	Neutral	33.8	38.3	43.1	64.1	56.7	50.3	50.6	42.9	36.6	87.2	81.9	78.5
P&G Hygiene	14,651	Neutral	251.7	281.5	317.2	58.2	52.0	46.2	50.7	42.4	35.8	95.5	88.8	84.2
Pidilite Inds.	2,862	Neutral	42.4	49.0	56.0	67.5	58.4	51.2	15.2	13.7	11.1	24.0	24.7	24.0
Tata Consumer	920	Buy	14.8	19.0	20.9	62.4	48.6	44.1	3.9	3.5	3.3	7.4	7.9	8.2
Varun Beverages	651	Buy	7.7	10.4	12.5	84.1	62.7	52.0	13.4	11.3	9.4	22.5	19.5	19.7
Paints														
Asian Paints	2,305	Neutral	46.2	52.5	59.5	49.8	43.9	38.7	11.5	11.0	10.1	23.4	25.6	27.2
Indigo Paints	1,383	Buy	29.8	35.4	41.6	46.4	39.1	33.3	6.5	5.7	4.9	14.8	15.5	15.8
Liquor														
United Breweries	2,091	Neutral	21.5	31.4	38.9	97	67	53.7	12.3	11.2	10.1	13.1	17.6	19.8
United Spirits	1,657	Neutral	19.1	21.6	23.9	87	77	69.3	14.4	12.1	10.3	16.6	15.8	14.9
Innerwear														
Page Industries	47,771	Buy	603.3	720.5	865.8	79.2	66.3	55.2	30.4	26.1	22.3	38.4	39.4	40.4
QSR														
Barbeque Nation	444	Neutral	-1.6	1.9	4.9	-276	233	91.5	4.5	4.4	4.2	-1.6	1.9	4.6
Devyani Intl.	183	Buy	0.4	1.7	2.2	408.5	110.3	84.3	33.3	37.2	39.7	6.3	31.8	45.5
Jubilant Foodworks	739	Neutral	5.5	8.1	10.4	135.6	91.7	71.2	21.8	20.8	19.2	16.0	22.7	26.9
Restaurant Brands	85	Buy	-3.6	-1.1	1.1	-23.6	-77.4	79.8	9.4	10.6	9.4	-33.2	-12.9	12.5
Sapphire Foods	345	Buy	1.3	3.4	4.9	264.5	101.2	70.4	8.0	7.4	6.7	3.1	7.6	10.0
Westlife Foodworld	788	Neutral	1.1	6.0	9.7	716.7	132.2	80.8	16.5	16.8	13.9	2.6	12.6	18.8
Jewelry														
Kalyan Jewellers	774	Buy	8.1	10.9	13.7	96.1	70.9	56.5	17.1	14.6	12.4	18.7	22.2	23.7
P N Gadgil Jewellers	666	Buy	17.1	23.2	29.4	39.0	28.7	22.6	5.6	4.7	3.9	21.6	17.8	18.7
Senco Gold	1,127	Buy	32.5	39.1	45.4	34.7	28.8	24.8	5.6	4.8	4.0	17.3	17.9	17.6
Titan Company	3,254	Buy	42.6	53.4	63.7	76.4	61.0	51.1	24.0	18.8	15.0	35.4	34.7	32.7

Exhibit 2: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 3: One-year relative performance (%)



Source: MOFSL, Company

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

Asian Paints Neutral

CMP: INR2,305 | TP: INR2,550 (+11%)

EPS CHANGE (%): FY25 | FY26: -2.6 | -4.8

- Demand was weak in 3Q due to a weak festive season and early Diwali. We expect a 5% decline in revenue growth with marginal volume decline in domestic decorative paint.
- We expect gross margin to decline 210bp YoY but rise 70bp QoQ, partially aided by the price hike by the company.
- EBITDA margin expected to decline 380bp YoY due to negative operating leverage and high operating cost.
- Key monitorable: competition with new players.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Est. Dom. Deco. Vol. growth (%)	10.0	6.0	12.0	10.0	7.0	-0.5	-1.0	6.5	9.5	3.0
Net Sales	91,823	84,786	91,031	87,308	89,697	80,275	86,479	91,931	3,54,947	3,48,383
Change (%)	6.7	0.2	5.4	-0.6	-2.3	-5.3	-5.0	5.3	2.9	-1.8
Gross Profit	39,419	36,771	39,695	38,160	38,152	32,732	35,889	38,165	1,54,045	1,44,938
Gross Margin (%)	42.9	43.4	43.6	43.7	42.5	40.8	41.5	41.5	43.4	41.6
EBITDA	21,213	17,162	20,561	16,914	16,938	12,395	16,215	17,501	75,850	63,049
Margin (%)	23.1	20.2	22.6	19.4	18.9	15.4	18.8	19.0	21.4	18.1
Change (%)	36.3	39.8	27.6	-9.3	-20.2	-27.8	-21.1	3.5	21.2	-16.9
Interest	458	509	544	541	554	630	590	591	2,052	2,364
Depreciation	1,983	2,087	2,204	2,256	2,277	2,420	2,400	2,446	8,530	9,543
Other Income	1,971	1,652	1,386	1,871	1,562	1,736	1,850	1,870	6,880	7,017
PBT	20,743	16,218	19,199	15,988	15,669	11,081	15,075	16,334	72,148	58,159
Tax	5,301	4,186	4,926	3,488	4,168	2,654	3,618	4,100	17,901	14,540
Effective Tax Rate (%)	25.6	25.8	25.7	21.8	26.6	23.9	24.0	25.1	24.8	25.0
Adjusted PAT	15,749	12,324	14,752	12,753	11,868	8,738	11,697	12,060	55,577	44,363
Change (%)	48.5	53.3	34.5	-0.6	-24.6	-29.1	-20.7	-5.4	30.9	-20.2

E: MOFSL Estimates

Britannia Industries Neutral

CMP: INR4,793 | TP: INR 5,200 (+8%)

EPS CHANGE (%): FY25 | FY26: -2.4 | -1.9

- We expect 7% revenue growth YoY, primarily led by volume growth of 5% in 3QFY25.
- BRIT has taken 2-3% price hike in some of its products during the quarter to offset commodity price inflation.
- GP margin expected to decline 190bp YoY to 42% and EBITDA margin expected to decline 160bp YoY to 17.7% due to rise in agri commodity prices.
- BRIT focuses on innovation and distribution channel to gain market share.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Base business volume growth (%)	0.0	0.0	5.5	6.0	8.0	8.0	5.0	5.5	2.9	6.6
Total Revenue	40,107	44,329	42,563	40,694	42,503	46,676	45,543	44,236	1,67,693	1,78,958
YoY change (%)	8.4	1.2	1.4	1.1	6.0	5.3	7.0	8.7	2.9	6.7
Gross Profit	16,820	19,011	18,673	18,269	18,449	19,381	19,128	19,099	72,772	76,057
Margins (%)	41.9	42.9	43.9	44.9	43.4	41.5	42.0	43.2	43.4	42.5
EBITDA	6,889	8,724	8,211	7,874	7,537	7,834	8,061	8,102	31,698	31,533
Margins (%)	17.2	19.7	19.3	19.4	17.7	16.8	17.7	18.3	18.9	17.6
YoY growth (%)	37.6	22.6	0.4	-1.7	9.4	-10.2	-1.8	2.9	12.0	-0.5
Depreciation	708	717	781	799	739	761	765	785	3,005	3,050
Interest	531	534	311	264	290	346	325	310	1,640	1,271
Other Income	539	524	506	573	556	460	575	720	2,142	2,311
PBT	6,190	7,997	7,625	7,384	7,064	7,187	7,546	7,726	29,196	29,523
Tax	1,665	2,121	2,026	1,980	1,762	1,836	1,924	2,006	7,793	7,528
Rate (%)	26.9	26.5	26.6	26.8	24.9	25.5	25.5	26.0	26.7	25.5
Adjusted PAT	4,555	5,865	5,586	5,366	5,295	5,317	5,588	5,686	21,371	21,886
YoY change (%)	35.7	19.5	0.3	-3.8	16.3	-9.3	0.0	6.0	10.1	2.4

E: MOFSL Estimates

Colgate

Neutral

CMP: INR2,702 | TP: INR3,000 (+11%)

EPS CHANGE (%): FY25 | FY26: -1.5 | -1.5

- Demand was subdued QoQ for oral care. We expect 7% revenue growth, led by mid-single-digit volume growth in toothpaste in 3QFY25.
- GP margin expected to contract by 120bp YoY to 71% and EBITDA margin 80bp YoY to 32.8%.
- Focuses on expanding distribution reach and improving product penetration in rural market through LUPs.
- Continues to focus on innovation and new launches. It has launched new sensorial range of MaxFresh in Dec'24 in premium segment in MT, e-commerce and quick commerce.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume Gr %	3.0	-1.0	-1.0	1.0	7.0	8.0	5.0	5.0	0.5	6.3
Net Sales (inclgd. OOI)	13,237	14,711	13,957	14,900	14,967	16,191	14,934	15,918	56,804	62,010
YoY change (%)	10.6	6.0	8.1	10.3	13.1	10.1	7.0	6.8	8.7	9.2
Gross Profit	9,058	10,117	10,073	10,327	10,574	11,098	10,603	11,070	39,574	43,345
Gross margin (%)	68.4	68.8	72.2	69.3	70.6	68.5	71.0	69.5	69.7	69.9
EBITDA	4,181	4,821	4,684	5,322	5,083	4,974	4,893	5,731	19,008	20,680
Margins (%)	31.6	32.8	33.6	35.7	34.0	30.7	32.8	36.0	33.5	33.4
YoY growth (%)	28.4	18.2	29.6	17.8	21.6	3.2	4.5	7.7	22.9	8.8
Depreciation	438	443	414	421	415	417	420	422	1,715	1,674
Interest	11	11	15	14	10	12	16	18	50	55
Financial other Income	150	210	179	227	234	195	230	249	765	908
PBT	3,883	4,578	4,434	5,114	4,893	4,740	4,687	5,540	18,008	19,859
Tax	951	1,178	1,133	1,315	1,253	1,354	1,172	1,362	4,577	5,141
Rate (%)	24.5	25.7	25.6	25.7	25.6	28.6	25.0	24.6	25.4	25.9
Adj PAT	2,883	3,401	3,301	3,798	3,640	3,555	3,515	4,177	13,383	14,888
YoY change (%)	33.1	22.3	35.7	19.6	26.2	4.6	6.5	10.0	26.8	11.2
Reported PAT	2,737	3,401	3,301	3,798	3,640	3,951	3,515	4,177	13,237	15,283

Dabur

Buy

CMP: INR511 | TP: INR675 (+32%)

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

- We expect 3% revenue growth, impacted by weak performance of winter portfolio (30-35% revenue contribution in 3Q). Primary growth expected to normalize in 3Q as one-time GT inventory correction largely concluded in 2Q.
- Rural demand is gradually recovering, while urban demand remains subdued, affected by persistent food inflation.
- GP margin expected to expand 50bp YoY to 49.1% due to price hike by the company and EBITDA margin expected to contract by 30bp YoY to 20.2%.
- Badshah Masala continued to witness healthy momentum and saw double-digit growth. International business is expected to deliver double-digit growth in CC terms.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic FMCG vol. growth (%)	3.0	3.0	4.0	3.0	5.2	-7.0	1.0	4.5	3.3	1.0
Net sales	31,305	32,038	32,551	28,146	33,491	30,286	33,414	29,571	1,24,040	1,26,763
YoY change (%)	10.9	7.3	6.7	5.1	7.0	-5.5	2.7	5.1	7.5	2.2
Gross profit	14,588	15,482	15,823	13,679	16,005	14,943	16,406	14,253	59,571	61,607
Margin (%)	46.6	48.3	48.6	48.6	47.8	49.3	49.1	48.2	48.0	48.6
EBITDA	6,047	6,609	6,678	4,668	6,550	5,526	6,756	5,063	24,002	23,895
Margins (%)	19.3	20.6	20.5	16.6	19.6	18.2	20.2	17.1	19.4	18.9
YoY growth (%)	11.2	10.0	8.1	13.9	8.3	-16.4	1.2	8.5	10.5	-0.4
Depreciation	966	983	969	1,074	1,091	1,110	1,110	1,138	3,992	4,449
Interest	243	281	365	352	327	474	400	400	1,242	1,600
Other income	1,098	1,164	1,274	1,289	1,294	1,515	1,450	1,467	4,824	5,726
PBT	5,936	6,508	6,618	4,531	6,427	5,457	6,696	4,992	23,593	23,572
Tax	1,368	1,443	1,550	1,114	1,481	1,284	1,607	1,214	5,474	5,587
Rate (%)	23.0	22.2	23.4	24.6	23.0	23.5	24.0	24.3	23.2	23.7
Adjusted PAT	4,721	5,233	5,225	3,578	5,084	4,333	5,246	3,935	18,757	18,597
YoY change (%)	7.2	6.7	7.8	10.8	7.7	-17.2	0.4	10.0	9.3	-0.9

E: MOFSL Estimates

Emami**Buy****CMP: INR605 | TP: INR800 (+32%)****EPS CHANGE (%): FY25 | FY26: -1.2 | -2.4**

- Demand was good in 3Q as its winter portfolio performed well compared to peer companies. We model 6% revenue growth, led by 5% domestic volume growth.
- GM to remain steady (+70bp YoY) despite food inflation. EBITDA to stay flat YoY (+30bp YoY) on rising A&P spends.
- Emami is taking initiatives to drive growth of Kesh King.
- D2C brands like The Man Company and Brillare are performing well.

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

Y/E MARCH	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	-1.0	6.4	8.7	1.7	5.0	6.0	2.6	5.5
Net Sales	8,257	8,649	9,963	8,912	9,061	8,906	10,530	9,505	35,781	38,001
YoY change (%)	6.8	6.3	1.4	6.6	9.7	3.0	5.7	6.7	5.1	6.2
Gross Profit	5,401	6,061	6,851	5,863	6,131	6,296	7,318	6,362	24,176	26,107
Gross margin (%)	65.4	70.1	68.8	65.8	67.7	70.7	69.5	66.9	67.6	68.7
EBITDA	1,900	2,337	3,149	2,110	2,165	2,505	3,357	2,294	9,495	10,320
Margins (%)	23.0	27.0	31.6	23.7	23.9	28.1	31.9	24.1	26.5	27.2
YoY change	9.6	19.6	7.0	5.6	13.9	7.2	6.6	8.7	10.1	8.7
Depreciation	460	461	458	480	444	447	463	469	1,859	1,823
Interest	21	23	27	29	21	23	25	31	100	100
Other Income	83	111	167	107	105	216	150	153	468	624
PBT	1,502	1,964	2,831	1,708	1,805	2,251	3,019	1,947	8,005	9,021
Tax	129	158	155	225	278	94	181	349	667	902
Rate (%)	8.6	8.1	5.5	13.2	15.4	4.2	6.0	17.9	8.3	10.0
Adj. PAT	1,413	1,967	2,828	1,669	1,702	2,333	3,046	1,774	7,876	8,864
YoY change (%)	36.9	12.5	11.0	13.0	20.5	18.6	7.7	6.3	15.7	12.5
Reported PAT	1,368	1,800	2,607	1,468	1,506	2,110	2,827	1,583	7,241	8,026
YoY change (%)	88.1	-0.1	11.9	3.6	10.1	17.2	8.5	7.8	15.4	10.8

Godrej Consumer**Buy****CMP: INR1,079 | TP: INR1,400 (+30%)****EPS CHANGE (%): FY25 | FY26: -4.6 | -3.4**

- Domestic revenue is impacted by weakness in the soaps and HI segments. We model 3% standalone revenue growth and 1% volume growth. The rest of the portfolio performed well.
- High inflation is putting pressure on margins. We model 100bp YoY decline in GP margin and 380bp YoY decline in EBITDA margins due to negative operating leverage.
- GCPL highlighted in mid pre-quarter update that soaps category (one-third revenue contribution) impacted by increase in palm oil and other derivatives prices. To mitigate that, it has taken a price hike, reduced grammage and scaled back various trade schemes.
- HI (one-third revenue contribution) affected by unfavorable weather conditions, including a delayed winter in North India and cyclones in South India.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume Growth (%)	10	4	5	9	8	7	1	3	7	5
Net Sales (including OOI)	34,489	36,020	36,596	33,856	33,316	36,663	37,550	36,285	1,40,961	1,44,586
YoY change (%)	10.4	6.2	1.7	5.8	-3.4	1.8	2.6	7.2	5.9	2.6
Gross Profit	18,534	19,771	20,454	18,999	18,608	20,381	20,626	19,880	77,758	79,495
Margin (%)	53.7	54.9	55.9	56.1	55.9	55.6	54.9	54.8	55.2	55.0
EBITDA	6,818	7,234	9,048	7,604	7,262	7,617	7,846	7,794	30,704	30,519
Margins (%)	19.8	20.1	24.7	22.5	21.8	20.8	20.9	21.5	21.8	21.1
YoY growth (%)	28.0	26.0	17.9	14.4	6.5	5.3	-13.3	2.5	20.9	-0.6
Depreciation	763	609	539	499	495	501	550	559	2,410	2,104
Interest	740	773	666	785	878	831	825	817	2,964	3,350
Other Income	691	659	701	638	771	860	875	886	2,690	3,392
PBT	5,617	6,319	7,904	6,912	6,643	7,124	7,346	7,305	26,751	28,419
Tax	1,611	1,866	2,024	2,087	1,933	2,154	1,837	1,892	7,588	7,815
Rate (%)	28.7	29.5	25.6	30.2	29.1	30.2	25.0	25.9	28.4	27.5
Adj PAT	3,761	4,415	5,862	5,749	4,649	4,953	5,510	5,413	19,787	20,604
YoY change (%)	8.5	17.2	6.0	22.6	23.6	12.2	-6.0	-5.8	13.4	4.1
Reported PAT	3,188	4,328	5,811	-18,932	4,507	4,913	5,510	5,413	-5,605	20,604

E: MOFSL Estimate

Hindustan Unilever

Buy
CMP: INR2,323 | TP: INR3,100 (+33%)
EPS CHANGE (%): FY25 | FY26: -1.1 | -

- Demand trends remain consistent QoQ, showing muted growth with rural outperforming urban. We expect 3% revenue growth in 3QFY25.
- We model 1% volume growth, impacted by the price increase in soaps and tea. The company has taken low single-digit price hike at the portfolio level.
- HUL's growth has been impacted by multiple factors, including adverse mix dynamics, input cost inflation, and subdued seasonal demand, collectively moderating the overall growth trajectory.
- There would be some pressure on GP margins (-80bp YoY) due to rise in palm oil and other agri commodity prices. However, EBITDA margins (+40bp YoY) expected to be stable due to cost initiatives taken by the company.

Quarterly performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	2.0	2.0	2.0	4.0	3.0	1.0	4.0	2.3	3.1
Revenue	155.0	156.2	155.7	152.1	157.1	159.3	160.5	164.8	619.0	641.7
YoY change (%)	6.0	3.2	-0.2	0.0	1.4	1.9	3.1	8.4	2.2	3.7
COGS	76.8	73.5	74.8	72.6	75.5	77.1	78.3	80.3	298	311
Gross Profit	78.2	82.8	80.9	79.5	81.6	82.2	82.2	84.5	321.4	330.5
Margin %	50.4	53.0	52.0	52.3	52.0	51.6	51.2	51.3	51.9	51.5
EBITDA	36.7	38.0	36.7	35.4	37.4	37.9	38.4	37.8	146.6	151.6
YoY change (%)	7.7	9.1	-0.8	-1.1	2.2	-0.1	4.7	7.0	3.6	3.4
Margins (%)	23.7	24.3	23.5	23.2	23.8	23.8	23.9	22.9	23.7	23.6
Depreciation	2.9	3.0	3.1	3.2	3.3	3.4	3.3	3.3	12.2	13.3
Interest	0.5	0.9	0.9	1.1	0.9	1.1	1.1	1.0	3.3	4.2
Other income	1.8	1.8	2.1	2.3	2.6	2.2	2.4	2.6	8.1	9.7
PBT	35.1	36.0	34.8	33.4	35.8	35.6	36.4	36.0	139.2	143.8
Tax	9.2	9.3	9.4	8.6	9.2	9.5	9.3	9.3	36.4	37.2
Rate (%)	26.1	25.9	27.0	25.7	25.6	26.6	25.5	25.9	26.2	25.9
PAT bei	25.8	26.6	25.3	25.0	26.5	26.0	27.1	26.7	102.7	105.3
YoY change (%)	8.0	-1.1	-2.0	-1.6	2.5	-2.1	6.9	6.6	0.7	2.6
Reported Profit	25.5	26.6	25.1	25.6	26.1	25.9	27.1	26.7	102.8	105.8

Indigo Paints

Buy
CMP: INR1,383 | TP: INR1,650 (+19%)
EPS CHANGE (%): FY25 | FY26: -4.8 | -4.0

- Demand remained subdued and we expect ~5% YoY sales growth in 3QFY25.
- The company has taken discounting amid rising competition, which has impacted the margins. We expect 190bp YoY decline in GP margin and 160bp in EBITDA margins.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

Quarterly Performance (Consol.)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	2,884	2,790	3,538	3,849	3,110	2,995	3,715	4,195	13,061	14,014
Change (%)	28.8	15.0	25.8	18.3	7.8	7.4	5.0	9.0	21.7	7.3
Raw Material/PM	1,519	1,519	1,833	1,968	1,661	1,686	1,995	2,212	6,839	7,554
Gross Profit	1,365	1,271	1,705	1,881	1,449	1,309	1,720	1,983	6,222	6,461
Gross Margin (%)	47.3	45.6	48.2	48.9	46.6	43.7	46.3	47.3	47.6	46.1
EBITDA	491	421	622	846	474	415	595	884	2,381	2,368
Margin (%)	17.0	15.1	17.6	22.0	15.2	13.9	16.0	21.1	18.2	16.9
Change (%)	39.2	24.8	53.5	17.9	-3.5	-1.5	-4.4	4.5	31.1	-0.5
Interest	5	6	6	5	6	7	6	4	21	23
Depreciation	101	113	146	156	152	154	155	156	516	617
Other Income	38	32	31	42	42	51	50	42	142	185
PBT	423	335	501	727	357	306	484	767	1,986	1,913
Tax	108	81	125	183	90	83	121	185	497	479
Effective Tax Rate (%)	25.6	24.3	25.0	25.1	25.3	27.2	25.0	24.1	25.0	25.0
Adjusted PAT	310	253	373	537	262	226	366	565	1,474	1,419
Change (%)	55.9	22.1	41.9	10.3	-15.6	-10.6	-1.8	5.2	27.4	-3.7

E: MOFSL Estimates

ITC

Buy

CMP: INR484 | TP: INR575 (+19%)

EPS CHANGE (%): FY25|FY26: +0.1|-0.2

- Cigarette business expected to show stable volumes and pricing, with the portfolio continuing to grow, aided by improvements in product mix. We model ~4% volume growth in the business in 3QFY25.
- We expect 7% YoY sales growth in cigarette business and 5% YoY sales growth in FMCG business.
- We expect 6% YoY growth in cigarette EBIT with 70bp decline in margins due to rise in leaf tobacco prices. In the FMCG business, we expect 3% de-growth in EBIT with 60bp decline in margins as price hike lags RM inflation.
- The paper segment remained weak, while the agriculture segment and hotel business performed well during the quarter.

Consol. Quarterly Performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Est. cigarette vol. gr. (%)	8.0	5.0	-1.0	2.0	3.0	3.5	4.0	3.5	3.0	3.5
Net Sales	171.6	177.7	180.2	179.2	184.6	207.4	192.2	192.2	708.8	776.3
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	16.7	6.7	7.3	-0.1	9.5
Gross Profit	106.1	107.1	109.8	113.4	111.7	115.9	119.2	133.0	436.3	479.8
Margin (%)	61.8	60.2	60.9	63.2	60.5	55.9	62.0	69.2	61.6	61.8
EBITDA	66.7	64.5	65.0	66.3	67.5	67.6	68.2	72.2	262.5	275.5
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.8	4.8	8.9	2.3	4.9
Margins (%)	38.9	36.3	36.1	37.0	36.6	32.6	35.5	37.6	37.0	35.5
Depreciation	4.4	4.5	4.6	4.6	5.0	5.2	5.2	5.3	18.2	20.7
Interest	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.5	0.5
Other Income	7.2	6.6	6.6	6.8	6.9	6.2	7.4	8.7	27.3	29.2
PBT	69.4	66.6	66.9	68.4	69.3	68.4	70.2	75.5	271.2	283.5
Tax	17.6	17.0	12.8	16.5	17.6	17.9	16.5	19.3	63.9	71.4
Rate (%)	25.4	25.5	19.2	24.1	25.4	26.2	23.5	25.6	23.6	25.2
Adj PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.9	55.4	204.6	209.0
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	2.0	-0.9	8.2	6.9	2.2
Reported PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.9	55.4	204.6	209.0

E: MOFSL estimate

Jyothy Labs.

Neutral

CMP: INR401 | TP: INR450 (+12%)

EPS CHANGE (%): FY25|FY26: -2.0|-0.5

- We expect consolidated net sales to grow 5% YoY, led by volume growth of 4% in 3QFY25.
- We expect gross margin to remain flat YoY at 49.7% but decline 50bp QoQ on rising palm oil prices.
- EBITDA margin expected to stay flat YoY at 17.6% in 3QFY25.
- It focuses on rural distribution, innovation, and introduction of SKUs to cater to specific consumer segments.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	9%	9%	11%	10%	11%	3%	4%	6%	9%	9%
Net Sales	6,871	7,323	6,775	6,600	7,418	7,338	7,142	7,083	27,569	28,981
YoY change (%)	15.1	11.1	10.6	7.0	8.0	0.2	5.4	7.3	10.9	5.1
Gross Profit	3,289	3,604	3,371	3,267	3,805	3,683	3,550	3,511	13,531	14,549
Margins (%)	47.9	49.2	49.8	49.5	51.3	50.2	49.7	49.6	49.1	50.2
EBITDA	1,174	1,354	1,186	1,084	1,335	1,385	1,255	1,140	4,798	5,142
EBITDA growth %	96.2	68.3	40.6	18.7	13.7	2.3	5.8	5.2	51.9	7.2
Margins (%)	17.1	18.5	17.5	16.4	18.0	18.9	17.6	16.1	17.4	17.7
Depreciation	120	123	128	129	134	139	136	126	500	535
Interest	11	12	12	13	14	14	13	11	47	52
Other Income	79	132	106	130	137	125	125	128	447	515
PBT	1,123	1,351	1,152	1,072	1,324	1,357	1,231	1,130	4,698	5,070
Tax	250	311	243	291	307	307	278	300	1,095	1,191
Rate (%)	22.3	23.0	21.1	27.1	23.2	22.6	22.6	26.5	23.3	23.5
Adjusted PAT	873	1,040	909	781	1,017	1,050	953	831	3,603	3,879
YoY change (%)	124.1	78.2	34.9	31.9	16.6	1.0	4.8	6.3	54.8	7.6

E: MOFSL Estimates

LT Foods**Buy****CMP: INR432 | TP: INR520 (+20%)****EPS CHANGE (%): FY25 | FY26: - | -**

- We expect consolidated sales to grow 10% YoY.
- We anticipate the Basmati rice segment to witness strong traction in both domestic and international markets.
- EBITDA margin expected to contract by 130bp YoY to 11%.
- We expect the organic segment to report revenue growth of ~45% YoY in 3Q, driven by sales in the Netherlands and the opening of new warehouses in the US and EU.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	17,781	19,778	19,417	20,748	20,705	21,078	22,067	23,536	77,724	87,386
YoY Change (%)	10.4	14.7	9.2	13.9	16.4	6.6	13.6	13.4	12.1	12.4
Total Expenditure	15,644	17,373	17,031	18,297	18,296	18,785	19,635	20,845	68,345	77,561
EBITDA	2,137	2,405	2,386	2,451	2,409	2,293	2,432	2,691	9,379	9,825
Margins (%)	12.0	12.2	12.3	11.8	11.6	10.9	11.0	11.4	12.1	11.2
Depreciation	356	360	361	453	420	448	435	430	1,529	1,733
Interest	220	191	185	235	187	196	145	120	830	648
Other Income	107	140	80	169	175	263	150	120	496	708
PBT before EO expense	1,669	1,995	1,920	1,933	1,977	1,911	2,002	2,260	7,517	8,151
PBT	1,669	1,995	1,920	1,933	1,977	1,911	2,002	2,260	7,517	8,151
Tax	438	539	510	542	530	494	504	569	2,029	2,096
Rate (%)	26.2	27.0	26.6	28.1	26.8	25.8	25.2	25.2	27.0	25.7
MI & Profit/Loss of Asso. Cos.	-143	-143	-102	-97	-84	-66	-40	-49	-486	-239
Reported PAT	1,374	1,599	1,512	1,488	1,532	1,484	1,538	1,740	5,973	6,294
Adj PAT	1,374	1,599	1,512	1,488	1,532	1,484	1,538	1,740	5,973	6,294
YoY Change (%)	53.2	78.7	58.7	15.9	11.4	-7.2	1.8	17.0	48.3	5.4
Margins (%)	7.7	8.1	7.8	7.2	7.4	7.0	7.0	7.4	7.7	7.2

Marico**Buy****CMP: INR643 | TP: INR750 (+17%)****EPS CHANGE (%): FY25 | FY26: +1.7 | +2.2**

- Domestic business saw QoQ improvement. We expect 15% consol. revenue growth and ~6% domestic volume growth.
- Gross margins may be impacted (-100bp YoY) by a rise in RM prices. Operating margins to contract (-40bp YoY), offset by cost initiatives taken by company.
- Parachute oil expected to deliver low-teen growth, Saffola oil expected to deliver high-teen revenue growth, and VAHO revenue to decline marginally.
- International business expected to deliver mid-teens revenue growth, with positive contributions from all markets.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	3.0	3.0	2.0	3.0	4.0	5.0	5.7	6.5	2.8	5.5
Net Sales	24,770	24,760	24,220	22,780	26,430	26,640	27,930	25,888	96,530	1,06,888
YoY Change (%)	-3.2	-0.8	-1.9	1.7	6.7	7.6	15.3	13.6	-1.1	10.7
Gross Profit	12,380	12,500	12,420	11,750	13,810	13,530	14,049	13,124	49,050	54,513
Gross margin (%)	50.0	50.5	51.3	51.6	52.3	50.8	50.3	50.7	50.8	51.0
EBITDA	5,740	4,970	5,130	4,420	6,260	5,220	5,802	4,935	20,260	22,217
Margins (%)	23.2	20.1	21.2	19.4	23.7	19.6	20.8	19.1	21.0	20.8
YoY Change (%)	8.7	14.8	12.5	12.5	9.1	5.0	13.1	11.7	11.9	9.7
Depreciation	360	390	420	410	410	410	420	433	1,580	1,673
Interest	170	200	190	170	170	110	150	155	730	585
Other Income	460	380	430	150	370	400	425	355	1,420	1,550
PBT	5,670	4,760	4,950	3,990	6,050	5,100	5,657	4,702	19,370	21,509
Tax	1,310	1,160	1,090	790	1,310	1,190	1,301	1,133	4,350	4,934
Rate (%)	23.1	24.4	22.0	19.8	21.7	23.3	23.0	24.1	22.5	22.9
Adjusted PAT	4,270	3,530	3,830	3,180	4,640	4,132	4,326	3,610	14,810	16,708
YoY Change (%)	15.1	17.3	16.8	5.3	8.7	17.1	12.9	13.5	13.7	12.8
Reported PAT	4,270	3,530	3,830	3,180	4,640	4,230	4,326	3,610	14,810	16,806

E: MOFSL Estimates

Nestlé India**Neutral**

CMP: INR2,170 | TP: INR2,400 (+11%)

EPS CHANGE (%): FY25 | FY26: -0.6 | -0.8

- Expect sales growth of 5% YoY; expect demand to improve.
- We anticipate that the company has implemented a price hike in response to rising commodity prices.
- We model moderation in GP and EBITDA margins due to a rise in RM prices.
- Nestlé focuses on expanding its distribution reach.

Quarterly performance

(INR m)

Y/E December	FY24				FY25E				FY24*	FY25E	
	1Q	2Q	3Q	4Q	5Q	1Q	2Q	3QE	4QE		
Net Sales	48,305	46,585	50,368	46,004	52,676	48,140	51,040	48,483	56,834	2,43,939	2,04,496
YoY Change (%)	21.0	15.1	9.5	8.1	9.0	3.3	1.3	5.4	7.9	15.5	-16.2
COGS	22,315	19,775	21,916	19,046	22,759	20,388	22,139	20,460	24,946	1,07,086	87,933
Gross Profit	25,990	26,811	28,452	26,959	29,917	27,751	28,901	28,023	31,888	1,36,853	1,16,563
Margin (%)	53.8	57.6	56.5	58.6	56.8	57.6	56.6	57.8	56.1	56.1	57.0
Operating Exp	14,748	14,872	15,984	15,670	16,491	16,543	17,013	16,339	17,621	77,765	67,515
EBITDA	11,242	11,939	12,468	11,289	13,426	11,209	11,888	11,684	14,267	59,088	49,047
Margins (%)	23.3	25.6	24.8	24.5	25.5	23.3	23.3	24.1	25.1	24.2	24.0
YoY Growth (%)	19.8	39.4	21.6	13.5	19.4	-6.1	-4.7	3.5	6.3	23.9	-17.0
Depreciation	1,017	1,074	1,112	1,087	1,089	1,127	1,216	1,225	1,232	5,378	4,800
Interest	370	328	314	230	262	317	322	285	276	1,455	1,200
Other income	337	240	333	303	268	391	69	325	334	1,480	1,119
PBT	10,192	10,777	11,375	10,275	12,343	10,156	10,418	10,499	13,093	53,735	44,166
Tax	2,538	2,410	3,139	2,309	3,164	2,625	3,252	2,493	3,049	13,560	11,419
Rate (%)	24.9	22.4	27.6	22.5	25.6	25.8	31.2	23.7	23.3	25.2	25.9
Adjusted PAT	7,511	8,292	8,055	7,808	9,138	7,377	7,503	7,904	9,830	39,577	32,613
YoY Change (%)	25.8	53.6	20.7	23.5	21.7	-11.0	-6.9	1.2	7.6	30.0	-17.6

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

Page Industries**Buy**

CMP: INR47,771 | TP: INR57,000 (+19%)

EPS CHANGE (%): FY25 | FY26: 0.0 | -0.6

- We expect ~10% YoY revenue growth and 7% volume growth on the back of seasonality and base effect.
- Gross margin expected to expand 90bp YoY to 54% and EBITDA margin expected to expand by 100bp YoY to 19.7%.
- Inventory days at the distributor level have normalized for the innerwear and athleisure.
- Watch out for commentaries on the recovery of demand in rural areas.

Quarterly Statement

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	-11.5	-8.8	4.6	6.1	2.6	6.7	6.5	8.4	-3.5	5.5
Net Sales	12,291	11,251	12,288	9,925	12,775	12,463	13,479	11,136	45,817	49,853
YoY change (%)	-8.4	-8.4	2.4	2.9	3.9	10.8	9.7	12.2	-2.8	8.8
Gross Profit	6,544	6,262	6,522	5,562	6,918	7,040	7,279	6,283	24,971	27,519
Gross margin (%)	53.2	55.7	53.1	56.0	54.1	56.5	54.0	56.4	54.5	55.2
Other Expenditure	4,159	3,927	4,226	3,918	4,484	4,225	4,619	4,322	16,248	17,650
% to sales	33.8	34.9	34.4	39.5	35.1	33.9	34.3	38.8	35.5	35.4
EBITDA	2,385	2,335	2,297	1,643	2,433	2,815	2,660	1,961	8,723	9,869
Margins (%)	19.4	20.8	18.7	16.6	19.0	22.6	19.7	17.6	19.0	19.8
YoY change	-19.9	-1.8	19.1	22.3	2.0	20.5	15.8	19.3	1.1	13.1
Depreciation	210	246	226	226	221	226	250	284	908	981
Interest	127	112	105	105	117	109	115	124	449	465
Other Income	52	17	55	137	129	146	135	140	200	550
PBT	2,100	1,994	2,021	1,450	2,225	2,625	2,430	1,693	7,565	8,972
Tax	517	491	497	368	572	672	607	391	1,873	2,243
Rate (%)	24.6	24.6	24.6	25.4	25.7	25.6	25.0	23.1	24.8	25.0
PAT	1,584	1,503	1,524	1,082	1,652	1,953	1,822	1,302	5,692	6,729
YoY change (%)	-23.5	-7.3	23.1	38.1	4.3	29.9	19.6	20.4	-0.4	18.2

E: MOFSL Estimates

P&G Hygiene**Neutral****CMP: INR14,651 | TP: INR15,500 (+6%)****EPS CHANGE (%): FY24|25: -0.9|-1.8**

- Sales expected to grow ~9% YoY in 2QFY25 (June qtr. year ending).
- EBITDA margin expected to improve marginally by 40bp YoY to 27.8%.
- Gross margin expected to increase by 280bp YoY to 63.0%.
- A&P spending and demand outlook are key monitorables.

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

Y/E June	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	11,384	11,334	10,022	9,318	11,352	12,354	11,074	10,342	42,057	45,122
YoY Change (%)	9.2	-0.3	13.5	9.7	-0.3	9.0	10.5	11.0	7.5	7.3
Gross profit	6,932	6,825	6,644	5,514	7,139	7,783	7,065	5,898	25,915	27,886
Margin (%)	60.9	60.2	66.3	59.2	62.9	63.0	63.8	57.0	61.6	61.8
EBITDA	2,849	3,097	2,573	1,313	2,905	3,430	2,833	1,887	9,833	11,055
Growth	33.1	6.6	72.4	-37.9	2.0	10.7	10.1	43.7	13.2	12.4
Margins (%)	25.0	27.3	25.7	14.1	25.6	27.8	25.6	18.2	23.4	24.5
Depreciation	143	143	145	134	117	135	145	150	565	547
Interest	19	26	224	-1	19	29	40	27	268	115
Other Income	158	156	136	73	85	150	140	167	523	542
PBT	2,845	3,085	2,339	1,253	2,854	3,417	2,788	1,877	9,522	10,935
PBT after EO expense	2,845	3,085	2,029	1,123	2,854	3,417	2,788	1,877	9,082	10,935
Tax	738	796	796	345	735	854	669	498	2,674	2,756
Rate (%)	25.9	25.8	39.2	30.7	25.7	25.0	24.0	26.5	29.4	25.2
Adj PAT	2,107	2,289	1,854	908	2,119	2,562	2,119	1,379	7,159	8,179
YoY Change (%)	36.4	10.1	72.5	-38.5	0.6	11.9	14.2	51.8	15.3	14.3
Margins (%)	18.5	20.2	18.5	9.7	18.7	20.7	19.1	13.3	17.0	18.1

E: MOFSL Estimates

Pidilite Industries**Neutral****CMP: INR2,862 | TP: INR3,200 (+12%)****EPS CHANGE (%): FY25|FY26: 0.0|+0.1**

- We expect consolidated revenue to grow 8% YoY.
- We expect gross margin to expand 140bp YoY to 54.3% and remain flat QoQ on stable VAM prices.
- We expect 9% volume growth during the quarter.
- Outlook on domestic and international demand is a key monitorable.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	8.0	9.0	10.0	10.4	9.2
Net Sales	32,751	30,760	31,300	29,019	33,954	32,349	33,804	32,457	1,23,830	1,32,563
YoY change (%)	5.6	2.2	4.4	7.9	3.7	5.2	8.0	11.8	4.9	7.1
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,583	18,356	17,520	63,890	71,726
Margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.3	54.0	51.6	54.1
EBITDA	7,070	6,797	7,425	5,769	8,127	7,688	8,313	6,475	27,073	30,604
YoY change (%)	33.5	36.0	49.7	25.6	15.0	13.1	12.0	12.2	36.4	13.0
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.8	24.6	19.9	21.9	23.1
Depreciation	734	752	795	1,125	844	879	880	912	3,407	3,515
Interest	119	131	128	134	118	117	117	113	512	466
Other Income	234	316	370	489	539	571	550	487	1,397	2,147
PBT	6,451	6,230	6,872	4,999	7,704	7,263	7,866	5,936	24,551	28,770
Tax	1,704	1,631	1,765	1,219	1,984	1,848	1,966	1,394	6,319	7,193
Rate (%)	26.4	26.2	25.7	24.4	25.7	25.4	25.0	23.5	26.5	25.0
Reported PAT	4,737	4,585	5,109	3,043	5,713	5,403	5,902	4,522	17,425	21,488
Adj PAT	4,746	4,599	5,107	3,779	5,721	5,415	5,899	4,542	18,231	21,578
YoY change (%)	34.0	37.4	66.8	31.5	20.5	17.8	15.5	20.2	42.2	18.4
Margins (%)	14.5	15.0	16.3	13.0	16.8	16.7	17.5	14.0	14.7	16.3

E: MOFSL Estimates

Tata Consumer Products

Buy

CMP: INR920 | TP: INR1,150 (+25%)

EPS CHANGE (%): FY25|FY26: -8|-3

- We expect revenue to grow ~16% YoY, led by higher growth from the domestic businesses.
- EBITDA margin is likely to contract to ~12.5% in 3QFY25 vs. 15% in 3QFY24.
- Continued higher tea costs are expected to hurt the Indian tea business.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	37,412	37,338	38,039	39,269	43,521	42,145	44,122	46,334	152,059	176,122
YoY Change (%)	12.5	11.0	9.5	8.5	16.3	12.9	16.0	18.0	10.3	15.8
Total Expenditure	31,962	31,967	32,315	32,974	36,847	35,882	38,605	40,020	129,218	151,354
EBITDA	5,450	5,371	5,724	6,296	6,674	6,263	5,517	6,314	22,841	24,768
Margins (%)	14.6	14.4	15.0	16.0	15.3	14.9	12.5	13.6	15.0	14.1
Depreciation	820	939	855	1,158	1,480	1,493	1,500	1,510	3,772	5,983
Interest	262	276	332	428	936	987	176	50	1,298	2,149
Other Income	578	898	596	385	392	460	1,100	750	2,456	2,702
PBT before EO expense	4,946	5,054	5,133	5,095	4,650	4,242	4,941	5,504	20,228	19,337
Extra-Ord expense	-52	-146	-915	-2,158	-171	-272	0	0	-3,270	-443
PBT	4,894	4,909	4,217	2,937	4,479	3,971	4,941	5,504	16,957	18,894
Tax	1,309	1,317	1,062	260	1,337	377	1,334	1,486	3,947	4,534
Rate (%)	26.7	26.8	25.2	8.8	29.9	9.5	27.0	27.0	23.3	24.0
Minority Interest	211	257	226	-44	-11	28	67	70	651	155
Profit/Loss of Asso. Cos.	-209	47	-140	-555	-249	79	-180	-326	-856	-677
Reported PAT	3,166	3,382	2,789	2,166	2,903	3,644	3,360	3,621	11,503	13,529
Adj PAT	3,205	3,492	3,475	3,785	3,031	3,848	3,360	3,621	13,956	13,861
YoY Change (%)	17.2	42.8	18.7	38.4	-5.4	10.2	-3.3	-4.3	28.7	-0.7
Margins (%)	8.6	9.4	9.1	9.6	7.0	9.1	7.6	7.8	9.2	7.9

United Breweries

Neutral

CMP: INR2,091 | TP: INR2,200 (+5%)

EPS CHANGE (%): FY25|FY26: -0.9|+0.8

- We expect 12% revenue growth and volume growth of 6% YoY in 3QFY25. Realization growth is expected to be 5-6% led by better product mix and price hikes.
- We expect GM to decline marginally by 20bp YoY to 43.8%, considering a slight increase in barley prices.
- We expect EBITDA margin expansion of 110bp YoY to 9.1%, led by strategic cost initiatives taken by the company.
- Outlook on state mix and realization growth is a monitorable.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth (%)	-12	7	8	11	5	5	6	8	2	6
Net Sales	22,732	18,880	18,227	21,315	24,730	21,147	20,414	23,677	81,227	89,967
YoY Change (%)	-6.7	12.4	13.1	20.8	8.8	12.0	12.0	11.1	8.3	10.8
Gross Profit	9,221	8,408	8,018	8,894	10,642	9,272	8,941	10,100	34,703	38,956
Margin (%)	40.6	44.5	44.0	41.7	43.0	43.8	43.8	42.7	42.7	43.3
EBITDA	2,228	1,846	1,456	1,420	2,847	2,268	1,851	2,335	6,962	9,302
YoY Change (%)	-15.9	-15.8	89.9	165.6	27.8	22.9	27.1	64.5	13.0	33.6
Margins (%)	9.8	9.8	8.0	6.7	11.5	10.7	9.1	9.9	8.6	10.3
Depreciation	513	508	518	577	577	571	575	587	2,119	2,310
Interest	17	14	21	18	16	22	22	25	69	85
Other Income	103	122	241	263	73	105	235	332	737	745
PBT	1,801	1,446	1,158	1,088	2,327	1,781	1,489	2,054	5,511	7,651
Tax	440	369	310	280	595	458	365	494	1,403	1,974
Rate (%)	24.5	25.5	26.7	25.7	25.5	25.7	24.5	24.0	25.5	25.8
Reported PAT	1,361	1,076	849	808	1,733	1,322	1,124	1,561	4,109	5,677
Adj PAT	1,361	1,076	849	808	1,733	1,322	1,124	1,561	4,109	5,677
YoY Change (%)	-15.8	-19.8	274.9	730.8	27.3	22.9	32.5	93.0	24.7	38.2
Margins (%)	6.0	5.7	4.7	3.8	7.0	6.3	5.5	6.6	5.1	6.3

E: MOFSL Estimates

United Spirits

Neutral

CMP: INR1,657 | TP: INR1,650 (0%)

EPS CHANGE (%): FY25|FY26: +1.5|+1.8

- Demand trends improved in 3Q, led by the wedding season. We model 13% YoY revenue growth in P&A and 5% in popular, leading to overall 13% revenue growth.
- We model 8% YoY volume growth in 3Q, with 9% in P&A and 3% in popular segment.
- Gross margins are expected to improve, supported by cost efficiencies and pricing in previous quarters. We expect 120bp expansion in GM and 60bp in EBITDA margin.
- Andhra Pradesh policy for privatized retail shops and Karnataka policy of MRP cut should also boost growth.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Volume growth %	5.8	1.0	-1.8	3.7	3.5	-4.4	7.9	8.7	1.9	3.9
Total revenues	21,719	28,647	29,893	26,660	23,520	28,430	33,671	30,110	1,06,920	1,15,731
YoY change (%)	-1.0	-1.4	7.5	6.9	8.3	-0.8	12.6	12.9	3.1	8.2
Gross Profit	9,474	12,437	12,979	11,550	10,460	12,850	15,017	13,404	46,440	51,732
Margin (%)	43.6	43.4	43.4	43.3	44.5	45.2	44.6	44.5	43.4	44.7
Total Exp	17,868	23,946	24,979	23,040	18,940	23,360	27,943	25,872	89,840	96,115
EBITDA	3,851	4,701	4,914	3,620	4,580	5,070	5,729	4,238	17,080	19,616
Margins (%)	17.7	16.4	16.4	13.6	19.5	17.8	17.0	14.1	16.0	17.0
EBITDA growth (%)	42.4	6.3	33.6	7.1	18.9	7.8	16.6	17.1	20.4	14.9
Depreciation	650	653	628	710	650	690	690	695	2,640	2,725
Interest	193	262	164	290	220	250	250	230	910	950
Other income	209	388	461	2,290	320	340	400	1,525	3,350	2,585
PBT	3,217	4,174	4,583	4,910	4,030	4,470	5,189	4,838	16,880	18,526
Tax	814	1,068	1,102	760	1,040	1,120	1,306	1,218	3,740	4,632
Rate (%)	25.3	25.6	24.0	15.5	25.8	25.1	25.2	25.2	22.2	25.0
Adj. PAT	2,397	3,183	3,481	4,073	2,990	3,350	3,883	3,620	13,140	13,895
YoY change (%)	8.1	20.7	61.0	91.7	24.8	5.3	11.5	-11.1	49.2	5.7

E: MOFSL Estimate

Varun Beverages

Buy

CMP: INR651 | TP: INR750 (+15%)

EPS CHANGE (%): CY24|25: 1| -3

- We expect overall sales volume to grow 35% YoY in 4QCY24.
- Integration and ramp-up of BevCo to remain a focus area.
- We expect EBITDA margin to expand 16.3% in 4QCY24.
- Scale-up in international geographies and further capex update are the key monitorables.

Quarterly Performance (Consol.)

(INRm)

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	38,930	56,114	38,705	26,677	43,173	71,969	48,047	36,014	160,425	199,202
YoY Change (%)	37.7	13.3	21.8	20.5	10.9	28.3	24.1	35.0	21.8	24.2
Total Expenditure	30,949	41,004	29,884	22,494	33,286	52,056	36,536	30,145	124,331	152,022
EBITDA	7,980	15,110	8,821	4,183	9,888	19,912	11,511	5,869	36,095	47,180
Margins (%)	20.5	26.9	22.8	15.7	22.9	27.7	24.0	16.3	22.5	23.7
Depreciation	1,722	1,719	1,708	1,660	1,875	2,425	2,566	2,575	6,809	9,441
Interest	626	694	625	737	937	1,292	1,185	800	2,681	4,214
Other Income	101	416	185	91	84	440	243	300	794	1,066
PBT before EO expense	5,734	13,113	6,673	1,878	7,159	16,636	8,002	2,794	27,398	34,592
PBT	5,734	13,113	6,673	1,878	7,159	16,636	8,002	2,794	27,398	34,592
Tax	1,348	3,057	1,529	442	1,678	4,012	1,713	615	6,375	8,018
Rate (%)	23.5	23.3	22.9	23.5	23.4	24.1	21.4	22.0	23.3	23.2
MI & Profit/Loss of Asso. Cos.	95	118	130	118	107	98	92	110	461	407
Reported PAT	4,291	9,938	5,015	1,318	5,374	12,526	6,197	2,069	20,561	26,167
Adj PAT	4,291	9,938	5,015	1,318	5,374	12,526	6,197	2,069	20,561	26,167
YoY Change (%)	68.8	26.2	31.6	76.3	25.2	26.0	23.6	57.1	37.3	27.3
Margins (%)	11.0	17.7	13.0	4.9	12.4	17.4	12.9	5.7	12.8	13.1

Company

Barbeque Nation

Devyani Intl.

Jubilant Foodworks

Restaurant Brands

Sapphire Foods

Westlife Foodworld

QSR: Marginal demand improvement; narrowing delivery/dine-in gap

- QSR companies saw a marginal improvement in demand in 3Q, particularly at the end of the quarter, with volume-led SSSG improvement. With a favorable base, SSSG is expected to improve in 3Q and thereafter. The dine-in and delivery gap is expected to narrow down, with improvement in dine-in footfall. Weak underlying growth will continue to impact operating margin performance, leading to pressure on restaurant margins and EBITDA margins for most brands. Improving menu and activation drives for dine-in are improving footfall/orders counts. Delivery channels remained strong, while dine-in saw a marginal improvement in the second half of the quarter.
- Jubilant FoodWorks appears to be an outlier among QSR companies in the near term (driven by delivery moat), but its valuations are rich. Though dine-in companies are struggling, their operating growth metrics are likely to improve significantly once a recovery begins.

Outliers: Jubilant Foodworks**Underperformers:** Devyani, Sapphire, RBA, BBQ**Exhibit 4: QSR quarterly trends**

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E
Revenue Growth (%)											
Barbeque Nation	209	41	14	12	3	-3	1	6	-6	1	3
Devyani	100	45	27	28	20	10	7	39	44	49	51
-KFC	109	47	27	26	22	15	14	11	7	7	10
-Pizza hut	71	36	18	16	11	2	-2	-4	-1	0	10
Jubilant (Standalone)	41	17	10	8	6	5	3	6	10	9	15
Sapphire	80	36	17	13	20	14	12	13	10	8	13
-KFC	98	36	26	24	21	19	16	16	11	9	12
-Pizza hut	85	60	20	18	12	-6	-4	-3	3	3	9
Restaurant Brands (Consol)	64	47	21	29	25	19	15	16	6	1	4
Restaurant Brands (Standalone)	125	50	32	36	25	23	20	20	16	9	9
Westlife	108	49	28	22	14	7	-2	1	0	1	9
SSSG (%)											
Barbeque Nation	182	23	-1	-3	-8	-11	-5	1	-7	-3	-2
Devyani - KFC	64	13	3	2	-1	-4	-5	-7	-7	-7	-3
Devyani - PH	32	3	-6	-3	-5	-10	-13	-14	-9	-6	4
Jubilant (LFL)	28	8	0	-1	-1	-1	-3	0	3	3	9
Sapphire - KFC	65	15	3	2	0	0	-2	-3	-6	-8	-4
Sapphire - PH	47	23	-4	-4	-9	-20	-19	-15	-7	-3	4
Restaurant Brands	66	27	9	8	4	4	3	2	3	-3	0
Westlife	97	40	20	14	7	1	-9	-5	-7	-7	4
Gross profit margin (%)											
Barbeque Nation	66.8	66.1	66.7	65.8	64.0	65.9	67.9	68.9	68.1	68.1	67.8
Devyani	71.1	70.2	69.3	69.6	70.8	70.8	70.6	69.2	69.2	69.3	69.2
-KFC	69.0	67.9	67.6	68.6	69.7	69.0	69.4	69.9	69.5	69.0	69.5
-Pizza hut	76.2	74.5	73.6	73.2	74.9	75.7	75.8	77.3	76.8	76.7	76.7
Jubilant (Standalone)	76.7	76.2	75.5	75.3	76.0	76.4	76.7	76.6	76.1	76.1	76.2
Sapphire	67.9	66.4	67.1	67.9	68.5	68.7	68.9	68.9	68.6	68.8	68.8
-KFC	67.3	65.6	66.5	66.8	68.1	67.9	68.4	68.3	68.2	68.3	68.7
-Pizza hut	75.3	74.7	74.4	74.3	75.1	76.1	75.7	75.5	76.1	76.5	76.0
Restaurant Brands (Consol)	64.3	64.6	63.6	64.1	64.0	64.2	64.4	64.2	64.5	64.9	65.3
Restaurant Brands (Standalone)	66.4	66.4	66.4	66.4	66.5	66.8	67.1	67.7	67.6	67.5	67.8
Westlife	68.0	69.3	70.2	71.9	70.6	70.1	70.3	70.2	70.6	69.7	70.3

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E
EBITDA Pre-Ind AS margins (%)											
Barbeque Nation	13.7	10.0	10.3	3.8	5.5	4.5	11.0	8.0	6.9	5.4	10.0
Devyani	16.1	15.1	14.8	12.1	13.2	11.5	9.3	9.2	11.6	9.4	10.5
Jubilant	17.4	17.2	14.7	12.3	13.4	13.3	12.9	10.9	11.6	11.7	12.7
Sapphire	13.2	11.1	12.4	10.0	11.8	10.6	10.8	8.6	9.8	8.5	9.6
Restaurant Brands (Consol)	-2.2	-2.9	-2.4	-3.8	-0.4	1.5	2.8	-0.5	1.3	0.6	2.3
Westlife	13.0	13.4	14.3	12.0	12.9	11.9	11.4	8.7	8.1	7.7	9.8
ADS ('000')											
Barbeque Nation	179	168	172	144	170	158	175	153	155	153	166
Devyani											
-KFC	127	121	116	106	117	109	104	93	104	96	95
-Pizza hut	44	45	43	39	40	39	37	32	36	35	36
Jubilant (Standalone)	85	84	84	78	79	78	78	75	79	78	81
Sapphire											
-KFC	144	134	136	127	138	125	125	114	122	111	114
-Pizza hut	61	64	58	50	52	48	45	41	48	47	47
Restaurant Brands	115	121	113	108	120	126	119	105	119	118	111
Westlife	181	189	199	173	189	185	176	157	170	168	173
Store (India)											
Barbeque Nation	195	205	212	216	212	212	210	217	219	222	229
Devyani	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429	1,473	1,557	1,616
-KFC	391	423	461	490	510	540	590	596	617	645	673
-Pizza hut	436	466	483	506	521	535	565	567	570	593	608
Jubilant	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,148	2,199	2,127
Sapphire	516	550	599	627	660	692	725	748	762	784	820
-KFC	281	301	325	341	358	381	406	429	442	461	483
-Pizza hut	235	249	274	286	302	311	319	319	320	323	337
Restaurant Brands	328	334	379	391	396	404	441	455	456	464	510
Westlife	331	337	341	357	361	370	380	397	403	408	421
PBT (INR M)											
Barbeque Nation	208	69	67	(125)	(55)	(151)	75	(9)	(55)	(100)	74
Devyani	771	700	736	412	603	330	97	44	381	(9)	165
Jubilant (Standalone)	1,642	1,619	1,194	930	1,014	963	819	508	683	698	985
Sapphire	356	269	336	123	336	214	140	8	118	53	238
Restaurant Brands (Consol)	(509)	(551)	(559)	(800)	(541)	(507)	(399)	(921)	(522)	(655)	(451)
Westlife	318	420	480	277	406	302	231	20	45	7	168
PBT Margins (%)											
Barbeque Nation	6.6	2.2	2.0	-4.5	-1.7	-5.0	2.3	-0.3	-1.8	-3.3	2.2
Devyani	10.9	9.4	9.3	5.5	7.1	4.0	1.1	0.4	3.1	-0.1	1.3
Jubilant (Standalone)	13.2	12.6	9.1	7.4	7.7	7.2	6.0	3.8	4.7	4.8	6.3
Sapphire	6.5	4.8	5.6	2.2	5.1	3.3	2.1	0.1	1.6	0.8	3.2
Restaurant Brands (Consol)	-10.4	-10.5	-10.6	-15.6	-8.8	-8.1	-6.6	-15.4	-8.1	-10.3	-7.2
Westlife	5.9	7.4	7.9	5.1	6.6	4.9	3.9	0.4	0.7	0.1	2.6

Barbeque Nation Hospitality**Neutral**

CMP: INR444 | TP: INR500 (+13%)

EBITDA CHANGE (%): FY25|FY26: NA|-2.6

- Demand remains subdued. We model 4% revenue growth.
- Expect to add 7 stores in 3QFY25; same-store sales to decline marginally by 2%.
- Gross margins are expected to remain stable YoY at 67.8%.
- EBITDA margin expected to decline by 90bp YoY to 19.1% due to subdued demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG (%)	-7.7	-10.7	-4.9	1.4	-7.4	-2.5	-2.0	1.9	-6.5	-2.5
No. of stores	212	212	210	217	219	222	229	240	217	240
Net Sales	3,239	3,017	3,309	2,981	3,057	3,057	3,423	3,200	12,545	12,737
YoY change (%)	2.9	-2.8	0.8	6.4	-5.6	1.3	3.5	7.4	1.7	1.5
Gross Profit	2,073	1,990	2,245	2,053	2,081	2,081	2,321	2,205	8,361	8,687
Margin (%)	64.0	65.9	67.9	68.9	68.1	68.1	67.8	68.9	66.6	68.2
EBITDA	468	444	663	547	509	456	654	585	2,122	2,204
EBITDA growth %	-33.6	-23.9	7.0	37.3	8.8	2.7	-1.4	6.9	-8.0	3.9
Margin (%)	14.4	14.7	20.0	18.4	16.6	14.9	19.1	18.3	16.9	17.3
Depreciation	375	443	414	447	405	409	415	421	1,679	1,650
Interest	187	195	190	186	186	189	198	205	759	778
Other Income	40	43	16	77	27	43	33	38	176	140
PBT	-55	-151	75	-9	-55	-100	74	-3	-140	-84
Tax	-14	-32	27	-9	-11	-28	19	-1	-28	-21
Rate (%)	26.1	21.3	35.5	95.9	20.9	28.4	25.2	25.2	20.3	25.2
Adjusted PAT	-41	-119	48	0	-43	-71	55	-2	-112	-63
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M

E: MOFSL Estimates

Devyani International**Buy**

CMP: INR183 | TP: INR215 (+17%)

EBITDA CHANGE (%): FY25|FY26: -0.8|-1.9

- Consolidated revenue expected to grow 51% on acquisition of Thailand business. Organic revenue to grow ~11%.
- PH SSSG to grow 3.5% due to a favorable base. We model 15 store addition (8% YoY) in PH, resulting in 10% YoY revenue growth.
- KFC revenue is expected to grow by 10% YoY, led by store addition. We model 14% store addition; same-store sales to decline 3%.
- Margin pressure will persist due to lower demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
KFC - No. of stores	510	540	590	596	617	645	673	696	596	696
PH - No. of stores	521	535	565	567	570	593	608	622	567	622
KFC - SSSG (%)	-0.9	-3.9	-4.7	-7.1	-7.0	-7.0	-3.0	3.0	-4.6	-3.5
PH - SSSG (%)	-5.3	-10.4	-12.6	-14.0	-8.6	-5.7	3.5	4.8	-10.9	-1.5
Net Sales	8,466	8,195	8,431	10,471	12,219	12,222	12,738	11,720	35,563	48,899
YoY change (%)	20.1	9.6	6.6	38.7	44.3	49.1	51.1	11.9	18.6	37.5
Gross Profit	5,998	5,802	5,954	7,244	8,450	8,474	8,815	8,005	24,997	33,744
Margin (%)	70.8	70.8	70.6	69.2	69.2	69.3	69.2	68.3	70.3	69.0
EBITDA	1,734	1,588	1,463	1,739	2,234	1,987	2,134	2,129	6,524	8,484
EBITDA growth %	5.6	-4.1	-15.9	14.9	28.8	25.2	45.9	22.4	-0.4	30.1
Margin (%)	20.5	19.4	17.4	16.6	18.3	16.3	16.8	18.2	18.3	17.4
Depreciation	796	907	930	1,275	1,322	1,391	1,391	1,377	3,907	5,481
Interest	404	417	482	567	630	653	653	658	1,869	2,594
Other Income	68	66	46	146	99	48	75	78	326	300
PBT	603	330	97	44	381	-9	165	172	1,074	709
Tax	146	-168	46	110	81	10	33	18	133	142
Rate (%)	24.1	-50.9	47.6	249.9	21.2	-113.1	20.0	10.3	12.4	20.0
Adjusted PAT	339	506	51	33	281	-27	132	154	929	541
Margin (%)	4.0	6.2	0.6	0.3	2.3	-0.2	1.0	1.3	2.6	1.1
YoY change (%)	-54.4	-21.4	-93.5	-94.6	-17.2	NM	160.1	369.2	-66.5	-41.8

E: MOFSL Estimates

Jubilant FoodWorks**Neutral**

CMP: INR739 | TP: INR800 (+8%)

EBITDA CHANGE (%): FY25|FY26: +6.4|+4.4

- The demand trajectory has been showing an upward trend. We expect 15% revenue growth with ~9% LFL (10 quarter high) growth during the quarter.
- Company continues to focus on store additions. We model 48 store addition during the quarter.
- Gross margins expected to decline marginally by 50bp YoY to 76.2% on rising edible oil prices. EBITDA (pre-Ind AS) expected to decline 20bp YoY to 12.7%.
- The focus has been on value-driven innovations, emphasizing new product developments. It has not taken price hikes for the last nine quarters.

Quarterly Standalone Perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
No of stores (Dominos)	1,838	1,888	1,928	1,995	2,029	2,079	2,127	2,175	1,995	2,175
LFL growth (%)	-1.3	-1.3	-2.9	0.1	3.0	2.8	8.5	9.0	-1.4	5.8
Net Sales	13,097	13,448	13,551	13,313	14,396	14,669	15,583	15,344	53,409	59,991
YoY change (%)	5.6	4.5	2.9	6.3	9.9	9.1	15.0	15.3	4.8	12.3
Gross Profit	9,956	10,275	10,387	10,200	10,955	11,157	11,874	11,727	40,817	45,713
Gross margin (%)	76.0	76.4	76.7	76.6	76.1	76.1	76.2	76.4	76.4	76.2
EBITDA	2,764	2,807	2,827	2,543	2,782	2,842	3,226	2,967	10,941	11,817
EBITDA growth %	-9.2	-10.2	-2.5	0.8	0.6	1.3	14.1	16.7	-5.6	8.0
Margins (%)	21.1	20.9	20.9	19.1	19.3	19.4	20.7	19.3	20.5	19.7
Depreciation	1,328	1,379	1,465	1,511	1,552	1,654	1,716	1,731	5,684	6,653
Interest	513	534	583	609	619	640	650	675	2,239	2,584
Other Income	91	69	40	86	73	150	125	102	285	450
PBT	1,014	963	819	508	683	698	985	664	3,303	3,030
YoY Change (%)	-38.2	-40.5	-31.4	-45.3	-32.6	-27.5	20.3	30.6	-38.6	-8.3
Tax	262	241	209	132	168	177	248	164	844	757
Rate (%)	25.8	25.1	25.6	26.0	24.6	25.4	25.2	24.7	25.6	25.0
Adjusted PAT	752	721	610	345	515	521	737	500	2,428	2,272
YoY change (%)	-38.2	-39.5	-31.2	-44.38	-31.5	-27.8	20.9	44.76	-38.0	-6.4

E: MOFSL Estimates

Restaurants Brand Asia**Buy**

CMP: INR85 | TP: INR135 (+59%)

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

- The demand environment remained subdued. We model 9% revenue growth and flat same-store sales in 3QFY25.
- We expect 46 store addition during the quarter. ADS is expected to decline 7% YoY to ~INR111k.
- Gross profit margin is expected to improve marginally by 70bp YoY to 67.8%.
- EBITDA margin to decline 70bp YoY to 15.2% due to subdued demand and negative operating leverage.

Quarterly Standalone Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG (%)	3.6	3.5	2.6	1.9	3.1	-3.0	0.0	-0.1	2.9	0.0
No. of stores	396	404	441	455	456	464	510	515	455	515
Net Sales	4,221	4,535	4,454	4,391	4,905	4,921	4,868	5,258	17,601	19,952
YoY change (%)	25.3	23.2	20.5	20.3	16.2	8.5	9.3	19.8	22.3	13.4
Gross Profit	2,806	3,031	2,990	2,971	3,318	3,322	3,301	3,547	11,798	13,488
Margin (%)	66.5	66.8	67.1	67.7	67.6	67.5	67.8	67.5	67.0	67.6
EBITDA	485	634	708	551	618	700	740	730	2,377	2,788
EBITDA growth %	45.9	50.7	47.9	30.3	27.5	10.3	4.6	32.5	128.6	1,017.3
Margin (%)	11.5	14.0	15.9	12.5	12.6	14.2	15.2	13.9	13.5	14.0
Depreciation	507	494	522	586	633	611	615	1,086	2,110	2,945
Interest	264	273	281	324	319	326	320	335	1,141	1,299
Other Income	65	40	32	48	64	71	75	75	185	285
PBT	-222	-93	-64	-310	-269	-166	-120	-616	-689	-1,171
Tax	0	0	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted PAT	-222	-93	-64	-310	-269	-166	-120	-616	-689	-1,171
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

E: MOFSL Estimates

Sapphire Foods

Buy

CMP: INR345 | TP: INR415 (+20%)

EBITDA CHANGE (%): FY25|FY26: +1.5|+1.7

- Revenue expected to grow by 13% YoY, mainly led by store addition.
- PH SSSG expected to be 4% due to the favorable base. We model 14 store addition (6% YoY) in PH during the quarter, resulting in 9% YoY revenue growth.
- KFC revenue is expected to grow by 12% YoY, led by store addition. We model 19% store addition and same-store sales decline of 3.5%.
- Margin pressure will persist due to lower demand and negative operating leverage.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
KFC - No. of stores	358	381	406	429	442	461	483	504	429	504
PH - No. of stores	302	311	319	319	320	323	337	339	319	339
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-6.0	-8.0	-3.5	1.5	-1.0	-4.0
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	4.0	4.0	-16.0	-0.5
Net Sales	6,544	6,426	6,656	6,317	7,183	6,957	7,506	7,290	25,943	28,936
YoY change (%)	19.8	14.2	11.6	12.7	9.8	8.3	12.8	15.4	14.5	11.5
Gross Profit	4,483	4,417	4,583	4,351	4,927	4,786	5,166	4,970	17,834	19,859
Margin (%)	68.5	68.7	68.9	68.9	68.6	68.8	68.8	68.2	68.7	68.6
EBITDA	1,214	1,151	1,217	1,029	1,242	1,120	1,290	1,196	4,613	4,848
EBITDA growth %	10.0	11.6	4.3	4.9	2.3	-2.7	6.0	16.2	7.7	5.1
Margin (%)	18.6	17.9	18.3	16.3	17.3	16.1	17.2	16.4	17.8	16.8
Depreciation	727	768	874	870	904	881	881	893	3,239	3,559
Interest	226	245	263	275	273	271	272	281	1,009	1,096
Other Income	75	75	60	124	53	85	100	124	334	361
PBT	336	214	140	8	118	53	238	146	699	554
Tax	88	62	42	-12	36	1	60	42	180	140
Rate (%)	26.0	28.9	30.0	-143.0	30.8	2.2	25.2	28.9	25.7	25.2
Adjusted PAT	249	152	98	20	82	52	178	103	520	415
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-67.1	-65.9	80.8	407.1	-52.4	-20.1

Westlife Development

Neutral

CMP: INR788 | TP: INR850 (+8%)

EBITDA CHANGE (%): FY25|FY26: +0.1|+4.8

- There is improvement in consumer footfall, led by value portfolio. We model 9% revenue growth, led by 4% SSSG and 11% store growth.
- We expect ADS of INR173k in 3Q, flat YoY and up 3% QoQ.
- Gross margin to largely remain stable YoY at 70.3%. There would be pressure on operating margin due to weakness in demand and negative operating leverage.
- We model 190bp YoY contraction in EBITDA Pre-Ind AS margins to 16% in 3Q.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
SSSG %	7.0	1.0	(9.0)	(5.0)	(6.7)	(6.5)	4.0	5.2	-1.5	-1.0
No. of McDonald's restaurants	361	370	380	397	403	408	421	441	398	441
Net Sales	6,145	6,147	6,003	5,623	6,163	6,180	6,566	6,350	23,918	25,259
YoY Change (%)	14.2	7.4	-1.8	1.1	0.3	0.5	9.4	12.9	5.0	5.6
Gross profit	4,337	4,310	4,219	3,945	4,351	4,306	4,616	4,459	16,811	17,732
Margin (%)	70.6	70.1	70.3	70.2	70.6	69.7	70.3	70.2	70.3	70.2
EBITDA	1,053	997	960	771	799	786	946	835	3,780	3,366
YoY Change (%)	14.3	0.9	-12.9	-16.1	-24.1	-21.1	-5.1	-13.1	-3.8	-11.0
Margins (%)	17.1	16.2	16.0	13.7	13.0	12.7	14.4	13.1	15.8	13.3
Depreciation	439	453	491	503	506	528	520	515	1,886	2,070
Interest	260	274	282	283	298	316	318	319	1,099	1,250
Other Income	52	32	44	35	51	65	60	65	162	241
PBT	406	302	231	20	45	7	168	66	958	286
PBT after EO expense	406	302	231	20	45	7	168	66	958	286
Tax	118	78	59	12	13	3	42	57	266	115
Rate (%)	29.0	26.0	25.3	60.6	27.9	48.1	25.0	85.9	27.8	40.2
Reported PAT	288	224	172	8	33	4	126	9	692	171
Adj PAT	288	224	172	8	33	4	126	9	692	171
YoY Change (%)	22.0	-29.2	-52.6	-96.1	-88.7	-98.3	-27.1	20.4	L/P	L/P
Margins (%)	4.7	3.6	2.9	0.1	0.5	0.1	1.9	0.1	2.9	0.7

E: MOFSL Estimates

Company

Kalyan

PN Gadgil

Senco Gold

Titan

Jewelry: Strong demand momentum continues

- Jewelry companies continued to enjoy robust growth with strong SSSG. Most companies are expected to deliver flat SSSG QoQ. Store expansion will further boost revenue growth. We model revenue growth of 24% for Titan (standalone jewelry excl. bullion), 38% for Kalyan, 25% for Senco, and 19% for PN Gadgil. The pace of store addition will continue for Titan, Kalyan, Senco and PN Gadgil; they are expected to add 36/36/4/9 stores during the quarter, taking the total count to 1,045/339/170/48 stores, respectively.
- Jewelry companies would see margin pressure, but that is largely due to business model change (more franchise-driven store expansion). Studded mix will be critical for underlying margin. The reduction in customs duty is expected to result in an inventory loss of INR2-2.5b for Titan, ~INR0.5-0.6b for Kalyan, and INR0.2b for Senco in 3Q. We do not factor in this one-time impact of inventory loss on operating performance to compare margin on a like-to-like basis.
- A higher revenue mix from franchise stores will weigh on quarterly reported margin. We remain optimistic about the jewelry category and expect continued rapid shifts in consumer purchasing behavior from unorganized/local to organized channels.

Outliers: Kalyan Jewelers, PN Gadgil

Kalyan Jewelers

Buy

CMP: INR 774 | TP: INR875 (+13%)

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

- We model 41% revenue growth in India business. SSSG is expected to be 21%.
- We expect 25 store additions for India Kalyan, 8 for Candere and 3 store addition in the Middle East, taking the total count to 339 stores.
- We expect inventory loss of INR0.5-0.6b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores	192	206	228	253	277	303	339	378	253	378
Net Sales	43,757	44,145	52,231	45,349	55,355	60,655	72,280	62,809	1,85,483	2,51,099
Change (%)	31.3	27.1	34.5	34.1	26.5	37.4	38.4	38.5	31.8	35.4
Raw Material/PM	37,153	37,840	44,616	38,737	47,419	52,313	61,992	53,876	1,58,346	2,15,600
Gross Profit	6,604	6,306	7,615	6,612	7,935	8,342	10,288	8,934	27,137	35,498
Gross Margin (%)	15.1	14.3	14.6	14.6	14.3	13.8	14.2	14.2	14.6	14.1
Operating Expenses	3,375	3,169	3,916	3,550	4,175	4,379	5,376	4,847	14,010	18,778
% of Sales	7.7	7.2	7.5	7.8	7.5	7.2	7.4	7.7	7.6	7.5
EBITDA	3,229	3,137	3,698	3,062	3,760	3,962	4,911	4,086	13,127	16,720
Margin (%)	7.4	7.1	7.1	6.8	6.8	6.5	6.8	6.5	7.1	6.7
Change (%)	22.2	17.9	13.1	19.3	16.4	26.3	32.8	33.4	17.8	27.4
Interest	821	817	817	778	852	903	896	857	3,232	3,508
Depreciation	641	669	697	736	755	850	865	891	2,743	3,360
Other Income	116	131	201	288	222	260	327	376	737	1,185
PBT	1,885	1,781	2,386	1,837	2,375	2,469	3,478	2,715	7,888	11,037
Tax	449	433	582	462	599	649	835	655	1,925	2,737
Effective Tax Rate (%)	23.8	24.3	24.4	25.1	25.2	26.3	24.0	24.1	24.4	24.8
Adjusted PAT	1,439	1,352	1,806	1,376	1,776	1,821	2,643	2,060	5,973	8,300
Change (%)	33.3	27.1	21.5	96.3	23.4	34.6	46.3	49.7	28.1	38.9
Reported PAT	1,439	1,352	1,806	1,376	1,776	1,303	2,268	2,060	5,973	7,407

E: MOFSL Estimates

PN Gadgil**Buy****CMP: INR666 | TP: INR950 (+43%)****EPS CHANGE (%): FY25 | 26: +4.0 | +1.0**

- We expect revenue growth of ~19% YoY in 3QFY25.
- GP margin is expected to expand by 190bp YoY to 10.3% with the improvement in product mix.
- EBITDA margin is expected to expand by 50bp YoY to 5.1% in 3QFY25.
- Expect to add nine stores, taking the total store count to 48 stores.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1QFY24	2QFY24	3QFY24*	4QFY24	1QFY25	2QFY25	3QFY25E	4QFY25E		
Net Sales	12,568	13,715	19,706	15,120	16,682	20,013	23,358	17,652	61,109	77,705
YoY change (%)	N/A	N/A	N/A	N/A	32.7	45.9	18.5	16.7	35.6	27.2
Gross Profit	919	966	1,666	1,578	1,386	1,531	2,406	2,102	5,128	7,425
Margins (%)	7.3	7.0	8.5	10.4	8.3	7.6	10.3	11.9	8.4	9.6
EBITDA	446	452	905	890	643	721	1,199	1,063	2,693	3,627
Margins (%)	3.5	3.3	4.6	5.9	3.9	3.6	5.1	6.0	4.4	4.7
YoY growth (%)	N/A	N/A	N/A	N/A	44.2	59.4	32.5	19.5	119.4	34.7
Depreciation	56	61	60	55	63	72	80	85	232	299
Finance Cost	97	109	129	123	123	129	110	107	459	469
Other Income	10	23	27	22	19	118	15	18	82	170
PBT	303	304	743	734	477	638	1,024	889	2,084	3,029
YoY growth (%)	N/A	N/A	N/A	N/A	57.3	110.2	37.9	21.2	76.5	45.4
PAT	222	219	553	549	353	529	768	667	1,543	2,317
Margins (%)	1.8	1.6	2.8	3.6	2.1	2.6	3.3	3.8	2.5	3.0
YoY change (%)	N/A	N/A	N/A	N/A	59.5	141.1	38.9	21.4	64.7	50.2

E: MOFSL estimates

Senco Gold**Buy****CMP: INR1,127 | TP: INR1,450 (+29%)****EPS CHANGE (%): FY25 | 26: +1% | +2%**

- We expect revenue growth of ~25% YoY and SSSG of 18% in 3QFY25.
- Operating margins expected to decline by 70bp YoY due to product mix and rise in gold prices.
- Expect to add four stores, taking the total store count to 170.
- We expect inventory loss of INR0.2b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores	142	145	155	159	165	166	170	172	159	177
Net Sales	13,054	11,466	16,522	11,373	14,039	15,005	20,653	13,407	52,414	63,104
Change (%)	29.6	25.8	23.3	39.7	7.5	30.9	25.0	17.9	28.5	20.4
Gross Profit	1,632	1,354	3,083	1,944	2,428	2,137	3,655	2,197	8,014	10,417
Gross Margin (%)	12.5	11.8	18.7	17.1	17.3	14.2	17.7	16.4	15.3	16.5
EBITDA	672	395	1,811	877	1,087	818	2,129	956	3,755	4,990
Margin (%)	5.1	3.4	11.0	7.7	7.7	5.4	10.3	7.1	7.2	7.9
Change (%)	22.1	21.2	11.3	31.5	61.8	107.1	17.5	9.0	18.6	32.9
Interest	266	234	283	298	322	326	325	365	1,081	1,338
Depreciation	126	133	158	184	181	178	185	203	601	748
Other Income	94	110	89	128	123	149	122	113	422	507
PBT	375	139	1,459	524	708	462	1,741	501	2,495	3,412
Tax	98	20	366	202	195	117	437	138	685	887
Effective Tax Rate (%)	26.1	14.1	25.1	38.6	27.6	25.3	25.1	27.5	27.5	26.0
Adjusted PAT	277	119	1,093	322	513	345	1,304	363	1,810	2,525
Change (%)	24.2	37.3	6.0	24.7	85.3	188.7	19.3	12.9	14.2	39.5
PAT	277	119	1,093	322	513	121	1,116	363	1,810	2,114

Titan Company

Buy

CMP: INR3,254 | TP: INR3,850 (+18%)

EPS CHANGE (%): FY25|26: -1.0|-0.5

- We model 24% standalone revenue growth (excl. bullion) and Tanishq LTL growth of 15% in 3QFY25.
- Standalone Jewelry EBIT (ex-bullion) margin expected to decline 110bp YoY to 11.1% due to reduction in the studded share.
- We expect healthy double-digit growth in watches, eyewear and other business.
- We expect inventory loss of INR2-2.5b in 3Q due to customs duty reduction. We have not considered the impact in operating performance numbers.

Quarterly Performance (Consol.)

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Stores (Jewelry)	792	844	898	937	974	1,009	1,045	1,079	937	1,079
Net Sales	119.0	125.3	141.6	124.9	132.7	145.3	184.0	146.5	510.8	608.5
YoY change (%)	26.0	36.7	22.0	20.6	11.5	16.0	29.9	17.3	25.9	19.1
Gross Profit	26.4	29.3	32.9	27.9	29.3	33.0	42.3	32.9	116.5	137.5
Margin (%)	22.2	23.4	23.3	22.3	22.1	22.7	23.0	22.4	22.8	22.6
EBITDA	11.3	14.1	15.7	11.9	12.5	15.3	18.5	13.6	52.9	59.9
EBITDA growth %	-5.9	13.2	16.2	9.4	10.8	8.2	18.5	14.6	8.5	13.2
Margin (%)	9.5	11.3	11.0	9.5	9.4	10.5	10.1	9.3	10.4	9.8
Depreciation	1.3	1.4	1.5	1.6	1.6	1.7	1.7	1.7	5.8	6.8
Interest	1.1	1.4	1.7	2.0	2.3	2.4	2.2	1.8	6.2	8.7
Other Income	1.1	1.2	1.4	1.6	1.2	1.2	1.5	1.6	5.3	5.4
PBT	10.0	12.5	13.8	9.9	9.7	12.4	16.1	11.7	46.2	49.9
Tax	2.5	3.4	3.3	2.2	2.6	3.1	3.9	2.4	11.3	12.0
Rate (%)	24.6	26.9	23.6	22.2	26.5	24.8	24.3	20.7	24.4	24.0
Adjusted PAT	7.6	9.2	10.5	7.7	7.2	9.3	12.2	9.3	35.0	37.9
YoY change (%)	-4.3	9.6	15.5	4.8	-5.4	1.7	15.5	20.3	6.8	8.5
Extraordinary	0.0	0.0	0.0	0.0	0.0	2.3	1.6	0.0	0.0	3.9
Reported PAT	7.6	9.2	10.5	7.7	7.2	7.0	10.6	9.3	35.0	34.1

E: MOFSL Estimates

Consumer Durables

Company

Havells India

KEI Industries

Polycab India

R R Kabel

Voltas

Resilient growth in cables and large appliances; wires soft

Revenue/EBITDA to grow ~14%/22% YoY in 3QFY25E

- In 3QFY25, demand trends were mixed in the consumer durable sector, with healthy demand for cables and large appliances and muted demand for wires and other ECD. Cable demand was resilient, led by strong traction from the transmission and distribution, renewable energy segment and a pick-up in exports. However, wire demand moderated due to a sequential decline in RM costs (copper price down ~4% MoM in Nov'24, followed by ~1% MoM decline in aluminum price in Dec'24).
- Channel feedback suggested a mixed trend in ECD demand. The RAC segment is likely to report healthy growth, led by a low base and strong traction in Oct'24, aided by the festive period and favorable weather conditions. However, demand has moderated since Nov'24 with the onset of the winter season and due to weak consumer sentiment. Growth was modest and below expectations in other product categories like refrigerator, washing machine, and television. Small appliances, like fans, switchgear, lighting, etc., also witnessed subdued growth due to weak consumer sentiment.
- For our coverage companies, we estimate aggregate revenue/EBITDA growth of ~14%/22% YoY in 3QFY25. We estimate average OPM improvement by 60bp YoY to ~10%. Further, we estimate aggregate revenue growth of ~16% YoY for cable & wire (C&W) segment, ~14% for UCP segment (VOLT and HAVL) and ~5-9% for other ECD segments like switchgear, fans, and lighting (HAVL).

Cables to outperform wires; estimate sequential margin improvement

- C&W segment is estimated to report mid-teens growth, led by stable strong demand for cables. In wires, dealers stocked up inventory in 2QFY25 due to a sudden spike in copper prices. However, with a drop in copper prices, wire demand slowed down during the quarter. We estimate C&W segment revenue growth of ~18% YoY for POLYCAB/KEI each, followed by ~15% for HAVL and ~7% for RRKABEL.
- Copper and aluminum prices surged MoM in Sep-Oct'24. However, RM prices corrected in Nov-Dec'24, with copper prices down ~4% MoM in Nov'24, followed by ~1% MoM decline in aluminum price in Dec'24. We expect a sequential improvement in EBIT margin of C&W companies and factor in an average margin recovery of 90bp QoQ (down 60bp YoY).
- We estimate C&W EBIT margin to improve in the range of 70bp to 140bp for our coverage companies, led by a softening in RM costs, price hikes in cables in Oct'24 and a higher share from the cable segment.

Mixed trend in large appliances; small appliances relatively weak

- Dealers' feedback suggested that festive season demand was lower than expected and that consumer enthusiasm was missing. Among major categories, RAC saw higher growth across regions, followed by refrigerator. Television and washing machine saw relatively lower growth.

- An early festive season and weak consumer sentiment hurt demand in small appliances. Premiumization and new product launches would continue to drive revenue growth.
- In the RAC segment, we expect average EBIT margin to improve 160bp YoY, led by positive operating leverage and price hikes in this summer season.
- In switchgears/fans, we factor in a margin decline of 140bp/200bp YoY for HAVL due to higher competition and RM cost inflation, which has not been passed on completely.

Outlook and recommendation

- Among the consumer durable companies under our coverage (including cables and wires), we maintain a positive outlook on the C&W segment. We expect demand momentum to remain strong in power cables, driven by power T&D sector, growth in private capex and RE sector. Further, strong traction in the real estate segment is estimated to drive robust demand in wires, switches, fans and lighting in CY25.
- RAC is a long-term story given the low penetration, rising income, changing weather conditions, etc.; however, it is a seasonal product and demand in the upcoming season needs to be monitored given a strong base of the last summer season.
- Among C&W companies, POLYCAB is our top pick, followed by KEII. We prefer Voltas in the RAC segment.

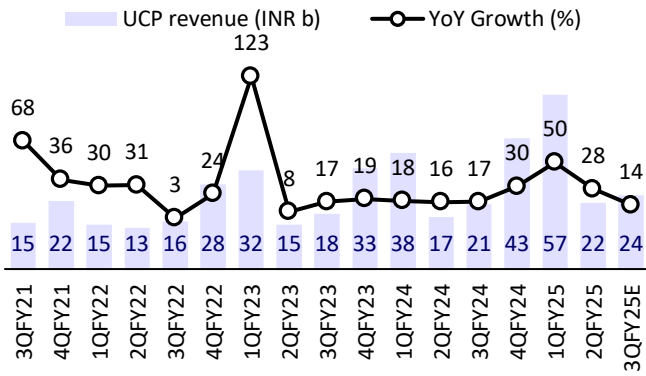
Exhibit 1: Summary of 3QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Havells India	1681	Neutral	49,329	11.8	8.7	4,563	5.5	21.7	3,182	10.5	18.8
KEI Industries	4467	Buy	23,912	16.1	4.9	2,493	16.2	13.0	1,748	16.0	12.9
Polycab India	7342	Buy	53,165	22.5	-3.3	6,587	15.7	4.3	4,609	11.6	4.8
R R Kabel	1424	Buy	17,494	7.1	-3.4	1,026	-8.9	19.6	583	-17.8	17.7
Voltas	1825	Buy	28,336	7.9	8.2	1,890	565.2	16.5	1,532	LP	14.4
Consumer Durables			1,72,236	14.3	2.8	16,559	22.0	12.2	11,654	30.7	11.4

Exhibit 2: Comparative valuations

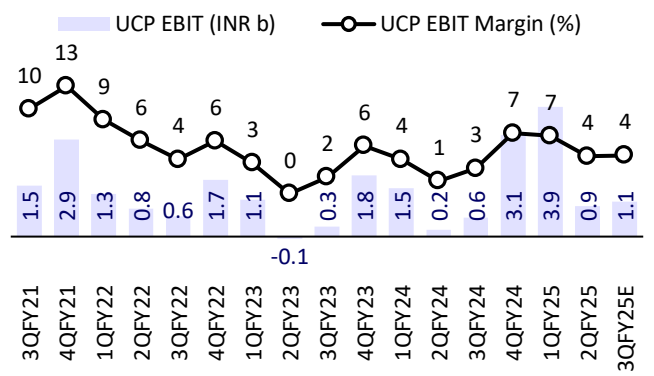
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consumer Durables						63.7	51.0	41.1	10.2	8.9	7.6	16.1	17.4	18.5
Havells India	1,681	Neutral	23.3	28.8	36.0	72.2	58.4	46.6	12.5	11.0	9.5	17.4	18.9	20.5
KEI Industries	4,467	Buy	72.2	88.4	107.9	61.9	50.5	41.4	7.3	6.5	5.6	15.4	13.6	14.5
Polycab India	7,342	Buy	128.6	152.6	183.7	57.1	48.1	40.0	11.4	9.6	8.1	20.0	20.0	20.2
R R Kabel	1,424	Buy	21.6	36.6	51.4	66.1	38.9	27.7	8.1	7.0	5.8	12.7	19.2	22.8
Voltas	1,825	Buy	27.2	35.1	44.4	67.2	52.0	41.1	9.1	8.0	6.9	13.5	15.3	16.8

Exhibit 3: Aggregate* UCP – revenue and growth



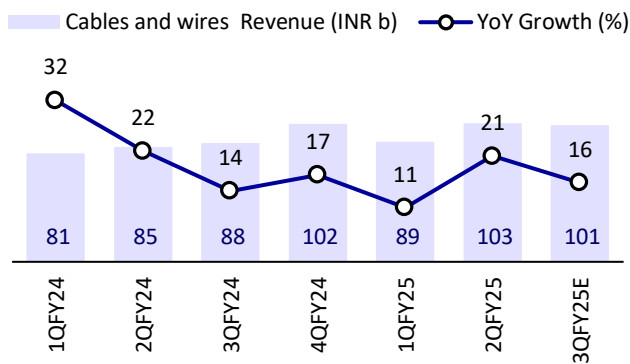
Source: MOFSL; E: MOFSL estimate; Note: *UCP revenue of VOLT and HAVL

Exhibit 4: Aggregate* UCP – EBIT and margin



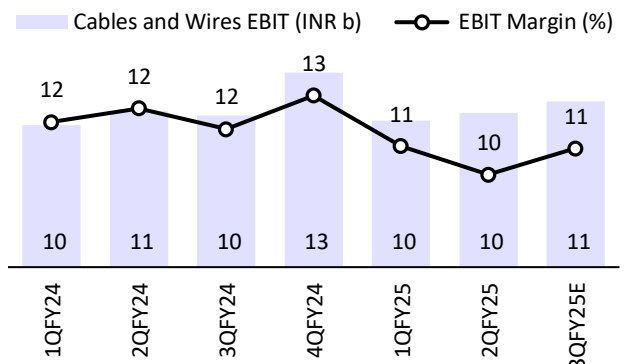
Source: MOFSL; E: MOFSL estimate; Note: *UCP EBIT of VOLT and HAVL

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



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

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



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

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

Havells India Neutral

CMP: INR1,681 | TP: INR1,880 (+12%)

EPS CHANGE (%): FY25|26: -2.6|-2.8

- Estimate revenue to grow 12% YoY in 3QFY25.
- Revenue from C&W/ECD/Switchgear is estimated to grow 15%/9%/5% YoY. Lloyd's revenue is expected to grow 13% YoY.
- EBITDA is estimated to grow 5% YoY to INR4.6b. Expect EBITDA margin to contract 55bp YoY to 9.3%.
- Depreciation is estimated to increase 10% YoY. Adj. PAT is estimated to grow ~11% YoY.

Consolidated quarterly performance (INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	48,338	39,003	44,139	54,420	58,062	45,393	49,329	60,261	1,85,900	2,13,045
Change (%)	13.9	6.3	7.1	12.0	20.1	16.4	11.8	10.7	10.1	14.6
Adj EBITDA	4,020	3,734	4,327	6,346	5,722	3,751	4,563	6,547	18,426	20,583
Change (%)	11.2	30.1	2.1	20.4	42.4	0.5	5.5	3.2	15.2	11.7
Adj EBITDA Margin (%)	8.3	9.6	9.8	11.7	9.9	8.3	9.3	10.9	9.9	9.7
Depreciation	763	812	877	934	920	946	966	987	3,385	3,819
Interest	85	93	102	177	86	101	100	114	457	400
Other Income	648	525	559	758	773	929	820	713	2,490	3,236
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT	3,821	3,353	3,907	5,993	5,490	3,633	4,317	6,161	17,074	19,600
Tax	950	862	1,028	1,526	1,415	955	1,135	1,048	4,366	5,012
Effective Tax Rate (%)	24.9	25.7	26.3	25.5	25.8	26.3	26.3	17.0	25.6	25.6
Reported PAT	2,871	2,491	2,879	4,467	4,075	2,678	3,182	5,113	12,708	14,588
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	10.5	14.5	18.5	14.8
Adj PAT	2,871	2,491	2,879	4,467	4,075	2,678	3,182	5,113	12,708	14,588
Change (%)	18.1	33.3	1.4	24.8	42.0	7.5	10.5	14.5	18.5	14.8

KEI Industries Buy

CMP: INR4,467 | TP: INR5,150 (+15%)

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

- Estimate revenue to grow 16% YoY in 3QFY25.
- Revenue from C&W/SSW is estimated to increase 18%/10% YoY, while EPC revenue is expected to decline 45%.
- EBITDA is estimated to grow 16% YoY to INR2.5b. OPM is estimated to be flat at 10.4%.
- Adj. PAT is estimated to rise 16% YoY to INR1.7b.

Consolidated quarterly performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	17,826	19,466	20,594	23,156	20,605	22,796	23,912	27,027	81,041	94,340
Change (%)	13.9	21.1	15.4	18.6	15.6	17.1	16.1	16.7	17.3	16.4
Adj EBITDA	1,783	2,039	2,146	2,409	2,146	2,206	2,493	2,900	8,375	9,744
Change (%)	11.7	27.0	17.8	19.1	20.4	8.2	16.2	20.4	19.3	16.3
Adj EBITDA Margin (%)	10.0	10.5	10.4	10.4	10.4	9.7	10.4	10.7	10.3	10.3
Depreciation	147	156	154	158	155	163	170	179	614	668
Interest	89	75	109	165	142	133	130	118	439	523
Other Income	83	77	142	189	178	169	160	164	490	671
Extraordinary Items	-	-	-	(2)	-	-	-	-	(2)	-
PBT	1,630	1,884	2,024	2,274	2,027	2,079	2,353	2,766	7,813	9,224
Tax	416	482	518	587	525	531	605	704	2,002	2,364
Effective Tax Rate (%)	25.5	25.6	25.6	25.8	25.9	25.5	25.7	25.5	25.6	25.6
Reported PAT	1,214	1,402	1,507	1,686	1,502	1,548	1,748	2,062	5,808	6,860
Change (%)	17.0	31.2	17.2	22.1	23.8	10.4	16.0	22.3	22.2	18.1
Adj PAT	1,214	1,402	1,507	1,688	1,502	1,548	1,748	2,062	5,811	6,860
Change (%)	17.0	31.2	17.2	22.2	23.8	10.4	16.0	22.1	22.3	18.1

Polycab India**Buy****CMP: INR7,342 | TP: INR8,810 (+20%)****EPS CHANGE (%): FY25|26: -0.6|-0.3**

- Estimate revenue to grow 22% YoY in 3QFY25.
- Revenue from C&W/ECD is estimated to increase 18%/13% YoY. Revenue for EPC and Others should surge 2.7x YoY.
- EBITDA is estimated to increase 16% YoY, while OPM is expected to contract 70pp YoY to 12.4%.
- Adj. PAT is estimated to grow ~12% YoY to INR4.6b.

Consolidated performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	38,894	42,177	43,405	55,919	46,980	54,984	53,165	63,511	1,80,394	2,18,641
Change (%)	42.1	26.6	16.8	29.3	20.8	30.4	22.5	13.6	27.9	21.2
EBITDA	5,486	6,089	5,695	7,615	5,834	6,316	6,587	8,799	24,918	27,535
Change (%)	76.3	42.4	13.0	24.9	6.3	3.7	15.7	15.5	34.5	10.5
EBITDA Margin (%)	14.1	14.4	13.1	13.6	12.4	11.5	12.4	13.9	13.8	12.6
Depreciation	571	603	619	657	671	721	740	756	2,450	2,887
Interest	249	268	322	244	413	453	460	492	1,083	1,818
Other Income	640	353	710	538	584	762	790	864	2,209	3,000
Share of JV's loss	-	-	-	-	-	-	-	-	-	-
PBT	5,305	5,572	5,464	7,253	5,334	5,903	6,177	8,415	23,593	25,830
Tax	1,273	1,274	1,299	1,718	1,317	1,451	1,513	2,046	5,564	6,328
Tax Rate (%)	24.0	22.9	23.8	23.7	24.7	24.6	24.5	24.3	23.6	24.5
MI	35	42	37	75	57	54	55	23	189	189
Exceptional Items	-	-	-	-	-	-	-	-	0	0
Reported PAT	3,996	4,256	4,129	5,460	3,960	4,398	4,609	6,346	17,841	19,313
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	11.6	16.2	40.4	8.3
Adj. PAT	3,996	4,256	4,129	5,460	3,960	4,398	4,609	6,346	17,841	19,313
Change (%)	81.8	58.9	15.4	28.6	-0.9	3.3	11.6	16.2	40.4	8.3

R R KABEL**Buy****CMP: INR1,424 | TP: INR1,900 (+33%)****EPS CHANGE (%): FY25|26: -9.3|-7.7**

- Estimate revenue to grow 7% YoY in 3QFY25.
- Revenue from C&W/FMEG is estimated to rise 7%/9% YoY.
- EBITDA is estimated to decline 9% YoY to INR1.0b. OPM is estimated to contract 1pp YoY to ~6%.
- Adj. PAT is estimated to decline 18% YoY to INR583m.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	15,973	16,097	16,335	17,541	18,081	18,101	17,494	19,665	65,946	73,342
YoY Change (%)	29.2	17.7	10.4	15.7	13.2	12.5	7.1	12.1	17.8	13.2
EBITDA	1,129	1,209	1,126	1,153	949	858	1,026	1,280	4,617	4,113
YoY Change (%)	182.5	87.7	(4.3)	14.8	(15.9)	(29.1)	(8.9)	11.0	43.2	(10.9)
EBITDA Margin (%)	7.1	7.5	6.9	6.6	5.3	4.7	5.9	6.5	7.0	5.6
Depreciation	161	166	165	163	162	175	183	189	655	709
Interest	144	142	124	128	116	156	145	152	539	570
Other Income	163	148	122	193	185	72	85	96	626	438
PBT	987	1,049	959	1,055	857	599	782	1,034	4,050	3,272
Tax	250	310	250	270	218	101	200	331	1,080	851
Effective Tax Rate (%)	25.4	29.5	26.0	25.6	25.4	16.9	25.6	32.0	26.7	26.0
JV Share	7	2	0	2	5	(2)	1	6	11	10
Reported PAT	743	741	710	787	644	495	583	709	2,981	2,431
YoY Change (%)	309.8	111.7	(0.7)	20.6	(13.4)	(33.2)	(17.8)	(9.9)	57.0	(18.4)
Adj. PAT	743	741	710	787	644	495	583	709	2,981	2,431
YoY Change (%)	309.8	111.7	(0.7)	20.6	(13.4)	(33.2)	(17.8)	(9.9)	57.0	(18.4)
Margin (%)	4.7	4.6	4.3	4.5	3.6	2.7	3.3	3.6	4.5	3.3

Volta**Buy****CMP: INR1,825 | TP: INR2,190 (+20%)****EPS CHANGE (%): FY25 | 26: +1.3 | +1.2**

- Estimate revenue to grow 8% YoY in 3QFY25.
- Revenue from UCP/PES is estimated to increase 14%/9% YoY. EMPS revenue is estimated to decline 2% YoY.
- EBITDA is estimated to grow 6.7x YoY to INR1.9b, albite on a low base. OPM is estimated to expand 5.6pp YoY to ~7%.
- Estimate PAT of INR1.5b vs. net loss of INR304m in 3QFY25.

Consolidated quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	33,599	22,928	26,257	42,029	49,210	26,191	28,336	42,998	1,24,812	1,46,736
Change (%)	21.4	29.7	30.9	42.1	46.5	14.2	7.9	2.3	31.4	17.6
EBITDA	1,854	703	284	1,906	4,238	1,622	1,890	3,085	4,746	10,836
Change (%)	4.7	-30.3	(62.8)	(12.6)	128.6	130.8	565.2	61.9	(17.1)	128.3
As of % Sales	5.5	3.1	1.1	4.5	8.6	6.2	6.7	7.2	3.8	7.4
Depreciation	113	117	128	118	134	164	174	181	476	654
Interest	101	115	135	208	98	136	145	172	559	550
Other Income	700	710	579	544	803	1,055	850	958	2,533	3,666
Extraordinary Items	0	0	-	-	0	0	-	0	0	0
PBT	2,339	1,181	599	2,124	4,809	2,377	2,421	3,690	6,244	13,297
Tax	735	493	515	634	1,165	726	649	1,048	2,377	3,417
Effective Tax Rate (%)	31.4	41.7	85.9	29.9	24.2	30.5	26.8	28.4	38.1	25.7
Share of Profit of Associates/JVs	(312)	(321)	(389)	(325)	(294)	(323)	(220)	(94)	(1,347)	(930)
Reported PAT	1,293	367	(304)	1,164	3,350	1,328	1,552	2,549	2,520	8,950
Change (%)	18.7	NM	NM	(19.1)	159.1	262.1	NA	118.9	86.7	255.1
Minority Interest	1	(10)	28	(58)	8	(12)	20	(55)	(39)	(39)
Adj PAT	1,293	367	-304	1,038	3,342	1,340	1,532	2,604	2,394	8,989
Change (%)	18.7	-62.9	NM	(27.9)	158.5	265.3	NM	150.8	-36.8	275.5

Company under Coverage

Amber Enterprises

Avalon Technologies

Cyient DLM

Data Patterns

Dixon Technologies

Kaynes Technologies

Syrma SGS

Bright outlook led by strong revenue growth and margin expansion

Revenue/EBITDA to grow ~85%/80% YoY in 3QFY25

- The EMS sector is scaling new heights, driven by the government's increased focus on boosting domestic manufacturing. This is evident in the growth trend and trajectory of our EMS coverage company.
- EMS companies under our coverage universe are likely to continue the strong revenue growth trajectory. The aggregate revenue of our coverage is likely to grow 85% YoY in 3QFY25, aided by healthy demand across end-user industries (especially the railways and aerospace segments) and the execution of a strong order book at hand.
- Dixon is likely to report the highest revenue growth of ~2.1x YoY, followed by KAYNES/SYRMA/AMBER/CYIENTDL/DATAPATT/AVALON at 55%/42%/42%/40%/38%/30%, respectively.
- India's EMS industry will continue to witness strong growth, led by several growth catalysts, including rising global orders and expanding export opportunities amid a strengthened global positioning.
- Order book is anticipated to grow across the EMS space, led by healthy order inflows from existing customers and the addition of new customers across segments. Companies anticipate order inflows to accelerate in 4QFY25, with healthy traction to follow in FY26.
- Further, majority of the coverage companies are likely to witness margin expansion on account of strong operating leverage and an improving mix of high-margin businesses.
- EBITDA margin for our EMS coverage universe may experience a marginal contraction of ~20bp YoY, majorly led by 70bp/10bp YoY margin contraction in DATAPATT/DIXON. Conversely, KAYNES/AVALON/CYIENTDL/SYRMA/AMBER are likely to witness margin expansions of 140bp/380bp/50bp/150bp/100bp YoY.
- Accordingly, we believe the earnings growth momentum for the EMS industry will accelerate, driven by strong revenue growth coupled with margin expansion

Dixon to lead the pack with strong revenue growth and profitability

- **AMBER:** We expect revenue to grow 42% YoY and EBITDA margin to expand 100bp YoY to 7.1%. This growth is primarily driven by continued strong revenue growth of the consumer durables and electronics divisions along with further margin expansion in the electronics division.
- **Avalon:** Revenue is expected to grow 30% YoY, led by continued recovery in US operations and healthy traction within the Indian business. Margins are likely to expand 380bp YoY to ~11.5%. The company is working on multiple prototyping projects and expects healthy order inflows over the next year, thereby strengthening the order book.
- **CYIENTDL:** We anticipate the company to report 40% YoY consolidated revenue growth in 3QFY25, led by the acquisition of Altek. We expect organic revenue growth of ~15-20%, driven by the execution of contracts in hand. The EBITDA margin is likely to expand slightly (up 40bp YoY) on account of favorable operating leverage.

- **DATAPATT:** We expect its revenue/EBITDA to grow 38%/36% YoY as the company will book revenue for the orders deferred in 2QFY25.
- **DIXON:** We expect revenue/EBITDA to grow 2.1x each on a YoY basis, driven by a sharp ramp-up in mobile volumes on Ismartu integration. We will look out for the trajectory of margins and the ramp-up in the mobile phones and consumer electronics segments, especially in light of the recent tie-ups with Cellector and Vivo.
- **KAYNES:** We are expecting strong revenue growth of ~55% YoY this quarter, driven by healthy traction across sectors. Margins are expected to expand ~150bp YoY, led by strong operating leverage at play. The company expects this strong growth momentum to continue going forward.
- **SYRMA:** We expect revenue/EBITDA growth of 42%/82% YoY in 3QFY25, led by healthy traction within the auto and industrial segments. EBITDA margin is anticipated to expand ~150bp YoY due to a lower mix of low-margin business during the quarter. The company expects to achieve its guidance of INR45b revenue in FY25 with an EBITDA margin of ~7%.

Exhibit 1: Summary of 3QFY25 estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Amber Enterp.	7675	Buy	18,408	42.2	9.3	1,304	66.1	14.6	354	LP	84.1
Avalon Tech	972	Buy	2,786	30.0	1.3	322	94.4	6.7	202	207.2	15.6
Cyient DLM	674	Buy	4,495	40.0	15.4	433	47.2	37.0	265	43.8	71.6
Data Pattern	2498	Neutral	1,925	38.0	111.5	815	35.7	137.5	661	29.6	118.1
Dixon Tech.	18009	Buy	1,02,872	113.5	-10.8	3,806	106.4	-10.7	2,257	134.0	5.3
Kaynes Tech	7598	Buy	7,894	55.0	38.0	1,196	71.2	45.7	892	97.4	48.1
Syrma SGS Tech.	625	Buy	10,035	42.0	20.5	704	81.5	-0.8	367	136.6	1.3
EMS			1,48,415	85.4	-3.5	8,580	79.7	8.7	4,998	114.8	27.1

Exhibit 2: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
EMS						109.9	75.8	53.2	17.4	14.2	11.2	15.8	18.7	21.1
Amber Enterp.	7,675	Buy	78.0	113.0	172.3	98.4	67.9	44.5	11.1	9.5	7.9	12.0	15.1	19.4
Avalon Tech	972	Buy	8.8	15.9	25.2	111.0	61.2	38.5	10.6	9.0	7.3	10.0	15.9	20.9
Cyient DLM	674	Buy	11.3	21.7	30.2	59.8	31.1	22.3	5.4	4.6	3.8	9.4	15.9	18.6
Data Pattern	2,498	Neutral	38.9	51.0	65.0	64.3	48.9	38.4	9.1	7.7	6.4	15.2	17.1	18.2
Dixon Tech.	18,009	Buy	142.6	182.1	234.6	126.3	98.9	76.8	42.6	29.9	21.6	40.4	35.5	32.7
Kaynes Tech	7,598	Buy	53.8	93.3	151.8	141.2	81.4	50.1	17.2	14.2	11.0	12.9	19.1	24.8
Syrma SGS Tech.	625	Buy	9.5	14.7	22.0	66.0	42.5	28.4	6.3	5.6	4.7	10.0	14.0	18.0

Exhibit 1: Relative performance – three months (%)

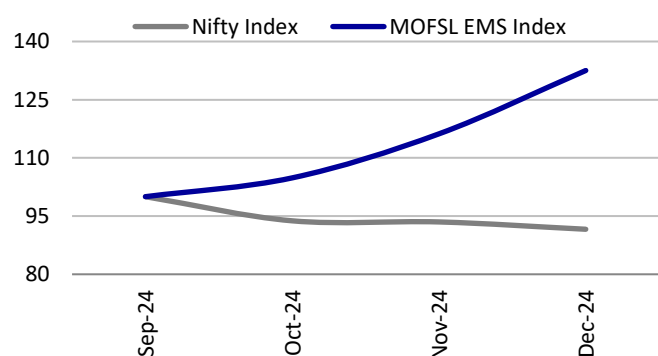
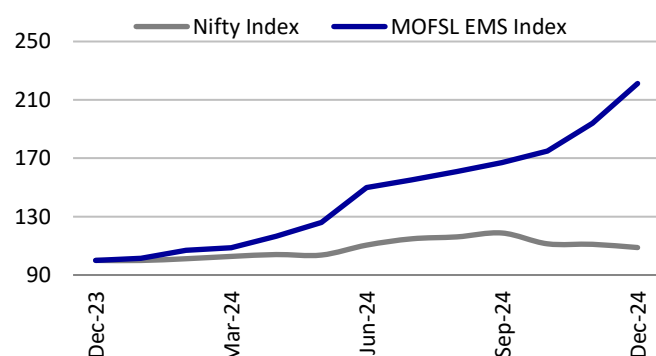


Exhibit 2: Relative performance – one year (%)



Source: Bloomberg, MOFSL

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

Amber Enterprises

Buy

CMP: INR7,675 | TP: INR7,900 (+3%)

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

- We expect revenue to grow 42% YoY and EBITDA margin to expand 100bp YoY to 7.1%, mainly driven by strong revenue growth of the consumer durables and electronics divisions, and margin expansion in the electronics division.
- Key monitorables – Demand scenario and margin expansion in non-RAC, electronic and railways division.
- We expect PAT to be on the positive side in 3QFY25, in line with the management's expectation of margins normalizing for the railways division post the 2QFY25.
- We increase our TP on a higher valuation multiple on account of better-than-expected performance by the electronics segment over the long run.

Consolidated - Quarterly Snapshot

Y/E March	FY24				FY25E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Sales	17,020	9,271	12,948	28,055	24,013	16,847	18,408	29,886	67,293	89,154
YoY Change (%)	-6.8	23.5	-4.0	-6.6	41.1	81.7	42.2	6.5	-2.9	32.5
Total Expenditure	15,701	8,675	12,163	25,836	22,051	15,710	17,104	27,318	62,374	82,183
EBITDA	1,319	596	785	2,219	1,962	1,137	1,304	2,568	4,919	6,971
Margins (%)	7.8	6.4	6.1	7.9	8.2	6.8	7.1	8.6	7.3	7.8
Depreciation	433	452	466	515	549	566	540	540	1,865	2,196
Interest	453	366	369	483	518	486	434	434	1,670	1,873
Other Income	193	127	52	180	207	178	171	171	553	727
PBT before EO expense	627	-95	3	1,402	1,101	263	500	1,765	1,937	3,629
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	627	-95	3	1,402	1,101	263	500	1,765	1,937	3,629
Tax	161	-38	8	388	298	26	130	475	519	929
Rate (%)	25.7	40.4	274.1	27.7	27.0	10.1	26.0	26.9	26.8	25.6
MI & Profit/Loss of Asso. Cos.	10	13	0	67	79	44	16	-67	89	72
Reported PAT	456	-69	-5	947	724	192	354	1,357	1,329	2,627
Adj PAT	456	-69	-5	947	724	192	354	1,357	1,329	2,627
YoY Change (%)	8.5	133.1	-103.4	-8.9	58.6	NM	NM	43.3	-15.5	97.7
Margins (%)	2.7	-0.7	0.0	3.4	3.0	1.1	1.9	4.5	2.0	2.9

Avalon Technologies

Buy

CMP INR972 | TP: INR1,140 (+17%)

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

- Revenue is expected to grow 30% YoY, with EBITDA margin of ~11.5% in 3QFY25.
- We expect the company to clock revenue of over INR10b in FY25.
- The company is anticipating an improvement in the order book going forward as multiple prototyping projects are underway.
- Improvement in the US business would be the key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Gross Sales	2,351	2,010	2,143	2,168	1,995	2,750	2,786	2,876	8,672	10,406
YoY Change (%)	19.9	-17.9	-7.9	-20.2	-15.2	36.8	30.0	32.6	-8.2	20.0
Total Expenditure	2,189	1,884	1,977	1,996	1,951	2,449	2,464	2,535	8,046	9,398
EBITDA	162	126	165	172	44	301	322	341	626	1,008
Margins (%)	6.9	6.3	7.7	7.9	2.2	11.0	11.5	11.9	7.2	9.7
Depreciation	53	55	60	61	66	69	70	73	229	278
Interest	56	32	36	39	42	37	28	25	164	133
Other Income	51	47	22	28	44	39	55	63	148	202
PBT before EO expense	105	86	91	99	-20	234	279	306	381	799
PBT	105	86	91	99	-20	234	279	306	381	799
Tax	34	13	25	29	3	60	77	84	101	223
Rate (%)	32.4	15.2	27.5	29.0	-14.5	25.4	27.5	27.5	26.5	27.9
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	71	73	66	71	-23	175	202	222	280	576
Adj PAT	71	73	66	71	-23	175	202	222	280	576
YoY Change (%)	-23.9	-50.7	14.7	-68.9	NA	140.1	207.2	214.2	-46.7	105.7
Margins (%)	3.0	3.6	3.1	3.3	-1.2	6.4	7.3	7.7	3.2	5.5

Cyient DLM**Buy****CMP INR674 | TP: INR900 (+34%)****EPS CHANGE (%): FY25|26: -14|-12**

- Revenue is expected to grow 40% YoY, led by healthy demand across the segment.
- Efficient execution of large order books will be the key focus area for the company.
- Margin is expected to slightly expand ~40bp YoY in 2QFY25.
- New client additions and order inflows will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	2,171	2,918	3,210	3,618	2,579	3,895	4,495	5,066	11,919	16,034
YoY Change (%)	27.6	71.5	49.7	30.5	18.8	33.4	40.0	40.0	43.2	34.5
Total Expenditure	1,972	2,683	2,916	3,238	2,379	3,578	4,061	4,522	10,809	14,541
EBITDA	200	235	294	380	200	316	433	544	1,110	1,493
Margins (%)	9.2	8.1	9.2	10.5	7.8	8.1	9.6	10.7	9.3	9.3
Depreciation	48	55	58	62	67	69	74	77	223	287
Interest	91	76	83	94	80	110	90	70	344	350
Other Income	9	93	93	83	89	71	85	94	278	339
PBT before EO expense	70	198	247	307	142	209	354	491	821	1,195
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	70	198	247	307	142	209	354	491	821	1,195
Tax	16	51	63	80	36	54	89	123	209	303
Rate (%)	23.3	25.9	25.3	25.9	25.2	26.0	25.2	25.2	25.5	25.3
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	54	147	184	227	106	155	265	367	612	893
Adj PAT	54	147	184	227	106	155	265	367	612	893
YoY Change (%)	-15.2	106.4	222.9	80.7	97.7	5.5	43.8	61.4	92.9	45.9
Margins (%)	2.5	5.0	5.7	6.3	4.1	4.0	5.9	7.2	5.1	5.6

Data Pattern**Neutral****CMP INR2,498 | TP: INR2,300 (-8%)****EPS CHANGE (%): FY25|26: 0|-1**

- Revenue is expected to grow 38% YoY in 3Q, led by the deferment of orders in the previous quarter.
- Movement in working capital requirements will be the key monitorable.
- New product development will be the key focus area for the company.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	897	1,083	1,395	1,823	1,041	910	1,925	2,461	5,198	6,337
YoY Change (%)	31.2	22.9	24.8	-1.5	16.0	-16.0	38.0	35.0	14.6	21.9
Total Expenditure	619	676	795	893	669	567	1,111	1,346	2,982	3,693
EBITDA	278	408	600	930	372	343	815	1,115	2,217	2,644
Margins (%)	31.0	37.6	43.0	51.0	35.7	37.7	42.3	45.3	42.6	41.7
Depreciation	28	31	33	70	31	35	42	50	162	158
Interest	17	23	23	30	30	28	25	22	93	105
Other Income	116	108	113	123	123	120	135	140	460	519
PBT before EO expense	349	463	657	953	435	400	883	1,183	2,422	2,900
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	349	463	657	953	435	400	883	1,183	2,422	2,900
Tax	91	125	148	242	107	98	222	298	605	724
Rate (%)	25.9	27.0	22.4	25.4	24.5	24.4	25.2	25.2	25.0	25.0
Minority Interest & P/Lof Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	258	338	510	711	328	303	661	885	1,817	2,176
Adj PAT	258	338	510	711	328	303	661	885	1,817	2,176
YoY Change (%)	81.4	60.5	53.0	28.4	26.9	-10.4	29.6	24.5	46.6	19.8
Margins (%)	28.8	31.2	36.5	39.0	31.5	33.3	34.3	36.0	35.0	34.3

Dixon Technologies**Buy****CMP: INR18,009 | TP: INR18,100 (+1%)****EPS CHANGE (%): FY25 | 26: +6 | +3**

- We expect revenue growth to remain strong YoY at 114%, driven by a sharp ramp-up in the mobile segment's revenues on Ismartu integration. Sequentially, we expect the demand moderation post the festive season to have an impact across all segments.
- Key monitorables – Incremental client addition, margin guidance, and NWC days
- We expect EBITDA margin to remain flat QoQ and contract 10bp YoY. PAT is expected to grow sharply by 134% YoY while PAT margin is expected to expand 20bp YoY.
- We will look out for the trajectory of margins and the ramp-up in the mobile phones and consumer electronics segments. We increase our TP to bake in improved mobile segment revenues.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	32,715	49,432	48,183	46,580	65,798	1,15,341	1,02,872	1,02,539	1,76,909	3,86,550
YoY Change (%)	14.6	27.8	100.4	52.0	101.1	133.3	113.5	120.1	45.1	118.5
Total Expenditure	31,396	47,443	46,339	44,755	63,319	1,11,077	99,066	98,282	1,69,933	3,71,744
EBITDA	1,319	1,989	1,844	1,825	2,479	4,264	3,806	4,257	6,976	14,806
Margins (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.7	4.2	3.9	3.8
Depreciation	337	364	407	510	545	660	527	553	1,619	2,285
Interest	140	171	222	214	293	379	225	225	747	1,123
Other Income	29	7	23	167	82	-57	186	186	226	396
PBT before EO expense	870	1,461	1,238	1,267	1,723	3,167	3,240	3,664	4,836	11,794
Extra-Ord expense	0	0	0	0	0	2,096	0	0	0	2,096
PBT	870	1,461	1,238	1,267	1,723	5,263	3,240	3,664	4,836	13,890
Tax	229	352	287	322	400	1,172	836	506	1,189	2,914
Rate (%)	26.3	24.1	23.2	25.4	23.2	22.3	25.8	13.8	24.6	21.0
MI & Profit/Loss of Asso. Cos.	-47	36	-13	-7	-14	193	147	369	-31	694
Reported PAT	688	1,073	964	952	1,337	3,899	2,257	2,790	3,677	10,282
Adj PAT	688	1,073	964	952	1,337	2,144	2,257	2,790	3,677	8,528
YoY Change (%)	50.6	38.9	85.8	18.0	94.3	99.8	134.0	193.1	43.9	131.9
Margins (%)	2.1	2.2	2.0	2.0	2.0	1.9	2.2	2.7	2.1	2.2

Keynes Technologies**Buy****CMP INR7,598 | TP: INR9,100 (+20%)****EPS CHANGE (%): FY25 | 26: 0 | -3%**

- Revenue is expected to grow 55% YoY, led by the execution of a strong order book at hand.
- EBITDA margin is expected to expand 150bp YoY, led by favorable operating leverage.
- Smart meter, aerospace, and railways are expected to drive the growth going forward.
- The company is on track with its expansion plans for OSAT and PCB manufacturing.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	2,972	3,608	5,093	6,373	5,040	5,721	7,894	11,471	18,046	30,126
YoY Change (%)	49.1	32.1	76.2	74.8	69.6	58.5	55.0	80.0	60.3	66.9
Total Expenditure	2,569	3,121	4,394	5,421	4,371	4,900	6,698	9,610	15,505	25,578
EBITDA	403	488	699	952	669	821	1,196	1,862	2,542	4,548
Margins (%)	13.5	13.5	13.7	14.9	13.3	14.4	15.2	16.2	14.1	15.1
Depreciation	53	65	60	74	84	86	95	110	251	375
Interest	113	118	148	153	227	221	200	180	533	829
Other Income	81	90	94	294	283	336	200	180	559	999
PBT before EO expense	319	394	585	1,019	641	849	1,101	1,752	2,317	4,344
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	319	394	585	1,019	641	849	1,101	1,752	2,317	4,344
Tax	72	71	133	207	133	247	209	333	483	923
Rate (%)	22.6	18.0	22.7	20.3	20.8	29.1	19.0	19.0	20.8	21.2
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	246	323	452	813	508	602	892	1,419	1,834	3,421
Adj PAT	246	323	452	813	508	602	892	1,419	1,834	3,421
YoY Change (%)	149.0	52.8	97.7	97.3	106.0	86.4	97.4	74.6	92.9	86.5
Margins (%)	8.3	9.0	8.9	12.8	10.1	10.5	11.3	12.4	10.2	11.4

Syrma SGS**Buy****CMP INR625 | TP: INR760 (+22%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Revenue/EBITDA are likely to grow 42%/82% YoY, and EBITDA margin is anticipated to expand to ~7%.
- The business mix will continue to remain a focus area for the company's margin trajectory.
- Order book growth and revenue mix will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	6,013	7,117	7,067	11,341	11,599	8,327	10,035	14,176	31,538	44,138
YoY Change (%)	54.4	52.4	37.9	66.9	92.9	17.0	42.0	25.0	54.0	40.0
Total Expenditure	5,644	6,627	6,679	10,604	11,153	7,618	9,331	12,983	29,554	41,085
EBITDA	369	490	388	737	446	710	704	1,194	1,984	3,053
Margins (%)	6.1	6.9	5.5	6.5	3.8	8.5	7.0	8.4	6.3	6.9
Depreciation	101	116	139	158	174	167	180	182	515	703
Interest	75	80	100	123	130	136	120	100	378	486
Other Income	221	89	121	156	153	100	200	177	587	630
PBT before EO expense	413	383	270	612	295	507	604	1,088	1,678	2,494
Extra-Ord expense	0	14	0	0	0	0	0	0	14	0
PBT	413	370	270	612	295	507	604	1,088	1,664	2,494
Tax	130	64	67	160	91	110	152	274	421	628
Rate (%)	31.5	17.4	24.8	26.1	31.0	21.8	25.2	25.2	25.3	25.2
Minority Interest & P/L of Asso. Cos.	-2	22	48	103	10	34	85	56	170	186
Reported PAT	285	283	155	349	193	362	367	758	1,073	1,681
Adj PAT	285	297	155	349	193	362	367	758	1,087	1,681
YoY Change (%)	84.0	4.8	-53.2	-17.4	-32.3	22.0	136.6	117.0	-8.9	54.7
Margins (%)	4.7	4.2	2.2	3.1	1.7	4.4	3.7	5.3	3.4	3.8

Financials: Banks

Muted quarter; unsecured asset quality remains under watch

Higher credit costs drive sharp earnings cuts across mid-size private banks

- Credit growth moderates; estimate FY25 credit growth at ~11%:** Systemic credit growth has declined to ~11.5% from the recent high of ~16% amid a slowdown in unsecured retail and demand moderation in certain other secured segments. A few banks have already lowered their growth guidance (IIB, RBK), while select large banks are also likely to report tepid full-year growth guidance owing to a high CD ratio and rising asset quality concerns. Slower economic activity as reflected in a slower GDP growth print is closely watched and may drive growth moderation in Corporate/SME segments. While the incremental LDR has moderated to below 80% (~100% in Jul'24), the outstanding LDR remains elevated at ~80%. We thus estimate credit growth to be at ~11% for FY25, while expect FY26 growth to be broadly maintained at 12.5%.
- Deposit growth stood at 11.5% in Dec'24; CASA accretion remains a challenge:** Deposit growth has broadly followed a narrow range of 10-13% over the past 18 months and is up 7.8% YTD vs. the YTD credit growth of 7%. Further, deposit competition remains aggressive as many banks are focusing on improving their CD ratios, while competition from PSU banks is also picking up. CASA accretion remains a challenge as depositors are locking in money at higher term deposit rates ahead of a potential reversal in the rate cycle. Consequently, we estimate the funding cost to stay elevated, thus maintaining pressure on margins. With rate cuts projected in early CY25, the banking system's yield will likely witness further pressure over the coming quarters.
- Asset quality stress remains elevated in MFI, unsecured retail; PSU banks are well placed:** 1HFY25 saw a deterioration in asset quality for select lenders, and we believe that the asset quality stress will continue for lenders (mainly mid-size private banks), especially those with exposure to the unsecured retail and MFI segments. We factor in a rise in provisioning expenses for select players like IIB, RBK, Equitas, Bandhan and IDFCFB, while large private/PSU banks are relatively better positioned to navigate through the current cycle.
- Estimate ~12.6% CAGR over FY25-27E for our banking coverage universe:** We estimate NII for our banking coverage universe to grow ~7.3% YoY in 3QFY25, while PPOP may grow 13.2% YoY and fall 3.8% QoQ. We thus estimate private/PSU banks to report earnings growth of 2.3%/36.3% YoY in 3QFY25. We estimate MOFSL Banking Universe earnings to grow by 15.2% YoY in 3QFY25, while sector earnings would clock a 12.6% CAGR over FY25-27E.

3QFY25 earnings estimates (INR b)

PAT	3Q FY25E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	4.9	30.2	-14.5
AXSB	63.9	5.2	-7.6
BANDHAN	8.0	8.6	-15.1
DCBB	1.4	9.3	-11.0
EQUITAS	0.8	-60.3	522.6
FB	10.3	2.2	-2.6
HDFCB	166.4	1.7	-1.0
ICICIBC	114.2	11.2	-2.8
IDFCFB	5.0	-30.1	149.3
IIB	14.4	-37.6	7.9
KMB	33.8	12.4	1.0
RBK	0.7	-70.0	-68.6
Private Total	423.7	2.3	-2.2
PSU Banks			
BOB	44.0	-3.9	-16.0
CBK	40.1	9.8	0.0
INBK	25.8	21.8	-4.6
PNB	36.5	64.0	-15.3
SBIN	162.4	77.2	-11.4
UNBK	36.4	1.4	-22.9
PSU Total	345.2	36.3	-12.2
Banks Total	768.9	15.2	-6.9

Private Banks: PAT to grow ~2.3% YoY in 3QFY25 (5.8% YoY in 2QFY25 and 7% YoY in FY25E)

- For the private banks under our coverage,** we estimate PPOP growth of 10.4% YoY/ 0.6% QoQ and PAT growth of 2.3% YoY/decline of 2.2% QoQ in 3QFY25. We also estimate a 15% CAGR in earnings over FY25-27.
- We estimate NII to grow 9.3% YoY in 3QFY25.** Among large private banks under our coverage, HDFCB's growth is estimated to be at 6.5% YoY, ICICI at 10.9%

YoY, Axis at 9% YoY, KMB at 8.9% YoY, and Federal at 15% YoY. For IIB, NII is expected to decline by 0.3% YoY.

- **Opex is likely to follow a normalized trend**, as banks continue to invest in branches and digital capabilities. Other income is anticipated to be modest as bonds yields have seen a slight uptick, while markets have been volatile.
- **Overall slippages are expected to remain under control**, though unsecured retail (especially MFI segment) is likely to witness high delinquencies. We remain cautious about the credit quality outlook and factor in higher credit costs across most mid-size banks with exposure to unsecured retail/MFI segments.

PSU Banks: PAT to grow 36% YoY (vs. 33.5% YoY in 2QFY25 and 19.7% YoY in FY25E)

- **We estimate PSBs to report earnings growth of 36.3% YoY** (12.2% QoQ decline) amid lower other income and tepid margins. NII is likely to see a modest 5.4% YoY growth as the margin bias remains negative. Accordingly, we estimate PSU banks to report a 10% CAGR in aggregate earnings over FY25-27.
- **Opex is likely to be under control**, as most of the wage-related provisions and other opex were accounted for in FY24. Thus, we expect opex to follow a normalized trajectory. Treasury performance is likely to remain muted as bond yields have seen an uptick in 3Q, while equity markets have been volatile.
- **Asset quality is likely to remain robust**: Though 2Q saw a slight increase in SMA pool, it should not translate into slippages. Moreover, healthy recoveries will keep the credit cost under control. The asset quality developments in MSME segment, along with ECL provisioning requirements, will be monitored closely to better assess the credit cost outlook.

Small Finance Banks: Asset quality pressures to continue

- **AUBANK's 3QFY25 PAT** is likely to grow 30.2% YoY to INR4.88b (aided by merger with Fincare SFB, 14.5% QoQ decline). NII is expected to grow 53% YoY (2.6% QoQ), while NIMs may decline marginally. Asset quality may witness a slight deterioration with high delinquencies in MFI/Card segments.
- **EQUITASB** is estimated to report a modest quarter, with PAT expected to dip by 60% YoY as provisioning expenses remain elevated on both fresh slippages and MFI slippages in the erstwhile quarters as per the provisioning policy. We estimate advances growth at 20% YoY/3.6% QoQ, while NIMs may moderate by 18bp QoQ.

Payments/Fintech: Credit cost to stay elevated; Paytm on track to report adj. EBITDA breakeven in 4QFY25

- **SBICARDS**: Retail spend growth is likely to remain healthy, while NIMs may see a slightly positive bias. However, asset quality stress is likely to continue, leading to high credit costs. We thus estimate PAT to decline 21.5% YoY.
- **PAYTM**: We estimate 10% QoQ growth in GMV in 3QFY25 to INR4.9t. Revenue from operations is projected to increase 8% QoQ to INR18b, while contribution profit is estimated to rise 14% QoQ to INR10.12b in 3QFY25. Contribution margin is thus likely to improve to ~56.6%.

Top picks – ICICIB, HDFCB, FB, and SBI

ICICIB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	743	815	909
OP	581	666	750
NP	409	461	509
NIM (%)	4.7	4.4	4.2
EPS (INR)	58.4	65.6	72.4
EPS Gr (%)	27.5	12.4	10.4
ABV/Sh (INR)	315	371	434
Cons. BV/Sh (INR)	363	433	513

Ratios

RoA (%)	2.4	2.3	2.2
RoE (%)	18.9	18.1	17.2

Valuations

P/BV (x) (Cons)	3.6	3.0	2.5
P/ABV (x)	3.3	2.8	2.4
P/E (x)	22.4	19.9	18.0
Adj P/E (x)*	17.9	16.0	14.5

*Adj for Investment in Subs

ICICIB (BUY)

- ICICIB has consistently delivered strong performance, achieving ~17% CAGR in loans over FY22-FY24, driven by Retail, BB, and SME segments. The bank's focus on leveraging data analytics for onboarding and credit assessment has been pivotal.
- Asset quality remains robust, with healthy PCR (~79%) and adequate contingent provisions (INR131b, ~1% of loans). Despite delinquencies in unsecured loans (14% of total portfolio), credit costs are expected to normalize at ~50bp over FY26-27E.
- Margins have moderated, with NIMs declining by 27bp to 4.27% in the past year. The pace of compression has slowed, and management expects stability in the near term, although a potential rate cut may create further pressure.
- Deposit growth has outpaced the industry, driven by enhancements in digital banking and a robust branch network. CASA accretion remains under pressure amid elevated rates, with the CASA ratio at 40.6% in 2QFY25.
- Fee income growth remains healthy, supported by Retail and BB segments (~78% of total fees). Continued investments in technology and digital platforms are driving operational efficiency, with the cost-to-income ratio expected to remain stable at ~39%.
- ICICIB is poised to deliver superior performance, supported by strong loan growth, robust asset quality, and industry-leading return ratios. We estimate RoA/RoE at 2.1%/16.7% in FY27E. Adjusted for its subsidiaries, the standalone bank currently trades at 2.4x FY26E ABV.

HDFCB: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,085	1,213	1,348
OP	944	990	1,124
NP	608	668	751
NIM (%)	3.4	3.4	3.5
EPS (INR)	80.0	87.9	98.8
EPS Gr. (%)	1.0	9.8	12.4
BV/Sh. (INR)	580	647	725
ABV/Sh. (INR)	555	618	693

Ratios

RoA (%)	1.8	1.8	1.8
RoE (%)	14.6	14.3	14.4

Valuations

P/E(X)	22.5	20.5	18.2
P/E(X)*	18.8	17.1	15.2
P/BV (X)	3.1	2.8	2.5
P/ABV (X)*	2.7	2.4	2.2

*Adj for Investment in Subs

HDFCB (BUY)

- HDFC Bank (HDFCB) is navigating post-merger short-term challenges, including high CD ratios and inherited high-cost borrowings, with a strategic focus on deposit mobilization and balance sheet optimization.
- Loan growth is recovering, driven by Retail and CRB portfolios, which now contribute ~82% of the mix. We estimate a loan CAGR of ~10% and deposit CAGR of ~16% over FY24-27E.
- Margins are stabilizing, with NIM improving to 3.46% in 2QFY25. The bank expects further recovery as high-cost borrowings mature and the mix shifts toward high-yielding assets. NIMs are projected at ~3.6% by FY27.
- Asset quality remains strong, with GNPA/NNPA at 1.4%/0.4%. A robust provision buffer of INR262b (~1.1% of loans) offers comfort against potential credit risks.
- Operating efficiency is improving, with stable cost ratios despite continued investments. Cost-to-income and cost-to-asset ratios are projected to decline to ~39% and 1.7%, respectively, by FY27.
- HDFCB is positioned to deliver steady growth and profitability, supported by strategic liability management, margin recovery, and a strong focus on asset quality. We estimate RoA/RoE at 1.9%/14.9% in FY27. The standalone bank trades at 2.3x FY26E ABV.

FB: Financial snapshot (INR b)

Y/E Mar	FY24	FY25E	FY26E
NII	82.9	96.0	114.6
OP	51.7	61.1	75.3
NP	37.2	41.0	48.1
NIM (%)	3.3	3.2	3.2
EPS (INR)	16.3	16.8	19.7
EPS Gr. (%)	14.5	3.0	17.2
BV/Sh. (INR)	119	135	153
ABV/Sh. (INR)	113	128	145

Ratios

ROA (%)	1.3	1.2	1.2
ROE (%)	14.7	13.3	13.7

Valuations

P/E(X)	12.0	11.7	10.0
P/BV (X)	1.6	1.5	1.3
P/ABV (X)	1.7	1.5	1.4

SBI: Financial snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
NII	1,599	1,684	1,845
OP	867	1,130	1,238
NP	611	711	763
NIM (%)	3.1	2.9	2.9
EPS (INR)	68.4	79.6	85.5
EPS Gr. (%)	21.6	16.4	7.4
ABV (INR)	365	432	499
Cons. BV (INR)	448	523	617

Ratios

RoA (%)	1.0	1.1	1.1
RoE (%)	18.8	18.8	17.4

Valuations

P/BV (x) (Cons.)	1.8	1.5	1.3
P/ABV (x)*	1.5	1.3	1.1
P/E (x)	10.6	9.0	8.1
P/E (x)*	8.0	6.9	6.4

*Adj for Investment in Subs

Federal Bank (BUY)

- FB has maintained its strong growth trajectory, leveraging fintech collaborations and data-driven strategies for product distribution and customer acquisition. With new leadership in place, the bank is well-positioned to enhance profitability and navigate regulatory challenges effectively.
- FB reported robust credit growth of 19.4% YoY in 2QFY25, with advances estimated to clock an 18% CAGR over FY25-27. High-yielding products such as credit cards, personal loans, and microfinance are driving this expansion, supported by disciplined underwriting practices.
- Deposits grew 15.6% YoY in 2QFY25, led by strong term deposit inflows, while CASA ratio improved sequentially to 30.1%. Fintech partnerships remain crucial for optimizing the deposit base and enhancing cross-selling opportunities, positioning FB for steady growth.
- NIM contracted slightly to 3.12% in 2QFY25 due to higher funding costs, but it is expected to stabilize at ~3.3% by FY27, driven by a shift toward high-margin products. The C/I ratio is projected to decline gradually from 54.5% in FY24 to ~50% by FY27, supported by digital initiatives and operational efficiency.
- FB continues to exhibit robust asset quality, with GNPA/NNPA ratios at 2.1%/0.57% in 2QFY25. The bank's strong underwriting and recovery processes are expected to keep credit costs stable at 30-40bp over FY25-27, with GNPA projected to reduce to 1.8% by FY27.
- FB is well-positioned for sustainable growth, supported by strong deposit franchise, disciplined risk management, and focus on high-yielding products. We estimate RoA/RoE at 1.3%/14.9% by FY27. The stock is trading at 1.4x FY26E ABV.

SBI (BUY)

- SBIN delivered consistent loan growth of ~16% YoY in FY24 and 15.3% YoY in 1HFY25. Retail loans (~36% of portfolio) grew modestly, with PL showing recovery. Corporate and SME segments have shown strong growth, with GNPA in SMEs reducing significantly to 3.6% in 2QFY25. A robust credit pipeline of INR6t positions SBIN for 14-15% growth, outpacing systemic credit expansion.
- Asset quality metrics remain strong, with GNPA/NNPA ratios at 2.13%/0.53% in 2QFY25 and a healthy PCR of ~76% (92% including write-offs). Credit costs are expected to remain benign at ~50bp over FY26-27E, supported by disciplined underwriting and recoveries.
- Deposits grew 9.1% YoY in 1HFY25, maintaining a leadership position with a ~24% market share and a low domestic CD ratio of ~67.9%. SBIN is poised for an ~11% deposit CAGR over FY25-27E, focusing on retail deposits. Its comfortable LCR of 130% adds to its stability.
- NIMs were stable at 3.14% in 2QFY25. Having 40% of its portfolio linked to MCLR insulates SBIN from rate cuts. Digitalization efforts and branch rationalization have improved operational efficiency, with the C/I ratio projected to improve to ~49% by FY27E.
- SBIN is well-positioned for sustainable growth, backed by strong loan growth, controlled credit costs, and digital transformation. We estimate a 12% earnings CAGR over FY24-27E, with RoA/RoE at 1.1%/17.3% by FY27E. The standalone bank trades at 1.1x FY26E ABV.

Exhibit 1: Banks: 3QFY25 earnings estimates

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Dec'24	YoY (%)	QoQ (%)	Dec'24	YoY (%)	QoQ (%)	Dec'24	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	20,255	52.9	2.6	11,109	69.1	-1.8	4,887	30.2	-14.5
Axis Bank	Neutral	1,36,557	9.0	1.3	1,02,990	12.7	-3.9	63,894	5.2	-7.6
Bandhan Bank	Neutral	29,968	18.7	1.6	23,967	44.8	29.2	7,957	8.6	-15.1
DCB Bank	Buy	5,335	12.6	4.8	2,353	11.2	-7.8	1,384	9.3	-11.0
Equitas Small Finance	Buy	8,295	5.7	3.4	3,561	-1.2	1.8	802	-60.3	522.6
Federal Bank	Buy	24,411	15.0	3.1	15,505	7.9	-1.0	10,293	2.2	-2.6
HDFC Bank	Buy	3,03,356	6.5	0.7	2,47,596	4.7	0.2	1,66,449	1.7	-1.0
ICICI Bank	Buy	2,07,058	10.9	3.3	1,67,120	13.5	-0.1	1,14,222	11.2	-2.8
IDFC First Bank	Neutral	49,589	15.7	3.6	20,276	29.8	3.3	5,004	-30.1	149.3
IndusInd Bank	Buy	52,810	-0.3	-1.2	36,044	-10.8	0.1	14,358	-37.6	7.9
Kotak Mahindra Bank	Neutral	71,355	8.9	1.7	52,323	14.6	2.6	33,788	12.4	1.0
RBL Bank	Neutral	15,545	0.6	-3.7	9,937	29.9	9.2	700	-70.0	-68.6
Banks – Private		9,24,534	9.3	1.6	6,92,779	10.4	0.6	4,23,737	2.3	-2.2
Bank of Baroda	Buy	1,20,254	8.3	3.5	78,654	12.1	-17.0	44,003	-3.9	-16.0
Canara Bank	Buy	96,112	2.1	3.2	75,007	10.2	-2.0	40,142	9.8	0.0
Indian Bank	Buy	63,430	9.1	2.4	45,394	10.8	-4.0	25,814	21.8	-4.6
Punjab National Bank	Neutral	1,07,702	4.6	2.4	65,814	4.0	-4.0	36,464	64.0	-15.3
State Bank of India	Buy	4,22,762	6.2	1.6	2,70,482	33.0	-7.7	1,62,373	77.2	-11.4
Union Bank	Buy	91,824	0.2	1.5	70,041	-3.8	-13.7	36,387	1.4	-22.9
Banks – PSU		9,02,084	5.4	2.1	6,05,391	16.7	-8.4	3,45,183	36.3	-12.2
Total Banks		18,26,618	7.3	1.9	12,98,169	13.2	-3.8	7,68,920	15.2	-6.9
SBI Cards	Neutral	15,667	13.0	4.3	18,160	12.1	3.3	4,313	-21.5	6.6
PAYTM	Neutral	18,002	-36.9	8.4	-793	NA	NA	-3,561	NA	NA

Exhibit 2: We cut our earnings estimates by 2.4%/2.7% for FY26E/FY27E, factoring in higher credit costs and a moderation in loan growth, margins; estimate 12.6% earnings CAGR over FY25-27

INR b	Old Estimates			Revised Estimates			% Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Private Banks									
AXSB	262.6	303.2	356.4	263.7	290.7	334.8	0.4%	-4.1%	-6.1%
BANDHAN	39.1	42.6	47.8	36.6	38.5	44.6	-6.4%	-9.7%	-6.6%
DCBB	5.9	7.7	9.7	5.8	7.4	9.4	-1.2%	-3.9%	-2.7%
HDFCB	670.0	760.5	877.9	667.9	750.6	855.0	-0.3%	-1.3%	-2.6%
ICICIBC	458.3	507.2	574.7	460.7	508.7	578.6	0.5%	0.3%	0.7%
IDFCFB	24.4	40.2	51.7	21.3	35.7	49.3	-12.9%	-11.0%	-4.7%
IIB	73.8	99.8	126.9	65.8	87.4	110.6	-10.9%	-12.4%	-12.9%
KMB	144.3	161.0	193.4	141.1	156.0	184.8	-2.2%	-3.1%	-4.4%
FB	41.6	49.4	60.4	41.0	48.1	59.2	-1.4%	-2.7%	-2.1%
RBK	10.2	17.2	25.5	7.7	13.6	21.6	-24.4%	-21.0%	-15.2%
AUBANK	22.4	29.2	38.7	21.1	27.7	36.0	-5.9%	-5.2%	-6.8%
EQUITASB	3.6	8.3	11.7	3.0	7.3	11.1	-16.6%	-12.9%	-4.9%
Total Pvt	1,756.4	2,026.4	2,374.8	1,735.7	1,971.6	2,295.1	-1.2%	-2.7%	-3.4%
- YoY growth	8.2%	15.4%	17.2%	7.0%	13.6%	16.4%			
PSU Banks									
BOB	185.5	203.6	225.0	186.7	197.6	218.2	0.6%	-3.0%	-3.0%
CBK	162.6	183.6	205.2	161.7	170.5	191.0	-0.6%	-7.1%	-6.9%
INBK	105.2	114.0	127.8	103.3	112.0	122.9	-1.8%	-1.8%	-3.9%
PNB	156.5	176.8	200.8	156.3	174.1	196.4	-0.1%	-1.5%	-2.2%
SBIN	712.3	764.0	864.5	710.8	763.3	869.4	-0.2%	-0.1%	0.6%
UNBK	155.6	170.7	189.4	158.3	164.3	179.7	1.7%	-3.7%	-5.1%
Total PSU	1,477.6	1,612.7	1,812.8	1,477.1	1,581.8	1,777.6	0.0%	-1.9%	-1.9%
- YoY growth	19.8%	9.1%	12.4%	19.7%	7.1%	12.4%			
Total Banks	3,234.0	3,639.1	4,187.6	3,212.8	3,553.4	4,072.7	-0.7%	-2.4%	-2.7%
- YoY growth	13.2%	12.5%	15.1%	12.5%	10.6%	14.6%			

Exhibit 3: Loan growth declined to 11.5%

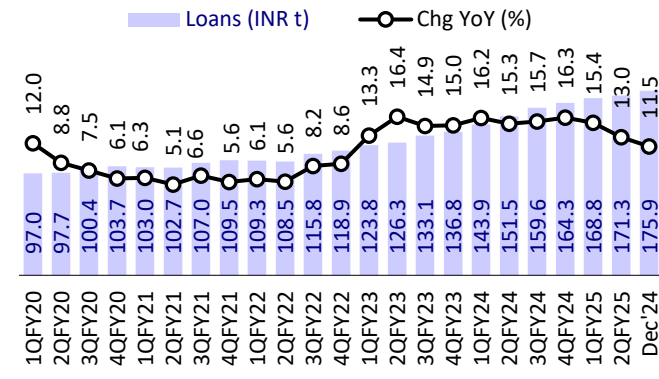


Exhibit 4: Deposit growth broadly stable at 11.5%

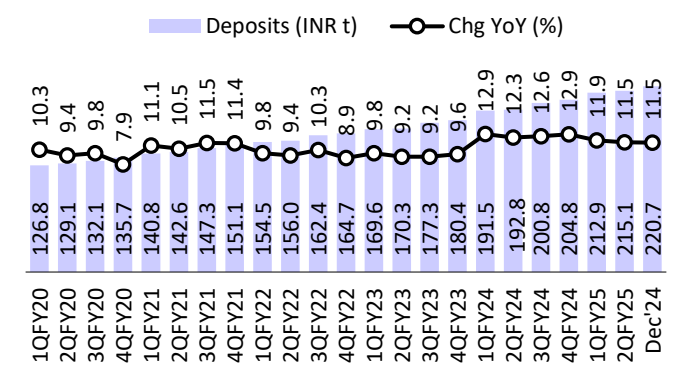
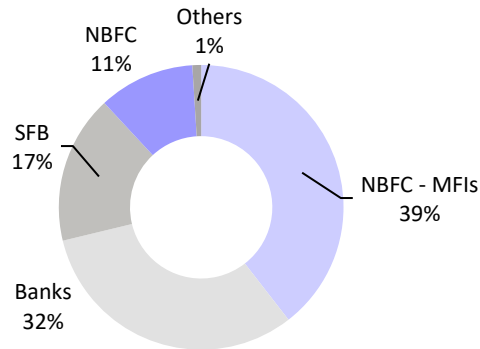


Exhibit 5: MFI industry: Mix of bank loans stood at ~32%; MFI industry size at INR4.1t

Banks have reduced their MFI industry loan mix from 40% in FY22 to 32% in 2QFY25

Micro-credit loan outstanding across lenders



Source: MFIN, MOFSL Company

Exhibit 6: Personal loan growth moderates across banks...

Personal Loan growth (%)	2QFY25	1QFY25	2QFY24
HDFC Bank	6.1	5.2	15.4
ICICI Bank	17.3	24.9	40.4
Axis Bank	23.3	29.4	24.7
Kotak	16.8	21.7	35.3
SBI	6.6	11.2	17.8
BoB	25.2	39.2	67.3

Source: MOFSL, Company

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

Credit Card O/s growth (%)	2QFY25	1QFY25	2QFY24
HDFC Bank	20.7	14.3	10.9
ICICI Bank	27.9	31.3	29.5
Axis Bank	22.0	22.4	73.7
Kotak	14.7	28.9	59.4
SBI Cards	23.0	21.5	19.3

Source: MOFSL, Company

Exhibit 8: Estimate NIMs to exhibit a slight downward bias

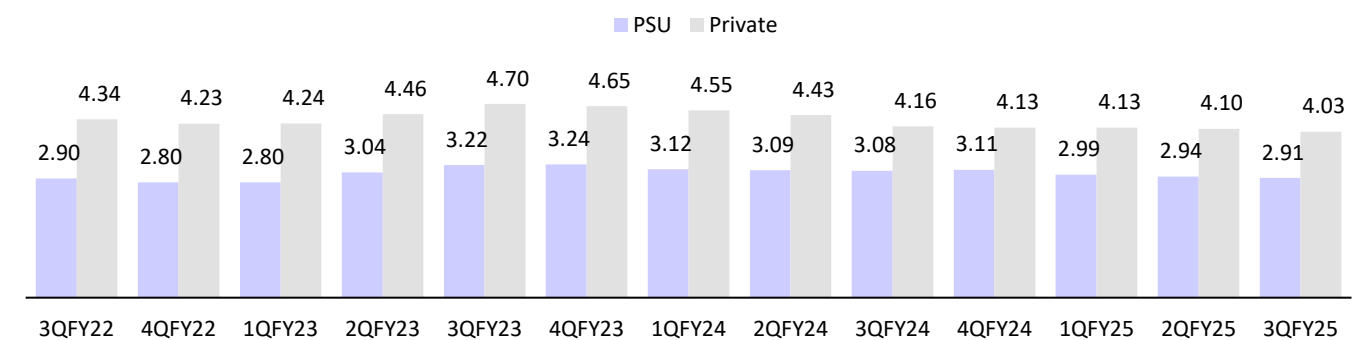


Exhibit 9: Snapshot of additional provision buffers as of 2QFY25

Large banks continue to carry healthy contingency buffers

As on 1QFY25	Loans (INR b)	COVID/contingent provisions	Floating/additional provisions	Total provisions	As a percentage of loans (%)
AXSB	9,999	50.1	66.9	118	1.2
HDFCB	24,951	145	124	269	1.1
ICICIBC	12,772	131	-	131	1.0
IIB	3,572	15	-	15	0.4
AUBANK	896	0.2	0.4	0.6	0.1

Source: MOFSL, Company

Exhibit 10: AXSB, FB, KMB, ICICIBC, and HDFCB have higher EBLR/Repo-linked loans; PSBs have higher linkage to MCLR (%)

Loans Mix (%) - 2QFY25	MCLR	EBLR	Repo linked	Others (fixed, base rate, and foreign currency-floating)
AUBANK	28	10		62
AXSB	11	4	53	32
CBK	48	41		11
FB	10	50		40
HDFCB	27	43		31
ICICIBC	16	1	51	32
INBK	58		36	6
KMB	13	60	-	27
PNB	34	8	41	17
RBL**	7	35		58
SBIN*	36	27		34
BOB	47	33		20

*as on 1QFY25 **as on 4QFY24; Source: MOFSL, Company

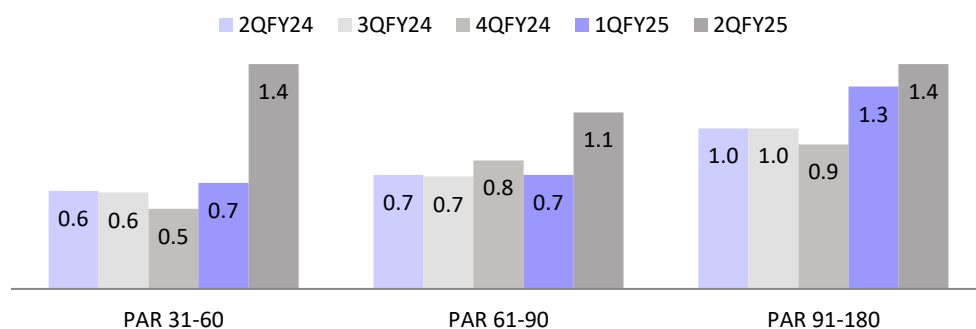
Exhibit 11: Snapshot of restructured book across banks (INR b)

	Absolute	Sep'22	Mar'23	Jun'23	Sep'23	Mar'24	Jun'24	Sep'24
AXSB	13.2	0.38	0.22	0.21	0.2	0.16	0.14	0.13
BANDHAN	NA	0.2	NA	NA	NA	NA	NA	NA
DCBB	9.2	5.45	4.51	3.97	3.4	2.62	2.34	2.07
HDFCB	NA	0.53	0.31	NA	0.22	NA	NA	NA
ICICIBC	25.5	0.7	0.4	NA	0.32	0.26	0.22	0.20
IIB	10.4	1.5	0.84	0.66	0.54	0.40	0.34	0.29
KMB	2.5	0.34	0.22	0.19	0.15	0.10	0.08	0.06
FB	16.4	2.03	1.62	1.4	1.3	0.97	0.83	0.71
RBK	3.3	2.21	1.21	1.05	0.89	0.51	0.44	0.38
AUBANK	3.8	1.7	1.2	1	0.8	0.60	0.40	0.40
BOB	NA	2.12	1.5	1.31	NA	NA	NA	NA
SBIN	148.3	0.93	0.8	0.69	0.62	0.47	0.43	0.38
INBK	71.4	3.9	2.51	2.19	2.12	1.67	1.51	1.34
PNB	NA	1.8	1.32	NA	NA	NA	NA	NA
UNBK	112.4	2.6	2.2	2	1.71	1.48	1.30	1.21
CBK	NA	2.09	NA	NA	NA	NA	NA	NA

Source: MOFSL, Company

Exhibit 12: Trend in MFI delinquencies for banks (%)

Banks have been witnessing stress in MFI segment, with 91-180 PAR rising to 1.4% in 2QFY25 from 0.9% in 4QFY24



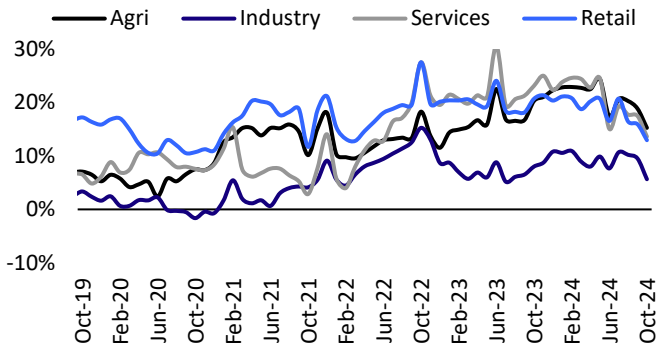
Source: MFIN

Exhibit 13: SMA mix across banks as of 2QFY25

SMA (bp of loans)	SMA 0	SMA 1	SMA 2
BOB	NA		47bp
CBK	33bp	7bp	108bp
INBK	NA	27bp	62bp
PNB	NA	NA	16bp
SBIN	NA	31bp	5bp
UNBK	61bp	3bp	19bp
BANDHAN	150bp	90bp	90bp
KMB	NA	NA	4bp

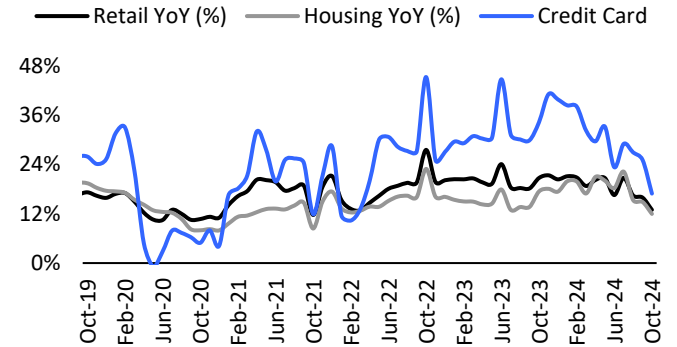
Source: MOFSL, Company

Exhibit 14: Retail loan growth declined to 13% YoY; retail loan mix at 34% in Oct'24



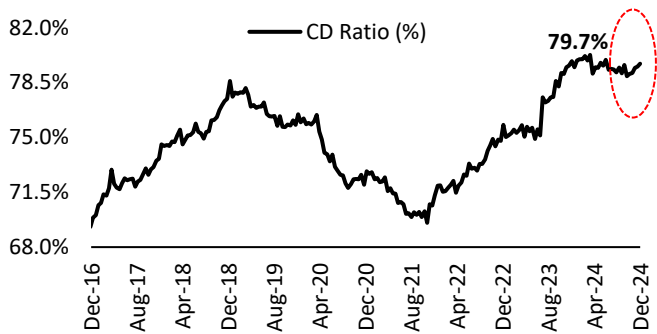
Source: MOFSL, RBI

Exhibit 15: Credit cards growth declined to 17% YoY; Housing/Retail loan growth too declined to 12%/13% YoY in Oct-24



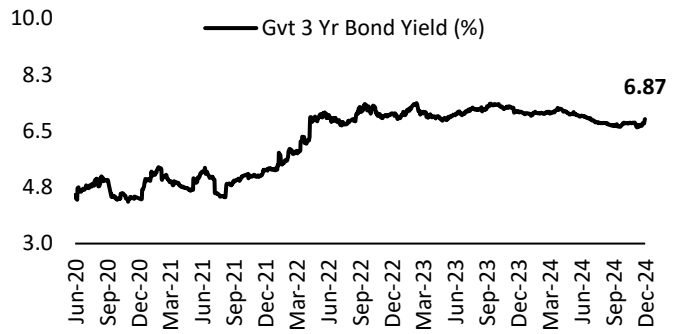
Source: MOFSL, RBI

Exhibit 16: CD ratio stood at 79.7% as of Dec'24



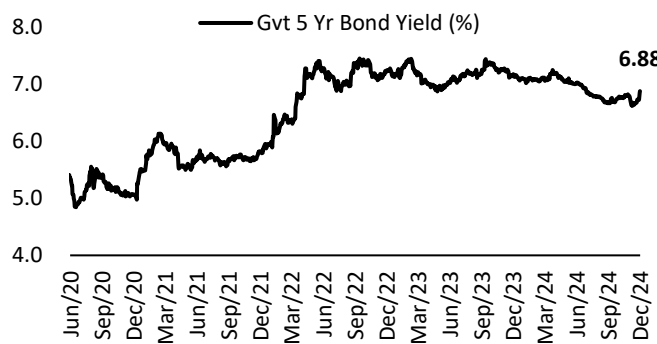
Source: MOFSL, RBI

Exhibit 17: Three-year G-Sec yield stood at 6.87% in Dec'24



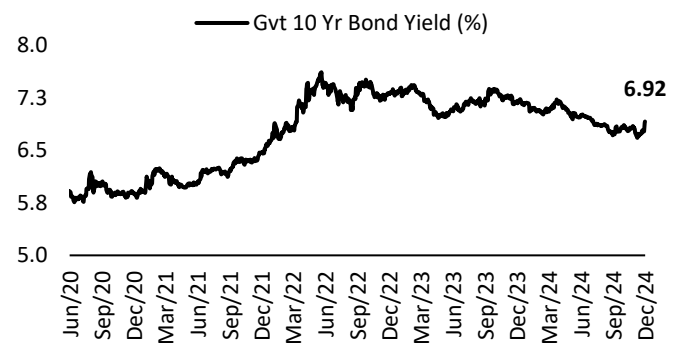
Source: MOFSL, BBG

Exhibit 18: Five-year G-Sec yield increased to 6.88%



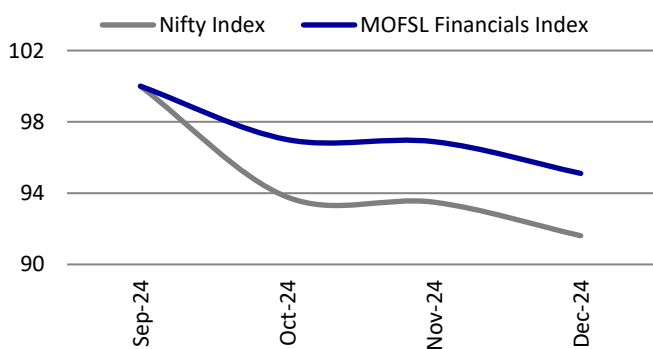
Source: MOFSL, BBG

Exhibit 19: 10-year G-Sec yield stood at 6.92% in Dec'24



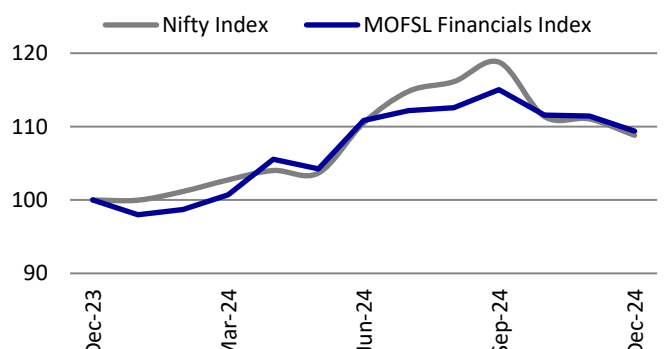
Source: MOFSL, BBG

Exhibit 20: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 21: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 22: Valuation summary

Company	CMP (INR)	Rating	EPS (INR)			P/E (x)			P/B (x)			RoE (%)		
			FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
Financials														
Banks-Private														
ICICIBC	1,284	Buy	58.4	65.3	72.2	17.6	15.7	14.2	3.0	2.6	2.3	18.9	18.0	17.1
HDFCB	1,782	Buy	80.0	88.2	100.1	18.6	16.9	14.9	2.6	2.3	2.0	14.6	14.4	14.6
AXSB	1,072	Neutral	80.7	85.1	98.2	12.0	11.4	9.8	2.0	1.7	1.4	18.0	16.1	15.9
BANDHAN	160	Neutral	13.8	24.3	26.5	11.6	6.6	6.0	1.2	1.1	0.9	10.8	17.0	16.3
KMB	1,788	Neutral	69.4	72.6	81.0	16.9	16.1	14.5	2.4	2.1	1.8	15.3	13.9	13.6
IIB	969	Buy	115.5	94.9	128.2	8.4	10.2	7.6	1.2	1.1	1.0	15.3	11.2	13.6
FB	200	Buy	16.3	17.1	20.3	12.3	11.7	9.9	1.7	1.5	1.3	14.7	13.4	14.1
DCBB	121	Buy	17.1	18.8	24.7	7.0	6.4	4.9	0.8	0.7	0.6	11.8	11.7	13.7
IDFCFB	64	Neutral	4.3	3.5	5.7	14.9	18.6	11.3	1.4	1.3	1.2	10.2	7.3	11.0
EQUITASB	65	Buy	7.1	3.1	7.3	9.1	20.7	8.8	1.2	1.2	1.1	14.4	5.9	12.8
AUBANK	568	Buy	23.0	31.8	39.3	24.7	17.9	14.5	3.0	2.5	2.2	13.1	15.4	16.2
RBK	158	Neutral	19.3	16.9	28.4	8.2	9.3	5.6	0.6	0.6	0.6	8.2	6.7	10.7
Banks-PSU														
SBIN	793	Buy	68.4	79.8	85.6	7.9	6.8	6.3	1.3	1.1	1.0	18.8	18.8	17.4
PNB	103	Neutral	7.5	13.9	15.4	13.7	7.4	6.7	1.1	1.0	0.9	8.7	14.4	14.1
BOB	241	Buy	34.4	35.8	39.3	7.0	6.7	6.1	1.1	1.0	0.9	17.8	16.2	15.7
CBK	100	Buy	16.0	17.9	20.2	6.3	5.6	5.0	1.1	1.0	0.8	20.2	19.3	18.9
UNBK	123	Buy	18.9	20.4	22.4	6.5	6.0	5.5	1.0	0.9	0.8	16.7	15.9	15.4
INBK	517	Buy	62.2	77.3	83.7	8.3	6.7	6.2	1.3	1.1	1.0	17.1	18.4	17.3
Fintech and payments														
PAYTM	987	Neutral	-22.4	-26.2	-10.5	-44.1	-37.7	-93.6	4.7	5.1	5.4	-10.7	-21.4	-1.7
SBICARD	678	Neutral	25.4	21.5	30.1	26.7	31.6	22.5	5.3	4.6	3.9	22.0	15.7	18.8

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

AU Small Finance Bank

Buy
CMP: INR568 | TP: INR730 (+29%)
EPS CHANGE (%): FY25 | FY26: -4.1 | -3.4

- Expect margins to see moderation
- Expect business growth to remain healthy
- CoF and C/I ratios are expected to remain elevated
- Asset quality ratios to see a slight deterioration

Quarterly Performance

	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Interest Income	12.5	12.5	13.2	13.4	19.2	19.7	20.3	20.9	51.6	80.1
% Change (Y-o-Y)	27.7	15.3	14.9	10.2	54.1	58.1	52.9	56.0	16.5	55.2
Other Income	3.2	4.1	4.5	5.6	5.1	6.4	6.5	7.3	17.5	25.3
Total Income	15.6	16.6	17.7	18.9	24.3	26.1	26.8	28.2	69.0	105.4
Operating Expenses	10.2	10.3	11.2	12.3	14.8	14.8	15.7	17.0	44.6	62.2
Operating Profit	5.5	6.3	6.6	6.6	9.5	11.3	11.1	11.2	24.4	43.1
% Change (Y-o-Y)	38.6	26.0	18.2	16.3	74.3	80.0	69.1	68.4	20.7	76.9
Provisions	0.3	1.0	1.6	1.3	2.8	3.7	4.6	3.8	4.4	15.0
Exceptional item	-	-	-	0.8	-	-	-	-	-	-
Profit before Tax	5.1	5.3	5.0	4.5	6.7	7.6	6.5	7.4	20.0	28.1
Tax	1.3	1.3	1.2	0.8	1.7	1.9	1.6	1.9	4.6	7.0
Net Profit	3.9	4.0	3.8	3.7	5.0	5.7	4.9	5.5	15.3	21.1
% Change (Y-o-Y)	44.4	17.3	(4.5)	(12.7)	29.9	42.1	30.2	48.0	7.5	37.5
Operating Parameters										
Deposit (INR b)	693.2	757.4	801.2	871.8	972.9	1,096.9	1,147.6	1,193.3	871.8	1,193.3
Loan (INR b)	628.6	641.7	667.4	731.6	896.5	948.4	987.3	1,059.5	731.6	1,059.5
Deposit Growth (%)	26.9	29.8	31.1	25.7	40.4	44.8	43.2	36.9	25.7	36.9
Loan Growth (%)	29.2	24.0	20.0	25.2	42.6	47.8	47.9	44.8	25.2	44.8
Asset Quality										
GNPA (%)	1.8	1.9	2.0	1.7	1.8	2.0	2.2	2.3	1.7	2.3
NNPA (%)	0.6	0.6	0.7	0.6	0.6	0.8	0.8	0.8	0.5	0.8
PCR (%)	69.0	69.1	66.0	67.6	65.1	62.8	63.1	65.6	64.3	65.6

Axis Bank

Neutral
CMP: INR1072 | TP: INR1,225 (+14%)
EPS CHANGE (%): FY25 | FY26: 0.4 | -4.1

- Expect CD ratio to moderate
- Expect margin to witness a mild moderation
- Cost ratios expected to remain elevated
- Asset quality ratios to see a mild increase

Quarterly Performance

	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Interest Income	119.6	123.1	125.3	130.9	134.5	134.8	136.6	140.9	498.9	546.8
% Change (Y-o-Y)	27.4	18.9	9.4	11.5	12.5	9.5	9.0	7.7	16.2	9.6
Other Income	50.9	50.3	55.5	67.7	57.8	67.2	63.5	69.5	224.4	258.1
Total Income	170.5	173.5	180.9	198.5	192.3	202.1	200.0	210.5	723.4	804.9
Operating Expenses	82.3	87.2	89.5	93.2	91.3	94.9	97.1	100.9	352.1	384.1
Operating Profit	88.1	86.3	91.4	105.4	101.1	107.1	103.0	109.6	371.2	420.7
% Change (Y-o-Y)	49.7	11.9	-1.5	14.9	14.7	24.1	12.7	4.0	16.8	13.3
Provisions	10.3	8.1	10.3	11.9	20.4	22.0	17.6	16.1	40.6	76.1
Profit before Tax	77.8	78.2	81.1	93.5	80.7	85.1	85.4	93.5	330.6	344.7
Tax	19.8	19.5	20.4	22.2	20.3	15.9	21.5	23.2	82.0	81.0
Net Profits	58.0	58.6	60.7	71.3	60.3	69.2	63.9	70.3	248.6	263.7
% Change (Y-o-Y)	40.5	10.0	3.7	7.6	4.1	18.0	5.2	-1.4	15.2	6.1
Operating Parameters										
Deposit (INR t)	9.4	9.6	10.0	10.7	10.6	10.9	11.4	12.0	10.7	12.0
Loan (INR t)	8.6	9.0	9.3	9.7	9.8	10.0	10.4	10.8	9.7	10.8
Deposit Growth (%)	17.2	17.9	18.5	12.9	12.8	13.7	13.7	12.1	12.9	12.1
Loan Growth (%)	22.4	22.8	22.3	14.2	14.2	11.4	11.4	11.7	14.2	11.7
Asset Quality										
Gross NPA (%)	2.0	1.7	1.6	1.4	1.5	1.4	1.5	1.5	1.5	1.5
Net NPA (%)	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.3	0.4
PCR (%)	79.6	79.5	77.8	78.5	78.1	76.6	76.3	76.1	78.5	76.1

E: MOFSL Estimates

Bandhan Bank**Neutral**

CMP: INR160 | TP: INR180 (+13%)

EPS CHANGE (%): FY25 | FY26: -6.4 | -9.7

- Expect NIM to see a decline
- Asset quality to see a mild increase
- Expect business growth to be healthy in 2H
- Cost ratios likely to remain elevated

Quarterly Performance

Y/E March	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Interest Income	24.9	24.4	25.3	28.7	30.1	29.5	30.0	30.9	103.3	120.4
% Change (YoY)	-0.9	11.4	21.4	16.0	20.7	20.7	18.7	7.6	11.5	16.6
Other Income	3.9	5.4	5.5	6.9	5.3	5.9	11.7	7.1	21.6	30.0
Total Income	28.8	29.8	30.7	35.6	35.3	35.4	41.6	38.0	124.9	150.4
Operating Expenses	13.1	14.0	14.2	17.2	15.9	16.9	17.7	18.9	58.5	69.4
Operating Profit	15.6	15.8	16.6	18.4	19.4	18.6	24.0	19.1	66.4	81.0
% Change (YoY)	-14.2	2.0	-13.9	2.4	24.2	17.2	44.8	3.8	-6.4	22.0
Provisions	6.0	6.4	6.8	17.7	5.2	6.1	13.3	7.9	37.0	32.5
Profit Before Tax	9.6	9.5	9.7	0.6	14.2	12.5	10.6	11.2	29.4	48.5
Tax	2.4	2.3	2.4	0.1	3.5	3.1	2.7	2.5	7.1	11.9
Net Profit	7.2	7.2	7.3	0.5	10.6	9.4	8.0	8.6	22.3	36.6
% Change (YoY)	-18.7	244.6	152.2	-93.2	47.5	30.0	8.6	1,482.9	1.6	64.2

Operating Parameters

Deposits (INR b)	1,085	1,121	1,174	1,352	1,332	1,425	1,486	1,575	1,352	1,575
Loans (INR b)	982	1,020	1,102	1,211	1,216	1,261	1,322	1,395	1,211	1,395
Deposit Growth (%)	16.6	12.8	14.8	25.1	22.8	27.2	26.5	16.5	25.1	16.5
Loan Growth (%)	8.0	13.1	19.6	15.6	23.8	23.6	20.0	15.2	15.6	15.2

Asset Quality

Gross NPA (%)	6.8	7.3	7.0	3.8	4.2	4.7	5.1	5.3	3.8	5.3
Net NPA (%)	2.2	2.3	2.2	1.1	1.2	1.3	1.4	1.5	1.1	1.5
PCR (%)	69.2	70.0	70.0	71.8	73.7	73.5	73.0	73.5	71.8	73.5

Bank of Baroda**Buy**

CMP: INR241 | TP: INR290 (+20%)

EPS CHANGE (%): FY25 | FY26: 0.6 | -3.0

- Expect cost ratios to remain under control
- Expect asset quality to improve further; credit costs are likely to remain in control
- Margins to remain broadly stable
- Business growth likely to be healthy

Quarterly Performance

Y/E March	FY24				FY25E				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Interest Income	110.0	108.3	111.0	117.9	116.0	116.2	120.3	123.5	447.2	475.9
% Change (YoY)	24.4	6.4	2.6	2.3	5.5	7.3	8.3	4.7	8.1	6.4
Other Income	33.2	41.7	28.1	41.9	24.9	51.8	33.0	45.4	145.0	155.1
Total Income	143.2	150.0	139.1	159.8	140.9	168.0	153.3	168.8	592.2	631.0
Operating Expenses	64.9	69.8	69.0	78.8	69.3	73.3	74.6	81.0	282.5	298.2
Operating Profit	78.2	80.2	70.2	81.1	71.6	94.8	78.7	87.8	309.7	332.8
% Change (YoY)	72.8	33.0	-14.8	0.4	-8.5	18.2	12.1	8.3	15.3	7.5
Provisions	19.5	21.6	6.7	13.0	10.1	23.4	19.8	22.4	60.8	75.7
Profit before Tax	58.8	58.6	63.5	68.0	61.5	71.4	58.8	65.4	248.9	257.2
Tax	18.1	16.1	17.7	19.2	16.9	19.0	14.8	19.7	71.0	70.5
Net Profit	40.7	42.5	45.8	48.9	44.6	52.4	44.0	45.7	177.9	186.7
% Change (YoY)	87.7	28.4	18.9	2.3	9.5	23.2	-3.9	-6.4	26.1	4.9

Operating Parameters

Deposit (INR b)	11,999	12,496	12,453	13,270	13,070	13,635	14,198	14,676	13,270	14,676
Loan (INR b)	9,635	9,980	10,241	10,658	10,479	11,212	11,502	11,937	10,658	11,937
Deposit Growth (%)	16.2	14.6	8.3	10.2	8.9	9.1	14.0	10.6	10.2	10.6
Loan Growth (%)	20.5	19.3	15.0	13.3	8.8	12.3	12.3	12.0	13.3	12.0

Asset Quality

Gross NPA (%)	3.5	3.3	3.1	2.9	2.9	2.5	2.4	2.3	2.9	2.3
Net NPA (%)	0.8	0.8	0.7	0.7	0.7	0.6	0.6	0.5	0.7	0.5
PCR (%)	78.5	77.6	77.7	77.3	76.6	76.3	76.5	76.8	76.2	76.8

E: MOFSL Estimates

Canara Bank**Buy**

CMP: INR100 | TP: INR125 (+25%)

EPS CHANGE (%): FY25 | FY26: -0.6 | -7.1

- Expect margins to remain largely flat
- Asset quality anticipated to improve
- Advances and deposit growth to be the key monitorables
- Expect cost to remain broadly under control

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	86.7	89.0	94.2	95.8	91.7	93.2	96.1	97.6	365.7	378.5
% Change (Y-o-Y)	27.7	19.8	9.5	11.2	5.8	4.6	2.1	1.8	16.3	3.5
Other Income	48.2	46.3	43.0	52.2	53.2	49.8	48.2	55.6	189.7	206.7
Total Income	134.8	135.4	137.1	148.0	144.9	143.0	144.3	153.1	555.3	585.2
Operating Expenses	58.8	59.2	69.1	74.1	68.7	66.4	69.3	73.8	261.2	278.2
Operating Profit	76.0	76.2	68.1	73.9	76.2	76.5	75.0	79.3	294.1	307.0
% Change (Y-o-Y)	15.1	10.3	-2.1	1.9	0.2	0.5	10.2	7.3	6.1	4.4
Other Provisions	27.2	26.1	19.0	24.8	22.8	22.5	21.1	23.8	97.1	90.3
Profit before Tax	48.9	50.1	49.1	49.1	53.3	54.0	53.9	55.5	197.0	216.7
Tax	13.5	14.0	12.5	11.5	14.3	13.9	13.7	13.1	51.5	55.0
Net Profit	35.3	36.1	36.6	37.6	39.1	40.1	40.1	42.3	145.5	161.7
% Change (Y-o-Y)	74.8	42.8	26.9	18.3	10.5	11.3	9.8	12.7	37.3	11.1
Operating Parameters										
Deposit (INR b)	11,925	12,322	12,629	13,124	13,352	13,473	13,778	14,252	13,124	14,252
Loan (INR b)	8,551	8,923	9,206	9,316	9,464	9,840	10,088	10,360	9,316	10,360
Deposit Growth (%)	6.6	8.7	8.5	11.3	12.0	9.3	9.1	8.6	11.3	8.6
Loan Growth (%)	14.5	13.2	12.8	12.2	10.7	10.3	9.6	11.2	12.2	11.2
Asset Quality										
Gross NPA (%)	5.2	4.8	4.4	4.2	4.1	3.7	3.5	3.4	4.2	3.4
Net NPA (%)	1.6	1.4	1.3	1.3	1.2	1.0	0.9	0.9	1.3	0.9
PCR (%)	70.6	71.4	70.8	70.9	71.0	74.1	74.2	74.0	70.8	74.0

E: MOFSL Estimates

DCB Bank**Buy**

CMP: INR121 | TP: INR160 (+32%)

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

- Expect business growth to remain healthy
- Expect cost ratios to remain under control
- Asset quality to witness an improvement
- Margin to largely remain flat

Quarterly Performance

(INR b)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	4.71	4.76	4.74	5.07	4.97	5.09	5.34	5.58	19.28	20.97
% Change (Y-o-Y)	25.88	15.72	6.27	4.43	5.49	7.03	12.56	9.95	12.28	8.78
Other Income	1.07	1.07	1.24	1.36	1.43	2.05	1.72	1.92	4.74	7.11
Total Income	5.78	5.83	5.98	6.44	6.40	7.14	7.06	7.50	24.02	28.09
Operating Expenses	3.69	3.73	3.86	4.10	4.34	4.59	4.70	4.81	15.38	18.45
Operating Profit	2.09	2.11	2.12	2.34	2.05	2.55	2.35	2.68	8.64	9.64
% Change (Y-o-Y)	25.61	15.32	8.96	(4.19)	(1.58)	21.19	11.24	14.72	9.88	11.51
Provisions	0.38	0.40	0.41	0.24	0.28	0.46	0.49	0.58	1.42	1.81
Profit before Tax	1.71	1.71	1.71	2.10	1.77	2.10	1.86	2.10	7.22	7.83
Tax	0.44	0.44	0.44	0.54	0.46	0.54	0.48	0.54	1.86	2.02
Net Profit	1.27	1.27	1.27	1.56	1.31	1.55	1.38	1.56	5.36	5.81
% Change (Y-o-Y)	30.7	12.9	11.2	9.5	3.5	22.6	9.3	0.1	15.1	8.42
Operating Parameters										
Deposit (INR b)	430.1	455.0	471.2	493.5	516.9	545.3	565.7	587.3	493.5	587.3
Loan (INR b)	354.7	372.8	389.5	409.2	421.8	444.7	463.7	487.0	409.2	487.0
Deposit Growth (%)	22.6	23.1	19.3	19.7	20.2	19.9	20.1	19.0	19.7	19.0
Loan Growth (%)	19.0	19.1	18.2	19.0	18.9	19.3	19.0	19.0	19.0	19.0
Asset Quality										
Gross NPA (%)	3.26	3.36	3.43	3.23	3.33	3.29	3.24	3.15	3.25	3.15
Net NPA (%)	1.19	1.28	1.22	1.11	1.18	1.17	1.15	1.10	1.11	1.10
PCR (%)	64.1	62.8	65.1	66.4	65.2	65.2	65.3	65.8	66.4	65.8

E: MOFSL Estimates

Equitas Small Finance Bank

Buy
CMP: INR65 | TP: INR80 (+23%)
EPS CHANGE (%): FY25|FY26: -16.6|-12.9

- Expect NIM to decline in 3Q
- Expect cost ratios to remain elevated
- Asset quality to be under pressure
- Business growth to be a key monitorable

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Interest Income	12.5	13.6	14.3	14.4	15.0	15.5	16.4	17.6	54.9	64.6
Interest Expense	5.1	5.9	6.4	6.6	7.0	7.5	8.1	9.0	24.1	31.6
Net Interest Income	7.4	7.7	7.9	7.9	8.0	8.0	8.3	8.6	30.8	33.0
% Change (YoY)	28.0	25.6	21.3	11.2	7.9	4.8	5.7	10.1	21.0	7.1
Other Income	1.7	1.8	2.1	2.4	2.1	2.4	2.5	2.7	8.0	9.7
Total Income	9.1	9.5	9.9	10.3	10.1	10.4	10.7	11.4	38.8	42.6
Operating Expenses	6.0	6.2	6.3	6.5	6.7	6.9	7.2	7.5	25.0	28.3
Operating Profit	3.1	3.3	3.6	3.7	3.4	3.5	3.6	3.9	13.8	14.3
% Change (YoY)	16.4	36.3	29.1	-3.0	9.1	5.9	-1.2	3.6	17.1	4.1
Provisions	0.6	0.6	0.8	1.1	3.0	3.3	2.5	1.5	3.1	10.4
Profit before Tax	2.5	2.7	2.8	2.7	0.4	0.2	1.1	2.3	10.6	4.0
Tax	0.6	0.7	0.7	0.6	0.1	0.1	0.3	0.6	2.6	1.0
Net Profit	1.9	2.0	2.0	2.1	0.3	0.1	0.8	1.8	8.0	3.0
% Change (YoY)	97.1	70.2	18.7	9.3	-86.5	-93.5	-60.3	-14.1	39.3	-62.8
Operating Parameters										
AUM	296	312	328	343	349	361	390	407	343	407
Deposits	277	308	324	361	375	399	412	430	361	430
Loans	275	288	292	310	319	340	352	367	310	367
AUM Growth (%)	36	37	32	23	18	15	19	18	23	18
Deposit Growth (%)	36	42	38	42	35	29	27	19	42	19
Loan Growth (%)	34	32	25	20	16	18	20	18	20	18
Asset Quality										
Gross NPA (%)	2.8	2.3	2.5	2.6	2.7	3.0	3.2	3.3	2.6	3.3
Net NPA (%)	1.2	1.0	1.1	1.2	0.8	1.0	1.0	1.0	1.2	1.0
PCR (%)	57.8	57.7	56.0	56.1	70.3	67.7	69.2	70.7	56.1	70.7

Federal Bank

Buy
CMP: INR200 | TP: INR230 (+15%)
EPS CHANGE (%): FY25 |FY26: -1.4|-2.7

- Business growth to be healthy
- Margins to witness a marginal decline
- Expect cost ratios to remain broadly under control
- Asset quality metrics to remain broadly stable too

Quarterly Performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	19.2	20.6	21.2	22.0	22.9	23.7	24.4	25.0	82.9	96.0
% Change (YoY)	19.6	16.7	8.5	15.0	19.5	15.1	15.0	13.8	14.7	15.7
Other Income	7.3	7.3	8.6	7.5	9.2	9.6	9.3	8.9	30.8	37.0
Total Income	26.5	27.9	29.9	29.5	32.1	33.3	33.7	33.9	113.7	132.9
Operating Expenses	13.5	14.6	15.5	18.4	17.1	17.7	18.2	19.0	62.0	71.9
Operating Profit	13.0	13.2	14.4	11.1	15.0	15.7	15.5	14.9	51.7	61.1
% Change (YoY)	33.8	9.3	12.8	-16.8	15.2	18.2	7.9	34.2	7.9	18.0
Provisions	1.6	0.4	0.9	-0.9	1.4	1.6	1.7	1.5	2.0	6.2
Profit before Tax	11.5	12.8	13.5	12.0	13.6	14.1	13.8	13.4	49.8	54.8
Tax	2.9	3.3	3.4	3.0	3.5	3.5	3.5	3.4	12.6	13.8
Net Profit	8.5	9.5	10.1	9.1	10.1	10.6	10.3	10.1	37.2	41.0
% Change (YoY)	42.1	35.5	25.3	0.4	18.2	10.8	2.2	11.0	23.6	10.3
Operating Parameters										
Deposit (INR b)	2,225	2,329	2,396	2,525	2,661	2,691	2,788	2,950	2,525	2,950
Loan (INR b)	1,835	1,928	1,992	2,094	2,208	2,303	2,373	2,454	2,094	2,454
Deposit Growth (%)	21.3	23.1	19.0	18.3	19.6	15.6	16.4	16.8	18.3	16.8
Loan Growth (%)	21.0	19.6	18.4	20.0	20.3	19.4	19.1	17.2	20.0	17.2
Asset Quality										
Gross NPA (%)	2.4	2.3	2.3	2.1	2.1	2.1	2.1	1.9	2.1	1.9
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.7	0.5
PCR (%)	71.3	72.3	72.3	72.3	71.9	72.9	72.5	72.4	69.6	72.4

HDFC Bank**Buy****CMP: INR1,782 | TP: INR2,050 (+15%)****EPS CHANGE (%): FY25 | FY26: -0.3 | -1.3**

- Expect cost ratios to remain under control
- Margins to remain broadly stable
- Asset quality is likely to remain broadly stable
- Guidance for credit growth to be key monitorable

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1QE	2Q	3QE	4QE		
Net Interest Income	236.0	273.9	284.7	290.8	298.4	301.1	303.4	310.6	1,085.3	1,213.4
% Change (Y-o-Y)	21.1	30.3	23.9	24.5	26.4	10.0	6.5	6.8	25.0	11.8
Other Income	92.3	107.1	111.4	181.7	106.7	114.8	117.1	124.3	492.4	462.9
Total Income	328.3	380.9	396.1	472.4	405.1	416.0	420.5	434.8	1,577.7	1,676.3
Operating Expenses	140.6	154.0	159.6	179.7	166.2	168.9	172.9	178.0	633.9	686.0
Operating Profit	187.7	226.9	236.5	292.7	238.8	247.1	247.6	256.8	943.9	990.3
% Change (Y-o-Y)	22.2	30.5	24.3	57.2	27.2	8.9	4.7	-12.3	34.1	4.9
Provisions	28.6	29.0	42.2	135.1	26.0	27.0	26.8	25.8	234.9	105.7
Profit before Tax	159.1	197.9	194.3	157.6	212.8	220.1	220.8	231.0	709.0	884.6
Tax	39.6	38.1	30.6	-7.5	51.1	51.8	54.3	59.5	100.8	216.7
Net Profit	119.5	159.8	163.7	165.1	161.7	168.2	166.4	171.5	608.1	667.9
% Change (Y-o-Y)	30.0	50.6	33.5	37.1	35.3	5.3	1.7	3.9	37.9	9.8
Operating Parameters										
Deposit	19,131	21,729	22,140	23,798	23,791	25,001	25,873	27,439	23,798	27,439
Loan	16,157	23,312	24,461	24,849	24,635	24,951	25,656	26,464	24,849	26,464
Deposit Growth (%)	19.2	29.8	27.7	26.4	24.4	15.1	16.9	15.3	26.4	15.3
Loan Growth (%)	15.8	57.5	62.3	55.2	52.5	7.0	4.9	6.5	55.2	6.5
Asset Quality										
Gross NPA (%)	1.2	1.3	1.3	1.2	1.3	1.4	1.4	1.4	1.2	1.4
Net NPA (%)	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.4
PCR (%)	74.9	74.4	75.3	74.0	71.2	69.9	70.2	70.3	74.0	70.3

ICICI Bank**Buy****CMP: INR1284 | TP: INR1,550 (+21%)****EPS CHANGE (%): FY25 | FY26: 0.5 | 0.3**

- Expect business growth to remain healthy
- Expect cost ratios to remain elevated
- Margins expected to witness a mild moderation
- Expect asset quality ratio to be steady

Quarterly Performance**(INR b)**

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	182.3	183.1	186.8	190.9	195.5	200.5	207.1	212.1	743.1	815.2
% Change (YoY)	38.0	23.8	13.4	8.1	7.3	9.5	10.9	11.1	19.6	9.7
Other Income	54.4	57.8	61.0	56.5	70.0	71.8	67.9	69.0	229.6	278.7
Total Income	236.6	240.8	247.8	247.4	265.5	272.2	275.0	281.1	972.6	1,093.9
Operating Expenses	95.2	98.6	100.5	97.0	105.3	105.0	107.9	109.8	391.3	428.0
Operating Profit	141.4	142.3	147.2	150.4	160.2	167.2	167.1	171.3	581.3	665.9
% Change (YoY)	37.2	21.8	10.9	8.8	13.3	17.5	13.5	13.9	18.4	14.6
Provisions	12.9	5.8	10.5	7.2	13.3	12.3	15.4	12.1	36.4	53.2
Profit before Tax	128.5	136.5	136.7	143.2	146.9	154.9	151.7	159.2	544.9	612.7
Tax	32.0	33.9	34.0	36.1	36.3	37.4	37.5	40.7	136.0	151.9
Net Profit	96.5	102.6	102.7	107.1	110.6	117.5	114.2	118.5	408.9	460.7
% Change (YoY)	39.7	35.8	23.6	17.4	14.6	14.5	11.2	10.6	28.2	12.7
Operating Parameters										
Deposit	12,387	12,947	13,323	14,128	14,261	14,978	15,651	16,304	14,128	16,304
Loan	10,576	11,105	11,538	11,844	12,232	12,772	13,274	13,751	11,844	13,751
Deposit Growth (%)	17.9	18.8	18.7	19.6	15.1	15.7	17.5	15.4	19.6	15.4
Loan Growth (%)	18.1	18.3	18.5	16.2	15.7	15.0	15.1	16.1	16.2	16.1
Asset Quality										
Gross NPA (%)	2.8	2.5	2.3	2.2	2.2	2.0	2.0	2.0	2.3	2.0
Net NPA (%)	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4
PCR (%)	83.1	83.1	81.3	80.8	80.2	79.0	78.7	79.3	80.3	79.3

E: MOFSL Estimates

IDFC First Bank**Neutral****CMP: INR64 | TP: INR73 (14%)****EPS CHANGE (%): FY25|FY26: -12.9|-11.0**

- Expect business growth to remain healthy
- Cost ratios likely to remain elevated
- Asset Quality ratio to deteriorate slightly
- Margins movement to be a key monitorable

Quarterly Performance**(INR b)**

	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	37.5	39.5	42.9	44.7	46.9	47.9	49.6	51.6	164.5	196.0
% Change (Y-o-Y)	36.1	31.6	30.5	24.2	25.4	21.2	15.7	15.4	30.2	19.1
Other Income	14.1	14.3	15.2	16.4	16.2	17.3	17.5	18.7	60.0	69.6
Total Income	51.6	53.8	58.0	61.1	63.1	65.2	67.1	70.3	224.5	265.6
Operating Expenses	36.6	38.7	42.4	44.5	44.3	45.5	46.8	48.7	162.2	185.4
Operating Profit	15.0	15.1	15.6	16.6	18.8	19.6	20.3	21.5	62.4	80.3
% Change (Y-o-Y)	59.0	29.2	23.9	6.8	25.5	29.9	29.8	29.4	26.5	28.7
Provisions	4.8	5.3	6.5	7.2	9.9	17.3	13.6	11.5	23.8	52.4
Profit before Tax	10.2	9.8	9.1	9.4	8.9	2.3	6.6	10.0	38.6	27.8
Tax	2.6	2.3	1.9	2.2	2.1	0.3	1.6	2.5	9.0	6.5
Net Profit	7.7	7.5	7.2	7.2	6.8	2.0	5.0	7.5	29.6	21.3
% Change (Y-o-Y)	61.3	35.2	18.4	-9.8	-11.0	-73.3	-30.1	3.1	21.3	-28.0
Operating Parameters										
Deposit (INR b)	1,544	1,712	1,825	2,006	2,097	2,236	2,343	2,495	2,006	2,495
Deposit Growth (%)	36.2	38.7	37.2	38.7	35.8	30.6	28.4	24.4	38.7	24.4
Loan (INR b)	1,674	1,781	1,855	1,946	2,026	2,151	2,258	2,399	1,946	2,355
Loan Growth (%)	26.3	27.0	27.3	24.4	21.0	20.7	21.7	23.3	28.2	21.0
Asset Quality										
Gross NPA (%)	2.2	2.1	2.0	1.9	1.9	1.9	2.1	2.2	1.9	2.2
Net NPA (%)	0.7	0.7	0.7	0.6	0.6	0.5	0.6	0.6	0.6	0.6
PCR (%)	68.1	68.2	66.9	68.8	69.4	75.3	74.1	73.8	68.8	73.8

E: MOFSL Estimates

IndusInd Bank**Buy****CMP: INR969 | TP: INR1,250 (+29%)****EPS CHANGE (%): FY25|FY26: -10.9|-12.4**

- Expect business growth to remain moderate
- Expect margins to decline further
- Expect asset quality to witness a slight deterioration
- Credit costs likely to be elevated

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	48.7	50.8	53.0	53.8	54.1	53.5	52.8	54.1	206.2	214.5
% Change (YoY)	18.0	18.0	17.8	15.1	11.1	5.3	-0.3	0.6	17.2	4.0
Other Income	22.1	22.8	24.0	25.1	24.4	21.8	23.3	23.9	94.0	93.5
Total Income	70.8	73.6	76.9	78.8	78.5	75.3	76.1	78.0	300.1	307.9
Operating Expenses	32.5	34.5	36.5	38.0	39.0	39.3	40.0	41.2	141.5	159.5
Operating Profit	38.3	39.1	40.4	40.8	39.5	36.0	36.0	36.8	158.6	148.4
% Change (YoY)	11.7	10.3	9.7	8.6	3.1	-7.9	-10.8	-9.7	10.0	-6.5
Provisions	9.9	9.7	9.7	9.5	10.5	18.2	16.8	15.1	38.8	60.6
Profit before Tax	28.4	29.3	30.7	31.3	29.0	17.8	19.2	21.8	119.8	87.8
Tax	7.2	7.3	7.7	7.8	7.3	4.5	4.8	5.4	30.0	22.0
Net Profit	21.2	22.0	23.0	23.5	21.7	13.3	14.4	16.4	89.8	65.8
% Change (YoY)	30.3	22.0	17.2	15.0	2.2	-39.5	-37.6	-30.3	20.6	-26.7
Operating Parameters										
Deposit (INR b)	3,470	3,595	3,688	3,846	3,985	4,124	4,239	4,350	3,846	4,350
Loan (INR b)	3,013	3,155	3,271	3,433	3,479	3,572	3,683	3,817	3,433	3,817
Deposit Growth (%)	14.5	13.9	13.4	14.4	14.8	14.7	14.9	13.1	14.4	13.1
Loan Growth (%)	21.5	21.3	19.9	18.4	15.5	13.2	12.6	11.2	18.4	11.2
Asset Quality										
Gross NPA (%)	1.9	1.9	1.9	1.9	2.0	2.1	2.2	2.3	1.9	2.3
Net NPA (%)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.7
PCR (%)	70.6	70.6	70.6	70.6	70.6	70.1	70.6	71.2	69.5	71.2

E: MOFSL Estimates

Indian Bank

Buy

CMP: INR517 | TP: INR670 (+30%)

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

- Expect cost ratios to remain contained
- Expect NIMs to remain largely flat

- Earnings growth to remain on track
- Expect asset quality ratios to improve

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	57.0	57.4	58.1	60.2	61.8	61.9	63.4	64.7	232.7	251.9
% Change (YoY)	25.8	22.5	5.7	9.2	8.3	7.9	9.1	7.6	15.1	8.2
Other Income	17.1	19.9	19.0	22.6	19.1	24.2	21.5	24.1	78.7	88.9
Total Income	74.1	77.3	77.2	82.8	80.8	86.2	84.9	88.8	311.4	340.8
Operating Expenses	32.8	34.3	36.2	39.7	35.8	38.9	39.5	42.6	143.0	156.8
Operating Profit	41.3	43.0	41.0	43.0	45.0	47.3	45.4	46.3	168.4	184.0
% Change (YoY)	16.0	18.6	0.9	7.2	8.9	9.9	10.8	7.5	10.3	9.3
Provisions	17.4	15.5	13.5	12.5	12.6	11.0	10.9	10.8	58.9	45.4
Profit before Tax	23.9	27.5	27.5	30.6	32.4	36.3	34.5	35.4	109.5	138.6
Tax	6.9	7.6	6.3	8.1	8.4	9.2	8.7	9.1	28.9	35.3
Net Profit	17.1	19.9	21.2	22.5	24.0	27.1	25.8	26.4	80.6	103.3
% Change (YoY)	40.8	62.2	51.8	55.3	40.6	36.2	21.8	17.3	52.7	28.1
Operating Parameters										
Deposits (INR b)	6,215	6,408	6,542	6,880	6,812	6,931	7,181	7,458	6,880	7,458
Loans (INR b)	4,564	4,706	4,896	5,149	5,208	5,329	5,487	5,669	5,149	5,669
Deposit Growth (%)	6.4	8.8	9.6	10.8	9.6	8.2	9.8	8.4	10.8	8.4
Loan Growth (%)	13.6	14.2	12.3	14.6	14.1	13.2	12.1	10.1	14.6	10.1
Asset Quality										
Gross NPA (%)	5.5	5.0	4.5	4.0	3.8	3.5	3.3	3.1	4.0	3.1
Net NPA (%)	0.7	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.4	0.3
PCR (%)	87.8	88.5	88.7	89.5	90.0	92.5	92.0	91.7	89.5	91.7

Kotak Mahindra Bank

Neutral

CMP: INR1,788 | TP: INR2,000 (12%)

EPS CHANGE (%): FY25 | FY26: -0.6 | -1.2

- Expect cost ratios to remain elevated
- Margins to witness a mild moderation

- Asset quality to witness a mild moderation
- Business growth and guidance will be a key monitorable

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	62.3	63.0	65.5	69.1	68.4	70.2	71.4	73.2	259.9	283.2
% Change (Y-o-Y)	32.7	23.5	15.9	13.2	9.8	11.5	8.9	5.9	20.6	8.9
Other Income	26.8	23.1	23.0	29.8	29.3	26.8	28.0	32.4	102.7	116.6
Total Income	89.2	86.1	88.5	98.9	97.7	97.0	99.4	105.6	362.7	399.8
Operating Expenses	39.7	40.0	42.8	44.3	45.2	46.0	47.1	48.5	166.8	186.8
Operating Profit	49.5	46.1	45.7	54.6	52.5	51.0	52.3	57.1	195.9	213.0
% Change (Y-o-Y)	77.8	29.2	18.6	17.5	6.2	10.6	14.6	4.5	31.9	8.7
Provisions	3.6	3.7	5.8	2.6	5.8	6.6	7.5	6.9	15.7	26.8
Profit before Tax	45.9	42.4	39.9	52.0	46.8	44.4	44.8	50.2	180.1	186.1
Tax	11.3	10.5	9.8	10.6	11.6	11.0	11.0	11.5	42.3	45.0
Net Profit	34.5	31.9	30.1	41.3	35.2	33.4	33.8	38.7	137.8	141.1
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	4.8	12.4	-6.5	26.0	2.4
Exceptional item					27.3					27.3
PAT including exceptionals	34.5	31.9	30.1	41.3	62.5	33.4	33.8	38.7	137.8	168.4
% Change (Y-o-Y)	66.7	23.6	7.6	18.2	2.0	4.8	12.4	-6.5	26.0	22.2
Deposits (INRb)	3,863	4,010	4,086	4,490	4,474	4,615	4,835	5,037	4,490	5,037
Loans (INRb)	3,286	3,483	3,596	3,761	3,900	3,995	4,124	4,295	3,761	4,295
Deposit growth (%)	22.0	23.3	18.6	23.6	15.8	15.1	18.3	12.2	23.6	12.2
Loan growth (%)	17.3	18.5	15.7	17.6	18.7	14.7	14.7	14.2	17.6	14.2
Asset Quality										
Gross NPA (%)	1.77	1.72	1.73	1.39	1.39	1.49	1.56	1.58	1.39	1.58
Net NPA (%)	0.40	0.37	0.34	0.34	0.35	0.43	0.46	0.45	0.34	0.45
PCR (%)	78.0	79.1	80.6	75.9	74.9	71.4	71.2	71.6	75.9	71.6

E: MOFSL Estimates

Punjab National Bank**Neutral**

CMP: INR103 | TP: INR120 (+17%)

EPS CHANGE (%): FY25 | FY26: -0.1 | -1.5

- Expect margins to remain stable
- Expect asset quality to improve in 3Q
- Opex to remain contained
- Business growth/RoA trajectory to remain the key monitorables

Quarterly Performance**(INRb)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	95.0	99.2	102.9	103.6	104.8	105.2	107.7	109.8	400.8	427.4
% Change (YoY)	26.0	20.0	12.1	9.1	10.2	6.0	4.6	5.9	16.2	6.6
Other Income	34.3	30.3	26.7	42.5	36.1	45.7	34.4	44.4	133.8	160.6
Total Income	129.4	129.5	129.7	146.1	140.9	150.9	142.1	154.2	534.7	588.0
Operating Expenses	69.7	67.3	66.4	82.0	75.0	82.4	76.3	78.9	285.4	312.5
Operating Profit	59.7	62.2	63.3	64.2	65.8	68.5	65.8	75.3	249.3	275.5
% Change (YoY)	10.9	11.7	10.8	9.4	10.3	10.2	4.0	17.4	10.7	10.5
Provisions	39.7	34.4	27.4	15.9	13.1	2.9	7.9	9.1	117.4	33.1
Profit before Tax	20.0	27.7	35.9	48.3	52.7	65.7	57.9	66.2	131.9	242.4
Tax	7.5	10.2	13.7	18.2	20.2	22.6	21.4	21.8	49.5	86.1
Net Profit	12.6	17.6	22.2	30.1	32.5	43.0	36.5	44.3	82.4	156.3
% Change (YoY)	307.0	327.0	253.5	159.8	159.0	145.1	64.0	47.3	228.8	89.6
Operating Parameters										
Deposits	12,979	13,099	13,235	13,697	14,082	14,583	14,892	15,108	13,697	15,108
Loans	8,637	8,899	9,164	9,344	9,840	10,196	10,412	10,550	9,344	10,550
Deposit Growth (%)	14.2	9.8	9.3	6.9	8.5	11.3	12.5	10.3	6.9	10.3
Loan Growth (%)	16.3	15.1	14.5	12.5	13.9	14.6	13.6	12.9	12.5	12.9
Asset Quality										
Gross NPA (%)	7.7	7.0	6.2	5.7	5.0	4.5	4.0	3.7	5.7	3.7
Net NPA (%)	2.0	1.5	1.0	0.7	0.6	0.5	0.4	0.4	0.7	0.4
PCR (%)	75.8	80.0	85.4	87.9	88.4	90.2	90.0	89.7	87.9	89.7

RBL Bank**Neutral**

CMP: INR158 | TP: INR170 (+8%)

EPS CHANGE (%): FY25 | FY26: -24.4 | -21.0

- Expect earnings to decline sharply amid higher LLP
- Cost ratios likely to remain elevated
- Expect asset quality ratios to remain under pressure
- Margin and credit cost likely to remain under pressure

Quarterly Performance**(INR b)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	14.2	14.7	15.5	16.0	17.0	16.1	15.5	16.1	60.4	64.8
% Change (Y-o-Y)	19.6	25.6	21.1	17.9	19.5	9.5	0.6	0.5	20.9	7.2
Other Income	6.9	7.0	7.8	8.8	8.1	9.3	11.0	9.6	30.4	38.0
Total Income	21.1	21.8	23.2	24.8	25.1	25.4	26.6	25.7	90.9	102.8
Operating Expenses	14.6	14.5	15.6	15.9	16.5	16.3	16.7	17.1	60.6	66.5
Operating Profit	6.5	7.3	7.7	8.9	8.6	9.1	9.9	8.7	30.3	36.3
% Change (Y-o-Y)	22.4	42.7	34.9	49.4	32.7	24.5	29.9	-2.3	37.6	19.7
Provisions	2.7	6.4	4.6	4.1	3.7	6.2	9.2	7.2	17.7	26.3
Profit before Tax	3.8	0.9	3.1	4.7	4.9	2.9	0.7	1.4	12.6	10.0
Tax	0.9	-2.0	0.7	1.2	1.2	0.7	0.0	0.3	0.9	2.3
Net Profit	2.9	2.9	2.3	3.5	3.7	2.2	0.7	1.1	11.7	7.7
% Change (Y-o-Y)	43.2	45.9	11.5	30.1	29.0	-24.3	-70.0	-69.0	32.3	-33.8
Operating Parameters										
Deposit	856.4	897.8	927.5	1,034.9	1,013.5	1,079.6	1,104.9	1,155.0	1,034.9	1,155.0
Loan	730.9	763.2	799.5	839.9	867.0	878.8	900.8	935.6	839.9	935.6
Deposit Growth (%)	8.1	13.1	13.5	21.9	18.4	20.2	19.1	11.6	21.9	11.6
Loan Growth (%)	21.3	21.3	19.9	19.6	18.6	15.1	12.7	11.4	19.6	11.4
Asset Quality										
Gross NPA (%)	3.2	3.1	3.1	2.7	2.7	2.9	3.2	3.6	2.7	3.6
Net NPA (%)	1.0	0.8	0.8	0.7	0.7	0.8	0.9	1.1	0.7	1.1
PCR (%)	69.6	75.6	75.1	72.7	73.1	73.0	72.1	71.5	72.7	71.5

E: MOFSL Estimates

State Bank of India

Buy

CMP: INR793 | TP: INR1000 (+26%)

EPS CHANGE (%): FY25 | FY26: -0.2 | -0.1

- Expect slightly elevated provisions in 3Q
- Expect cost ratios to be slightly higher

- Asset quality expected to remain contained
- Margin expected to stay largely flat

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	389.0	395.0	398.2	416.6	411.3	416.2	422.8	434.1	1,598.8	1,684.3
% Change (YoY)	24.7	12.3	4.6	3.1	5.7	5.4	6.2	4.2	10.4	5.4
Other Income	120.6	107.9	114.6	173.7	111.6	152.7	130.8	173.4	516.8	568.5
Total Income	509.7	502.9	512.7	590.2	522.9	568.9	553.5	607.5	2,115.6	2,252.8
Operating Expenses	256.7	308.7	309.4	302.8	258.4	276.0	283.0	305.8	1,248.6	1,123.2
Operating Profit	253.0	194.2	203.4	287.5	264.5	292.9	270.5	301.7	867.0	1,129.7
% Change (YoY)	98.4	-8.1	-19.4	16.8	4.6	50.9	33.0	5.0	3.6	30.3
Provisions	25.0	1.2	6.9	16.1	34.5	45.1	51.6	46.9	49.1	178.1
Exceptional items (exp)	0.0	0.0	71.0	0.0	0.0	0.0	0.0	0.0	71.0	0.0
Profit before Tax	228.0	193.0	125.5	271.4	230.0	247.9	218.8	254.8	746.8	951.6
Tax Provisions	59.1	49.7	33.8	64.4	59.6	64.6	56.5	60.1	207.1	240.7
Net Profit	168.8	143.3	91.6	207.0	170.4	183.3	162.4	194.8	539.8	710.8
% Change (YoY)	178.2	8.0	-35.5	24.0	0.9	27.9	77.2	-5.9	7.5	31.7
Adj. Net profit	168.8	143.3	144.0	207.0	170.4	183.3	162.4	194.8	610.8	
Operating Parameters										
Deposits (INR t)	45.3	46.9	47.6	49.2	49.0	51.2	52.9	54.4	49.2	54.4
Loans (INR t)	32.4	33.5	35.2	37.0	37.5	38.6	40.6	42.0	37.0	42.0
Deposit Growth (%)	12.0	11.9	13.0	11.1	8.2	9.1	11.2	10.7	11.1	10.7
Loan Growth (%)	14.9	13.3	15.1	15.8	15.9	15.3	15.4	13.4	15.8	13.4
Asset Quality										
Gross NPA (%)	2.76	2.55	2.42	2.24	2.21	2.13	2.04	2.03	2.24	2.03
Net NPA (%)	0.71	0.64	0.64	0.57	0.57	0.53	0.50	0.50	0.57	0.50
PCR (%)	74.8	75.4	74.2	75.0	74.4	75.7	75.6	75.9	74.8	75.9

Union Bank of India

Buy

CMP: INR123 | TP: INR140 (+14%)

EPS CHANGE (%): FY25 | FY26: 1.7 | -3.7

- Expect cost ratios to remain under control
- SMA and restructuring books are the key monitorables

- Margins anticipated to remain broadly stable
- Expect improvement in asset quality

Quarterly Performance

(INR b)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	88.4	91.3	91.7	94.4	94.1	90.5	91.8	93.3	365.7	369.7
% Change (YoY)	16.6	9.9	6.3	14.4	6.5	-0.9	0.2	-1.1	11.6	1.1
Other Income	39.0	37.0	37.7	47.1	45.1	53.3	41.6	44.9	160.8	184.9
Total Income	127.4	128.2	129.4	141.4	139.2	143.8	133.4	138.3	526.5	554.7
Operating Expenses	55.6	56.0	56.6	76.1	61.4	62.6	63.4	66.7	244.4	254.1
Operating Profit	71.8	72.2	72.8	65.3	77.9	81.1	70.0	71.6	282.1	300.6
% Change (YoY)	31.8	9.8	9.9	-4.3	8.4	12.4	-3.8	9.6	10.8	6.6
Provisions	20.1	17.7	17.5	12.6	27.6	17.1	20.5	20.3	67.8	85.6
Profit before Tax	51.7	54.5	55.3	52.7	50.3	64.0	49.5	51.2	214.3	215.0
Tax	19.4	19.4	19.4	19.6	13.5	16.8	13.1	13.3	77.8	56.8
Net Profit	32.4	35.1	35.9	33.1	36.8	47.2	36.4	37.9	136.5	158.3
% Change (YoY)	107.7	90.0	59.9	19.0	13.7	34.4	1.4	14.5	61.8	16.0
Operating Parameters										
Deposit (INR b)	11,281	11,376	11,725	12,215	12,242	12,419	12,783	13,229	12,215	13,229
Loan (INR b)	7,705	8,036	8,621	8,708	8,787	8,971	9,205	9,596	8,708	9,596
Deposit Growth (%)	13.6	9.0	10.1	9.3	8.5	9.2	9.0	8.3	9.3	8.3
Loan Growth (%)	13.9	10.5	14.0	14.3	14.0	11.6	6.8	10.2	14.3	10.2
Asset Quality										
Gross NPA (%)	7.3	6.4	4.8	4.8	4.5	4.4	4.1	3.9	4.8	3.9
Net NPA (%)	1.6	1.3	1.1	1.0	0.9	1.0	0.9	0.9	1.1	0.9
PCR (%)	79.8	80.7	78.4	79.1	80.9	78.4	78.0	76.7	78.4	76.7

E: MOFSL Estimates

SBI Cards and Payment Services**Neutral****CMP: INR678 | TP: INR750 (+11%)****EPS CHANGE (%): FY25|FY26: 3.2|4.3**

- Cost ratios expected to remain stable in 3Q
- Spending growth to see a marginal revival

- Asset quality ratios likely to deteriorate further
- Revolver mix/margin outlook are key monitorables

Quarterly Performance										(INR b)
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	12.3	13.0	13.9	14.1	14.8	15.0	15.7	16.2	51.5	61.7
% Change (Y-o-Y)	14.3	16.1	21.2	21.4	19.7	15.8	13.0	14.7	17.0	19.8
Other Income	22.4	23.2	26.6	23.4	22.4	22.7	25.7	26.2	97.4	97.0
Total Income	34.8	36.2	40.5	37.5	37.2	37.7	41.3	42.5	148.9	158.7
Operating Expenses	19.6	20.7	24.3	19.2	18.2	20.1	23.2	21.2	83.7	82.6
Operating Profit	15.2	15.5	16.2	18.3	19.0	17.6	18.2	21.3	65.2	76.0
% Change (Y-o-Y)	17.3	23.9	33.1	28.2	25.4	13.3	12.1	16.2	25.6	16.6
Provisions	7.2	7.4	8.8	9.4	11.0	12.1	12.4	12.3	32.9	47.8
Profit before Tax	8.0	8.1	7.4	8.9	8.0	5.5	5.8	9.0	32.3	28.3
Tax	2.0	2.1	1.9	2.3	2.0	1.4	1.5	2.3	8.2	7.2
Net Profit	5.9	6.0	5.5	6.6	5.9	4.0	4.3	6.8	24.1	21.1
% Change (Y-o-Y)	-5.4	14.7	7.8	11.0	0.2	-32.9	-21.5	2.0	6.6	-12.5
Operating Parameters										
Loan (INRb)	418.1	435.6	471.6	490.8	508.1	536.0	557.6	581.1	490.8	581.1
Loan Growth (%)	30.3	19.3	26.3	24.7	21.5	23.0	18.2	18.4	24.7	18.4
Borrowings (INRb)	329.6	340.8	380.1	398.9	408.7	432.2	451.4	469.9	398.9	469.9
Asset Quality										
Gross NPA (%)	2.4	2.4	2.6	2.8	3.1	3.3	3.4	3.4	2.8	3.4
PCR (%)	63.8	64.1	64.1	64.9	64.4	64.4	65.1	67.9	64.9	67.9

Paytm**Neutral****CMP: INR 987 | TP: INR950 (-4%)****Revenue from Ops. CHANGE (%): FY25|FY26: -0.6|4.0**

- Expect operating profitability to improve
- Expect disbursements and GMV to increase sequentially

- Expect total revenue growth to improve
- Traction on new business verticals to be a key monitorable

Quarterly Performance										(INR b)
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Payment Services to Consumers	5.5	5.8	6.0	4.4	0.8	0.9	1.1	3.6	21.7	6.4
Payment Services to Merchants	8.4	9.2	10.8	11.2	8.0	8.6	9.2	10.8	39.6	36.6
Financial Services and Others	5.2	5.7	6.1	3.0	2.8	3.8	4.5	4.9	20.0	16.0
Payment and Financial Services	19.2	20.7	22.9	18.6	11.6	13.2	14.8	19.3	81.3	59.0
% Change (Y-o-Y)	42.4	36.1	43.0	-3.0	-39.3	-36.2	-35.2	4.0	27.4	-27.4
Commerce and Cloud Services	4.1	4.2	5.1	4.0	3.2	3.0	2.8	3.0	17.4	12.0
% Change (Y-o-Y)	22.0	12.5	22.4	0.5	-20.7	-28.8	-45.4	-25.1	14.4	-31.0
Revenue from Operations	23.4	25.2	28.5	22.7	15.0	16.6	18.0	22.7	99.8	72.3
% Change (Y-o-Y)	39.3	31.6	38.2	-2.9	-35.9	-34.1	-36.9	0.1	24.9	-27.5
Direct Expenses	10.4	10.9	13.3	9.8	7.5	7.7	7.8	8.2	44.4	31.2
Contribution Profit	13.0	14.3	15.2	12.9	7.5	8.9	10.2	14.5	55.4	41.1
Indirect Expenses	12.2	12.7	13.0	11.9	13.0	10.8	11.0	11.2	49.8	46.0
Adjusted EBITDA	0.8	1.5	2.2	1.0	-5.5	-1.9	-0.8	3.3	5.6	-4.9
EBITDA	-2.9	-2.3	-1.6	-2.2	-7.9	-4.0	-3.5	1.1	-9.1	-14.3
PAT	-3.6	-2.9	-2.2	-5.5	-8.4	-4.2	-3.6	1.1	-14.1	-28.4
% Change (Y-o-Y)	-44.5	-49.9	-43.9	227.1	134.7	45.5	61.9	-120.9	-20.6	101.4
Adj. PAT	-3.6	-2.9	-2.2	-3.2	-8.4	9.3	-3.6	1.1		
Operating Parameters										
GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.5	4.9	5.2	18.3	18.8
Disbursements (INR b)	148.5	162.1	155.4	58.0	50.1	52.8	60.2	72.6	523.7	235.7
GMV Growth (%)	36.8	41.5	47.4	29.6	5.2	-0.7	-3.6	10.9	38.4	3.0
Profitability										
Contribution Margin (%)	55.7	56.6	53.3	56.8	50.3	53.9	56.6	63.7	55.5	56.9
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-36.4	-11.2	-4.4	14.3	5.6	-6.7
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-52.8	-24.3	-19.2	4.9	-9.1	-19.8

Financials - NBFCs

Company

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

Demand and asset quality trends remain rather weak

Improvement expected in asset quality for 3Q has not materialized

- Demand trends remained relatively weak except for a minor improvement in Vehicle Finance:** We expect ~9% YoY growth in AUM for our coverage HFC universe, including both affordable and other HFCs. Vehicle financiers are projected to report ~22% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~24% YoY growth. NBFC-MFIs are estimated to post ~3% YoY growth, while diversified lenders are expected to post ~21% YoY growth in AUM. For our coverage universe, we estimate a loan growth of ~16% YoY/~4% QoQ in 3QFY25. Loan growth (relative to our earlier expectations) continued to remain weak due to calibrated growth in unsecured retail, muted disbursements in microfinance, and some weakness seen in mortgages (particularly for select affordable HFCs).
- NIMs exhibit slight contraction; expected repo rate cuts to give a breather:** CoB for most NBFCs has remained stable or experienced a slight increase, driven by higher costs of debt-market borrowings (from a rise in T-bill rates). NIM and spreads for NBFCs showed signs of slight contraction, primarily due to a rise in CoB and to a lesser extent from higher liquidity on the balance sheet. Fixed-rate lenders, such as vehicle financiers, who had implemented lending rate hikes in previous quarters, will witness healthier NIM expansion, driven by expected repo rate cuts in 1HCY25. At the sectoral level, we expect NIM to either contract or remain broadly stable for all NBFCs/HFCs in our coverage except Aavas, CIFIC, and CREDAG, where we expect NIM to expand.
- Improvement expected in asset quality for 3Q has not materialized:** Improvement in asset quality expected in the seasonally stronger second half of the fiscal year has not materialized in 3QFY25. While there was no alarming deterioration, for most NBFCs/HFCs in our coverage, the asset quality either remained stable (relative to expectations of an improvement) or exhibited minor deterioration. Credit costs are expected to remain elevated in MFI, with expectations of a sequential increase (in absolute terms) for CREDAG and Spandana but a decline for Fusion. Except for affordable housing and power financiers, credit costs are expected to remain elevated for vehicle financiers (except MMFS) and diversified lenders.
- PAT growth of ~8% YoY for the coverage universe, driven by weaker NIM, sticky credit costs, and yet another stressed quarter for NBFC-MFIs:** We estimate ~15%/15%/8% YoY growth in NII/PPoP/PAT in 3QFY25 for our NBFC coverage universe. Excluding NBFC-MFI, we estimate ~12% YoY growth in PAT for our coverage. Among NBFC sub-sectors, our preference is Power Finance, Housing Finance/Mortgages, and Vehicle Finance (primarily to play the NIM expansion from repo rate cuts). We maintain underweight in microfinance as the recovery is likely to be further prolonged, following MFIN's decision to postpone the implementation of its three-lender cap to Apr'25. Our top picks in the sector: SHFL, PFC/REC, and PNBHF.

Mortgage demand trends exhibit relative weakness for affordable HFCs

- Disbursement momentum in large HFCs is expected to outperform that of select affordable HFCs. Part of the weakness observed in the mortgage space can be attributed to Karnataka, where the slow pace of e-Khata registrations has impacted property transactions and led to weak disbursements for lenders with higher concentration in this state.
- NIMs are expected to moderate sequentially for both large and affordable HFCs (except Aavas) due to an ongoing rise in CoF, higher liquidity on the balance sheet, and sustained high competitive intensity. Asset quality **has shown no signs of weakness**, with an improvement bias, and credit costs are expected to remain benign.
- We anticipate credit costs for LICHF to be at ~20bp (vs ~10bp in 2QFY25). Margin is expected to contract ~5bp QoQ, driven by a slight increase in CoF. Yields are expected to remain stable QoQ.
- We estimate HomeFirst to report a ~19% YoY growth in disbursements, leading to a healthy AUM growth of ~33% YoY. We expect NIM to expand ~15bp QoQ for Aavas (aided by the PLR increase in Oct'24), while we expect NIMs to contract ~30bp QoQ for Homefirst due to the ongoing rise in CoB and higher liquidity. Asset quality is also expected to remain range-bound for HomeFirst and Aavas.
- We estimate PNBHF to deliver a ~17% YoY growth in loan book as of Dec'24. For PNBHF, we expect NIM to remain largely stable. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially result in provision write-backs (like in the previous quarter).
- For Five Star, we expect disbursements to decline ~21% YoY as the management earlier revised its FY25 AUM growth guidance from ~30% to ~25%. We estimate this to translate into a ~25% YoY growth in AUM. NIMs are likely to remain stable sequentially. We expect a minor deterioration of ~10-15bp in GS3, resulting in an increase in credit costs to ~80-85bp (v/s ~70bp in 2QFY25).

Vehicle finance – Disbursements better than expectations; asset quality improvement still elusive

- MMFS reported disbursements of ~INR164b in 3QFY25 (up ~7% YoY). We estimate an ~18% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~1.1% in 3QFY25 (vs. credit costs of 1.4% in 3QFY24), aided by the provision release during the quarter (despite largely range-bound asset quality).
- For CIFIC and SHTF, we expect a sequential growth in disbursements, which is likely to translate into ~31%/18% YoY growth in AUM for CIFIC/SHTF as of Dec'24.
- We estimate NIM expansion for vehicle financiers in FY26, driven by a decline in CoB. Asset quality in vehicle finance has largely remained range-bound in 3Q with improvement, which is typically seen in 2H of the fiscal year, still elusive. The expectation of asset quality improvement for vehicle financiers is now anchored on improvements in the economic activity and agri output in 4Q.

Gold finance – Steady growth in gold loans with some contraction in NIMs

- We expect gold loan financiers to deliver healthy gold loan growth and decent tonnage growth in 3QFY25. Additionally, we anticipate MGFL's standalone entity

to show decent gold loan growth, though the drag from the ban on Asirvad will keep consol. gold loan growth muted during the quarter.

- We expect ~3%/1% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIMs could experience minor QoQ contraction due to a sequential decline in yields. Asirvad MFI, a subsidiary of MGFL, may face further asset quality deterioration and elevated credit costs (like in the last quarter).

Microfinance – Asset quality pain continues; early green-shoots in Dec'24

- MFIs continued to experience asset quality stress due to customer overleveraging in unsecured retail lending. Disbursements were muted for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect AUM to remain flat for CREDAG and anticipate a decline of ~7%/9% QoQ in AUM for Fusion/Spandana in 3QFY25.
- Higher NPA formation will also result in interest income reversals, which could lead to pressure on the NIM in 3Q or 4Q, depending on when a particular MFI takes write-offs.
- We expect an increase in PAR90 (or higher write-offs to keep GS3 within certain thresholds) for all three MFIs in our coverage and significantly elevated credit costs. We expect credit cost stress to peak in 3QFY25; however, the sectoral drag is likely to persist until 1QFY26. We estimate *annualized* credit costs of ~8%/ ~21%/35% for CREDAG/Fusion/Spandana in this quarter.

Diversified financiers: Unsecured retail remains weak with high credit costs

- LTFH reported a ~23% YoY/4% QoQ growth in Retail Loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), the consolidated loan book grew ~2% QoQ in 3QFY25. In our view, LTFH could likely utilize its macro-prudential provisions (management overlay) for stress in its MFI business. After factoring in the utilization of this management overlay, we expect annualized credit costs at ~2.8% in 3QFY25.
- BAF is likely to report ~28% YoY/7% QoQ growth in AUM. We estimate a ~5bp QoQ contraction in NIM for BAF with credit costs at ~2.2% (vs ~2.1% QoQ).
- We expect Poonawalla to report ~38% YoY growth in AUM. The company took a one-time credit cost of ~INR6.7b for its STPL loan book in 2Q. While we do not expect this to recur, credit costs will remain higher than the normalized run rate prior to the management change.
- For IIFL Finance, we estimate gold loan AUM to grow ~44% QoQ to ~INR155b as of Dec'24. MFI business disbursements will be weaker than last quarter and MFI credit costs will be elevated. We estimate a PAT of INR2b in 3Q (vs. loss of INR1.6b in 2Q which included an exceptional loss of INR5.9b).

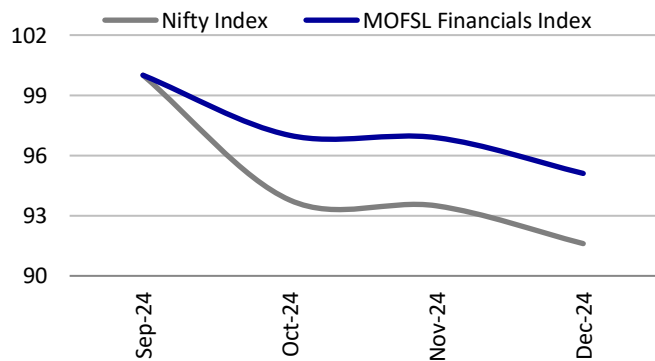
Power Financiers: Disbursements remain healthy, with renewables continuing to show improvement; credit costs to remain benign

- Power financiers have a strong sanction pipeline, positioning them for healthy loan growth in 2HFY25. However, sanction trends may be slightly weaker in 3QFY25 due to broad-based slower economic activity. Asset quality is expected to further improve, supported by continued stressed asset resolutions
- For PFC, we expect disbursements growth of ~110% YoY and ~6% QoQ, leading to loan book growth of ~13% YoY/5% QoQ.
- REC has reported disbursements growth of ~18% YoY/ 16% QoQ, which could potentially result in loan book growth of ~15% YoY/5% QoQ.

Exhibit 1: Quarterly performance

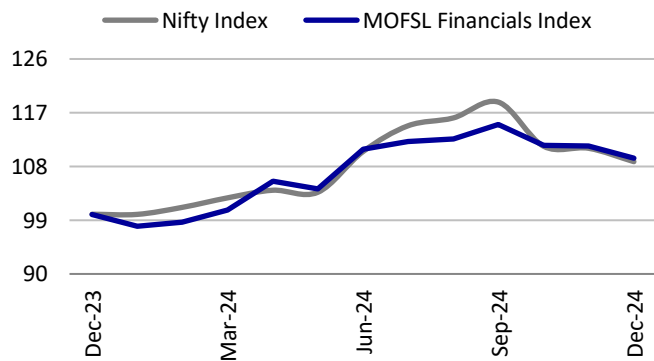
Name	CMP		NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
	(INR)	Rating	Dec-24	Variance YoY (%)	Variance QoQ (%)	Dec -24	Variance YoY (%)	Variance QoQ (%)	Dec -24	Variance YoY (%)	Variance QoQ (%)
AAVAS Financiers	1677	Neutral	2,552	15.6	5.5	1,893	20.0	-2.9	1,428	22.4	-3.5
Bajaj Finance	6937	Neutral	93,311	21.9	5.6	76,530	24.6	4.7	41,069	12.9	2.3
Can Fin Homes	730	Neutral	3,457	5.1	1.8	2,938	2.6	2.1	2,214	10.6	4.7
Chola. Inv & Fin.	1185	Buy	29,099	34.0	7.3	20,462	35.0	6.5	10,697	22.1	11.1
CreditAccess	891	Buy	9,219	14.8	-1.2	6,598	9.6	-1.8	1,311	-62.9	-29.6
Five-Star Business	793	Buy	5,354	27.2	3.7	3,909	30.2	2.9	2,723	25.6	1.6
Fusion Finance	178	Neutral	3,708	9.5	-7.0	2,537	-2.5	-10.6	-2,050	PL	Loss
Home First Fin.	1045	Buy	1,586	18.0	1.2	1,302	18.7	3.3	961	21.9	4.2
IIFL Finance	418	Buy	13,332	-15.3	-0.5	8,209	-14.4	-3.8	2,013	-59.0	LP
L&T Finance	138	Buy	21,113	8.1	-3.1	14,464	8.1	-9.0	5,909	-7.6	-15.2
LIC Housing Fin	600	Buy	19,958	-4.8	1.1	17,442	-7.4	0.1	12,826	10.3	-3.5
M & M Financial	266	Buy	18,788	10.4	3.6	12,388	16.2	3.2	6,888	22.6	83.4
Manappuram Finance	191	Neutral	16,286	12.1	-0.4	10,265	9.7	-0.6	4,993	-13.2	-12.7
MAS Financial	272	Buy	2,022	28.9	5.6	1,359	23.3	5.9	795	27.2	3.8
Muthoot Finance	2216	Neutral	25,693	34.8	2.0	19,444	39.5	1.5	13,353	30.0	6.7
PFC	448	Buy	45,546	9.5	3.3	47,418	7.5	-11.0	39,623	17.3	-9.3
PNB Housing	908	Buy	6,809	14.8	2.9	5,796	16.1	3.7	4,810	42.1	2.4
Poonawalla Fincorp	314	Buy	5,965	21.6	6.7	3,664	4.6	31.2	1,520	-42.7	LP
REC	505	Buy	49,644	15.7	-0.1	50,079	20.1	2.3	41,160	25.9	2.8
Repco Home Fin	432	Neutral	1,692	3.5	2.2	1,386	1.2	1.4	1,091	9.7	-3.0
Shriram Finance	2917	Buy	56,555	15.2	3.5	41,228	11.7	3.5	21,054	15.8	1.7
Spandana Sphoorty	330	Buy	2,870	-9.2	-17.7	1,435	-40.3	-37.0	-4,567	PL	Loss
NBFC			4,34,559	14.9	2.6	3,50,746	14.8	0.1	2,09,818	8.1	4.6

Exhibit 2: Relative performance — three months (%)



Source: Bloomberg, MOFSL

Exhibit 3: Relative performance — one year (%)



Source: Bloomberg, MOFSL

Exhibit 4: EPS estimate changes for FY25/FY26/FY27

Company	Old Estimates			New Estimates			Change (%)		
	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27
AAVAS	73.1	90.2	112.7	72.5	89.6	109.6	-0.9	-0.7	-2.7
BAF	266.2	342.6	439.7	264.5	342.9	440	-0.6	0.1	0.1
CANF	65.1	72.6	83.2	65.2	71.2	82.6	0.1	-2	-0.8
CIFC	52.6	70.2	92.1	51.6	68.4	90	-1.9	-2.6	-2.2
CRE DAG	61.9	102.5	128.7	59.1	101	127.3	-4.6	-1.4	-1.2
Five Star Business	36.9	43	51.2	36.7	41.5	47.9	-0.6	-3.5	-6.3
FUSION	-36.7	46.2	65.8	-65.4	30.7	51.7	-	-33.6	-21.5
HomeFirst	42.7	52.6	65.1	42.4	52.4	63.3	-0.6	-0.4	-2.7
IIFL Fin	16.4	50.7	64.4	13.3	46.7	58.4	-19.2	-7.9	-9.3
LTFH	11.2	13.9	18.5	10.4	13.6	18.5	-7.2	-2.2	-0.1
LICHF	93.1	93.4	102.1	93.1	96.1	103.6	-0.1	2.8	1.4
MMFSL	19.6	24.8	31.1	19.5	25.1	31.6	-0.5	1.3	1.7
MASFIN	17.4	22.2	27.2	17.1	21.4	26.3	-1.8	-3.5	-3.5
Muthoot	127.9	151.6	169	127.6	152.4	171	-0.2	0.5	1.2
MGFL	25.7	27.9	35.2	25.1	26.8	33.3	-2.1	-4	-5.5
PNBHF	72.5	89.3	109	72.6	89.4	108.5	0.2	0.2	-0.5
PFC	50.5	55.4	62.2	49.7	55.9	63.3	-1.6	0.8	1.8
PFL	1.9	14.6	23.3	2.4	14.2	22.6	28.3	-2.8	-2.8
REC	60.5	69.3	80.1	61.1	69.3	80.6	1.1	0	0.6
REPCO	70.4	70.3	78.5	70.3	69.9	77.9	-0.1	-0.5	-0.8
SHFL	223.3	264.7	321.6	224.9	264.9	320.3	0.7	0.1	-0.4
SPANDANA	-8.4	69	101.5	-93.2	48.4	81.5	-	-29.8	-19.7

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

Aavas Financiers

Neutral

CMP: INR1,677 | TP: INR1,800 (7%)

EPS CHANGE (%): FY26|27: -0.7|-2.7

- AUM/disbursements are likely to grow ~20%/19% YoY.
- We expect NIM to expand ~15bp QoQ. Upfront assignment income is estimated at ~INR500m.
- Asset quality is expected to improve and credit costs are likely to remain benign.
- Commentaries on loan growth, margin trajectory, and tech transformation are the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,128	4,259	4,373	4,586	4,797	4,906	5,107	5,432	17,347	20,243
Interest Expenses	1,866	2,036	2,166	2,216	2,352	2,489	2,556	2,769	8,284	10,165
Net Income	2,262	2,223	2,208	2,371	2,446	2,418	2,552	2,664	9,063	10,078
YoY Growth (%)	26	18	6	7	8	9	16	12	14	11
Other income	540	716	719	882	628	898	848	952	2,856	3,327
Total Income	2,802	2,938	2,926	3,252	3,074	3,316	3,399	3,616	11,919	13,405
YoY Growth (%)	28	16	12	14	10	13	16	11	17	12
Operating Expenses	1,339	1,308	1,349	1,434	1,379	1,368	1,507	1,626	5,430	5,879
YoY Growth (%)	30	14	12	19	3	5	12	13	19	8
Operating Profits	1,464	1,631	1,577	1,818	1,695	1,948	1,893	1,989	6,489	7,526
YoY Growth (%)	27	17	11	10	16	19	20	9	15.6	16.0
Provisions	57	65	80	43	86	48	58	35	245	227
Profit before Tax	1,407	1,565	1,497	1,775	1,609	1,900	1,835	1,954	6,244	7,299
Tax Provisions	310	348	331	349	348	421	407	386	1,338	1,563
Profit after tax	1,097	1,217	1,166	1,426	1,261	1,479	1,428	1,568	4,907	5,735
YoY Growth (%)	23	14	9	13	15	22	22	10	14.1	

Bajaj Finance

Neutral

CMP INR6,937 | TP: INR7,660 (+10%)

EPS CHANGE (%): FY26|27: 0.1|0.1

- BAF is likely to report AUM growth of 28% YoY/ 7% QoQ.
- Margin is likely to contract ~5bp QoQ to ~9.7%.
- Credit costs are expected to increase ~10bp QoQ to ~2.2%.
- Commentaries on NIM trajectory and credit costs are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,08,211	1,17,340	1,25,233	1,32,301	1,40,492	1,49,870	1,58,862	1,68,862	4,83,066	6,18,086
Interest expenses	41,025	45,371	48,680	52,171	56,839	61,493	65,552	69,995	1,87,247	2,53,878
Net Interest Income	67,186	71,970	76,553	80,130	83,653	88,377	93,311	98,867	2,95,819	3,64,208
YoY Growth (%)	27.4	30.0	29.3	28.1	24.5	22.8	21.9	23.4	28.7	23.1
Other Operating Income	16,795	16,477	16,436	17,019	20,531	21,084	21,610	22,648	66,759	85,874
Net Income	83,980	88,447	92,989	97,149	1,04,185	1,09,461	1,14,921	1,21,515	3,62,578	4,50,082
YoY Growth (%)	33.3	26.3	25.1	25.0	24.1	23.8	23.6	25.1	25.7	24.1
Operating Expenses	28,544	30,100	31,567	33,028	34,709	36,390	38,391	40,687	1,23,252	1,50,177
Operating Profit	55,437	58,347	61,422	64,121	69,475	73,071	76,530	80,829	2,39,326	2,99,905
YoY Growth (%)	37.0	30.0	26.6	25.3	25.3	25.2	24.6	26.1	27.9	25.3
Provisions and Cont.	9,953	10,771	12,484	13,100	16,847	19,091	21,255	22,475	46,307	79,668
Profit before Tax	45,512	47,578	48,955	51,051	52,654	54,015	55,275	58,353	1,93,096	2,20,297
Tax Provisions	11,143	12,070	12,566	12,806	13,534	13,877	14,206	14,775	48,584	56,392
Net Profit	34,369	35,508	36,390	38,245	39,120	40,137	41,069	43,578	1,44,512	1,63,905
YoY Growth (%)	36.8	27.7	22.4	21.1	13.8	13.0	12.9	13.9	25.5	13.4

Can Fin Homes**Neutral****CMP INR730 | TP: INR800 (+10%)****EPS CHANGE (%): FY26|27: -2.0|-0.8**

- Estimate loan book to grow ~9% YoY.
- Spreads are expected to remain stable QoQ at ~3.2%.
- Margin is expected to remain stable QoQ at 3.7%.
- Commentaries on loan growth and outlook on NIM in a declining rate environment are the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	8,181	8,652	8,948	9,117	9,242	9,553	9,772	9,927	34,899	38,493
Interest Expenses	5,330	5,484	5,660	5,839	6,027	6,155	6,315	6,379	22,314	24,876
Net Interest Income	2,851	3,168	3,288	3,278	3,214	3,398	3,457	3,548	12,585	13,617
YoY Growth (%)	13.9	26.1	30.6	25.5	12.7	7.3	5.1	8.2	24.0	8.2
Other income	60	58	71	159	70	74	73	151	348	368
Total Income	2,911	3,226	3,359	3,437	3,284	3,472	3,530	3,699	12,933	13,985
YoY Growth (%)	13.9	25.7	30.8	25.7	12.8	7.6	5.1	7.6	24.1	8.1
Operating Expenses	435	524	494	720	488	594	592	639	2,173	2,313
YoY Growth (%)	7.4	29.5	12.7	39.3	12.3	13.3	19.8	-11.2	23.1	6.5
Operating Profits	2,476	2,702	2,865	2,717	2,796	2,878	2,938	3,059	10,760	11,672
YoY Growth (%)	15.2	25.0	34.6	22.5	12.9	6.5	2.6	12.6	24.3	8.5
Provisions	137	722	308	18	245	137	100	60	1,185	543
Profit before Tax	2,339	1,980	2,557	2,700	2,551	2,741	2,838	2,999	9,575	11,129
Tax Provisions	504	399	556	609	555	626	624	643	2,068	2,448
Profit after tax	1,835	1,581	2,001	2,090	1,996	2,115	2,214	2,355	7,507	8,681
YoY Growth (%)	13.1	11.5	32.1	26.1	8.8	33.8	10.6	12.7	20.8	15.6

Cholamandalam Inv. & Fin.**Buy****CMP INR1,185 | | TP: INR1,470 (+24%)****EPS CHANGE (%): FY26|27: -2.6|-2.2**

- Estimate business AUM to grow ~31% YoY.
- Margin is likely to expand ~5bp QoQ to 6.85%.
- Credit costs are expected to improve ~10bp QoQ to ~1.5%.
- Guidance on margins, loan growth, and asset quality of new businesses are expected to be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	38,492	42,205	46,099	49,341	53,695	57,680	61,544	65,535	1,76,137	2,38,454
Interest Expenses	20,071	22,052	24,390	25,793	27,957	30,551	32,445	33,677	92,306	1,24,630
Net Interest Income	18,421	20,153	21,709	23,548	25,738	27,128	29,099	31,859	83,831	1,13,824
YoY Growth (%)	24.3	35.4	35.8	33.4	39.7	34.6	34.0	35.3	32.4	35.8
Other Income	2,845	3,514	4,088	5,580	4,595	5,248	5,727	6,373	16,026	21,943
Total Income	21,265	23,667	25,797	29,127	30,333	32,376	34,826	38,232	99,857	1,35,767
YoY Growth (%)	29.7	39.4	40.8	41.4	42.6	36.8	35.0	31.3	38.1	36.0
Operating Expenses	7,867	9,461	10,640	12,850	11,834	13,155	14,364	15,964	40,818	55,317
Operating Profit	13,399	14,206	15,157	16,278	18,499	19,221	20,462	22,268	59,039	80,450
YoY Growth (%)	26.4	37.1	40.4	27.9	38.1	35.3	35.0	36.8	32.7	36.3
Provisions & Loan Losses	3,723	3,998	3,588	1,908	5,814	6,235	6,200	3,855	13,218	22,104
Profit before Tax	9,675	10,208	11,569	14,369	12,685	12,986	14,262	18,413	45,821	58,345
Tax Provisions	2,415	2,583	2,807	3,788	3,263	3,355	3,566	4,811	11,593	14,995
Net Profit	7,260	7,625	8,762	10,581	9,422	9,631	10,697	13,601	34,228	43,351
YoY Growth (%)	28.3	35.3	28.0	24.1	29.8	26.3	22.1	28.5	28.4	26.7

CreditAccess Grameen**Buy**

CMP INR891 | | TP: INR1,085 (+22%)

EPS CHANGE (%): FY26|27: -1.4|-1.2

- Estimate GLP growth of ~8% YoY.
- Margin is likely to expand ~10bp QoQ to 14.6%.
- Credit costs are projected to rise ~115bp QoQ to ~7.9%.
- Guidance on credit costs and GLP growth to be monitored.

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	11,052	11,874	12,444	13,632	14,372	14,177	13,983	14,758	49,001	57,290
Interest Expenses	3,849	4,239	4,415	4,822	5,103	4,846	4,764	5,104	17,324	19,817
Net Interest Income	7,203	7,635	8,029	8,810	9,268	9,331	9,219	9,654	31,677	37,473
YoY Growth (%)	57.8	53.3	48.5	42.3	28.7	22.2	14.8	9.6	49.8	18.3
Other Income	656	602	509	959	754	362	407	690	2,725	2,214
Total Income	7,858	8,237	8,537	9,770	10,023	9,693	9,626	10,344	34,402	39,686
YoY Growth (%)	63.8	52.1	43.6	35.6	27.5	17.7	12.8	5.9	47.1	15.4
Operating Expenses	2,420	2,611	2,520	2,942	2,929	2,972	3,028	3,327	10,493	12,253
Operating Profit	5,438	5,626	6,018	6,828	7,093	6,721	6,598	7,018	23,910	27,434
YoY Growth (%)	88	68	59	36	30	19	10	3	59	15
Provisions & Loan Losses	764	959	1,262	1,533	1,746	4,202	4,832	3,957	4,518	14,736
Profit before Tax	4,674	4,668	4,756	5,295	5,347	2,520	1,766	3,061	19,392	12,698
Tax Provisions	1,189	1,197	1,222	1,324	1,371	659	456	790	4,933	3,276
Net Profit	3,485	3,470	3,533	3,971	3,977	1,861	1,311	2,271	14,459	9,422
YoY Growth (%)	151.3	96.6	63.7	33.9	14.1	-46.4	-62.9	-42.8	75.0	-34.8

Five Star Business Finance**Buy**

CMP INR793 | | TP: INR970 (+22%)

EPS CHANGE (%): FY26|27: -3.5|-6.3

- Estimate AUM growth of ~25% YoY.
- Margin is likely to remain stable QoQ at 19.4%.
- Credit costs are projected to rise ~10bp QoQ to ~0.8%.
- Outlook on asset quality, guidance on loan growth, and credit costs are expected to be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,637	5,041	5,495	5,992	6,411	6,793	7,051	7,326	21,166	27,580
Interest Expenses	962	1,059	1,287	1,377	1,582	1,631	1,697	1,774	4,685	6,684
Net Interest Income	3,676	3,982	4,208	4,615	4,829	5,161	5,354	5,551	16,481	20,896
YoY Growth (%)	35.9	34.3	31.6	33.4	31.4	29.6	27.2	20.3	33.7	26.8
Other Income	198	183	205	199	283	266	248	241	785	1,038
Total Income	3,874	4,165	4,413	4,814	5,112	5,427	5,602	5,792	17,266	21,933
YoY Growth (%)	41.3	38.4	35.5	33.0	32.0	30.3	26.9	20.3	36.7	27.0
Operating Expenses	1,263	1,389	1,412	1,488	1,565	1,627	1,694	1,807	5,553	6,692
Operating Profit	2,611	2,775	3,001	3,326	3,547	3,800	3,909	3,985	11,713	15,241
YoY Growth (%)	40.5	37.9	45.5	43.6	35.9	36.9	30.2	19.8	42.0	30.1
Provisions & Loan Losses	152	106	102	194	185	218	268	271	554	942
Profit before Tax	2,459	2,670	2,899	3,132	3,362	3,582	3,641	3,714	11,160	14,299
Tax Provisions	622	676	731	771	846	903	917	908	2,800	3,575
Net Profit	1,837	1,994	2,168	2,361	2,516	2,679	2,723	2,806	8,359	10,724
YoY Growth (%)	32	38	44	40	37	34	26	19	38.5	28.3

Fusion Microfinance**Neutral**

CMP INR178 | TP: INR165 (-8%)

EPS CHANGE (%): FY26|27: -33.6|-21.5

- Estimate AUM to remain flat YoY.
- Annualized credit costs are projected at ~21% in 3QFY25.
- Margin is likely to contract ~5bp QoQ to ~15%.
- Guidance on credit costs, margins, and disbursement trajectory are expected to be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,790	4,968	5,400	5,761	6,213	6,261	5,854	4,704	20,919	23,032
Interest Expenses	1,835	1,910	2,015	2,149	2,234	2,274	2,146	1,812	7,908	8,466
Net Interest Income	2,955	3,058	3,386	3,612	3,979	3,987	3,708	2,892	13,011	14,565
YoY Growth (%)	58.7	26.1	34.2	30.6	34.6	30.4	9.5	-19.9	35.9	11.9
Other Income	738	745	732	991	854	776	808	949	3,205	3,387
Total Income	3,693	3,803	4,118	4,603	4,833	4,764	4,516	3,840	16,216	17,952
YoY Growth (%)	70.0	28.9	38.0	32.8	30.9	25.3	9.7	-16.6	40.1	10.7
Operating Expenses	1,339	1,385	1,515	1,696	1,855	1,925	1,979	2,029	5,935	7,788
Operating Profit	2,354	2,418	2,603	2,907	2,978	2,838	2,537	1,811	10,281	10,165
YoY Growth (%)	95.8	29.1	41.6	31.5	26.5	17.4	-2.5	-37.7	44.3	-1.1
Provisions & Loan Losses	759	762	938	1,190	3,485	6,941	5,275	3,258	3,649	18,958
Profit before Tax	1,595	1,656	1,665	1,717	-507	-4,102	-2,738	-1,447	6,633	-8,794
Tax Provisions	390	399	401	390	-151	-1,052	-687	-326	1,580	-2,216
Net Profit	1,205	1,257	1,265	1,327	-356	-3,050	-2,050	-1,121	5,053	-6,578
YoY Growth (%)	60	32	23	16	-130	-343	-262	-184	31	-230.2

Home First Finance Company**Buy**

CMP INR1,045 | TP: INR1,280 (+22%)

EPS CHANGE (%): FY26|27: -0.4|-2.7

- Estimate a robust AUM growth of ~33% YoY/7% QoQ.
- Cost/income ratio is expected to remain largely stable at ~37%.
- Margin is projected to contract ~30bp QoQ in 3QFY25.
- Outlook on margins and credit costs are key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	2,313	2,491	2,646	2,827	3,032	3,322	3,557	3,689	10,277	13,600
Interest expenses	1,068	1,170	1,302	1,459	1,568	1,756	1,972	2,017	4,999	7,311
Net Interest Income	1,246	1,321	1,344	1,368	1,464	1,566	1,586	1,673	5,278	6,288
YoY Growth (%)	32.6	30.1	21.4	22.4	17.5	18.6	18.0	22.3	26.3	19.1
Other Income	285	289	364	351	382	421	470	465	1,289	1,737
Net Income	1,530	1,610	1,708	1,719	1,846	1,987	2,056	2,137	6,567	8,025
YoY Growth (%)	40.9	36.1	35.7	24.2	20.6	23.4	20.4	24.4	33.7	22.2
Operating Expenses	553	565	611	584	655	726	753	783	2,313	2,917
Operating Profit	977	1,044	1,097	1,135	1,191	1,261	1,302	1,354	4,254	5,108
YoY Growth (%)	39.8	40.9	34.5	24.8	21.9	20.7	18.7	19.3	34.3	20.1
Provisions and Cont.	77	80	70	27	56	57	55	68	254	236
Profit before Tax	900	964	1,027	1,107	1,135	1,204	1,247	1,286	4,000	4,873
Tax Provisions	209	221	239	273	258	281	287	280	942	1,106
Net Profit	691	743	788	835	878	922	961	1,006	3,057	3,767
YoY Growth (%)	34.9	36.9	34.5	30.4	27.0	24.1	21.9	20.5	33.9	23.2

IIFL Finance**Buy****CMP INR418 | TP: INR510 (+22%)****EPS CHANGE (%): FY26|27: -7.9|-9.3**

- Estimate AUM to decline ~7% YoY to INR717b.
- Credit costs are likely to increase ~45bp QoQ to ~4.1%.
- Cost ratios are expected to increase ~210bp QoQ to ~48%.
- Outlook on the gold loan business, loan growth, and margins is the key monitorable.

IIFL Finance (Consolidated): Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	21,989	23,576	25,630	27,200	24,721	23,181	23,413	24,855	98,386	96,170
Interest Expenses	8,878	9,321	9,885	10,744	10,340	9,788	10,081	11,063	38,829	41,272
Net Interest Income	13,111	14,255	15,745	16,456	14,381	13,394	13,332	13,792	59,557	54,898
YoY Growth (%)	48.9	44.7	44.7	38.9	9.7	-6.0	-15.3	-16.2	43.6	-7.8
Other Income	1,306	1,878	1,120	-873	-43	2,467	2,352	2,975	3,342	7,750
Total Income	14,417	16,134	16,865	15,584	14,338	15,861	15,683	16,766	62,899	62,648
YoY Growth (%)	20	26	26	10	-1	-2	-7	8	20.4	-0.4
Operating Expenses	6,332	6,772	7,272	7,691	7,461	7,329	7,679	7,793	28,067	30,261
Operating Profit	8,085	9,361	9,593	7,893	6,877	8,532	8,209	8,769	34,832	32,387
YoY Growth (%)	18.4	29.0	24.9	-1.6	-14.9	-8.9	-14.4	11.1	16.9	-7.0
Provisions & Loan Losses	1,901	2,526	2,430	2,356	2,516	4,063	4,673	4,408	9,113	15,660
Profit before Tax	6,184	6,835	7,163	5,537	4,362	4,468	3,537	4,360	25,719	10,862
Exceptional items		0				-5,865				
Tax Provisions	1,455	1,580	1,711	1,231	980	-466	813	1,213	5,977	2,541
PAT (Pre NCI)	4,729	5,255	5,452	4,306	3,382	-931	2,723	3,147	19,742	8,321
NCI	475	513	548	572	501	646	711	842	2,107	2,700
PAT (Post NCI)	4,254	4,743	4,904	3,734	2,881	-1,577	2,013	2,304	17,635	5,621
YoY Growth (%)	29	25	30	-10	-32	-133	-59	-38	18	-68

L&T Finance**Buy****CMP INR138 | TP: INR180 (+30%)****EPS CHANGE (%): FY26|25: -2.2|-0.1**

- Expect consolidated loan book growth of 2% QoQ.
- Anticipate credit costs to decline to ~2.8% (annualized) in 3QFY25 (vs. ~2.9% in 2QFY25).
- NIM is expected to contract ~85bp QoQ to ~10.4%.
- Outlook on the MFI business is the key monitorable.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	31,165	31,685	33,063	33,226	34,526	36,544	36,910	36,958	1,29,139	1,44,938
Interest Expenses	13,638	13,249	13,534	13,351	13,514	14,763	15,796	16,649	53,772	60,723
Net Interest Income	17,527	18,436	19,529	19,875	21,012	21,781	21,113	20,309	75,367	84,216
Change YoY (%)	14.3	11.9	7.2	12.6	19.9	18.1	8.1	2.2	11.4	11.7
Other Operating Income	1,068	453	2,277	3,492	3,318	3,649	3,256	4,789	6,667	15,012
Net Operating Income	18,596	18,889	21,805	23,367	24,330	25,431	24,369	25,098	82,034	99,228
Change YoY (%)	11.7	7.5	12.9	31.9	30.8	34.6	11.8	7.4	15.1	21.0
Other income	1,535	2,682	473	56	2	47	237	284	4,745	569
Total Income	20,130	21,572	22,278	23,422	24,332	25,477	24,606	25,382	86,779	99,797
Change YoY (%)	11.1	15.0	11.9	18.7	20.9	18.1	10.4	8.4	13.4	15.0
Operating Expenses	7,782	8,598	8,896	9,803	9,656	9,578	10,141	11,335	35,079	40,710
Change YoY (%)	18.3	25.2	19.9	24.6	24.1	11.4	14.0	15.6	22.1	16.1
Operating Profits	12,348	12,974	13,382	13,619	14,676	15,899	14,464	14,047	51,701	59,087
Change YoY (%)	6.9	9.1	7.2	7.3	18.9	22.5	8.1	3.1	6.3	14.3
Provisions	5,212	5,000	5,142	6,679	5,453	6,504	6,512	6,137	21,410	24,605
Profit before Tax	7,136	7,974	8,240	6,940	9,223	9,396	7,952	7,911	30,290	34,481
Tax Provisions	1,831	2,032	1,847	1,410	2,370	2,429	2,044	1,778	7,119	8,620
Profit after tax	5,309	5,951	6,402	5,539	6,855	6,967	5,909	6,133	23,171	25,861
Change YoY (%)	103	47	41	11	29	17	-8	11	43	12

LIC Housing Finance**Buy****CMP INR600 | TP: INR760 (+27%)****EPS CHANGE (%): FY26|27: 2.8|1.4**

- Expect loan growth of ~7% YoY with a fairly stable mix.
- Estimate annualized credit costs of ~20bp in 3QFY25 vs. ~10bp in 2QFY25.
- Yields are expected to remain stable on a sequential basis, leading to ~5bp contraction in NIMs.
- Commentaries on mortgage demand and guidance on margins and loan growth are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	67,037	67,066	67,437	68,875	67,391	68,534	69,974	72,070	2,70,416	2,77,969
Interest Expenses	44,942	46,000	46,465	46,499	47,501	48,796	50,016	51,476	1,83,907	1,97,788
Net Interest Income	22,094	21,066	20,972	22,376	19,891	19,739	19,958	20,594	86,509	80,181
YoY Growth (%)	37.2	81.2	30.6	12.4	-10.0	-6.3	-4.8	-8.0	36.7	-7.3
Fees and other income	429	521	488	493	446	784	683	432	1,931	2,344
Net Income	22,523	21,587	21,460	22,869	20,337	20,522	20,641	21,025	88,440	82,525
YoY Growth (%)	36.4	79.1	30.6	12.8	-9.7	-4.9	-3.8	-8.1	36.3	-6.7
Operating Expenses	2,425	2,595	2,615	3,829	2,621	3,105	3,198	3,679	11,463	12,604
Operating Profit	20,098	18,993	18,845	19,041	17,715	17,417	17,442	17,346	76,976	69,921
YoY Growth (%)	38.8	101.1	39.0	8.7	-11.9	-8.3	-7.4	-8.9	40.0	-9.2
Provisions and Cont.	3,608	4,192	4,358	4,279	1,431	773	1,469	2,448	16,437	6,122
Profit before Tax	16,490	14,801	14,487	14,762	16,285	16,644	15,973	14,898	60,539	63,799
Tax Provisions	3,253	2,920	2,858	3,854	3,282	3,355	3,147	2,785	12,885	12,568
Net Profit	13,237	11,881	11,629	10,908	13,002	13,289	12,826	12,113	47,654	51,231
YoY Growth (%)	43	290	142	-8	-2	12	10	11	65	8

Mahindra Financial Services**Buy****CMP INR266 | TP: INR335 (+26%)****EPS CHANGE (%): FY26|27: 1.3|1.7**

- Estimate disbursements of ~INR165b, leading to AUM of ~INR1.11t (up 19% YoY/ ~3% QoQ).
- We expect margins to remain stable QoQ.
- Estimate credit costs of ~1.1% in 3QFY25 (vs. ~2.6% QoQ).
- Commentaries on margins, credit costs, and loan growth are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest income	30,349	31,535	33,733	35,471	36,122	37,448	39,059	40,688	1,31,088	1,53,317
Interest Expenses	14,505	15,665	16,750	17,351	18,286	19,343	20,271	20,584	64,269	78,483
NII	15,844	15,870	16,983	18,121	17,836	18,106	18,788	20,104	66,818	74,834
YoY Growth (%)	5.3	9.6	9.4	13.2	12.6	14.1	10.6	10.9	9.4	12.0
Other income	905	870	1,172	1,590	1,480	1,802	2,034	2,370	4,537	7,686
Net Total Income	16,750	16,740	18,155	19,710	19,316	19,908	20,822	22,474	71,355	82,520
YoY Growth (%)	6.9	8.7	10.1	14.4	15.3	18.9	14.7	14.0	10.1	15.6
Operating Expenses	6,750	7,312	7,530	7,980	7,970	7,947	8,433	8,609	29,572	32,960
Operating Profit	10,000	9,428	10,625	11,730	11,345	11,961	12,388	13,865	41,783	49,560
YoY Growth (%)	5.7	9.2	6.4	24.2	13.5	26.9	16.6	18.2	11.4	18.6
Provisions	5,264	6,266	3,284	3,415	4,482	7,035	3,143	2,539	18,228	17,198
Profit before Tax	4,735	3,163	7,341	8,315	6,864	4,927	9,245	11,327	23,555	32,362
Tax Provisions	1,209	811	1,813	2,126	1,734	1,232	2,357	2,929	5,959	8,252
Net Profit	3,527	2,352	5,528	6,190	5,130	3,695	6,888	8,398	17,596	24,110
YoY Growth (%)	58.2	-47.5	-12.1	-9.5	45.5	57.1	24.6	35.7	-11.3	37.0

Manappuram Finance**Neutral****CMP INR191 | TP: INR205 (+7%)****EPS CHANGE (%): FY26|27: -4|-5.5**

- Expect gold AUM/consolidated AUM to remain largely flat on a sequential basis.
- Factored in a margin decline of ~10bp QoQ and spreads to decline ~35bp in the consolidated loan book.
- Expect credit costs to increase ~80bp QoQ to ~3.1%.
- Commentaries on gold loan growth and asset quality in the MFI and PL segments are the key monitorables.

MGFL - Quarterly Performance (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	19,363	20,438	22,011	22,734	23,861	25,411	25,207	24,820	84,546	99,299
Interest Expenses	6,484	6,894	7,487	7,792	8,483	9,057	8,921	8,628	28,657	35,089
Net Interest Income	12,879	13,543	14,524	14,943	15,378	16,354	16,286	16,192	55,889	64,210
YoY Growth (%)	34.6	25.5	33.0	32.8	19.4	20.8	12.1	8.4	31.4	14.9
Other income	1,209	1,303	1,256	888	1,259	961	1,168	1,447	4,655	4,834
Net Income	14,088	14,846	15,780	15,831	16,636	17,314	17,454	17,639	60,544	69,044
Operating Expenses	6,068	6,182	6,419	6,497	6,823	6,984	7,190	7,314	25,165	28,309
Operating Profits	8,020	8,664	9,361	9,333	9,814	10,331	10,265	10,325	35,379	40,734
YoY Growth (%)	57.5	36.8	58.1	52.0	22.4	19.2	9.7	10.6	50.7	15.1
Provisions	1,212	1,197	1,496	1,878	2,286	2,604	3,517	3,485	5,783	11,892
PBT	6,808	7,467	7,864	7,455	7,528	7,727	6,748	6,840	29,595	28,842
Tax Provisions	1,828	1,861	2,111	1,820	1,963	2,006	1,754	1,834	7,621	7,557
PAT	4,980	5,607	5,753	5,635	5,565	5,721	4,993	5,006	21,974	21,286
YoY Growth (%)	77	37	46	36	12	2	-13	-11	46	-3

MAS Financial**Buy****CMP INR272 | TP: INR340 (+25%)****EPS CHANGE (%): FY26|27: -3.5|-3.5**

- Standalone AUM is likely to grow ~4% QoQ/~19% YoY.
- We expect credit costs to increase ~10bp to ~1.1%.
- Margin is expected to expand ~5bp QoQ to ~7.2%.
- Commentary on branch expansions and increase in the direct business are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from Operations	2,801	2,982	3,206	3,295	3,465	3,670	3,952	4,199	12,246	15,285
Interest Income	2,362	2,490	2,651	2,757	2,952	3,078	3,278	3,398	10,223	12,707
Gain on assignments	242	272	319	336	304	375	412	465	1,170	1,556
Other operating Income	196	219	236	202	210	217	261	335	853	1,023
Interest expenses	1,428	1,461	1,638	1,615	1,714	1,754	1,929	2,069	6,142	7,467
Total income	1,373	1,520	1,569	1,680	1,751	1,916	2,022	2,129	6,104	7,818
Growth Y-o-Y (%)	30	28	27	33	27	26	29	27	29	28
Operating Expenses	427	484	467	555	567	632	663	688	1,894	2,550
Operating Profits	946	1,036	1,102	1,125	1,183	1,284	1,359	1,441	4,210	5,268
Growth Y-o-Y (%)	34	34	35	27	25	24	23	28	33	25
Provisions	188	236	257	214	239	263	300	323	896	1,126
Profit before tax	758	800	845	911	944	1,021	1,059	1,118	3,314	4,142
Growth Y-o-Y (%)	22	22	25	29	25	28	25	23	25	25
Tax Provisions	186	200	221	230	240	255	265	284	837	1,044
Net Profit	573	600	624	681	704	766	795	834	2,478	3,098
Growth Y-o-Y (%)	23	22	24	23	23	28	27	23	23	25

Muthoot Finance**Neutral****CMP INR 2,216 | TP: INR2,060 (-7%)****EPS CHANGE (%): FY26|27: 0.5|1.2**

- Estimate gold AUM growth of ~27% QoQ.
- We expect credit costs of ~60bp in 3QFY25 as compared to ~95bp in 2QFY25.
- Margin is likely to contract 30bp to ~11.5%.
- Commentaries on gold loan growth and margin guidance are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	29,577	30,147	31,176	33,575	36,560	40,685	42,190	43,409	1,24,476	1,62,844
Other operating income	410	450	501	514	478	489	551	600	1,874	2,118
Total Operating income	29,987	30,597	31,677	34,089	37,038	41,174	42,741	44,009	1,26,350	1,64,962
YoY Growth (%)	19.8	22.5	19.1	19.5	23.5	34.6	34.9	29.1	20.2	30.6
Other income	276	139	80	95	63	88	72	127	590	350
Total Income	30,263	30,736	31,757	34,184	37,101	41,262	42,813	44,136	1,26,940	1,65,312
YoY Growth (%)	20.6	22.8	19.1	19.4	22.6	34.2	34.8	29.1	20.4	30.2
Interest Expenses	10,638	11,563	12,119	12,228	13,511	15,505	16,497	17,192	46,548	62,705
Net Income	19,625	19,173	19,638	21,956	23,590	25,758	26,316	26,944	80,393	1,02,608
Operating Expenses	5,620	5,751	5,696	6,861	6,437	6,608	6,872	8,027	23,927	27,944
Operating Profit	14,006	13,422	13,942	15,095	17,153	19,150	19,444	18,917	56,466	74,663
YoY Growth (%)	36.8	16.9	10.4	16.9	22.5	42.7	39.5	25.3	19.5	32.2
Provisions	860	120	137	860	2,236	2,070	1,400	-250	1,978	5,456
Profit before Tax	13,145	13,302	13,805	14,236	14,917	17,080	18,044	19,167	54,488	69,208
Tax Provisions	3,394	3,392	3,532	3,673	4,130	4,568	4,691	4,604	13,991	17,994
Net Profit	9,751	9,910	10,273	10,563	10,787	12,511	13,353	14,563	40,497	51,214
YoY Growth (%)	21.6	14.3	13.9	17.0	10.6	26.3	30.0	37.9	16.6	26.5

PNB Housing Finance**Buy****CMP INR908 | TP: INR1,160 (28%)****EPS CHANGE (%): FY26|27: 0.2|-0.5**

- Loan growth is expected to be ~17% YoY.
- NIM is expected to remain largely stable QoQ.
- Expect provision write-backs from recoveries in both Retail and Corporate written-off pools.
- Commentaries on the asset quality of the retail loan book, NIM, and credit costs are the key monitorables.

Quarterly performance

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	16,669	17,029	16,795	16,929	17,391	17,803	18,497	19,390	67,422	73,081
Interest Expenses	10,475	10,573	10,866	10,697	10,969	11,185	11,688	12,570	42,611	46,413
Net Interest Income	6,194	6,456	5,929	6,232	6,421	6,618	6,809	6,819	24,811	26,668
YoY Growth (%)	68.1	1.9	-17.3	7.2	3.7	2.5	14.8	9.4	7.8	7.5
Other income	408	765	765	1,211	930	994	1,058	1,444	3,149	4,426
Total Income	6,602	7,221	6,694	7,443	7,352	7,612	7,867	8,264	27,960	31,094
YoY Growth (%)	37.3	0.2	-16.3	18.2	11.3	5.4	17.5	11.0	6.3	11.2
Operating Expenses	1,530	1,702	1,700	1,778	1,929	2,020	2,071	2,196	6,710	8,217
YoY Growth (%)	26.0	24.4	34.7	21.1	26.1	18.7	21.8	23.5	26.3	22.5
Operating Profits	5,072	5,519	4,994	5,665	5,422	5,591	5,796	6,067	21,250	22,877
YoY Growth (%)	41.1	-5.4	-25.9	17.3	6.9	1.3	16.1	7.1	1.2	7.7
Provisions	606	448	591	66	-120	-456	-410	-420	1,711	-1,406
Profit before Tax	4,467	5,071	4,403	5,598	5,542	6,047	6,206	6,488	19,539	24,283
Tax Provisions	994	1,241	1,019	1,206	1,214	1,351	1,396	1,455	4,459	5,415
Profit after tax	3,473	3,830	3,384	4,393	4,328	4,697	4,810	5,033	15,080	18,868
YoY Growth (%)	47.8	45.8	25.8	57.3	24.6	22.6	42.1	14.6	44.2	25.1

Power Finance Corporation

Buy
CMP INR448 | TP: INR590 (+32%)
EPS CHANGE (%): FY26|27: 0.8|1.8

- Expect AUM/Disbursement growth of ~13%/110% YoY.
- Expect credit costs to remain benign, aided by stressed asset resolutions.
- Expect margin to contract ~5bp to ~3.5%.
- Commentaries on growth in loan book, margins, and asset quality/credit costs are the key monitorables.

Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,01,241	1,06,921	1,13,313	1,14,937	1,18,270	1,19,090	1,23,853	1,30,457	4,36,411	4,91,671
Interest Expenses	66,207	69,631	71,735	72,564	74,990	75,007	78,307	82,716	2,80,138	3,11,020
Net Interest Income	35,034	37,289	41,578	42,373	43,280	44,083	45,546	47,741	1,56,274	1,80,651
YoY Gr %	1.0	-3.1	16.4	21.9	23.5	18.2	9.5	12.7	8.8	15.6
Other Income	-2,111	11,904	5,875	7,165	3,160	14,655	5,301	4,827	22,832	27,943
Net Operational Income	32,923	49,193	47,452	49,538	46,440	58,738	50,847	52,568	1,79,106	2,08,594
YoY Gr %	-8.9	7.6	20.6	14.3	41.1	19.4	7.2	6.1	8.9	16.5
Exchange gain/(loss)	4,827	-1,188	-2,231	723	589	-3,100	-2,000	1,011	2,131	-3,500
Total Net Income	37,750	48,005	45,221	50,261	47,029	55,639	48,847	53,579	1,81,237	2,05,094
YoY Gr %	32.6	22.5	23.2	24.3	24.6	15.9	8.0	6.6	25.2	13.2
Operating Expenses	1,018	1,143	1,100	3,431	1,016	2,355	1,430	2,569	6,691	7,369
Operating Profit	36,732	46,863	44,121	46,830	46,013	53,284	47,418	51,011	1,74,545	1,97,725
YoY Gr %	35.5	22.6	24.1	23.7	25.3	13.7	7.5	8.9	25.8	13.3
Provisions	22	-989	2,626	-3,370	620	-1,241	-1,500	-2,017	-1,712	-4,137
PBT	36,710	47,852	41,495	50,200	45,393	54,525	48,918	53,027	1,76,257	2,01,862
Tax	6,641	9,377	7,723	8,845	8,214	10,821	9,294	9,420	32,587	37,748
Tax Rate %	18.1	19.6	18.6	17.6	18.1	19.8	19.0	17.8	18.5	18.7
PAT	30,069	38,474	33,772	41,355	37,179	43,704	39,623	43,608	1,43,670	1,64,114
YoY Gr %	42.5	28.3	12.4	18.4	23.6	13.6	17.3	5.4	23.5	14.3

Poonawalla Fincorp

Buy
CMP INR314 | TP: INR390 (+24%)
EPS CHANGE (%): FY26|27: -2.8|-2.8

- Expect AUM/Disbursement growth of ~38%/5% YoY.
- Expect cost ratios to decline to ~46.5% in 3QFY25 (PQ: ~56.7% and PY: ~36.3%).
- Expect margin to contract ~5bp QoQ to ~9.1%.
- Commentaries on growth in personal loans, margin, and asset quality/credit costs are the key monitorables.

Quarterly Performance (Standalone)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	6,560	6,901	7,144	8,436	8,962	9,107	9,745	10,737	29,061	38,551
Interest Expenses	2,348	2,155	2,237	2,811	3,201	3,516	3,780	4,223	9,503	14,719
Net Interest Income	4,212	4,746	4,907	5,625	5,761	5,592	5,965	6,514	19,558	23,832
YoY Growth (%)	77.8	73.3	62.9	48.1	36.8	17.8	21.6	15.8	58.9	21.9
Other Income	563	539	594	782	997	858	881	818	2,478	3,553
Total Income	4,775	5,285	5,501	6,407	6,758	6,449	6,846	7,332	22,036	27,384
YoY Growth (%)	70.3	57.1	52.8	57.0	35.1	22.0	24.5	14.4	54.7	24.3
Operating Expenses	1,834	1,929	1,998	2,313	2,436	3,657	3,182	3,475	8,074	12,751
Operating Profit	2,941	3,356	3,502	4,094	4,321	2,792	3,664	3,856	13,962	14,633
YoY Growth (%)	185.0	167.0	124.8	103.1	46.9	-16.8	4.6	-5.8	128.8	4.8
Provisions & Loan Losses	266	281	-65	239	425	9,096	1,637	1,033	720	12,191
Profit before Tax	2,676	3,075	3,568	3,855	3,897	-6,305	2,027	2,824	13,242	2,442
Exceptional items		6,560				0			6,560	0
Tax Provisions	674	775	916	538	980	-1,594	507	669	2,907	562
PAT (excl. exceptional)	2,002	2,300	2,651	3,317	2,916	-4,710	1,520	2,155	10,335	1,881
PAT (incl. exceptional)	2,002	8,861	2,651	3,317	2,916	-4,710	1,520	2,155	16,896	1,881
YoY Growth (%)	86.0	76.7	76.3	83.6	45.7	-	-42.7	-35.0	73.9	-81.8

Rural Electrification Corporation

Buy

CMP INR505 | TP: INR630 (25%)

EPS CHANGE (%): FY26|27: -|0.6

- Disbursements/AUM expected to grow ~16%/18% YoY.
- Margin are likely to contract ~15bp QoQ to ~3.5%.
- Expect credit costs to remain benign, aided by stress assets resolutions.
- Commentaries around margins and guidance on disbursements/AUM growth are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,06,895	1,13,930	1,19,440	1,23,836	1,26,904	1,34,744	1,38,112	1,45,423	4,64,101	5,45,182
Interest Expenses	70,498	73,500	76,533	78,961	80,212	85,065	88,468	92,851	2,99,493	3,46,596
Net Interest Income	36,397	40,430	42,907	44,875	46,692	49,678	49,644	52,571	1,64,608	1,98,586
YoY Gr (%)	-8.9	2.1	17.7	28.3	28.3	22.9	15.7	17.1	9	21
Other Operational Income	195	546	531	924	469	483	0	0	7,198	8,638
Net Operational Income	36,592	40,976	43,438	45,799	47,161	50,161	49,644	52,571	1,70,141	2,05,323
YoY Gr (%)	-9.7	2.6	17.2	26.1	28.9	22.4	14.3	14.8	19	21
Other Income	2,553	1,425	29	1,674	2,998	731	3,000	2,757	679	848
Total Net Income	39,144	42,401	43,467	47,473	50,159	50,892	52,644	55,329	1,70,819	2,06,172
YoY Gr (%)	-4.3	0.5	21.5	30.9	28.1	20.0	21.1	16.5	19	21
Operating Expenses	1,445	1,938	1,766	3,114	2,175	1,936	2,566	2,821	6,597	7,598
YoY Gr (%)	-77.7	-65.8	-43.3	130.6	50.6	-0.1	45.3	-9.4	21	15
% to Income	3.7	4.6	4.1	6.6	4.3	3.8	4.9	5.1	4	4
Operating Profit	37,700	40,463	41,701	44,359	47,984	48,955	50,079	52,508	1,64,223	1,98,573
YoY Gr %	9.5	10.8	27.7	27.0	27.3	21.0	20.1	18.4	19	21
Provisions	580	-7,604	559	-7,119	4,726	-1,441	-1,500	-5,977	(13,584)	(4,192)
PBT	37,120	48,067	41,143	51,478	43,258	50,396	51,579	58,484	1,77,806	2,02,765
YoY Gr (%)	26.3	40.2	15.6	35.1	16.5	4.8	25.4	13.6	29	14
Tax	7,512	10,338	8,449	11,315	8,834	10,342	10,419	12,176	37,614	41,770
Tax Rate (%)	20.2	21.5	20.5	22.0	17.6	20.5	20.2	20.8	21	21
PAT	29,607	37,729	32,693	40,163	34,425	40,055	41,160	46,308	1,40,192	1,60,996
YoY Gr (%)	21.0	38.3	13.6	33.8	16.3	6.2	25.9	15.3	26.8	14.8

Repc Home Finance

Neutral

CMP INR432 | TP: INR480 (11%)

EPS CHANGE (%): FY26|27: -0.5|-0.8

- Disbursements/AUM expected to grow ~7%/8% YoY.
- Margins are likely to contract ~15bp QoQ to ~5.3%.
- Expect asset quality to continue to improve, resulting in provision write-backs in the quarter.
- Commentaries around asset quality and guidance on disbursements/AUM growth are the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	3,572	3,770	3,787	3,831	4,007	4,051	4,140	4,237	14,960	16,435
Interest Expenses	2,026	2,075	2,153	2,203	2,330	2,396	2,448	2,446	8,456	9,619
Net Income	1,546	1,695	1,635	1,628	1,677	1,656	1,692	1,791	6,504	6,816
YoY Growth (%)	16.5	23.6	17.8	10.5	8.5	-2.3	3.5	10.0	17.0	4.8
Other income	93	69	145	141	155	229	170	73	448	627
Total Income	1,639	1,765	1,779	1,769	1,833	1,884	1,862	1,864	6,952	7,443
YoY Growth (%)	15.7	18.9	18.7	11.9	11.8	6.8	4.6	5.4	16.2	7.1
Operating Expenses	392	426	410	483	452	517	475	535	1,710	1,980
YoY Growth (%)	15.7	24.4	2.9	27.6	15.4	21.2	16.1	10.9	17.3	15.8
Operating Profits	1,247	1,338	1,370	1,287	1,380	1,367	1,386	1,329	5,242	5,463
YoY Growth (%)	15.7	17.3	24.5	6.9	10.7	2.2	1.2	3.3	15.9	4.2
Provisions	50	16	29	-100	14	-160	-88	-150	-5	-384
Profit before Tax	1,198	1,322	1,341	1,387	1,366	1,528	1,475	1,479	5,247	5,847
Tax Provisions	307	341	346	306	312	403	383	353	1,300	1,450
Profit after tax	891	981	994	1,081	1,054	1,125	1,091	1,126	3,947	4,397
YoY Growth (%)	43.5	37.9	23.1	31.6	18.4	14.7	9.7	4.2	33.3	11.4
Loan growth (%)	6.7	7.1	8.1	8.5	8.3	8.1	7.9	8.1	9.0	9.6
Cost to Income Ratio (%)	23.9	24.2	23.0	27.3	24.7	27.4	25.5	28.7	24.6	26.6
Tax Rate (%)	25.6	25.8	25.8	22.1	22.8	26.3	26.0	23.8	24.8	24.8

Shriram Finance**Buy****CMP INR2,917 | TP: INR3,725 (+28%)****EPS CHANGE (%): FY26|27: 0.1|-0.4**

- Estimate disbursements of ~INR419b, leading to AUM of ~INR2.53t (up 18% YoY/ ~4% QoQ).
- Margin is expected to contract ~5bp QoQ to 9.1%.
- Credit cost is likely to increase ~5bp QoQ to 2.1%.
- Commentaries on loan growth in CV and on asset quality in 2W and PL segments are the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	76,880	82,166	86,179	90,773	93,628	98,145	1,02,365	1,06,565	3,35,997	4,00,703
Interest Expenses	34,875	36,219	37,069	39,898	41,289	43,504	45,810	47,081	1,48,061	1,77,684
Net Interest Income	42,004	45,947	49,110	50,874	52,339	54,641	56,555	59,484	1,87,935	2,23,019
YoY Growth (%)	20.0	21.6	17.1	21.7	24.6	18.9	15.2	16.9	17.0	18.7
Other Income	3,167	3,479	3,094	4,206	2,343	2,805	3,046	4,471	13,980	12,665
Total Income	45,171	49,426	52,204	55,080	54,682	57,446	59,601	63,956	2,01,915	2,35,684
YoY Growth (%)	22.0	17.9	16.2	21.7	21.1	16.2	14.2	16.1	17.0	16.7
Operating Expenses	13,908	14,618	15,311	16,024	16,140	17,597	18,373	19,086	59,895	71,197
Operating Profit	31,262	34,808	36,893	39,056	38,541	39,848	41,228	44,870	1,42,020	1,64,487
YoY Growth (%)	17.3	16.3	11.7	26.8	23.3	14.5	11.7	14.9	15.1	15.8
Provisions & Loan Losses	8,786	11,286	12,497	12,615	11,876	12,350	13,156	13,671	45,183	51,052
Profit before Tax	22,476	23,523	24,396	26,441	26,666	27,498	28,072	31,198	96,836	1,13,435
Tax Provisions	5,722	6,014	6,213	6,983	6,860	6,803	7,018	8,245	24,932	28,926
Net Profit	16,754	17,508	18,183	19,459	19,806	20,696	21,054	22,953	71,905	84,509
YoY Growth (%)	30.8	12.6	2.3	48.7	18.2	18.2	15.8	18.0	20.3	17.5
Exceptional gain							13,100			
PAT (including exceptional gains/loss)							34,154			

Spandana Sphoorty**Buy****CMP INR330 | TP: INR385 (+17%)****EPS CHANGE (%): FY26|27: -29.8|-19.7**

- Estimate disbursements of ~INR15b, leading to AUM of ~INR96b (AUM declined ~8% YoY).
- Margin is likely to contract ~70bp QoQ to ~13.3%.
- Annualized credit costs to increase to 34.9% (PQ: 20.7%).
- Guidance on credit costs, margins, and AUM growth to be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,929	5,436	5,663	6,352	6,935	6,071	5,221	5,063	22,381	23,290
Interest Expenses	1,995	2,277	2,502	2,493	2,594	2,584	2,352	2,174	9,268	9,704
Net Interest Income	2,934	3,159	3,161	3,859	4,342	3,487	2,870	2,889	13,113	13,587
YoY Growth (%)	99.3	70.6	45.7	42.8	48.0	10.4	-9.2	-25.1	60.0	3.6
Other Income	344	966	905	744	435	994	816	984	2,959	3,229
Total Income	3,277	4,125	4,067	4,603	4,776	4,481	3,686	3,873	16,072	16,816
YoY Growth (%)	102.2	88.5	59.9	19.9	45.7	8.6	-9.4	-15.9	57.7	4.6
Operating Expenses	1,386	1,549	1,662	1,943	1,908	2,203	2,251	2,375	6,540	8,737
Operating Profit	1,891	2,576	2,405	2,660	2,869	2,278	1,435	1,498	9,532	8,079
YoY Growth (%)	273.5	134.1	71.0	2.0	51.7	-11.6	-40.3	-43.7	69.6	-15.2
Provisions & Loan Losses	286	901	701	938	2,118	5,164	7,540	2,153	2,826	16,975
Profit before Tax	1,605	1,675	1,703	1,722	751	-2,886	-6,105	-655	6,706	-8,896
Tax Provisions	411	423	429	435	193	-723	-1,538	-183	1,699	-2,251
Net Profit	1,195	1,252	1,274	1,287	557	-2,163	-4,567	-473	5,007	-6,645
YoY Growth (%)	-154	127	79	22	-53	-273	-458	-137	3,940	-233

Financials – Non Lending

Company

HDFC AMC
ABSL AMC
Nippon AMC
UTI AMC
Angel One
BSE
MCX
360 One
Nuvama Wealth
Anand Rathi Wealth
Prudent Corp
CAMS
Kfintech
CDSL
Star Health
ICICI Lombard
HDFC Life
ICICI Prudential
SBI Life
Max Financial

Regulations and weak markets to impact performance

Profitability trend to be muted sequentially

- Across segments, the regulatory environment is likely to influence the performance of non-lending financials in 3QFY25. While F&O regulations are anticipated to have an impact on BSE/ANGELONE, new surrender charges will affect LI players. GI players will be impacted by the changes in the reporting of gross premiums for long-term policies.
- Nifty for the quarter was down 8.4%, which will impact AUM growth for AMCs/CAMS/KFin. However, SIP flows have held up strong in Oct'24/Nov'24 at more than INR250b. Yields are likely to be stable given the limited impact of telescopic structure in 3QFY25. Most notably, other income will see a sharp fall due to market correction.
- BSE's premium turnover has been stable despite a sharp decline in notional turnover due to F&O regulations. Additionally, the decline in notional turnover will aid margin expansion as regulatory fees have a direct linkage. On the other hand, ANGELONE's order flow is expected to be weak during the quarter. Lower cash volumes will have an adverse impact on CDSL's transaction charges.
- Wealth managers will incur an MTM hit from the market corrections, which would be partially offset by the inflows. Transaction revenue would also be down sequentially.
- LI players are seeing through the implementation of surrender charges wherein product IRRs and commissions have been altered. VNB margins will be influenced by: 1) product mix – the share of ULIPs remained strong, 2) some benefits of non-par repricing, and 3) the impact of surrender charges. For our coverage universe, we expect a change of -40bp to +70bp sequentially.
- GI players will face an impact from the implementation of the new practice of reporting GWP on a 1/n basis for the long-term business. This will lead to a higher opex ratio, driving up the combined ratio. The health segment's loss ratios will also remain elevated.
- We maintain our high conviction on the capital market plays as highlighted in our recently released thematic report ([click here](#)). The current weak trends are transitory and will reset the base for longer-term growth. Our top picks in this space are BSE, ANGELONE, HDFCAMC, and Nuvama.
- Insurance stocks have seen a sharp correction due to media articles on the regulator constraining the role of the bancassurance channel (<https://tinyurl.com/4y6zp26k>). In such a scenario, we expect LIC and IPRU to outperform, given their lower dependence on the bancassurance channel.

Demat monthly run-rate declines; volumes dip after the new F&O regulations

- Cash ADTO continued its MoM downward trajectory during the first two months of 3QFY25 with declines of 12%/6% MoM in Oct'24/Nov'24. A slight recovery was witnessed in Dec'24 with a 3% MoM growth in cash ADTO.
- In the F&O segment, options volumes witnessed a significant decline after partial implementation of the new F&O regulations in Nov'24, resulting in F&O ADTO dipping 3.5%/14.8%/33.1% in Oct'24/Nov'24/Dec'24.
- BSE's market share in the options segment continues to scale up in terms of notional/ premium turnover, reaching 29%/15% in Dec'24 vs. 27%/13% in Sep'24.
- Incremental demat account additions declined from 4.4m/month in 2QFY25 to 3.5m in Oct'24 and 3.2m in Nov'24. Similarly, incremental NSE active client count has fallen to 1m/0.7m in Oct/Nov '24 from an average of 1.2m in 2QFY25.
- MCX has maintained its momentum with volumes remaining above INR50t in Nov'24/ Dec'24. Futures ADTO increased to INR280b in 3QFY25 from INR270b in

2QFY25. On the other hand, Options ADTO rose to INR2.04t in 3QFY25 from INR1.94t in 2QFY25.

- For BSE, despite an 18% drop in notional ADTO, the premium ADTO for 3QFY25 increased to INR88b from INR82b in 2QFY25. This would drive revenue growth while sequential EBITDA margin expansion of 330bp will be fueled by lower regulatory and clearing & settlement costs.
- We expect ANGELONE to report a revenue decline of 19% QoQ due to a 14% QoQ dip in the number of orders and the impact of true-to-label charges. Lower customer acquisitions, and consequently lower opex, will offset the impact partially.

Mutual Funds: SIP inflows remain strong; equity inflows down from the peak

- Mutual fund AUM grew 43%/40% YoY during Oct'24/Nov'24, driven by 57%/50% growth in equity AUM. While Oct'24 witnessed strong equity inflows of INR587b, a slight slowdown was observed in Nov'24 (INR401b). SIP flows scaled new heights and stood at INR253b for both Oct'24 and Nov'24.
- The AUM of HDFC AMC/Nippon AMC/ABSL AMC/UTI AMC grew 44%/51%/24%/31% YoY at the end of Nov'24, reflecting market shares of 11.5%/8.3%/5.6%/5.2%.
- Equity AUM's share dipped ~70bp in Oct'24 and ~60bp in Nov'24, reaching 57.3%.
- We expect AMCs to register strong revenue growth of 25-38% YoY, propelled by healthy AUM growth. However, their profitability is likely to be hurt by a sharp fall in other income owing to MTM hit on equity exposure in the investment book.
- CAMS and KFin are expected to register healthy revenue growth led by AUM growth and continued momentum in non-MF businesses. Profitability should remain healthy given scale benefits.
- For wealth managers, we expect some hit because of MTM that will be offset by inflows. For 360 One, scaling up in the loan book will also provide support to earnings.

Life Insurance: Mixed performance likely; VNB margin to be stable QoQ

- Private life insurance companies experienced 18%/44% growth in APE in Oct'24/Nov'24. For Dec'24, we expect industry growth momentum to remain stable.
- The industry's VNB margin would be influenced by: 1) product mix – share of ULIPs remained strong, 2) some benefits of non-par repricing, and 3) the impact of surrender charges. For our coverage universe, we expect a change of -40bp to +70bp sequentially.

General Insurance: Accounting changes to affect expense ratios

- Excluding crop, the general insurance sector witnessed GWP growth of 20%/3% in Oct'24/Nov'24. The health segment grew 47%/dipped 1% YoY in Oct'24/Nov'24 (+3% in 2QFY25). Retail health growth was impacted by the change in accounting for long-term policies. The motor segment was hit by low automobile sales and grew 13%/4% YoY in Oct'24/Nov'24 (+6% in 2QFY25).
- For ICICI, premium growth in Oct'24/Nov'24 was below the industry average of 3%/-3% YoY. While the retail health segment grew in the high teens, weak motor growth and a decline in the group health segment resulted in a tepid performance.
- For Oct'24/Nov'24, STARHEAL experienced a soft premium growth of 5%/8% YoY, with retail growth of 6%/8% and group health decline of 12%/growth of 2%.

- While there is no change in operational efficiency of insurers, the change in accounting for long-term health policies will result in elevated opex ratios. Loss ratios are anticipated to remain elevated, especially in the health segment.

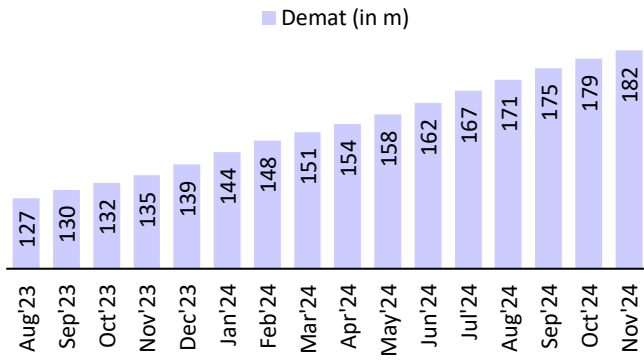
Exhibit 1: Quarterly performance

Sector	CMP (INR)	Rating	Dec'24	Variance YoY (%)	Variance QoQ (%)	Dec'24	Variance YoY (%)	Variance QoQ (%)	Dec'24	Variance YoY (%)	Variance QoQ (%)
AMC			Operating Revenue (INR m)			EBITDA (INR m)			Net Profit (INR m)		
HDFC AMC	4,162	Buy	9,113	35.7	2.7	7,217	41.1	2.6	6,067	23.9	5.2
ABSL AMC	837	Buy	4,255	24.6	0.3	2,487	28.0	-0.7	2,155	2.9	-11.1
Nippon AMC	754	Buy	5,855	38.3	2.5	3,860	48.9	3.1	3,255	14.6	-9.6
UTI AMC	1,366	Buy	3,776	30.2	1.2	1,825	60.4	-0.2	1,612	-20.7	-38.7
Wealth Management			Operating Revenue (INR m)			PBT (INR m)			Net Profit (INR m)		
360 One	1,276	Buy	5,678	29.2	-3.5	2,705	30.1	-6.5	2,342	20.7	-5.3
Nuvama	6,974	Buy	7,413	32.8	0.2	3,267	41.8	-6.2	2,430	37.9	-5.8
Anand Rathi	3,935	Neutral	2,522	38.2	4.0	1,094	37.0	5.1	797	37.3	4.5
Prudent	2,726	Neutral	2,922	39.2	2.2	700	40.0	1.9	524	46.7	1.7
Exchanges and Broking			Operating Revenue (INR m)			EBITDA (INR m)			Net Profit (INR m)		
Angel One	3,017	Buy	8,437	22.7	-13.7	4,287	22.2	-25.1	3,173	21.9	-25.1
BSE	5,426	Buy	7,589	104.2	1.7	4,204	356.5	8.1	3,690	251.8	6.7
MCX	6,285	Neutral	3,180	66.1	11.4	2,036	NA	13.5	1,728	NA	12.5
Intermediaries			Operating Revenue (INR m)			EBITDA (INR m)			Net Profit (INR m)		
CAMS	5,108	Buy	3,725	28.6	2.0	1,744	34.8	2.4	1,255	41.8	3.9
Kfintech	1,545	Neutral	2,945	34.7	5.0	1,352	38.1	6.8	958	43.3	7.2
CDSL	1,809	Neutral	3,086	43.9	-4.2	1,886	43.5	-5.6	1,614	50.1	-0.3
Life Insurance			APE (INR m)			VNB (INR m)			Net Profit (INR m)		
HDFC Life	617	Buy	38,685	21.2	0.3	9,671	13.0	3.1	4,336	18.8	0.2
IPru Life	661	Buy	25,975	36.2	3.7	5,974	37.0	2.0	2,549	12.0	1.3
SBI Life	1,401	Buy	66,252	8.1	22.9	17,888	6.5	23.4	5,022	56.1	-5.1
Max Financial	1,101	Neutral	20,685	15.2	-4.7	4,861	-0.6	-5.1	1,572	4.1	12.8
General Insurance			Gross Premium (INR m)			Underwriting Profit (INR m)			Net Profit (INR m)		
Star Health	482	Buy	40,385	12.0	-7.6	-564	NA	NA	2,178	-24.8	95.7
ICICI Lombard	1,808	Buy	66,297	3.0	-4.6	-1,609	NA	NA	6,344	47.0	-8.6
Non-Lending			3,28,777	16.8	1.7	74,886	30.9	5.6	53,599	32.0	-3.0

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

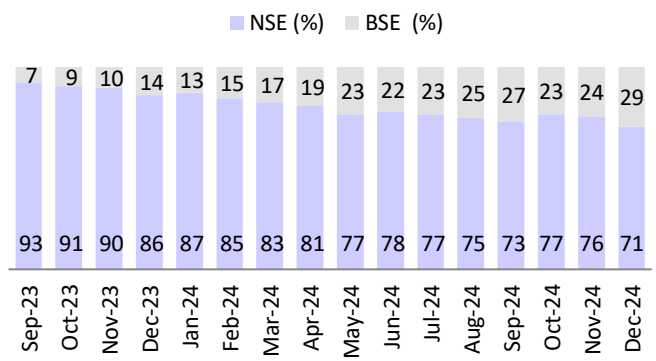
Company	New Estimates (INR)			Old Estimates (INR)			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
HDFC AMC	114.1	136.0	154.7	118.9	136.4	155.2	-4.0	-0.3	-0.3
ABSL AMC	32.0	37.3	42.8	34.5	38.2	44.1	-7.0	-2.2	-2.8
Nippon AMC	21.6	26.6	31.2	22.7	26.6	31.2	-4.8	0.0	0.0
UTI AMC	69.1	76.8	87.2	79.8	77.6	88.1	-13.4	-1.0	-1.1
360 One	25.3	34.1	40.3	25.2	33.3	38.4	0.2	2.4	5.0
Nuvama	272.7	314.9	363.2	272.3	314.9	363.2	0.2	0.0	0.0
Anand Rathi	75.3	102.1	122.5	75.3	102.1	122.5	0.0	0.0	0.0
Prudent Corp	49.4	67.1	87.5	49.4	67.1	87.5	0.0	0.0	0.0
Angel One	159.3	169.7	246.8	169.0	189.7	264.1	-5.7	-10.6	-6.5
BSE	98.9	129.0	158.2	99.2	129.0	158.1	-0.3	0.0	0.1
MCX	119.0	166.6	198.8	123.5	166.6	198.8	-3.7	0.0	0.0
CAMS	99.2	119.5	144.0	99.2	119.5	144.0	0.0	0.0	0.0
Kfintech	20.9	26.8	33.8	20.9	26.8	33.8	0.0	0.0	0.0
CDSL	30.1	37.2	46.3	30.7	37.9	47.1	-1.8	-1.8	-1.7
HDFC Life*	40.3	48.5	58.1	39.9	48.0	57.5	0.9	1.0	1.0
ICICI Pru*	25.3	33.9	40.2	26.4	32.1	38.3	-4.0	5.5	4.9
SBI Life*	58.5	71.1	83.3	59.8	72.7	85.2	-2.1	-2.1	-2.1
Max Fin*	20.7	25.7	30.5	21.0	25.7	30.0	-1.5	0.1	1.5
Star Health	13.9	18.4	25.0	17.0	21.3	27.4	-18.0	-13.6	-9.0
ICICI Lombard	50.0	56.6	74.5	50.8	60.6	77.6	-1.6	-6.7	-4.0

Exhibit 3: Total demat accounts surpassed 180m



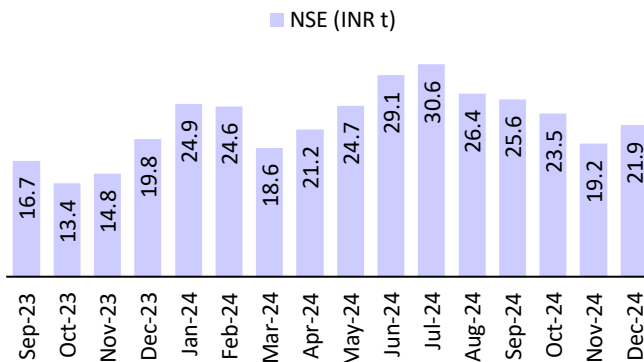
Source: NSDL, CDSL MOFSL

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



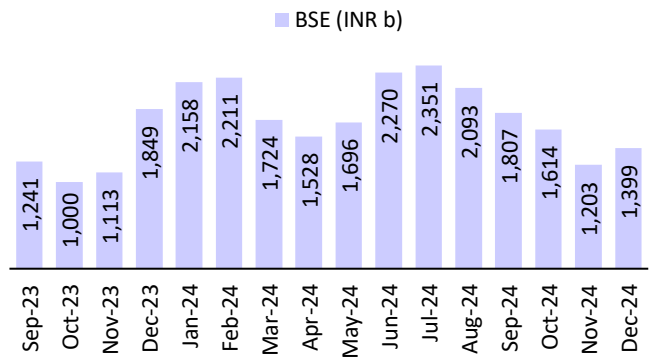
Source: NSE, BSE, MOFSL

Exhibit 5: NSE's cash volumes declining since Jul'24



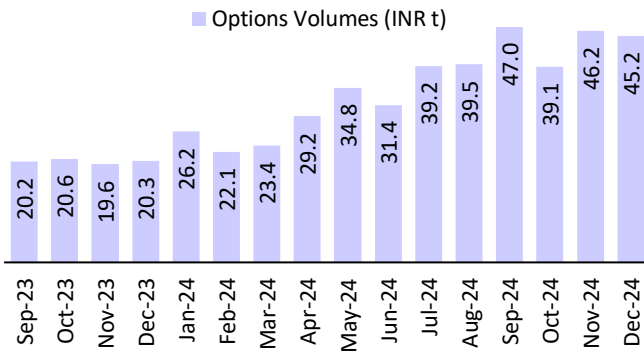
Source: NSE, MOFSL

Exhibit 6: BSE's cash volumes down from the peak



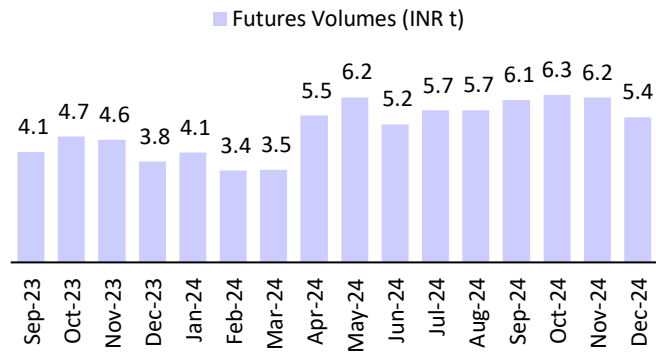
Source: BSE, MOFSL

Exhibit 7: MCX option volumes maintaining momentum



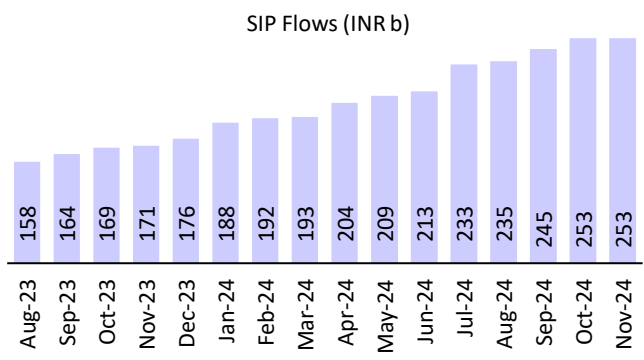
Source: MCX, MOFSL

Exhibit 8: Decline in volumes of MCX futures in Dec'24



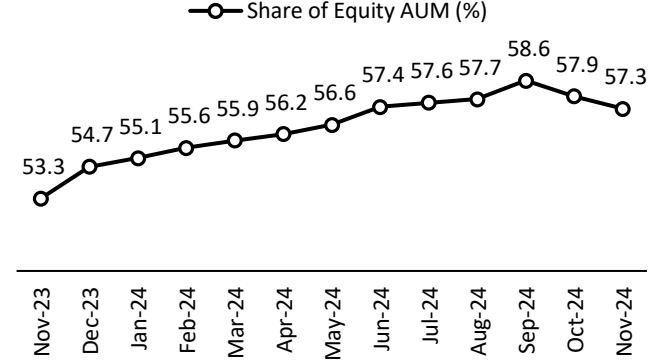
Source: MCX, MOFSL

Exhibit 9: SIP flows continue to achieve new peaks



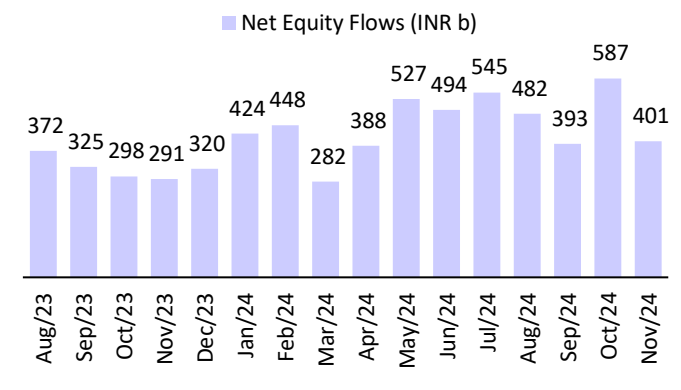
Source: AMFI, MOFSL

Exhibit 10: Share of equity AUM down from the peak



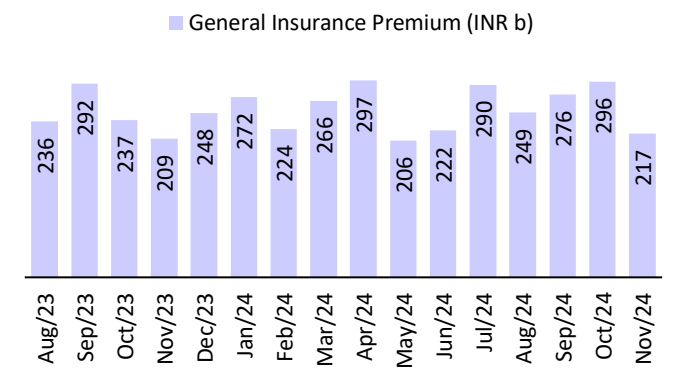
Source: AMFI, MOFSL

Exhibit 11: Net equity flows declined in Nov'24



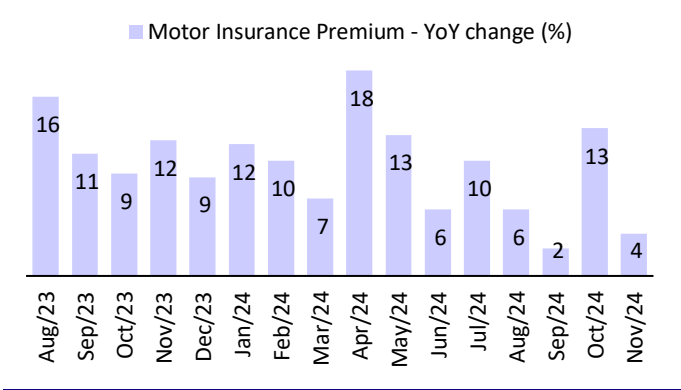
Source: AMFI, MOFSL

Exhibit 12: GI premium impacted by accounting change



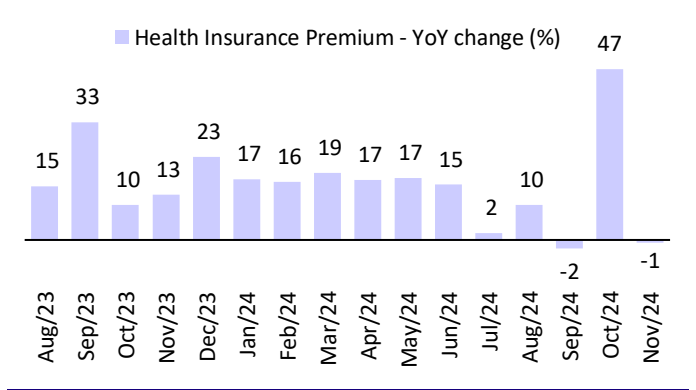
Source: GIC, MOFSL

Exhibit 13: Motor premium growth trend



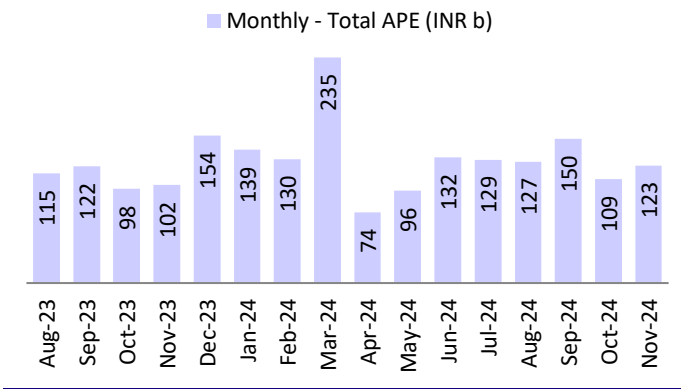
Source: GIC, MOFSL

Exhibit 14: Health segment growth trend



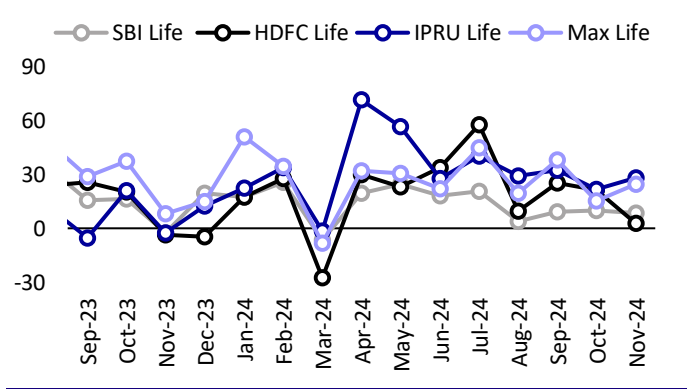
Source: GIC, MOFSL

Exhibit 15: Monthly APE for the life insurance industry



Source: Life Insurance Council, MOFSL

Exhibit 16: Individual APE growth YoY for pvt. listed players



Source: Life Insurance Council, MOFSL

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

ABSL AMC**Buy****CMP INR837 | TP: INR1,100 (+31%)****EPS CHANGE (%): FY25|26: -7.0|-2.2**

- Weak market sentiments likely to impact flows into equity schemes; flattish growth in QAAUM expected.
- Expecting yields to remain stable due to flat AUM growth.
- Cost-to-income ratio likely to remain elevated YoY, largely driven by growth in employee expenses.
- Weak market performance during the quarter to hit other income; expected to decline sequentially.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	3,112	3,350	3,415	3,656	3,866	4,242	4,255	4,345	13,532	16,708
Change YoY (%)	2.2	7.7	8.7	23.1	24.3	26.6	24.6	18.9	10.3	23.5
Employee Expenses	774	798	794	842	892	894	913	926	3,208	3,625
Total Operating Expenses	1,412	1,431	1,472	1,607	1,664	1,738	1,768	1,789	5,922	6,958
Change YoY (%)	15	11	12	16	18	21	20	11	13.5	17.5
EBITDA	1,700	1,919	1,943	2,049	2,203	2,504	2,487	2,556	7,610	9,750
EBITDA margin (%)	54.6	57.3	56.9	56.0	57.0	59.0	58.5	58.8	56.2	58.4
Other Income	778	557	795	745	948	958	479	614	2,874	2,999
PBT	2,403	2,368	2,635	2,676	3,045	3,351	2,854	3,055	10,082	12,306
Tax Provisions	557	587	542	592	688	928	699	762	2,278	3,076
Net Profit	1,846	1,781	2,093	2,084	2,357	2,423	2,155	2,294	7,804	9,229
Change YoY (%)	79.4	-7.1	25.9	53.7	27.7	36.1	2.9	10.1	30.8	18.3

HDFC AMC**Buy****CMP INR4,162 | TP: INR5,200 (+25%)****EPS CHANGE (%): FY25|26: -4.0|-0.3**

- Equity AUM to maintain growth momentum backed by improving fund performance.
- Yields likely to decline sequentially but scaling up of AUM to drive revenue growth.
- Consistent cost-to-income ratio with stable growth in operational expenses.
- Weak market performance during the quarter to hurt other income; likely to decline sequentially.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	5,745	6,431	6,713	6,954	7,752	8,872	9,113	9,316	25,843	35,053
Change YoY (%)	10.1	18.1	20.0	28.6	34.9	38.0	35.7	34.0	19.3	35.6
Employee Expenses	838	929	903	864	1,011	959	974	1,003	3,535	3,948
Total Operating Expenses	1,460	1,608	1,599	1,562	1,809	1,838	1,896	1,957	6,229	7,499
Change YoY (%)	10.6	14.7	9.2	19.8	23.9	14.3	18.5	25.3	13.5	20.4
EBIDTA	4,285	4,822	5,114	5,393	5,944	7,034	7,217	7,359	19,615	27,554
EBIDTA Margin (%)	74.6	75.0	76.2	77.5	76.7	79.3	79.2	79.0	75.9	78.6
Other Income	1,580	1,221	1,424	1,555	1,735	1,710	855	1,255	5,781	5,555
PBT	5,713	5,891	6,386	6,791	7,523	8,584	7,910	8,449	24,782	32,466
Tax Provisions	939	1,516	1,489	1,380	1,485	2,818	1,843	1,971	5,323	8,116
Net Profit	4,775	4,376	4,897	5,411	6,038	5,766	6,067	6,479	19,459	24,349
Change YoY (%)	52.0	20.2	32.6	43.8	26.4	31.8	23.9	19.7	36.7	25.1

Nippon Life India AMC**Buy****CMP INR754 | TP: INR900 (+19%)****EPS CHANGE (%): FY25|26: -4.8|0.0**

- Market share in other schemes (ETFs) has been above 17% for the last seven months.
- AUM growth and stable yields to drive revenue growth for the quarter.
- Scale benefits expected to improve cost-to-income ratio YoY for 3QFY25.
- Significant decline in other income likely due to weak market performance during the quarter.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	3,542	3,975	4,233	4,683	5,050	5,713	5,855	6,013	16,432	22,631
Change YoY (%)	12.0	19.9	19.6	34.4	42.6	43.7	38.3	28.4	21.7	37.7
Employee Expenses	780	799	881	886	1,051	1,069	1,075	1,088	3,346	4,284
Total Operating Expenses	1,517	1,561	1,642	1,775	1,886	1,969	1,995	2,034	6,495	7,884
Change YoY (%)	11	13	17	27	24	26	22	15	17.0	21.4
EBITDA	2,024	2,414	2,592	2,908	3,164	3,744	3,860	3,979	9,937	14,746
EBITDA Margin	57.2	60.7	61.2	62.1	62.7	65.5	65.9	66.2	60.5	65.2
Other Income	1,169	779	1,071	923	1,308	1,208	604	723	3,941	3,843
PBT	3,099	3,104	3,581	3,741	4,388	4,861	4,369	4,601	13,525	18,217
Tax Provisions	746	661	741	315	1,066	1,261	1,114	1,168	2,462	4,609
Net Profit	2,354	2,443	2,840	3,426	3,322	3,600	3,255	3,432	11,063	13,608
Change YoY (%)	105.9	18.6	38.7	73.3	41.1	47.4	14.6	0.2	53.0	23.0

UTI AMC**Buy****CMP INR1,366 | TP: INR1,600 (+17%)****EPS CHANGE (%): FY25|26: -13.4|-1.0**

- Market share declined across schemes, resulting in marginal AUM growth expectation for 3QFY25.
- Yields anticipated to remain broadly stable sequentially, keeping revenue growth flattish QoQ.
- Scale benefits to improve operational efficiency, resulting in YoY improvement in the cost-to-income ratio.
- Significant decline in other income expected due to weak market performance in 3QFY25.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	2,828	2,916	2,900	3,177	3,368	3,730	3,776	3,852	11,821	14,725
Change YoY (%)	-1.6	0.3	2.2	17.9	19.1	27.9	30.2	21.3	4.5	24.6
Employee Expenses	1,063	1,112	1,053	1,165	1,137	1,153	1,170	1,197	4,393	4,657
Total Operating Expenses	1,680	1,725	1,762	1,876	1,781	1,901	1,951	2,007	7,043	7,640
Change YoY (%)	11.9	4.6	-0.9	5.0	6.0	10.2	10.7	7.0	4.9	8.5
EBITDA	1,148	1,191	1,138	1,301	1,587	1,829	1,825	1,844	4,778	7,085
EBITDA margin (%)	40.6	40.8	39.2	41.0	47.1	49.0	48.3	47.9	40.4	48.1
Other Income	1,858	1,140	1,602	1,026	1,970	1,671	418	627	5,626	4,685
PBT	2,884	2,198	2,607	2,180	3,413	3,357	2,094	2,318	9,869	11,182
Tax Provisions	540	370	573	365	670	726	482	532	1,848	2,409
Net Profit	2,344	1,828	2,034	1,815	2,743	2,631	1,612	1,787	8,020	8,773
Change YoY (%)	148.3	-9.9	236.5	111.7	17.0	43.9	-20.7	-1.5	80.9	9.4

360ONE WAM**Buy****CMP INR1,276 | | TP: INR1,450 (+14%)****EPS CHANGE (%): FY25|26: +0.2|+2.4**

- ARR to contribute to overall revenue growth; TBR decline likely to result in sequential dip in revenue.
- Decline in ARR as well as TBR yields to impact overall yields in 3QFY25.
- Cost-to-income ratio is likely to improve YoY due to economies of scale.
- Performance and costs of new business ventures and entry into new geographies will be closely monitored.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	4,055	4,275	4,395	5,731	6,002	5,886	5,678	5,989	18,456	23,555
Change (%)	8.2	11.8	5.9	45.8	48.0	37.7	29.2	4.5	17.9	27.6
ARR Assets Income	3,217	3,108	3,377	3,568	3,756	3,973	4,109	4,458	13,270	16,295
TBR Assets Income	839	1,166	1,018	2,163	2,247	1,913	1,569	1,531	5,185	7,260
Operating Expenses	2,103	2,144	2,315	3,002	2,649	2,992	2,973	3,111	9,565	11,725
Change (%)	25.9	19.5	24.3	62.3	25.9	39.5	28.4	3.6	33.3	22.6
Cost to Income Ratio (%)	51.9	50.2	52.7	52.4	44.1	50.8	52.4	51.9	51.8	49.8
Operating Profits	1,952	2,130	2,080	2,729	3,354	2,893	2,705	2,878	8,891	11,830
Change (%)	-6.0	4.9	-9.0	31.3	71.8	35.8	30.1	5.5	4.9	33.1
Other Income	287	137	271	500	969	298	298	288	1,195	1,852
Profit Before Tax	2,239	2,268	2,350	3,229	4,323	3,191	3,003	3,166	10,085	13,682
Change (%)	11.0	0.5	5.3	61.4	93.1	40.7	27.8	-2.0	18.6	35.7
Tax	2,239	2,268	2,350	3,229	3,447	3,191	3,003	3,166	10,085	12,806
Tax Rate (%)	426	415	410	817	1,011	719	661	621	2,068	3,012
PAT	19.0	18.3	17.4	25.3	23.4	22.5	22.0	19.6	20.5	22.0
Change (%)	1,813	1,853	1,940	2,412	2,435	2,472	2,342	2,544	8,018	9,794
PAT Margins (%)	15.6	6.3	13.1	55.2	34.3	33.4	20.7	5.5	21.8	22.2

Anand Rathi Wealth**Neutral****CMP INR3,935 | | TP: INR4,500 (+14%)****EPS CHANGE (%): FY25|26: +0.0|+0.0**

- Consistent AUM growth to be driven by equity and non-PP/SP products.
- Yields to maintain the YoY improvement trajectory and to remain stable sequentially.
- Cost-to-income ratio is likely to improve due to economies of scale and operational efficiency.
- RM addition and productivity improvement will be the key growth drivers.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
MF – Equity & Debt	522	625	715	804	890	1,057	1,099	1,151	2,666	4,197
Distribution of Financial Products	1,215	1,187	1,095	1,024	1,471	1,352	1,406	1,469	4,521	5,698
Other Operating revenue	13	14	14	15	15	15	16	18	56	64
Revenue from Operations	1,750	1,826	1,824	1,843	2,376	2,424	2,522	2,637	7,243	9,959
Change QoQ (%)	22.4	4.3	-0.1	1.0	28.9	2.0	4.0	4.6	32.0	37.5
Operating Expenses	1,016	1,051	1,026	1,111	1,394	1,384	1,428	1,483	4,204	5,688
Change QoQ (%)	24	3	-2	8	25	-1	3	4	36	35
EBIDTA	734	775	798	732	982	1,040	1,094	1,155	3,039	4,271
Depreciation	45	46	50	52	57	61	63	63	194	243
Finance Cost	14	16	16	18	14	30	32	35	65	110
Other Income	34	65	48	129	78	72	77	83	276	310
PBT	709	778	780	790	990	1,021	1,076	1,140	3,057	4,227
Change QoQ (%)	19	10	0	1	25	3	5	6	34	38
Tax Provisions	177	200	200	221	256	259	280	310	798	1,104
Net Profit	533	577	580	569	734	762	797	831	2,259	3,124
Change QoQ (%)	25	8	0	-2	29	4	4	4	34	38

Nuvama Wealth**Buy****CMP INR6,974 | | TP: INR8,800 (+26%)****EPS CHANGE (%): FY25|26: +0.2|+0.0**

- Wealth and asset management growth expected to remain consistent, offset by decline in capital market income.
- Yields to remain broadly stable sequentially across all business segments.
- Cost-to-income ratio is likely to improve YoY due to economies of scale.
- Expansion strategy and further investment areas to be the key monitorables for future growth.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	4,166	4,924	5,581	5,956	6,675	7,402	7,413	7,759	20,627	29,249
Change YoY (%)	19.2	28.8	38.2	35.5	60.2	50.3	32.8	30.3	30.9	41.8
Employee expenses	2,087	2,119	2,342	2,517	2,793	2,983	3,132	3,259	9,065	12,166
Total Operating Expenses	2,924	3,015	3,277	3,575	3,741	3,920	4,146	4,415	12,791	16,221
Change YoY (%)	8.3	16.1	21.1	25.0	27.9	30.0	26.5	23.5	17.7	26.8
PBT before associate profit share	1,242	1,909	2,304	2,381	2,934	3,482	3,267	3,345	7,836	13,027
Change YoY (%)	56.6	55.7	72.7	55.0	136.2	82.4	41.8	40.5	60.3	66.3
Tax Provisions	317	465	545	564	760	902	849	871	1,891	3,383
PAT before associate profit share	925	1,444	1,759	1,817	2,174	2,580	2,418	2,473	5,945	9,644
Change YoY (%)	70.2	56.8	68.9	55.7	135.0	78.6	37.5	36.1	61.9	62.2
Share of profit of associates	22	5	3	-10	37	0	12	27	20	75
Net Profit	947	1,450	1,762	1,807	2,210	2,580	2,430	2,500	5,964	9,719
Change YoY (%)	73.7	56.5	65.9	57.2	133.5	78.0	37.9	38.4	62.8	63.0
Key Operating Parameters (%)										
Cost to Income Ratio	70.2	61.2	58.7	60.0	56.0	53.0	55.9	56.9	62.0	55.5
PBT Margin	29.8	38.8	41.3	40.0	44.0	47.0	44.1	43.1	38.0	44.5
PAT Margin	22.7	29.4	31.6	30.3	33.1	34.9	32.8	32.2	28.9	33.2

Prudent Corporate Advisory**Neutral****CMP INR2,726 | | TP: INR3,200 (+17%)****EPS CHANGE (%): FY25|26: +0.0|+0.0**

- Revenue growth to be driven by the sustained growth momentum in AUM, offset by sequential decline in yields.
- Mix of insurance product distribution likely to improve sequentially.
- Cost-to-income ratio is likely to improve YoY due to economies of scale and remain stable sequentially.
- Growth in SIP and market share accretion will be the key growth drivers.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Commission and Fees Income	1,644	1,886	2,084	2,376	2,477	2,845	2,907	3,102	7,990	11,331
Other Operating revenue	10	14	15	21	17	15	15	14	61	62
Revenue from Operations	1,654	1,900	2,099	2,397	2,494	2,861	2,922	3,116	8,051	11,393
Change YoY (%)	28.7	28.7	32.5	35.5	50.8	50.5	39.2	30.0	31.7	41.5
Operating Expenses	1,262	1,469	1,599	1,789	1,904	2,174	2,222	2,362	6,120	8,663
Change YoY (%)	31.1	39.4	38.1	51.0	50.8	48.0	39.0	32.0	40.4	41.6
EBIDTA	392	432	500	608	590	687	700	753	1,932	2,730
Depreciation	59.6	61.3	63.0	64.3	62.9	67.2	67.2	67.7	248	265
Finance Cost	6.0	5.0	3.6	7.8	4.9	5.7	5.7	7.7	21	24
Other Income	49	41	45	62	70	78	70	70	196	288
PBT	375	406	479	598	592	693	697	747	1,858	2,729
Change YoY (%)	34.1	9.6	24.4	5.6	57.9	70.6	45.7	25.1	18.5	46.9
Tax Provisions	95.5	101.7	121.6	152.1	149.9	177.9	173.6	180.8	471	682
Net Profit	279	304	357	446	442	515	524	567	1,387	2,047
Change YoY (%)	31.4	10.0	25.1	4.6	58.3	69.2	46.7	27.2	18.9	47.5

Angel One**Buy****CMP INR3,017 | TP: INR3,800 (+26%)****EPS CHANGE (%): FY25|26: -5.7|-10.6**

- Pace of client addition has moderated in Nov'24 and was the lowest since Jul'23.
- Slowdown in daily order run-rate and F&O/cash volumes; commodity volumes remain strong.
- MTF book expanded at a strong pace and has been stable over the last three months.
- Weak client acquisitions, offset by increased hiring costs, to improve the cost-to-income ratio YoY.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	5,198	6,747	6,874	8,742	9,150	9,774	8,437	8,942	27,562	36,304
Other Income	1,088	1,411	1,401	1,869	1,983	2,210	1,216	1,292	5,769	6,700
Total Income	6,286	8,158	8,275	10,611	11,133	11,984	9,653	10,234	33,331	43,004
Change YoY (%)	22.0	46.0	43.9	64.7	77.1	46.9	16.6	-3.6	45.3	29.0
Operating Expenses	3,230	3,974	4,635	5,856	6,940	6,007	5,080	6,043	17,695	24,069
Change YoY (%)	21.4	49.3	75.1	114.0	114.8	51.2	9.6	3.2	65.3	36.0
Depreciation	89	112	131	167	226	256	286	316	498	1,084
PBT	2,967	4,072	3,509	4,588	3,968	5,721	4,287	3,875	15,137	17,851
Change YoY (%)	22.3	42.5	16.1	26.9	33.7	40.5	22.2	-15.5	26.9	17.9
Tax Provisions	759	1,027	907	1,188	1,041	1,487	1,114	1,007	3,881	4,650
Net Profit	2,208	3,045	2,602	3,400	2,927	4,234	3,173	2,868	11,255	13,202
Change YoY (%)	21.6	42.5	13.9	27.3	32.5	39.1	21.9	-15.6	26.4	17.3

BSE**BUY****CMP INR5,426 | TP: INR6,500 (20%)****EPS CHANGE (%) FY25|26: -0.3|0.0**

- The best ever premium to notional turnover ratio witnessed in Dec'24, offsetting the adverse impact of volume decline.
- Transaction revenue to witness growth across cash, derivatives, and MF segments.
- Continued momentum with respect to new listings to boost revenue from service to corporates.
- Decline in regulatory and clearing costs, due to a fall in notional turnover, to improve profitability.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	2,156	3,145	3,717	4,885	6,077	7,463	7,589	7,635	13,903	28,765
YoY Change (%)	15.4	59.1	82.2	115.2	181.9	137.3	104.2	56.3	70.5	106.9
Total Expenditure	1,455	1,814	2,796	3,923	3,239	3,573	3,385	3,179	9,988	13,376
EBITDA	701	1,331	921	962	2,838	3,890	4,204	4,456	3,915	15,388
Margins (%)	32.5	42.3	24.8	19.7	46.7	52.1	55.4	58.4	28.2	53.5
Depreciation	214	227	249	265	240	291	285	306	954	1,122
Interest	65	0	0	0	0	0	0	0	65	0
Investment Income	556	525	598	600	666	727	675	600	2,279	2,668
PBT before EO Expense	977	1,629	1,271	1,297	3,265	4,325	4,594	4,750	5,174	16,934
Exceptional items	3,657	0	-16	-17	0	-2	0	0	3,624	-2
PBT	4,634	1,629	1,255	1,280	3,265	4,323	4,594	4,750	8,798	16,932
Tax	371	636	371	470	851	1,109	1,148	1,188	1,848	4,296
Rate (%)	8	39	30	37	26	26	25	25	21	25
P/L of Asso. Cos.	119	190	165	244	227	244	245	254	719	970
Reported PAT	4,382	1,184	1,049	1,054	2,642	3,458	3,690	3,816	7,668	13,606
Adj PAT	1,018	1,184	1,060	1,064	2,642	3,459	3,690	3,816	4,326	13,607
YoY Change (%)	995	303	379	19	-40	192	252	262	273	77
Margins (%)	47.2	37.6	28.5	21.8	43.5	46.3	48.6	50.0	55.2	47.3

MCX**Neutral****CMP INR6,285 | TP: INR 7,200(+15%)****EPS CHANGE (%): FY25 | 26: -3.7 | 0.0**

- Growth momentum maintained for volumes driven by high volatility in commodity prices.
- Options ADTO increased sequentially to INR2.04t from INR1.94t in 1QFY25.
- Futures ADTO rose sequentially to INR280b from INR270b in 1QFY25.
- Costs are expected to remain stable, while revenue growth will drive margin improvement and profitability.

Quarterly Performance**(INR m)**

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	1,458	1,651	1,915	1,811	2,344	2,856	3,180	3,337	6,835	11,717
Y-o-Y Gr. (%)	34.0	29.6	33.4	35.4	60.8	73.0	66.1	84.3	33.1	71.4
EBITDA	107	-287	-197	1,020	1,326	1,794	2,036	2,129	643	7,284
Tax	58	16	-91	205	273	374	432	627	189	1,706
Rate (%)	21.6	-9.9	68.3	19.3	19.8	19.6	20.0	27.1	18.2	22.0
Profit from Associate	-13	-10	-11	19	4	4	0	11	-15	19
PAT	197	-191	-54	878	1,109	1,536	1,728	1,694	831	6,068
Y-o-Y Gr. (%)	-53	-130	-114	1,512	464	-906	-3,330	93	-44	630
EPS (INR)	3.9	-3.7	-1.1	17.3	21.8	30.2	34.0	33.3	16.3	119.0
Total Volumes (INR t)	51.8	67.0	73.6	82.7	112.3	143.2	148.4	159.9	275.0	563.7
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	113.8	101.6	93.4	86.7	105.0

CDSL**Neutral****CMP INR1,809 | TP: INR1,900 (+5%)****EPS CHANGE (%): FY25 | 26: -1.8 | -1.8**

- Weak cash delivery volumes and demat addition to hit revenue. This will be offset by recurring annual issuer charges and sustained IPO momentum.
- Cost structure expected to remain largely stable.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	1,497	2,073	2,145	2,408	2,574	3,223	3,086	3,369	8,122	12,252
Change YoY (%)	6.8	39.2	51.9	93.0	72.0	55.4	43.9	39.9	46.3	50.8
Employee expenses	226	224	237	276	267	314	314	319	963	1,215
Other Expenses	464	555	593	653	762	910	886	984	2,265	3,541
Total Operating Expenses	690	779	830	929	1,029	1,225	1,200	1,302	3,229	4,756
Change YoY (%)	7	39	48	68	49	57	45	40	39.3	47
EBITDA	807	1,294	1,314	1,479	1,544	1,998	1,886	2,067	4,894	7,495
Other Income	242	228	215	266	295	362	380	314	950	1,352
Depreciation	58	65	69	80	98	119	122	123	272	462
PBT	990	1,457	1,460	1,665	1,741	2,241	2,144	2,258	5,572	8,385
Change YoY (%)	28	33	46	100	76	54	47	36	50.7	50
Tax Provisions	242	358	375	390	405	627	536	587	1,365	2,155
P&L from associate	-11	-9	-10	20	5	6	6	6	-11	23
Net Profit	737	1,090	1,075	1,294	1,342	1,620	1,614	1,677	4,197	6,253
Change YoY (%)	28	35	44	105	82	49	50	30	52.0	49

CAMS**Buy****CMP INR5,108 | TP: INR6,000 (+17%)****EPS CHANGE (%): FY25|26: +0.0|+0.0**

- Stable momentum with respect to equity flows during the quarter will drive revenue growth.
- Operational efficiency is likely to improve profitability.
- Yields are expected to remain stable sequentially as share of equity AUM is maintained.
- The contribution from non-MF businesses will be closely tracked, especially AIF/PMS RTA and Insurance Repository.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	2,613	2,751	2,897	3,105	3,314	3,652	3,725	3,848	11,365	14,538
Change YoY (%)	10.4	13.5	18.9	24.6	26.8	32.7	28.6	23.9	16.9	27.9
Employee Expenses	950	977	997	1,048	1,130	1,186	1,209	1,241	3,972	4,766
Total Operating Expenses	1,512	1,530	1,603	1,671	1,816	1,950	1,981	2,021	6,316	7,767
Change YoY (%)	9.0	12.2	18.4	19.2	20.1	27.5	23.6	20.9	14.7	23.0
EBITDA	1,101	1,221	1,294	1,433	1,498	1,702	1,744	1,827	5,049	6,771
Other Income	97	96	99	114	117	126	135	144	406	522
Depreciation	165	174	185	181	170	184	184	185	705	722
Finance Cost	20	20	21	21	21	22	22	23	82	88
PBT	1,012	1,124	1,187	1,346	1,424	1,622	1,673	1,763	4,668	6,483
Change YoY (%)	16.4	15.9	21.4	36.6	40.7	44.4	41.0	31.0	22.8	38.9
Tax Provisions	255	286	302	316	354	414	418	434	1,159	1,621
Net Profit	757	838	885	1,030	1,070	1,208	1,255	1,329	3,510	4,862
Change YoY (%)	17.1	16.2	20.3	38.5	41.3	44.2	41.8	29.1	23.3	38.5

Kfintech**Neutral****CMP INR1,545 | TP: INR1,400 (-9%)****EPS CHANGE (%): FY25|26: +0.0|+0.0**

- Strong equity flows during the quarter will drive AUM and revenue growth.
- Operational efficiency is expected to improve profitability.
- Contribution from non-MF businesses, especially issuer solutions, to further boost revenue growth.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from Operations	1,815	2,090	2,187	2,283	2,376	2,805	2,945	3,088	8,375	11,214
Change YoY (%)	7.6	16.0	16.3	24.7	30.9	34.2	34.7	35.2	16.3	33.9
Employee expenses	756	760	831	850	958	1,018	1,060	1,088	3,197	4,124
Other Expenses	355	393	377	387	421	522	533	552	1,513	2,027
Total Operating Expenses	1,111	1,153	1,208	1,237	1,379	1,539	1,593	1,639	4,709	6,151
Change YoY (%)	4.6	5.7	4.8	2.4	11.4	11.6	3.5	2.9		
EBITDA	704	937	979	1,046	997	1,265	1,352	1,449	3,666	5,063
Other Income	53	63	64	66	81	105	105	115	247	407
Depreciation	124	126	134	146	148	165	169	175	530	657
Finance Cost	29	32	12	11	12	11	11	13	84	46
PBT	604	842	898	955	918	1,195	1,277	1,376	3,298	4,766
Change YoY (%)	18.0	41.5	6.6	6.4	-3.8	30.1	6.9	7.8	27.7	44.5
Tax Provisions	165	223	226	199	237	301	319	343	813	1,201
Net Profit	434	614	668	745	681	893	958	1,033	2,461	3,565
Change YoY (%)	15.9	28.1	25.2	30.6	56.9	45.5	43.3	38.7	25.7	44.9

HDFC Life**Buy****CMP: INR617 | TP: INR800(30%)****VNB CHANGE (%): FY25|26: +0.9|+1.0**

- New business premium to maintain growth momentum, driven by the Annuity and Par segments.
- VNB margins are likely to expand QoQ with robust VNB growth.
- Improvement in persistency ratio and commentary on growth outlook are the key monitorables.
- The share of HDFC Bank in the distribution mix and the outlook ahead will be critical monitorables.

Quarterly Performance**(INR b)**

Policy Holder's A/c	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
First Year Premium	18.5	25.7	26.8	40.1	23.6	32.5	34.5	46.8	111.1	138.0
Growth (%)	8.4%	5.9%	-1.7%	-10.1%	27.4%	26.8%	28.7%	16.5%	-1.9%	24.2%
Renewal Premium	58.0	78.4	84.0	114.1	64.1	88.3	99.6	135.0	334.5	398.3
Growth (%)	13.8%	13.5%	16.8%	23.3%	10.5%	12.7%	18.6%	18.4%	17.6%	19.1%
Single Premium	40.2	45.4	44.5	55.2	40.4	48.4	48.1	57.7	185.2	192.3
Growth (%)	24.0%	14.7%	-4.6%	-6.6%	0.6%	6.8%	8.0%	4.5%	4.3%	3.8%
Gross Premium Inc.	116.7	149.4	155.3	209.4	128.1	169.3	182.1	239.5	630.8	728.6
Growth (%)	16.2%	12.5%	6.5%	6.7%	9.7%	13.3%	17.3%	14.4%	9.6%	15.5%
Surplus/(Deficit)	2.1	2.3	0.6	2.7	5.6	5.1	2.3	2.5	7.8	15.6
Growth (%)	0.9%	-7.2%	-81.4%	-52.3%	165.7%	122.6%	282.1%	-6.9%	-43%	101.4%
PAT	4.2	3.8	3.7	4.1	4.8	4.3	4.3	4.8	15.7	18.1
Growth (%)	15.4%	15.5%	15.8%	14.6%	15.0%	14.9%	18.8%	16.8%	15.3%	15.2%
Key Metrics (INRb)										
New Business APE	23.3	30.5	31.9	47.3	28.7	38.6	38.7	55.2	129.6	161.2
Growth (%)	12.8	6.8	-2.1	-8.4	23.1	26.7	21.2	16.7	-1.0%	24.3%
VNB	6.1	8.0	8.6	12.3	7.2	9.4	9.7	14.1	35.0	40.3
Growth (%)	17.8	4.0	-2.2	-18.3	17.7	17.1	13.0	14.0	-4.7%	15.1%
AUM (INR b)	2,533	2,649	2,797	2,922	3,102	3,249	3,396	3,631	2,922	3,631
Growth (%)	18.7	17.8	19.6	22.4	22.5	22.7	21.4	24.2	22.4%	24.2%
Key Ratios (%)										
VNB Margins (%)	26.2	26.2	26.8	26.1	25.0	24.3	25.0	25.5	26.3	25.0

ICICI Prudential Life**Buy****CMP: INR661 | TP: INR840 (27%)****VNB CHANGE (%): FY25|26: -4.0|+5.5**

- New business premium is likely to experience strong YoY growth driven by the group business.
- VNB growth is likely to remain healthy, but margin to dip QoQ owing to the higher share of ULIPs.
- Expense ratio outlook will be the key monitorable.
- Growth in the Non-Linked business is expected to remain healthy and recovery is projected in the Protection business.

Quarterly Performance**(INR b)**

Policy Holder's A/c	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
First Year Premium	10.2	15.3	15.3	29.5	15.2	20.6	32.9	31.0	70.3	99.8
Growth (%)	-1.5%	5.9%	11.3%	11.9%	48.8%	34.6%	114.7%	5.4%	8.3%	41.9%
Renewal Premium	41.6	58.9	60.8	84.3	43.3	69.9	68.2	91.5	245.6	273.0
Growth (%)	6.8%	4.4%	5.7%	16.6%	4.3%	18.6%	12.3%	8.6%	9.0%	11.2%
Single Premium	21.9	30.1	26.7	37.8	24.3	30.3	32.4	42.6	116.5	129.6
Growth (%)	-5.9%	7.0%	0.9%	20.7%	10.6%	0.9%	21.2%	12.9%	6.7%	11.3%
Gross Premium Income	73.7	104.3	102.8	151.5	82.8	120.8	133.6	165.2	432.4	502.3
Growth (%)	1.5%	5.4%	5.2%	16.6%	12.3%	15.8%	29.9%	9.0%	8.3%	16.2%
PAT	2.1	2.4	2.3	1.7	2.3	2.5	2.5	2.9	8.5	10.2
Growth (%)	32.9%	22.4%	3.1%	-26.0%	8.9%	3.1%	12.0%	65.4%	5.1%	19.6%
Key Metrics (INRb)										
New Business APE	14.6	20.6	19.1	36.2	19.6	25.0	26.0	37.6	90.5	108.2
Growth (%)	-3.9%	3.2%	4.7%	9.6%	34.4%	21.4%	36.2%	3.9%	4.7%	19.6%
VNB	4.4	5.8	4.4	7.8	4.7	5.9	6.0	8.8	22.3	25.3
Growth (%)	-7.0%	-7.1%	-29.4%	-26.4%	7.8%	1.6%	37.0%	13.0%	-19.5%	13.7%
AUM	2,664	2,719	2,867	2,942	3,089	3,205	3,349	3,512	2,942	3,512
Growth (%)	15.8%	11.3%	13.8%	17.1%	15.9%	17.9%	16.8%	19.4%	17.1%	19.4%
Key Ratios (%)										
VNB Margins (%)	30.0	28.0	22.9	21.5	24.0	23.4	23.0	23.3	24.6	23.4

Max Financial**Neutral****CMP: INR1101 | TP: INR1200 (+7%)****VNB CHANGE (%): FY25|26: -1.5|+0.1**

- New business premium growth sustained in double digits.
- VNB and VNB margin are projected to decline slightly on a sequential basis.
- The proprietary channel is likely to exhibit healthy trends.
- Wallet share with Axis Bank and other bank partners is a key monitorable.

Policy Holder's A/c (INR b)	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
First Year Premium	9.9	15.3	17.6	25.4	12.6	20.5	21.3	30.9	68.9	85.3
Growth (%)	8.0%	37.7%	20.7%	5.3%	27.1%	33.6%	21.2%	21.9%	16.8%	23.9%
Renewal Premium	30.1	42.0	46.1	66.8	33.2	47.2	53.2	75.4	185.1	212.9
Growth (%)	15.1%	7.5%	14.6%	14.6%	10.3%	12.4%	15.5%	12.8%	13.0%	15.0%
Single Premium	8.7	8.9	9.3	15.2	8.2	9.7	10.1	16.6	41.3	45.9
Growth (%)	52.8%	14.2%	15.5%	66.5%	-5.7%	8.4%	8.7%	9.8%	35.1%	11.0%
Gross Premium Income	48.7	66.3	73.0	107.4	54.0	77.4	84.7	122.9	295.3	344.2
Growth (%)	18.7%	14.2%	16.1%	17.3%	10.8%	16.8%	16.0%	14.5%	16.5%	16.5%
PAT	1.0	1.6	1.5	-0.5	1.6	1.4	1.6	1.8	3.6	6.3
Growth (%)	13.2%	196.2%	-34.9%	-186.4%	51.4%	-11.2%	4.1%	-445.5%	-17.8%	74.8%
Key Metrics (INRb)										
New Business APE	11.1	16.5	18.0	28.7	14.5	21.7	20.7	33.1	73.0	89.9
Growth (%)	10.3%	38.8%	18.9%	13.2%	30.5%	31.3%	15.2%	15.4%	17.7%	23.2%
VNB	2.5	4.2	4.9	8.2	2.5	5.1	4.9	8.2	19.7	20.7
Growth (%)	16.0%	11.5%	-17.5%	6.6%	2.8%	23.1%	-0.6%	-0.6%	1.2%	4.8%
AUM	1,291.3	1,341.6	1,426.2	1,508.4	1,611.5	1,701.4	1,769.5	1,692.7	1,508.4	1,692.7
Growth (%)	20.5%	18.4%	20.5%	22.8%	24.8%	26.8%	24.1%	12.2%	22.8%	12.2%
Key Ratios (%)										
VNB Margins (%)	22.2	25.2	27.2	28.6	17.5	23.6	23.5	24.6	31.2	23.0

SBI Life**Buy****CMP: INR1,401 | TP: INR1,850 (+32%)****VNB CHANGE (%): FY25|26: -2.1|-2.1**

- Growth in the new business premium is expected to remain stable.
- Single-digit VNB growth is anticipated, while margin is likely to remain flattish QoQ.
- Cost leadership is projected to continue.
- Sluggish growth in the SBI channel has been an area of concern, making the outlook in this area crucial.

Quarterly Performance**(INR b)**

Policy Holder's A/c	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
First Year Premium	26.4	46.3	56.8	45.3	31.5	49.2	64.6	52.7	174.8	195.8
Growth (%)	3%	33%	12%	11%	19%	6%	14%	16%	15%	12%
Renewal Premium	73.5	101.2	127.2	130.0	85.4	117.2	143.4	151.9	431.9	494.4
Growth (%)	28%	11%	17%	9%	16%	16%	13%	17%	14%	14%
Single Premium	35.7	54.2	40.6	77.1	38.9	37.8	51.0	81.7	207.6	231.8
Growth (%)	18%	35%	21%	93%	9%	-30%	26%	6%	44%	12%
Gross Premium Income	135.6	201.8	224.6	252.4	155.7	204.1	259.0	286.3	814.3	922.0
Growth (%)	19%	21%	16%	26%	15%	1%	15%	13%	21%	13%
PAT	3.8	3.8	3.2	8.1	5.2	5.3	5.0	9.6	18.9	25.1
Growth (%)	45%	1%	6%	4%	36%	39%	56%	19%	10%	33%
Key Metrics (INRb)										
New Business APE	30.3	52.3	61.3	53.3	36.4	53.9	66.3	60.8	197.5	220.8
Growth (%)	4%	33%	13%	17%	20%	3%	8%	14%	17%	12%
VNB	8.7	14.9	16.8	15.1	9.7	14.5	17.9	16.4	55.5	58.5
Growth (%)	-1%	20%	11%	5%	11%	-3%	6%	9%	9%	5%
AUM	3,283	3,452	3,714	3,889	4,148	4,390	4,565	4,603	3,889	4,603
Growth (%)	25%	22%	24%	27%	26%	27%	23%	18%	27%	18%
Key Ratios (%)										
VNB Margins (%)	28.8	28.5	27.4	28.3	26.8	26.9	27.0	27.0	28.1	26.5

ICICI Lombard**Buy****CMP INR1,808 | TP: INR2,200 (+22%)****EPS CHANGE (%) FY25|26: -1.6|-6.7**

- Slowdown in motor segment and change in accounting for long-term health policies hurt premium growth.
- Claims environment to remain stable YoY and loss ratio improvement expected on a QoQ basis.
- Change in accounting in the health segment (for long-term policies) will result in elevated expense ratios.

Quarterly Performance**(INRb)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Earned Premium	38.9	43.1	43.0	43.7	45.0	50.3	48.7	49.4	168.7	193.4
Total Income	45.4	50.5	50.0	51.6	53.5	58.5	57.6	58.5	197.5	228.2
Change YoY (%)	14.1	12.2	14.7	-1.8	17.9	15.9	15.1	13.4	9.2	15.5
Incurred Claims	28.8	30.5	30.1	30.0	33.3	35.9	34.1	34.3	119.4	137.6
Total Operating Expenses	42.1	44.5	45.9	46.0	48.5	51.9	51.4	52.3	178.5	204.1
Change YoY (%)	14.9	11.6	12.3	15.7	15.3	16.5	12.0	13.8	13.6	14.3
Underwriting Profit	-3.2	-1.5	-2.8	-2.3	-3.5	-1.6	-2.6	-3.0	-9.8	-10.7
Rep Net Profit	3.9	5.8	4.3	5.2	5.8	6.9	6.3	5.6	19.2	24.6
Claims Ratio	74.1	70.7	70.0	68.6	74.0	71.4	70.0	69.4	70.8	71.1
Commission Ratio	12.5	17.4	18.0	19.9	15.0	17.5	18.7	19.0	17.0	17.5
Expense Ratio	17.2	15.8	15.5	13.7	13.3	15.6	16.0	16.5	15.5	15.3
Combined Ratio	103.8	103.9	103.6	102.2	102.3	104.5	104.7	104.9	103.3	104.0

Star Health**Buy****CMP INR482 | TP: INR560 (+16%)****EPS CHANGE (%) FY25|26: -18.0|-13.6**

- Premium expected to grow in double digits, but to be impacted by change in accounting for long-term policies
- Claims ratio anticipated to improve sequentially.
- Change in accounting in the health segment (for long-term policies) will result in elevated expense ratios.

Quarterly Performance**(INRm)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Earned Premium	30,438	32,056	32,936	33,953	35,203	37,039	37,936	39,517	1,29,383	1,49,695
Total Income	31,898	33,566	34,563	35,764	36,916	39,142	40,036	41,989	1,35,790	1,58,083
Change YoY (%)	13.6	15.0	15.9	17.1	15.7	16.6	15.8	17.4	15.4	16.4
Incurred Claims	19,909	22,022	22,295	21,774	23,789	26,959	26,935	26,356	85,999	1,04,038
Total Operating Expenses	28,983	32,839	31,794	34,864	33,800	38,986	38,500	41,387	1,28,480	1,52,672
Change YoY (%)	14.5	17.0	16.0	17.1	16.6	18.7	21.1	18.7	16.2	18.8
Underwriting Profit	1,454	-784	1,142	-911	1,404	-1,947	-564	-1,870	903	-2,977
Net Profit	2,879	1,253	2,896	1,423	3,189	1,113	2,178	1,697	8,450	8,178
Claims Ratio	65.4	68.7	67.7	64.1	67.6	72.8	71.0	66.7	66.5	69.5
Commission Ratio	13.1	13.7	11.1	14.3	13.5	13.8	13.8	14.0	13.2	13.8
Expense Ratio	19.3	16.8	19.0	14.4	18.1	16.4	17.6	15.0	17.0	16.6
Combined Ratio	97.8	99.2	97.8	92.8	99.2	103.0	102.4	95.7	96.7	99.9

Healthcare

Company

Alembic Pharma.
Alkem Lab.
Ajanta Pharma
Apollo Hospitals
Aurobindo Pharma
Biocon
Zyklus Lifesciences.
Cipla
Divi's Lab.
Dr. Reddy's Lab.
Eris Lifesciences
Gland Pharma
Glenmark Pharma.
Global Health
Granules India
GSK Pharma.
IPCA Lab.
Laurus Labs
Lupin
Mankind Pharma
Max Healthcare
Piramal Pharma
Sun Pharma.
Torrent Pharma.

Robust earnings growth momentum to sustain in 3QFY25

Superior execution in DF may get offset by moderation in the US growth

Pharma companies under our coverage are expected to report healthy YoY earnings growth of 19.4% in 3QFY25. We expect aggregate sales to grow 10% YoY to INR787b, aided by strong traction in Domestic Formulation (DF) sales and partially supported by the US segment. EBITDA is expected to exhibit growth of 16.8% YoY to INR188b, led by a higher share of niche launches in the US generics and a decline in raw material prices. PAT is expected to grow 19.4% YoY to INR117b. For hospitals, we expect profitability to improve due to the addition of beds, higher volumes, and optimization of the case mix/payor mix.

DF: Coverage companies to outperform IPM

Coverage companies outperforming IPM by 920bp during the quarter

In 3QFY25, we expect aggregate sales of the DF segment to grow 16.2% YoY to INR209b for companies under our coverage. Compared to IPM growth of ~7% YoY, the coverage companies are in good stead to perform better than IPM.

Chronic therapies to drive IPM growth; acute therapies growth remains modest for the quarter

Therapy-wise, strong performance in Cardiac, Derma, Urology, and Anti-diabetic therapies has contributed to better growth compared to the IPM for the quarter. However, to some extent, the overall IPM growth was impacted by moderate growth in Respiratory/Anti-infective/Gynae therapy. Chronic therapies (39% of IPM) grew 10% YoY while acute therapies grew 6% (61% of IPM) for 12M ending Nov'24.

LPC/TRP/DRRD to deliver robust YoY sales growth in the DF segment for 3QFY25E

Company-wise, in the large cap space, we expect LPC/TRP/DRRD to deliver sales growth of 14.8%/13%/12.5% YoY, respectively, backed by new launches, market share gains, and improving MR productivity. We expect GNP to report 4.5x YoY growth each due to the restructuring and rationalization of inventory. We forecast ERIS to deliver 59% YoY growth in DF sales, largely due to the integration of acquired brands.

US generics: Reduced traction in select products to result in a downtrend for YoY growth in 3QFY25

US growth rate to moderate after eight quarters

For our coverage companies, we expect 5.3% YoY growth in US sales, reaching USD2.4b for the quarter. After eight quarters of double-digit growth, the US business may witness a moderation in YoY growth, led by limited launches and increased competition in base products.

Select companies are expected to benefit from niche products such as g-Revlimid (ZYDUSLIF), g-Spiriva (LPC), and g-mirabegron (LPC/ZYDUSLIF). The price erosion in the base portfolio remained limited to the mid-single digits for 3QFY25.

Limited competition products to drive growth for select companies

Company-wise, ZYDUSLIF/LPC/SUNP are expected to deliver 30.8%/14%/10.5% YoY growth for the quarter. US sales of ALKEM/TRP/CIPLA are expected to decline 12%/6.1%/4.3% YoY, respectively, for the quarter due to a lack of new approvals/launches and regulatory issues at their facilities.

Regulatory risks pose a threat to ANDA approvals

During the quarter, **four facilities were inspected by the USFDA for our coverage companies. At the industry level, total approvals stood at 186, of which our coverage companies accounted for 23%**. There were 43 approvals for companies under our coverage during 3QFY25, which is below the two-year average of 53 approvals. However, with the rise in regulatory risk and an increased focus on niche products, the overall pace of ANDA approvals has reduced.

Tailwinds in the CDMO industry

The prospects for Indian CDMO companies are improving due to a rise in proposals from innovative pharmaceutical companies to non-Chinese companies. In particular, compared to commercial manufacturing services, the transition of discovery/development services may occur more rapidly. Additionally, the recent decline in rates is expected to enable more funding for clinical development initiatives, improving the outlook for CDMO companies.

Hospitals: Bed addition/enhanced efficiency to drive 3QFY25 performance

- For hospitals under our coverage, we expect 14.6% revenue growth to INR84.4b for 3QFY25. The overall performance is expected to be driven by an addition in operational beds on a YoY basis from 14,768 beds in 3QFY24 to 15,818 in 3QFY25. We expect 17%/19% EBITDA/PAT YoY growth on an aggregate basis for the quarter.
- The overall occupancy is expected to remain stable on a YoY basis. Additionally, the realization per patient (ARPOB) growth is expected to be flat on an aggregate basis. However, additional beds across hospitals, improved profitability of Healthco (APHS), and better case mix/payor mix are expected to maintain growth momentum in BEITDA/earnings of companies under our coverage.
- Hospitals under our coverage are progressing with bed additions through both organic/inorganic means. In addition to the ongoing capex, MAX has added 800 beds through the Jaypee Healthcare acquisition in this quarter. APHS's efforts are underway to add 1,860 beds in FY26 post the refurbishment of the acquired Pune/Gurgaon hospitals. Medanta won a bid from the government to build a 500-bed hospital at Oshiwara, Mumbai, this quarter.
- We expect APHS to deliver 12.4%/23.4%/40.7% YoY growth in sales/EBITDA/PAT for 3QFY25. MEDANTA is expected to deliver moderate performance with sales/EBITDA/PAT growth of 5%/-2.8%/4.8% YoY. MAXHEALT is also expected to deliver sustained performance with sales/EBITDA/PAT witnessing 26%/18%/8.7% YoY growth, respectively.

IPCA/DIVI to outperform in the healthcare pack

- In 2QFY25, we expect IPCA/DIVI to deliver 77%/49% earnings growth YoY, respectively. This growth is driven by strong traction in the DF business and the integration of the Unichem business (IPCA), along with a low base/strong CS growth for DIVI. We project DRRD/GLAND to report an earnings decline of 13.7%/11.5% YoY.
- We expect LAURUS to post earnings growth of ~2.7x YoY, driven by the low base of the previous year. Additionally, TRP is expected to post earnings growth of ~32% for the quarter.
- We expect APHS/MAXHEALTH/MEDANTA to register an earnings growth of 40.7%/8.7%/4.8%, respectively, due to: a) operational profit of Healthco (APHS), b) optimizing payor mix/case mix (MAXHEALTH), and c) revival in the growth of the Lucknow hospital.
- During the quarter, we have increased our estimates for MANKIND by 4.8%/-3.7/3.1 for FY25/FY26/FY27, while we have cut our estimates by 16.6%/9.7%/5.5 for Piramal Pharma, 13.4%/12.4%/8.5% for Gland, and 23%/5%/4% for Laurus for FY25/FY26/FY27 estimates.
- **Top Ideas:** Sun Pharma (specialty/branded generics led play), Mankind Pharma (differentiator in DF), Max Healthcare (strong executor in the hospital space), and IPCA (Recovery in the US and turnaround of Unichem).

Exhibit 1: Summary of quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Ajanta Pharma	3003	Buy	11,109	0.5	-6.4	3,055	-5.0	-9.3	2,058	-3.2	-12.6
Alembic Pharma	1048	Neutral	16,921	3.8	2.7	2,674	0.2	11.7	1,616	-10.6	13.5
Alkem Lab	5574	Neutral	33,061	-0.5	-3.2	6,612	-6.6	-12.2	5,526	-14.0	-19.8
Apollo Hospitals	7370	Buy	54,502	12.4	-2.5	7,576	23.4	-7.1	3,452	40.7	-8.9
Aurobindo Pharma	1351	Neutral	76,116	3.5	-2.4	16,289	1.7	4.0	9,030	0.0	10.5
Biocon	369	Neutral	37,171	3.1	3.5	7,248	25.7	5.6	715	LP	95.7
Cipla	1531	Neutral	69,671	5.5	-1.2	17,766	1.7	-5.8	11,864	-0.9	-8.9
Divis Labs	6071	Neutral	23,347	25.9	-0.1	7,028	43.7	-1.8	5,147	49.3	4.9
Dr Reddy's Labs	1370	Neutral	76,270	5.7	-4.9	20,440	0.7	-7.2	11,908	-13.6	-12.4
Eris Lifescience	1332	Neutral	7,732	59.0	4.3	2,729	55.5	3.2	1,008	-1.9	10.0
Gland Pharma	1810	Buy	14,054	-9.0	0.0	3,022	-19.2	1.7	1,805	-11.5	10.4
Glenmark Pharma	1614	Buy	34,504	37.6	0.5	6,211	LP	3.2	3,710	LP	6.3
Global Health	1101	Buy	8,789	5.1	-8.1	2,153	-2.8	-8.1	1,294	4.8	-5.5
Granules India	598	Buy	10,445	-9.6	8.1	2,350	-6.2	15.6	1,225	-2.5	26.0
GSK Pharma	2234	Neutral	8,492	5.5	-16.0	2,480	13.7	-22.9	1,910	-8.6	-22.9
IPCA Labs.	1697	Buy	22,929	11.7	-2.6	4,081	23.3	-7.8	1,984	77.9	-13.9
Laurus Labs	615	Buy	13,340	11.6	9.0	2,308	27.2	29.4	628	171.3	216.4
Lupin	2365	Neutral	57,448	10.5	3.6	12,466	22.0	0.8	7,556	26.0	-1.6
Mankind Pharma	2887	Buy	33,579	28.8	9.1	9,201	51.7	8.2	5,663	24.8	-13.3
Max Healthcare	1140	Buy	21,193	26.0	0.0	5,510	18.5	-2.8	3,710	8.7	0.2
Piramal Pharma	258	Buy	20,709	5.7	-7.6	2,281	-15.0	-33.2	108	-69.3	-52.4
Sun Pharma	1890	Buy	1,33,819	10.1	0.9	35,997	15.1	-4.9	29,639	19.7	1.1
Torrent Pharma	3416	Neutral	29,317	7.3	1.5	9,616	10.7	2.4	5,024	31.8	10.9
Zydus Lifesciences	974	Neutral	53,535	18.8	2.2	13,973	29.2	-1.3	9,067	20.6	3.2
Healthcare			8,71,991	10.4	0.1	2,03,238	16.8	-2.7	1,25,626	19.4	-2.4

Source: Company, MOFSL

Exhibit 2: Relative performance – three months (%)

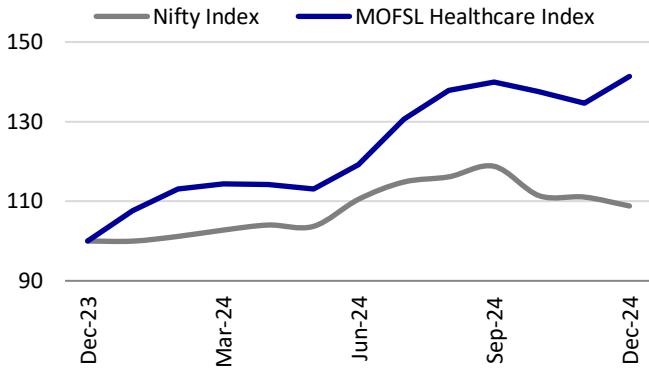
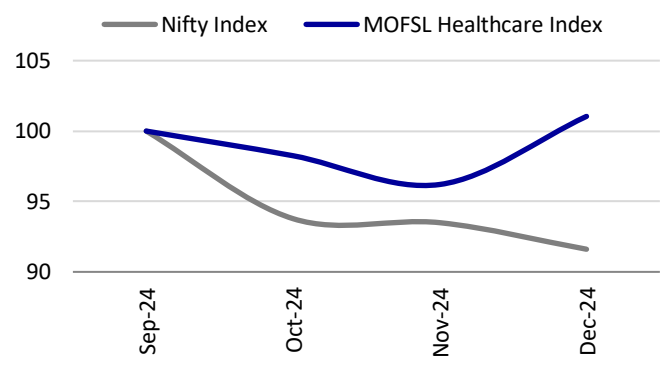
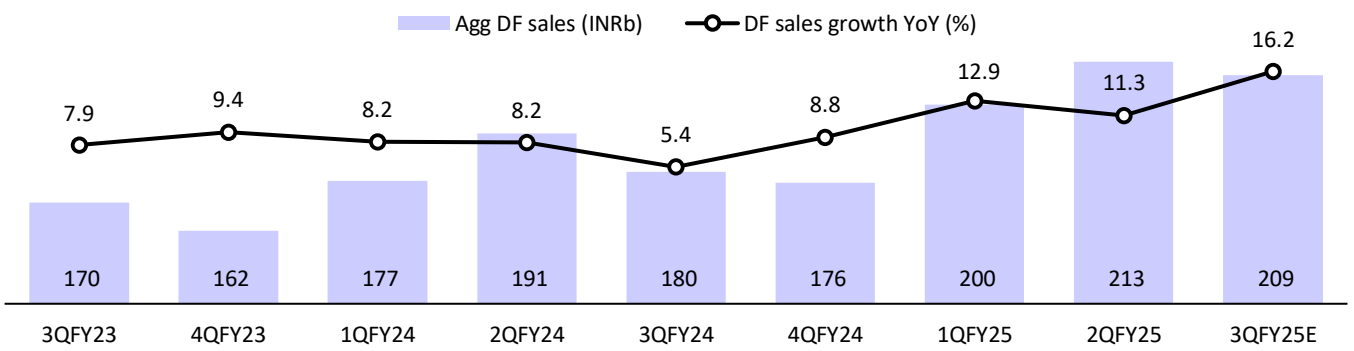


Exhibit 3: Relative performance – one year (%)



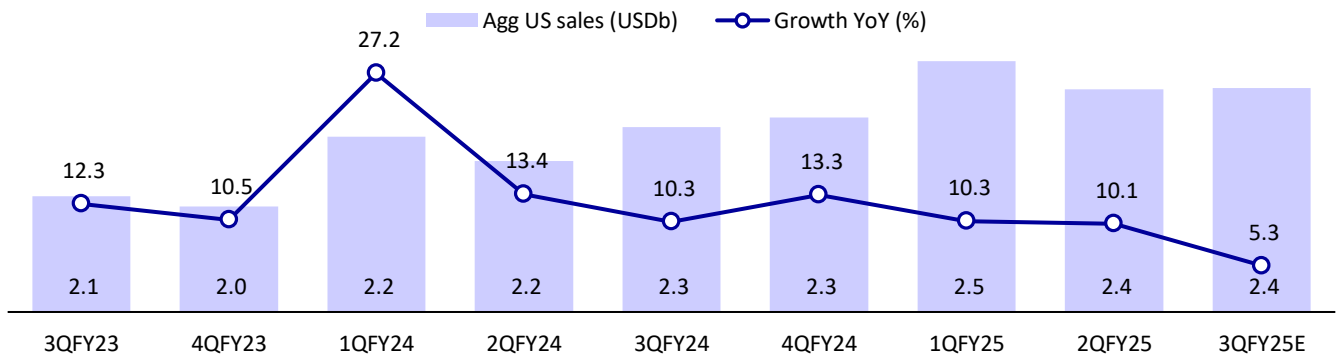
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to witness 16.2% YoY growth in 3QFY25



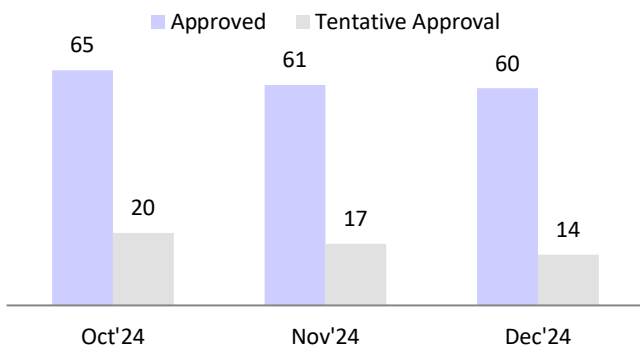
Note: Growth is ex-Mankind, Source: MOFSL, Company

Exhibit 5: US sales to grow at 5.3% YoY in 3QFY25



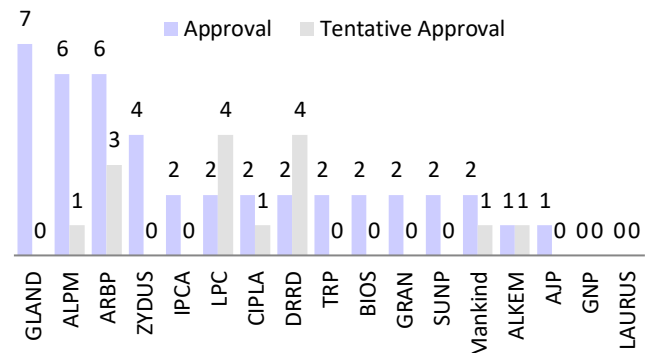
Source: MOFSL, Company

Exhibit 6: 186 approvals in 3QFY25 on an industry-wide basis



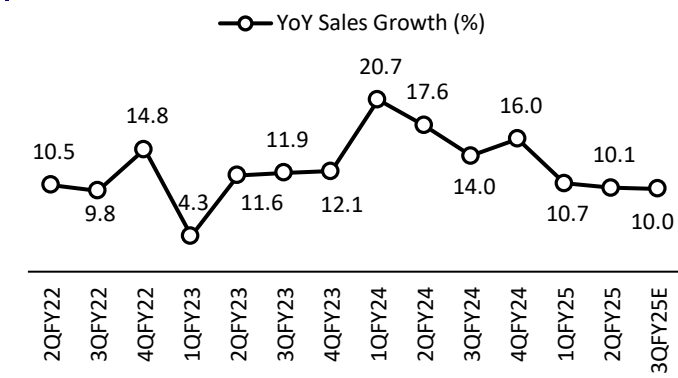
Source: MOFSL, Company

Exhibit 7: 43 ANDAs approved on an aggregate basis for our coverage universe in 3QFY25



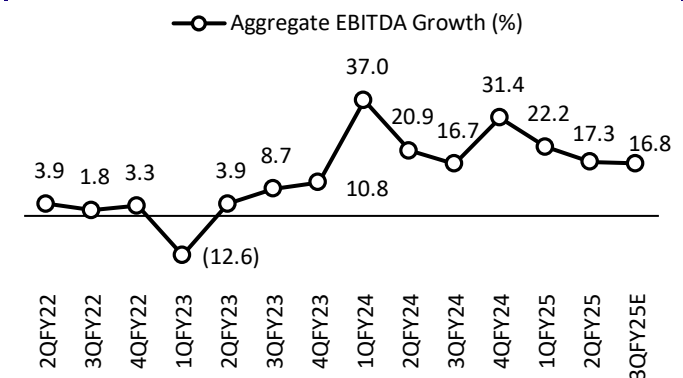
Source: MOFSL, Company

Exhibit 8: Expect sales to grow 10% YoY in 3QFY25E



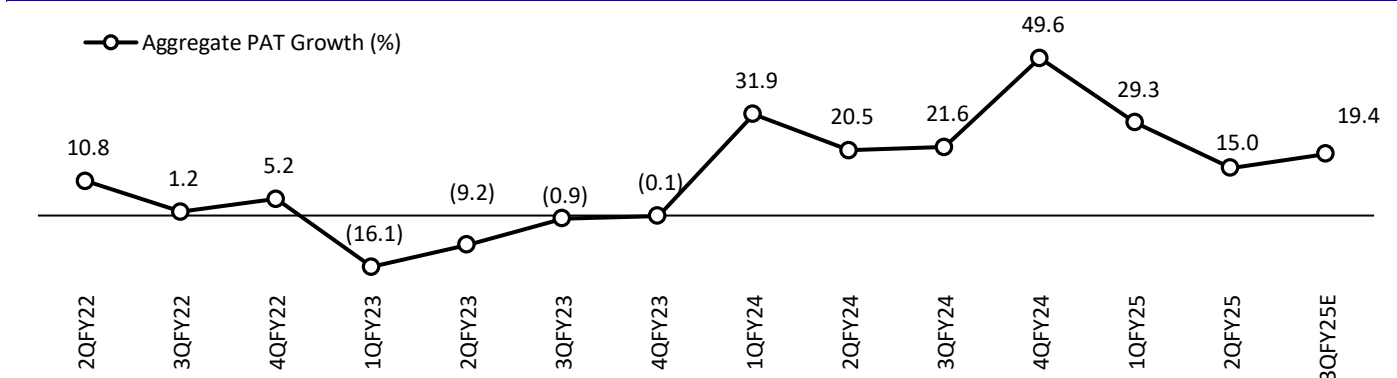
Source: MOFSL, Company

Exhibit 9: EBITDA to grow 16.8% YoY in 3QFY25E



Source: MOFSL, Company

Exhibit 10: PAT to grow 19.4% YoY in 3QFY25E



Source: MOFSL, Company

Exhibit 11: USFDA inspection history of our coverage companies for the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Alembic	Nov-24	OSD F4- Jarod	Form 483	5
	Oct-24	Injectable and oral solid F-2 -Panelav	No Form 483	0
Granules	Jun-24	FD - Gagillapur	EIR	OAI
	Nov-24	Unit V Facility	EIR	NAI
Biocon	Sep-24	Drug Substance Facility- Bengaluru	EIR	VAI
Zydus Lifesciences	Oct-24	Transdermal manufacturing facility	EIR	VAI
Cipla	Nov-24	Virgonagar- Bengaluru	Form 483	8
	Oct-24	Goa	EIR	VAI
Lupin	Oct-24	Biotech Facility- Pune	Form 483	5

Source: MOFSL, Company

*Sales, EBITDA, and PAT YoY growth figures exclude JUBLPHRM due to limited historical data. They also exclude SOLARA, APHS, MEDANTA, and MAXHEALT data.

Exhibit 12: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Healthcare						39.3	32.7	29.0	5.7	4.9	4.3	14.5	15.1	14.8
Ajanta Pharma	3,003	Buy	72.4	82.4	97.0	41.5	36.4	31.0	9.0	7.6	6.4	23.5	22.6	22.5
Alembic Pharma	1,048	Neutral	31.7	37.9	47.5	33.1	27.7	22.1	3.9	3.5	3.0	12.1	13.1	14.5
Alkem Lab	5,574	Neutral	183.8	204.8	231.2	30.3	27.2	24.1	5.5	4.8	4.2	19.7	18.9	18.4
Apollo Hospitals	7,370	Buy	97.4	126.3	164.5	75.7	58.4	44.8	12.4	10.3	8.4	18.4	19.9	21.3
Aurobindo Pharma	1,351	Neutral	61.7	70.8	81.1	21.9	19.1	16.7	2.4	2.1	1.9	11.5	11.8	12.1
Biocon	369	Neutral	2.0	4.7	9.6	188.8	78.7	38.3	2.2	2.1	2.0	1.2	2.7	5.4
Cipla	1,531	Neutral	57.1	62.6	66.0	26.8	24.5	23.2	4.0	3.5	3.1	15.0	14.3	13.3
Divis Labs	6,071	Neutral	74.8	97.1	119.6	81.1	62.5	50.8	10.8	9.6	8.5	13.9	16.3	17.8
Dr Reddy's Labs	1,370	Neutral	63.7	78.3	68.8	21.5	17.5	19.9	3.5	2.9	2.6	17.4	18.2	13.8
Eris Lifescience	1,332	Neutral	28.6	40.1	54.2	46.6	33.2	24.6	6.3	5.4	4.5	14.3	17.6	20.1
Gland Pharma	1,810	Buy	46.2	58.7	70.0	39.1	30.8	25.8	3.1	2.9	2.6	8.4	9.7	10.5
Glenmark Pharma	1,614	Buy	47.3	60.7	70.6	34.1	26.6	22.9	4.9	4.2	3.5	15.7	17.0	16.7
Global Health	1,101	Buy	19.1	24.0	30.2	57.7	45.9	36.5	8.9	7.7	6.5	16.4	17.9	19.3
Granules India	598	Buy	21.3	28.3	35.6	28.1	21.1	16.8	3.9	3.3	2.8	14.9	17.0	18.0
GSK Pharma	2,234	Neutral	50.2	56.2	64.6	44.5	39.7	34.6	17.5	14.3	11.6	39.3	36.0	33.4
IPCA Labs.	1,697	Buy	33.1	44.3	55.5	51.2	38.3	30.6	6.1	5.4	4.7	12.6	14.9	16.4
Laurus Labs	615	Buy	4.9	10.5	14.5	126.6	58.8	42.3	7.6	6.9	6.1	6.2	12.3	15.2
Lupin	2,365	Neutral	68.9	75.7	83.9	34.3	31.3	28.2	6.2	5.2	4.4	19.8	18.2	17.0
Mankind Pharma	2,887	Buy	57.1	60.1	76.6	50.6	48.0	37.7	10.4	8.9	7.6	22.4	20.1	21.8
Max Healthcare	1,140	Buy	15.1	19.9	24.0	75.7	57.3	47.5	10.3	8.7	7.4	14.6	16.5	16.8
Piramal Pharma	258	Buy	2.0	4.7	7.1	128.3	55.1	36.2	3.8	3.5	3.2	3.3	7.3	10.2
Sun Pharma	1,890	Buy	49.3	59.3	67.4	38.3	31.9	28.0	6.1	5.2	4.4	17.2	17.8	17.1
Torrent Pharma	3,416	Neutral	58.4	77.9	97.8	58.5	43.8	34.9	7.1	5.9	4.9	26.4	29.5	30.5
Zydus Lifesciences	974	Neutral	44.6	49.4	43.6	21.9	19.7	22.3	3.9	3.3	2.9	19.8	18.1	14.0

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

Ajanta Pharma

Buy

CMP: INR3003 | TP: INR3,470 (16%)

EPS CHANGE (%): FY25|26|27: (5.6)|(7.0)|(6.8)

- Expect DF sales to grow 11.7% YoY to INR3.4b, led by healthy traction in Cardiac/Ophthal/Derma/Pain.
- US business to decline 5% YoY, led by low approvals and high single-digit price erosion.
- Asia segment to witness a moderate growth of 3% YoY led by a high base effect in 3QFY24 (28% YoY growth).
- Africa business to witness a 12.2% YoY decline to INR2.1b, driven by a 59% decline in the institutional business.

Consol. - Quarterly perf.

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	10,210	10,284	11,052	10,541	11,449	11,866	11,109	11,147	42,087	45,571
YoY Change (%)	7.4	9.6	13.7	19.5	12.1	15.4	0.5	5.7	12.5	8.3
EBITDA	2,813	2,907	3,217	2,783	3,604	3,368	3,055	3,052	11,719	13,079
YoY Change (%)	11.7	40.9	48.7	62.7	28.1	15.9	-5.0	9.7	38.6	11.6
Margins (%)	27.6	28.3	29.1	26.4	31.5	28.4	27.5	27.4	27.8	28.7
Depreciation	332	337	343	343	340	344	347	352	1,354	1,383
EBIT	2,482	2,570	2,874	2,441	3,264	3,024	2,708	2,700	10,365	11,696
Interest	9	23	25	15	7	60	44	23	72	134
Other Income	121	85	95	158	182	195	110	60	459	547
PBT before EO expense	2,594	2,631	2,944	2,584	3,439	3,159	2,774	2,737	10,752	12,109
Extra-Ord expense	97	128	-35	197	-217	-257	0	0	387	-474
PBT	2,691	2,759	2,909	2,780	3,221	2,902	2,774	2,737	11,139	11,635
Tax	609	806	809	753	764	738	716	622	2,978	2,839
Effective Rate (%)	22.6	29.2	27.8	27.1	23.7	25.4	25.8	22.7	26.7	24.4
Reported PAT	2,082	1,953	2,100	2,027	2,458	2,165	2,058	2,115	8,162	8,796
Adj PAT	2,007	1,862	2,125	1,884	2,624	2,356	2,058	2,115	7,878	9,157
YoY Change (%)	13.9	13.9	30.4	57.1	30.8	26.5	-3.2	12.3	26.5	16.2
Margins (%)	19.4	18.0	19.1	17.6	22.6	19.5	18.3	18.9	18.5	19.9

E: MOFSL Estimates

Alembic Pharma

Neutral

CMP: INR1048 | TP: INR1110 (6%)

EPS CHANGE (%): FY25|26|27: 0|0|0

- Expect 5% YoY growth in US sales to USD60m due to new launches and market share gains.
- Expect animal health to sustain growth momentum with 31.6% YoY due to strong brand recall for 3QFY25.
- Expect DF sales to grow 6% YoY to INR6.3b, led by ~8.6% YoY growth in the specialty segment, offset by persistent pressure in acute therapies.
- Progress on scaling US business and reviving DF business.

Quarterly perf. (Consol.)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	14,862	15,949	16,309	15,170	15,617	16,480	16,921	16,327	62,290	65,345
YoY Change (%)	17.7	8.1	8.1	7.9	5.1	3.3	3.8	7.6	10.2	4.9
EBITDA	1,987	2,083	2,667	2,601	2,368	2,393	2,674	2,955	9,337	10,390
YoY Change (%)	73.3	-10.5	7.2	16.5	19.2	14.9	0.2	13.6	14.0	11.3
Margins (%)	13.4	13.1	16.4	17.1	15.2	14.5	15.8	18.1	15.0	15.9
Depreciation	662	676	695	695	690	705	705	709	2,727	2,810
EBIT	1,325	1,407	1,973	1,906	1,678	1,688	1,969	2,246	6,611	7,580
Interest	144	157	152	109	132	188	182	120	562	622
Other Income	117	102	29	36	21	167	80	72	283	340
PBT before EO expense	1,298	1,352	1,850	1,832	1,567	1,667	1,867	2,197	6,332	7,298
Extra-Ord expense	0	0	0	0	0	-129	0	0	0	129
PBT	1,298	1,352	1,850	1,832	1,567	1,796	1,867	2,197	6,332	7,426
Tax	92	-19	41	46	225	273	261	263	160	1,022
Rate (%)	7.0	-1.4	2.2	2.5	14.4	15.2	14.0	12.0	2.5	13.8
MI & P/L of Asso. Cos.	0	-5	-1	-4	-5	-11	-11	96	-10	69
Reported PAT	1,207	1,376	1,809	1,790	1,347	1,534	1,616	1,838	6,182	6,336
Adj PAT	1,207	1,376	1,809	1,790	1,347	1,425	1,616	1,838	6,182	6,227
YoY Change (%)	160.9	-6.7	36.6	73.1	11.6	3.6	-10.6	2.7	43.9	0.7
Margins (%)	8.1	8.6	11.1	11.8	8.6	8.6	9.6	11.3	9.9	9.5
EPS	6	7	9	9	7	7	8	9	31	32

E: MOFSL Estimates

Alkem Labs**Neutral**

CMP: INR5574 | TP: INR5,630 (1%)

EPS CHANGE (%): FY25|26|27:(3.0)|(2.3)|(0.4)

- Expect DF sales to grow 4% YoY, dragged by moderate acute growth.
- Progress on biosimilar portfolio for regulated as well as emerging markets.
- Expect US sales to decline 14% YoY to USD71m, on slower offtake from new launches and rationalizing portfolio.
- Watch out for business prospects from g-Valsartan sacubitril in the US market.

Quarterly Perf. (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	29.7	34.4	33.2	29.4	30.3	34.1	33.1	31.6	126.7	129.1
YoY Change (%)	15.2	11.7	9.3	1.1	2.2	-0.7	-0.5	7.5	9.2	1.9
EBITDA	3.9	7.5	7.1	4.0	6.1	7.5	6.6	5.1	22.5	25.3
YoY Change (%)	42.4	64.5	18.1	13.8	56.4	0.8	-6.6	26.2	33.7	12.7
Margins (%)	13.1	21.7	21.3	13.7	20.1	22.0	20.0	16.1	17.7	19.6
Depreciation	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	3.0	3.2
EBIT	3.2	6.7	6.4	3.2	5.3	6.7	5.8	4.2	19.5	22.1
Interest	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	1.1	1.0
Other Income	0.7	0.6	0.9	0.9	1.2	1.3	0.8	0.8	3.1	4.1
PBT before EO Exp	3.5	7.1	7.1	3.8	6.2	7.8	6.4	4.8	21.4	25.2
PBT after EO Exp	3.5	6.5	6.5	3.7	6.2	7.8	6.4	4.8	20.2	25.2
Tax	0.7	0.3	0.5	0.6	0.7	0.8	0.8	0.8	2.1	3.0
Rate (%)	18.4	5.1	7.7	17.1	11.2	10.0	12.3	15.9	9.9	12.0
Reported PAT	2.9	6.2	5.9	2.9	5.5	6.9	5.5	4.1	18.0	22.0
Adj Net Profit	2.9	6.8	6.4	3.0	5.5	6.9	5.5	4.1	19.1	22.0
YoY Change (%)	52.3	104.1	41.3	3.4	90.1	2.0	-14.0	35.2	50.5	15.2
EPS	24	56	54	25	46	58	46	34	160	184

Apollo Hospitals**Buy**

CMP: INR7370 | TP: INR8,660 (18%)

EPS CHANGE (%): FY25|26|27: 0|0|0

- Sales and EBITDA expected to grow at 12.4%/23.4% YoY to INR54.5b/INR7.6, led by an improved case mix/better Healthco performance.
- Political turmoil in Bangladesh might adversely affect international business.
- Watch out for GMV outlook in Apollo 24/7 and progress on insurance product/concierge service.
- Strong growth across segments and operating leverage to register 14% YoY revenue growth in the AHLL segment.
- Update on capacity expansion at Gurugram, Hyderabad, Kolkata, Pune, and Mysore.

Quarterly Perf. (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	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
YoY Change (%)	16.4	14.0	13.8	14.9	15.1	15.3	12.4	11.6	14.7	13.6
EBITDA	5,090	6,275	6,137	6,405	6,751	8,155	7,576	7,822	23,907	30,302
YoY Change (%)	3.7	11.0	21.4	31.2	32.6	30.0	23.4	22.1	16.6	26.8
Margins (%)	11.5	12.9	12.7	13.0	13.3	14.6	13.9	14.2	12.5	14.0
Depreciation	1,669	1,634	1,670	1,897	1,774	1,845	1,820	1,823	6,870	7,262
Interest	1,062	1,113	1,126	1,193	1,164	1,175	1,120	1,194	4,494	4,653
Other Income	282	222	278	281	372	382	350	411	1,063	1,515
PBT before EO expense	2,641	3,750	3,619	3,596	4,185	5,517	4,986	5,217	13,606	19,904
Extra-Ord expense/(Income)	0	-19	0	0	0	0	0	0	-19	0
PBT	2,641	3,769	3,619	3,596	4,185	5,517	4,986	5,217	13,625	19,904
Tax	966	1,300	1,089	1,098	1,145	1,617	1,466	1,503	4,455	5,731
Rate (%)	36.6	34.5	30.1	30.5	27.4	29.3	29.4	28.8	32.7	28.8
MI & Profit/Loss of Asso. Cos.	9	140	77	-40	-12	112	68	25	186	193
Reported PAT	1,666	2,329	2,453	2,538	3,052	3,788	3,452	3,688	8,984	13,980
Adj PAT	1,666	2,317	2,453	2,538	3,052	3,788	3,452	3,688	8,973	13,980
YoY Change (%)	2.6	3.0	59.8	47.1	83.2	63.5	40.7	45.3	29.6	55.8
Margins (%)	3.8	4.8	5.1	5.1	6.0	6.8	6.3	6.7	4.7	6.5
EPS	11.6	16.1	17.1	17.7	21.2	26.3	24.0	25.7	62.4	97.4

E: MOFSL Estimates

Aurobindo Pharma**Neutral****CMP: INR1351 | TP: INR1,360 (1%)****EPS CHANGE (%): FY25|26|27: (7.0)|(4.1)|(4.8)**

- Expect US sales to decline 3% YoY at USD437m, led by the higher base of last year and slower off-take of niche products.
- Progress on the utilization of the Pen-g plant/Eugia Unit III.
- Expect EU sales growth of 12% YoY to INR19.4b on expanding into newer markets.
- Business scope from biosimilar launches.

Quarterly Perf. (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	68.5	72.2	73.5	75.8	75.7	78.0	76.1	72.5	290.0	302.3
YoY Change (%)	9.9	25.8	14.7	17.1	10.5	8.0	3.5	-4.3	16.7	4.2
EBITDA	11.5	14.0	16.0	16.9	16.9	15.7	16.3	17.5	58.4	66.3
YoY Change (%)	12.4	33.4	67.8	68.3	47.2	11.6	1.7	3.4	44.9	13.6
Margins (%)	16.8	19.4	21.8	22.3	22.4	20.1	21.4	24.1	20.1	22.0
Depreciation	3.3	4.2	4.2	3.5	4.0	3.8	4.0	4.1	15.2	15.9
EBIT	8.2	9.9	11.8	13.3	12.9	11.8	12.3	13.3	43.2	50.4
Interest	0.6	0.7	0.8	0.9	1.1	1.1	1.1	1.0	2.9	4.3
Other Income	0.8	1.9	1.2	1.4	1.2	1.4	1.4	1.5	5.2	5.5
PBT	8.1	10.7	12.7	12.4	13.3	12.1	12.7	13.9	44.0	51.9
Tax	2.4	3.2	3.2	3.2	4.1	3.9	3.7	3.8	12.1	15.5
Rate (%)	29.7	30.1	25.5	26.0	30.6	32.3	29.0	27.5	27.5	29.8
Reported PAT	5.7	7.6	9.4	9.1	9.2	8.2	9.0	9.9	31.7	36.3
Adj PAT	5.9	7.8	9.0	10.1	9.0	8.2	9.0	9.9	32.8	36.1
YoY Change (%)	0.9	17.2	87.4	96.3	51.9	5.1	0.0	-1.8	46.1	10.0
Margins (%)	8.7	10.8	12.3	13.3	11.9	10.5	11.9	13.7	11.3	12.0
EPS	10.1	13.3	15.4	17.3	15.4	14.0	15.4	16.9	56.0	61.7

Biocon**Neutral****CMP: INR369 | TP: INR340 (8%)****EPS CHANGE (%): FY25|26|27: (8.5)|(2.2)|(1.4)**

- Expect biologics sales to grow 11% YoY to INR21.7b, led by steady traction in existing products.
- Expect Syngene sales to grow 8% YoY to INR9.2b due to recovery in biotech funding and an increase in new order inflows.
- Expect the generic business to decline 7% due to pricing erosion.
- Update on GLP-1 opportunities for BIOS.
- Progress on the launch activities of b-ustekinumab.

Quarterly performance (Consolidated)**(INRb)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	34.2	34.6	36.0	39.2	34.3	35.9	37.2	40.7	144.1	148.1
YoY Change (%)	57.9	49.2	22.5	7.4	0.3	3.7	3.1	3.8	30.0	2.8
EBITDA	7.1	7.4	5.8	9.2	6.2	6.9	7.2	9.5	29.5	29.8
YoY Change (%)	53.5	57.4	-16.3	5.1	-12.9	-7.4	25.7	3.6	18.1	1.2
Margins (%)	20.8	21.4	16.0	23.4	18.1	19.1	19.5	23.3	20.5	20.1
Depreciation	3.6	3.9	4.2	4.1	4.1	4.2	4.2	4.1	15.7	16.6
EBIT	3.6	3.5	1.6	5.1	2.2	2.7	3.1	5.4	13.8	13.3
Interest	2.3	2.5	2.7	2.3	2.4	2.3	2.1	2.0	9.8	8.7
Other Income	0.9	1.6	1.1	0.5	0.8	0.3	0.6	0.5	4.1	2.1
Extraordinary Income	0.0	-0.2	8.3	-0.1	10.9	0.3	0.0	0.0	7.9	11.2
PBT	1.8	2.1	8.1	3.2	11.5	1.0	1.5	3.8	15.2	17.8
Tax	0.4	0.4	0.6	1.0	2.8	0.7	0.3	0.6	2.3	4.4
Rate (%)	19.1	19.6	6.8	30.1	24.8	71.4	20.0	15.5	15.0	25.0
Minority Interest	0.5	0.5	0.9	0.9	2.0	0.4	0.5	0.3	2.8	3.3
PAT	1.0	1.3	6.6	1.4	6.6	-0.1	0.7	2.9	10.2	10.0
Adj PAT	1.0	1.4	-1.7	1.4	-1.6	0.4	0.7	2.9	2.2	2.3
YoY Change (%)	-51.1	-16.2	-176.5	-5.0	NA	-74.7	-141.9	101.7	-71.1	8.3
Margins (%)	2.9	3.6	18.3	3.5	19.2	-0.4	1.9	7.1	7.1	6.8

Cipla**Neutral****CMP: INR1531 | TP: INR1,550 (1%)****EPS CHANGE (%): FY25|26|27: 0.5|(0.2)|(0.2)**

- US sales to decline 4% YoY to USD220m for 3QFY25 led by price erosion and temporary lower off-take of Lanreotide.
- Expect DF sales to grow 7% YoY, driven by stronger growth in cardiac/gastro/urology, market share gain, and in-licensing opportunities.
- USFDA regulatory outlook at Pithampur facility.
- Progress on inhalation/peptide assets for the US generic market and Semaglutide for the Indian market.

Quarterly Perf. (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	63.3	66.8	66.0	61.6	66.9	70.5	69.7	68.9	257.7	276.0
YoY Change (%)	17.7	14.6	13.7	7.4	5.8	5.6	5.5	11.8	13.3	7.1
EBITDA	14.9	17.3	17.5	13.2	17.2	18.9	17.8	13.8	62.9	67.6
YoY Change (%)	30.7	24.8	24.2	12.1	14.9	8.8	1.7	5.2	23.0	7.5
Margins (%)	23.6	26.0	26.5	21.4	25.6	26.7	25.5	20.1	24.4	24.5
Depreciation	2.4	2.5	2.3	2.9	2.5	2.7	2.7	2.7	10.1	10.5
EBIT	12.5	14.9	15.1	10.3	14.7	16.1	15.1	11.2	52.8	57.1
Interest	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.0	0.9	0.4
Other Income	1.4	1.8	1.3	1.8	1.6	1.9	1.7	1.3	6.2	6.5
Profit before Tax	13.7	16.4	16.1	11.9	16.1	17.9	16.6	12.5	58.2	63.1
One-time (expense)/income	0.0	-0.4	-1.4	0.7	0.0	0.0	0.0	0.0	-1.1	0.0
PBT after EO expense	13.7	15.9	14.7	12.6	16.1	17.9	16.6	12.5	57.0	63.1
Tax	3.8	4.4	4.1	3.2	4.4	4.8	4.7	3.4	15.5	17.4
Rate (%)	27.5	26.8	25.1	27.3	27.0	27.0	28.5	27.5	26.6	27.5
Reported PAT	10.0	11.3	10.6	9.4	11.8	13.0	11.9	9.4	41.2	46.1
Adj PAT	10.0	11.7	12.0	8.7	11.8	13.0	11.9	9.4	42.4	46.1
YoY Change (%)	45.1	37.7	49.4	22.7	18.3	10.9	-0.9	8.3	39.0	8.8

E: MOFSL Estimates

Divis Labs**Neutral****CMP: INR6071 | TP: INR5,870 (-3%)****EPS CHANGE (%): FY25|26|: (3.1)|(1.2)|(0.6)**

- DIVI is expected to deliver 25.9% YoY growth in sales for the quarter due to strong traction in CS supported by generics and neutraceuticals.
- Update on adding new molecules in generic API space.
- Progress on the utilization of phase 1 of the Kakinada project.
- Progress on GLP-1 opportunities on R&D as well as the commercial front.
- Update on the launch of new molecules and clinical development of Gadolinium-based products

Quarterly Performance**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	17,780	19,090	18,550	23,030	21,180	23,380	23,347	24,371	78,450	92,279
YoY Change (%)	-21.1	2.9	8.6	18.1	19.1	22.5	25.9	5.8	1.0	17.6
EBITDA	5,040	4,990	4,890	7,310	6,220	7,160	7,028	7,461	22,230	27,868
YoY Change (%)	-40.5	-19.7	19.8	48.6	23.4	43.5	43.7	2.1	-6.1	25.4
Margins (%)	28.3	26.1	26.4	31.7	29.4	30.6	30.1	30.6	28.3	30.2
Depreciation	930	950	950	950	970	990	980	960	3,780	3,900
EBIT	4,110	4,040	3,940	6,360	5,250	6,170	6,048	6,501	18,450	23,968
Interest	0	10	0	20	0	0	0	0	30	0
Other Income	810	750	770	770	780	770	870	994	3,100	3,414
PBT before EO Income	4,920	4,780	4,710	7,110	6,030	6,940	6,918	7,495	21,520	27,382
Forex gain /(Loss)	30	-90	180	20	10	290	0	0	140	300
PBT	4,950	4,690	4,890	7,130	6,040	7,230	6,918	7,495	21,660	27,682
Tax	1,360	1,210	1,310	1,750	1,740	2,120	1,771	1,982	5,630	7,613
Rate (%)	27.5	25.8	26.8	24.5	28.8	29.3	25.6	26.4	26.0	27.5
PAT	3,590	3,480	3,580	5,380	4,300	5,110	5,147	5,513	16,030	20,070
Adj. PAT	3,568	3,547	3,448	5,365	4,293	4,905	5,147	5,516	15,928	19,860
YoY Change (%)	-45.6	-24.4	25.9	65.7	20.3	38.3	49.3	2.8	-7.5	24.7
Margins (%)	20.2	18.2	19.3	23.4	20.3	21.9	22.0	22.6	20.4	21.7
Adj. EPS	13.4	13.4	13.0	20.2	16.2	18.5	19.4	20.8	60.0	74.8

Dr Reddy's Labs**Neutral**

CMP: INR1370 | TP: INR1,370

EPS CHANGE (%): FY25|26|27: (6.3)|0|0

- Expect US sales to be stable YoY at USD405m, led by limited volume offtake in the differentiated portfolio.
- India revenue to grow 12.5% YoY led by strong growth in Gastro/Derma/Vaccines and in-licensing opportunities.
- Update on the launch of b-Rituximab in EU.
- Progress on GLP-1 opportunities in India/EM markets and niche opportunities beyond g-Revlimid

Quarterly Performance - IFRS

(INRb)

Y/E March	FY24				FY25E				FY24E	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	67.4	68.8	72.1	70.8	76.7	80.2	76.3	80.7	279.2	313.8
YoY Change (%)	35.2	9.1	6.6	17.4	13.9	16.5	5.7	13.9	15.9	12.4
EBITDA	20.5	20.0	20.3	17.7	21.3	22.0	20.4	22.6	78.4	86.3
YoY Change (%)	97.8	10.7	-1.3	34.0	4.0	10.3	0.7	27.7	26.2	10.1
Margins (%)	30.3	29.0	28.1	24.9	27.7	27.5	26.8	28.0	28.1	27.5
Amortization	3.6	3.8	3.9	3.5	3.8	4.0	4.7	4.8	14.8	17.3
EBIT	16.9	16.1	16.4	14.1	17.5	18.1	15.7	17.8	63.5	69.0
Other Income	1.1	1.6	2.0	1.7	1.4	2.6	1.1	0.6	6.4	5.6
PBT before EO expenses	18.0	17.7	18.4	15.8	18.8	20.7	16.8	18.4	69.9	74.7
One-off income/(expense)	0.5	1.4	-0.1	0.2	0.0	-1.5	0.0	0.0	2.0	-1.5
Profit before Tax	18.5	19.1	18.3	16.0	18.8	19.2	16.8	18.4	71.9	73.2
Tax	4.4	4.3	4.5	2.9	4.9	5.8	4.0	3.8	16.2	18.4
Rate (%)	24.0	22.7	24.5	18.4	26.0	30.0	23.9	20.5	22.5	25.2
PAT	14.0	14.8	13.8	13.1	13.9	13.4	12.8	14.6	55.7	54.7
Adjusted PAT	13.7	13.3	13.8	12.1	13.9	13.6	11.9	13.7	52.8	53.1
YoY Change (%)	66.6	16.5	5.1	50.1	2.0	2.4	-13.6	12.9	29.6	0.5
Margins (%)	20.3	19.3	19.1	17.1	18.1	17.0	15.6	17.0	18.9	16.9
EPS	16.4	15.9	16.5	14.5	16.7	16.3	14.3	16.4	63.4	63.7

E: MOFSL Estimates

Eris Lifesciences**Neutral**

CMP: INR1332 | TP: INR1,230 (-8%)

EPS CHANGE (%): FY25|26|27: (6.0)|(4.4)|(2.2)

- Expect 59% YoY growth in sales due to the inorganic addition of business.
- Update on the integration of brands acquired from Biocon and business of Swiss Parenterals.
- Progress on launch activities related to GLP-1 products.
- Traction in products launched over the past 12M.

Quarterly Perf. (Consolidated)

(INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	4,666	5,053	4,863	5,509	7,197	7,412	7,732	8,106	20,091	30,447
YoY Change (%)	17.1	9.7	14.9	36.8	54.2	46.7	59.0	47.1	19.2	51.5
EBITDA	1,697	1,811	1,755	1,698	2,500	2,645	2,729	2,843	6,962	10,717
Margins (%)	36.4	35.8	36.1	30.8	34.7	35.7	35.3	35.1	34.7	35.2
Depreciation	409	421	457	539	759	805	810	854	1,830	3,228
Interest	174	163	181	330	604	595	610	620	848	2,428
Other Income	10	35	42	151	16	46	65	178	238	304
PBT before EO expense	1,125	1,262	1,159	980	1,153	1,291	1,374	1,547	4,522	5,366
Extra-Ord expense	0	0	0	214	0	0	0	0	214	0
PBT	1,125	1,262	1,159	766	1,153	1,291	1,374	1,547	4,308	5,366
Tax	188	39	144	-30	259	328	330	371	342	1,288
Rate (%)	16.7	3.1	12.4	-3.9	22.5	25.4	24.0	24.0	7.9	24.0
MI & Profit/Loss of Asso. Cos.	12	11	13	-87	62	48	37	0	-51	147
Reported PAT	948	1,234	1,027	710	832	916	1,008	1,176	3,916	3,931
Adj PAT	948	1,234	1,027	815	832	916	1,008	1,176	4,021	3,931
YoY Change (%)	0.3	2.3	1.2	24.6	-12.3	-25.8	-1.9	44.2	5.2	-2.2
Margins (%)	20.3	24.4	21.1	14.8	11.6	12.4	13.0	14.5	20.0	12.9

E: MOFSL Estimates

GSK Pharma**Neutral****CMP: INR2234 | TP: INR2,420 (8%)****EPS CHANGE (%): FY25|26|27: 0|0|0**

- Expect mid-single digit YoY growth in 3QFY25 due to a decline in Pain/hormones offset by growth in Derma/VMNs.
- Update on any new launches from the parent portfolio in the specialty segment.
- Update on the launch of ovarian and endometrial cancer drugs.
- Update on the addition of MRs to expand reach/enhance product offerings

Qtr Perf. (Consol.)

Y/E March	FY24				FY25E				FY24	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Sales	7,617	9,570	8,053	9,298	8,147	10,107	8,492	9,907	34,537	36,652
YoY Change (%)	2.2	4.4	0.4	18.1	7.0	5.6	5.5	6.5	6.2	6.1
EBITDA	1,439	2,895	2,181	2,573	2,305	3,216	2,480	2,985	9,087	10,987
YoY Change (%)	-3.4	12.7	-4.7	51.6	60.2	11.1	13.7	16.0	13.0	20.9
Margins (%)	18.9	30.3	27.1	27.7	28.3	31.8	29.2	30.1	26.3	30.0
Depreciation	164	181	171	181	164	169	178	185	697	696
EBIT	1,276	2,714	2,010	2,392	2,141	3,048	2,302	2,800	8,390	10,291
Interest	3	4	3	8	4	3	3	3	18	12
Other Income	364	282	281	298	356	345	300	298	1,226	1,300
PBT before EO Expense	1,637	2,992	2,287	2,682	2,494	3,391	2,599	3,096	9,598	11,579
Tax	487	817	197	761	671	913	689	808	2,262	3,080
Rate (%)	29.8	27.3	8.6	28.4	26.9	26.9	26.5	26.1	22.4	26.6
Adjusted PAT	1,150	2,175	2,090	1,921	1,823	2,477	1,910	2,288	7,336	8,499
YoY Change (%)	-1.1	12.5	18.8	56.1	58.6	13.9	-8.6	19.1	20.5	15.9
Margins (%)	15.1	22.7	26.0	20.7	22.4	24.5	22.5	23.1	21.2	23.2
One-off Expense/(Income)	-173	0	1,633	-24	0	-47	0	0	1,436	-47
Reported PAT	1,323	2,175	457	1,945	1,823	2,524	1,910	2,288	5,900	8,546

E: MOFSL Estimates: Quarterly - Standalone; Full Year - Consolidated

Gland Pharma**Buy****CMP: INR1810 | TP: INR2,080 (15%)****EPS CHANGE (%): FY25|26|27: (13.4)|(12.4)|(8.5)**

- Expect sales to decline 9% YoY to INR14b due to the high base of last year and lower offtake of base products.
- Update on the new biologics/CDMO opportunities.
- Progress on improving the profitability of Cenexi.
- Update on niche approvals for Gland Pharma.

Consol. - Quarterly perf.

Y/E March	FY24				FY25E				FY24	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25E
Net Sales	12,087	13,734	15,452	15,375	14,017	14,058	14,054	15,741	56,647	57,870
YoY Change (%)	41.1	31.5	64.7	95.9	16.0	2.4	-9.0	2.4	56.3	2.2
EBITDA	2,940	3,241	3,742	3,587	2,644	2,970	3,022	4,096	13,509	12,731
YoY Change (%)	8.9	5.3	29.2	113.0	-10.1	-8.3	-19.2	14.2	30.4	-5.8
Margins (%)	24.3	23.6	24.2	23.3	18.9	21.1	21.5	26.0	23.8	22.0
Depreciation	653	813	1,053	926	920	938	970	996	3,446	3,823
Interest	49	60	53	100	56	61	40	29	262	186
Other Income	375	532	374	421	514	597	620	584	1,702	2,315
PBT before EO expense	2,613	2,899	3,009	2,982	2,182	2,567	2,632	3,655	11,503	11,037
One-off income/(expense)	0	0	178	0	0	0	0	0	178	0
PBT	2,613	2,899	2,832	2,982	2,182	2,567	2,632	3,655	11,325	11,037
Tax	672	958	913	1,058	745	932	826	918	3,601	3,421
Rate (%)	25.7	33.0	32.2	35.5	34.1	36.3	31.4	25.1	31.8	31.0
Reported PAT	1,941	1,941	1,919	1,924	1,438	1,635	1,805	2,738	7,724	7,615
Adj PAT	1,941	1,941	2,039	1,918	1,438	1,635	1,805	2,738	7,839	7,615
YoY Change (%)	-15.3	-22.7	-12.1	61.7	-25.9	-15.8	-11.5	42.7	-5.6	-2.8
Margins (%)	16.1	14.1	13.2	12.5	10.3	11.6	12.8	17.4		
EPS	12	12	12	12	9	10	11	17	48	46

E: MOFSL Estimates

Glenmark Pharma**Buy****CMP: INR1614 | TP: INR1,900 (18%)****EPS CHANGE (%): FY25|26|27: 1.9|2.5|3.0**

- Expect DF sales to grow at 4.5x YoY led by the lower base of last year due to inventory rationalization, double-digit growth in cardiac/derma, and in-licensing.
- Update on the ramp-up of Winlevi in the EU market and Ryaltris at a global level.
- Expect GNP US sales to remain flat YoY to USD96m, partly due to a lack of approvals and ongoing price erosion.
- Update on the launch of Tislelizumab and Zanubrutinib in the Indian market.

Quarterly Perf. (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues (Core)	30,361	32,074	25,067	30,630	32,442	34,338	34,504	34,125	1,18,131	1,35,409
YoY Change (%)	9.3	6.3	-19.1	2.1	6.9	7.1	37.6	11.4	2.0	14.6
EBITDA	4,374	5,053	-1,444	5,043	6,102	6,019	6,211	6,379	13,025	24,711
YoY Change (%)	-7.5	-3.2	-130.5	26.7	39.5	19.1	-530.0	26.5	-20.3	89.7
Margins (%)	14.4	15.8	-5.8	16.5	18.8	17.5	18.0	18.7	11.0	18.2
Depreciation	1,420	1,415	1,471	1,513	1,178	1,203	1,250	1,228	5,819	4,859
EBIT	2,953	3,638	-2,915	3,530	4,924	4,816	4,961	5,151	7,206	19,852
Interest	1,116	1,215	1,343	1,486	396	485	350	206	5,160	1,436
Other Income	197	17	454	7,732	315	324	410	500	8,400	1,549
PBT before EO Expense	2,034	2,441	-3,805	9,776	4,843	4,656	5,021	5,445	10,447	19,965
One-off loss/(gain)	520	3,684	1,409	4,468	220	-70	0	0	10,082	150
PBT after EO Expense	1,514	-1,244	-5,214	5,308	4,623	4,726	5,021	5,445	364	19,815
Tax	1,137	559	-718	17,695	1,221	1,181	1,305	1,505	18,673	5,212
Rate (%)	75.1	-45.0	13.8	333.3	26.4	25.0	26.0	27.6	5,123.0	26.3
Reported PAT	377	-1,803	-4,496	-12,386	3,402	3,545	3,715	3,940	-18,309	14,602
Minority Interest	232	204	206	40	0	3	5	38	681	45
Reported PAT after Minority Interest	145	-2,007	-4,701	-12,427	3,403	3,542	3,710	3,902	-18,990	14,557
Adj PAT	1,111	1,397	-3,486	1,680	3,565	3,490	3,710	3,902	701	14,667
YoY Change (%)	-34.0	-39.9	-368.6	247.6	220.9	149.8	-206.4	132.3	-81.2	1,992.3
Margins (%)	3.7	4.4	-13.9	5.5	11.0	10.2	10.8	11.4	0.6	10.8
Adj. PAT from discontinued operations	1,355	1,187	1,188	244	0	0	0	-	3,973	-
YoY Change (%)										
Overall Adj. PAT	2,465	2,584	(2,299)	1,923	3,565	3,490	3,710	3,902	4,674	14,667

E: MOFSL Estimates; Note: The sum of the four quarters for FY23 will not match as 1QFY24 is not restated.

Global Health**Buy****CMP: INR1101 | TP: INR1,360 (24%)****EPS CHANGE (%): FY25|26|27: 0|0|0**

- Expect ARPOB to grow 4.8% YoY to INR63.5k for the quarter. High base of Lucknow in 3QFY24 to have an impact on the overall occupancy for 3QFY25.
- Construction progress on Noida /Indore/Mumbai/South Delhi projects.
- Expect revenue growth of 5% YoY due to the gradual revival of the Lucknow business and scale-up of the Patna business.
- Update on the profitability of Lucknow, given bed addition and higher opex underway.

Quarterly Perf. (Consolidated)**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	7,730	8,439	8,365	8,086	8,611	9,566	8,789	8,610	32,751	35,575
YoY Change (%)	25.2	24.3	20.5	14.4	11.4	13.3	5.1	6.5	21.6	8.6
EBITDA	1,843	2,185	2,215	1,911	1,912	2,344	2,153	2,200	8,284	8,609
YoY Change (%)	38.7	38.3	36.1	12.7	3.7	7.3	-2.8	15.1	33.7	3.9
Margins (%)	23.8	25.9	26.5	23.6	22.2	24.5	24.5	25.6	25.3	24.2
Depreciation	468	485	495	572	515	494	485	522	2,020	2,017
Interest	179	201	177	182	180	160	155	152	739	647
Other Income	215	208	181	274	219	182	190	298	747	889
PBT	1,410	1,707	1,724	1,431	1,437	1,872	1,703	1,823	6,271	6,835
Tax	390	455	488	157	374	503	409	423	1,490	1,709
Rate (%)	27.7	26.6	28.3	11.0	26.0	26.9	24.0	23.2	23.8	25.0
Reported PAT	1,020	1,252	1,235	1,273	1,063	1,369	1,294	1,400	4,781	5,126
Adj PAT	1,020	1,252	1,235	1,273	1,063	1,369	1,294	1,400	4,781	5,126
YoY Change (%)	73.8	46.1	53.3	26.0	4.2	9.4	4.8	9.9	46.6	7.2
Margins (%)	13.2	14.8	14.8	15.7	12.3	14.3	14.7	16.3	14.6	14.4

E: MOFSL Estimates

Granules India**Buy****CMP: INR598 | TP: INR690 (15%)****EPS CHANGE (%): FY25 | 26 | 27: (4.0)|(3.9)|(3.9)**

- Expect overall sales to decline 9.6% due to production disruption at Gagillapur post the USFDA inspection.
- Update on filings/launches in the US and EU markets.
- Progress on resolving the USFDA classification of the Gagillapur FD facility.
- Update on inventories of key products at the industry level.

Quarterly Performance

Y/E March (Consolidated)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	9,855	11,895	11,556	11,758	11,799	9,666	10,445	11,753	45,063	43,663
YoY Change (%)	-3.3	3.4	0.8	-1.6	19.7	-18.7	-9.6	0.0	-0.1	-3.1
EBITDA	1,579	2,130	2,505	2,557	2,593	2,033	2,350	2,848	8,770	9,824
YoY Change (%)	-25.4	-12.3	8.3	8.3	64.2	-4.5	-6.2	11.4	-4.9	12.0
Margins (%)	16.0	17.9	21.7	21.7	22.0	21.0	22.5	24.2	19.5	22.5
Depreciation	492	525	524	532	529	525	535	561	2,073	2,150
EBIT	1,086	1,605	1,981	2,025	2,064	1,508	1,815	2,287	6,697	7,674
Interest	225	260	286	288	270	257	260	233	1,058	1,020
Other Income	3	15	7	19	21	32	25	31	44	109
PBT before EO expense	865	1,360	1,701	1,756	1,814	1,284	1,580	2,085	5,683	6,763
Extra-Ord expense	211	0	0	0	0	0	0	0	211	0
PBT	654	1,360	1,701	1,756	1,814	1,284	1,580	2,085	5,472	6,763
Tax	176	339	444	460	468	311	356	468	1,419	1,605
Rate (%)	26.9	24.9	26.1	26.2	25.8	24.3	22.5	22.5	25.9	23.7
Reported PAT	479	1,021	1,257	1,296	1,346	972	1,225	1,617	4,052	5,159
Adjusted PAT	633	1,021	1,257	1,296	1,346	972	1,225	1,617	4,207	5,159
YoY Change (%)	-50.4	-29.6	1.1	3.4	112.7	-4.8	-2.5	24.7	-19.5	22.6
Margins (%)	6.4	8.6	10.9	11.0	11.4	10.1	11.7	13.8	9.3	11.8
EPS	3	4	5	5	6	4	5	7	17	21

E: MOFSL Estimates

Ipca Laboratories**Buy****CMP: INR1697 | TP: INR1,970 (16%)****EPS CHANGE (%): FY25 | 26 | 27: (3.6)|(1.0)|0**

- Expect formulations segment/Unichem to drive overall sales growth of 11.7% YoY for the quarter.
- Expect the DF segment to grow 11.3% YoY, led by steady growth in key therapies, adding new divisions, and improving field productivity.
- Expect API sales to decline 5% YoY for the quarter due to inventory buildup and sharp reduction in prices.
- Progress on product filing, launches, and relaunches from own as well as Unichem sites.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues (Core)	15,876	20,340	20,529	20,330	20,926	23,549	22,929	22,298	77,074	89,703
YoY Change (%)	0.1	27.0	32.8	34.5	31.8	15.8	11.7	9.7	23.2	16.4
EBITDA	2,941	3,606	3,310	3,219	3,927	4,425	4,081	4,251	13,076	16,685
YoY Change (%)	3.8	32.4	42.7	77.9	33.5	22.7	23.3	32.1	33.3	27.6
Margins (%)	18.5	17.7	16.1	15.8	18.8	18.8	17.8	19.1	17.0	18.6
Depreciation	693	903	995	981	989	1,004	995	980	3,572	3,967
EBIT	2,249	2,702	2,315	2,238	2,938	3,421	3,086	3,271	9,503	12,717
Interest	314	441	334	294	241	226	230	216	1,383	912
Other Income	449	386	225	16	206	263	235	196	1,075	900
PBT before EO Expense	2,383	2,647	2,205	1,960	2,904	3,458	3,091	3,252	9,195	12,706
One-off (gain)/ Expense	-135	393	-684	1,194	0	0	0	0	769	0
PBT after EO Expense	2,518	2,254	2,889	766	2,904	3,458	3,091	3,252	8,426	12,706
Tax	856	879	662	737	914	994	927	913	3,135	3,748
Rate (%)	34.0	39.0	22.9	96.2	31.5	28.7	30.0	28.1	34.1	29.5
Reported PAT	1,662	1,374	2,227	29	1,990	2,464	2,164	2,339	5,292	8,958
Minority Interest	-34	76	-428	-598	-67	-160	-180	-143	-984	-550
Adj PAT after Minority Int	1,539	1,690	1,115	930	1,922	2,305	1,984	2,196	5,274	8,408
YoY Change (%)	0.9	-9.2	-6.1	32.7	24.9	36.4	77.9	136.2	0.0	59.4
Margins (%)	9.7	8.3	5.4	4.6	9.2	9.8	8.7	9.8	6.8	9.4

Laurus Labs**Buy****CMP: INR615 | TP: INR710 (15%)****EPS CHANGE (%): FY25|26|27: (22.6)|(4.9)|(4.4)**

- Expect improved traction in the CS segment (partly on the low base of 3QFY24) supported by healthy growth in API/Bio sales.
- Update on the product pipeline in the Non-ARV segment and new product opportunity in the CS segment.
- Expect ARV sales to grow 4% YoY.
- Progress on commercial prospects from animal health CDMO and crop science unit.

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

Y/E Mar (INRb)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	11.8	12.2	11.9	14.4	11.9	12.2	13.3	14.9	50.4	52.5
YoY Change (%)	-23.2	-22.3	-22.6	4.3	1.1	-0.1	11.6	3.8	-16.6	4.1
EBITDA	1.7	1.9	1.8	2.4	1.7	1.8	2.3	3.7	7.8	9.5
YoY Change (%)	-63.3	-58.1	-55.0	-15.4	2.7	-5.1	27.2	53.0	-51.2	22.2
Margins (%)	14.1	15.3	15.2	16.8	14.3	14.6	17.3	24.7	15.4	18.1
Depreciation	0.9	0.9	1.0	1.0	1.1	1.1	1.0	1.0	3.8	4.2
EBIT	0.8	0.9	0.8	1.4	0.7	0.7	1.3	2.7	3.9	5.3
Interest	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	1.8	2.0
Other Income	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.3	0.3
PBT	0.4	0.5	0.3	1.1	0.2	0.2	0.8	2.3	2.4	3.6
Tax	0.1	0.1	0.1	0.3	0.1	0.1	0.2	0.6	0.7	0.9
Rate (%)	30.0	27.0	27.3	29.8	33.9	22.3	24.0	25.0	28.8	25.1
Reported PAT	0.3	0.4	0.2	0.8	0.1	0.2	0.6	1.7	1.6	2.6
Adj PAT	0.3	0.4	0.2	0.8	0.1	0.2	0.6	1.7	1.6	2.6
YoY Change (%)	-89.4	-84.2	-88.6	-28.1	-52.7	-46.3	171.3	120.1	-79.6	61.1
Margins (%)	2.3	3.0	1.9	5.3	1.1	1.6	4.7	11.1	3.2	5.0

E: MOFSL Estimates

Lupin**Neutral****CMP: INR2365 | TP: INR2,290 (-3%)****EPS CHANGE (%): FY25|26|27: 0.9|0.8|0.8**

- Expect US sales to witness a 14% YoY growth to USD242m, led by strong traction in niche launches and new approvals offset by competition in g-Suprep, Doxycycline, and Darunavir.
- Update on niche approvals beyond g-Dulera/g-Respiamat.
- Update on the filing of Lucentis and Pegfilgrastim.
- DF segment to grow 9% YoY for the quarter due to superior growth in Cardiac/Anti-diabetic therapy, complex launches, and in-licensing.
- Progress on the development of Aflibercept and other biosimilar products.

Quarterly Perf. (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	46,087	50,385	51,974	49,608	56,003	55,427	57,448	57,465	1,98,054	2,26,344
YoY Change (%)	23.1	21.5	20.2	12.0	21.5	10.0	10.5	15.8	19.0	14.3
EBITDA	6,513	9,232	10,220	9,968	13,614	12,368	12,466	11,800	35,932	50,248
YoY Change (%)	297.3	112.6	83.8	65.0	109.0	34.0	22.0	18.4	104.4	39.8
Margins (%)	14.1	18.3	19.7	20.1	24.3	22.3	21.7	20.5	18.1	22.2
Depreciation	2,347	2,479	2,572	2,559	2,477	2,569	2,575	2,635	9,956	10,256
EBIT	4,166	6,754	7,648	7,409	11,137	9,799	9,891	9,166	25,977	39,992
Interest	856	806	740	713	680	709	698	682	3,116	2,769
Other Income	228	404	294	293	678	423	525	474	1,218	2,100
EO Exp/(Inc)	-2,053	54	-160	2,012	1,204	-1,036	0	0	-147	168
PBT	5,591	6,298	7,361	4,977	9,930	10,549	9,718	8,958	24,227	39,155
Tax	1,055	1,344	1,174	1,295	1,875	1,954	2,138	1,898	4,867	7,865
Rate (%)	18.9	21.3	15.9	26.0	18.9	18.5	22.0	21.2	20.1	20.1
Minority Interest	-11	-57	-56	-88	-42	-69	-24	38	-211	-97
Reported PAT	4,525	4,898	6,131	3,594	8,013	8,526	7,556	7,096	19,149	31,193
Adj PAT	2,855	4,940	5,997	5,083	8,990	7,682	7,556	7,097	18,875	31,326
YoY Change (%)	LP	319.9	256.1	95.0	214.9	55.5	26.0	39.6	382.1	66.0
Margins (%)	6.2	9.8	11.5	10.2	16.1	13.9	13.2	12.4	9.5	13.8
EPS	10	11	13	8	18	19	17	16	42	69

E: MOFSL estimates

Mankind Pharma**Buy****CMP: INR2887 | TP: INR3,480 (20%)****EPS CHANGE (%): FY25 | 26 | 27: 4.8 | (3.7) | 3.1**

- Expect Prescription sales to witness an 11% YoY growth to INR25b led by strong growth in Cardiac/Anti-diabetic, new launches in chronic space, and in-licensing opportunities.
- Consumer health segment to grow 25% YoY for the quarter, driven by benefits of the renewed strategy in this segment.
- Exports sales to witness robust growth of 20% YoY led by niche launches and market share gain in the base business.
- Update on the integration of BSV.

Quarterly Perf. (Consolidated)**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	25,786	27,081	26,070	24,411	28,934	30,765	33,579	31,675	1,03,348	1,24,953
YoY Change (%)	18.3	11.6	24.7	18.9	12.2	13.6	28.8	29.8	18.1	20.9
EBITDA	6,548	6,827	6,065	5,911	7,238	8,500	9,201	8,423	25,351	33,362
YoY growth %	34.5	9.9	29.7	30.7	10.5	24.5	51.7	42.5	25	32
Margins (%)	25.4	25.2	23.3	24.2	25.0	27.6	27.4	26.6	24.5	26.7
Depreciation	874	965	1,097	1,047	1,077	1,056	1,985	1,984	3,983	6,102
Interest	63	86	92	94	109	71	970	835	335	1,985
Other Income	586	600	701	921	1,006	1,094	800	750	2,809	3,650
PBT before EO expense	6,197	6,375	5,577	5,692	7,057	8,468	7,046	6,355	23,842	28,925
Extra-Ord expense	0	0	0	0	420	0	0	0	0	420
PBT	6,197	6,375	5,577	5,692	6,637	8,468	7,046	6,355	23,842	28,505
Tax	1,303	1,298	1,025	950	1,246	1,904	1,353	1,338	4,576	5,840
Rate (%)	21.0	20.4	18.4	16.7	18.8	22.5	19.2	21.0	19.2	20.5
MI & Profit/Loss of Asso. Cos.	25.9	66.8	14.5	29.5	26.7	28.4	30.0	51.5	136.6	136.6
Reported PAT	4,869	5,010	4,538	4,712	5,365	6,535	5,663	4,966	19,129	22,528
Adj PAT	4,869	5,010	4,538	4,712	5,706	6,535	5,663	4,966	19,129	22,869
YoY Change (%)	53.9	12.8	47.3	50.5	17.2	30.4	24.8	5.4	38.4	19.6
Margins (%)	18.9	18.5	17.4	19.3	19.7	21.2	16.9	15.7	18.5	18.3
EPS	12.2	12.5	11.3	11.8	14.2	16.3	14.1	12.4	47.8	57.1

Max Healthcare**Buy****CMP: INR1140 | TP: INR1380 (21%)****EPS CHANGE (%): FY25 | 26 | 27: (3.8) | 3.8 | 0.4**

- Expect ARPOB to grow at 2% YoY to INR78.4K, due to the addition of lower ARPOB hospitals
- Expect overall sales growth of 26% YoY supported by robust volume growth.
- Expect 42% YoY growth in Max Labs with EBITDA margin expansion due to superior execution and increasing reach.
- Progress on scaling Lucknow/Nagpur and Jaypee hospitals.

Quarterly Perf. (Consolidated)**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	16,220	17,190	16,820	17,910	19,310	21,190	21,193	22,468	68,150	84,161
YoY Change (%)	16.7	16.8	14.9	15.6	19.1	23.3	26.0	25.4	16.0	23.5
Total Expenditure	11,930	12,350	12,170	12,970	14,370	15,520	15,683	16,538	49,420	62,111
EBITDA	4,290	4,840	4,650	4,940	4,940	5,670	5,510	5,930	18,730	22,050
Margins (%)	26.4	28.2	27.6	27.6	25.6	26.8	26.0	26.4	27.5	26.2
Depreciation	640	660	700	840	900	970	980	1,058	2,840	3,908
Interest	-30	-170	-140	-40	80	50	30	19	-380	179
Other Income	70	130	60	90	40	60	80	115	350	295
PBT before EO expense	3,750	4,480	4,150	4,230	4,000	4,710	4,580	4,968	16,620	18,258
Extra-Ord expense	190	190	40	250	190	270	0	0	670	460
PBT	3,560	4,290	4,110	3,980	3,810	4,440	4,580	4,968	15,950	17,798
Tax	660	910	730	870	870	950	870	869	3,160	3,560
Rate (%)	18.5	21.2	17.8	21.9	22.8	21.4	19.0	17.5	19.8	20.0
Reported PAT	2,900	3,380	3,380	3,110	2,940	3,490	3,710	4,098	12,790	14,238
Adj PAT	3,055	3,530	3,413	3,319	3,087	3,702	3,710	4,098	13,316	14,597
YoY Change (%)	28.3	24.5	20.3	4.6	1.0	4.9	8.7	23.5	18.6	9.6
Margins (%)	18.8	20.5	20.3	18.5	16.0	17.5	17.5	18.2	19.5	17.3
EPS	3.2	3.6	3.5	3.4	3.2	3.8	3.8	4.2	13.7	15.1

Piramal Pharma

Buy

CMP: INR258 | TP: INR320 (24%)

EPS CHANGE (%): FY25|26|27: (16.6)|(9.7)|(5.5)

- Expect sales to grow 5.7% YoY to INR20.7b led by growth in the CHG and ICH segments. The CDMO segment to witness stable sales YoY.
- Progress on ADC-related CDMO order book, given Piramal's strong capability/capacity.
- Higher operating cost due to one-time opex in the CHG business to drag EBITDA margin on a YoY basis.
- Update on the setup of manufacturing of Sevoflurane at the Digwal facility and expansion of the Lexington plant.

Quarterly Perf. (Consolidated)

PPL Income statement (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenues	17,489	19,114	19,586	25,524	19,511	22,418	20,709	28,248	81,712	90,885
growth YoY(%)	18.0	11.1	14.1	18.0	11.6	17.3	5.7	10.7	15.4	11.2
CDMO	8,980	10,680	11,340	16,490	10,570	13,240	11,453	18,163	47,490	53,426
CHG	6,170	5,890	5,760	6,770	6,310	6,430	6,509	7,308	24,590	26,557
ICH	2,390	2,560	2,520	2,380	2,640	2,770	2,747	2,777	9,850	10,934
EBITDA*	1,323	2,657	2,684	5,299	2,044	3,416	2,281	5,924	11,963	13,665
margin (%)	7.6	13.9	13.7	20.8	10.5	15.2	11.0	21.0	14.6	15.0
growth YoY(%)	55.5	54.0	124.1	50.9	54.5	28.6	-15.0	11.8	64.2	14.2
Depreciation	1,736	1,845	1,863	1,961	1,846	1,922	1,900	1,886	7,406	7,554
EBIT	-413	812	821	3,338	198	1,494	381	4,038	4,557	6,111
Other income	383	492	615	264	195	611	550	494	1,754	1,850
Interest expense	1,185	1,099	1,059	1,142	1,070	1,076	980	794	4,485	3,920
Share from Asso. Co	144	191	140	120	224	173	210	193	595	800
PBT	-1,071	396	516	2,580	-452	1,201	161	3,931	2,421	4,841
EO Expenses/(gain)	-	-	323	310	-	-	-	-	633	-
Taxes	-85	345	93	1,262	436	975	53	714	1,615	2,178
Tax Rate (%)	8.0	87.3	47.8	55.6	-96.4	81.2	33.0	18.2	90.3	45.0
Reported PAT	-986	50	101	1,008	-888	226	108	3,216	173	2,662
Adj. PAT	-986	50	350	1,146	-888	226	108	3,216	560	2,662
Change (%)	NA	LP	LP	128.6	NA	348.2	-69.3	180.8	NA	375.3

Sun Pharma

Buy

CMP: INR1890 | TP: INR2230 (18%)

EPS CHANGE (%): FY25|26|27: 0 | 0 | 0

- Expect growth of 10% YoY (adj. for milestone income in 3QFY24) to USD302m in the specialty segment for the quarter.
- Outlook on branded generics in emerging/ROW markets.
- Expect DF sales to grow 12% YoY for the quarter.
- Clarity on the launch of Deuruxolitinib in the US market and watch out for the launch in other global markets.
- Any update on the clinical trials of products under development.

Quarterly Perf. (Consolidated)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	117.9	120.0	121.6	118.1	125.2	132.6	133.8	134.1	477.6	525.8
YoY Change (%)	10.7	11.0	10.5	10.7	6.3	10.5	10.1	13.5	10.8	10.1
EBITDA	31.7	30.2	31.3	29.2	35.3	37.8	36.0	35.1	122.5	144.3
YoY Change (%)	21.1	-1.0	13.2	13.8	11.2	25.1	15.1	20.2	11.3	17.8
Margins (%)	26.9	25.2	25.7	24.7	28.2	28.5	26.9	26.2	25.6	27.4
Depreciation	6.5	6.3	6.2	6.5	6.6	6.3	6.3	6.3	25.6	25.4
EBIT	25.2	23.9	25.1	22.7	28.7	31.6	29.7	28.9	96.9	118.9
Interest	0.8	0.5	0.3	0.7	0.6	0.7	0.6	0.3	2.4	2.2
Net Other Income	3.6	4.8	4.7	7.8	6.6	3.8	5.6	7.3	20.9	23.3
PBT before EO Exp	28.0	28.2	29.5	29.7	34.7	34.7	34.7	35.8	115.5	139.9
Less: EO Exp/(Inc)	3.2	0.3	-0.5	1.6	0.5	-1.3	0.0	0.0	4.6	-0.8
PBT	24.8	27.9	30.0	28.2	34.2	36.0	34.7	35.8	110.9	140.7
Tax	4.7	3.9	4.3	1.5	5.5	5.7	5.0	4.8	14.4	21.0
Rate (%)	16.7	13.8	14.7	5.0	15.9	16.3	14.5	13.3	12.5	15.0
PAT (pre Minority Interest)	20.1	24.0	25.7	26.7	28.7	30.3	29.7	31.0	96.5	119.7
Minority Interest	-0.1	0.3	0.4	0.1	0.4	-0.1	0.0	0.1	0.7	0.4
Reported PAT	20.2	23.8	25.2	26.5	28.4	30.4	29.6	30.9	95.8	119.3
Adj Net Profit*	22.8	24.0	24.8	28.0	28.8	29.3	29.6	30.9	99.7	118.7
YoY Change (%)	18.5	-3.4	19.2	32.7	26.1	21.9	19.7	10.3	15.8	19.0
Margins (%)	19.4	20.0	20.4	23.7	23.0	22.1	22.1	23.1	20.1	22.7

Torrent Pharmaceuticals**Neutral****CMP: INR3416 | TP: INR3,530 (3%)****EPS CHANGE (%): FY25|26|27: (2.4)|(1.7)|(1.6)**

- Expect US sales to decline 6.1% YoY to USD31m due to the slower ramp-up of the Dahej facility and slower filing pace in the US.
- Progress on the OTC portfolio expansion and further investment to aid growth in the India business
- DF sales to grow 13.2% YoY to INR16b due to strong growth in Cardiac, Gastro, and Anti-diabetic.
- Update on the traction of branded generic markets in newer geographies.
- Update on filing and approval of new products in the US market and remediation of the Indrad plant.

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

Y/E March	FY24				FY25E				FY24	FY25E
INRb	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	25.9	26.6	27.3	27.5	28.6	28.9	29.3	30.7	107.3	117.5
YoY Change (%)	12.2	16.1	9.7	10.2	10.3	8.6	7.3	11.7	12.0	9.5
EBITDA	7.9	8.3	8.7	8.8	9.2	9.4	9.6	10.3	33.7	38.5
YoY Change (%)	17.4	21.5	17.6	19.8	16.8	13.8	10.7	16.4	19.1	14.4
Margins (%)	30.5	31.0	31.8	32.2	32.3	32.5	32.8	33.5	31.4	32.8
Depreciation	1.9	2.0	2.1	2.0	2.0	2.0	2.1	2.1	8.1	8.1
EBIT	6.0	6.2	6.6	6.8	7.3	7.4	7.6	8.2	25.6	30.4
Interest	1.0	0.9	0.8	0.8	0.8	0.6	0.6	0.5	3.5	2.5
Other Income	0.3	0.3	-0.3	0.3	0.2	-0.2	0.2	0.2	0.6	0.4
PBT after EO Expense	5.3	5.6	6.3	6.3	6.6	6.6	7.1	7.8	23.5	28.1
Tax	1.5	1.7	1.9	1.8	2.0	2.1	2.1	2.3	7.0	8.5
Rate (%)	28.8	30.9	34.6	28.8	29.4	31.5	29.7	29.5	30.7	30.0
Reported PAT	3.8	3.9	4.4	4.5	4.6	4.5	5.0	5.5	16.6	19.6
Adj PAT	3.8	3.9	3.8	4.5	4.7	4.5	5.0	5.5	15.9	19.8
YoY Change (%)	15.0	23.7	19.1	51.0	24.6	17.4	31.8	22.7	26.7	24.0
Margins (%)	14.6	14.5	14.0	16.4	16.5	15.7	17.1	18.0	14.9	16.8

E: MOFSL Estimates

Zydus Lifesciences**Neutral****CMP: INR974 | TP: INR1010 (4%)****EPS CHANGE (%): FY25|26|27: (1.5)|0|0**

- US sales expected to grow 30.8% YoY due to the ramp-up of niche launches like mirabegron offset by competition in g-Asacol.
- Progress on scaling up the Liqmeds business.
- Expect DF sales to grow 11.5% YoY for the quarter due to growth in cardiac/anti-infective/antineoplastic supported by in-licensing deals.
- Update on the progress of the NCE pipeline development and scale-up of the 505b2 product in the US.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
INRb	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	51.4	43.7	45.1	55.3	62.1	52.4	53.5	62.3	195.5	230.3
YoY Change (%)	29.6	9.1	5.8	10.4	20.8	19.9	18.8	12.6	13.4	17.8
EBITDA	15.3	10.6	10.8	16.3	21.1	14.2	14.0	18.0	53.0	67.3
YoY Change (%)	111.5	32.6	20.3	23.7	37.6	33.1	29.2	10.9	41.8	26.8
Margins (%)	29.8	24.4	24.0	29.4	34.0	27.0	26.1	28.9	27.1	29.2
Depreciation	1.8	1.8	1.9	2.1	2.2	2.3	2.4	2.3	7.6	9.2
EBIT	13.5	8.8	8.9	14.2	18.9	11.8	11.6	15.7	45.4	58.0
Interest	0.2	0.1	0.2	0.3	0.3	0.3	0.2	0.2	0.8	1.0
Other Income	0.4	0.5	0.4	1.6	0.6	0.7	0.7	0.5	2.8	2.5
PBT before EO Income	13.7	9.3	9.0	15.4	19.2	12.3	12.0	15.9	47.4	59.5
EO Exp/(Inc)	0.4	-0.8	-0.2	-0.1	0.3	-0.5	0.0	0.0	-0.7	-0.2
PBT after EO Income	13.3	10.1	9.3	15.5	19.0	12.7	12.0	15.9	48.1	59.7
Tax	2.2	2.3	2.1	3.2	4.4	3.7	3.0	3.5	9.8	14.6
Rate (%)	16.3	22.5	23.1	20.8	23.0	29.4	25.0	22.1	20.3	24.5
Reported PAT	10.9	8.0	7.7	11.8	14.2	9.1	9.1	12.6	38.4	45.0
Adj PAT	11.2	7.4	7.5	11.7	14.4	8.8	9.1	12.6	37.9	44.8
YoY Change (%)	155.4	45.7	29.6	52.1	28.2	19.1	20.6	7.0	65.0	18.4
Margins (%)	21.8	16.9	16.7	21.2	23.2	16.8	16.9	20.2	19.4	19.5
EPS (INR/sh)	7.6	7.3	7.5	8.8	11.7	8.6	9.0	99.1	37.6	44.6

Infrastructure

Company

G R Infraprojects
IRB Infrastructure Developers
KNR Constructions

Order inflows subdued; tender pipeline robust in 3QFY25

Project awarding remains muted in 3Q

- Project awarding by NHAI totaled ~660km, while construction reached 2,900km in 9MFY25. Amid general elections in Jun'24, awarding activity was nil in 1Q with subdued awarding activity in 2Q and 3Q as well. Awarding is likely to accelerate only from 4QFY25 onwards. The order pipeline continues to remain robust.
- During 3QY25, construction stood at ~2,200km (~700km in 2QFY25), which is likely to pick up further in 4QFY25. In FY24, NHAI completed construction of 6,644km of roads, registering 20% YoY growth.
- A higher budgetary outlay for roads in the Union Budget (+25% YoY in FY24) should support project awarding going forward. The government's thrust on infrastructure development and improved credit availability from banks are the highly encouraging factors.

FASTag toll collections improve sequentially; asset monetization in focus

- FASTag toll collections (in volume terms) improved ~10% YoY during Oct-Nov'24, while collections in value terms increased ~12% YoY during the same period. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations.
- In May'24, NHAI had released an indicative list of 33 road assets it plans to monetize through a mix of TOT (21 to be monetized via ToT) and sale to the NHAI's InvIT. These assets are spread across 12 states, cumulatively spanning nearly 2,750km and with annual toll collections of ~INR50b.

Execution to be muted YoY for our coverage universe

- For our coverage universe (excl. IRB), we expect revenue to decrease 5% YoY (+30% QoQ). In line with execution, we expect operating profit for our coverage (ex-IRB) to decrease 5% YoY (+40% QoQ).
- IRB is likely to report a 15% YoY decline in sales due to extended monsoons and an EBITDA decline of 6% YoY. Higher other income is anticipated to offset the muted construction income in 3Q. Net profit for IRB is projected to increase 7% YoY.

Moderating input prices to support margins for contractors

- Steel and aluminum prices have decreased ~25% each since Apr'22. However, cement prices have increased ~4% from their lows in Sep'24.
- With higher construction activities and moderating commodity prices, road contractors anticipate some improvements in profitability and margins in 4QFY25 and beyond.

Players with strong order books, balance sheets, and diversified operations well positioned

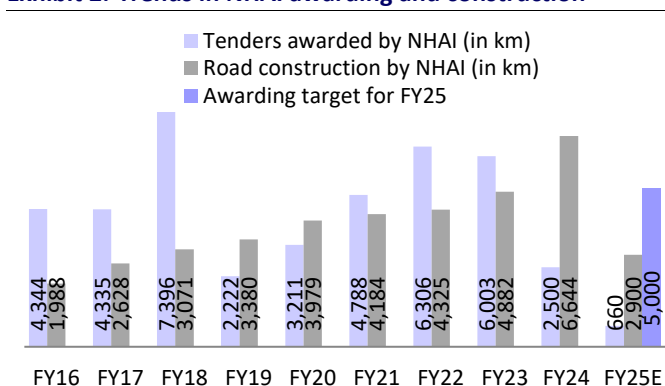
- Despite sluggishness in project awarding in 1HFY25, there is a robust pipeline of tenders in place. Entities having substantial order backlogs, strong financial standings, and engagement across various sectors are well positioned to capitalize on NHAI's proactive approach to project allocation.

- Players with decent order books, strong balance sheets, and presence in two or more segments are better placed to capitalize on the opportunity.
- KNRC is our preferred pick in the sector. We like KNRC due to its favorable net cash balance sheet, which is attributed to several factors: a) the successful monetization of HAM projects, b) a healthy order book, c) impressive execution abilities, and d) a strong margin profile.

Exhibit 1: Summary of the expected quarterly performance

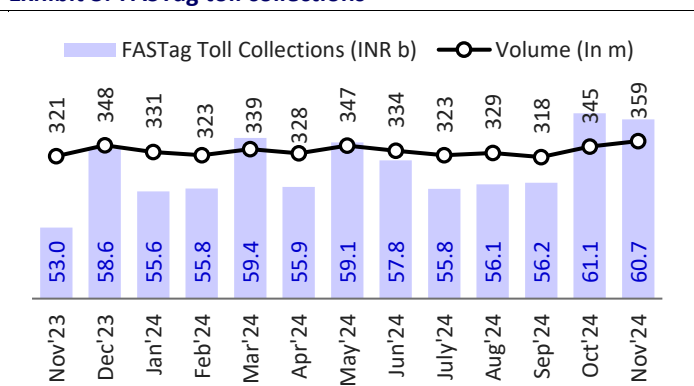
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
G R Infraproject	1473	Buy	16,907	-6.4	49.9	2,113	-7.3	80.4	1,700	14.0	46.4
IRB Infra	60	Neutral	16,803	-14.6	6.0	8,131	-6.5	6.1	2,013	7.4	101.6
KNR Constructions	342	Buy	8,848	-2.3	3.4	1,460	-0.9	5.8	882	3.1	-40.3
Infrastructure			42,558	-9.1	19.2	11,705	-6.0	14.5	4,595	8.9	26.4

Exhibit 2: Trends in NHAI awarding and construction



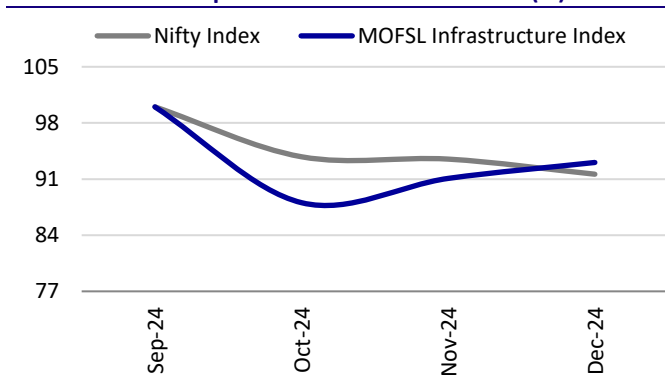
Source: NHAI, MOFSL

Exhibit 3: FASTag toll collections



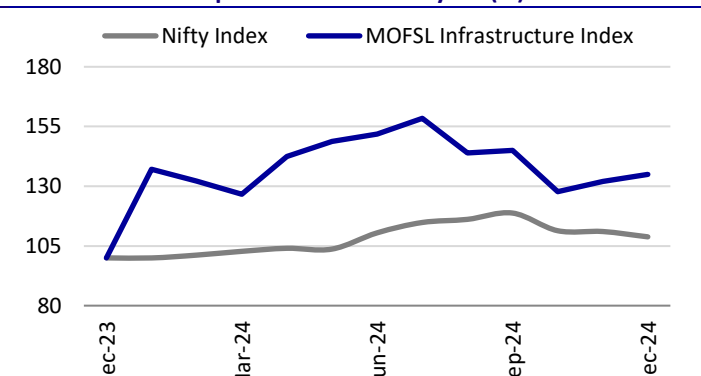
Source: NPCI, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Infrastructure						31.1	22.6	18.8	2.3	2.1	1.9	7.4	9.3	10.1
G R Infraproject	1,473	Buy	73.6	91.3	111.5	20.0	16.1	13.2	1.8	1.6	1.4	9.4	10.6	11.6
IRB Infra	60	Neutral	1.3	2.1	2.5	45.4	28.0	24.0	2.5	2.3	2.2	5.6	8.7	9.3
KNR Constructions	342	Buy	14.9	17.1	21.8	23.0	20.0	15.7	2.5	2.2	1.9	11.8	11.7	13.2

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

G R Infraprojects

Buy
CMP: INR1,473 | TP: INR1,780 (+21%)
EPS CHANGE (%): FY26|27: -|-

- Expect revenue to decrease ~6% YoY to INR16.9b in 3QFY25.
- Adjusted PAT to increase ~14% YoY to INR1.7b. Profitability will be affected by muted execution.
- Expect EBITDA to be ~INR2.1b and EBITDA margin at 12.5%. Muted execution and elevated costs will continue to hurt EBITDA margin.
- Commentaries on execution and order inflows are the key monitorables.

Quarterly Performance (Standalone)

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	21,524	15,738	18,064	21,554	18,965	11,281	16,907	22,565	76,880	69,718
YoY Change (%)	(13.1)	(11.4)	(4.9)	8.0	(11.9)	(28.3)	(6.4)	4.7	(5.6)	(9.3)
EBITDA	3,147	1,937	2,280	2,990	2,466	1,171	2,113	2,964	10,354	8,715
Margins (%)	14.6	12.3	12.6	13.9	13.0	10.4	12.5	13.1	13.5	12.5
Depreciation	602	617	610	612	632	631	632	629	2,442	2,525
Interest	266	277	245	250	281	214	210	197	1,038	902
Other Income	511	614	578	550	1,081	1,311	1,000	1,076	2,253	4,468
PBT before EO expense	2,790	1,656	2,003	2,678	2,634	1,637	2,271	3,213	9,127	9,755
Extra-Ord expense	-	-	83	14,720	(494)	356	-	(0)	14,803	(138)
PBT	2,790	1,656	2,086	17,398	2,140	1,993	2,271	3,213	23,930	9,617
Tax	710	423	532	2,490	621	845	571	851	4,155	2,888
Rate (%)	25.4	25.6	25.5	14.3	29.0	42.4	25.2	26.5	17.4	30.0
Reported PAT	2,080	1,233	1,554	14,908	1,520	1,148	1,700	2,362	19,774	6,730
Adj PAT	2,080	1,233	1,492	2,249	1,890	1,161	1,700	2,362	7,054	7,113
YoY Change (%)	(35.2)	(25.0)	(14.4)	17.0	(9.1)	(5.8)	14.0	5.0	(17.2)	0.8
Margins (%)	9.7	7.8	8.3	10.4	10.0	10.3	10.1	10.5	9.2	10.2

IRB Infrastructure Developers

Neutral
CMP: INR60 | TP: INR60 (+0%)
EPS CHANGE (%): FY26|27: +2|+2

- Expect ~20% YoY dip in construction revenue and 2% YoY decline in BoT revenue.
- Adjusted PAT to be ~INR2b (+7% YoY); muted construction due to heavy rains to drag PAT.
- Expect operating margin at 48.4% (+420bp YoY). IRB to be cautious due to aggressive bidding in NHAI projects.
- New order wins in the construction segment are the key monitorables.

Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	16,342	17,450	19,685	20,612	18,529	15,858	16,803	21,814	74,090	73,005
YoY Change (%)	(15.1)	29.9	30.0	27.2	13.4	(9.1)	(14.6)	5.8	15.7	(1.5)
EBITDA	7,778	7,946	8,695	8,899	8,570	7,667	8,131	10,360	33,318	34,729
Margins (%)	47.6	45.5	44.2	43.2	46.3	48.3	48.4	47.5	45.0	47.6
Depreciation	2,367	2,327	2,513	2,742	2,550	2,312	2,555	2,589	9,949	10,006
Interest	3,815	4,346	4,327	6,145	4,387	4,342	4,000	4,051	18,633	16,780
Other Income	1,112	1,295	1,088	4,433	1,187	1,658	1,300	1,438	7,928	5,584
PBT	2,709	2,569	2,942	4,443	2,820	2,671	2,876	5,159	12,663	13,527
Tax	836	858	561	1,201	887	835	863	1,647	3,456	4,232
Rate (%)	30.9	33.4	19.1	27.0	31.4	31.3	30.0	31.9	27.3	31.3
Share of profit in Associates	(535)	(753)	(507)	(1,353)	(534)	(837)	-	0	(3,148)	(1,371)
Reported PAT	1,338	958	1,874	1,889	1,400	999	2,013	3,512	6,058	7,924
Adj PAT	1,338	958	1,874	1,889	1,400	999	2,013	3,512	6,058	7,924
YoY Change (%)	(63.2)	12.2	32.6	45.0	4.6	4.3	7.4	85.9	(15.9)	30.8
Margins (%)	8.2	5.5	9.5	9.2	7.6	6.3	12.0	16.1	8.2	10.9

KNR Constructions**Buy****CMP: INR342 | TP: INR400 (+17%)****EPS CHANGE (%): FY26 | 27: +2 | +2**

- Expect revenue of INR8.8b (-2% YoY) during the quarter.
- Expect adjusted PAT of INR882m (+3% YoY).
- Expect EBITDA of INR1.5b and anticipate operating margin to improve marginally by 20bp YoY.
- New order wins and updates on irrigation receivables are the key monitorables.

Quarterly performance -Standalone

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	9,296	9,415	9,054	11,793	8,193	8,561	8,848	10,961	39,558	36,563
YoY Change (%)	4.4	11.1	9.1	0.3	-11.9	-9.1	-2.3	-7.1	5.7	-7.6
EBITDA	1,733	1,663	1,473	2,033	1,356	1,380	1,460	1,910	6,902	6,106
Margins (%)	18.6	17.7	16.3	17.2	16.6	16.1	16.5	17.4	17.4	16.7
Depreciation	283	311	325	326	225	226	250	344	1,245	1,045
Interest	50	58	72	113	41	20	40	45	293	146
Other Income	71	50	60	147	51	575	55	50	328	731
PBT before EO expense	1,470	1,344	1,136	1,741	1,141	1,709	1,225	1,571	5,692	5,646
Extra-Ord expense	0	0	0	654	531	1,867	0	0	654	2,398
Tax	367	346	281	414	334	344	343	448	1,407	1,469
Rate (%)	25.0	25.7	24.7	23.8	29.2	20.1	28.0	28.5	24.7	26.0
Reported PAT	1,103	999	855	1,982	1,339	3,344	882	1,122	4,938	6,687
Adj PAT	1,103	999	855	1,328	807	1,477	882	1,123	4,284	4,289
YoY Change (%)	9.4	-7.2	10.1	3.2	-26.8	47.9	3.1	-15.4	3.3	0.1
Margins (%)	11.9	10.6	9.4	11.3	9.9	17.3	10.0	10.2	10.8	11.7

Logistics

Company

Adani Ports

Blue Dart Express

Concor

JSW Infra

Mahindra Logistics

TCI Express

Transport Corp.

VRL Logistics

Activity remains muted in 3QFY25 amid consumption slowdown

Volume growth to remain subdued on a YoY basis

Daily average e-way bill generation rises; port volumes decline YoY

- Logistics activity picked up sequentially with the onset of the festive season in 3QFY25; however, it continued to remain subdued YoY due to soft consumption trends, especially in rural areas. Further, high operating expenses such as elevated fuel prices and increased toll charges continue to hurt transportation costs.
- Daily average e-way bill generation increased ~17% YoY during Oct-Nov'24. Fleet utilization stood at 80-85%, and daily average FASTag toll collections improved ~12% YoY during Oct-Nov'24.
- Port volumes decreased ~4% YoY to 136MT over Oct-Nov'24.

Freight rates stable amid high cost of operations and elevated Brent

- Due to consistently high operational expenses and increased retail fuel costs, freight rates have remained elevated. Fleet operators face rising costs from diesel, truck expenses, and compliance such as GST and e-way bills.
- With a slight increase in volumes and stable diesel prices, organized players are likely to experience slight margin improvement on a sequential basis.

Road logistics activity muted due to consumption slowdown; port volumes flat

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report sales growth of 11% YoY (+5% QoQ), EBITDA growth of 15% YoY (+3% QoQ), and PAT growth of 17% YoY (flat QoQ) in 3QFY25.
- Amid subdued consumption activity in 3QFY25, especially in rural areas, the general economic activity has been slow. We expect the freight/supply chain/Seaways segments of Transport Corporation of India (TRPC) to clock revenue growth of 15%/16%/5% YoY in 3Q. We also estimate TRPC to report ~13% YoY sales growth in 3Q.
- Container Corporation of India (CONCOR) is likely to report ~11% volume growth driven by 20% YoY growth in domestic volumes, while EXIM volumes are expected to grow at ~9% YoY in 3QFY25. Margins are likely to remain flattish YoY.
- In 3QFY25, APSEZ posted a volume of 112MMT (+3% YoY). Despite disruptions in 1HFY25 and subdued volume growth in 3QFY25, the management maintains its volume guidance of 460-480mmt for FY25.

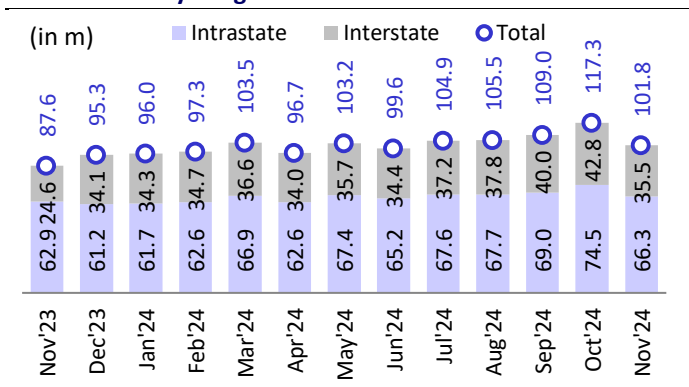
Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings like transportation and warehousing.
- The logistics sector remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

Exhibit 1: Summary of expected quarterly performance

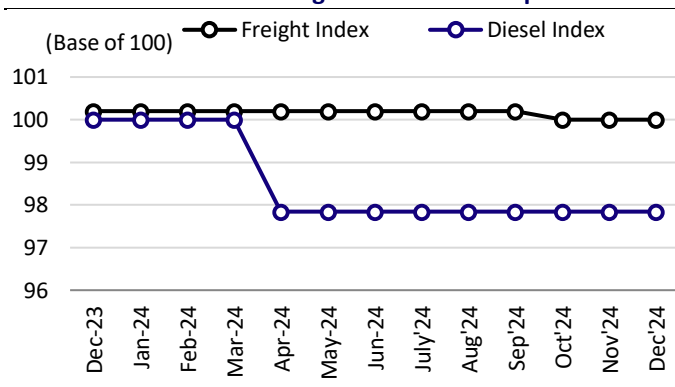
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Adani Ports	1219	Buy	74,964	8.3	6.1	43,929	4.9	0.5	26,324	11.8	6.9
Blue Dart Express	6981	Buy	15,102	9.2	4.3	1,422	5.9	16.7	763	-6.4	25.6
Concor	779	Buy	24,581	11.5	7.7	5,711	11.6	-0.7	3,519	5.2	-11.1
JSW Infra	324	Buy	10,650	13.3	6.4	5,751	19.8	10.5	3,278	6.5	24.7
Mahindra Logistics	384	Neutral	15,759	12.8	3.6	788	50.9	18.7	116	LP	LP
TCL Express	825	Neutral	3,292	5.6	5.7	398	-12.6	8.4	268	-16.7	6.6
Transport Corp.	1161	Buy	11,376	13.5	1.5	1,223	22.4	4.4	1,036	30.5	-2.6
VRL Logistics	510	Buy	8,182	11.1	2.3	1,325	40.4	-0.4	419	205.8	16.9
Logistics			1,63,906	10.0	5.4	60,546	8.0	1.9	35,723	12.3	7.0

Exhibit 2: E-way bill generation



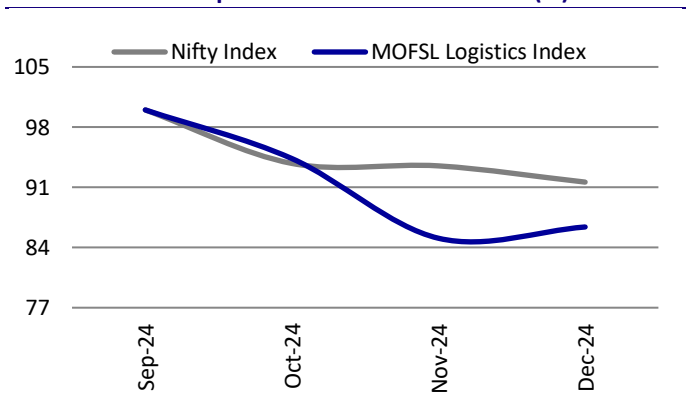
Source: GSTN, MOFSL

Exhibit 3: Movement in freight rates vs. diesel prices



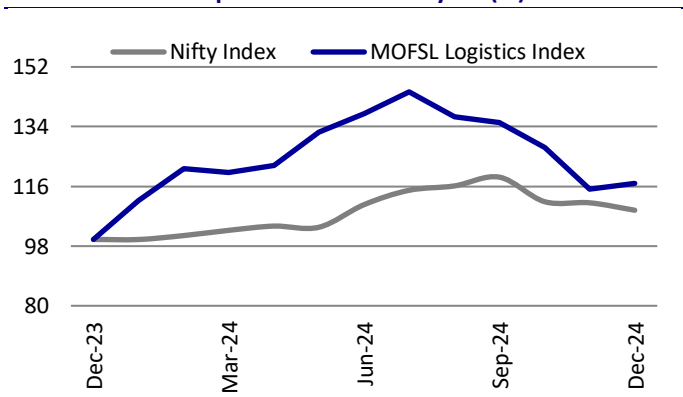
Source: IFTRT, MOFSL

Exhibit 4: Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Exhibit 5: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 6: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Logistics						29.2	23.5	19.5	4.6	4.0	3.4	15.7	16.9	17.5
Adani Ports	1,219	Buy	49.1	59.2	70.8	24.8	20.6	17.2	4.2	3.6	3.1	18.4	18.9	19.2
Blue Dart Express	6,981	Buy	114.2	208.5	259.8	61.1	33.5	26.9	10.6	8.6	6.9	18.0	28.4	28.6
Concor	779	Buy	22.8	29.7	35.7	34.1	26.3	21.8	3.8	3.5	3.2	11.4	13.8	15.3
JSW Infra	324	Buy	6.1	7.5	9.5	53.4	43.0	34.3	7.5	6.6	5.8	14.9	16.4	18.1
Mahindra Logistics	384	Neutral	2.3	17.0	28.9	163.5	22.5	13.3	5.6	4.6	3.5	3.3	21.9	29.5
TCL Express	825	Neutral	26.6	38.4	44.7	31.0	21.5	18.4	4.1	3.5	3.1	13.8	17.6	17.8
Transport Corp.	1,161	Buy	53.0	63.0	73.7	21.9	18.4	15.7	3.8	3.1	2.6	18.4	18.3	18.1
VRL Logistics	510	Buy	16.0	21.4	26.3	31.8	23.8	19.4	4.5	4.1	3.8	14.4	18.0	20.3

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

Adani Ports & SEZ

Buy

CMP: INR1,219 | TP: INR1,500 (+23%)

EPS CHANGE (%): FY26|27: -2|-2

- Expect revenue to jump ~8% YoY to INR74.9b, driven by 3% YoY growth in ports volumes and 12% YoY growth in the logistics business.
- Expect adjusted PAT to be INR26.3b (+12% YoY)
- Expect EBITDA at INR43.9b; EBITDA margin to contract 190bp YoY due to muted volume growth.
- Improvement in utilization at the existing and recently acquired ports and growth in the logistics business remain the key monitorables.

Quarterly Snapshot - Consolidated

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	62,476	66,464	69,201	68,965	69,563	70,670	74,964	80,986	2,67,106	2,96,183
YoY Change (%)	23.5	27.6	44.6	19.0	11.3	6.3	8.3	17.4	28.1	10.9
EBITDA	37,537	38,805	41,860	40,439	42,445	43,689	43,929	46,938	1,58,639	1,77,000
Margins (%)	60.1	58.4	60.5	58.6	61.0	61.8	58.6	58.0	59.4	59.8
Depreciation	9,496	9,745	9,853	9,791	10,119	10,766	10,700	10,772	38,885	42,357
Interest	7,061	7,153	6,864	6,766	6,554	6,886	6,700	6,534	27,844	26,674
Other Income	3,837	3,055	5,069	3,034	4,946	3,054	5,000	4,994	14,994	17,993
PBT before EO expense	24,816	24,962	30,211	26,916	30,718	29,091	31,529	34,626	1,06,905	1,25,963
Extra-Ord expense	-844	213	1,822	3,159	-5,980	225	0	0	4,351	-5,756
PBT	25,660	24,749	28,389	23,757	36,698	28,866	31,529	34,625	1,02,554	1,31,718
Tax	3,714	7,591	5,331	3,262	4,854	4,726	5,454	6,040	19,897	21,075
Rate (%)	14.5	30.7	18.8	13.7	13.2	16.4	17.3	17.4	19.4	16.0
MI and Associates	799	-320	973	99	716	-310	-250	-101	1,550	54
Reported PAT	21,147	17,479	22,084	20,397	31,128	24,450	26,324	28,687	81,106	1,10,589
Adj PAT	20,472	22,200	23,542	22,924	26,344	24,629	26,324	28,687	89,138	1,05,985
YoY Change (%)	-2.6	15.2	51.0	11.0	28.7	10.9	11.8	25.1	16.5	18.9

Blue Dart Express

Buy

CMP: INR6,981 | TP: INR8,640 (+24%)

EPS CHANGE (%): FY26|27: -2|-2

- Expect revenue to increase ~9% YoY to INR15.1b in 3QFY25.
- Expect adjusted PAT to dip ~6% YoY to INR763m.
- Expect EBITDA at ~INR1.4b. EBITDA margin to contract 30bp YoY due to muted volumes.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

Quarterly snapshot - Standalone

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	12,376	13,245	13,829	13,229	13,427	14,485	15,102	15,043	52,678	58,057
YoY Change (%)	-4.3	-0.1	3.4	8.7	8.5	9.4	9.2	13.7	1.8	10.2
EBITDA	1,133	1,305	1,343	1,394	1,094	1,219	1,422	1,497	5,175	5,232
Margins (%)	9.2	9.9	9.7	10.5	8.1	8.4	9.4	9.9	9.8	9.0
YoY Change (%)	-40.6	-19.8	-10.8	8.7	-3.4	-6.6	5.9	7.4	-18.2	1.1
Depreciation	444	456	473	500	523	519	522	527	1,873	2,092
Interest	45	48	47	53	70	70	65	54	193	259
Other Income	157	151	228	183	191	190	185	188	718	754
PBT before EO expense	801	952	1,050	1,024	693	819	1,020	1,103	3,828	3,635
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	801	952	1,050	1,024	693	819	1,020	1,103	3,828	3,635
Tax	204	240	235	263	178	212	257	278	942	924
Rate (%)	25.4	25.2	22.4	25.7	25.7	25.9	25.2	25.2	24.6	25.4
Reported PAT	598	713	816	761	515	608	763	825	2,886	2,711
Adj PAT	598	713	816	761	515	608	763	825	2,886	2,711
YoY Change (%)	-49.0	-22.5	-6.2	8.1	-13.8	-14.8	-6.4	8.5	-21.2	-6.1
Margins (%)	4.8	5.4	5.9	5.7	3.8	4.2	5.1	5.5	5.5	4.7

Container Corp. of India**Buy****CMP: INR779 | TP: INR1,050 (+35%)****EPS CHANGE (%): FY26|27: -|-**

- Expect volumes to improve ~11% YoY.
- EBITDA margin to remain flat YoY to 23.2%.
- Adj. PAT to increase to ~INR3.5b (+5% YoY) primarily due to robust domestic volumes.
- Expect EXIM/domestic volumes to grow ~9%/20% YoY.
- Growth in EXIM trade, progress on commissioning of the DFC, and divestment of stake by the government are the key monitorables.

Standalone quarterly snapshot

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	19,193	21,904	22,051	23,176	20,971	22,830	24,581	26,270	86,325	94,652
YoY Change (%)	-3.0	11.1	10.9	7.0	9.3	4.2	11.5	13.4	6.5	9.6
EBITDA	3,916	5,373	5,117	4,890	4,319	5,750	5,711	6,154	19,296	21,933
Margins (%)	20.4	24.5	23.2	21.1	20.6	25.2	23.2	23.4	22.4	23.2
YoY Change (%)	-17.1	7.7	20.0	10.0	10.3	7.0	11.6	25.8	4.8	13.7
Depreciation	1,378	1,486	1,543	1,603	1,649	1,617	1,620	1,509	6,009	6,395
Interest	141	147	175	190	181	177	170	173	653	700
Other Income	815	1,025	1,007	937	924	1,301	900	858	3,783	3,983
PBT before EO expense	3,212	4,764	4,406	4,034	3,413	5,257	4,821	5,331	16,416	18,821
Extra-Ord expense	0	0	0	71	0	333	0	0	-71	-333
PBT	3,212	4,764	4,406	3,963	3,413	4,923	4,821	5,331	16,345	18,488
Tax	771	1,187	1,062	1,017	859	1,213	1,302	1,455	4,037	4,829
Rate (%)	24.0	24.9	24.1	25.7	25.2	24.6	27.0	27.3	24.7	26.1
Reported PAT	2,441	3,577	3,344	2,945	2,554	3,711	3,519	3,876	12,308	13,659
Adj PAT	2,441	3,577	3,344	2,945	2,554	3,960	3,519	3,876	12,237	13,909
YoY Change (%)	-16.2	18.1	12.8	5.8	4.6	10.7	5.2	31.6	4.6	13.7
Margins (%)	12.7	16.3	15.2	12.7	12.2	17.3	14.3	14.8	14.2	14.7

JSW Infrastructure**Buy****CMP: INR324 | TP: INR375 (+16%)****EPS CHANGE (%): FY26|27: -|-**

- Expect revenue to increase ~13% YoY to INR10.7b driven by volume growth at new ports.
- Expect adjusted PAT to be INR3.3b (+7% YoY)
- Expect EBITDA at INR5.8b; EBITDA margin to improve 300bp YoY led by better utilization and improved volumes.
- Improvement in utilization at the existing and the recently acquired ports remain the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	8,781	8,483	9,401	10,964	10,098	10,014	10,650	11,650	37,629	42,412
YoY Change (%)	7.1	28.1	17.8	19.8	15.0	18.0	13.3	6.3	17.8	12.7
EBITDA	4,513	4,522	4,799	5,812	5,146	5,205	5,751	6,527	19,646	22,630
Margins (%)	51.4	53.3	51.0	53.0	51.0	52.0	54.0	56.0	52.2	53.4
YoY Change (%)	4.7	32.6	27.5	23.2	14.0	15.1	19.8	12.3	21.3	15.2
Depreciation	947	1,005	1,076	1,337	1,346	1,339	1,400	1,475	4,365	5,559
Interest	714	752	672	754	740	747	715	702	2,892	2,904
Other Income	401	472	782	1,039	939	868	750	740	2,694	3,298
PBT before EO expense	3,253	3,237	3,834	4,760	3,999	3,988	4,386	5,091	15,083	17,464
Extra-Ord expense	-872	-45	763	587	83	-1,551	0	0	433	-1,468
PBT	4,125	3,282	3,071	4,174	3,916	5,539	4,386	5,091	14,650	18,932
Tax	903	723	535	883	951	1,802	1,097	1,262	3,043	5,112
Rate (%)	21.9	22.0	17.4	21.2	24.3	32.5	25.0	24.8	20.8	27.0
Minority Interest	-13.1	-14.7	-29.1	9.3	-41.1	-22.2	-12.0	27.5	-47.8	-47.8
Profit/Loss of Asso. Cos	0	0	0	0	0	0	0	0	0	0
Reported PAT	3,209	2,544	2,507	3,300	2,924	3,715	3,278	3,856	11,559	13,773
Adj PAT	2,555	2,510	3,079	3,740	2,983	2,629	3,278	3,856	11,884	12,745
YoY Change (%)	5.7	52.3	40.6	6.9	16.7	4.7	6.5	3.1	21.8	7.2

Mahindra Logistics**Neutral****CMP: INR384 | TP: INR360 (-6%)****EPS CHANGE (%): FY26|27: -2|-1**

- Expect revenue to rise ~13% YoY to INR15.8b.
- Expect Adj. PAT of INR116m as volumes are likely to improve for the express parcel B2B business (Rivigo).
- Expect EBITDA at INR788m (+51% YoY) and margin to improve 60bp sequentially.
- Operating profitability in the Rivigo business and outlook on MM's auto segment sales are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	12,932	13,648	13,972	14,508	14,200	15,211	15,759	16,863	55,060	62,033
YoY Change (%)	7.8	2.9	5.1	14.0	9.8	11.5	12.8	16.2	7.4	12.7
EBITDA	666	536	522	566	663	664	788	900	2,290	3,014
Margins (%)	5.2	3.9	3.7	3.9	4.7	4.4	5.0	5.3	4.2	4.9
YoY Change (%)	1.4	-20.7	-16.8	-11.2	-0.5	23.9	50.9	59.0	-11.8	31.6
Depreciation	545	518	515	513	550	540	530	515	2,090	2,134
Interest	178	165	164	174	195	191	170	165	682	721
Other Income	62	66	23	29	57	17	50	76	179	200
PBT before EO Items	6	-82	-134	-92	-25	-50	138	297	-302	360
Extra-Ord expense	0	0	-38	0	0	0	0	0	38	0
PBT	6	-82	-96	-92	-25	-50	138	297	-340	360
Tax	89	73	68	27	53	46	29	69	257	198
Rate (%)	1,556.1	-89.2	-71.4	-29.2	-213.6	-93.4	21.0	23.3	-75.5	55.0
PAT before MI, Associates	-83	-155	-164	-119	-78	-96	109	227	-597	162
Share of associates/ Minority Interest	-3	-5	-10	-9	-15	-11	7	25	-27	6
Reported PAT	-86	-159	-174	-128	-93	-107	116	253	-624	168
Adj PAT	-86	-159	-212	-128	-93	-107	116	253	-586	168
YoY Change (%)	NA	PL	PL	NA	NA	NA	NA	NA	NA	NA
Margins (%)	-0.7	-1.2	-1.5	-0.9	-0.7	-0.7	0.7	1.5	-1.1	0.3

Transport Corporation of India**Buy****CMP: INR1,161 | TP: INR1,370 (+18%)****EPS CHANGE (%): FY26|27: -2|-2**

- Expect revenue to improve ~14% YoY to INR11.4b, propelled by 16% YoY growth in the supply chain segment and 15% YoY growth in the freight segment.
- Expect adjusted PAT to be INR1b (+31% YoY) in 3QFY25.
- Expect EBITDA at INR1.2b (+22% YoY) and EBITDA margin at 10.8% (+80bp YoY) fueled by improvement in the seaways business and pick-up in freight volumes.
- Volume growth in the freight business and margin in the seaways business are the key monitorables.

Quarterly snapshot

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	9,498	9,935	10,020	10,789	10,451	11,208	11,376	11,612	40,242	44,646
YoY Change (%)	5.2	6.6	3.7	10.2	10.0	12.8	13.5	7.6	6.4	10.9
EBITDA	1,008	1,004	999	1,094	1,038	1,171	1,223	1,289	4,105	4,721
Margins (%)	10.6	10.1	10.0	10.1	9.9	10.4	10.8	11.1	10.2	10.6
YoY Change (%)	-3.1	4.6	-12.7	1.2	3.0	16.6	22.4	17.8	-3.2	15.0
Depreciation	308	311	331	334	290	291	310	328	1,284	1,219
Interest	23	34	35	41	42	46	40	35	133	163
Other Income	85	113	95	165	109	106	132	145	458	492
PBT before EO expense	762	772	728	884	815	940	1,005	1,072	3,146	3,831
Extra-Ord expense	0	0	0	24	0	0	0	0	24	0
PBT	762	772	728	860	815	940	1,005	1,072	3,122	3,831
Tax	104	96	108	28	110	109	142	176	336	536
Rate (%)	13.6	12.4	14.8	3.3	13.5	11.6	14.1	16.4	10.8	14.0
Minority Interest	-9.0	-8.0	-8.0	-12.0	-6.0	-9.0	-7.0	-8.0	-37.0	-30.0
Profit/Loss of Asso. Cos	174	202	182	201	211	242	180	191	759	824
Reported PAT	823	870	794	1,021	910	1,064	1,036	1,079	3,508	4,089
Adj PAT	823	870	794	1,045	910	1,064	1,036	1,079	3,532	4,089
YoY Change (%)	5.8	20.3	-7.4	23.2	10.6	22.3	30.5	3.2	10.1	15.8
Margins (%)	8.7	8.8	7.9	9.7	8.7	9.5	9.1	9.3	8.8	9.2

TCI Express**Neutral****CMP: INR825 | TP: INR910 (+10%)****EPS CHANGE (%): FY26|27: -|-**

- Expect revenue to increase 6% YoY to ~INR3.3b.
- Expect Adj. PAT to increase to INR268m (-17% YoY)
- Expect EBITDA at INR398m; margin to contract 250bp YoY due to weak volume growth.
- Outlook on the B2B express segment and competitive scenario are the key monitorables.

Quarterly snapshot

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,049	3,200	3,119	3,171	2,930	3,115	3,292	3,465	12,538	12,803
YoY Change (%)	5.0	3.3	-0.8	-2.8	-3.9	-2.6	5.6	9.3	1.0	2.1
EBITDA	464	505	456	448	327	368	398	409	1,872	1,503
Margins (%)	15.2	15.8	14.6	14.1	11.2	11.8	12.1	11.8	14.9	11.7
YoY Change (%)	8.4	-2.0	-1.1	-17.2	-29.4	-27.1	-12.6	-8.7	-3.7	-19.7
Depreciation	46	47	48	49	51	51	55	56	190	213
Interest	4	4	3	4	3	3	4	4	15	14
Other Income	15	18	20	19	23	25	19	20	72	87
PBT before EO expense	429	472	424	415	297	338	359	370	1,740	1,363
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	429	472	424	415	297	338	359	370	1,740	1,363
Tax	105	116	103	99	74	87	91	92	423	343
Rate (%)	24.6	24.5	24.2	23.9	24.8	25.6	25.2	25.0	24.3	25.2
Reported PAT	323	356	322	316	223	252	268	277	1,317	1,020
Adj PAT	323	356	322	316	223	252	268	277	1,317	1,020
YoY Change (%)	4.3	-5.8	0.5	-17.8	-31.0	-29.3	-16.7	-12.2	-5.4	-22.5
Margins (%)	10.6	11.1	10.3	10.0	7.6	8.1	8.1	8.0	10.5	8.0

VRL Logistics**Buy****CMP: INR510 | TP: INR670 (+31%)****EPS CHANGE (%): FY26|27: -7|+4**

- Expect revenue to increase ~11% YoY to INR8.2b driven by 5% YoY volume growth and 7% YoY improvement in realization on account of the price hikes undertaken.
- Expect adjusted PAT to be INR419m (+206% YoY) due to the lower base of 3QFY24.
- Expect EBITDA at ~INR1.3b; EBITDA margin to improve 340bp YoY due to higher realizations and pick-up in volumes.
- Addition of fleet, branch expansion, and volume growth are the key monitorables.

Quarterly performance

Y/E March (INR m)	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	6,742	7,093	7,367	7,684	7,272	7,995	8,182	8,759	28,886	32,208
YoY Change (%)	9.7	8.4	8.1	10.1	7.9	12.7	11.1	14.0	9.1	11.5
EBITDA	1,019	918	944	1,053	869	1,331	1,325	1,396	3,935	4,921
Margins (%)	15.1	12.9	12.8	13.7	11.9	16.6	16.2	15.9	13.6	15.3
YoY Change (%)	11.7	-1.3	-8.6	-7.7	-14.7	44.9	40.4	32.6	-2.0	25.1
Depreciation	489	522	568	583	615	638	640	646	2,162	2,539
Interest	163	185	213	218	226	224	205	196	779	851
Other Income	89	60	24	38	148	25	80	85	211	337
PBT before EO expense	456	271	187	291	176	493	560	639	1,205	1,868
Extra-Ord expense	0	-3	0	0	0	0	0	0	-3	0
PBT	456	274	187	291	176	493	560	639	1,208	1,868
Tax	117	77	50	76	42	135	141	150	319	467
Rate (%)	25.6	28.0	26.9	26.0	23.6	27.3	25.2	23.4	26.4	25.0
Reported PAT	339	197	137	215	134	358	419	489	889	1,401
Adj PAT	339	194	137	215	134	358	419	489	886	1,401
YoY Change (%)	-7.5	-36.7	-63.7	-64.7	-60.4	84.4	205.8	127.1	-46.7	58.1
Margins (%)	5.0	2.7	1.9	2.8	1.8	4.5	5.1	5.6	3.1	4.4

Metals

Company

Coal India

Hindalco Industries

Hindustan Zinc

Jindal Steel & Power

JSW Steel

NMDC

National Aluminum Co.

Steel Authority of India

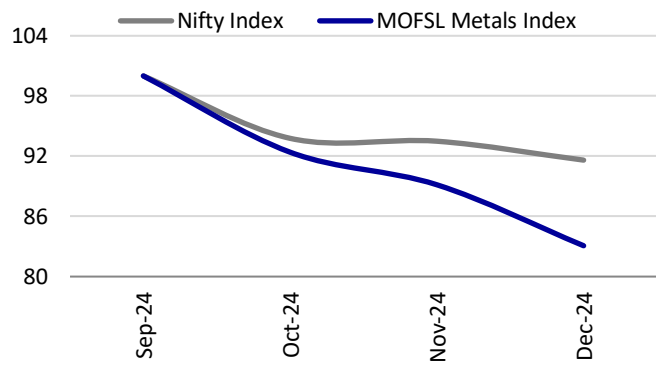
Tata Steel

Vedanta

Lower metal prices to keep EBITDA under pressure; muted coal costs to offer some cushion

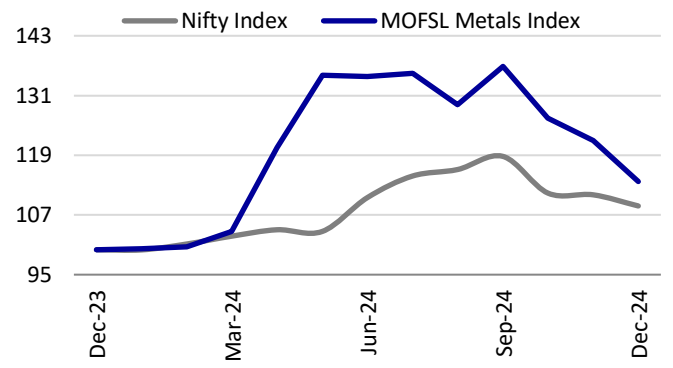
- Prices of domestic ferrous, especially the HRC remained muted (-5% QoQ to INR47,750/t), led by cheap imports from China during the quarter, while primary rebar prices saw a sequential improvement (+5% QoQ to INR53,750/t) supported by the resumption of construction activities post monsoon. China's stimulus measures to revive domestic consumption have not had much impact yet, resulting in cheap exports in the global market and keeping prices under pressure in India. During the quarter, the Chinese HRC/TMT/Wire rod prices saw a 10% QoQ correction, dragging down global metal prices. On the other hand, premium HCC coking coal prices fell ~USD10/t QoQ during the quarter. Ferrous companies have guided for a USD10-25/t benefit from lower costs during 3QFY25. Considering this, we believe margins for ferrous players will remain under pressure due to weak metal prices, which will be partly offset by moderated coking coal prices. Additionally, the rise in iron ore prices by INR400-600/t vs. 2QFY25 will further drag margins. NMDC's iron ore prices stood at INR6,350/t for lumps and INR5,410/t for fines after two consecutive price hikes during Oct'24.
- Non-ferrous prices during the quarter stood resilient. During 3QFY24, the prices for aluminum/zinc were up 8-10% QoQ, while prices for copper, nickel, and lead remained flat QoQ. As a result, we believe non-ferrous players will perform better than ferrous companies. However, the increasing CoP and muted volume might limit the earnings growth.
- We have a BUY rating on JSTL, JSP, HNDL, COAL, and NMDC.
- Ferrous:** We expect ferrous companies to report revenue growth of flat YoY and 4% QoQ led by better volumes, offsetting the weak prices. NSR for ferrous companies is expected to fall ~INR1,000-2,000/t QoQ depending on the long-flat product mix. Considering this, we believe EBITDA to decline by 28% YoY and 8% QoQ, whereas EBITDA margin slipping to 10% in 3QFY25 vs 11.3% in 2QFY25. The softened coking coal costs will partially offset the impact of weak pricing by USD10-25/t, while the rise in iron ore costs will additionally affect the earnings of non-captive players.
- Non-ferrous:** Non-ferrous companies under our coverage are expected to post better performance compared to ferrous companies. The aggregate Revenue, EBITDA and Adj. PAT for non-ferrous companies is expected to increase in double digits YoY, led by better pricing. However, the muted volume and rise in CoP might limit the earnings growth to flat QoQ.
- Mining:** The production volume for Coal India stood at 202mt, up 20% QoQ as the monsoon impact was behind. This is expected to drive Revenue/EBITDA/PAT by 20/45/32% QoQ. Similarly, for NMDC, sales volumes were up 10% YoY and 26% QoQ to 12.5mt, with the company implementing two consecutive price hikes during Oct'24. We expect NMDC's revenue/EBITDA and PAT to grow 35/62/51% QoQ in 3QFY25.

Exhibit 1: Relative performance – three months (%)



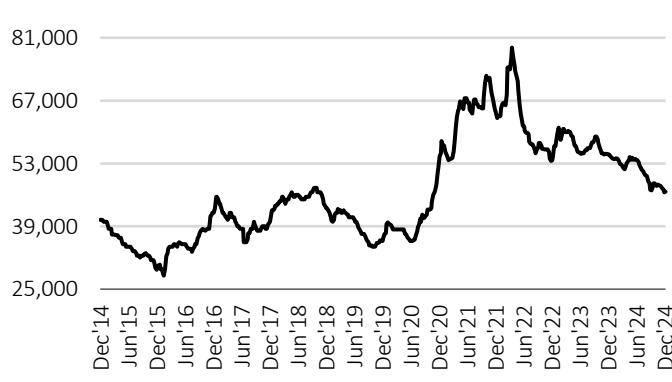
Sources: MOFSL, Bloomberg

Exhibit 2: Relative performance – one year (%)



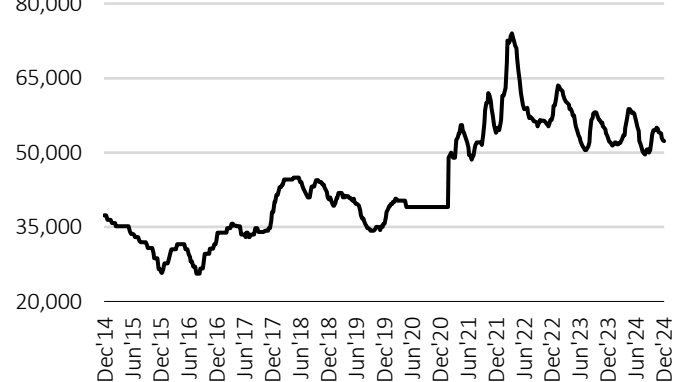
Sources: MOFSL, Bloomberg

Exhibit 3: Domestic HRC prices declined 5% QoQ in 3Q



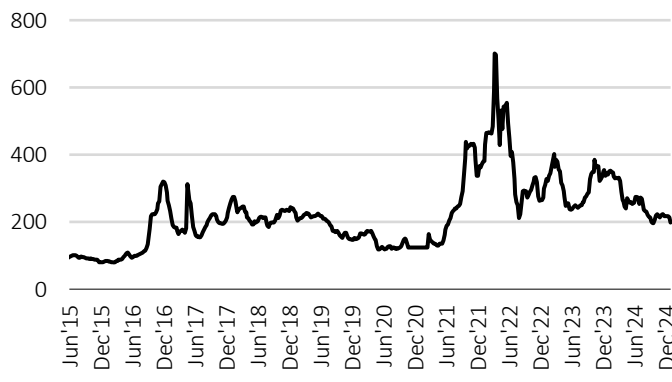
Source: MOFSL, Steelmint

Exhibit 4: Primary rebar prices were up 5% QoQ in 3Q



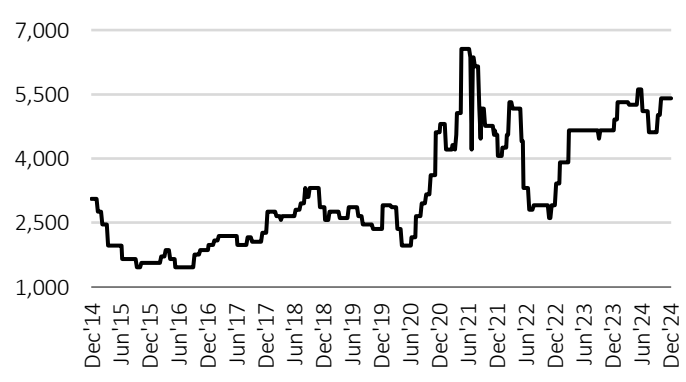
Source: MOFSL, Steelmint

Exhibit 5: Coking coal prices continue to fall, hovering close to ~USD200-220/t



Source: MOFSL, Steelmint

Exhibit 6: NMDC took two consecutive price hikes during Oct'24



Source: MOFSL, Steelmint

Exhibit 7: Key assumptions (all amounts in INR b except for volumes and per ton numbers)

JSW Steel	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Sales - mt	6.5	5.7	6.3	6.0	6.7	6.1	6.1	6.7	9.0	11.3
Realization/t	71,917	73,928	70,322	69,900	68,750	70,168	64,737	63,067	-2.6	-9.8
EBITDA/t	12,158	12,340	12,438	11,967	9,100	9,003	8,869	7,583	-14.5	-36.6
Consol Revenue	470	422	446	419	463	429	397	421	6.2	0.4
Consol EBITDA	79	70	79	72	61	55	54	51	-6.8	-29.5
Consol PAT	37	23	31	23	13	8	6	8	34.5	-64.1
Tata Steel	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Standalone										
Sales - mt	5.2	4.8	4.8	4.9	5.4	4.9	5.1	5.3	4.6	9.5
Realization/t	73,880	74,083	70,924	71,069	67,592	66,720	63,404	60,959	-3.9	-14.2
EBITDA/t	16,806	13,924	14,248	16,905	14,846	13,711	12,935	11,571	-10.5	-31.6
Revenue	380	355	342	347	366	330	324	326	0.5	-6.1
EBITDA	87	67	69	82	80	68	66	62	-6.5	-25.0
PAT	49	46	45	46	47	36	36	32	-9.6	-30.3
Consolidated										
Sales - mt	7.8	7.2	7.1	7.2	8.0	7.4	7.5	7.8	3.1	8.4
Realization/t	80,927	82,625	78,758	77,359	73,543	74,116	71,682	67,407	-6.0	-12.9
EBITDA/t	9,279	7,186	6,037	8,760	8,271	9,059	7,343	5,838	-20.5	-33.4
Consol Revenue	630	595	557	553	587	548	539	523	-3.0	-5.5
Consol EBITDA	72	52	43	63	66	67	55	45	-18.0	-27.7
Consol PAT	17	6	7	8	12	13	5	2	-57.0	-77.1
TSE										
Sales - mt	2.2	2.0	2.0	1.9	2.1	2.2	2.1	2.1	-0.9	8.8
Revenue	220	213	202	192	207	210	206	194	-5.7	1.2
EBITDA	-16	-16	-25	-29	-7	-5	-13	-11	-21.4	-63.2
EBITDA/t (USD)	-91	-98	-155	-175	-38	-28	-76	-60	-20.7	-65.7
SAIL	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Sales - mt	4.7	3.9	4.8	3.8	4.6	4.0	4.1	4.7	15.7	24.8
Realization/t	62,232	62,781	58,256	61,444	57,554	59,845	56,191	54,191	-3.6	-11.8
EBITDA/t	6,247	4,250	4,429	5,638	3,879	5,536	3,111	2,278	-26.8	-59.6
Consol Revenue	291	244	280	233	262	240	230	257	11.6	10.1
Consol EBITDA	29	16	21	21	18	22	13	11	-15.3	-49.6
Consol PAT	12	2	3	4	2	3	-4	-2	-56.0	NA
JSP	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Sales (mt)	2.0	2.0	1.9	1.9	2.1	2.1	2.0	2.5	26.9	28.9
Realization/t	67,448	68,415	60,946	64,648	67,099	65,157	60,612	61,612	1.6	-4.7
EBITDA/t	10,775	14,283	11,372	15,705	12,162	13,585	11,893	12,254	3.0	-22.0
Consol Revenue	137	126	123	117	135	136	112	134	19.8	14.8
Consol EBITDA	22	26	23	28	24	28	22	27	21.4	-6.0
Consol PAT	6	17	14	19	9	13	9	11	29.0	-42.4
NMDC	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Sales - mt	12.4	11.0	9.6	11.4	12.5	10.1	9.9	12.5	25.8	9.8
Realization/t	4,716	4,915	4,194	4,748	5,174	5,375	4,948	5,298	7.1	11.6
EBITDA/t	1,743	1,816	1,244	1,762	1,676	2,323	1,394	1,788	28.3	1.5
Revenue	59	54	40	54	65	54	49	66	34.7	22.5
EBITDA	22	20	12	20	21	23	14	22	61.5	11.5
PAT	16	17	10	17	14	20	12	18	50.5	7.5

HNDL	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Aluminum sales - kt	323	341	334	333	337	329	328	336	2.4	0.9
Copper sales - kt	117	118	134	119	135	119	117	117	0.0	-1.7
Novelis vol- kt	936	879	933	910	951	951	945	910	-3.7	0.0
Novelis adj EBITDA (USD m)	403	421	484	454	514	500	462	428	-7.4	-5.8
Consol Revenue	559	530	542	528	560	570	582	595	2.3	12.7
Consol EBITDA	53	57	56	59	67	75	79	77	-2.7	30.8
Consol PAT	24	25	22	23	32	33	43	38	-11.8	61.6
HZL	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Zinc vol (India) - kt	216	208	185	203	221	211	198	194	-2.1	-4.5
Lead vol (India) - kt	54	50	57	56	53	51	63	65	3.0	15.9
Silver vol- t	182	179	181	197	179	167	184	155	-15.7	-21.2
Consol Revenue	85	73	68	73	75	81	83	82	-0.6	12.2
Consol EBITDA	43	33	31	35	36	39	41	41	-1.7	15.1
Consol PAT	26	20	17	20	20	23	23	23	-0.9	13.7
VED	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Consol Revenue	379	337	342	355	355	358	376	384	2.0	8.0
Consol EBITDA	95	64	67	85	88	99	98	107	9.3	25.9
Consol PAT	31	9	5	20	16	36	30	31	3.4	51.6
NACL	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Consol Revenue	37	32	30	33	36	29	40	40	0.8	20.6
Consol EBITDA	8	6	4	8	11	9	15	14	-8.0	84.3
Consol PAT	5	3	2	5	7	6	10	9	-10.0	100.1
COAL	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
Sales - mt	187	187	174	191	202	199	168	202	20.2	5.6
NSR - FSA INR/t	1,550	1,536	1,542	1,532	1,536	1,524	1,462	1,501	2.7	-2.0
E-auction premium	192	144	83	117	66	58	69	60	-13.1	-48.6
EBITDA/t	461	597	512	624	488	581	426	514	20.8	-17.7
Consol Revenue	382	360	328	362	374	365	307	367	19.7	1.6
Consol Adj EBITDA	86	112	89	119	98	115	72	104	45.2	-13.0
Consol PAT	69	105	80	101	87	110	63	84	32.8	-17.6

Exhibit 8: Ferrous companies to witness better volume growth, offsetting the impact of weak NSR over revenue growth

Sales Volume	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
JSW Steel	6.5	5.7	6.3	6.0	6.7	6.1	6.1	6.7	9.0	11.3
Tata Steel	7.8	7.2	7.1	7.2	8.0	7.4	7.5	7.8	3.1	8.4
SAIL	4.7	3.9	4.8	3.8	4.6	4.0	4.1	4.7	15.7	24.8
JSPL	2.0	2.0	1.9	1.9	2.1	2.1	2.0	2.5	26.9	28.9

Sources: MOFSL, Company

Exhibit 9: ASP to be under pressure for most players

ASP	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
JSW Steel	71,917	73,928	70,322	69,900	68,750	70,168	64,737	63,067	-2.6	-9.8
Tata Steel	80,927	82,625	78,758	77,359	73,543	74,116	71,682	67,407	-6.0	-12.9
SAIL	62,232	62,781	58,256	61,444	57,554	59,845	56,191	54,191	-3.6	-11.8
JSPL	67,448	68,415	60,946	64,648	67,099	65,157	60,612	61,612	1.6	-4.7

Sources: MOFSL, Company

Exhibit 10: Companies' (ex JSPL) EBITDA/t to decline QoQ due to weak pricing environment

EBITDA/t	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	QoQ	YoY
JSW Steel	12,158	12,340	12,438	11,967	9,100	9,003	8,869	7,583	-14.5	-36.6
Tata Steel	9,279	7,186	6,037	8,760	8,271	9,059	7,343	5,838	-20.5	-33.4
SAIL	6,247	4,250	4,429	5,638	3,879	5,536	3,111	2,278	-26.8	-59.6
JSPL	10,775	14,283	11,372	15,705	12,162	13,585	11,893	12,254	3.0	-22.0

Sources: MOFSL, Company

Exhibit 11: Key commodity prices – Quarterly movement

Non-ferrous Metal Price	UoM	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	% YoY	% QoQ
Copper-LME	USD/t	8,472	8,356	8,169	8,445	9,745	9,209	9,246	13%	0%
Aluminum-LME	USD/t	2,261	2,154	2,192	2,203	2,517	2,385	2,580	18%	8%
Zinc-LME	USD/t	2,536	2,427	2,500	2,453	2,830	2,780	3,055	22%	10%
Nickel-LME	USD/t	22,333	20,396	17,257	16,608	18,454	16,256	16,098	-7%	-1%
Lead-LME	USD/t	2,117	2,170	2,121	2,075	2,164	2,045	2,012	-5%	-2%
Alumina-Spot	USD/t	436	451	473	505	549	603	685	45%	14%
Brent	USD/bbl	78	87	84	83	85	80	75	-11%	-7%
China Steel Prices										
China TMT	RMB/t	3,842	3,822	4,023	4,066	3,828	3,532	3,655	-9%	3%
China HRC	RMB/t	3,947	3,937	3,946	3,991	3,793	3,373	3,559	-10%	6%
China Wire Rod	RMB/t	4,231	4,189	4,331	4,299	4,101	3,786	3,913	-10%	3%
India Domestic Prices										
HRC India FoB	USD/t	629	572	580	593	561	560	543	-6%	-3%
HRC Dom Mum	INR/t	57,722	56,675	56,350	53,594	53,630	50,331	47,765	-15%	-5%
Billet Raigarh	INR/t	44,102	42,348	40,676	39,084	42,896	38,363	39,100	-4%	2%
Wire Rod - Dom	INR/t	54,076	51,669	54,393	50,163	54,453	54,070	55,172	1%	2%
TMT Primary Mum	INR/t	56,495	53,114	55,812	51,912	56,957	51,238	53,762	-4%	5%
TMT Secondary Mum	INR/t	52,383	49,264	49,560	48,722	51,129	45,887	47,547	-4%	4%
Pig Iron SG Durgapur	INR/t	42,282	40,665	38,076	38,308	40,760	37,035	36,142	-5%	-2%
CRC Mum	INR/t	62,086	60,975	62,946	61,641	60,869	57,796	54,927	-13%	-5%
Galvanized Plain	INR/t	71,117	67,983	69,092	65,854	64,550	61,208	57,592	-17%	-6%
Color Coated	INR/t	81,138	79,021	78,925	75,931	73,829	69,862	66,723	-15%	-4%
Coking Coal/Coke										
HCC China	USD/t	199	213	263	242	233	197	184	-30%	-6%
HCC Prem India CNF	USD/t	260	276	349	329	260	227	218	-38%	-4%
HCC Mid Vols India CNF	USD/t	231	236	285	277	225	203	183	-36%	-10%
PCI Coal CNF India	USD/t	226	182	204	182	181	191	172	-16%	-10%
Iron Ore										
62% CNF China - Aus	USD/t	111	114	128	124	112	100	103	-19%	4%
Odisha Fines - 62%	INR/t	5,429	4,700	4,989	5,417	5,057	4,392	5,315	7%	21%
K'taka Fines Fe 60%	INR/t	3,000	2,770	3,640	4,167	3,917	3,333	3,650	0%	10%
NMDC 64 %Fines (C'garh)	INR/t	3,923	3,939	4,540	5,116	5,327	4,610	5,210	15%	13%
NMDC 65%-Lumps	INR/t	4,020	4,484	5,253	5,845	6,180	5,520	5,970	14%	8%
Domestic Pellet	INR/t	8,367	8,447	8,512	8,561	8,504	7,248	8,177	-4%	13%
Sponge Iron- Raigarh	INR/t	28,190	27,930	27,029	25,790	27,868	24,576	25,366	-6%	3%
Chrome Ore										
China Chrome Ore (40-42%)	USD/t	285	291	286	290	309	308	253	-12%	-18%
Odisha Chrome Ore (E-Auction)	INR/t	21,037	26,577	30,110	30,574	28,948	32,831	29,816	-1%	-9%
Global Mn Ore 38%	USD/dmtu	4.00	3.75	3.71	3.95	5.65	4.37	3.96	7%	-10%
Mn Ore India Mn 44% Fe 5%	USD/dmtu	4.92	4.58	4.38	4.40	6.93	7.26	4.19	-4%	-42%
Balaghat Mn 37.5%, Fe 7%	INR/t	12,529	11,871	12,084	12,947	18,157	16,170	13,541	12%	-16%
Silico manganese	INR/t	73,401	68,067	64,202	66,167	82,190	68,780	67,011	4%	-3%
Ferro Manganese	INR/t	75,075	69,132	64,738	66,548	85,507	75,242	68,384	6%	-9%

Sources: MOFSL, Bloomberg, Steelmint

Exhibit 12: Currency movement

Currency	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	% YoY	% QoQ
EUR/USD	1.07	1.09	1.09	1.08	1.09	1.08	1.10	1.07	-1%	-3%
USD/CNY	6.84	7.02	7.25	7.22	7.19	7.24	7.17	7.18	-1%	0%
USD/GBP	0.82	0.80	0.79	0.81	0.79	0.79	0.77	0.78	-3%	1%
USD/INR	82.25	82.19	82.68	83.26	83.05	83.41	83.77	84.39	1%	1%
GBP/INR	99.96	102.92	104.63	103.37	105.32	105.28	108.86	108.39	5%	0%
EUR/INR	88.27	89.49	89.95	89.63	90.18	89.81	92.02	90.29	1%	-2%

Sources: MOFSL

Exhibit 13: Summary of expected quarterly performance

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Coal India	387	Buy	3,67,148	1.6	19.7	1,03,853	-13.0	45.2	83,515	-17.6	32.8
Hindalco	593	Buy	5,95,382	12.7	2.3	76,688	30.8	-2.7	37,665	61.6	-11.8
Hindustan Zinc	444	Neutral	82,050	12.2	-0.6	40,521	15.1	-1.7	23,065	13.7	-4.3
JSPL	938	Buy	1,34,315	14.8	19.8	26,713	-6.0	21.4	11,103	-42.4	29.0
JSW Steel	906	Buy	4,21,272	0.4	6.2	50,654	-29.5	-6.8	8,192	-64.1	34.5
Nalco	214	Neutral	40,351	20.6	0.8	14,252	84.3	-8.0	9,418	100.1	-10.0
NMDC	66	Buy	66,279	22.5	34.7	22,373	11.5	61.5	18,000	7.5	50.5
SAIL	113	Neutral	2,56,994	10.1	11.6	10,804	-49.6	-15.3	-1,669	PL	Loss
Tata Steel	137	Neutral	5,22,651	-5.5	-3.0	45,262	-27.7	-18.0	1,939	-77.1	-57.0
Vedanta	444	Neutral	3,83,925	8.0	2.0	1,07,396	25.9	9.3	30,516	51.6	3.4
Metals			28,70,366	5.2	5.7	4,98,516	-2.4	7.5	2,21,744	-7.9	12.5

Source: MOFSL

Exhibit 14: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Metals						13.7	9.6	8.2	2.3	2.0	1.7	16.7	20.7	20.8
Coal India	387	Buy	56.7	67.4	70.5	6.8	5.7	5.5	2.4	2.0	1.7	35.1	34.6	30.8
Hindalco	593	Buy	68.9	63.1	74.0	8.6	9.4	8.0	1.4	1.2	1.1	17.6	14.0	14.5
Hindustan Zinc	444	Neutral	22.3	31.0	31.9	19.9	14.3	13.9	15.7	9.4	6.6	69.4	82.2	55.7
JSPL	938	Buy	46.7	95.4	110.0	20.1	9.8	8.5	1.9	1.6	1.4	10.1	18.1	17.8
JSW Steel	906	Buy	19.8	68.2	85.7	45.8	13.3	10.6	2.7	2.3	1.9	6.1	18.6	19.5
Nalco	214	Neutral	18.6	13.9	16.2	11.5	15.4	13.2	2.3	2.1	1.8	21.7	14.1	14.7
NMDC	66	Buy	8.2	9.1	9.8	8.1	7.3	6.7	1.9	1.6	1.4	25.3	23.5	21.7
SAIL	113	Neutral	0.8	10.4	14.8	147.2	10.9	7.6	0.8	0.8	0.7	0.5	7.2	9.8
Tata Steel	137	Neutral	3.8	11.9	17.8	35.8	11.5	7.7	2.0	1.9	1.6	5.6	16.8	22.7
Vedanta	444	Neutral	36.9	44.7	50.6	12.0	10.0	8.8	5.1	4.0	3.2	43.5	45.3	40.7

Source: MOFSL

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

Coal India

Buy

CMP: INR 387 | TP: INR 480 (+24%)

- Coal production up 6% YoY to 202mt in 3QFY25.
- Expect e-auction premium to be at 60% in 3Q vs 69% in 2Q.
- Management guidance on FY25/FY26 volume and e-auction premium will be the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY25E	
Sales	359.8	327.8	361.5	374.1	364.6	306.7	367.1	402.6	1,423.2	1,441.1
Change YoY (%)	2.5	9.8	2.8	(1.9)	1.3	(6.4)	1.6	7.6	2.9	1.3
Change QoQ (%)	(5.7)	(8.9)	10.3	3.5	(2.5)	(15.9)	19.7	9.7		
Adj. EBITDA	111.6	88.9	119.4	98.4	115.4	71.5	103.9	121.4	418.3	412.2
Change YoY (%)	(12.4)	10.9	6.2	14.0	3.4	(19.6)	(13.0)	23.3	3.0	(1.5)
Change QoQ (%)	29.3	(20.3)	34.2	(17.5)	17.3	(38.0)	45.2	16.9		
EBITDA per tonne	596.9	511.9	624.3	488.1	581.5	425.6	513.9	556.5	555.2	523.9
Depreciation	15.3	15.9	16.5	19.9	19.5	19.0	20.2	22.2	67.4	81.0
OBR	(24.2)	(11.4)	(10.8)	(14.9)	(28.0)	(14.6)	(14.1)	(14.9)	(61.4)	(71.7)
Interest	1.8	1.8	2.3	2.3	2.1	2.1	2.6	3.6	8.2	10.3
Other Income	15.4	19.8	22.0	22.4	18.8	15.1	14.7	13.7	79.7	62.3
PBT after EO	134.1	102.5	133.5	113.6	140.6	80.2	109.8	124.3	483.9	454.9
Tax	28.9	22.9	34.8	27.9	32.0	18.8	27.5	31.8	114.4	110.1
Tax Rate (%)	21.5	22.3	26.1	24.6	22.8	23.4	25.0	25.6	23.7	24.2
PAT before MI & Asso.	105.2	79.6	98.7	85.7	108.6	61.4	82.4	92.5	369.4	344.8
MI	(0.3)	-	0.2	(0.4)	(0.2)	(0.1)	-	-	(0.3)	(0.3)
Sh. of Assoc.	(0.2)	0.9	2.9	0.7	0.9	1.4	1.1	1.2	4.3	4.5
PAT After MI & Asso.	105.3	80.5	101.3	86.8	109.6	62.9	83.5	93.7	374.0	349.7
Adjusted PAT	105.3	80.5	101.3	86.8	109.6	62.9	83.5	93.7	374.0	349.7
Change YoY (%)	19.2	33.2	30.6	26.3	4.1	(21.9)	(17.6)	7.9	17.8	(6.5)
Change QoQ (%)	53.1	(23.6)	25.9	(14.3)	26.2	(42.6)	32.8	12.1		

Hindalco

Buy

CMP: INR 593 | TP: INR 780 (+32%)

- Novelis' volumes/margin is expected to be weak.
- Operations in India are likely to report robust performance, offsetting Novelis' weak performance.
- The timeline for commissioning multiple capex is crucial.
- Novelis' demand outlook and EBITDA/t guidance will be the key monitorables.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY25E	
Net Sales	529.9	541.7	528.1	559.9	570.1	582.0	595.4	634.1	2,159.6	2,381.6
Change (YoY %)	(8.7)	(3.6)	(0.6)	0.2	7.6	7.4	12.7	13.2	(3.2)	10.3
Change (QoQ %)	(5.1)	2.2	(2.5)	6.0	1.8	2.1	2.3	6.5	-	-
Total Expenditure	472.8	485.6	469.4	493.1	495.1	503.2	518.7	557.2	1,920.9	2,074.2
EBITDA	57.1	56.1	58.7	66.8	75.0	78.8	76.7	76.8	238.7	307.4
Change (YoY %)	(32.2)	4.7	65.3	25.4	31.3	40.5	30.8	15.0	5.3	28.8
Change (QoQ %)	7.3	(1.8)	4.5	13.9	12.3	5.1	(2.7)	0.2	-	-
As % of Net Sales	10.8	10.4	11.1	11.9	13.2	13.5	12.9	12.1	11.1	12.9
Interest	9.9	10.3	9.4	8.9	8.6	8.7	8.1	7.1	38.6	32.6
Depreciation	17.9	18.4	18.7	20.2	18.9	19.3	18.7	17.0	75.2	73.9
Other Income	3.9	4.6	2.8	3.6	4.2	10.8	3.8	4.2	15.0	23.0
PBT (before EO item)	33.3	32.0	33.3	41.4	51.8	61.6	53.7	56.9	139.9	223.9
Extra-ordinary Income	(0.1)	0.3	-	-	(3.3)	(5.1)	-	-	0.2	(8.4)
PBT (after EO item)	33.2	32.3	33.3	41.4	48.5	56.4	53.7	56.9	140.1	215.5
Total Tax	8.6	10.4	10.0	9.6	17.7	17.3	16.0	17.3	38.6	68.4
% Tax	26.0	32.0	30.0	23.3	36.6	30.7	29.8	30.5	27.5	31.8
PAT before MI and Associate	24.5	22.0	23.3	31.8	30.7	39.1	37.7	39.6	101.5	147.1
Adjusted PAT	24.7	21.6	23.3	31.7	33.1	42.7	37.7	39.6	101.3	155.5
Change (YoY %)	(39.5)	(1.9)	71.1	31.6	34.0	97.3	61.6	24.7	-	-
Change (QoQ %)	2.3	(12.3)	7.7	36.2	4.1	29.2	(11.8)	5.1		

Hindustan Zinc**Neutral****CMP: INR 444 | TP: INR 460 (+4%)**

- Guidance on CoP, volumes, and realizations are critical.
- We await further insights on any other update related to the change in the corporate structure, if any.
- Guidance on future dividend payout is important.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales										
Zinc refined (kt)	208	185	203	221	211	198	194	186	817	789
Lead refined (kt)	50	57	56	53	51	63	65	57	216	236
Silver (tonnes)	179	181	197	179	167	184	155	204	736	710
Net Sales	72.8	67.9	73.1	75.5	81.3	82.5	82.0	80.0	289.3	325.9
Change (YoY %)	(22.4)	(18.5)	(7.1)	(11.3)	11.6	21.5	12.2	6.0	(15.2)	12.6
Change (QoQ %)	(14.4)	(6.7)	7.6	3.3	7.7	1.5	(0.6)	(2.5)		
EBITDA	33.5	31.4	35.2	36.5	39.5	41.2	40.5	41.9	136.6	163.1
Change (YoY %)	(34.8)	(28.8)	(5.0)	(14.2)	17.9	31.3	15.1	14.9	(22.0)	19.5
Change (QoQ %)	(21.3)	(6.2)	12.2	3.6	8.1	4.5	(1.7)	3.4		
Finance cost	2.2	2.3	2.4	2.6	2.6	3.0	3.5	3.6	9.6	12.7
DD&A	8.0	8.3	9.1	9.4	8.4	8.8	9.4	11.0	34.7	37.6
Other Income	2.8	2.2	3.0	2.7	2.7	2.7	3.1	4.1	10.7	12.6
PBT (before EO item)	26.1	23.1	26.7	27.2	31.1	32.1	30.8	31.4	103.1	125.5
PBT (after EO)	26.1	23.1	26.7	27.2	31.1	33.0	30.8	31.4	103.1	126.3
Total Tax	6.5	5.8	6.4	6.9	7.7	8.0	7.7	8.0	25.5	31.4
% Tax	24.8	25.0	24.0	25.2	24.7	24.4	25.0	25.3	24.7	24.8
Reported PAT	19.6	17.3	20.3	20.4	23.5	24.9	23.1	23.5	77.6	94.9
Adjusted PAT	19.6	17.3	20.3	20.4	23.5	24.1	23.1	23.5	77.6	94.1
Change (YoY %)	(36.5)	(35.5)	(5.9)	(21.1)	19.4	34.6	13.7	15.2	(26.2)	20.2
Change (QoQ %)	(24.0)	(12.0)	17.3	0.5	15.1	(0.8)	(0.9)	1.8		

Jindal Steel & Power**Buy****CMP: INR 938 | TP: INR 1200 (+28%)**

- Lower NSR is likely to impact earnings.
- Guidance on captive mines and raw material is important.
- Management commentary on the change in ASP and coal cost is critical.
- Management commentary on the capex timelines.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	125.9	122.5	117.0	134.9	136.2	112.1	134.3	144.5	500.3	527.2
Change (YoY %)	(3.5)	(9.4)	(6.0)	(1.5)	8.2	(8.5)	14.8	7.2	(5.1)	5.4
Change (QoQ %)	(8.1)	(2.7)	(4.5)	15.3	1.0	(17.7)	19.8	7.6		
EBITDA	26.3	22.9	28.4	24.4	28.4	22.0	26.7	30.6	102.1	107.7
Change (YoY %)	(23.6)	18.3	19.6	11.8	8.0	(3.7)	(6.0)	25.2	2.7	5.5
Change (QoQ %)	20.2	(13.0)	24.4	(14.0)	16.2	(22.5)	21.4	14.6		
EBITDA/t	14,282	11,371	15,705	12,162	13,585	11,893	12,254	13,482	13,301	12,838
Interest	3.3	3.3	3.2	3.2	3.3	3.3	3.8	4.4	12.9	14.7
Depreciation	5.9	6.0	6.4	9.9	6.8	7.0	8.5	8.8	28.2	31.0
Other Income	0.6	0.3	0.4	0.3	0.3	0.3	0.3	0.3	1.6	1.4
PBT (before EO item)	17.7	13.8	19.3	11.6	18.6	12.1	14.8	17.8	62.5	63.3
PBT (after EO item)	17.7	13.8	19.3	11.6	18.6	12.1	14.8	17.8	62.5	63.3
Total Tax	0.7	(0.1)	(0.0)	2.3	5.2	3.5	3.7	3.4	3.0	15.8
% Tax	4.2	(0.4)	(0.1)	19.8	28.0	29.1	25.2	18.9	4.8	-
PAT (after MI and Sh. of Asso.)	16.9	13.9	19.3	9.4	13.4	8.6	11.1	14.4	59.4	47.5
Adjusted PAT	16.9	13.9	19.3	9.4	13.4	8.6	11.1	14.4	59.4	47.5
Change (YoY %)	15.3	102.2	114.9	51.8	(20.7)	(38.0)	(42.4)	54.1	62.3	(20.1)
Change (QoQ %)	173.8	(17.7)	38.9	(51.5)	43.0	(35.7)	29.0	29.9		

JSW Steel**Buy****CMP: INR 906 | TP: INR 1100 (+21%)**

- Weak ASP to drag margins QoQ; muted coal costs to offset the impact partly.
- Pricing outlook for the domestic market will be a key monitorable.
- Performance of domestic and overseas subsidiaries will be crucial.
- Management commentaries on capex/timelines.

Quarterly Performance (Consolidated)**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	422.1	445.8	419.4	462.7	429.4	396.8	421.3	472.2	1,750.1	1,719.7
Change (YoY %)	10.8	6.7	7.2	(1.5)	1.7	(11.0)	0.4	2.0	5.5	(1.7)
Change (QoQ %)	(10.1)	5.6	(5.9)	10.3	(7.2)	(7.6)	6.2	12.1		
EBITDA	70.5	78.9	71.8	61.2	55.1	54.4	50.7	71.7	282.4	231.8
Change (YoY %)	63.5	350.1	57.9	(22.9)	(21.8)	(31.1)	(29.5)	17.0	52.2	(17.9)
Change (QoQ %)	(11.2)	11.9	(9.0)	(14.7)	(10.0)	(1.3)	(6.8)	41.5		
EBITDA (INR per ton)	12,340	12,438	11,967	9,100	9,003	8,869	7,583	9,930	11,395	8,865
Interest	19.6	20.8	20.0	20.6	20.7	21.3	20.3	19.0	81.1	81.4
Depreciation	19.0	20.2	20.6	21.9	22.1	22.7	21.4	19.4	81.7	85.5
Other Income	3.3	2.4	1.9	2.4	1.6	1.5	2.5	3.0	10.0	8.6
PBT (before EO Item)	35.1	40.2	33.2	21.1	13.9	11.9	11.4	36.2	129.6	73.5
EO Items	(0.3)	(0.2)	(0.2)	(1.0)	(0.1)	(0.6)	-	-	(1.7)	(0.7)
PBT (after EO Item)	-	(5.9)	-	-	-	3.4	-	-	(5.9)	3.4
Total Tax	34.8	45.9	33.0	20.1	13.8	7.9	11.4	36.2	133.8	69.3
PAT before MI and Asso.	10.5	18.1	8.5	6.9	5.1	3.9	3.2	10.7	44.1	22.9
MI (Profit)/Loss	24.3	27.7	24.5	13.2	8.7	4.0	8.2	25.5	89.7	46.4
Share of P/(L) of Ass.	0.9	0.1	0.4	0.2	0.2	-	-	-	1.6	0.2
Reported PAT (after MI & Asso.)	23.4	27.6	24.2	13.0	8.5	4.0	8.2	25.5	88.1	46.2
Adjusted PAT	23.4	30.7	22.8	13.0	8.5	6.1	8.2	25.5	89.8	48.3
Change (YoY %)	179.0	NA	365.3	(64.5)	(63.9)	(80.1)	(64.1)	96.5	152.8	(46.3)
Change (QoQ %)	(36.2)	31.1	(25.6)	(43.0)	(34.9)	(27.9)	34.5	211.7		

NMDC**Buy****CMP: INR 66 | TP: INR 85 (+29%)**

- Strong volume QoQ with better pricing in 3Q.
- Management commentary on Karnataka royalty bill.
- NMDC took two consecutive price hikes in 3Q.
- Plans to expand its current capacity are underway and guidance on timeline will be key.

Consolidated Quarterly Performance**(INR b)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	53.9	40.1	54.1	64.9	54.1	49.2	66.3	77.8	213.1	247.4
Change (YoY %)	13.2	20.6	45.4	10.9	0.4	22.5	22.5	19.9	20.6	16.1
Change (QoQ %)	-7.8	-25.6	34.8	20.0	-16.6	-9.1	34.7	17.4		
EBITDA	19.9	11.9	20.1	21.0	23.4	13.9	22.4	28.5	72.9	88.2
Change (YoY %)	5.0	39.9	76.0	-2.8	17.4	16.4	11.5	35.8	20.5	20.9
Change (QoQ %)	-7.8	-40.3	68.6	4.7	11.3	-40.8	61.5	27.5		
EBITDA per ton (INR/t)	1,816	1,244	1,762	1,676	2,323	1,394	1,788	1,999	1,640	1,884
Interest	0.1	0.2	0.3	0.2	0.2	0.3	0.3	0.3	0.8	1.1
Depreciation	0.7	0.9	0.8	1.1	0.7	1.0	1.0	1.0	3.5	3.8
Other Income	2.9	3.2	3.4	4.2	3.6	3.6	3.4	3.5	13.7	14.1
PBT (before EO Item)	22.1	14.0	22.3	23.9	26.1	16.1	24.5	30.6	82.3	97.4
Extra-ordinary item	0.0	0.0	-2.5	-0.3	0.0	0.0	0.0	0.0	-2.8	0.0
PBT (after EO Item)	22.1	14.0	19.8	23.6	26.1	16.1	24.5	30.6	79.5	97.4
Total Tax	5.5	3.8	5.1	9.4	6.4	4.2	6.5	8.2	23.8	25.3
% Tax	24.9	27.0	25.7	40.0	24.7	25.9	26.5	26.7	29.9	26.0
PAT after MI and Sh. of Asso.	16.5	10.3	14.8	14.1	19.6	12.0	18.0	22.5	55.8	72.0
Adjusted PAT	16.5	10.3	16.8	14.3	19.6	12.0	18.0	22.5	57.8	72.0
Change (YoY %)	14.3	5.6	83.6	-9.0	18.8	16.5	7.5	56.9	18.0	24.5
Change (QoQ %)	5.1	-37.9	63.2	-14.6	37.2	-39.1	50.5	24.7		

Nalco Neutral

CMP: INR 214 | TP: INR 225 (+5%)

- Strong prices to benefit overall performance YoY. ■ We await management guidance on domestic demand.
- Rising CoP production would moderate the margin.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	31,784	30,434	33,469	35,791	28,561	40,015	40,351	40,798	1,31,477	1,49,725
Change (YoY %)	-16.0	-12.8	1.7	-2.5	-10.1	31.5	20.6	14.0	-7.6	13.9
Change (QoQ %)	-13.4	-4.2	10.0	6.9	-20.2	40.1	0.8	1.1		
Total Expenditure	25,840	26,469	25,738	24,715	19,219	24,525	26,099	27,842	1,02,762	97,685
EBITDA	5,943	3,965	7,731	11,075	9,342	15,490	14,252	12,956	28,715	52,041
Change (YoY %)	-31.6	18.6	68.2	44.5	57.2	290.7	84.3	17.0	18.2	81.2
Change (QoQ %)	-22.5	-33.3	95.0	43.3	-15.6	65.8	-8.0	-9.1		
Interest	23	40	21	89	34	44	38	36	172	152
Depreciation	1,697	1,862	1,538	2,400	1,743	1,798	1,950	1,986	7,497	7,477
Other Income	485	686	510	840	605	718	730	747	2,521	2,800
PBT (after EO)	4,709	2,750	6,682	13,695	8,170	14,366	12,994	11,681	27,836	47,211
Total Tax	1,215	687	1,797	3,537	2,158	3,744	3,386	3,034	7,236	12,322
% Tax	25.8	25.0	26.9	25.8	26.4	26.1	26.1	26.0	30.7	26.1
PAT before MI and Asso.	3,494	2,063	4,885	10,158	6,012	10,622	9,608	8,647	20,600	34,889
Sh. of Associate	-156	-189	-179	-191	-128	-162	-190	-269	-715	-749
Reported PAT after MI and Asso.	3,338	1,874	4,706	9,967	5,884	10,460	9,418	8,378	19,885	34,140
Adjusted PAT	3,338	1,874	4,706	6,766	5,884	10,460	9,418	8,378	16,684	34,140
Change (YoY %)	-40.2	49.4	83.6	36.7	76.3	458.3	100.1	23.8	16.3	71.7
Change (QoQ %)	-32.6	-43.9	151.2	43.8	-13.0	77.8	-10.0	-11.0		

SAIL Neutral

CMP: INR 113 | TP: INR 120 (+6%)

- Volume to drive growth; weak ASP to drag margins. ■ Management guidance on debt reduction roadmap.
- Softened coal cost to offset the impact of weak NSR. ■ Guidance on domestic and international steel prices and capex will be critical.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	243.6	279.6	233.5	262.4	240.0	230.4	257.0	295.8	1,019.2	1,023.1
Change (YoY %)	1.4	6.5	(6.8)	(9.9)	(1.5)	(17.6)	10.1	12.7	(2.4)	0.4
Change (QoQ %)	(16.4)	14.8	(16.5)	12.4	(8.6)	(4.0)	11.6	15.1		
Total Expenditure	227.1	258.4	212.1	244.8	217.8	217.6	246.2	274.4	942.3	956.0
EBITDA	16.5	21.3	21.4	17.7	22.2	12.8	10.8	21.4	76.9	67.1
Change (YoY %)	(28.4)	189.2	3.1	(39.5)	34.6	(40.0)	(49.6)	20.8	(4.4)	(12.7)
Change (QoQ %)	(43.6)	28.9	0.8	(17.4)	25.5	(42.5)	(15.3)	97.7		
EBITDA per ton (INR)	4,250	4,429	5,638	3,879	5,536	3,111	2,278	4,150	4,511	3,729
Interest	6.1	6.1	6.1	6.4	6.9	7.6	5.6	6.0	24.7	26.1
Depreciation	12.8	13.3	13.2	13.6	14.0	13.0	13.0	14.6	52.8	54.7
Other Income	4.6	1.5	1.4	3.1	1.8	1.7	4.0	5.1	10.7	12.5
Share of Asso/JV/investments	0.6	1.0	1.3	1.5	1.1	1.6	1.6	1.7	4.4	5.9
PBT (before EO Inc.)	2.9	4.4	4.9	2.3	4.1	(4.6)	(2.2)	7.5	14.4	4.7
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	(2.2)	7.5	40.6	18.0
Total Tax	0.8	4.6	1.4	3.2	0.2	2.8	(0.6)	2.1	10.0	4.5
% Tax	26.3	26.2	24.8	21.9	16.6	23.5	25.0	27.9	24.5	24.8
Reported PAT	2.1	13.1	4.2	11.3	0.8	9.0	(1.7)	5.4	30.7	13.5
Adjusted PAT	2.1	3.2	3.7	1.8	3.2	(3.8)	(1.7)	5.4	10.8	3.2
Change (YoY %)	(73.6)	NA	50.3	(84.9)	52.9	(219.3)	NA	198.4	(43.8)	(70.6)
Change (QoQ %)	(82.3)	49.7	15.1	(50.7)	80.0	NA	NA	NA		

Tata Steel**Neutral****CMP: INR 137 | TP: INR 150 (+9%)**

- Weak ASP to drag margins; better volumes and low costs to offset the impact.
- Weak global prices kept Europe's earnings under pressure.
- Commentary on Europe operations is critical.
- Management guidance on ASP and CoP across geographies; UK operating losses outlook.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
	Net Sales	594.9	556.8	553.1	586.9	547.7	539.0	522.7	606.2	2,291.7
Change (YoY %)	-6.2	-7.0	-3.1	-6.8	-7.9	-3.2	-5.5	3.3	-5.8	-3.3
Change (QoQ %)	-5.5	-6.4	-0.7	6.1	-6.7	-1.6	-3.0	16.0		
EBITDA	51.7	42.7	62.6	66.0	66.9	55.2	45.3	85.8	223.1	253.2
Change (YoY %)	-65.4	-29.6	54.7	-8.6	29.4	29.4	-27.7	30.0	-30.9	13.5
Change (QoQ %)	-28.3	-17.5	46.8	5.4	1.4	-17.5	-18.0	89.5		
EBITDA (INR/t)	7,186	6,037	8,760	8,271	9,059	7,343	5,838	9,990	7,587	8,103
Finance cost	18.3	19.6	18.8	18.4	17.8	19.7	20.4	20.6	75.1	78.5
DD&A	24.1	24.8	24.2	25.7	25.4	26.0	25.7	25.3	98.8	102.4
Other Income	11.8	2.3	2.3	1.8	2.6	6.0	6.0	6.5	18.1	21.0
PBT (before EO item)	21.1	0.6	21.9	23.7	26.4	15.5	5.1	46.3	67.3	93.4
EO exp. (income)	0.1	-69.0	-3.3	-5.9	-3.6	6.4			-78.1	2.8
PBT (after EO item)	21.3	-68.4	18.5	17.7	22.8	21.9	5.1	46.3	-10.9	96.2
Total Tax	13.3	-2.3	14.1	12.5	14.6	14.1	3.9	19.1	37.6	51.7
% Tax	63.0	NA	64.2	53.0	55.2	90.5	76.7	41.2	55.9	55.3
PAT before MI and Asso.	8.0	-66.1	4.5	5.2	8.3	7.8	1.2	27.2	-48.5	44.5
Profit from Asso.	-1.1	-3.1	0.1	-0.6	-0.4	-0.7			-4.7	-1.2
Minority interest	-2.7	1.0	0.7	0.4	0.9	-0.3	0.7	0.8	-0.6	2.2
APAT	6.2	7.0	8.5	12.1	13.2	4.5	1.9	28.0	33.8	47.6
Change (YoY %)	-92.0	-54.2	LP	-28.8	112.3	-35.8	-77.1	132.3	-61.0	41.1
Change (QoQ %)	-63.4	13.2	20.6	42.3	9.3	-65.8	-57.0	1,344.7		

Vedanta**Neutral****CMP: INR 444 | TP: INR 490 (+10%)**

- Management comments on the demerger status and its guidance on volumes and CoP across verticals.
- Management's update on the parent debt situation is crucial.
- Management's guidance on future dividend payout.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
	Net Sales	337.3	341.8	355.4	355.1	357.6	376.3	383.9	385.1	1,389.7
Change (YoY %)	(12.7)	(6.7)	4.2	(6.4)	6.0	10.1	8.0	8.4	(5.7)	8.2
Change (QoQ %)	(11.1)	1.3	4.0	(0.1)	0.7	5.2	2.0	0.3		
EBITDA	64.2	67.2	85.3	87.7	99.5	98.3	107.4	116.0	304.4	421.1
Change (YoY %)	(37.0)	(12.7)	20.7	(7.3)	54.9	46.3	25.9	32.3	(11.6)	38.4
Change (QoQ %)	(32.1)	4.6	27.0	2.8	13.4	(1.2)	9.3	8.0		
Finance cost	21.1	25.2	24.2	24.2	22.2	26.7	23.6	22.0	94.7	94.6
DD&A	25.5	26.4	27.9	27.4	27.3	27.0	27.6	28.4	107.2	110.3
Other Income	5.5	6.4	7.8	5.8	9.3	13.0	8.6	3.4	25.5	34.3
PBT (before EO item)	23.1	21.9	41.1	41.9	59.3	57.7	64.8	68.9	128.0	250.5
EO exp. (income)	(17.8)	(59.8)	-	2.0	-	(18.7)	-	-	(75.6)	(18.7)
PBT (after EO item)	40.9	81.8	41.1	39.9	59.3	76.3	64.8	68.9	203.6	269.2
Total Tax	7.8	90.9	12.4	17.2	8.3	20.3	24.9	27.2	128.3	80.8
% Tax	19.0	111.2	30.1	43.1	14.0	26.6	38.5	39.5	63.0	30.0
PAT before MI and Asso.	33.1	(9.2)	28.7	22.7	51.0	56.0	39.8	41.6	75.3	188.5
Profit from Asso.	-	-	-	0.0	-	-	-	-	0.0	-
Minority interest	6.7	8.7	8.6	9.1	14.9	12.5	9.3	0.5	33.0	37.2
PAT after MI and Asso.	26.4	(17.8)	20.1	13.7	36.1	43.5	30.5	41.1	42.4	151.2
APAT	8.6	4.9	20.1	15.7	36.1	29.5	30.5	41.1	49.3	137.2
Change (YoY %)	(80.5)	(65.7)	29.0	(49.6)	319.5	504.8	51.6	161.8	(53.1)	178.3
Change (QoQ %)	(72.4)	(43.3)	312.5	(22.0)	129.8	(18.2)	3.4	34.7		

Oil & Gas

Company name

Aegis Logistics

BPCL

Castrol India

GAIL

Gujarat Gas

Gujarat State Petronet

HPCL

Indraprastha Gas

IOCL

Mahanagar Gas

MRPL

Oil India

ONGC

Petronet LNG

Reliance Industries

OMCs likely to post robust results; CGD margins to contract

- **We expect our coverage universe to report:** a) flat sales YoY (flat YoY excluding OMCs), b) flat EBITDA YoY (up 3% YoY excluding OMCs), and c) a 4% decline in PAT YoY (down 4% YoY excluding OMCs) in 3QFY25.
- **RIL:** Consol. EBITDA is expected to grow 4% YoY to INR421b. We estimate EBITDA of INR146b (down 17% YoY) for the standalone business, INR159b (up 20% YoY) for RJio, and INR61b (up 2% YoY) for the Retail business. Production meant for sale is expected to stand at 17.5mmt (flat YoY), with standalone PAT at INR83b (down 16% YoY).
- **OMCs:** Standalone EBITDA for HPCL/BPCL/IOCL is estimated to rise strongly, driven by higher marketing margins on a QoQ basis and steady recovery in refining with SG GRM averaging USD5/bbl in 3Q (vs. USD3.6/bbl in 2Q).
- **CGD:** We estimate YoY volume growth of 13%/4%/6% for MAHGL/IGL/GUJGA. After the twin APM deallocation, EBITDA/scm margins for CGDs are expected to be under pressure amid high Spot LNG prices, which have increased 25% over the past six months.
- **Upstream:** For ONGC/OINL, we expect oil sales volumes to remain flat YoY, while gas sales volume may witness a 7%/4% YoY decline.

Lower Brent crude price assumption to USD70/bbl in FY26/FY27

- We have reduced our Brent price assumption by 7% for FY26 to USD70/bbl (vs. USD75/bbl earlier) and expect Brent to average USD70/bbl in FY27 as well. This adjustment is driven by:
 - The gradual unwinding of OPEC+ voluntary cuts (2.2mb/d) from Jan'24.
 - IEA's expected 1.5mb/d rise in global oil supply from Non-OPEC+ in CY25. Additionally, IEA projects that even if OPEC+ cuts remain in place, global supply shall exceed demand by more than 1mb/d in CY25.
 - The US EIA's recent sequentially downgrade of its Brent crude oil spot price forecast for CY25 to USD74/bbl (down 2.6% vs. previous est.).
- ***Should a strong non-OPEC supply response coincide with the unwinding of OPEC's spare production capacity, we see the risk of oil prices declining below USD70/bbl.***

SG GRM assumption decreases to USD5.5/bbl for FY26/FY27

- The refining spread outlook remains subdued with global refining capacity additions outpacing the global rise in demand for refined products. IEA expects ~2.8mb/d cumulative refining capacity to be added by FY27, against only ~1.8mb/d cumulative demand growth. Hence, we cut our FY26 SG GRM assumption down to USD5.5/bbl vs. USD6/bbl assumed earlier.
- SG GRM was up marginally in 3QFY25, driven by a rise in gasoline, jet fuel, and fuel oil cracks.
- Marketing margins continue to remain robust in 3Q, with MS/HSD marketing margins up 30%/32% QoQ. Blended marketing margins for IOCL/BPCL/HPCL are expected at INR6.5/INR7/ INR6.1 per liter in 3QFY25, up from 2QFY25.
- BPCL's throughput may decline 11% QoQ, while HPCL/IOCL/MRPL may see a flat throughput QOQ.

Petchem margin weakness continues in 3Q

- Petchem prices increased 2% YoY on average in 3QFY25. LDPE/PP prices were up 19%/4% YoY in 3Q, while HDPE prices were flat YoY.
- PX spread over naphtha declined 50% YoY, while PP spread over naphtha was up 15% YoY.

CGD margins to remain under pressure

- Post the recent ~40% decline in APM allocation to the CNG segment, we have sharply reduced EBITDA/scm margins for CGD companies.
- We believe that even after the recent CNG price hikes and the NW gas allocation to CGDs, CGDs EBITDA/scm margins will remain under pressure until an additional INR3-INR4 per kg CNG price hike is implemented by these entities. Additionally, with gas depleting from legacy fields of ONGC/OINL, APM gas allocated to CNG (~40% currently) will be gradually reduced to nil over the next 1-2 years. Hence, we believe that a tax reform in the CGD space is essential to maintain long-term, sustainable, and healthy margins.
- In the CGD sector, Mahanagar Gas remains our preferred pick given its cheaper valuation compared to Indraprastha Gas, despite having a similar growth profile. We also highlight GAIL as a beneficiary of rising transmission/marketing/petchem volume growth, the potential tariff hike in 4QFY25-1HFY26, and the long-term value unlocking opportunity from the monetization of GAIL Gas. CGD volumes will remain a key focus, particularly for GUJGA, which is pushing for industrial gas usage in Thane rural, Ahmedabad rural, and new areas in Rajasthan. However, in 3Q, Morbi's volume recovery may have been subdued due to low ceramic industry exports and the current geopolitical situation (high propane prices).
- IGL is facing multiple headwinds in volume growth, such as: 1) the most significant margin impacted post APM deallocations, as IGL has the highest exposure to CNG; 2) stagnation in I/C volume growth amid competition from alternate fuels; and 3) stagnant growth in the D-Haryana segment over the past few quarters. As a result, we remain cautious on IGL from a long-term perspective and maintain our Sell rating.

Valuation and view

- **Marketing margin outlook remains robust; OMC profitability likely to remain strong:** Street earnings estimates are building in only INR3-4/lit marketing margin (current margins are above INR10/lit). **HPCL** remains our preferred pick among the three OMCs. We believe that the combination of stable crude oil prices and refining GRMs presents the potential for OMCs to achieve supernormal profits, which are not currently reflected in street estimates. We model a marketing margin of INR3.3/lit for both MS and HSD in FY26-27, while gross marketing margins have averaged INR13.3/lit for MS and INR10.4/lit for HSD in 3QFY25. We see the following as major catalysts for the stock: 1) demerger and potential listing of the lubricant business, 2) commissioning of its bottom upgrade unit in 4QFY25 (leading to ~USD 2/bbl higher GRMs), and 3) start of its Rajasthan refinery during end-1QFY26.
- **Upstream: OINL's** production growth guidance remains robust, with drilling activity and development wells in old areas contributing to this growth. OINL is also implementing new technologies to increase production. Capacity expansion

for NRL (from 3mmt to 9mmt) is expected to be completed by Dec'25-end, which will drive further growth.

- **GAIL:** During FY24-27E, we estimate a 14% CAGR in PAT, driven by: 1) an increase in natural gas transmission volumes to 149mmscmd in FY27 from 120mmscmd in FY24; 2) substantial improvement in the petchem segment's profitability over 2HFY25-FY27 as the new petchem capacity becomes operational and spreads start to bottom out; 3) the trading segment's healthy profitability with a guided EBIT of at least INR45b, accompanied by volume growth.

Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)

(USD/bbl)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)
Oil									
WTI	73.8	82.5	78.4	77.1	80.7	75.2	70.4	-10%	-6%
Brent	78.4	86.7	83.8	83.0	84.6	79.8	74.6	-11%	-7%
Dubai	77.8	86.7	83.5	81.3	85.3	78.4	73.5	-12%	-6%
Arab Light-Heavy	1.8	2.1	2.1	1.8	1.5	1.3	1.9	-8%	42%
Gas									
Henry Hub (USD/mmBtu)	2.2	2.6	2.7	2.2	2.1	2.1	2.4	-12%	14%
LNG Spot	11.1	12.6	15.8	9.4	11.2	13.0	13.9	-12%	7%
Exchange Rate (INR/USD)	82.3	82.2	82.7	83.3	83.0	83.0	84.5	1.76	1.5
Product Cracks (v/s Dubai)									
LPG	-33.7	-29.6	-26.0	-27.2	-33.9	-22.9	-20.0	-23%	-13%
Gasoline	16.6	18.8	11.7	18.2	17.3	10.8	11.6	-1%	7%
Diesel	7.7	21.4	16.1	16.1	18.0	11.2	7.2	-55%	-36%
Jet/Kero	14.0	27.0	23.0	22.8	15.7	12.8	15.0	-35%	17%
Naphtha	-13.0	-16.1	-11.7	-5.4	-9.1	-5.5	-2.8	-76%	50%
Fuel Oil	-8.4	-4.7	-10.9	-9.5	-8.3	-5.3	-1.7	-84%	67%
Singapore GRM	4.0	9.5	5.5	7.3	3.5	3.6	5.0	-8%	41%

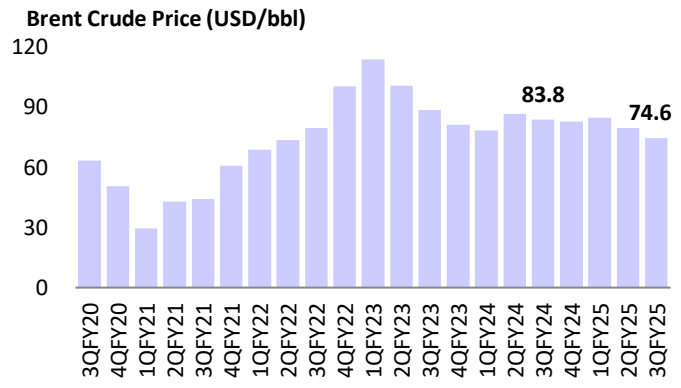
Source: Company, MOFSL

Exhibit 2: Summary of 3QFY25 earnings estimates

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Aegis Logistics	814	Neutral	20,006	6.8	14.3	2,905	37.2	29.7	1,469	12.9	16.6
BPCL	295	Neutral	10,13,852	-12.2	-1.4	80,764	28.6	77.6	48,008	41.3	100.3
Castrol India	204	Buy	13,897	9.9	7.9	3,018	-8.3	5.5	2,298	-5.0	10.8
GAIL	191	Buy	3,26,342	-4.7	-0.8	38,009	-0.6	1.5	25,234	-11.2	-5.6
Gujarat Gas	504	Buy	41,169	4.8	8.9	3,792	-5.4	-26.3	1,850	-16.0	-39.7
Gujarat State Petronet	365	Neutral	2,504	-45.0	5.2	1,940	-48.9	0.6	1,479	-43.6	-62.0
HPCL	413	Buy	9,31,077	-16.3	-6.8	49,509	132.7	78.8	23,441	343.1	271.4
Indraprastha Gas	410	Sell	35,237	-0.8	-4.7	3,244	-41.9	-39.5	2,027	-48.3	-53.0
IOC	137	Buy	24,42,535	22.7	40.5	1,02,806	-34.1	172.5	42,667	-47.1	LP
Mahanagar Gas	1282	Buy	17,782	13.3	3.9	3,239	-27.8	-18.7	2,179	-31.3	-22.9
MRPL	149	Sell	2,15,919	-12.5	-13.5	8,401	-29.1	LP	1,912	-50.6	LP
Oil India	437	Buy	53,370	-8.2	-3.3	21,997	4.5	0.8	14,045	-11.4	-23.4
ONGC	237	Buy	3,20,781	-7.8	-5.3	1,87,153	9.0	2.6	94,607	-4.4	-21.1
Petronet LNG	347	Neutral	1,33,854	-9.2	2.8	13,197	-22.6	9.9	8,959	-24.8	5.7
Reliance Inds.	1222	Buy	23,08,026	2.5	-0.3	4,20,936	3.5	7.8	1,77,302	2.7	7.0
Oil & Gas			78,76,350	1.3	7.8	9,40,909	1.2	21.8	4,47,477	-4.2	20.9
Oil Ex OMCs			34,88,886	-0.9	-1.5	7,07,831	2.6	7.0	3,33,360	-4.0	-4.7

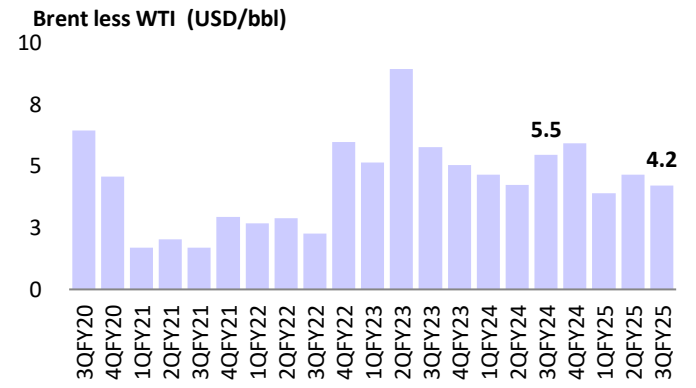
Brent declines 6% QoQ; SG GRM remains flat QoQ

Exhibit 3: Brent crude price down 11% YoY and 7% QoQ



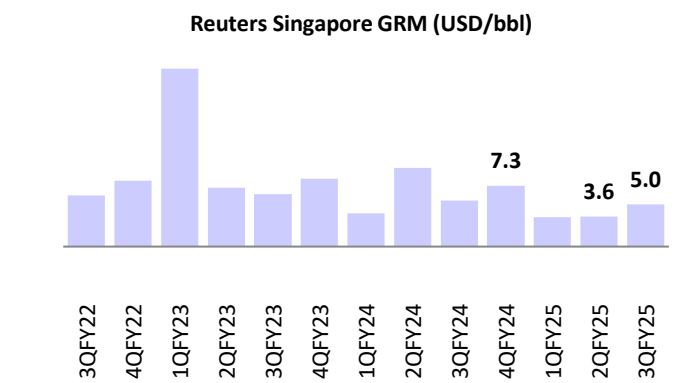
Source: Bloomberg, MOFSL

Exhibit 4: Brent premium to WTI decreased to USD4.2/bbl



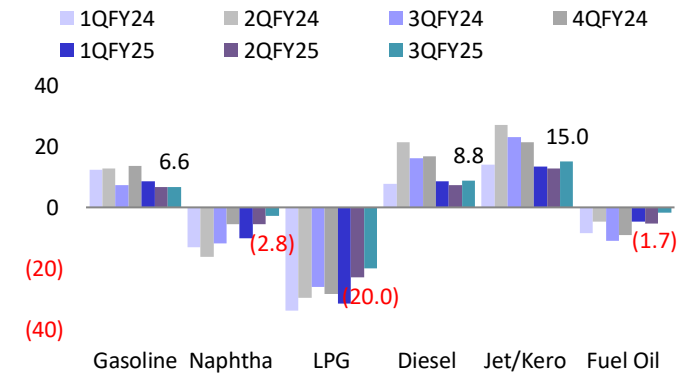
Source: Reuters, MOFSL

Exhibit 5: Reuters SG GRM (average) up 41% QoQ at USD5/bbl



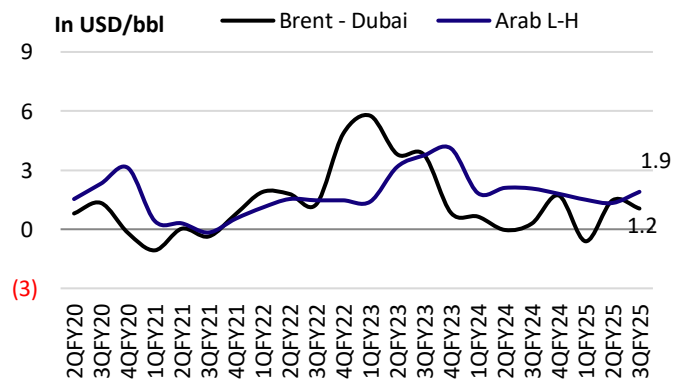
Source: Reuters, MOFSL

Exhibit 6: Fuel Oil, Diesel, and Jet/Kero Crack increased QoQ; Naptha and LPG decreased QoQ (USD/bbl)



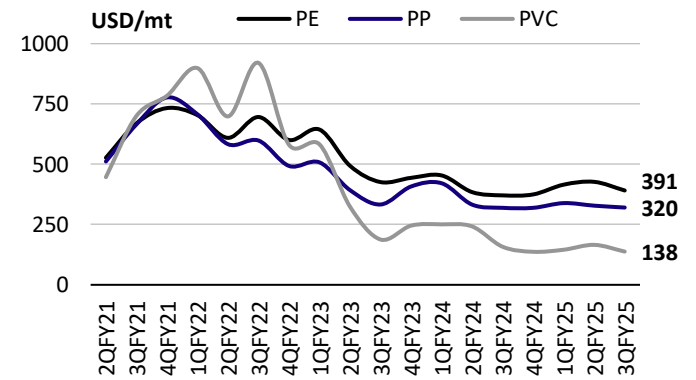
Source: Reuters, MOFSL

Exhibit 7: Crude differential increased to USD1.9/bbl for Arab L-H and decreased QoQ for Brent-Dubai at USD1.2/bbl



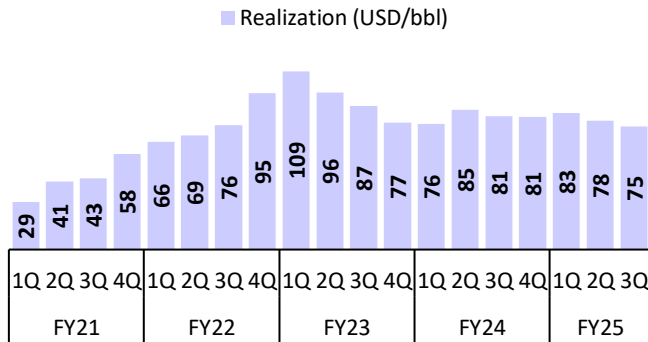
Source: Reuters, MOFSL

Exhibit 8: Spreads over Naptha for PE, PP, and PVC



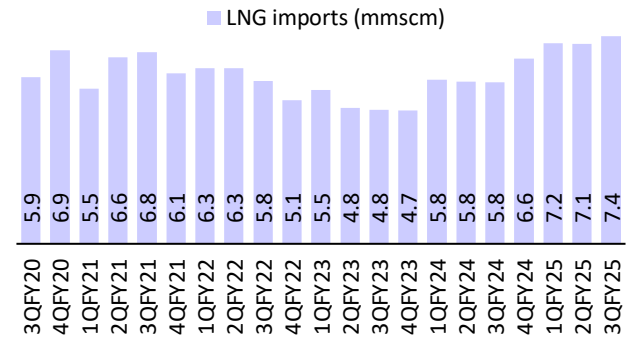
Source: Bloomberg, MOFSL

Exhibit 9: Expect realization of USD75/bbl for ONGC in 3QFY25



Source: Company, MOFSL

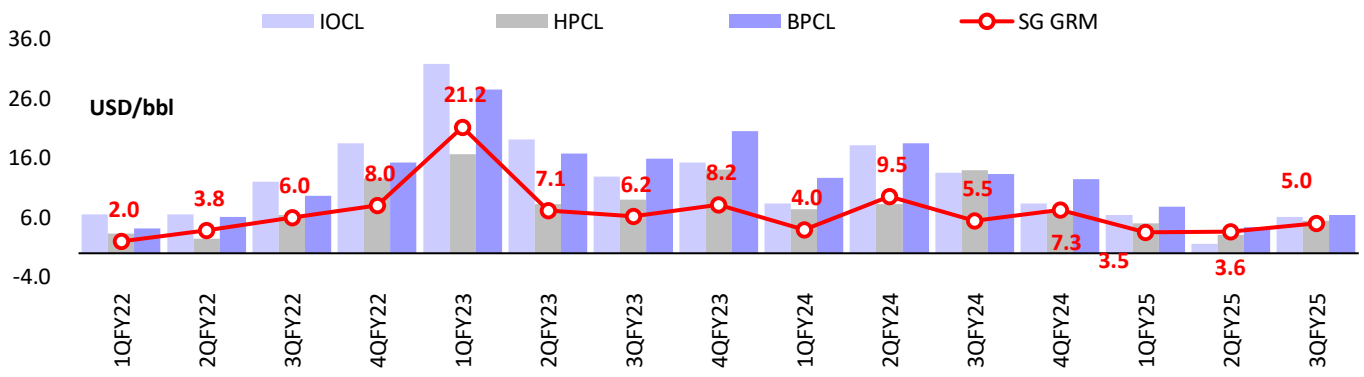
Exhibit 10: Expect LNG imports (mmt) to increase 4%/28% QoQ/YoY in 3QFY25



Dec'24 data extrapolated for 3QFY25E

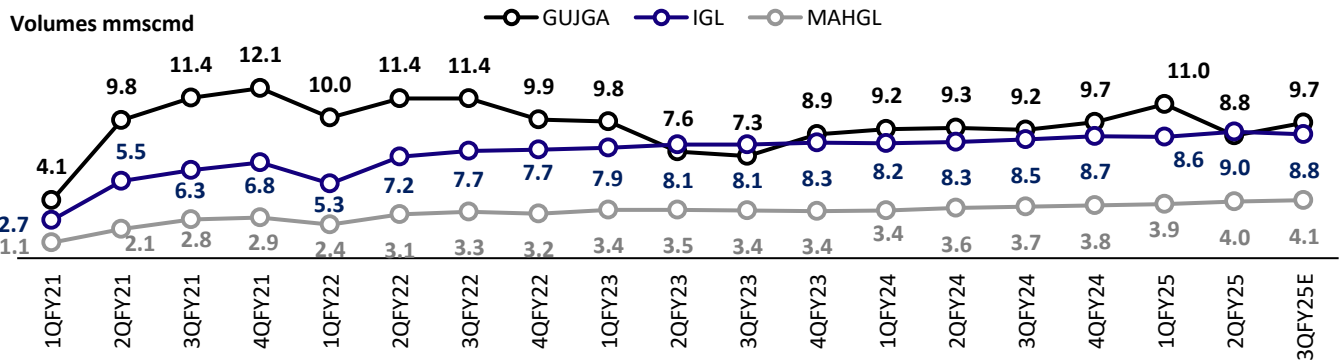
Source: PPAC, MOFSL

Exhibit 11: GRM snapshot for OMCs (USD/bbl)



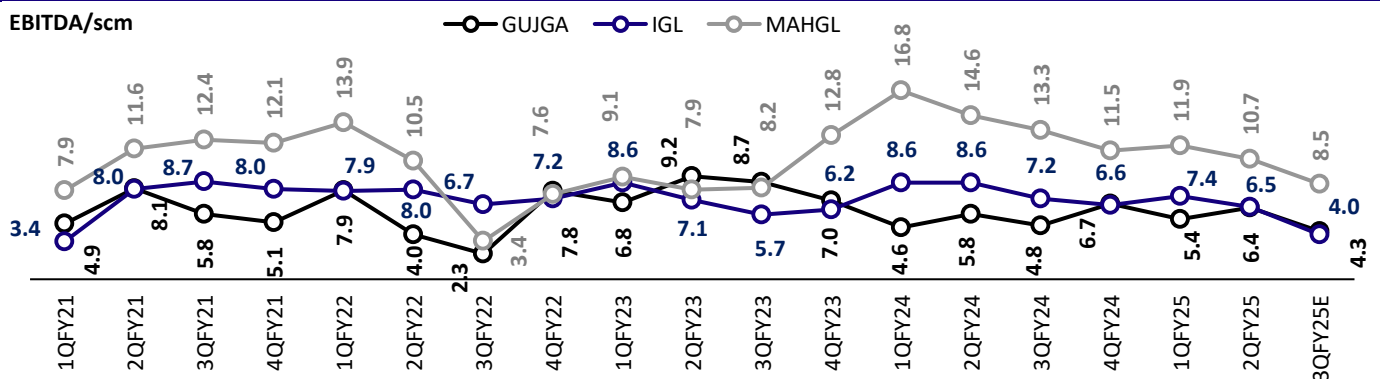
Source: Company, MOFSL

Exhibit 12: Volume snapshot of CGDs (mmscmd)



Source: Company, MOFSL

Exhibit 13: Margin snapshot of CGDs (INR/scm)

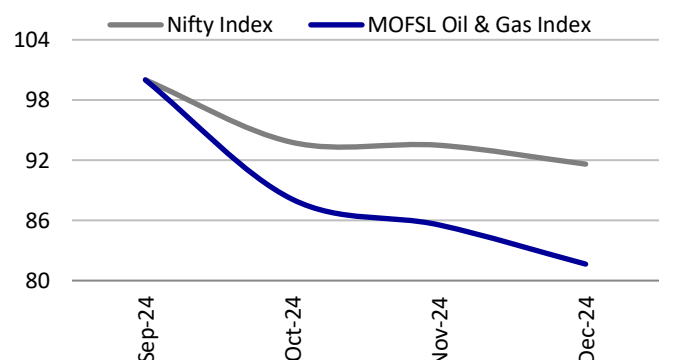


Source: Company, MOFSL

Exhibit 14: Valuation summary

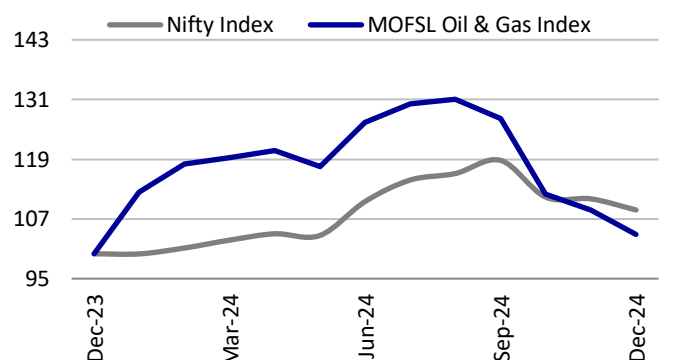
Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Oil & Gas						16.5	13.6	12.6	1.6	1.5	1.3	9.7	10.8	10.7
Aegis Logistics	814	Neutral	16.8	21.0	23.3	48.5	38.8	34.9	6.7	6.0	5.4	14.4	16.3	16.3
BPCL	295	Neutral	28.2	26.1	26.8	10.5	11.3	11.0	1.5	1.4	1.4	15.3	13.2	12.7
Castrol India	204	Buy	8.9	9.2	10.0	22.8	22.2	20.3	9.0	8.5	8.0	40.4	39.3	40.5
GAIL	191	Buy	15.5	18.0	20.5	12.3	10.6	9.3	1.7	1.6	1.4	15.2	16.0	16.6
Gujarat Gas	504	Buy	14.9	17.8	19.3	33.8	28.3	26.0	4.1	3.8	3.5	12.8	14.0	13.9
Gujarat State Petronet	365	Neutral	15.5	11.0	11.0	23.5	33.1	33.2	1.9	1.8	1.7	8.3	5.6	5.4
HPCL	413	Buy	22.1	38.1	40.9	18.6	10.8	10.1	1.7	1.6	1.4	9.7	15.2	14.6
Indraprastha Gas	410	Sell	17.5	21.2	24.9	23.5	19.4	16.5	3.1	2.7	2.5	13.6	14.9	15.8
IOC	137	Buy	7.3	9.0	9.1	18.7	15.3	15.1	1.0	1.0	0.9	5.4	6.3	6.2
Mahanagar Gas	1,282	Buy	101.1	104.6	109.2	12.7	12.3	11.7	2.2	2.0	1.8	18.3	17.1	16.1
MRPL	149	Sell	-0.9	11.0	12.8	-162.3	13.6	11.7	2.0	1.8	1.6	-1.2	13.9	14.4
Oil India	437	Buy	38.3	47.6	51.3	11.4	9.2	8.5	1.5	1.3	1.2	13.5	15.1	14.7
ONGC	237	Buy	38.7	46.5	47.4	6.1	5.1	5.0	0.8	0.7	0.7	13.8	14.9	13.8
Petronet LNG	347	Neutral	25.5	29.3	31.4	13.6	11.9	11.1	2.7	2.4	2.2	21.2	21.8	20.8
Reliance Inds.	1,222	Buy	49.5	61.2	69.4	24.7	20.0	17.6	1.9	1.8	1.6	8.1	9.3	9.7

Exhibit 15: Relative performance – three months (%)



Sources: Bloomberg, MOFSL

Exhibit 16: Relative performance – one year (%)



Sources: Bloomberg, MOFSL

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

Aegis Logistics

Neutral

CMP: INR814 | TP: INR795 (-2%)

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

- Expect EBITDA of INR2.9b due to an increase in India's LPG imports.
- Watch out for commentary on the listing of Aegis Vopak Terminals.
- Recovery in sourcing volume will be a key monitorable.
- Watch out for updates on the Ammonia terminal and LPG terminal capacity in Mangalore, and the liquid capacity expansion in Kochi.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25`				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25
Net Sales	21,005	12,349	18,734	18,372	16,013	17,504	20,006	26,500	70,459	80,024
YoY Change (%)	-6.0	-42.6	-10.2	-14.7	-23.8	41.8	6.8	44.2	-18.3	13.6
EBITDA	1,959	2,083	2,118	3,068	2,323	2,239	2,905	4,145	9,227	11,613
Margin (%)	9.3	16.9	11.3	16.7	14.5	12.8	14.5	15.6	13.1	14.5
Depreciation	333	341	345	334	368	374	454	619	1,353	1,814
Interest	298	266	302	292	313	300	499	883	1,158	1,996
Other Income	374	444	446	632	435	395	360	250	1,896	1,440
PBT	1,702	1,920	1,918	3,073	2,077	1,960	2,313	2,894	8,613	9,244
Tax	375	420	396	700	496	440	583	810	1,891	2,329
Rate (%)	22.0	21.9	20.6	22.8	23.9	22.4	25.2	28.0	22.0	25.2
MI & P/L of Asso. Cos.	169	230	221	410	266	261	261	243	1,030	1,030
Reported PAT	1,158	1,270	1,301	1,963	1,315	1,260	1,469	1,840	5,692	5,884
YoY Change (%)	-24.9	36.0	3.8	39.4	13.5	-0.8	12.9	-6.2	10.8	2.8
Margin (%)	5.5	10.3	6.9	10.7	8.2	7.2	7.3	6.9	8.1	7.3

BPCL

Neutral

CMP: INR295 | TP: INR340 (15%)

EPS CHANGE (%): FY25 | 26: 32 | 0

- Expect refinery throughput at 9.2mmt.
- Expect marketing sales (excluding exports) volumes of 13.4mmt (+4% YoY, +8%QoQ) during the quarter.
- Expect reported GRM at USD6.4/bbl, with blended gross marketing margin at INR7/lit.
- Watch out for updates on the expansion of Bina refinery and the construction of a new petrochemicals plant.

Standalone - Quarterly Earning Model

Y/E March	FY24				FY25				(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY24	FY25
Net Sales	1,129.8	1,029.9	1,154.9	1,165.6	1,131.0	1,027.9	1,013.9	910.3	4,480.1	4,083.0
YoY Change (%)	-6.7	-10.3	-3.1	-1.3	0.1	-0.2	-12.2	-21.9	-5.3	-8.9
EBITDA	158.1	130.1	62.8	92.7	56.5	45.5	80.8	43.5	443.7	226.3
Margins (%)	14.0	12.6	5.4	7.9	5.0	4.4	8.0	4.8	9.9	5.5
Forex loss	-0.2	1.0	0.5	0.5	-0.2	0.0	0.0	0.0	1.8	-0.2
Depreciation	16.1	16.0	18.2	17.2	16.8	17.7	19.1	19.1	67.5	72.8
Interest	6.8	7.7	5.0	5.2	4.4	4.7	3.8	2.2	24.7	15.2
Other Income	4.7	7.7	6.8	4.7	4.8	8.9	6.3	5.2	23.9	25.2
PBT before EO expense	140.1	113.1	45.8	74.4	40.3	31.9	64.2	27.4	373.5	163.8
Extra-Ord expense	0.0	0.0	0.0	18.0	0.0	0.0	0.0	0.0	18.0	0.0
PBT	140.1	113.1	45.8	56.4	40.3	31.9	64.2	27.4	355.5	163.8
Tax Rate (%)	24.7	24.8	25.8	25.1	25.2	24.9	25.2	25.2	25.0	25.1
Reported PAT	105.5	85.0	34.0	42.2	30.1	24.0	48.0	20.5	266.7	122.6
Adj PAT	105.5	85.0	34.0	55.7	30.1	24.0	48.0	20.5	280.2	122.6
YoY Change (%)	LP	LP	73.4	-26.4	-71.4	-71.8	41.3	-63.2	848.1	-56.2

Castrol (India)**Buy****CMP: INR204 | TP: INR260 (+27%)****EPS CHANGE (%): CY24|25: 0|-5**

- Forecast volumes at 61.4m liters (up 12%/12% YoY/QoQ) during the quarter.
- Expect EBITDA margin to contract 4.3% YoY.
- Expect realization of ~INR226/lit during the quarter (vs. INR230 in 4QCY23).
- Raw material volatility, product launches, and OEM tie-ups to remain key monitorables.

Quarterly Performance**(INR m)**

Y/E December	CY23				CY24				CY23	CY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volume (m litres)	55.0	58.0	51.0	55.0	58.0	61.0	55.0	61.4	219.0	235.4
Realization	235	230	232	230	228	229	234	226	232	229
Net Sales	12,939	13,338	11,829	12,640	13,252	13,975	12,882	13,897	50,746	54,007
YoY Change (%)	4.7	7.4	5.5	7.5	2.4	4.8	8.9	9.9	6.3	6.4
EBITDA	2,950	3,098	2,686	3,291	2,937	3,224	2,861	3,018	12,024	12,041
YoY Change (%)	-7.0	8.3	4.4	31.3	-0.4	4.1	6.5	-8.3	8.2	0.1
Margin (%)	22.8	23.2	22.7	26.0	22.2	23.1	22.2	21.7	23.7	22.3
Depreciation	227	218	229	250	237	261	245	261	924	963
Interest	17	15	24	20	21	26	20	21	75	79
Other Income	176	186	202	223	241	204	209	224	787	792
PBT before EO expense	2,883	3,050	2,635	3,243	2,921	3,142	2,805	2,960	11,811	11,791
PBT	2,883	3,050	2,635	3,243	2,921	3,142	2,805	2,960	11,811	11,791
Tax	858	797	691	824	758	820	730	663	3,170	2,971
Rate (%)	29.8	26.1	26.2	25.4	26.0	26.1	26.0	22.4	26.8	25.2
PAT	2,025	2,253	1,944	2,419	2,162	2,322	2,074	2,298	8,641	8,819
YoY Change (%)	-11.3	9.2	3.9	25.2	6.8	3.1	6.7	-5.0	6.0	2.1

GAIL**Buy****CMP: INR191 | TP: INR255 (+33%)****EPS CHANGE (%): FY25|26: +2|+4**

- Expect strong transmission volumes and flat trading EBIT QoQ.
- Expect Petchem volumes of 212.6kmt, with segmental EBIT remaining profitable.
- Potential gas price-related tariff hikes remain a key monitorable, increasing the company's FY26E PAT by 5%.
- Updates on the progress of ongoing pipeline projects remain the key monitorable.

Standalone quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,24,079	3,18,226	3,42,535	3,23,345	3,36,738	3,29,117	3,26,342	3,32,832	13,08,185	13,25,029
Change (%)	-13.7	-17.3	-3.2	-1.6	3.9	3.4	-4.7	2.9	-9.3	1.3
EBITDA	26,131	34,913	38,226	35,578	45,281	37,450	38,009	27,501	1,34,848	1,48,240
% of Net Sales	8.1	11.0	11.2	11.0	13.4	11.4	11.6	8.3	10.3	11.2
Depreciation	6,358	7,503	7,843	11,605	10,489	8,153	8,153	8,362	33,308	35,157
Interest	1,758	1,718	1,564	1,932	2,092	1,901	1,417	909	6,972	6,319
Other Income	2,676	5,609	8,121	6,376	3,716	7,135	5,468	8,058	22,782	24,377
PBT	20,691	31,301	36,940	28,418	36,416	34,531	33,906	26,288	1,17,350	1,31,142
Tax	4,767	7,252	8,514	6,648	9,176	7,812	8,673	3,419	27,181	29,080
Rate (%)	23.0	23.2	23.0	23.4	25.2	22.6	25.6	13.0	23.2	22.2
PAT	15,924	24,049	28,426	21,770	27,240	26,719	25,234	22,869	90,169	1,02,061
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	11.1	-11.2	5.0	70.1	13.2
Extraord.: Tax Prov. Write Back	0	0	0	0	0	0	0	0	0	0
Adj PAT	15,924	24,049	28,426	21,770	27,240	26,719	25,234	22,869	90,169	1,02,061
Change (%)	-45.4	56.5	1,056.8	260.7	71.1	11.1	-11.2	5.0	70.1	13.2

Gujarat Gas**Buy****CMP: INR504 | TP: INR580 (+15%)****EPS CHANGE (%): FY25 | 26: -20 | -14**

- Expect volumes at 9.7mmscmd (up 6% YoY/11% QoQ) due to recovery in Morbi volumes.
- Expect EBITDA/scm to decline 33% QoQ to INR4.3.
- Pickup in volumes at Morbi to be the key monitorable.
- A push for industrial gas usage in Thane rural, Ahmedabad rural, and new areas in Rajasthan would be key factors for growth.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	37,815	38,454	39,291	41,342	44,503	37,818	41,169	43,540	1,56,902	1,67,029
YoY Change (%)	-26.9	-3.3	6.6	5.2	17.7	-1.7	4.8	5.3	-6.4	6.5
EBITDA	3,880	4,966	4,007	5,911	5,356	5,142	3,792	3,948	18,764	18,238
Margin (%)	10.3	12.9	10.2	14.3	12.0	13.6	9.2	9.1	12.0	10.9
Depreciation	1,151	1,179	1,201	1,212	1,231	1,295	1,371	1,371	4,743	5,267
Interest	74	78	72	69	78	80	74	65	293	297
Other Income	239	298	230	311	386	386	127	127	1,078	1,025
PBT before EO expense	2,894	4,007	2,964	4,940	4,433	4,152	2,474	2,639	14,805	13,698
Extra-Ord expense	0	0	0	-557	0	0	0	0	-557	0
PBT	2,894	4,007	2,964	5,497	4,433	4,152	2,474	2,639	15,362	13,698
Tax	743	1,029	761	1,402	1,135	1,083	623	606	3,934	3,448
Rate (%)	25.7	25.7	25.7	25.5	25.6	26.1	25.2	23.0	25.6	25.2
Reported PAT	2,151	2,978	2,203	4,095	3,298	3,069	1,850	2,033	11,428	10,251
Adj. PAT	2,151	2,978	2,203	3,681	3,298	3,069	1,850	2,033	11,013	10,251
YoY Change (%)	-43.6	-26.3	-40.7	-0.3	53.3	3.1	-16.0	-44.8	-27.8	-6.9

Gujarat State Petronet**Neutral****CMP: INR365 | TP: INR388 (+6%)****EPS CHANGE (%): FY25 | 26: -3 | -3**

- Expect transmission volumes of 31mmscmd (up 7% YoY/4% QoQ).
- EBITDA expected to decline 49% YoY due to the full impact of tariff cut continuing in 3QFY25.
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorables.
- Tariff-related updates remain the key monitorable.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,937	4,533	4,555	4,547	3,354	2,379	2,504	2,450	17,572	10,662
YoY Change (%)	-6.3	17.7	30.7	21.6	-14.8	-47.5	-45.0	-46.1	15.0	-39.3
EBITDA	3,364	4,103	3,795	3,780	3,010	1,929	1,940	1,754	15,041	8,609
YoY Change (%)	-6.6	22.9	40.6	28.2	-10.5	-53.0	-48.9	-53.6	19.5	-42.8
Margin (%)	85.5	90.5	83.3	83.1	89.7	81.1	77.5	71.6	85.6	80.7
Depreciation	468	477	488	486	490	511	503	509	1,920	2,013
Interest	10	10	11	19	13	11	11	9	50	44
Other Income	180	2,663	211	296	328	2,939	566	432	3,351	4,265
PBT before EO expense	3,066	6,278	3,506	3,571	2,835	4,346	1,992	1,668	16,422	10,817
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,066	6,278	3,506	3,571	2,835	4,346	1,992	1,668	16,422	10,817
Tax	773	958	884	960	715	453	514	371	3,576	2,055
Rate (%)	25.2	15.3	25.2	26.9	25.2	10.4	25.8	22.2	21.8	19.0
Reported PAT	2,293	5,320	2,622	2,611	2,120	3,893	1,479	1,297	12,846	8,762
YoY Change (%)	-2.6	69.3	53.4	16.4	-7.5	-26.8	-43.6	-50.3	35.9	-31.8
Margin (%)	58.2	117.4	57.6	57.4	63.2	163.6	59.1	52.9	73.1	82.2

HPCL**Buy****CMP: INR413 | TP: INR480 (+16%)****EPS CHANGE (%): FY25|26: +44|+2**

- Expect refining throughput at 6.3mmt (+18% YoY).
- Expect marketing sales volumes at 12.2mmt (+2% YoY).
- Expect reported GRM at USD5.5/bbl, with gross marketing margin at INR6.1/lit.
- Watch out for the completion timeline of the bottom upgrade project and the new Rajasthan refinery.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,119.6	957.0	1,113.1	1,145.6	1,138.0	999.3	931.1	893.5	4,335.2	3,961.8
YoY Change (%)	-2.2	-11.7	1.6	6.1	1.6	4.4	-16.3	-22.0	-1.6	-8.6
EBITDA	95.2	85.8	21.3	48.7	20.8	27.7	49.5	22.7	251.0	120.6
Margins (%)	8.5	9.0	1.9	4.2	1.8	2.8	5.3	2.5	5.8	3.0
Depreciation	13.6	12.4	13.4	16.1	14.8	15.2	16.8	20.5	55.5	67.3
Forex loss	-1.3	3.6	-0.4	0.6	-0.3	0.4	0.0	0.0	2.6	0.2
Interest	5.9	5.8	6.1	7.3	7.3	9.4	7.7	6.3	25.2	30.7
Other Income	6.3	3.4	5.6	8.5	5.7	5.7	6.3	7.5	23.8	25.3
PBT	83.3	67.4	7.7	33.1	4.7	8.4	31.3	3.4	191.5	47.8
Rate (%)	25.5	24.1	31.1	14.2	24.5	24.4	25.2	25.2	23.3	25.0
Minority Interest & Profit/Loss of Asso. Cos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	62.0	51.2	5.3	28.4	3.6	6.3	23.4	2.5	146.9	35.8
YoY Change (%)	LP	LP	206.8	-11.8	-94.3	-87.7	343.1	-91.1	LP	-75.6

Indraprastha Gas**Sell****CMP: INR410 | TP: INR360 (-12%)****EPS CHANGE (%): FY25|26: -24|-12**

- Expect total volumes at 8.8mmscmd (up 4% YoY/-2% QoQ).
- Expect EBITDA/scm at INR4, down 38% QoQ, while Spot LNG will be up 7% QoQ.
- An increase in sales volumes from GAs – both existing and newly awarded ones – will be a key monitorable.
- Slowing D-PNG growth and increasing competition from alternate fuels in the I/C segment will be the key risk to long-term volume growth prospects.

Standalone Quarterly performance**(INR m)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	34,070	34,585	35,504	35,968	35,206	36,973	35,237	33,878	1,40,000	1,41,294
Change (%)	6.7	-2.7	-4.3	-2.3	3.3	6.9	-0.8	-5.8	-1.0	0.9
EBITDA	6,424	6,569	5,582	5,225	5,819	5,359	3,244	3,165	23,669	17,587
EBITDA (INR/scm)	8.6	8.6	7.2	6.6	7.4	6.5	4.0	3.8	7.7	5.4
Change (%)	4.0	24.5	30.3	13.4	-9.4	-18.4	-41.9	-39.4	16.3	-25.7
Depreciation	989	1,022	1,018	1,108	1,143	1,184	1,163	1,162	4,138	4,651
Interest	24	25	18	26	22	23	21	16	92	82
Other Income	457	1,340	610	1,094	727	1,493	647	523	3,632	3,390
PBT before EO	5,867	6,862	5,155	5,187	5,380	5,645	2,708	2,510	23,072	16,244
Tax	1,483	1,514	1,235	1,359	1,366	1,334	682	647	5,591	4,028
Rate (%)	25.3	22.1	23.9	26.2	25.4	23.6	25.2	25.8	24.2	24.8
PAT	4,384	5,348	3,921	3,828	4,015	4,311	2,027	1,863	17,481	12,215
PAT (INR/scm)	5.9	7.0	5.0	4.8	5.1	5.2	2.5	2.3	5.7	3.5
Change (%)	4.2	28.5	40.9	16.1	-8.4	-19.4	-48.3	-51.3	21.0	-30.1

IOC**Buy****CMP: INR137 | TP: INR185 (+35%)****EPS CHANGE (%): FY25|26: +70|+14**

- Expect refinery throughput of 17.4mmt (down 6% YoY).
- Expect reported GRM at USD6.1/bbl, with gross marketing margin at INR6.5/lit.
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division.

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

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1975.3	1797.4	1991.0	1979.8	1932.4	1738.5	2442.5	2391.5	7743.5	8504.9
YoY Change (%)	-11.9	-13.4	-2.8	-2.5	-2.2	-3.3	22.7	20.8	-7.8	9.8
EBITDA	221.5	221.6	155.9	106.9	86.3	37.7	102.8	47.6	705.8	274.5
Margin (%)	11.2	12.3	7.8	5.4	4.5	2.2	4.2	2.0	9.1	3.2
Depreciation	31.5	32.8	43.4	37.4	37.6	37.2	37.2	36.7	145.1	148.6
Interest	16.3	18.5	18.3	20.2	19.6	24.1	18.7	12.4	73.3	74.9
Other Income	6.9	9.8	14.5	16.6	5.3	13.7	10.1	11.2	47.8	40.3
PBT	180.7	171.7	107.7	63.3	34.5	1.7	57.0	9.7	523.4	103.0
Rate (%)	23.9	24.5	25.1	23.6	23.4	-4.2	25.2	25.2	24.3	24.1
Adj PAT	137.5	129.7	80.6	48.4	26.4	-9.8	42.7	7.2	396.2	66.6
YoY Change (%)	LP	LP	1699.8	-51.9	-80.8	-107.5	-47.1	-85.0	380.7	-83.2
Margin (%)	7.0	7.2	4.0	2.4	1.4	-0.6	1.7	0.3	5.1	0.8

Mahanagar Gas**Buy****CMP: INR1,282 | TP: INR1,730 (+35%)****EPS CHANGE (%): FY25|26: +2|+3**

- Expect volume growth of 13% YoY to 4.1mmscmd, with CNG volumes up 15% YoY.
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- EBITDA margin expected at INR8.5/scm.
- Updates on volumes at UEPL to be a key monitorable.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	15,378	15,709	15,688	15,671	15,896	17,116	17,782	17,571	62,445	68,365
YoY Change (%)	5.7	0.5	-6.1	-2.7	3.4	9.0	13.3	12.1	-0.9	9.5
EBITDA	5,213	4,789	4,487	3,938	4,185	3,985	3,239	3,241	18,426	14,650
EBITDA/SCM	16.8	14.6	13.3	11.5	11.9	10.7	8.5	9.0	13.9	10.0
Margins (%)	33.9	30.5	28.6	25.1	26.3	23.3	18.2	18.4	29.5	21.4
Depreciation	620	658	683	775	719	735	742	771	2,736	2,966
Interest	25	25	27	38	31	31	31	32	115	124
Other Income	390	437	481	446	402	512	446	425	1,753	1,784
PBT	4,957	4,543	4,258	3,570	3,837	3,731	2,912	2,863	17,328	13,344
Tax	1,273	1,158	1,086	920	992	903	733	731	4,437	3,359
Rate (%)	25.7	25.5	25.5	25.8	25.8	24.2	25.2	25.5	25.6	25.2
Reported PAT	3,684	3,385	3,172	2,650	2,845	2,828	2,179	2,133	12,891	9,985
YoY Change (%)	98.9	106.4	84.3	-1.4	-22.8	-16.5	-31.3	-19.5	63.2	-22.5
Margins (%)	24.0	21.5	20.2	16.9	17.9	16.5	12.3	12.1	20.6	14.6

MRPL**Sell****CMP: INR149 | TP: INR127 (-15%)****EPS CHANGE (%): FY25|26: PL|+11**

- Expect refinery throughput of 4.5mmt (flat YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD5/bbl, factoring in inventory gain.
- Persistently high valuations remain a concern, given the current highly volatile macro environment.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	211.7	192.3	246.7	253.3	232.5	249.7	215.9	200.8	904.0	898.8
YoY Change (%)	-40.4	-21.9	-7.1	-0.1	20.9	29.8	-12.5	-20.7	-16.9	-0.6
EBITDA	20.6	22.4	11.8	23.4	6.2	-4.3	8.4	9.8	78.3	20.0
Margin (%)	11.7	11.7	4.8	9.2	2.7	-1.7	3.9	4.9	8.7	2.2
Depreciation	2.9	3.0	3.3	3.3	3.4	3.4	3.4	3.5	12.6	13.8
Forex loss	-0.1	1.0	0.2	0.1	0.1	0.4	0.0	0.0	1.3	0.5
Interest	2.7	3.1	2.7	2.6	2.1	2.8	2.5	2.5	11.1	10.0
Other Income	0.5	0.7	0.4	0.4	0.4	0.6	0.4	0.3	2.1	1.7
PBT	15.6	16.1	5.9	17.7	1.0	-10.4	2.9	4.0	55.2	-2.5
Tax	5.5	5.5	2.0	6.3	0.4	-3.6	1.0	1.4	19.3	-0.9
Rate (%)	35.0	34.0	34.5	35.6	34.8	34.5	34.0	34.0	34.9	35.6
Reported PAT	10.1	10.6	3.9	11.4	0.7	-6.8	1.9	2.6	36.0	-1.6
YoY Change (%)	-62.6	LP	LP	-40.1	-93.8	PL	-50.6	-76.9	36.6	PL
Margin (%)	4.8	5.5	1.6	4.5	0.3	-2.7	0.9	1.3	4.0	-0.2

Oil India**Buy****CMP: INR437 | TP: INR600 (+37%)****EPS CHANGE (%): FY25|26: -15|-2**

- Oil realization to decline 2% YoY.
- Expect oil sales at 0.84mmt (flat YoY) and gas sales at 0.65bcm (down 4% YoY).
- An increase in production at the Baghjan field is a key monitorable for the medium term.
- Update on the progress of the NRL capacity expansion and IGGL phase I to remain the key monitorable.

Quarterly Performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	46.4	59.1	58.2	57.6	58.4	55.2	53.4	54.3	221.3	221.2
Change (%)	-22.1	2.4	-1.1	2.0	25.7	-6.7	-8.2	-5.7	-4.9	0.0
EBITDA	23.3	24.9	21.1	23.4	24.7	21.8	22.0	23.5	92.6	92.0
% of Net Sales	50.1	42.1	36.2	40.6	42.2	39.6	41.2	43.3	41.8	41.6
Change (%)	-11.5	34.6	-26.2	-0.5	5.9	-12.3	4.5	0.6	-4.4	-0.7
D,D&A	4.0	4.2	5.0	4.6	4.6	5.0	5.3	5.8	17.8	20.7
Interest	1.7	2.2	1.8	1.9	2.0	2.3	2.1	2.3	7.6	8.6
OI (incl. Oper. other inc)	3.3	7.1	5.1	8.3	1.6	8.6	4.2	6.3	23.8	20.6
PBT before exceptional	21.0	25.5	19.3	25.2	19.7	23.1	18.8	21.7	91.1	83.3
Exceptional item	0.0	23.6	0.0	0.0	0.0	0.0	0.0	0.0	23.6	0.0
PBT after exceptional	21.0	1.9	19.3	25.2	19.7	23.1	18.8	21.7	67.5	83.3
Tax	4.9	-1.4	3.5	5.0	5.1	4.7	4.7	6.4	11.9	21.0
Rate (%)	23.2	-5.4	18.0	19.6	25.7	20.4	25.2	29.7	13.1	25.2
PAT	16.1	3.3	15.8	20.3	14.7	18.3	14.0	15.3	55.5	62.3
Change (%)	3.7	-81.1	-9.3	13.5	-9.1	463.8	-11.4	-24.8	-18.5	12.2
Adj. PAT	16.1	19.1	15.8	20.3	14.7	18.3	14.0	15.3	71.4	62.3

ONGC**Buy****CMP: INR237 | TP: INR305 (+29%)****EPS CHANGE (%): FY25 | 26: -4 | -2**

- Oil realization likely to increase 2% YoY.
- Update on the ramp-up of gas production remains the key monitorable.
- Expect oil volumes to be flat and gas sales volumes to be down 7% YoY. VAP sales to increase 18% YoY.
- Delay in peak oil production from KG Basin and decline in oil prices below USD70/bbl are the key downside risks.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	338.1	351.6	347.9	346.4	352.7	338.8	320.8	343.3	1,384.0	1,355.5
YoY Change (%)	-20.1	-8.2	-9.8	-4.6	4.3	0.2	-8.8	-1.3	-11.0	-2.1
EBITDA	194.5	183.6	171.6	174.1	186.2	182.4	187.2	199.8	723.8	755.5
Margin (%)	57.5	52.2	49.3	50.3	52.8	53.8	58.3	58.2	52.3	55.7
Depreciation	67.0	59.6	69.3	71.9	75.4	68.1	70.4	75.0	260.6	288.9
Interest	10.1	10.2	10.2	10.3	11.8	11.6	14.6	20.3	40.8	58.3
Other Income	16.1	20.9	34.0	36.8	20.6	47.7	24.2	24.5	107.8	117.0
PBT	133.6	134.7	126.1	128.6	119.6	150.4	126.4	128.9	530.2	525.3
Tax	33.5	32.6	27.2	29.9	30.2	30.5	31.8	32.5	124.9	125.0
Rate (%)	25.0	24.2	21.6	23.3	25.2	20.3	25.2	25.2	23.6	23.8
Reported PAT	100.2	102.2	98.9	98.7	89.4	119.8	94.6	96.5	405.3	400.3

Petronet LNG**Neutral****CMP: INR347 | TP: INR370 (6%)****EPS CHANGE (%): FY25 | 26: -1 | -5**

- We model in Dahej/Kochi utilization at 106%/23%.
- LNG imports remain strong given the robust power demand and moderate LNG prices overall.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 7% YoY.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,16,561	1,25,320	1,47,472	1,37,932	1,34,151	1,30,218	1,33,854	1,34,401	5,27,284	5,32,625
YoY Change (%)	-18.3	-21.6	-6.5	-0.6	15.1	3.9	-9.2	-2.6	-12.0	1.0
EBITDA	11,818	12,147	17,060	11,040	15,630	12,005	13,197	13,971	52,065	54,803
Margin (%)	10.1	9.7	11.6	8.0	11.7	9.2	9.9	10.4	9.9	10.3
Depreciation	1,919	1,948	1,955	1,944	1,946	1,963	2,024	2,165	7,766	8,098
Interest	746	747	697	708	667	654	662	665	2,897	2,648
Other Income	1,467	1,567	1,565	1,568	2,181	2,016	1,467	1,403	6,167	7,067
PBT	10,621	11,020	15,973	9,957	15,199	11,404	11,978	12,544	47,570	51,125
Tax	2,723	2,839	4,066	2,581	3,783	2,928	3,018	2,682	12,208	13,190
Rate (%)	25.6	25.8	25.5	25.9	24.9	25.7	25.2	21.4	25.7	25.8
Reported PAT	7,899	8,181	11,907	7,376	11,416	8,476	8,959	9,862	35,362	37,934
Adj PAT	7,899	8,181	11,907	7,376	11,416	8,476	8,959	9,862	35,362	37,934
YoY Change (%)	12.7	9.9	0.9	20.1	44.5	3.6	-24.8	33.7	9.1	7.3
Margin (%)	6.8	6.5	8.1	5.3	8.5	6.5	6.7	7.3	6.7	7.1

Reliance Industries

Buy
CMP: INR1311 | TP: INR1550 (+18%)
EPS CHANGE (%): FY25|26: -3|0

- Expect consolidated EBITDA to grow 4% YoY at INR421b.
- Expect production meant for sale at 17.5mmt (flat YoY).
- Expect standalone EBITDA at INR146b (down 17% YoY).
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorables.

Consolidated - Quarterly Earning Model

(INR b)

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	2,076	2,319	2,251	2,365	2,318	2,315	2,308	2,334	9,011	9,275
YoY Change (%)	-5.4	0.8	3.6	11.1	11.7	-0.2	2.5	-1.3	2.5	2.9
EBITDA	381	410	407	425	388	391	421	435	1,622	1,634
YoY Change (%)	0.3	31.2	15.3	10.6	1.8	-4.7	3.5	2.3	13.5	0.7
Margins (%)	18.4	17.7	18.1	18.0	16.7	16.9	18.2	18.6	18.0	17.6
Depreciation	118	126	129	136	136	129	136	140	508	540
Interest	58	57	58	58	59	60	61	65	231	246
Other Income	38	38	39	45	40	49	50	56	161	195
PBT	243	265	258	277	232	250	274	286	1,043	1,043
Rate (%)	25.2	25.2	24.6	23.7	24.9	23.7	23.5	23.6	24.6	23.9
Minority Interest & Profit/Loss of Asso. Cos.	21.7	24.3	22.2	21.9	23.1	25.4	32.6	43.7	90.1	124.8
Reported PAT	160	174	173	190	151	166	177	175	696	669
YoY Change (%)	-12.0	27.0	9.2	-1.8	-5.5	-4.8	2.7	-7.7	2.5	-3.9
Margins (%)	7.7	7.5	7.7	8.0	6.5	7.2	7.7	7.5	7.7	7.2

Real Estate

Company

Anant Raj
Brigade Enterprises
DLF
Godrej Properties
Kolte Patil
Macrotech Developers
Mahindra Lifespace
Oberoi Realty
Phoenix Mills
Prestige Estates
Signature Global
Sobha
Sunteck Realty

Strong sales backed by sustenance demand

- Our coverage universe is expected to report pre-sales of INR337b, up 10% YoY/46% QoQ, in 3QFY25. New launches were muted from most of our coverage companies, with the exception of DLF, GPL, BRGD, OBER, and PEPL, which launched projects in NCR, MMR, Pune, and Bengaluru. These companies not only received a strong response to their new projects but are also anticipated to see robust sustenance sales. As a result, they are likely to maintain momentum despite a high base.
- Among all companies, BRGD/KPDL/LODHA/SIGNATUR/SUNTECK are expected to report 25-75% YoY growth in bookings. Additionally, OBER is expected to clock INR22b (178% YoY) in pre-sales, guided by the exceptional response to the launch of Pokhran-2 Thane project, as well as strong sales in 360 West for 3QFY25.
- Cumulative collections for our coverage companies are likely to increase 53% YoY to INR245b, implying a collection efficiency of ~73% guided by strong execution despite the absence of new launches.
- The cumulative revenue recognition for our coverage is expected to stand at INR167b (up 47% YoY), with an EBITDA of INR47b (up 44% YoY).

Inventory from recent project launches supports pre-sales

- **DLF:** Its 3QFY25 performance is expected to be driven by inventory from existing projects and the favorable response to its uber-luxury project, 'The Dahlias' launch. We expect DLF to clock bookings of INR50b following a weak Q2FY25.
- **OBER:** Oberoi Realty is expected to post strong pre-sales, guided by the exceptional response to Jardin by Oberoi Garden City, Thane. Additionally, 360 West is expected to achieve strong bookings during the quarter. Therefore company is expected to post strong pre-sales of INR22b, reflecting a 178% YoY increase.
- **GPL:** GPL is expected to see strong pre-sales guided by a mix of launches and sustenance sales from ongoing projects. Hence, the company is expected to achieve bookings of INR65b, reflecting a 14% YoY increase.
- **PEPL:** The company launched White Meadows in Bengaluru during the quarter and has INR162b of inventory from recent project launches. As a result, we expect the company to clock pre-sales of INR65b for the quarter.
- **BRGD:** The company's 3Q performance is expected to be driven by a new project in Bengaluru/Hyderabad, with pre-sales projected to reach INR24b, reflecting a 66% YoY increase.
- **SOBHA:** While there were no key launches during the quarter, the company has ~INR104b of unsold stock across ongoing projects. We expect SOBHA to report pre-sales of INR22b, reflecting an increase of 13% YoY.
- **SIGNATUR:** The company is expected to achieve pre-sales of INR22b from the recently launched Daxin Vistas and possible phase II launch of Titanium SPR.
- **SUNTECK:** The company is likely to report sales of INR7b on the back of healthy sales across all key projects.
- **KOLTE PATIL:** Steady sales, along with a few small launches, are expected to drive bookings to INR10b, reflecting a 27% YoY increase.
- **LODHA:** Company achieved bookings of INR45.1b (Vs INR45b MOSLe), up 32% YoY for 3QFY25. Collections in 3QFY25 increased 66% YoY to INR42.9b (Vs INR35b MOSLe) which takes nine months tally to INR101b representing growth of 30% YoY.

Top picks: GPL, SIGNATUR, SOBHA, and PEPL

- The residential real estate sector witnessed a 4% volume decline in CY24, according to Anarock. However, due to strong growth in realization, the value is expected to be higher than last year. The decline in volumes is attributed to fewer launches, stemming from approval delays caused by the absence of committees, changes in regulations, or election-related factors at the state/center level.
- With a favorable demand, a comfortable inventory position, healthy pricing power, and opportunities for market consolidation, we expect the buoyancy in the real estate sector to continue for at least the next two years. Accordingly, we remain constructive on the sector.
- We have a BUY rating on ARCP, BRGD, GPL, KPDL, LODHA, PEPL, SIGNATUR, SOBHA, and SRIN, while a Neutral rating on DLFU, MLDL, PHNX, and OBER. **GPL, SIGNATUR, SOBHA, and PEPL** are our top picks.

Exhibit 1: Expected financial performance summary

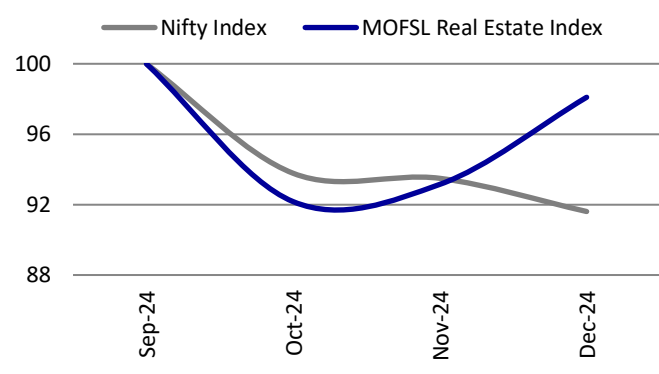
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Anant Raj	856	Buy	3,568	-9.0	-30.4	2,659	195.2	135.7	1,595	122.0	51.1
Brigade Enterpr.	1237	Buy	13,410	14.3	25.1	4,291	63.8	47.0	2,212	200.9	85.9
DLF	825	Buy	17,071	12.2	-13.6	3,546	-30.6	-29.4	8,034	22.5	3.6
Godrej Properties	2774	Buy	8,338	152.3	-23.7	753	LP	135.8	2,785	344.0	-16.6
Kolte Patil Dev.	356	Buy	5,693	651.1	84.7	727	LP	349.4	335	LP	244.3
Macrotech Developers	1365	Buy	38,732	32.2	47.5	10,264	16.3	45.7	5,955	4.5	40.8
Mahindra Lifespace	464	Neutral	1,040	26.8	1,266.3	-468	Loss	Loss	211	-57.8	LP
Oberoi Realty	2279	Neutral	14,653	39.1	11.0	8,589	68.6	5.5	6,304	75.0	6.9
Phoenix Mills	1588	Neutral	10,415	5.6	13.5	6,161	11.6	19.0	2,810	0.6	28.9
Prestige Estates	1655	Buy	28,128	56.6	22.1	7,538	36.7	19.4	2,009	72.7	4.5
SignatureGlobal	1354	Buy	11,176	296.6	49.2	966	LP	LP	803	3,474	1,866
Sobha	1574	Buy	11,758	71.7	25.9	1,764	137.9	128.7	915	507.0	250.9
Sunteck Realty	508	Buy	3,002	607.2	77.6	647	LP	73.1	464	LP	34.0
Real Estate			1,66,983	47.1	19.4	47,436	44.0	29.0	34,432	57.6	22.2

Exhibit 2: Expected operational performance summary

Sector	Pre-Sales (INR b)			Volume (MSF)			Collections (INR b)		
	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Brigade Enterprise	24	57	32	2.3	35	36	21	50	8
DLF	50	-45	623	1.7	-67	66	24	-5	1
Godrej Properties	65	14	25	6.5	50	26	50	107	25
Kolte Patil	10	27	23	1.1	14	9	6	30	17
Macrotech Developers*	45	32	5	3.3	28	5	43	66	40
Mahindra Lifespaces	6	35	51	0.5	-6	-6	7	68	42
Oberoi Realty	22	180	53	0.7	167	149	16	79	32
Prestige Estates	65	22	62	6.2	13	106	38	31	48
Signature Global	22	74	-21	1.8	57	-25	19	142	102
SOBHA	22	13	87	1.8	6	89	17	31	39
Sunteck Realty	7	43	24	0.5	11	24	5	10	80
Real Estate	337	10	46	26	9	35	245	53	32

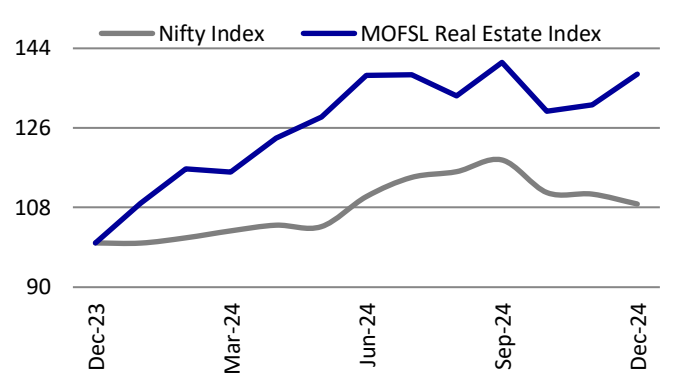
*Actual for Macrotech Developers

Exhibit 3: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 4: Relative performance – one year (%)



Source: Bloomberg, MOFSL

Exhibit 5: Real estate coverage – operational snapshot

	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25E	YoY (%)	QoQ (%)
Sales (INR b)										
Brigade Enterprise	15	10	12	15	22	11	18	24	66	32
DLF	85	20	22	90	15	64	7	50	-45	623
Godrej Properties	41	23	50	57	95	86	52	65	14	25
Kolte Patil	7	7	6	7	7	7	8	10	27	23
Macrotech	30	34	35	34	42	40	43	45	35	7
Mahindra Lifespaces	4	4	5	5	11	10	4	6	18	51
Oberoi Realty	7	5	10	8	18	11	14	22	178	53
Prestige Estates	39	39	71	53	47	30	40	65	22	62
Signature Global		9	10	13	41	31	28	22	74	-21
SOBHA	15	15	17	20	15	19	12	22	13	87
Sunteck Realty	5	4	4	5	7	5	5	7	43	24
Aggregate Sales (INR b)	247	168	243	307	320	315	231	337	9.9	45.8
Volume (msf)										
Brigade Enterprise	2.4	1.5	1.7	1.7	2.7	1.2	1.8	2.3	35	26
DLF	5.0	0.9	1.3	5.0	0.5	3.8	1.0	0.6	-89	-43
Godrej Properties	5.3	2.3	5.2	4.3	8.2	9.0	5.1	6.5	50	27
Kolte Patil	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.1	14	7
Macrotech	2.5	2.8	2.6	2.6	3.3	2.4	3.2	3.3	28	5
Mahindra Lifespaces	0.5	0.4	0.7	0.5	0.9	1.2	0.7	0.5	-6	-25
Oberoi Realty	0.2	0.1	0.2	0.3	0.4	0.2	0.2	0.7	167	188
Prestige Estates	4.0	3.8	6.8	5.5	4.1	2.9	5.0	6.2	13	24
Signature Global	2.4	0.9	1.0	1.1	3.1	2.0	2.4	1.8	57	-25
SOBHA	1.5	1.4	1.7	1.7	1.3	1.2	1.8	1.8	6	-3
Aggregate Volume (msf)	24.6	15.0	22.2	23.7	25.6	24.8	22.2	24.7	5	11
Collections (INR b)										
Brigade Enterprise	15	12	14	14	18	16	19	21	50	12
DLF	19	16	24	25	22	30	23	24	-5	4
Godrej Properties	38	20	24	24	47	30	40	50	107	25
Kolte Patil	6	5	5	5	6	6	6	6	30	13
Macrotech	29	24	28	26	35	27	31	43	66	40
Mahindra Lifespaces	3	3	3	4	4	5	6	7	68	18
Oberoi Realty	9	11	11	9	11	10	10	16	79	60
Prestige Estates	25	25	24	29	33	25	24	38	31	55
Signature Global	15	6	7	8	10	12	15	19	142	22
SOBHA	12	11	13	13	13	14	16	17	31	6
Sunteck Realty	3	3	2	4	3	3	3	5	10	50
Aggregate Collections (INR b)	173.1	136.0	154.0	160.6	202.7	179.3	192.4	244.9	52.5	27.3

Source: Company, MOFSL

Exhibit 6: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Real Estate						57.8	41.1	38.0	5.4	4.8	4.3	9.3	11.7	11.3
Anant Raj	856	Buy	17.4	21.9	24.8	49.2	39.2	34.5	6.9	5.9	5.1	14.1	15.1	14.6
Brigade Enterpr.	1,237	Buy	37.8	44.1	63.1	32.7	28.1	19.6	4.3	3.8	3.1	16.2	14.3	17.5
DLF	825	Buy	10.4	18.1	13.0	79.1	45.6	63.3	3.5	3.2	3.1	6.3	10.2	6.9
Godrej Properties	2,774	Buy	51.3	32.0	26.9	54.1	86.7	103.1	6.8	6.3	5.9	13.3	7.5	5.9
Kolte Patil Dev.	356	Buy	15.1	44.0	39.5	23.6	8.1	9.0	3.3	2.4	1.9	14.8	34.4	23.9
Macrotech Developers	1,365	Buy	22.6	34.1	36.8	60.4	40.0	37.1	6.7	5.8	5.1	11.7	15.5	14.6
Mahindra Lifespace	464	Neutral	5.5	6.0	21.4	84.9	77.3	21.6	3.7	3.6	3.2	4.5	4.8	15.6
Oberoi Realty	2,279	Neutral	66.7	82.8	96.6	34.1	27.5	23.6	5.2	4.4	3.8	16.3	17.4	17.3
Phoenix Mills	1,588	Neutral	29.8	41.3	55.7	53.3	38.4	28.5	5.4	4.8	4.1	10.7	13.3	15.5
Prestige Estates	1,655	Buy	21.7	22.2	26.5	76.4	74.6	62.4	3.6	3.5	3.3	5.7	4.8	5.4
SignatureGlobal	1,354	Buy	19.1	58.6	120.5	71.0	23.1	11.2	21.3	11.1	5.6	35.2	63.0	66.0
Sobha	1,574	Buy	30.3	67.2	83.2	51.9	23.4	18.9	4.2	3.6	3.0	9.7	16.5	17.4
Sunteck Realty	508	Buy	11.7	31.3	10.1	43.3	16.2	50.2	2.3	2.0	1.9	5.4	13.1	3.9

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe.

Anant Raj

Buy

CMP: INR856 | TP: INR1,100 (28%)

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

- The company's revenue is expected to decline 9% to INR3.6b, primarily due to lower ticket size projects for recognition.
- Revenue from cloud services is expected to begin from Q3FY25, with the company projected to report a total of INR348m for the full year.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	3,162	3,323	3,923	4,426	4,718	5,129	3,568	5,353	14,833	18,768
YoY Change (%)	98.4	32.1	47.6	58.0	49.2	54.3	-9.0	20.9	55.0	26.5
Total Expenditure	2,566	2,524	3,022	3,382	3,689	4,001	909	1,364	11,495	9,963
EBITDA	595	799	901	1,044	1,030	1,128	2,659	3,988	3,338	8,805
Margins (%)	18.8	24.0	23.0	23.6	21.8	22.0	74.5	74.5	22.5	46.9
Depreciation	42	42	48	48	55	81	184	275	181	594
Interest	75	80	77	114	36	15	262	392	346	705
Other Income	96	86	88	105	98	109	97	146	374	450
PBT before EO expense	575	762	863	987	1,037	1,141	2,311	3,466	3,186	7,956
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	575	762	863	987	1,037	1,141	2,311	3,466	3,186	7,956
Tax	92	174	165	109	142	97	705	1,058	540	2,002
Rate (%)	16.0	22.9	19.1	11.0	13.7	8.5	30.5	30.5	17.0	25.2
MI & Profit/Loss of Asso. Cos.	24	14	21	-19	15	11	-10	-16	14	0
Reported PAT	483	587	698	878	895	1,044	1,605	2,408	2,645	5,953
Adj PAT	507	601	718	858	910	1,056	1,595	2,392	2,659	5,953
YoY Change (%)	105.4	79.2	57.4	73.8	79.7	75.7	122.0	178.7	76.0	123.9
Margins (%)	16.0	18.1	18.3	19.4	19.3	20.6	44.7	44.7	17.9	31.7

Brigade Enterprise

Buy

CMP: INR1,237 | TP: INR1,540 (25%)

EPS CHANGE (%): FY24 | 25: 0 | 0

- We expect revenue to grow 14% YoY to INR13.4b.
- EBITDA is likely to reach INR4.2b, with a margin of 32%.
- New bookings for the quarter are likely to reach INR22b, 66% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	6,540	13,666	11,738	17,024	10,777	10,722	13,410	14,759	48,967	49,668
YoY Change (%)	-27.5	55.4	43.1	102.0	64.8	-21.5	14.3	-13.3	42.1	1.4
Total Expenditure	4,792	10,418	9,117	12,696	7,851	7,802	9,119	9,114	37,023	33,887
EBITDA	1,748	3,248	2,620	4,327	2,926	2,919	4,291	5,645	11,944	15,782
Margins (%)	26.7	23.8	22.3	25.4	27.1	27.2	32.0	38.3	24.4	31.8
Depreciation	681	757	821	762	679	689	724	919	3,021	3,011
Interest	1,081	1,100	1,349	1,380	1,519	1,226	1,104	841	4,910	4,690
Other Income	315	413	344	603	357	660	361	380	1,674	1,758
PBT before EO expense	300	1,803	795	2,788	1,084	1,664	2,825	4,265	5,687	9,839
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	300	1,803	795	2,788	1,084	1,664	2,825	4,265	5,687	9,839
Tax	82	679	237	680	279	513	711	973	1,676	2,476
Rate (%)	27.1	37.6	29.8	24.4	25.7	30.8	25.2	22.8	29.5	19.0
MI & Profit/Loss of Asso. Cos.	-166	-210	-177	48	-32	-39	-97	-193	-506	-361
Reported PAT	385	1,335	735	2,061	837	1,190	2,212	3,485	4,516	7,723
Adj PAT	385	1,335	735	2,061	837	1,190	2,212	3,485	4,516	7,723
YoY Change (%)	-52.0	103.0	29.2	289.1	117.3	-10.9	200.9	69.1	79.6	71.0
Margins (%)	5.9	9.8	6.3	12.1	7.8	11.1	16.5	23.6	9.2	15.5

DLF**Buy****CMP: INR825 | TP: INR959 (16%)****EPS CHANGE (%): FY24|25: 0|0**

- We expect revenue to grow 12% YoY at INR17b.
- DLF is expected to report EBITDA of INR3.5b, with a 21% margin.
- New bookings are expected to decline 50% YoY to INR50b due to a higher base.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	14,232	13,477	15,213	21,348	13,624	19,750	17,071	17,841	64,270	68,286
YoY Change (%)	-1.3	3.5	1.8	46.6	-4.3	46.5	12.2	-16.4	12.9	6.2
Total Expenditure	10,271	8,853	10,103	13,807	11,337	14,730	13,526	14,511	43,034	54,104
EBITDA	3,962	4,624	5,110	7,541	2,286	5,020	3,546	3,330	21,236	14,182
Margins (%)	27.8	34.3	33.6	35.3	16.8	25.4	20.8	18.7	33.0	20.8
Depreciation	364	370	380	367	373	377	396	577	1,480	1,724
Interest	849	902	837	977	1,012	935	954	1,127	3,565	4,028
Other Income	985	1,287	1,223	1,819	3,675	2,058	2,561	1,949	5,313	10,243
PBT before EO expense	3,734	4,639	5,115	8,016	4,576	5,766	4,756	3,575	21,505	18,673
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	3,734	4,639	5,115	8,016	4,576	5,766	4,756	3,575	21,505	18,673
Tax	1,014	1,122	1,350	1,715	1,183	-4,668	1,197	6,986	5,201	4,698
Rate (%)	27.2	24.2	26.4	21.4	25.9	-81.0	25.2	195.4	24.2	25.2
MI & Profit/Loss of Asso. Cos.	2,541	2,701	2,792	2,897	3,054	3,378	4,474	6,990	10,931	17,897
Reported PAT	5,261	6,219	6,557	9,198	6,447	13,812	8,034	3,579	27,235	31,872
Adj PAT	5,261	6,219	6,557	9,198	6,447	7,754	8,034	3,579	27,235	25,814
YoY Change (%)	12.1	30.3	26.4	61.5	22.5	24.7	22.5	-61.1	33.9	-5.2
Margins (%)	37.0	46.1	43.1	43.1	47.3	39.3	47.1	20.1	42.4	37.8

Source: Company, MOFSL

Godrej Properties**Buy****CMP: INR2,774 | TP: INR3,725 (34%)****EPS CHANGE (%): FY24|25: 0|1**

- We expect revenue to grow 152% YoY to INR8.3b.
- GPL's PAT is expected to increase 3x YoY to INR2.7b.
- Sustenance sales from launches in prior quarters are expected to drive a 14% YoY increase in pre-sales to INR65b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	9,360	3,430	3,304	14,261	7,390	10,932	8,338	8,081	30,356	34,741
YoY Change (%)	282.6	107.8	68.4	-13.4	-21.0	218.73	152.32	-43.34	34.8	14.4
Total Expenditure	10,853	4,047	3,720	13,033	8,641	10,613	7,585	5,750	31,653	32,589
EBITDA	-1,493	-617	-416	1,228	-1,251	319	753	2,331	-1,297	2,152
Margins (%)	-15.9	-18.0	-12.6	8.6	-16.9	2.9	9.0	28.8	-4.3	6.2
Depreciation	69	74	142	161	166	183	168	183	446	700
Interest	297	480	430	315	408	446	865	1,486	1,521	3,204
Other Income	3,299	2,621	2,179	4,887	9,605	2,533	3,886	3,407	12,986	19,432
PBT before EO expense	1,440	1,451	1,192	5,639	7,780	2,224	3,606	4,070	9,723	17,680
PBT	1,440	1,451	1,192	5,639	7,780	2,224	3,606	4,070	9,723	17,680
Tax	592	388	319	1,230	1,974	-1,145	1,061	2,530	2,529	4,420
Rate (%)	41.1	26.7	26.8	21.8	25.4	-51.5	29.4	62.2	26.0	25.0
MI & Profit/Loss of Asso. Cos.	488	-336	-245	371	-618	-32	240	1,409	277	999
Reported PAT	1,336	726	627	4,780	5,188	3,338	2,785	2,948	7,471	14,259
Adj PAT	1,336	726	627	4,780	5,188	3,338	2,785	2,948	7,471	14,259
YoY Change (%)	208.5	8.4	11.2	5.2	288.3	359.5	344.0	-38.3	20.3	90.9
Margins (%)	14.3	21.2	19.0	33.5	70.2	30.5	33.4	36.5	24.6	41.0

Source: Company, MOFSL

Kolte Patil Developers**Buy**

CMP: INR356 | TP: INR525 (47%)

EPS CHANGE (%): FY24|25: 0|14

- We expect revenue to grow 6.5x YoY to INR5.7b.
- Expect EBITDA of INR0.7b with a gradual expansion in margin.
- Steady sales from ongoing projects will drive bookings to INR10b, up 27% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	5,712	1,982	758	5,264	3,408	3,083	5,693	8,148	13,715	20,332
YoY Change (%)	185	61	-79	-34	-40	56	651	55	-7.9	48.2
Total Expenditure	4,800	1,947	1,124	5,332	3,130	2,921	4,966	6,719	13,204	17,736
EBITDA	912	35	-367	-68	278	162	727	1,429	511	2,595
Margins (%)	16.0	1.8	-48.4	-1.3	8.2	5.2	12.8	17.5	3.7	12.8
Depreciation	31	31	42	39	42	24	26	79	142	170
Interest	366	94	308	210	187	107	274	410	979	978
Other Income	74	67	79	13	95	127	123	95	233	440
PBT before EO expense	588	-24	-637	-303	144	157	550	1,036	-377	1,887
Extra-Ord expense	0	124	0	111	0	0	0	0	-235	0
PBT	588	-147	-637	-414	144	157	550	1,036	-611	1,887
Tax	100	93	-42	-185	104	69	183	270	-34	626
Rate (%)	17.0	-63.0	6.6	44.6	72.2	44.0	33.2	26.1	0.1	0.3
MI & Profit/Loss of Asso. Cos.	29	13	34	41	-22	-10	33	116	116	116
Reported PAT	460	-253	-629	-270	62	97	335	650	-694	1,145
Adj PAT	460	-253	-629	-270	62	97	335	650	-693	1,145
YoY Change (%)	116	188	134	-123	-86	-138	-153	-341	-167.6	-265.3
Margins (%)	8.0	-12.8	-83.0	-5.1	1.8	3.2	5.9	8.0	-5.0	5.6

Macrotech Developers**Buy**

CMP: INR1,365 | TP: INR1,586 (+16%)

EPS CHANGE (%): FY24|25: 0|-3

- We expect revenue to increase 32% YoY to INR39b.
- EBITDA is expected to grow 17% YoY to INR10b, while EBITDA margin will contract to 26.5% (-360bp).
- The company reported bookings of INR45b, up 32% YoY and collected INR43b, up 66% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	16,174	17,496	29,306	40,185	28,465	26,257	38,732	44,874	1,03,161	1,38,327
YoY Change (%)	-40	-1	65	23	76	50	32	12	8.9	34.1
Total Expenditure	12,874	13,335	20,479	29,716	20,897	19,211	28,468	33,095	76,404	1,01,670
EBITDA	3,300	4,161	8,827	10,469	7,568	7,046	10,264	11,779	26,757	36,657
Margins (%)	20.4	23.8	30.1	26.1	26.6	26.8	26.5	26.2	25.9	26.5
Adj. EBITDA (as per co.)	4,600	5,500	10,800	13,400	9,600	7,046	10,264	11,779	72,989	38,689
Margins (%)	28.4	31.4	36.9	33.3	33.7	26.8	26.5	26.2	70.8	28.0
Depreciation	240	293	333	1,173	604	665	674	464	2,039	2,406
Interest	1,241	1,231	1,168	1,158	1,172	1,365	1,411	1,091	4,798	5,038
Other Income	544	55	281	654	718	589	400	420	1,534	2,127
PBT before EO expense	2,363	2,692	7,607	8,792	6,510	5,605	8,579	10,644	21,454	31,339
Extra-Ord expense	0	0	1,049	0	0	0	0	0	-1,049	0
PBT	2,363	2,692	6,558	8,792	6,510	5,605	8,579	10,644	20,405	31,339
Tax	556	624	1,439	2,115	1,747	1,368	2,574	3,713	4,734	9,402
Rate (%)	23.5	23.2	21.9	24.1	26.8	24.4	30.0	34.9	0.2	0.3
MI & Profit/Loss of Asso. Cos.	15	40	67	7	4	6	50	120	180	180
Reported PAT	1,792	2,028	5,052	6,670	4,759	4,231	5,955	6,812	15,491	21,757
Adj PAT (as per co.)	1,700	2,100	5,700	6,670	4,800	4,231	5,955	6,812	16,170	21,798
YoY Change (%)	42	-43	90	-11	182	101	4	2	5.2	34.8
Margins (%)	10.5	12.0	19.4	16.6	16.9	16.1	15.4	15.2	15.7	15.8

Source: Company, MOFSL

Mahindra Lifespaces**Neutral****CMP: INR464 | TP: INR530 (14%)****EPS CHANGE (%): FY24|25: 0|-13**

■ Revenue is expected to increase 27% YoY to INR1b.

■ We expect MLDL to report quarterly bookings of INR6b, up 18% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from Operations	980	178	820	143	1,881	76	1,040	1,002	2,121	3,999
YoY Change (%)	3.7	-74.5	-56.1	-94.4	91.9	-57.2	26.8	601.1	-65.0	88.6
Total Expenditure	1,412	527	1,210	684	2,297	554	1,508	1,441	3,832	5,800
EBITDA	-431	-349	-390	-541	-416	-478	-468	-440	-1,711	-1,801
Margins (%)	-44.0	-196.5	-47.6	-378.6	-22.1	-627.5	-45.0	-43.9	-80.7	-45.0
Depreciation	30	31	38	38	43	40	42	35	137	160
Interest	42	2	3	26	60	70	84	74	74	288
Other Income	120	79	68	403	186	84	156	175	670	600
PBT before EO expense	-383	-303	-364	-202	-334	-504	-438	-374	-1,252	-1,650
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-383	-303	-364	-202	-334	-504	-438	-374	-1,252	-1,650
Tax	-94	-108	-109	-129	-97	0	-107	-209	-440	-412
Rate (%)	24.4	35.7	30.1	63.8	28.9	0.0	24.5	55.9	35.2	25.0
MI & Profit/Loss of Asso. Cos.	247	6	754	788	365	364	542	814	1,790	2,084
Reported PAT	-43	-189	500	715	127	-141	211	649	979	847
Adj PAT	-43	-189	500	715	127	-141	211	649	983	847
YoY Change (%)	NM	NM	NM	NM	NM	NM	-57.8	-9.2	NM	-13.8
Margins (%)	-4.4	-106.5	61.0	500.2	6.8	-184.6	20.3	64.8	46.3	21.2

Oberoi Realty**Neutral****CMP: INR2,279 | TP: INR20,56 (-10%)****EPS CHANGE (%): FY24|25: 0|0**

■ We expect revenue to grow 39% YoY.

■ New bookings are expected to increase to INR22b, down 178% YoY.

■ OBER's EBITDA is likely to increase 69% YoY to INR8.6b.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	9,100	12,174	10,536	13,148	14,052	13,199	14,653	14,455	44,958	56,358
YoY Change (%)	-0.3	76.8	-35.3	36.8	54.4	8.4	39.1	9.9	7.2	25.4
Total Expenditure	4,362	5,792	5,443	5,262	5,901	5,061	6,064	6,297	20,859	23,323
EBITDA	4,737	6,382	5,094	7,886	8,151	8,138	8,589	8,158	24,099	33,035
Margins (%)	52.1	52.4	48.3	60.0	58.0	61.7	58.6	56.4	53.6	58.6
Depreciation	113	113	114	135	202	208	270	357	475	1,037
Interest	615	565	501	504	589	517	577	536	2,184	2,219
Other Income	236	264	292	2,438	368	387	366	287	3,230	1,409
PBT before EO expense	4,245	5,968	4,771	9,685	7,728	7,800	8,109	7,551	24,669	31,188
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,245	5,968	4,771	9,685	7,728	7,800	8,109	7,551	24,669	31,188
Tax	1,046	1,421	1,192	1,833	1,905	1,930	1,805	1,302	5,491	6,942
Rate (%)	24.6	23.8	25.0	18.9	24.7	24.7	22.3	17.2	22.3	22.3
MI & Profit/Loss of Asso. Cos.	17	21	22	28	23	25	0	-25	89	23
Reported PAT	3,216	4,568	3,602	7,880	5,845	5,894	6,304	6,225	19,266	24,268
Adj PAT	3,216	4,568	3,602	7,880	5,845	5,894	6,304	6,225	19,266	24,268
YoY Change (%)	-20.2	43.4	-48.7	64.1	81.7	29.0	75.0	-21.0	1.2	26.0
Margins (%)	35.3	37.5	34.2	59.9	41.6	44.7	43.0	43.1	42.9	43.1

Source: Company, MOFSL

Phoenix Mills

Neutral

CMP: INR1,588 | TP: INR1,650 (4%)

EPS CHANGE (%): FY24|25: 0|0

- We expect revenue to increase 6% YoY to INR10b.
- EBITDA margin is likely to expand 320bp to 59%, with an absolute EBITDA of INR6b.

Consolidated quarterly earnings model (INR m)

	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	8,106	8,750	9,861	13,059	9,041	9,180	10,415	11,421	39,777	40,057
YoY Change (%)	41.1	34.4	44.2	79.1	11.5	4.9	5.6	-12.5	50.8	0.7
Total Expenditure	3,183	3,691	4,343	6,792	3,731	4,003	4,254	4,374	18,009	16,362
EBITDA	4,923	5,060	5,518	6,267	5,310	5,177	6,161	7,047	21,768	23,695
Margins (%)	60.7	57.8	56.0	48.0	58.7	56.4	59.2	61.7	54.7	59.2
Depreciation	630	659	656	757	775	775	960	1,182	2,702	3,692
Interest	957	965	1,042	995	1,031	1,031	1,021	1,056	3,959	4,139
Other Income	290	316	343	372	383	371	399	381	1,322	1,533
PBT before EO expense	3,627	3,752	4,163	4,886	3,887	3,741	4,579	5,189	16,429	17,396
Extra-Ord expense	0	0	0	0	-5	0	0	0	0	0
PBT	3,627	3,752	4,163	4,886	3,882	3,741	4,579	5,189	16,429	17,396
Tax	730	714	724	998	747	835	1,150	1,637	3,166	4,370
Rate (%)	20.1	19.0	17.4	20.4	19.2	22.3	25.1	31.6	19.3	25.1
MI & P/L of Asso. Cos.	492	512	646	621	809	725	618	225	2,270	2,378
Reported PAT	2,405	2,526	2,793	3,267	2,326	2,181	2,810	3,327	10,993	10,649
Adj PAT	2,405	2,526	2,793	3,267	2,331	2,181	2,810	3,327	10,993	10,649
YoY Change (%)	48.5	35.9	58.3	58.9	-3.1	-13.7	0.6	1.8	1,880.3	1,948.3
Margins (%)	29.7	28.9	28.3	25.0	25.8	23.8	27.0	29.1	27.6	26.6

Prestige Estates

Buy

CMP: INR1,655 | TP: INR2,130 (29%)

EPS CHANGE (%): FY24|25: 0|9

- We expect revenue to grow 57% YoY to INR28b in 3QFY25.
- PEPL is likely to report bookings of INR65b, supported by an inventory of INR162b.
- PEPL is likely to report an EBITDA of INR7.5b, with a 27% margin.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	16,809	22,364	17,958	21,640	18,621	23,044	28,128	34,385	78,771	1,04,178
YoY Change (%)	-13.3	56.6	-22.5	-17.8	10.8	3.0	56.6	58.9	-5.3	32.3
Total Expenditure	11,542	16,439	12,443	13,363	10,658	16,731	20,590	28,279	53,787	76,258
EBITDA	5,267	5,925	5,515	8,277	7,963	6,313	7,538	6,105	24,984	27,920
Margins (%)	31.3	26.5	30.7	38.2	42.8	27.4	26.8	17.8	31.7	26.8
Depreciation	1,655	1,741	1,797	1,972	1,905	2,004	2,064	2,086	7,165	8,059
Interest	2,382	2,639	2,932	4,238	3,461	3,565	3,387	2,471	12,191	12,884
Other Income	2,854	1,684	1,747	685	1,624	1,194	1,125	1,787	6,970	5,730
PBT before EO expense	4,084	3,229	2,533	2,752	4,221	1,938	3,213	3,335	12,598	12,707
Extra-Ord expense	0	8,512	0	0	0	0	0	0	8,512	0
PBT	4,084	11,741	2,533	2,752	4,221	1,938	3,213	3,335	21,110	12,707
Tax	863	2,564	723	786	1,023	-519	482	920	4,936	1,906
Rate (%)	21.1	21.8	28.5	28.6	24.2	-26.8	15.0	27.6	23.4	15.0
MI & Profit/Loss of Asso. Cos.	552	668	647	566	872	535	722	545	2,433	2,673
Reported PAT	2,669	8,509	1,163	1,400	2,326	1,922	2,009	1,871	13,741	8,128
Adj PAT	2,669	1,856	1,163	1,400	2,326	1,922	2,009	1,871	7,088	8,128
YoY Change (%)	174.0	397.2	-9.0	-69.5	-12.9	3.6	72.7	33.6	-1.7	14.7
Margins (%)	15.9	8.3	6.5	6.5	12.5	8.3	7.1	5.4	9.0	7.8

SOBHA**Buy****CMP: INR1,574 | TP: INR2,213 (41%)****EPS CHANGE (%): FY24|25: 0|-10**

- We expect revenue to increase 71.7% YoY to INR11.8b in 3QFY25.
- EBITDA is likely to increase 138% YoY to INR18b due to margin expansion of 420bp YoY.
- SOBHA is likely to report bookings of INR22b, 13% YoY growth.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	9,079	7,412	6,849	7,629	6,404	9,336	11,758	14,494	30,969	41,991
YoY Change (%)	60.8	11.1	-21.1	-36.9	-29.5	25.9	71.7	90.0		
Total Expenditure	8,425	6,658	6,108	7,008	5,845	8,565	9,994	11,793	28,199	36,196
EBITDA	654	754	741	621	559	771	1,764	2,701	2,770	5,795
Margins (%)	7.2	10.2	10.8	8.1	8.7	8.3	15.0	18.6	8.9	13.8
Depreciation	183	193	201	205	204	232	243	188	782	867
Interest	611	639	614	590	539	494	469	440	2,455	1,942
Other Income	313	324	288	284	295	317	331	697	1,209	1,640
PBT before EO expense	173	247	214	109	111	362	1,383	2,770	742	4,626
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	173	247	214	109	111	362	1,383	2,770	742	4,626
Tax	52	97	63	39	50	101	468	945	251	1,565
Rate (%)	30.2	39.4	29.4	35.5	45.4	28.0	33.8	34.1	33.8	33.8
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	121	149	151	70	61	261	915	1,824	491	3,061
Adj PAT	121	149	151	70	61	261	915	1,824	491	3,061
YoY Change (%)	168.3	-22.2	-52.6	-85.5	-49.8	74.6	507.0	2,494.7	-52.9	523.2
Margins (%)	1.3	2.0	2.2	0.9	0.9	2.8	7.8	12.6	1.6	7.3

Sunteck**Buy****CMP: INR508 | TP: INR745 (47%)****EPS CHANGE (%): FY24|25: 0|13**

- Similar to 2QFY25, we expect healthy revenue growth driven by revenue recognition from the ODC project.
- Steady sales across all key projects will drive bookings to INR7b, up 43% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	706	250	424	4,269	3,163	1,690	3,002	3,263	5,648	11,118
YoY Change (%)	-50.8	-69.1	-52.5	773.4	348.2	577.3	607.2	-23.6		
Total Expenditure	780	391	573	2,735	2,849	1,317	2,355	2,200	4,476	8,720
EBITDA	-75	-141	-148	1,534	314	374	647	1,062	1,173	2,397
Margins (%)	-10.6	-56.5	-34.9	35.9	9.9	22.1	21.6	32.6	20.8	21.6
Depreciation	18	22	24	31	34	36	73	127	95	270
Interest	173	158	171	182	103	99	109	92	684	403
Other Income	178	113	185	81	117	130	153	166	555	566
PBT before EO expense	-87	-208	-158	1,402	295	368	618	1,008	949	2,290
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	-87	-208	-158	1,402	295	368	618	1,008	949	2,290
Tax	-27	-64	-55	386	70	22	155	326	240	572
Rate (%)	31.0	30.5	34.9	27.5	23.9	5.9	25.0	32.3	25.3	25.0
MI & Profit/Loss of Asso. Cos.	7	-6	-6	3	-3	1	0	0	-1	-1
Reported PAT	-67	-139	-97	1,013	228	346	464	683	710	1,718
Adj PAT	-67	-139	-97	1,013	228	346	464	683	710	1,718
YoY Change (%)	-127.0	-693.3	-569.3	-463.1	-438.0	-349.6	-576.9	-32.6	NA	142.2
Margins (%)	-9.6	-55.6	-22.9	23.7	7.2	20.5	15.5	20.9	12.6	15.5

Signature Global

Buy

CMP: INR1,610 | TP: INR2,000 (24%)

EPS CHANGE (%): FY24|25: 0|-34

- The company's revenue is expected to grow 297% to INR11.2b, driven by strong deliveries.
- EBITDA is likely to post INR966m, with an EBITDA margin of 8.6%.
- Strong sales from the recently launched phase in Sector 71 & 37D, along with ongoing inventory, should translate into bookings of INR22b, up 74% YoY.

Consolidated quarterly earnings model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	1,659	985	2,818	6,944	4,006	7,493	11,176	14,578	12,406	37,253
YoY Change (%)	-69.4	-20.3	53.9	-1.5	141.5	660.5	296.6	109.9	-20.1	200.3
Total Expenditure	1,757	1,282	2,887	6,738	4,019	7,609	10,210	12,196	12,664	34,033
EBITDA	-98	-297	-69	206	-13	-116	966	2,382	-259	3,220
Margins (%)	-5.9	-30.1	-2.5	3.0	-0.3	-1.5	8.6	16.3	-2.1	8.6
Depreciation	48	51	55	61	52	68	75	54	216	249
Interest	63	107	53	78	75	169	160	130	302	533
Other Income	130	226	199	284	274	281	340	239	840	1,134
PBT before EO expense	-80	-229	22	350	135	-71	1,072	2,437	63	3,572
Extra-Ord expense	5	8	1	4	2	0	0	0	0	-2
PBT	-85	-237	20	346	133	-72	1,072	2,437	63	3,570
Tax	-13	-38	-1	-67	65	-113	268	673	-119	892
Rate (%)	15.4	15.8	-6.3	-19.3	48.8	157.9	25.0	27.6	-187.2	-1.1
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	-1	-1
Reported PAT	-72	-199	21	412	68	41	803	1,763	183	2,678
Adj PAT	-68	-192	22	417	69	41	803	1,763	165	2,678
YoY Change (%)	-115.2	-33.4	-106.4	331.7	-201.1	-121.2	3,473.8	322.5	NA	1,521.1
Margins (%)	-4.1	-19.5	0.8	6.0	1.7	0.5	7.2	12.1	1.3	7.2

Retail

Company

Aditya Birla Fashion

Avenue Supermarts

Bata India

Campus Activewear

Metro Brands

Relaxo Footwear

Shoppers Stop

Titan Company

Trent

V-Mart Retail

Vedant Fashions

No festive cheers for retailers

Value retailers continue to outperform premium retailers

- We believe 3QFY25 was a tale of two halves, with robust growth in the first 45 days driven by festive-related spending. However, the growth momentum could not be sustained in the second half, leading to the early onset of discount-led sales through the Black Friday sale (in Nov'24) and EOSS (in Dec'24).
- We expect the outperformance of value retailers to continue over premium retailers in 3Q, with high single-digit to double-digit SSSG for Trent, VMart, and DMart. Premium retailers such as ABFRL, Raymond, and SHOP would likely post flat to low single-digit SSSG.
- In wedding wear, we expect robust secondary sales for Manyavar (Vedant) and Tasva (ABFRL), while the footwear retailers are expected to record high single-digit sales growth in 3Q.
- Despite benefits from the tariff hikes in RJio, we expect a 3% YoY decline (vs. ~4% YoY decline in 2Q) in reported net revenue for Reliance Retail as the company continued to streamline its operations.
- We expect a modest recovery in growth for footwear retailers, led by Campus.

Expect 16-18% revenue and EBITDA growth for our coverage universe

- For our retail coverage universe (10 stocks excluding RLL and Reliance Retail), we expect the aggregate revenue to grow ~16% YoY (similar to 2Q), driven by robust growth for Trent, DMart, and VMart.
- We expect ~16% YoY growth in aggregate gross profit (vs. ~18% YoY in 2Q), as the aggregate gross margin is likely to contract ~20bp YoY.
- We expect ~18% YoY growth in aggregate EBITDA, driven by ~20bp margin expansion due to benefits of operating leverage and rationalization of unprofitable stores.

Retail: No festive cheer; growth trends broadly similar to 2Q

- The aggregate revenue for the five apparel stocks under our coverage (excl. Raymond) is likely to record ~17% YoY growth (less than 22% YoY growth in 2Q), mainly due to ABFRL's weak performance (TCNS merger now in the base).
- Trent is once again likely to lead with ~40% YoY revenue growth, followed by VMart and Vedant, while YoY growth is likely to be in single digits for ABFRL and SHOP, and flat for Raymond Lifestyle.
- Including DMart, the aggregate revenue for retailers is likely to grow ~17% YoY in 3Q (similar to 2Q).
- The gross profit for the retailers is likely to increase ~17% YoY in 3Q as higher gross margins for Vedant and SHOP are likely to be offset by weaker margins for Trent and VMart.
- We expect a combined EBITDA growth of ~18% YoY (similar to 2QFY25), led by robust growth for Trent (+40% YoY) and VMart (+28% YoY).

Footwear: Robust EBITDA growth led by Campus (on a low base)

- We expect ~8% YoY combined revenue growth for the four footwear stocks under our coverage. Campus (+12% YoY) and Metro (+10% YoY) are likely to outperform Bata and Relaxo.
- We expect ~10% YoY increase in combined gross profits, driven by ~100bp gross margin expansion.
- We build in ~19% YoY growth in combined EBITDA for footwear stocks, led by sharp 60%+ YoY growth for Campus (on a low base) and robust 13-15% YoY growth for Metro, Relaxo, and Bata.

Store rationalization by large retailers likely continued in 3Q

- We observe divergent trends on store additions, with likely robust store additions for value retailers such as Zudio, Intune, VMart, DMart, etc. However, retailers such as ABFRL, Reliance Retail, Departmental Shoppers Stop, and Westside are likely to report lower store additions or net store closures.
- VMART/DMART, in their pre-quarter updates, posted 21/10 net store additions in 3QFY25, while Zudio's store count inched up to 633 (vs. 577 QoQ).

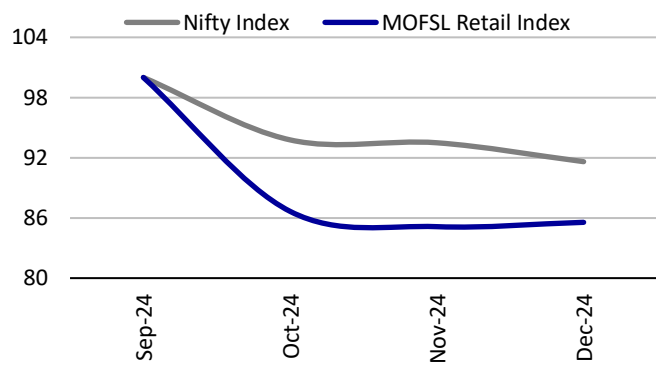
Valuation and view

TRENT and DMART remain our preferred retail picks (BUY), given their healthy balance sheets, operational discipline, and strong growth momentum. We are also positive on VMART, given a recovery in its SSSG and continued decline in LimeRoad losses. In the wedding space, we expect VEDANT FASHION to benefit from higher wedding days and the launch of a new mass segment brand – Diwas by Manyavar. In the footwear space, we prefer METRO, given its industry-leading store economics and significant growth opportunity in the Sports & Athleisure category through FILA and Foot Locker licenses.

Exhibit 1: Summary of our quarterly estimates

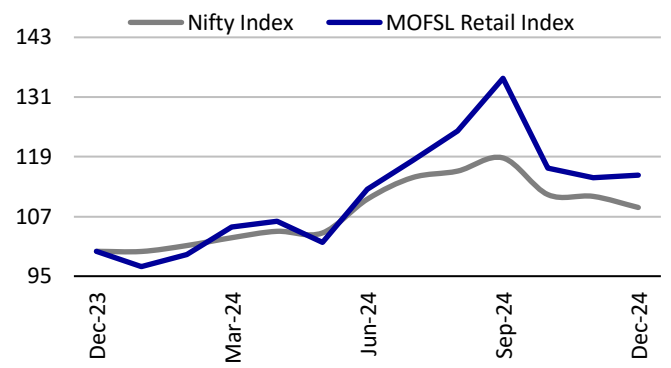
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Aditya Birla Fashion	282	Neutral	43,081	3.4	18.2	5,711	3.2	58.1	-963	Loss	Loss
Avenue Supermarts	3561	Buy	1,59,765	17.7	10.6	12,790	14.2	16.9	8,031	16.2	21.8
Barbeque Nation	444	Neutral	3,423	3.5	12.0	654	-1.4	43.4	55	13.9	LP
Bata India	1398	Neutral	9,584	6.1	14.5	2,089	14.5	19.7	755	30.3	45.3
Campus Activewear	320	Buy	5,191	10.0	55.8	924	64.3	142.1	544	118.4	280.2
Devyani Intl.	183	Buy	12,738	51.1	4.2	2,134	45.9	7.4	132	160.1	LP
Jubilant Foodworks	739	Neutral	15,583	15.0	6.2	3,226	14.1	13.5	737	20.9	41.6
Kalyan Jewellers	774	Buy	72,280	38.4	19.2	4,911	32.8	23.9	2,643	46.3	45.2
Metro Brands	1234	Buy	7,103	11.8	21.3	2,244	12.8	44.9	1,205	22.0	67.9
P N Gadgil Jewellers	666	Buy	23,358	18.5	16.7	1,199	32.5	66.4	768	38.9	45.2
Raymond Lifestyle	2068	Buy	17,968	NA	5.2	2,428	NA	13.0	1,022	NA	0.6
Relaxo Footwear	625	Neutral	7,452	4.6	9.7	999	14.6	13.9	453	17.5	23.4
Restaurant Brands	85	Buy	4,868	9.3	-1.1	740	4.6	5.8	-120	Loss	Loss
Sapphire Foods	345	Buy	7,506	12.8	7.9	1,290	6.0	15.2	178	80.8	243.1
Senco Gold	1127	Buy	20,653	25.0	37.6	2,129	17.5	160.4	1,304	19.3	278.0
Shoppers Stop	603	Neutral	12,938	7.2	21.1	2,368	9.9	61.3	408	14.7	LP
Titan Company	3254	Buy	1,83,997	29.9	26.6	18,542	18.5	21.5	12,164	15.5	30.7
Trent	7068	Buy	46,375	40.0	14.9	8,718	39.9	36.1	5,449	58.6	28.7
V-Mart Retail	3876	Neutral	10,270	15.5	55.4	1,530	27.8	296.2	401	42.2	LP
Vedant Fashions	1272	Neutral	5,234	10.3	95.3	2,722	12.5	123.1	1,795	13.8	168.3
Westlife Foodworld	788	Neutral	6,566	9.4	6.3	946	-1.5	20.3	126	-27.1	3,263
Retail			6,75,934	26.1	18.2	78,294	22.6	31.8	37,087	29.7	55.5

Exhibit 2: Relative performance – three months (%)



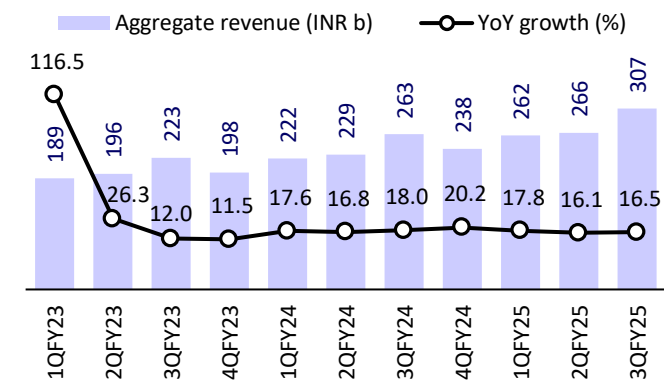
Source: Bloomberg, MOFSL

Exhibit 3: Relative performance – one year (%)



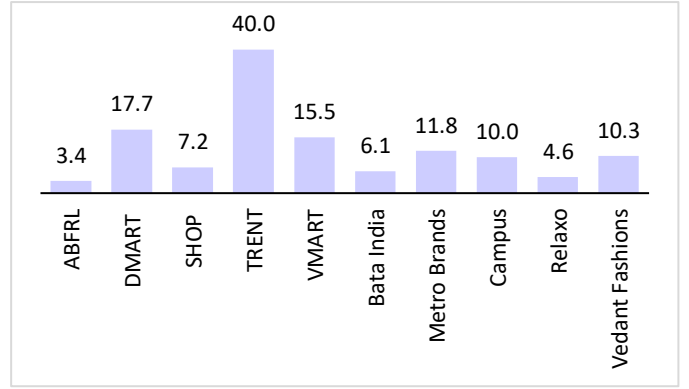
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth likely at ~16% YoY (excl. RRL)



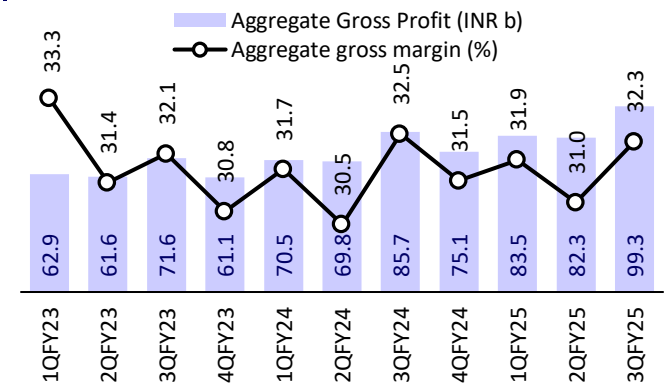
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 3QFY25; TRENT continues to outperform (YoY %)



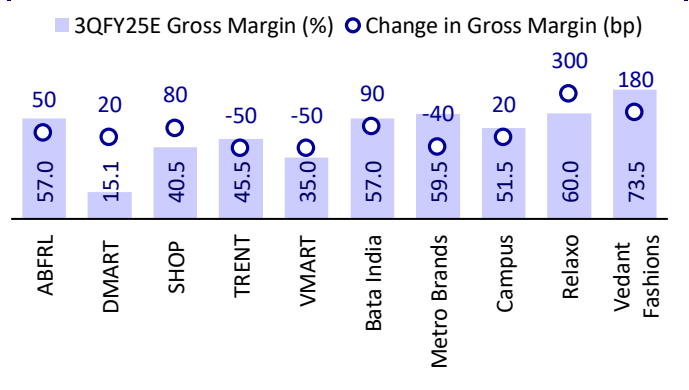
Source: Company, MOFSL

Exhibit 6: Aggregate gross profit growth likely at ~16% YoY, as aggregate gross margin is expected to dip ~20bp YoY



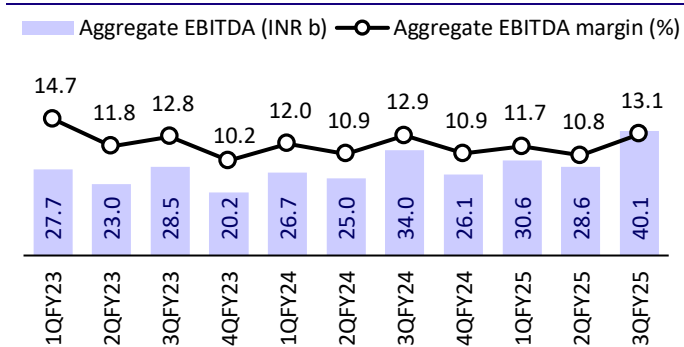
Source: Company, MOFSL

Exhibit 7: YoY change in gross margin



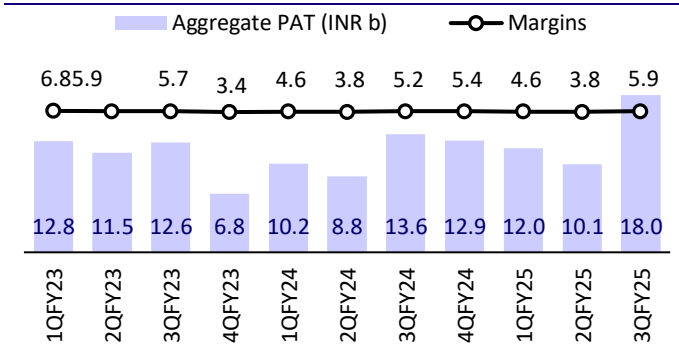
Source: Company, MOFSL

Exhibit 8: Aggregate EBITDA to grow ~18% YoY, driven by ~20bp aggregate EBITDA margin expansion



Source: Company, MOFSL

Exhibit 9: Aggregate PAT growth at 30%+ fueled by operating leverage benefits



Source: Company, MOFSL

Exhibit 10: Retail store footprint and net store additions

Total store count	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Madura EBOs	2,601	2,650	2,643	2,660	2,696	2,679	2,636	2,569	2,594
Pantaloons	406	431	434	439	446	417	417	417	422
DMart	306	324	327	336	341	365	371	377	387
Shoppers Stop	96	98	98	102	105	112	114	112	110
Westside	211	214	221	223	227	232	228	226	227
Zudio	326	352	388	411	460	545	559	577	633
V-Mart	414	423	431	437	454	444	448	467	488
Vedant Fashions	640	649	662	669	673	676	662	650	675
Metro Brands	745	764	789	817	840	839	854	873	898
Store additions (net)									
Madura EBOs	40	49	-7	17	36	-17	-43	-67	25
Pantaloons	10	25	3	5	7	-29	0	0	5
DMart	4	18	3	9	5	24	6	6	10
Shoppers Stop	5	2	0	4	3	7	2	-2	-2
Westside	3	3	7	2	4	5	-4	-2	1
Zudio	41	26	36	23	49	85	14	18	56
V-Mart	9	9	8	6	17	-10	4	19	21
Vedant Fashions	14	9	13	7	4	3	-14	-12	25
Metro Brands	73	19	25	28	23	-1	15	19	25

Source: Company, MOFSL

Exhibit 11: Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Retail			104.4	77.0	60.7	14.8	12.8	11.0	14.2	16.7	18.1			
Aditya Birla Fashion	282	Neutral	-7.3	-6.2	-5.9	-38.8	-45.7	-47.6	7.2	8.6	10.6	-17.8	-18.0	-21.0
Avenue Supermarts	3,561	Buy	45.1	53.4	62.8	78.9	66.7	56.7	10.7	9.2	7.9	14.6	14.9	15.1
Barbeque Nation	444	Neutral	-1.6	1.9	4.9	-276	233	91.5	4.5	4.4	4.2	-1.6	1.9	4.6
Bata India	1,398	Neutral	22.6	26.0	30.9	61.9	53.8	45.2	10.2	9.3	8.4	17.7	18.1	19.6
Campus Activewear	320	Buy	4.1	5.5	7.5	77.2	57.9	42.9	12.6	10.3	8.3	16.3	17.9	19.4
Devyani Intl.	183	Buy	0.4	1.7	2.2	408.5	110.3	84.3	33.3	37.2	39.7	6.3	31.8	45.5
Jubilant Foodworks	739	Neutral	5.5	8.1	10.4	135.6	91.7	71.2	21.8	20.8	19.2	16.0	22.7	26.9
Kalyan Jewellers	774	Buy	8.1	10.9	13.7	96.1	70.9	56.5	17.1	14.6	12.4	18.7	22.2	23.7
Metro Brands	1,234	Buy	13.8	17.5	21.9	89.2	70.3	56.3	15.1	12.8	10.7	18.6	20.1	21.2
P N Gadgil Jewellers	666	Buy	17.1	23.2	29.4	39.0	28.7	22.6	5.6	4.7	3.9	21.6	17.8	18.7
Raymond Lifestyle	2,068	Buy	46.6	77.0	94.0	44.4	26.8	22.0	1.3	1.2	1.1	6.2	9.5	10.5
Relaxo Footwear	625	Neutral	7.6	9.5	11.7	82.7	65.9	53.3	7.3	6.7	6.1	9.1	10.6	12.0
Restaurant Brands	85	Buy	-3.6	-1.1	1.1	-23.6	-77.4	79.8	9.4	10.6	9.4	-33.2	-12.9	12.5
Sapphire Foods	345	Buy	1.3	3.4	4.9	264.5	101.2	70.4	8.0	7.4	6.7	3.1	7.6	10.0
Senco Gold	1,127	Buy	32.5	39.1	45.4	34.7	28.8	24.8	5.6	4.8	4.0	17.3	17.9	17.6
Shoppers Stop	603	Neutral	-1.7	0.1	6.5	-349.7	8,848	92.9	16.5	16.5	13.4	-6.0	0.2	20.9
Titan Company	3,254	Buy	42.6	53.4	63.7	76.4	61.0	51.1	24.0	18.8	15.0	35.4	34.7	32.7
Trent	7,068	Buy	47.0	65.0	90.5	151	109	78.1	40.9	29.2	20.9	34.0	33.5	33.3
V-Mart Retail	3,876	Neutral	-12.6	5.0	23.7	-307	782	163.6	9.7	9.6	9.0	NM	1.3	6.2
Vedant Fashions	1,272	Neutral	17.9	22.0	27.3	71	58	46.5	17.5	15.3	13.2	25.3	25.6	27.5
Westlife Foodworld	788	Neutral	1.1	6.0	9.7	716.7	132.2	80.8	16.5	16.8	13.9	2.6	12.6	18.8

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

Aditya Birla Fashion

Neutral

CMP: INR282 | TP: INR300 (+6%)

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

- Expect 3% YoY overall revenue growth, with ABLBL growth at ~4%, and ABFRL at ~3%.
- SSSG for Madura is likely to remain flat, while Pantaloons is expected to post single-digit SSSG.
- Consol. EBITDA margin (post-Ind-AS) is expected to remain flat YoY at 13.3%.
- With TCNS merger already in the base, the reported growth is likely to moderate sharply for ABFRL

Consolidated - Quarterly Summary

Y/E March									(INR m)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	31,961	32,264	41,667	34,067	34,278	36,439	43,081	35,746	1,39,959	1,49,543
YoY Change (%)	11.2	4.9	16.1	18.3	7.3	12.9	3.4	4.9	12.7	6.8
Total Expenditure	29,037	29,031	36,134	31,230	30,694	32,825	37,369	32,160	1,25,433	1,33,049
EBITDA	2,923	3,233	5,533	2,837	3,584	3,613	5,711	3,586	14,526	16,495
Change, YoY (%)	-37.6	-18.5	27.0	47.1	22.6	11.8	3.2	26.4	-2.7	13.6
Depreciation	3,670	3,888	4,441	4,554	4,359	4,610	4,841	4,655	16,552	18,465
Interest	1,873	2,084	2,454	2,355	2,195	2,500	2,700	2,432	8,766	9,828
Other Income	603	457	441	875	478	516	567	577	2,376	2,138
PBT before EO expense	-2,017	-2,281	-922	-3,197	-2,493	-2,982	-1,262	-2,923	-8,417	-9,660
Extra-Ord expense	0	0	0	0	0	-231	0	0	0	-231
Share in JV	4	-5	73	56	-3	-32	30	37	128	32
PBT	-2,017	-2,281	-922	-3,197	-2,493	-2,750	-1,262	-2,923	-8,417	-9,428
Tax	-397	-282	227	-478	-346	-636	-269	-632	-930	-1,884
Rate (%)	19.7	12.4	-24.6	14.9	13.9	23.1	21.3	21.6	11.0	20.0
Reported PAT	-1,616	-2,003	-1,076	-2,664	-2,149	-2,147	-963	-2,254	-7,359	-7,513
Adj PAT	-1,616	-2,003	-1,076	-2,664	-2,149	-1,962	-963	-2,254	-7,359	-7,328
YoY Change (%)	-272.3	-765.4	-1,713.2	35.3	33.0	-2.1	-10.5	-15.4	1,009.8	-0.4

E: MOFSL Estimates

Avenue Supermarts

Buy

CMP: INR3,561 | TP: INR4,750 (+33%)

EPS CHANGE (%): FY25 | 26: +2 | -3

- Consolidated revenue is expected to grow ~18% YoY.
- DMart added 10 stores, taking its total store count to 387.
- Expect EBITDA margin to contract ~30bp YoY to 8%.
- Expect PAT to grow 16% YoY.

Consolidated - Quarterly summary

Y/E March									(INR b)	
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	118.7	126.2	135.7	127.3	140.7	144.4	159.8	147.8	507.9	592.7
YoY Change (%)	18.2	18.7	17.3	20.1	18.6	14.4	17.7	16.2	18.6	16.7
Total Expenditure	108.3	116.2	124.5	117.8	128.5	133.5	147.0	136.2	466.9	545.1
EBITDA	10.4	10.0	11.2	9.4	12.2	10.9	12.8	11.7	41.0	47.6
EBITDA margin (%)	8.7	8.0	8.3	7.4	8.7	7.6	8.0	7.9	8.1	8.0
Change YoY (%)	2.7	12.7	16.0	22.3	18.0	8.8	14.2	23.6	12.8	16.0
Depreciation	1.6	1.7	1.9	2.0	1.9	2.1	2.3	2.5	7.3	8.8
Interest	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.6	0.7
Other Income	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	1.5	1.6
PBT	9.0	8.5	9.5	7.6	10.5	9.0	10.8	9.4	34.6	39.7
Tax	2.4	2.3	2.6	2.0	2.8	2.4	2.7	2.4	9.3	10.4
Rate (%)	26.6	26.8	27.2	26.2	26.6	27.0	25.5	25.4	26.7	26.1
Reported PAT	6.6	6.2	6.9	5.6	7.7	6.6	8.0	7.0	25.4	29.4
Adj PAT	6.6	6.2	6.9	5.6	7.7	6.6	8.0	7.0	25.4	29.4
YoY Change (%)	2.5	14.4	17.2	22.4	17.5	5.8	16.2	24.3	13.3	15.8

E: MOFSL Estimates

Bata India**Neutral****CMP: INR1,398 | TP: INR1,260 (-8%)****EPS CHANGE (%): FY25 | 26: -3 | -2**

- Expect revenue to grow 6% YoY.
- EBITDA margin is likely to expand 160bp YoY to 21.8% (3QFY24 had certain one-off costs).
- Expect PAT to increase 30% YoY due to one-off costs in the base quarter.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	9,581	8,191	9,035	7,979	9,446	8,371	9,584	8,717	34,786	36,119
YoY Change (%)	1.6	-1.3	0.4	2.5	-1.4	2.2	6.1	9.3	0.8	3.8
Gross Profit	5,246	4,755	5,065	4,798	5,182	4,740	5,463	5,293	19,864	20,678
Gross margin%	54.7	58.1	56.1	60.1	54.9	56.6	57.0	60.7	57.1	57.3
Total Expenditure	7,186	6,375	7,210	6,156	7,597	6,625	7,495	6,582	26,927	28,299
EBITDA	2,395	1,817	1,824	1,823	1,849	1,746	2,089	2,135	7,859	7,820
EBITDA margin	25.0	22.2	20.2	22.8	19.6	20.9	21.8	24.5	22.6	21.7
Change YoY (%)	-2.1	12.9	-11.5	0.2	-22.8	-3.9	14.5	17.1	-1.0	-0.5
Depreciation	811	817	860	903	872	902	922	933	3,391	3,629
Interest	281	284	295	310	308	318	327	336	1,170	1,289
Other Income	133	155	111	219	162	172	170	175	617	679
PBT before EO expense	1,436	870	780	829	832	698	1,010	1,041	3,915	3,581
Extra-Ord expense	0	409	0	0	-1,340	0	0	0	409	-1,340
PBT	1,436	461	780	829	2,171	698	1,010	1,041	3,506	4,920
Tax	367	121	201	193	431	178	255	262	881	1,125
Rate (%)	25.5	26.3	25.7	23.2	19.8	25.5	25.2	25.2	25.1	22.9
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,069	340	580	636	1,741	520	755	779	2,625	3,795
Adj PAT	1,069	641	580	636	849	520	755	779	2,927	2,903
YoY Change (%)	-10	17	-30	-3	-21	-19	30	22	-9	-1
Margins (%)	11%	8%	6%	8%	9%	6%	8%	9%	8%	8%

E: MOFSL Estimates

Campus Activewear**Buy****CMP: INR320 | TP: INR380 (+19%)****EPS CHANGE (%): FY25 | 26: +6 | +5**

- Expect 10% YoY revenue growth driven by the recovery in the TD and online channel.
- Expect EBITDA margin to expand sharply YoY due to better operating leverage and certain one-off costs in 3QFY24.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	3,538	2,587	4,720	3,639	3,392	3,333	5,191	3,978	14,483	15,894
YoY Change (%)	4.8	-22.4	1.4	4.6	-4.1	28.9	10.0	9.3	-2.4	9.7
Gross Profit	1,888	1,406	2,420	1,815	1,797	1,745	2,674	2,034	7,528	8,249
Gross margin	53.4	54.3	51.3	49.9	53.0	52.4	51.5	51.1	52.0	51.9
Total Expenditure	2,876	2,342	4,158	3,000	2,874	2,951	4,267	3,338	12,375	13,431
EBITDA	662	245	563	639	517	382	924	640	2,108	2,464
EBITDA margins (%)	18.7	9.5	11.9	17.6	15.3	11.5	17.8	16.1	14.6	15.5
Depreciation	171	181	184	186	162	176	186	189	721	713
Interest	69	65	58	40	37	45	48	51	232	180
Other Income	2	4	14	25	23	34	34	36	45	127
PBT	424	4	335	438	341	196	725	436	1,200	1,698
Tax	109	1	86	110	87	53	181	106	306	427
Rate (%)	25.8	13.5	25.6	25.2	25.6	27.0	25.0	24.3	25.5	25.2
Reported PAT	315	3	249	328	254	143	544	330	894	1,271
Adj PAT	314	3	249	328	254	143	544	330	894	1,271
YoY Change (%)	1	-98	-48	43	-19	4,369	118	1	-23.6	42.1

E: MOFSL Estimates

Metro Brands

Buy
CMP: INR1,234 | TP: INR1,460 (+19%)
EPS CHANGE (%): FY25 | 26: 0 | 0

- Revenue is expected to grow 12% YoY, led primarily by footprint additions.
- Expect 25 store additions, taking the total store count to 898.
- Expect EBITDA margin to improve 30bp YoY.

Consolidated - Quarterly summary

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	5,825	5,557	6,355	5,830	5,761	5,855	7,103	6,594	23,567	25,313
YoY Change (%)	14.7	16.7	6.1	7.1	-1.1	5.4	11.8	13.1	10.8	7.4
Total Expenditure	3,959	4,003	4,365	4,244	3,957	4,306	4,859	4,736	16,571	17,859
EBITDA	1,866	1,554	1,990	1,586	1,804	1,548	2,244	1,858	6,996	7,454
EBITDA Margin (%)	32.0	28.0	31.3	27.2	31.3	26.4	31.6	28.2	29.7	29.4
Depreciation	543	572	586	591	600	624	634	643	2,291	2,502
Interest	185	197	204	203	208	218	232	227	789	885
Other Income	144	162	160	244	234	234	234	234	708	935
PBT	1,282	946	1,359	1,036	1,230	939	1,611	1,222	4,624	5,002
Tax	353	275	379	-508	309	225	406	308	499	1,247
Rate (%)	27.5	29.1	27.9	-49.0	25.1	23.9	25.2	25.2	10.8	24.9
MI & Profit/Loss of Asso. Cos.	6	5	7	12	2	3	0	0	1	5
PAT before MI	929	671	981	1,544	921	715	1,205	914	4,124	3,754
Adj PAT post MI	935	676	988	866	923	718	1,205	914	3,465	3,759
YoY Change (%)	-12	-13	-13	26	-1	6	22	6	-5.2	8.5

E: MOFSL Estimates

Raymond Lifestyle

Buy
CMP: INR2,068 | TP: INR2,725 (32%)
EPS CHANGE (%): FY25 | 26: -30 | -5

- Expect flat revenue YoY due to weakness in the branded textile segment.
- Expect EBITDA margin to contract on a YoY basis due to a dip in margins in all its segments because of operating deleverage and weaker margin in garmenting.

Consolidated - Quarterly summary

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	13,212	18,034	NA	NA	12,201	17,083	17,968	17,583	65,354	64,835
YoY Change (%)					-7.7%	-5.3%				-0.8%
Total Expenditure	11,745	15,431	NA	NA	11,604	14,935	15,540	15,028	55,988	57,107
EBITDA	1,467	2,602	NA	NA	597	2,148	2,428	2,555	9,366	7,728
EBITDA Margin	11.1%	14.4%	NA	NA	4.9%	12.6%	13.5%	0.1	14.3%	11.9
Change YoY (%)					-59.3%	-17.5%				-17.5%
Depreciation	568	598	NA	NA	746	763	773	813	2,463	3,094
Interest	617	428	NA	NA	463	532	559	557	1,957	2,112
Other Income	327	458	NA	NA	294	270	270	186	1,544	1,018
PBT	517	2,035	NA	NA	-323	528	1,366	1,370	6,398	2,942
Tax	34	641	NA	NA	-91	106	344	345	1,603	705
Rate (%)	6.6%	31.5%	NA	NA	28.1%	20.1%	25.2%	25.2%	25.1%	24%
Reported PAT	483	1,393	NA	NA	-232	422	1,022	1,025	4,795	2,237
Adj PAT	575	1,393	NA	NA	-227	1,016	1,022	1,025	4,887	2,836
YoY Change (%)					-139.5%	-27.1%				-42.0%

Relaxo Footwear**Neutral****CMP: INR625 | TP: INR610 (-2%)****EPS CHANGE (%): FY25 | 26: -9 | -9**

■ Expect revenue growth to remain soft at ~5% YoY.

■ Expect EBITDA margin to improve 120bp YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Sales	7,388	7,153	7,127	7,472	7,482	6,794	7,452	7,811	29,141	29,538
YoY Change (%)	10.7	6.8	4.7	-2.3	1.3	-5.0	4.6	4.5	4.7	1.4
Total RM Cost	3,151	3,013	3,065	2,968	2,847	2,648	2,981	2,985	12,197.0	11,461
Gross Profit	4,237	4,140	4,062	4,504	4,635	4,146	4,471	4,826	16,944	18,077
Margins (%)	57.4	57.9	57.0	60.3	62.0	61.0	60.0	61.8	58.1	61.2
Total Expenditure	6,313	6,238	6,255	6,269	6,493	5,917	6,453	6,599	25,075	25,462
EBITDA	1,076	915	872	1,204	989	877	999	1,212	4,066	4,076
Margins (%)	14.6	12.8	12.2	16.1	13.2	12.9	13.4	15.5	14.0	13.8
Depreciation	346	369	375	385	391	398	409	417	1,475	1,615
Interest	45	47	48	47	49	50	47	41	187	186
Other Income	73	105	60	51	54	66	63	69	289	253
PBT before EO expense	758	604	508	823	603	496	606	824	2,693	2,529
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	758	604	508	823	603	496	606	824	2,693	2,529
Tax	195	162	123	209	160	128	153	207	688	647
Rate (%)	25.7	26.8	24.1	25.4	26.5	25.9	25.2	25.1	25.6	25.6
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	563	442	386	614	444	367	453	617	2,005	1,881
Adj PAT	563	442	386	614	444	367	453	617	2,005	1,881
YoY Change (%)	45.6	97.0	28.3	-3.0	-21.2	-16.9	17.5	0.5	29.8	-6.2
Margins (%)	7.6	6.2	5.4	8.2	5.9	5.4	6.1	7.9	6.9	6.4

E: MOFSL Estimates

Shoppers Stop**Neutral****CMP: INR603 | TP: INR675 (+12%)****EPS CHANGE (%): FY25 | 26: NA | NA**

■ Expect revenue growth of 7% YoY, mainly driven by footprint additions and low single-digit SSSG.

■ Expect 10/1 store addition(s) in Intune/Beauty.

■ Expect a net decline in departmental stores with one store addition and closure of three stores.

■ Expect margin to improve 50bp YoY.

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

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE		
Total Revenue from Operations	9,816	10,252	12,068	9,997	10,337	10,681	12,938	10,797	42,132	44,752
YoY Change (%)	4.2	1.7	6.6	9.1	5.3	4.2	7.2	8.0	5.4	6.2
Total Expenditure	8,093	8,654	9,914	8,356	8,916	9,213	10,570	9,161	35,016	37,860
EBITDA	1,723	1,598	2,154	1,641	1,421	1,468	2,368	1,636	7,116	6,892
EBITDA Margin (%)	17.6	15.6	17.8	16.4	13.7	13.7	18.3	15.1	16.9	15.4
Depreciation	1,050	1,081	1,112	1,118	1,167	1,214	1,262	1,296	4,361	4,939
Interest	541	548	579	568	604	638	658	733	2,236	2,632
Other Income	73	105	33	346	35	97	98	162	557	392
PBT before EO expense	204	74	496	301	-314	-286	545	-231	1,076	-287
Extra-Ord expense	0	-49	0	-16	0	-21	0	0	-65	0
PBT	204	25	496	285	-314	-307	545	-231	1,011	-287
Tax	55	8	141	69	-89	-87	137	-58	272	-97
Rate (%)	26.9	29.9	28.3	24.2	28.4	28.3	25.2	25.2	26.9	33.8
Reported PAT	149	18	356	216	-225	-220	408	-173	739	-190
Adj PAT	149	52	356	48	-225	-199	408	-173	605	-190
YoY Change (%)	-34.4	-74.1	-42.7	-70.5	-250.7	-482.6	14.7	-461.0	-50.1	-131.4

E: MOFSL Estimates

Trent**Buy****CMP: INR7,068 | TP: INR8,310 (+18%)****EPS CHANGE (%): FY25|26: -2|-1**

- Expect revenue growth of 40% YoY on account of robust SSSG and strong footprint additions in Zudio.
- Expect Westside/Zudio to add 1/56 store(s).
- EBITDA margin is expected to remain flat YoY at 18.8%.
- PAT is expected to jump 59% YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	25,364	28,907	33,125	31,869	39,917	40,356	46,375	42,768	1,19,266	1,69,416
YoY Change (%)	53.5	59.4	52.5	53.4	57.4	39.6	40.0	34.2	54.6	42.0
Total Expenditure	21,708	24,299	26,893	27,097	33,812	33,949	37,656	36,215	99,996	1,41,632
EBITDA	3,657	4,609	6,232	4,773	6,106	6,407	8,718	6,554	19,269	27,784
EBITDA Margin (%)	14.4	15.9	18.8	15.0	15.3	15.9	18.8	15.3	16.2	16.4
Depreciation	1,335	1,448	1,575	2,027	1,759	1,915	1,965	2,013	6,385	7,653
Interest	891	923	957	322	312	324	334	333	3,094	1,302
Other Income	498	1,511	768	733	461	1,387	845	895	3,509	3,588
PBT before EO expense	1,928	3,748	4,467	3,157	4,496	5,554	7,265	5,102	13,300	22,417
Extra-Ord expense	0	0	0	5,434	0	0	0	0	5,434	0
PBT	1,928	3,748	4,467	8,591	4,496	5,554	7,265	5,102	18,733	22,417
Tax	445	851	1,031	2,048	1,074	1,320	1,816	1,276	4,375	5,486
Reported PAT	1,483	2,897	3,436	6,543	3,422	4,234	5,449	3,827	14,358	16,931
Adj PAT	1,483	2,897	3,436	2,477	3,422	4,234	5,449	3,827	10,292	16,931
YoY Change (%)	44.5	55.9	113.5	135.6	130.8	46.2	58.6	54.5	85.6	64.5

E: MOFSL Estimates

V-Mart Retail**Neutral****CMP: INR3,876 | TP: INR4,290 (+11%)****EPS CHANGE (%): FY25|26: NM|NM**

- Consolidated revenue grew 15.5% YoY, led by robust SSSG and store additions.
- Excluding revenue from LimeRoad (INR110m), the company's revenue grew 17% YoY.
- VMart added 21 stores, taking the total store count to 488.
- Expect EBITDA margin to expand 140bp YoY.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	6,785	5,494	8,891	6,686	7,861	6,610	10,270	7,904	27,856	32,644
YoY Change (%)	15.4	8.5	14.4	12.6	15.9	20.3	15.5	18.2	13.0	17.2
Total Expenditure	6,261	5,488	7,694	6,284	6,871	6,224	8,740	7,192	25,725	29,027
EBITDA	525	7	1,197	402	990	386	1,530	711	2,131	3,617
EBITDA Margin (%)	7.7	0.1	13.5	6.0	12.6	5.8	14.9	9.0	7.6	11.1
Depreciation	499	532	583	607	568	592	628	679	2,221	2,468
Interest	330	359	376	359	375	391	411	445	1,424	1,622
Other Income	15	20	130	44	46	18	44	32	210	140
PBT	-290	-864	369	-520	93	-580	535	-381	-1,305	-333
Tax	-70	-223	87	-131	-28	-15	134	-174	-337	-83
Rate (%)	24.2	25.8	23.5	25.1	-30.3	2.6	25.0	45.6	25.9	25.0
Reported PAT	-219	-641	282	-389	121	-565	401	-207	-968	-249
Adj PAT	-219	-641	282	-389	121	-565	401	-207	-968	-249
YoY Change (%)	-207.3	466.8	41.3	5.3	-155.3	-11.9	42.2	-46.8	1,132.9	-74.2

E: MOFSL Estimates

Vedant Fashions**Neutral****CMP: INR1,272 | TP: INR1,430 (+12%)****EPS CHANGE (%): FY25 | 26: -3 | -4**

- Revenue is expected to grow 10% YoY, driven by a combination of SSSG and store additions.
- EBITDA margin is expected to expand 100bp YoY to 52%.
- Expect PAT to grow 14% YoY.

Quarterly Earning

Y/E March	FY24E				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue	3,116	2,183	4,745	3,632	2,398	2,679	5,234	4,165	13,675	14,477
YoY Change (%)	-4.1	-11.6	7.5	6.3	-23.0	22.7	10.3	14.7	0.9	5.9
Total Expenditure	1,635	1,255	2,324	1,881	1,271	1,460	2,512	2,068	7,094	7,311
EBITDA	1,482	928	2,420	1,751	1,127	1,220	2,722	2,097	6,581	7,166
EBITDA margins (%)	47.5	42.5	51.0	48.2	47.0	45.5	52.0	50.4	48.1	49.5
Change YoY (%)	-9.1	-19.6	7.8	4.3	-23.9	31.4	12.5	19.8	96.0	82.0
Depreciation	299	325	344	381	372	373	384	489	1,349	1,618
Interest	94	107	112	132	139	137	139	140	445	556
Other Income	150	151	155	241	215	192	200	194	697	801
PBT before EO expense	1,238	648	2,119	1,479	831	902	2,399	1,662	5,484	5,794
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
Tax	319	161	542	321	206	233	604	417	1,342	1,460
Rate (%)	25.7	24.8	25.6	21.7	24.8	25.8	25.2	25.1	24.5	25.2
Reported PAT	919	487	1,577	1,158	625	669	1,795	1,245	4,142	4,334
Adj PAT	919	487	1,577	1,158	625	669	1,795	1,245	4,142	4,334
YoY Change (%)	-9	-29	5	6	-32	37	14	8	-3	5

E: MOFSL Estimates

Technology

Setting the stage for a CY25 revival

Expect a shift in demand sentiment despite short-term pain from furloughs

- After a decent 2Q, we expect seasonal furloughs to weigh on growth for the sector in 3QFY25. That said, looking beyond seasonality, macro uncertainty is gradually easing and we expect the outlook for technology spending to improve in CY25. While the initial phase of recovery in 1HFY25 was sluggish, we now see clear signs of an acceleration. Recovery appears to be expanding beyond US BFSI—which continues to strengthen—into additional industry verticals such as Hi-Tech, which is recovering ahead of schedule. We expect tier-2 companies to continue to outpace tier-1 firms in growth during the quarter. The most important catalyst for the sector now would come after 3QFY25, when client budgets for CY25 would be finalized and the magnitude of change in client behavior would become clearer. We expect aggregate revenue/EBIT/PAT to grow by 5.7%/6.1%/8.9% YoY (all in INR terms) for our coverage universe.
- **We expect QoQ constant currency revenue growth** of ~0.4%/1.0%/3.7% for TCS/INFO/HCLT. Mid-tier companies should continue to do well; we expect COFORGE/PSYS to grow by 4.9%/4.0%, whereas MPHL/CYL could show 0.2%/2.3% growth.
- **Cross-currency impact for the quarter:** On an average, we expect 50-80bp cross-currency headwinds for our coverage on a sequential basis.
- **Guidance:** We believe that Cyient and LTTS might fall short of its FY25 revenue guidance. Overall, we expect the guidance to remain unchanged.
- We expect revenue growth of Tier-I companies to be in the range of -1.0% to +3.7% QoQ CC. Revenue of Tier-II players is expected to grow to the tune of 0% to ~5% QoQ in CC terms.
- **Furloughs and wage hikes to put pressure on margins in 3Q:** We expect margin declines for INFO (seasonally weak 2H and furloughs) and LTIM (wage hike). That said, growth leverage in 2H for select companies (COFORGE/LTTS/CYL) and cost optimization benefits could help offset some of this impact. We believe a more measured hiring approach in light of only gradual improvements in demand, and a strong USD vs. INR should provide margin cushion in FY26.
- Among Tier-I players, we prefer **LTIM** as we believe its vertical exposures in BFSI and Hi-tech, as well as its service line exposures in data, ERP and modernization, position it well for a recovery in client spends in FY26/FY27.
- Among Tier-II players, our top pick is **COFORGE**. Coforge's strong offerings in BFS and insurance should enable it to participate in the demand recovery, and a strong TCV also indicates a robust near-term growth outlook. We believe COFORGE's organic business is in great shape and early cross-selling initiatives between COFORGE and Cigniti indicate that COFORGE could engineer a growth turnaround at Cigniti earlier than expected.
- We now roll over to FY27E EPS (earlier Sep'26E EPS) to determine the target prices for our coverage companies.

Growth expectations across our coverage

- We expect INFO and TCS to report 1.0% and 0.4% cc QoQ growth, respectively, whereas HCLT is anticipated to clock healthy growth of 3.7% in 3QFY25, driven by seasonality in its software business. Meanwhile, TECHM is likely to post flat revenue QoQ and Wipro may report a 1.0% decline QoQ. LTIM could report 1.5% QoQ cc growth as furloughs may slightly temper its performance.
- Among mid-tier firms, we expect COFORGE to lead the pack with ~5% cc QoQ revenue growth, driven by robust organic growth and cross-selling benefits from Cigniti integration. Persistent is also likely to deliver 4.0% cc QoQ growth, while Mphasis could post flat cc QoQ growth.
- We expect Cyient DET to deliver stronger 2H compared to 1H. However, the company may fall short of achieving its FY25 guidance due to challenges in its key vertical. We are factoring in a modest cross-currency headwind for most companies (~50-80bp impact).

Wage hike and furloughs to impact margin for select companies

- We expect EBIT margins for TCS to improve by 40bp QoQ, largely due to investment made in talent development and training, operational efficiency and absence of wage hikes. HCLT's margins may rise ~50bp due to operating leverage and a strong software quarter, despite a wage hike impact and furloughs. For Infosys, we expect margins to decline by 30bp owing to furloughs and lower working days, offset by pricing gains, subcontractor cost optimization, and Project Maximus.
- LTIM's margins are expected to decline sequentially by 210bp due to wage hikes, partly offset by operational efficiencies. Wipro may see a decline of 40bp.
- The net headcount addition would be lower across the board, owing to lower working days, coupled with a gradual demand recovery.
- Among mid-caps, major companies are expected to see an uptick in margin sequentially. Coforge's margin is set to rise to 13.7% due to wage hikes in 1H and lower merger expenses. For Mphasis and Cyient, margins are expected to decline primarily due to seasonality, while LTTS should see an 80bp QoQ increase, driven by growth leverage, offshoring, and a favorable pyramid structure.

LTIM and COFORGE remain our top picks

- Client spending sentiment is showing positive trends, indicating a potential revival in modernization and discretionary spending, albeit in some pockets.
- Among Tier-I players, we prefer **LTIM** as we believe its vertical exposures in BFSI and Hi-tech, as well as its service line exposures in data, ERP and modernization, position it well for a recovery in client spends in FY26/FY27.
- Among Tier-II players, our top pick is **COFORGE**. Coforge's strong offerings in BFS and insurance should enable it to participate in a demand recovery, and a strong TCV also indicates a robust near-term growth outlook. We believe COFORGE's organic business is in great shape and early cross-selling initiatives between COFORGE and Cigniti indicate that COFORGE could engineer a growth turnaround at Cigniti earlier than expected.

Exhibit 1: Expect Tier-I companies' revenue (USD) to be flat QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)
TCS	7,644	7,670	-0.3%	7,281	5.0%	645	643	0.3%	606	6.4%
INFO	4,913	4,894	0.4%	4,663	5.4%	414	410	1.1%	388	6.7%
HCLT	3,553	3,445	3.1%	3,415	4.1%	300	289	3.8%	284	5.3%
WPRO	2,620	2,660	-1.5%	2,656	-1.4%	222	223	-0.7%	222	-0.2%
TECHM	1,565	1,589	-1.5%	1,573	-0.5%	132	133	-0.9%	131	0.7%
LTIM	1,138	1,127	1.0%	1,084	5.0%	96	94	1.7%	90	6.4%
Tier I aggregate	21,434	21,385	0.2%	20,672	3.7%	1,808	1,792	0.9%	1,722	5.0%

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)
TCS	24.5	24.1	40.0	25.0	-50.0	127.3	119.6	6.4%	117.7	8.1%
INFO	20.8	21.1	-30.0	20.5	30.0	68.4	65.2	5.0%	61.1	11.9%
HCLT	19.1	18.6	50.0	19.7	-60.0	45.3	42.4	6.9%	43.5	4.1%
WPRO	16.3	16.7	-30.0	14.8	150.0	29.7	32.3	-7.9%	27.0	10.0%
TECHM	9.7	9.6	10.0	7.0	270.0	10.4	12.6	-17.6%	7.3	42.5%
LTIM	13.4	15.5	-210.0	15.4	-200.0	10.9	12.5	-12.5%	11.7	-6.4%
Tier I aggregate	20.1	20.1	-	19.9	20.0	292	284	2.7%	268	8.8%

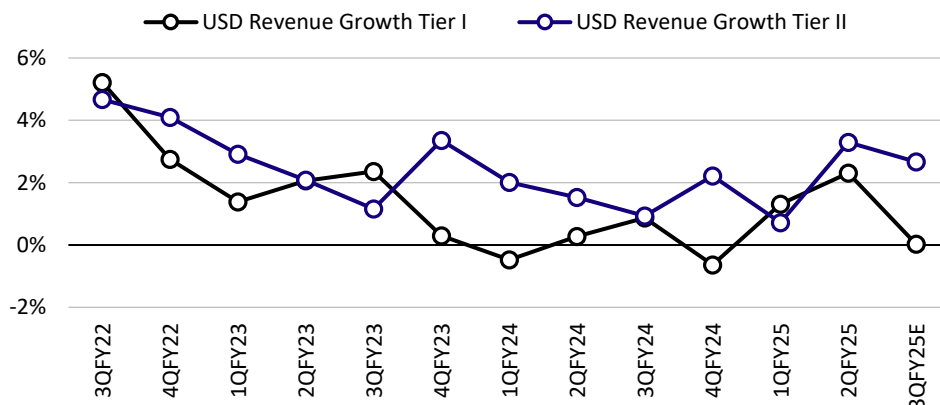
Exhibit 2: Expect Tier-II companies' revenue (USD) to be up 2.5% QoQ

Company	Revenue (USD m)					Revenue (INR b)				
	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)
LTTS	318	307	3.7%	291	9.4%	26.8	25.7	4.2%	24.2	10.7%
MPHL	421	421	0.0%	402	4.6%	35.5	35.3	0.6%	33.5	5.9%
COFORGE	386	369	4.4%	282	36.8%	32.5	30.6	6.2%	23.2	40.0%
PSYS	359	346	3.9%	301	19.4%	30.3	29.0	4.5%	25.0	21.2%
ZENT	156	156	-0.1%	145	7.9%	13.2	13.1	0.6%	12.0	9.3%
CYL	176	173	1.6%	179	-1.9%	14.8	14.5	2.3%	14.9	-0.6%
Tier II aggregate	1,816	1,772	2.5%	1,599	13.5%	153.1	148.2	3.3%	132.9	15.2%

Company	EBIT margin (%)					Adjusted PAT (INR b)				
	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)	3QFY25	2QFY25	QoQ (%)	3QFY24	YoY (%)
LTTS	15.9	15.1	80.0	17.2	-130.0	3.5	3.2	9.2%	3.4	3.8%
MPHL	15.2	15.4	-20.0	14.8	40.0	4.3	4.2	2.4%	3.7	16.1%
COFORGE	13.7	11.1	270.0	13.8	-	3.0	2.0	47.6%	2.4	25.4%
PSYS	14.4	14.0	40.0	14.5	-10.0	3.5	3.2	9.2%	2.9	24.0%
ZENT	13.2	13.1	10.0	14.6	-150.0	1.4	1.6	-8.2%	1.6	-11.5%
CYL	13.5	14.2	-70.0	16.0	-250.0	1.8	1.8	-0.3%	1.9	-3.9%
Tier II aggregate	14.5	13.9	70.0	15.1	-60.0	17.6	16.1	9.5%	15.8	11.2%

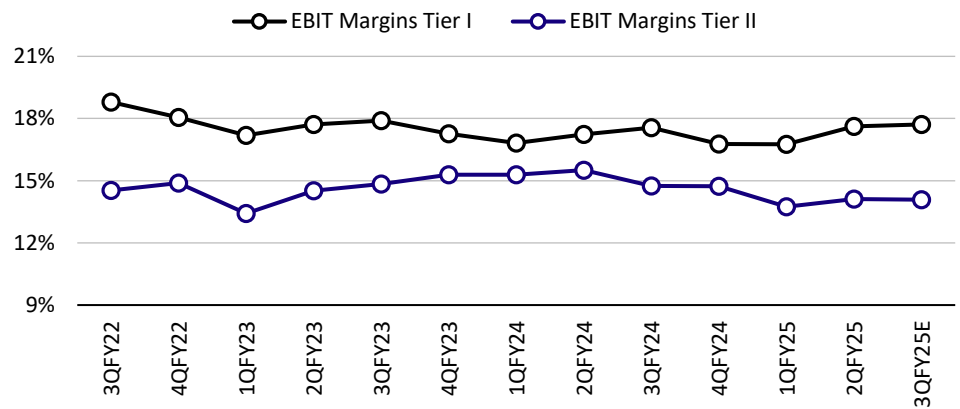
Source: Company, MOFSL

Exhibit 3: Tier I companies should report flat QoQ growth on account of seasonality



Source: MOFSL, Company

Exhibit 4: Margins remain a mixed bag for both Tier- I and Tier-II companies



Source: MOFSL, Company

Exhibit 5: Cross-currency impact on 3Q USD Growth

	CC USD growth QoQ (%)	USD growth QoQ (%)	Cross-currency impact (bp)
TCS	0.4	-0.3	-70
INFO	1.0	0.4	-60
HCLT	3.7	3.1	-50
WPRO	-1.0	-1.5	-50
TECHM	0.0	-1.5	-150
LTIM	1.5	1.0	-50
LTTS	4.0	3.7	-30
MPHL	0.2	0.0	-20
COFORGE	4.9	4.4	-50
PSYS	4.0	3.9	-10
ZENT	0.3	-0.1	-40
CYL (DET)	2.3	1.6	-70

Source: Company, MOFSL

Exhibit 10: Summary of quarterly performance estimates

Companies	CMP		Sales (INR b)			EBIT (INR b)			Adjusted net profit (INR b)		
	(INR)	Rating	Dec'24E	Variance YoY (%)	Variance QoQ (%)	Dec'24E	Variance YoY (%)	Variance QoQ (%)	Dec'24E	Variance YoY (%)	Variance QoQ (%)
TCS	4,159	Buy	644.6	6.4	0.3	157.9	4.2	2.1	127.3	8.1	6.4
INFO	1,906	Buy	414.3	6.7	1.1	86.3	8.4	-0.2	68.4	11.9	5.0
HCLT	1,929	Buy	299.6	5.3	3.8	57.2	1.9	6.7	45.3	4.1	6.9
WPRO	304	Neutral	221.5	-0.2	-0.7	36.2	10.0	-2.7	29.7	10.0	-7.9
TECHM	1,747	Neutral	132.0	0.7	-0.9	12.8	40.5	0.0	10.4	42.5	-17.6
LTIM	5,649	Buy	95.9	6.4	1.7	12.9	-7.2	-11.8	10.9	-6.4	-12.5
MPHL	2,930	Neutral	35.5	5.9	0.6	5.4	8.8	-0.7	4.3	16.1	2.4
LTTS	4,752	Buy	26.8	10.7	4.2	4.3	2.5	10.0	3.5	3.8	9.2
PSYS	6,637	Buy	30.3	21.2	4.5	4.4	20.3	7.5	3.5	24.0	9.2
COFORGE	9,835	Buy	32.5	40.0	6.2	4.5	39.6	31.6	3.0	25.4	47.6
CYL	1,848	Buy	14.8	-0.6	2.3	2.0	-16.1	-2.7	1.8	-3.9	-0.3
ZENT	760	Neutral	13.2	9.3	0.6	1.7	-1.5	1.3	1.4	-11.5	-8.2
Sector aggregate (INR b)			1,961	5.7	1.1	386	6.1	1.5	310	8.9	3.0

Source: Company, MOFSL

Exhibit 6: Comparative valuations

Company	CMP (INR)	M-cap (INR b)	Target Price	Upside/Downside	EPS (INR)			EPS CAGR (%)	P/E (x)		
					FY25E	FY26E	FY27E	FY24-27E	FY25E	FY26E	FY27E
TCS	4,159	15,036	5,000	20%	139.0	153.0	167.3	9.8	29.9	27.2	24.9
INFO	1,906	7,862	2,250	18%	63.6	71.5	80.1	11.1	30.0	26.6	23.8
HCLT	1,929	5,220	2,400	24%	63.3	71.9	79.7	11.2	30.5	26.8	24.2
WPRO	304	3,172	290	-5%	11.5	12.3	13.0	8.4	26.5	24.8	23.4
TECHM	1,747	1,709	1,750	0%	47.8	62.1	69.6	19.2	36.5	28.1	25.1
LTIM	5,649	1,682	8,000	42%	162.2	189.2	229.9	14.1	34.8	29.9	24.6
MPHL	2,930	551	3,200	9%	90.7	104.3	115.1	12.1	32.3	28.1	25.5
LTTS	4,752	505	5,250	10%	127.1	153.4	174.7	12.4	37.4	31.0	27.2
PSYS	6,637	1,017	7,500	13%	88.5	116.5	136.1	21.9	75.0	57.0	48.8
COFORGE	9,835	608	11,500	17%	145.7	229.2	282.3	28.4	67.5	42.9	34.8
CYL	1,848	204	2,100	14%	63.0	84.8	96.9	16.0	29.3	21.8	19.1
ZENT	760	173	800	5%	26.9	30.9	35.1	6.5	28.2	24.6	21.6

Source: Company, MOFSL

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

Coforge**Buy****CMP INR9,835 | TP: INR11,500 (17%)****EPS CHANGE (%): FY25|26|27: 0.3|-1.6|-0.5**

- Revenue growth is expected to be ~4.9% QoQ CC, supported by robust organic growth.
- EBIT margin is set to rise to 13.7% due to wage hikes in 1H and lower merger expenses, though ESOP costs in 3Q-4Q will weigh on margins. Cigniti's standalone margin is expected to hit 18% by 4QFY25.
- Key things to watch out for:** further benefits from Cigniti's cross-selling and deal TCv in BFS and Insurance (~48.5% of revenue).
- We expect Coforge to report 12.6% organic CC growth in FY25E. We now value COFORGE organically at 45x FY27E EPS (vs. 40x earlier) and value the Cigniti business at 27x FY27E EPS.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Rev. (USD m)	272	278	282	287	291	369	386	400	1,119	1,447
QoQ (%)	2.8	2.3	1.4	1.7	1.6	26.8	4.4	3.8	11.7	29.3
Revenue (INR m)	22,210	22,762	23,233	23,585	24,008	30,623	32,521	33,755	91,790	1,20,907
YoY (%)	21.4	16.2	13.0	8.7	8.1	34.5	40.0	43.1	14.5	31.7
GPM (%)	30.7	32.5	33.1	34.1	33.0	32.4	34.6	35.0	32.6	33.8
SGA (%)	14.7	14.9	15.1	15.5	19.1	16.5	15.7	15.7	15.1	16.6
EBITDA (INRm)	3,329	3,473	4,012	4,163	3,134	4,640	5,557	5,910	14,977	19,241
EBITDA Margin (%)	15.0	15.3	17.3	17.7	13.1	15.2	17.1	17.5	16.3	15.9
EBIT (INRm)	2,572	2,701	3,201	3,317	2,319	3,397	4,470	4,724	11,791	14,910
EBIT Margin (%)	11.6	11.9	13.8	14.1	9.7	11.1	13.7	14.0	12.8	12.3
Other income	-152	-295	-257	-452	-272	-262	-218	-227	-1,156	-979
ETR (%)	20.0	21.9	17.5	19.7	31.9	25.5	23.2	23.2	19.7	25.0
Minority Interest	-104.0	-69.0	-48.0	-55.0	-61.0	-314.0	-278.9	-124.9	-276.0	-778.8
Adj. PAT	1,831	1,809	2,380	2,246	1,332	2,022	2,985	3,327	8,266	9,666
QoQ (%)	-21.3	-1.2	31.6	-5.6	-40.7	51.8	47.6	11.5		
YoY (%)	22.0	-10.3	4.3	-3.5	-27.3	11.8	25.4	48.1	1.7	16.9
Adj. EPS (INR)	29.2	29.0	38.1	36.2	20.8	30.1	44.5	49.6	133.2	145.7

Cyient**Buy****CMP INR1,848 | TP: INR2,100 (+14%)****EPS CHANGE (%): FY25|26|27: -2.6|-1.6|-1.6**

- Expect 2.3% QoQ CC growth for DET in 3QFY25, led by the ramp-up of initiative-based work and the reversal of furloughs in sustainability.
- Sustainability is anticipated to improve in 2H, with Cyient also projecting a stronger order intake during this period.
- DET margins are expected to decline by ~70bp QoQ to 13.5% in 3Q, driven by wage hikes, investment in sales and sem-con investments, partially offset by growth leverage.
- We value CYL DET Business at 24x FY27E (earlier 25x) as we expect risks to its FY25E guidance in light of short-term headwinds for key verticals.

DET Quarterly Performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	177	178	179	179	170	173	176	181	714	699
QoQ (%)	0.5	0.7	0.4	0.1	-5.4	2.0	1.6	2.7	12.9	-2.1
Revenue (INR m)	14,546	14,762	14,914	14,892	14,144	14,496	14,826	15,348	59,114	58,814
YoY (%)	37.2	22.5	8.1	2.8	-2.8	-1.8	-0.6	3.1	16.1	-0.5
GPM (%)	39.8	40.2	40.0	39.8	39.5	39.7	39.2	39.0	39.9	39.3
SGA (%)	19.5	19.7	20.0	19.7	21.9	21.5	21.8	19.3	19.7	21.1
EBITDA	2,956	3,036	2,981	2,987	2,487	2,642	2,580	3,024	11,960	10,732
EBITDA Margin (%)	20.3	20.6	20.0	20.1	17.6	18.2	17.4	19.7	20.2	18.2
EBIT	2,336	2,439	2,385	2,385	1,903	2,058	2,002	2,425	9,545	8,388
EBIT Margin (%)	16.1	16.5	16.0	16.0	13.5	14.2	13.5	15.8	16.1	14.2
Other income	-122	-180	-139	-107	-54	282	74	77	-548	379
ETR (%)	23.1	23.5	23.1	23.8	23.5	24.5	24.5	24.5	23.4	24.3
Adj. PAT	1,703	1,728	1,727	1,735	1,414	1,766	1,566	1,888	6,893	6,634
QoQ (%)	6.1	1.5	-0.1	0.5	-18.5	24.9	-11.3	20.5		
YoY (%)	56.4	60.4	17.3	8.1	-17.0	2.2	-9.3	8.8	31.5	-3.8
EPS (INR)	15	16	16	16	13	16	14	17	63	60

HCL Technologies**Buy**

CMP INR1,929 | TP: INR2,400 (+24%)

EPS CHANGE (%): FY25|26|27: -0.7|-0.1|-0.7

- HCL is expected to post 3.7% QoQ CC growth, driven by seasonal tailwinds from renewals in its products business.
- While ER&D and manufacturing could continue to be soft owing to challenges from the German automotive sector, a revival in Hi-tech discretionary spending is anticipated.
- Margins may rise by 50bp QoQ, led by a seasonally strong quarter for the software business and operating leverage, despite a 65-80bp wage hike impact and furloughs.
- We expect the company to retain its FY25 revenue growth guidance of 3.5-5%.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	3,200	3,225	3,415	3,430	3,364	3,445	3,553	3,563	13,270	13,926
QoQ (%)	-1.1	0.8	5.9	0.4	-1.9	2.4	3.1	0.3	5.4	4.9
Revenue (INR b)	263	267	284	285	281	289	300	303	1,099	1,172
YoY (%)	12.1	8.0	6.5	7.1	6.7	8.2	5.3	6.3	8.3	6.6
GPM (%)	35.6	36.2	36.7	35.0	34.5	34.9	35.0	33.7	35.9	34.5
SGA (%)	13.6	12.4	11.5	12.0	12.4	11.5	11.0	11.3	12.4	11.5
EBITDA	55	59	67	61	58	64	68	64	242	253
EBITDA Margin (%)	20.8	22.3	23.5	21.4	20.6	22.1	22.6	21.0	22.0	21.6
EBIT	45	49	56	50	48	54	57	53	200	212
EBIT Margin (%)	17.0	18.5	19.7	17.6	17.1	18.6	19.1	17.5	18.2	18.1
Other income	2	2	3	3	9	3	4	4	9	20
ETR (%)	24.8	25.3	25.9	24.2	25.4	25.5	25.5	25.5	25.1	25.5
Adjusted PAT	35	38	44	40	43	42	45	42	157	172
QoQ (%)	-11.2	8.4	13.5	-8.4	6.8	-0.5	7.0	-6.9		
YoY (%)	7.6	9.8	6.2	0.1	20.5	10.5	4.1	5.8	5.7	9.8
EPS	13.0	14.1	16.0	14.7	15.7	15.6	16.7	15.6	57.9	63.3

Infosys**Buy**

CMP INR1,906 | TP: INR2,250 (+18%)

EPS CHANGE (%): FY25|26|27: 0.2|0.6|0.6

- Revenue growth is likely to be 1.0% QoQ CC, impacted by seasonal furloughs. We expect 2H to be weaker than 1H as growth was partially front-ended.
- However, we expect deal TCV to remain robust in 3Q, and demand commentary to improve. We expect flow business to recover in CY25, aiding growth.
- Operating margin is expected to dip by 30bp due to furloughs, offset by tailwinds from pricing improvements, sub-con cost optimization, and Project Maximus, with a projected margin of 20.8%.
- Expect Infosys to maintain its guidance of 3.75% to 4.5% for the full year.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	4,617	4,718	4,663	4,564	4,714	4,894	4,913	4,934	18,562	19,455
QoQ (%)	1.4	2.2	-1.2	-2.1	3.3	3.8	0.4	0.4	1.9	4.8
Revenue (INR b)	379	390	388	379	393	410	414	419	1,537	1,637
YoY (%)	10.0	6.7	1.3	1.3	3.6	5.1	6.7	10.6	4.7	6.5
GPM (%)	30.5	30.7	29.8	29.5	30.9	30.5	30.4	29.3	30.1	30.3
SGA (%)	9.6	9.5	9.3	9.4	9.8	9.4	9.5	9.3	9.4	9.5
EBITDA	90	95	91	88	93	98	98	95	364	384
EBITDA Margin (%)	23.8	24.3	23.6	23.1	23.8	23.8	23.5	22.6	23.7	23.4
EBIT	79	83	80	76	83	86	86	84	317	339
EBIT Margin (%)	20.8	21.2	20.5	20.1	21.1	21.1	20.8	19.9	20.7	20.7
Other income	5	5	7	7	7	6	7	7	23	28
ETR (%)	28.9	29.1	29.1	26.8	29.3	29.6	27.0	27.0	28.5	28.2
PAT	59	62	61	61	64	65	68	66	243	264
QoQ (%)	-3.0	4.5	-1.7	-0.5	4.8	2.2	5.1	-2.8		
YoY (%)	10.9	3.2	-7.3	-0.9	7.1	4.7	12.0	9.5	1.0	8.3
EPS (INR)	14.4	15.0	14.7	14.7	15.4	15.7	16.5	16.0	58.4	63.6

LTIMindtree**Buy****CMP INR5,649 | TP: INR8,000 (+42%)****EPS CHANGE (%): FY25|26| 27: -1.5|-1.3|-1.6**

- LTIM is expected to report 1.5% CC growth in Q3. While 2H will see a ramp-up from deals closed in 1H, seasonal impacts may affect growth. LTIM saw steady deal momentum in key verticals and we expect growth to recover in 4Q.
- Margins may decline sequentially by 210bp due to wage hikes, partly offset by operational efficiencies.
- BFS customers starting to scale up high-priority programs with momentum across sub-segments. Governance and Regulatory compliance continue to be key spend areas. Hi-tech continues to be robust too, and is recovering ahead of schedule.
- In 3QFY25, demand commentary, the performance of the BFSI vertical, and margins will be closely monitored.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	1,059	1,076	1,084	1,069	1,096	1,127	1,138	1,174	4,287	4,535
QoQ (%)	0.1	1.6	0.8	-1.3	2.5	2.8	1.0	3.2	4.4	5.8
Revenue (INR m)	87,021	89,054	90,166	88,929	91,426	94,329	95,948	99,819	3,55,170	3,81,522
YoY (%)	13.8	8.2	4.6	2.3	5.1	5.9	6.4	12.2	7.0	7.4
GPM (%)	31.6	31.4	29.9	29.8	30.3	30.8	28.8	30.5	30.7	30.1
SGA (%)	12.8	13.1	12.3	12.5	12.7	12.8	12.8	12.5	12.7	12.7
EBITDA	16,355	16,313	15,849	15,357	16,061	16,993	15,352	17,967	63,874	66,373
EBITDA Margin (%)	18.8	18.3	17.6	17.3	17.6	18.0	16.0	18.0	18.0	17.4
EBIT	14,508	14,231	13,859	13,087	13,709	14,582	12,857	15,771	55,685	56,919
EBIT Margin (%)	16.7	16.0	15.4	14.7	15.0	15.5	13.4	15.8	15.7	14.9
Other income	856	962	1,588	1,396	1,547	2,286	1,727	1,797	4,802	7,357
ETR (%)	25.0	23.5	24.3	24.0	25.6	25.8	24.9	24.9	24.2	25.3
Adj PAT	11,523	11,623	11,693	11,007	11,351	12,516	10,949	13,189	45,846	48,005
QoQ (%)	3.4	0.9	0.6	-5.9	3.1	10.3	-12.5	20.5		
YoY (%)	4.1	-2.2	8.2	-1.2	-1.5	7.7	-6.4	19.8	2.1	4.7
EPS (INR)	38.9	39.2	39.4	37.1	38.2	42.2	37.0	44.6	154.5	162.0

LTTS**Buy****CMP INR4,752 | TP: INR5,250 (+10%)****EPS CHANGE (%): FY25|26| 27: 0.6|2.7|2.2**

- We expect revenues to grow 4% CC QoQ as 2H is a seasonally strong period for LTTS.
- EBIT margins are expected to improve by 80bp QoQ, with growth leverage, offshoring, and pyramid adjustments serving as key margin drivers. The impact of a wage hike will affect 3Q margins.
- We expect the company to retain its FY25 USD CC revenue growth guidance of 8-10%, but see challenges in achieving the lower end.
- We value LTTS at 30x FY27E (earlier 40x) as we believe meeting the lower end of the guidance now requires a CQGR of ~4.5%, which could be challenging.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	280	288	291	305	295	307	318	331	1,164	1,251
QoQ (%)	9.8	2.9	0.9	5.0	-3.2	3.9	3.7	4.2	17.6	7.5
Revenue (INR m)	23,014	23,865	24,218	25,375	24,619	25,729	26,818	28,153	96,472	1,05,318
YoY (%)	22.8	19.6	18.2	21.1	7.0	7.8	10.7	10.9	20.4	9.2
GPM (%)	30.0	28.0	29.2	28.9	29.3	29.3	28.9	29.5	29.0	29.3
SGA (%)	10.4	8.1	9.1	9.1	10.8	11.2	10.0	10.2	9.1	10.5
EBITDA	4,528	4,756	4,877	5,028	4,562	4,660	5,069	5,433	19,189	19,724
EBITDA Margin (%)	19.7	19.9	20.1	19.8	18.5	18.1	18.9	19.3	19.9	18.7
EBIT	3,954	4,075	4,162	4,282	3,836	3,877	4,264	4,645	16,473	16,622
EBIT Margin (%)	17.2	17.1	17.2	16.9	15.6	15.1	15.9	16.5	17.1	15.8
Other income	357	286	493	428	491	531	483	507	1,564	2,011
ETR (%)	27.6	27.6	27.6	27.5	27.5	27.4	26.5	26.5	27.6	26.9
PAT	3,111	3,154	3,362	3,409	3,136	3,196	3,489	3,787	13,036	13,608
QoQ (%)	0.5	1.4	6.6	1.4	-8.0	1.9	9.2	8.5		
YoY (%)	13.5	11.7	10.7	10.1	0.8	1.3	3.8	11.1	11.4	4.4
EPS (INR)	29.4	29.8	31.7	32.2	29.6	29.8	32.5	35.3	123.0	127.1

Mphasis**Neutral****CMP INR2,930 | TP: INR3,200 (9%)****EPS CHANGE (%): FY25|26| 27: -0.8|-0.4|-1.8**

- We expect 0.2% QoQ CC revenue growth, impacted by furloughs. However, recovery continues in BFS, with signs of improvement in mortgages.
- Broad-based TCV wins across verticals and client pyramid as well as conversion from TCV to revenue would continue to improve.
- We expect a sequential margin decline of 20bps in 3Q, primarily driven by seasonal factors. While efficiency gains offered some relief, furloughs exerted downward pressure on margins.
- Watch out for commentary about demand environment and pricing, the volume recovery for its mortgage business and deal TCV.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	398	398	402	411	410	421	421	439	1,609	1,691
QoQ (%)	-3.4	0.1	1.0	2.1	-0.2	2.7	0.0	4.3	-6.3	5.1
Revenue (INR m)	32,520	32,765	33,380	34,120	34,225	35,362	35,576	37,363	1,32,785	1,42,526
YoY (%)	-4.7	-6.9	-4.8	1.5	5.2	7.9	6.6	9.5	-3.8	7.3
GPM (%)	29.1	28.9	31.3	31.2	30.8	31.3	29.5	29.8	30.1	30.3
SGA (%)	11.1	10.7	13.3	12.5	12.7	12.9	12.0	12.0	11.9	12.4
EBITDA	5,869	5,956	6,007	6,388	6,185	6,480	6,226	6,651	24,220	25,541
EBITDA Margin (%)	18.0	18.2	18.0	18.7	18.1	18.3	17.5	17.8	18.2	17.9
EBIT	4,995	5,067	4,972	5,080	5,135	5,444	5,408	5,866	20,114	21,852
EBIT Margin (%)	15.4	15.5	14.9	14.9	15.0	15.4	15.2	15.7	15.1	15.3
Other income	263	150	14	143	238	182	356	374	570	1,149
ETR (%)	24.7	24.9	25.1	24.7	24.7	24.7	24.7	24.7	24.8	24.7
PAT	3,961	3,920	3,736	3,932	4,045	4,234	4,337	4,696	15,549	17,312
QoQ (%)	-2.3	-1.0	-4.7	5.2	2.9	4.7	2.4	8.3		
YoY (%)	-1.5	-6.3	-9.4	-3.0	2.1	8.0	16.1	19.4	-5.1	11.3
EPS (INR)	20.9	20.6	19.6	20.7	21.3	22.2	22.7	24.6	81.8	90.7

Persistent Systems**Buy****CMP INR6,637 | TP: INR7,500 (+13%)****EPS CHANGE (%): FY25|26| 27: -1.2|1.3|1.7**

- We expect 4.0% QoQ CC revenue growth; healthcare will lead growth, to be offset by furloughs in BFSI and Hi-Tech. We anticipate growth across key verticals to converge in FY26, and Hi-Tech to lead the charge.
- Margins are expected to improve by 40bp QoQ, driven by steady utilization (83-85%), controlled SG&A investments, absence of wage hikes, and pricing growth. However, seasonal furloughs in 2H may pose headwind, similar to last year.
- Commentaries on recovery in Hi-tech vertical are the key things to monitor.
- 3Q ACV is expected to be higher due to new deals and renewals in the US. We value PSYS at 55x (earlier 50x) FY27E EPS. We believe a recovery in Hi-Tech and BFSI verticals could strengthen its portfolio in FY26, and this should command a premium multiple.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
(Consolidated)										
Revenue (USD m)	283	292	301	311	328	346	359	371	1,186	1,404
QoQ (%)	3.0	3.1	3.0	3.4	5.6	5.3	3.9	3.4	14.5	18.3
Revenue (INR m)	23,212	24,117	24,982	25,905	27,372	28,972	30,267	31,515	98,216	1,18,125
QoQ (%)	3.0	3.9	3.6	3.7	5.7	5.8	4.5	4.1		
YoY (%)	23.6	17.7	15.2	14.9	17.9	20.1	21.2	21.7	17.6	20.3
GPM (%)	34.2	33.1	33.8	33.3	33.0	33.4	33.5	33.5	33.6	33.4
SGA (%)	16.0	16.3	16.1	15.7	16.4	16.8	16.5	16.5	16.0	16.6
EBITDA	4,229	4,052	4,418	4,544	4,552	4,807	5,145	5,358	17,243	19,862
EBITDA Margin (%)	18.2	16.8	17.7	17.5	16.6	16.6	17.0	17.0	17.6	16.8
EBIT	3,466	3,308	3,631	3,744	3,840	4,062	4,367	4,548	14,149	16,817
EBIT Margin (%)	14.9	13.7	14.5	14.5	14.0	14.0	14.4	14.4	14.4	14.2
Other income	90	250	262	210	165	283	242	252	813	942
ETR (%)	22.0	26.0	26.5	20.3	23.5	25.2	23.0	23.0	23.7	23.6
Adj. PAT	2,774	2,633	2,861	3,153	3,064	3,250	3,549	3,697	11,421	13,561
QoQ (%)	10.3	-5.1	8.7	10.2	-2.8	6.1	9.2	4.2		
YoY (%)	31.1	19.7	6.9	25.4	10.5	23.4	24.0	17.3	20.1	18.7
Reported EPS (INR)	15.0	17.3	18.8	20.7	19.9	21.2	23.2	24.1	71.9	88.5

TCS**Buy****CMP INR4,159 | TP: INR5,000 (+20%)****EPS CHANGE (%): FY25|26|27: -1.4|-2.4|-2.7**

- Growth is expected to be subdued at 0.4% QoQ CC. Revenue remains impacted by furloughs; however, client-specific challenges are likely to normalize in 3Q.
- The deal pipeline should remain healthy. There is some good momentum in BFSI, but weakness in UK/Europe and manufacturing needs to be monitored.
- EBIT margin may improve by 40bp, driven by talent development, training, and operational efficiency.
- Outlook on near-term demand & pricing environment, BFSI, and deal wins are key monitorables. We currently value TCS at 30x (earlier 33x) FY27E EPS, as we believe there is a downside risk to our estimates from the BSNL deal ramp-down in FY26E.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
IT Services Revenue (USD m)	7,226	7,210	7,281	7,363	7,505	7,670	7,644	7,761	29,080	30,580
QoQ (%)	0.4	-0.2	1.0	1.1	1.9	2.2	-0.3	1.5	4.1	5.2
Overall Revenue (INR b)	594	597	606	612	626	643	645	660	2,409	2,573
QoQ (%)	0.4	0.5	1.5	1.1	2.2	2.6	0.3	2.3		
YoY (%)	12.6	7.9	4.0	3.5	5.4	7.7	6.4	7.7	6.8	6.8
GPM (%)	39.5	40.1	40.8	41.1	42.6	38.2	40.0	41.0	40.4	40.4
SGA (%)	16.4	15.8	15.8	15.1	18.0	14.1	15.5	15.1	15.7	15.7
EBITDA	150	157	164	172	167	168	171	184	643	691
EBITDA Margin (%)	25.2	26.3	27.1	28.1	26.7	26.1	26.6	28.0	26.7	26.8
EBIT	138	145	152	159	154	155	158	171	594	638
EBIT Margin (%)	23.2	24.3	25.0	26.0	24.7	24.1	24.5	25.9	24.7	24.8
Other income	12	8	7	9	8	6	13	13	37	33
PBT	150	153	159	168	162	160	171	184	632	677
ETR (%)	25.8	25.8	25.8	25.8	25.4	25.4	25.5	25.5	25.7	25.5
Adj. PAT	111	114	118	125	121	120	127	137	469	505
Exceptional items	0	0	-7	0	0	0	0	0	-7	0
Reported PAT	111	114	111	125	121	120	127	137	462	505
QoQ (%)	-2.8	2.3	-2.5	12.7	-3.2	-1.2	6.4	7.7		
YoY (%)	16.8	8.7	2.0	9.3	8.9	5.1	14.7	9.7	9.3	9.2
EPS (INR)	30.3	31.0	30.3	34.4	33.3	32.9	35.0	37.8	126.3	139.0

Tech Mahindra**Neutral****CMP INR1,747 | TP: INR1,750 (0%)****EPS CHANGE (%): FY25|26|27: -0.1|-2.5|-2.1**

- Revenue growth may stay flat in 3Q due to seasonality in CME and enterprise, currency, and furlough headwinds. While the communications vertical has stabilized, recovery may take time.
- Margins are expected to be flat QoQ. We expect cost control efforts (e.g., reduced sub-con costs) under Project Fortius, to be offset by the impact of furloughs and currency headwinds.
- We expect steady deal TCv in 3Q, driven by a slight improvement in the demand environment.
- The outlook on margin and growth in the CME and BFS verticals will be the key monitorable.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	1,601	1,555	1,573	1,548	1,559	1,589	1,565	1,572	6,277	6,284
QoQ (%)	-4.0	-2.8	1.1	-1.6	0.7	1.9	-1.5	0.4	-5.0	0.1
Revenue (INR b)	132	129	131	129	130	133	132	133	520	529
YoY (%)	3.5	-2.0	-4.6	-6.2	-1.2	3.5	0.7	3.7	-2.4	1.7
GPM (%)	25.7	22.5	23.9	27.0	26.5	27.9	27.0	27.7	24.8	27.3
SGA (%)	13.5	11.5	13.6	16.1	14.5	14.8	14.0	14.0	13.7	14.3
EBITDA	16	14	14	14	16	18	17	18	58	69
EBITDA Margin (%)	12.2	10.9	10.3	10.9	12.0	13.1	13.0	13.7	11.1	13.0
EBIT	12	9	9	9	11	13	13	14	40	51
EBIT Margin (%)	8.8	7.3	7.0	7.4	8.5	9.6	9.7	10.4	7.6	9.6
Other income	1	2	0	3	1	4	1	1	5	8
ETR (%)	21.8	9.9	17.6	23.4	26.7	26.6	26.6	26.6	18.5	26.6
Adj. PAT	10	10	7	10	9	13	10	11	36	42
QoQ (%)	-28.2	2.3	-26.5	34.9	-12.2	46.8	-17.7	7.8		
YoY (%)	-15.5	-25.3	-44.6	-27.1	-10.9	27.8	43.1	14.4	-28.5	17.0
Extra-Ordinary Item	-2.6	-4.8	-2.1	-3.1	0.0	0.0	0.0	0.0	-12.6	0.0
Reported PAT	7	5	5	7	9	13	10	11	24	42
EPS (INR)	10.8	11.0	8.1	11.0	9.6	14.1	11.6	12.5	41.1	47.8

Wipro**Neutral****CMP INR304 | TP: INR290 (-5%)****EPS CHANGE (%): FY25|26| 27: 1.3|0.3|0.4**

- WPRO is likely to clock a revenue decline of 1.0% QoQ CC in 3Q, hurt by softness in Europe, Communications, and Manufacturing, along with furloughs and fewer working days.
- We expect demand environment to improve in the US, particularly in BFS, with significant regional Capco activity and volume growth.
- IT service margins are expected to dip by 40bp due to wage hikes. Traditional levers like utilization and offshoring, along with G&A optimization, should offset the impact in 3Q.
- Key monitorables: Commentary on recovery in Europe region and the consulting business; strategic initiatives from the new management.

Quarterly Performance (IFRS)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
IT Services Revenue (USD m)	2,779	2,713	2,656	2,657	2,626	2,660	2,620	2,649	10,805	10,555
QoQ (%)	-2.1	-2.3	-2.1	0.0	-1.2	1.3	-1.5	1.1	-3.8	-2.3
Overall Revenue (INR b)	228	225	222	222	220	223	222	226	896	890
QoQ (%)	-1.5	-1.4	-1.4	0.0	-1.1	1.5	-0.7	2.0		
YoY (%)	6.0	-0.1	-4.4	-4.2	-3.8	-1.0	-0.2	1.7	-0.9	-0.7
GPM (%)	29.4	29.3	30.7	29.2	30.2	30.5	29.9	30.2	29.6	30.2
SGA (%)	14.2	14.6	16.0	13.2	13.7	13.6	13.4	14.1	14.5	13.7
EBITDA	42	42	42	44	44	46	45	45	170	179
EBITDA Margin (%)	18.4	18.8	19.0	19.7	20.2	20.5	20.1	19.7	19.0	20.1
IT Serv. EBIT (%)	16.0	16.1	16.0	16.4	16.5	16.8	16.4	16.0	16.4	16.4
EBIT Margin (%)	15.1	14.8	14.8	15.9	16.4	16.7	16.3	15.9	15.2	16.3
Other income	3	2	3	3	4	6	3	3	11	16
ETR (%)	24.0	24.0	24.0	26.0	24.5	24.6	24.0	24.0	24.5	24.3
PAT	29	26	27	28	30	32	30	29	110	121
QoQ (%)	-6.6	-7.8	1.8	5.2	5.9	6.8	-7.9	-0.4		
YoY (%)	12.0	-0.5	-11.7	-7.8	4.6	21.3	9.7	3.8	-2.9	9.8
EPS (INR)	2.6	2.5	2.6	2.7	5.7	3.1	2.8	2.8	10.2	11.5

Zensar Technologies**Neutral****CMP INR760| TP: INR800 (+5%)****EPS CHANGE (%): FY25|26| 27: -4.6|-2.7|-2.6**

- We expect flat QoQ CC revenue growth in 3QFY25. However, this steady performance compares favorably with ZENT's historical trends for the third quarter.
- We anticipate EBITDA margins to improve by 10bp QoQ to 15.5%. However, margins are pressured by wider furloughs in the BFSI and TMT verticals.
- Order book is anticipated to improve and it is likely to be well-diversified across verticals.
- The demand environment in its critical sectors and progress on stimulating growth levers would be closely watched out for.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	149	150	145	148	154	156	156	158	592	625
QoQ (%)	1.2	0.6	-3.7	2.3	4.3	1.2	-0.1	1.4	-2.0	5.5
Revenue (INR m)	12,272	12,408	12,041	12,297	12,881	13,080	13,162	13,447	49,018	52,571
YoY (%)	2.0	0.5	0.5	1.4	5.0	5.4	9.3	9.4	1.1	7.2
GPM (%)	33.6	31.8	31.1	30.6	30.4	28.1	29.3	30.5	31.8	29.6
SGA (%)	14.9	13.2	13.9	14.1	15.2	12.7	13.8	13.8	14.0	13.9
EBITDA	2,301	2,308	2,076	2,030	1,961	2,011	2,040	2,246	8,715	8,258
EBITDA Margin (%)	18.8	18.6	17.2	16.5	15.2	15.4	15.5	16.7	17.8	15.7
EBIT	1,878	1,942	1,764	1,793	1,714	1,714	1,737	1,936	7,377	7,101
EBIT Margin (%)	15.3	15.7	14.6	14.6	13.3	13.1	13.2	14.4	15.0	13.5
Other income	224	306	356	493	383	366	171	175	1,379	1,095
ETR (%)	25.7	22.7	23.8	24.2	24.7	25.1	25.0	25.0	24.1	24.9
Adj. PAT	1,562	1,738	1,616	1,733	1,579	1,558	1,431	1,583	6,649	6,151
QoQ (%)	30.9	11.3	-7.0	7.2	-8.9	-1.3	-8.2	10.6		
YoY (%)	108.0	206.0	111.2	45.3	1.1	-10.4	-11.5	-8.7	102.9	-7.5
EPS (INR)	6.8	7.6	7.1	7.6	6.9	6.8	6.3	6.9	29.1	26.9

Company

Bharti Airtel

Indus Towers

RJio

Tata Communications

Vodafone Idea

Residual benefits of tariff hikes to boost 3Q earnings**Healthy sequential growth to continue for telcos driven by tariff hike boost**

We expect ~4%/6% QoQ growth in wireless revenue/EBITDA for the three telcos in 3QFY25E, driven by the residual flow-through of Jul'24 tariff hikes. We build in a ~5-6% QoQ increase in ARPU for private telcos. While the subscriber trends are likely to improve from 2QFY25 (-21m), we still build in an overall ~3m decline in wireless subs for private telcos, due to losses for Vi and clean-up of inactive base by RJio. A stabilization in subscriber trends, the quantum of the tariff hike flow-through, and incremental EBITDA margins will be the key things to watch for in 3QFY25. We expect a few exceptional items during the quarter, such as Bharti consolidating Indus Towers (Indus) from mid-3QFY25 and the potential recognition of ~INR20b past dues by Indus, which will make like-for-like comparisons difficult on a reported basis.

Bharti once again likely to be the biggest beneficiary

The flow through of tariff hike in 2QFY25, was better than our expectations with ~7-11% QoQ growth in ARPU for private telcos. We expect further ~5-6% QoQ ARPU uptick in 3Q, with Vi likely to lead with ~6% QoQ growth in ARPU to INR165, followed by ~5% QoQ for RJio (INR206) and ~5% QoQ for Bharti (INR244). However, the tariff hike benefits would be partly offset by a likely decline in the subscriber base for RJio and Vi. We expect RJio and Vi's wireless subs to decline by ~2m and ~4m respectively, while we expect subscriber trends to normalize for Bharti with ~3m QoQ net adds. Bharti (India wireless +5% QoQ) and RJio (+4% QoQ) are likely to continue gaining revenue market share at Vi's (+3.5% QoQ) expense. Among Bharti's other businesses, we expect growth to accelerate in Homes (+11% QoQ), driven by FWA ramp-up and steady performance QoQ in Enterprise (+9% YoY) and Africa. Moreover, Indus' consolidation from mid-3QFY25 should drive ~7% QoQ consolidated revenue growth for Bharti (~3% QoQ on like-for-like basis, excluding the impact of Indus consolidation).

Margin expansion to continue; RJio likely to be the biggest gainer

With the flow-through of the residual benefits of the tariff hike and better operating leverage, we expect ~70%+ incremental EBITDA margins for Bharti and RJio and ~50%+ for Vi. We expect ~80-90bp QoQ margin expansion for both Bharti India wireless and RJio to drive ~6-7% QoQ EBITDA growth. However, we build in lower ~30bp QoQ margin expansion to drive ~4% QoQ growth in Vi's reported EBITDA, with pre-Ind-AS EBITDA likely to improve to ~INR24.5b (from INR23b QoQ). Bharti's consolidated EBITDA is likely to improve ~5% QoQ on like-for-like basis (~7% QoQ on reported basis), with comparable EBITDA margin (excluding Indus consolidation impact) expected to expand ~60bp QoQ to 53.7%.

Indus to benefit from provision reversals; steady growth for TCOM

We expect Indus' recurring EBITDA (excl. provisions and one-offs) to rise ~4% QoQ, driven by the sequential pick-up in tower rollouts by Bharti, incremental tenancies

from Vi’s ongoing rollout, and sequentially lower energy under-recoveries. Indus’ reported EBITDA is likely to be boosted again by prior-period provision reversals, and we build in a reversal of INR12.5b (vs. INR10.8b QoQ). The provision reversal could be higher than our estimates if Indus were to recognize ~INR20b collections from Vi in 3Q (Vi EGM on 7th Jan’25) and / or any benefits from the relief on tax matters.

We expect ~4% sequential growth in data revenue for TCOM, driven by continued momentum in the digital portfolio. TCOM’s consolidated EBITDA margin is expected to improve ~70bp QoQ on account of seasonal improvement in Kaleyra profitability.

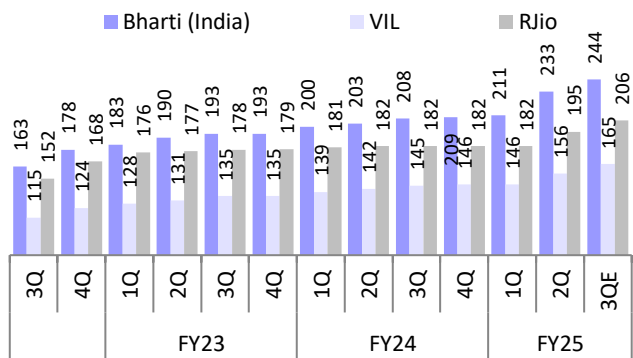
Bharti and RIL are our preferred picks

Given the consolidated market structure in the Indian telecom industry, higher data consumption, lower ARPU, and inadequate returns generated by telcos, we expect tariff hikes to be more frequent. We build in a ~15% tariff hike (or INR50/month on the base plan) in Dec’25. With Vi’s large capex plans, we believe the pace of market share gain may slow down, but Rjio (and Bharti) is still likely to continue gaining market share at Vi’s expense. We continue to prefer Bharti (improved FCF, deleveraging) and RIL (market share gains, potential listing of consumer businesses) as key beneficiaries of more frequent telecom tariff hikes.

Exhibit 1: Summary of 3QFY25 quarterly performance estimates

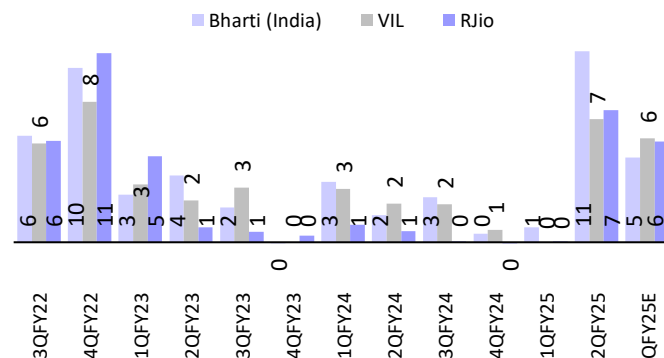
Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
Bharti Airtel	1596	Buy	4,45,159	17.5	7.3	2,45,671	24.0	12.5	49,501	98.7	26.6
Indus Towers	344	Neutral	77,285	7.4	3.5	51,820	44.6	6.5	14,809	-3.9	4.4
Tata Comm	1726	Neutral	59,493	5.6	3.2	11,975	5.6	7.2	2,920	26.8	58.4
Vodafone Idea	8	Neutral	1,12,830	5.7	3.2	47,360	8.9	4.1	-70,536	Loss	Loss
Telecom			6,94,766	13.1	5.8	3,56,826	23.5	10.2	-3,307	Loss	Loss

Exhibit 2: Player-wise QoQ ARPU trends (INR)



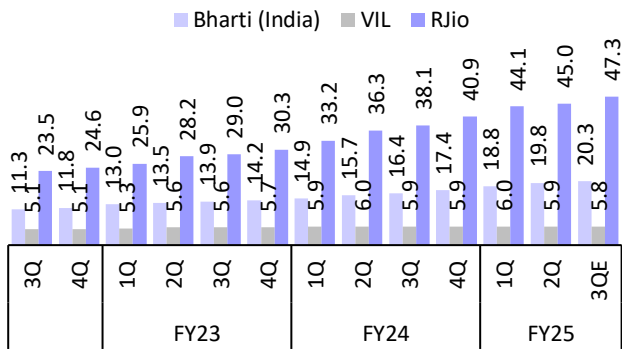
Sources: Company, MOFSL

Exhibit 3: Player-wise QoQ ARPU growth trends (%)



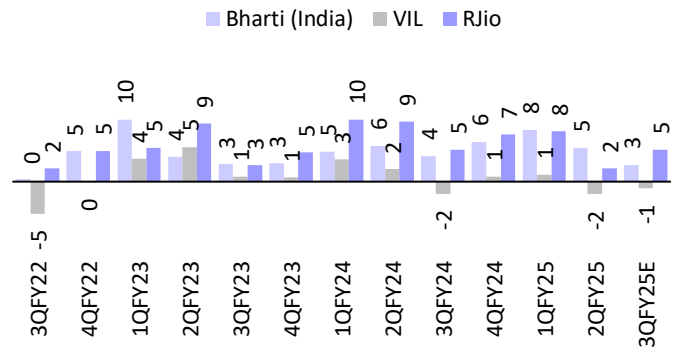
Sources: Company, MOFSL

Exhibit 4: Player-wise QoQ data traffic trends (b GB)



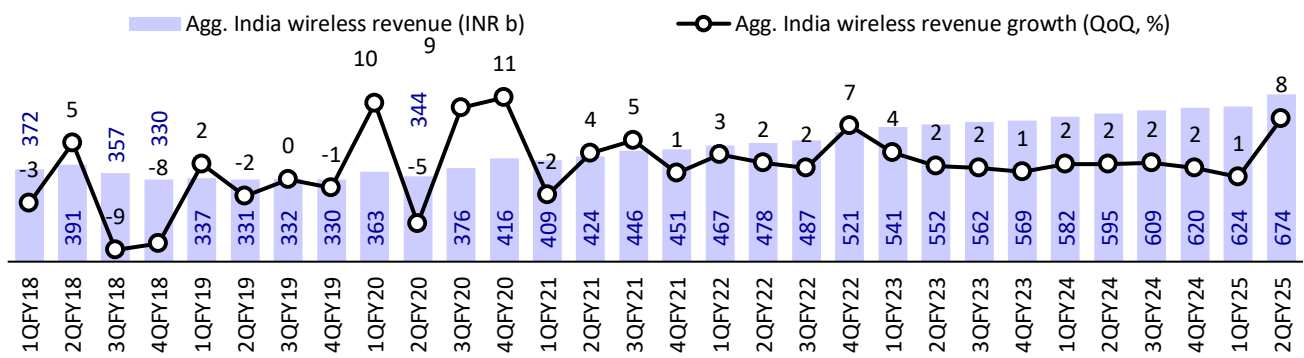
Sources: Company, MOFSL

Exhibit 5: Player-wise QoQ growth trends in data traffic (%)



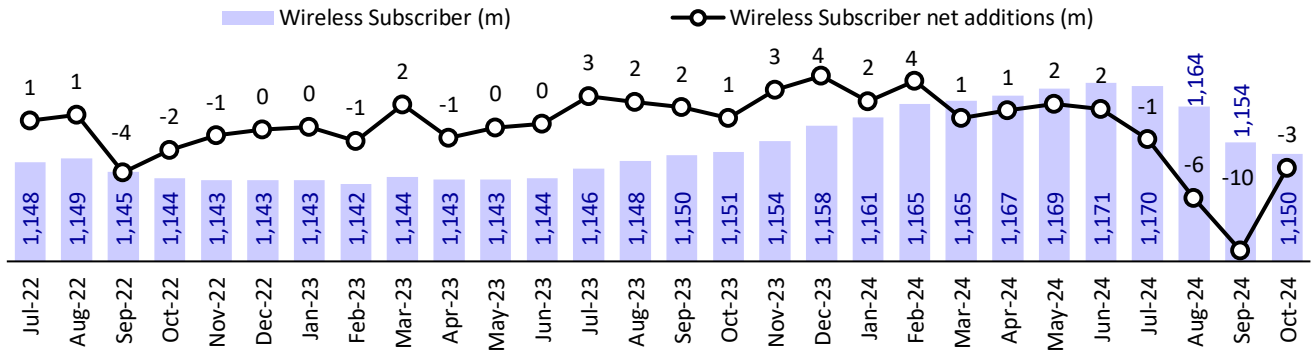
Sources: Company, MOFSL

Exhibit 6: India wireless adjusted gross revenue (AGR) and growth trends (QoQ, %)



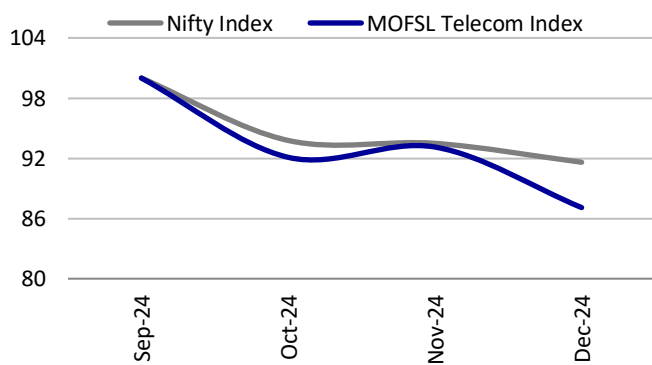
Sources: TRAI, MOFSL

Exhibit 7: Aggregate India wireless subscriber and growth trends (MoM, %)



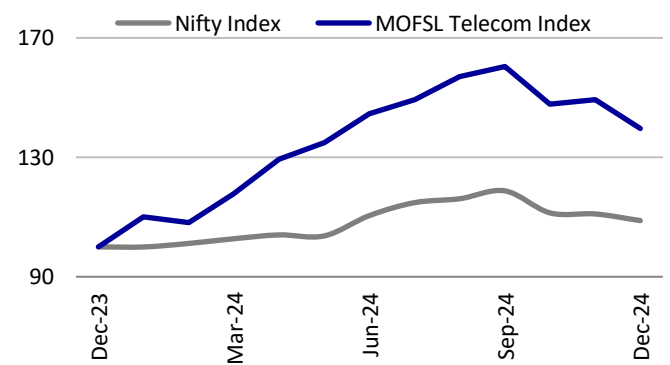
Sources: TRAI, MOFSL

Exhibit 8: Relative performance – three months (%)



Sources: Bloomberg, MOFSL

Exhibit 9: Relative performance – one year (%)



Sources: Bloomberg, MOFSL

Exhibit 10: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Telecom						-1,049	217	63.1	66.1	35.9	27.1	-6.3	16.5	43.0
Bharti Airtel	1,596	Buy	34.8	41.1	57.2	45.9	38.8	27.9	9.8	7.7	6.7	23.1	23.9	27.7
Indus Towers	344	Neutral	21.9	24.1	26.5	15.7	14.3	13.0	2.7	2.5	2.5	18.9	17.8	18.6
Tata Comm	1,726	Neutral	36.6	56.0	73.2	47.2	30.8	23.6	19.9	13.5	9.7	49.0	52.3	48
Vodafone Idea	8	Neutral	-9.7	-9.6	-8.8	-0.8	-0.8	-0.9	-0.2	-0.2	-0.2	NM	NM	NM

Exhibit 11: Wireless KPI comparison

	FY22				FY23				FY24				FY25E			YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3QE		
EOP Wireless SUBS (m)																	
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	352	355	352	354	2.6	0.8
VIL	255	253	247	244	240	234	229	226	221	220	215	213	210	205	202	-6.4	-1.7
RJio	441	430	421	410	420	428	433	439	449	460	471	482	490	479	479	1.6	0.0
Avg. Wireless Subs (m)																	
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	349	353	353	353	2.6	0.0
VIL	262	254	250	246	242	237	232	227	224	221	218	214	211	208	203	-6.6	-2.1
RJio	433	435	425	416	415	424	430	436	444	454	465	476	486	484	479	2.9	-1.1
ARPU (INR/month)																	
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	209	211	233	244	17.4	4.7
VIL	104	109	115	124	128	131	135	135	139	142	145	146	146	156	165	13.8	5.8
RJio	138	144	152	168	176	177	178	179	181	182	182	182	182	195	206	13.4	5.6
MOU/Sub (min)																	
Bharti (India)	1,044	1,053	1,061	1,083	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	1,128	1,135	1,134	0.7	0.0
VIL	642	629	620	614	620	601	611	623	626	613	615	626	607	586	584	-5.0	-0.4
RJio	815	835	901	962	1001	968	984	1004	1002	979	981	1008	974	977	983	0.2	0.6
Wireless traffic (B min)																	
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	1,195	1,200	1,201	3.5	0.1
VIL	504	480	465	452	450	428	424	425	420	406	401	402	385	365	356	-11.3	-2.5
RJio	1060	1090	1150	1200	1246	1230	1270	1313	1335	1334	1370	1440	1420	1420	1434	4.7	1.0
Data usage/Sub (Gb)																	
Bharti (India)	18.5	18.6	18.3	18.8	19.5	20.3	20.3	20.3	21.1	21.7	22.0	22.6	23.7	23.9	24.1	9.8	0.9
VIL	13.0	13.2	12.5	12.6	13.0	13.7	13.9	13.9	14.4	14.6	14.2	14.3	14.5	14.4	14.3	0.5	-0.4
Rjio (including FTTH)	15.6	17.6	18.4	19.7	20.8	22.2	22.4	23.1	24.9	26.6	27.3	28.6	30.3	31.0	32.9	20.5	6.2
Data traffic (B Gb)																	
Bharti (India)	10.8	11.3	11.3	11.8	13.0	13.5	13.9	14.2	14.9	15.7	16.4	17.4	18.8	19.8	20.3	23.9	2.6
VIL	5.4	5.4	5.1	5.1	5.3	5.6	5.6	5.7	5.9	6.0	5.9	5.9	6.0	5.9	5.8	-1.2	-1.0
RJio	20.3	23.0	23.5	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	44.1	45.0	47.3	24.0	5.0

Sources: Company, MOFSL

Exhibit 12: Quarterly financials

	FY22				FY23				FY24				FY25E		YoY (%)	QoQ (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q			3QE
Revenue (INR b)																	
Bharti (India wireless)	143	152	161	176	182	190	194	195	204	210	216	221	225	248	261	20.4	4.9
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	376	385	415	445	17.5	7.3
VIL	92	94	97	102	103	106	106	105	107	107	107	106	105	109	113	5.8	3.3
RJio	180	187	193	209	216	225	230	234	240	248	254	260	265	283	296	16.6	4.4
EBITDA (INR b)																	
Bharti (India wireless)	70	75	79	89	92	99	104	105	112	115	119	122	125	142	151	26.6	6.5
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	194	197	218	246	24.0	12.4
VIL	37	39	38	46	45	41	42	42	42	43	44	43	42	45	48	10.0	5.2
RJio	86	90	95	105	109	115	120	122	126	130	133	136	139	150	159	20.0	6.0
EBITDA Margin (%)																	
Bharti (India wireless)	49.2	49.2	49.4	50.6	50.7	52.4	53.8	53.8	54.8	54.9	55.1	55.1	55.6	57.1	57.9	284bps	89bps
Bharti (consolidated)	48.3	48.8	49.2	50.9	50.3	51.0	51.5	51.9	52.3	52.7	52.3	51.5	51.2	52.7	55.2	290bps	251bps
VIL	40.5	41.1	39.3	45.4	43.9	38.6	39.4	40.0	39.0	40.0	40.8	40.9	40.0	41.6	42.4	165bps	79bps
RJio	47.9	48.0	49.2	50.3	50.7	51.0	52.2	52.2	52.3	52.3	52.3	52.4	52.6	53.1	53.9	152bps	80bps
PAT (INR b)																	
Bharti (consolidated)	3	11	8	20	15	21	16	30	16	13	24	21	42	36	49	102.6	37.7
VIL	(73)	(71)	(72)	(66)	(66)	(76)	(80)	(64)	(78)	(87)	(70)	(77)	(64)	(72)	(70)	0.2	-2.4
RJio	35	35	36	42	45	45	46	47	49	51	52	53	54	62	67	29.6	8.3
EPS (INR)																	
Bharti	0.5	2.1	1.5	3.6	2.7	3.8	2.8	5.3	2.8	2.4	4.3	3.7	7.2	6.2	8.5	98.6	37.7
VIL	(2.5)	(2.5)	(2.5)	(2.0)	(2.1)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.5)	(0.9)	(1.1)	(1.0)	-28.1	-2.4

Sources: Company, MOFSL

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

Bharti Airtel

Buy

CMP: INR 1,596 | TP: INR1,890 (+18%)

EPS CHANGE (%): FY25 | 26: n/m | n/m

- Expect ~3% QoQ (~13% YoY) like-for-like growth in consolidated revenue; reported revenue likely to be boosted by Indus consolidation from mid-3QFY25.
- Expect 5% QoQ (~15% YoY) like-for-like consolidated EBITDA growth with like-for-like margin expanding ~60bp QoQ to 53.7%.
- Expect 5%/7% QoQ growth in India wireless revenue/EBITDA, driven by residual flow-through of tariff hikes.
- Expect wireless ARPU of INR244 (+5% QoQ) and 2.8m/6.5m paying wireless/4G net adds.

Consolidated – Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	374	370	379	376	385	415	445	479	1,500	1,724
YoY Change (%)	14.1	7.3	5.9	4.4	2.8	12.0	17.5	27.3	7.8	14.9
Total Expenditure	178	175	181	182	188	196	199	186	717	770
EBITDA	196	195	198	194	197	218	246	292	783	953
YoY Change (%)	18.6	10.9	7.4	3.6	0.6	12.0	24.0	50.9	9.8	21.8
Depreciation	97	97	101	101	105	110	116	135	395	467
Net Finance cost	56	52	66	52	52	54	55	55	226	216
Other Income	9	9	11	11	13	13	6	6	41	38
PBT before EO expense	53	55	42	52	53	68	80	107	203	308
Extra-Ord expense	34	16	1	25	-7	9	0	0	76	1
PBT	19	39	41	28	60	59	80	107	127	307
Tax	3	18	12	7	13	17	22	21	41	74
Rate (%)	18.0	46.9	30.0	25.6	21.7	29.6	27.7	19.9	32.5	24.1
Minority Interest & P/L of Asso. Cos.	-1	8	4	0	6	6	9	14	11	34
Reported PAT	16	13	24	21	42	36	50	72	75	199
Adj PAT	29	30	25	30	29	39	50	72	113	190
YoY Change (%)	91.3	44.2	25.0	13.9	0.8	32.2	98.7	144.2	38.6	68.0

Indus Towers

Neutral

CMP: INR 344 | TP: INR390 (13%)

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

- Recurring EBITDA to rise ~4% QoQ owing to robust tower/tenancy additions and lower energy under-recovery.
- Provision reversals would continue to boost the reported EBITDA.
- Expect 6k net tower additions in 3QFY25 (vs. 3.75k QoQ), while tenancy additions are likely to be higher at ~10k.
- Conservatively, we bake in ~INR12.5b provision reversals in 3Q (vs. ~INR10.8b QoQ) as Vi's EGM is still pending.

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue from operations	71	71	72	72	74	75	77	78	286	304
YoY Change (%)	2.6	-10.5	6.4	6.5	4.3	4.7	7.4	9.1	0.8	6.4
Total Expenditure	36	37	36	31	29	26	25	17	140	97
Provisions / (reversals)	1	1	1	-4	-8	-11	-13	-21	-1	-52
Recurring EBITDA	36	36	36	37	37	38	39	40	145	155
EBITDA	35	34	36	41	45	49	52	62	146	207
YoY Change (%)	53.8	21.7	208.3	18.6	29.4	42.2	44.6	51.7	50.6	42.4
Depreciation	14	15	16	16	16	16	16	17	61	64
Interest	4	2	0	1	4	4	4	4	7	17
Other Income	1	1	1	1	1	1	1	1	4	4
PBT before EO expense	18	17	21	25	26	30	32	42	81	130
Extra-Ord expense	0	0	0	0	-8	-11	-13	-21	0	-52
PBT	18	17	21	25	18	19	20	20	81	78
Tax	5	5	5	6	7	8	8	10	21	33
Rate (%)	25.5	25.9	25.8	25.5	25.7	25.4	25.2	25.2	25.7	25.3
Reported PAT	13	13	15	19	19	22	24	31	60	97
Adj PAT	13	13	15	19	14	14	15	15	60	58
YoY Change (%)	182.4	48.5	-550.9	32.4	0.7	9.5	-3.9	-17.7	151.1	-4.2

E: MOFSL Estimates

Reliance Jio

CMP: NR|TP: NR
EPS CHANGE (%): FY25|26: -2|-3

- Expect ~4% sequential revenue growth, driven by residual flow-through of tariff hikes.
- Expect ~6% QoQ EBITDA growth on ~80bp QoQ margin expansion to 53.9%.
- Build in ~6% QoQ growth in reported ARPU to INR206 and QoQ flat overall subscriber base (-2m wireless subs loss).

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Net Revenue	240	248	254	260	265	283	296	307	1,001	1,151
YoY Change (%)	11.5	9.9	10.3	11.0	10.1	14.5	16.6	18.3	10.3	15.0
Total Expenditure	115	118	121	123	126	133	137	138	477	533
EBITDA	126	130	133	136	139	150	159	169	524	618
Margins (%)	52.3	52.3	52.3	52.4	52.6	53.1	53.9	55.0	52.4	53.7
Depreciation	52	53	54	56	56	57	59	60	214	232
Finance Cost	10	10	10	10	11	11	12	12	40	46
Other Income	1	1	1	1	1	2	2	2	5	6
PBT	65	68	70	72	73	84	91	98	275	346
Tax	17	17	18	18	19	21	23	25	70	88
Rate (%)	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%
PAT	49	51	52	53	54	62	67	73	205	257
Margins (%)	20.2	20.4	20.5	20.6	20.6	22.0	22.8	23.8	20.4	22.4
YoY Change (%)	8.6	1.9	1.8	2.0	1.7	7.6	11.1	16.0	12.4	25.8

Tata Communications

Neutral
CMP: INR 1,726|TP: INR 1,755 (+2%)
EPS CHANGE (%): FY25|26:0|-4

- We expect 4% QoQ (9% YoY) growth in data revenue, driven by continued momentum in DPS (+8% QoQ).
- We expect the consolidated EBITDA margin to expand 70bp QoQ on seasonal improvement in Kaleyra profitability.
- We expect 3% QoQ growth in the overall revenue.

Consolidated Quarterly performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	47.7	48.7	56.3	56.9	56.3	57.7	59.5	59.8	209.7	233.3
YoY Change (%)	10.7	10.0	24.4	24.6	18.1	18.4	5.6	5.1	17.5	11.3
Total Expenditure	37.5	38.6	45.0	46.4	45.1	46.5	47.5	47.5	167.4	186.6
EBITDA	10.2	10.2	11.3	10.6	11.2	11.2	12.0	12.3	42.3	46.7
YoY Change (%)	-4.9	-10.1	5.3	2.1	9.8	10.0	5.6	16.6	-2.0	10.4
Depreciation	5.8	6.1	6.2	6.7	6.5	6.6	6.6	6.7	24.7	26.4
Interest	1.3	1.4	1.9	1.9	1.7	1.9	1.9	1.9	6.4	7.4
Other Income	1.9	0.3	0.1	0.6	0.3	0.1	0.3	0.3	2.8	1.0
PBT before EO expense	5.0	3.0	3.4	2.6	3.3	2.8	3.7	4.1	14.0	13.9
Exceptional (gain)/loss	0.0	0.0	1.9	0.5	-0.9	-0.4	0.0	0.0	2.4	-1.3
PBT	5.0	3.0	1.5	2.1	4.2	3.2	3.7	4.1	11.6	15.2
Tax	1.3	0.8	1.1	-1.1	0.9	1.0	0.8	0.9	2.1	3.6
Rate (%)	25.9	26.1	73.8	-52.4	20.8	30.4	22.5	22.5	18.4	23.7
MI & P/L of Asso. Cos.	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.2	-0.1
Reported PAT	3.8	2.2	0.4	3.2	3.3	2.3	2.9	3.2	9.7	11.7
Adj PAT	3.8	2.2	2.3	3.7	2.5	1.8	2.9	3.2	12.0	10.4
YoY Change (%)	-30.2	-51.5	-41.5	14.5	-34.9	-16.7	26.8	-14.5	-30.0	-13.4

E: MOFSL Estimates

Vodafone Idea**Neutral****CMP: INR8 | TP: INR8 (0%)****EPS CHANGE (%): FY25 | 26: -2 | -5**

- Expect ~3.5% QoQ wireless revenue growth as the tariff hike benefit is partly offset by continued subscriber declines.
- ARPU is likely to improve ~6% QoQ to INR165, while the subscriber base is expected to further decline by 4m.
- Expect reported EBITDA to grow ~4% QoQ, with EBITDA margin expanding ~40bp QoQ to 42% and pre-IND AS 116 EBITDA rising to INR24.5b (vs. INR23.2b QoQ).
- Expect capex to increase to INR28b (from ~INR14b QoQ).

Consolidated – Quarterly performance

Y/E March	INR b									
	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4Q		
Revenue	107	107	107	106	105	109	113	112	427	440
YoY Change (%)	2.4	1.0	0.5	0.7	-1.4	2.0	5.7	5.9	1.1	3.0
Total Expenditure	65	64	63	63	63	64	65	65	255	257
EBITDA	42	43	44	43	42	45	47	48	171	183
YoY Change (%)	-4.0	4.5	4.1	3.0	1.1	6.2	8.9	9.9	1.8	6.6
Depreciation	56	57	56	58	54	54	54	54	226	216
Net Finance Costs	64	65	65	62	53	63	64	64	257	243
PBT before EO expense	-78	-79	-77	-77	-64	-72	-71	-70	-312	-276
Extra-Ord expense	0	0	-8	0	0	0	0	0	-8	0
PBT	-78	-79	-70	-77	-64	-72	-71	-70	-304	-276
Tax	0.0	8.2	0.0	0.1	0.1	0.1	0.0	0.0	8.3	0.1
Rate (%)	0.0	-10.3	0.0	-0.1	-0.1	-0.1	0.0	0.0	-2.7	0.0
Reported PAT	-78	-87	-70	-77	-64	-72	-71	-70	-312	-277
Adj PAT	-78	-87	-77	-77	-64	-72	-71	-70	-320	-277
YoY Change (%)	7.4	15.0	-3.1	20.0	-18.0	-17.9	-8.9	-8.9	9.3	-13.6

E:MOFSL Estimates

Utilities

Company name

NTPC
Power Grid
Tata Power
JSW Energy
IEX

Strong growth in RE capacity, stable power demand to drive 3Q earnings

- The five power utility companies under our coverage are expected to report 14%/17%/8% YoY growth in revenue/EBITDA/adj. PAT in 3QFY25E. Peak power demand in 3Q came down to 224GW from 245GW in 2Q ([link](#)). The renewable energy (RE) installed capacity base continued to grow at a brisk pace in Oct-Nov'24, with an addition of 4.1GW. Overall, healthy power demand growth and RE generation growth should drive sector profitability in 3QFY25E.
- For **Tata Power**, we estimate 45% YoY EBITDA growth, driven by a rising earnings contribution from its cell and module manufacturing facility, healthy Mundra PLFs given the continuation of Section XI for coal plants, steady performance from Odisha distribution business, and an additional ~800MW RE capacity on a YoY basis. However, adjusted PAT may decline 8% YoY primarily due to the absence of dividend income from ITPC and potentially lower profitability from its joint ventures and associates. For **PowerGrid**, we are building in EBITDA/adj. PAT growth of 5%/2% YoY in 3QFY25E (2QFY25: 3%/5% YoY). While earnings growth is expected to be modest in FY25E, we expect it to pick up in the coming years as capex and capitalization are expected to pick up strongly. In 3QFY25E, **JSW Energy's** adjusted PAT is projected to decline by 36% QoQ, primarily due to the impact of seasonality, which has led to lower merchant spreads and reduced PLFs at certain RE capacities, resulting in lower generation. However, the quarter is expected to benefit from the full-quarter contribution of Ind-Barath, which was in the ramp-up phase during 2Q. We expect EBITDA to rise by 50% YoY (may fall 1% QoQ), driven by the full-quarter contribution from SECI IX and an increase in the company's overall generation capacity to ~8GW, compared to 7.1GW in 3QFY24. **NTPC** is expected to achieve EBITDA/adjusted PAT growth of 18%/10% YoY, supported by higher generation and additional ~2GW expansion in installed capacity YoY. We expect **IEX** to report a 14% YoY increase in trading volumes to ~32,000 MUs in 3QFY25E, driven by heightened demand for green energy products and DAM, resulting in revenue/EBITDA growth of 3.5%/6.7% YoY.

Modest power generation growth in Oct-Nov'24

- Total power generation in India inched up 2% YoY in Oct-Nov'24 to 283 billion units (BU), driven by 251BU from conventional sources and 32BU from RE sources. RE generation grew ~8% YoY.
- In terms of generation output, the central sector, encompassing thermal, hydro, and nuclear power, contributed 96,849MUs in Oct-Nov'24, while the state sector produced 78,353MUs.

Peak power demand down QoQ in 3QFY25

- Peak demand in 3QFY25 came down to 224GW from 245GW in 2QFY25. However, YoY peak demand inched up to 224GW from 222GW in 3QFY24.

RE capacity continues to grow in 3QFY25YTD

- There was no coal capacity addition in Oct-Nov'24 in India, emphasizing its commitment to sustainable growth.

■ Solar energy has seen remarkable progress, adding 8.9GW of capacity in 1HFY25, followed by an impressive 3.4GW addition in Oct-Nov'24. Wind energy has also maintained its upward trajectory, with a capacity addition of 0.6GW during Oct-Nov'24, highlighting ongoing investments and growing opportunities in RE infrastructure.

Exhibit 1: Key Snapshot

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25	3QFY25TD
Total generation growth (%)	5.4	5.2	0.7	-0.6	8.1	9.0	7.2	10.9	1.3	2.0*
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	11.5	0.3	1.3*
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	7.0	7.3	7.8*
All India Peak Demand (GW)	161	176	183	189	201	212	240	250	230	219*
Capacity addition (GW)										
Net Coal	6.0	3.6	4.1	4.2	1.4	1.2	5.7	0.0	0.1	0.0
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	3.7	5.3	3.4
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	0.8	0.7	0.6
Total capacity addition	17.2	12.1	14.0	12.0	17.3	16.6	25.9	4.2	6.5	4.1

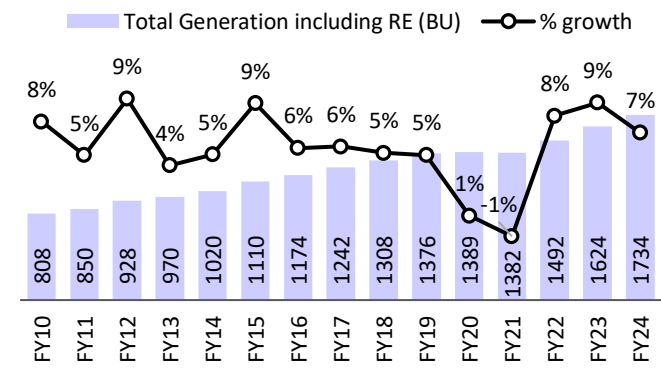
*Oct-Nov'23 compared with Oct-Nov'24

Source: CEA, NPP, MOFSL

Exhibit 2: Summary of Dec'24-quarter earnings estimates

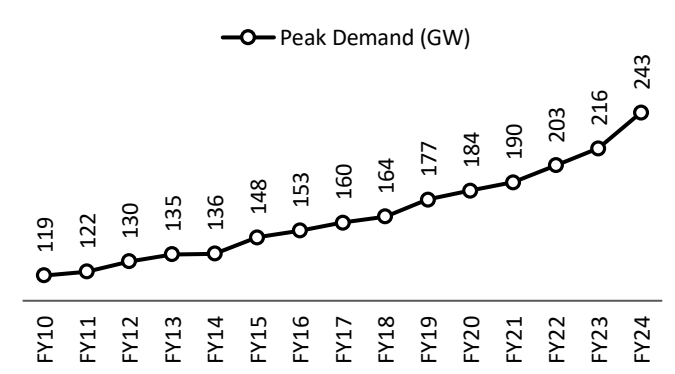
Sector	CMP (INR)	RECO	SALES (INR m)			EBDITA (INR m)			NET PROFIT (INR m)		
			Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ	Dec-24	Var % YoY	Var % QoQ
NTPC	334	Neutral	3,97,208	0.7	-1.5	1,17,113	17.8	21.0	47,873	9.9	13.9
JSWE	644	Buy	39,136	53.9	20.9	16,642	49.8	-1.2	5,484	137.1	-35.7
PWGR	311	Buy	1,14,348	7.1	11.4	98,965	5.3	12.6	39,619	2.3	13.1
TPWR	392	Buy	2,14,179	46.2	36.4	35,022	44.9	-6.5	8,762	-8.1	-18.6
IEX	180	Neutral	1,230	6.7	-11.7	1,034	3.5	-14.0	886	-0.9	-16.5
Utilities			7,66,101	13.6	10.0	2,68,776	17.0	11.9	1,02,623	8.0	5.4

Exhibit 3: India's power demand growth



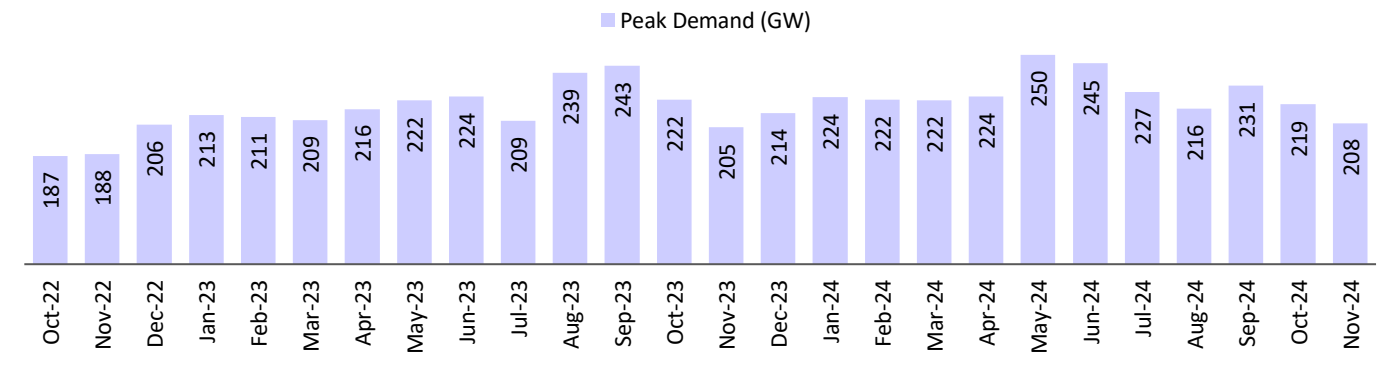
Source: CEA, MOFSL

Exhibit 4: Peak demand growth



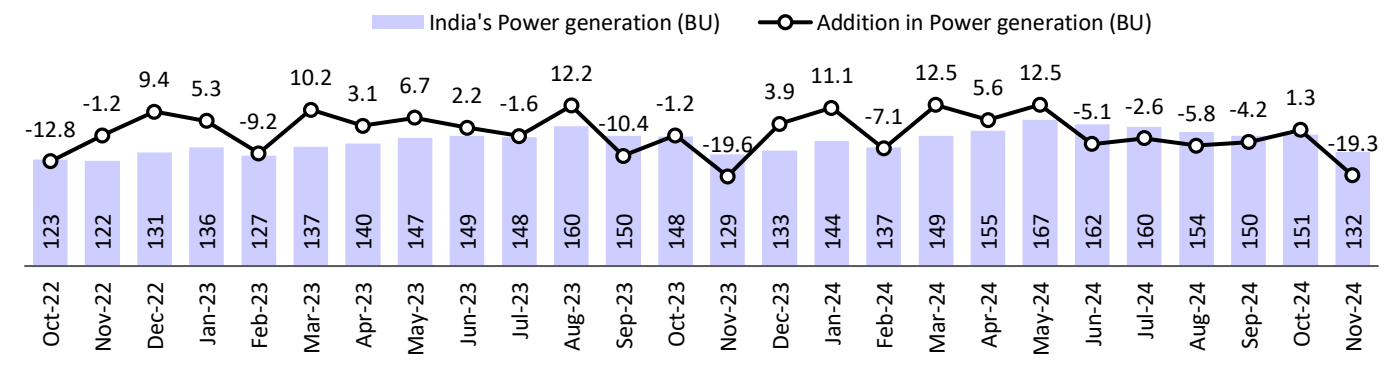
Source: CEA, MOFSL

Exhibit 5: India peak demand



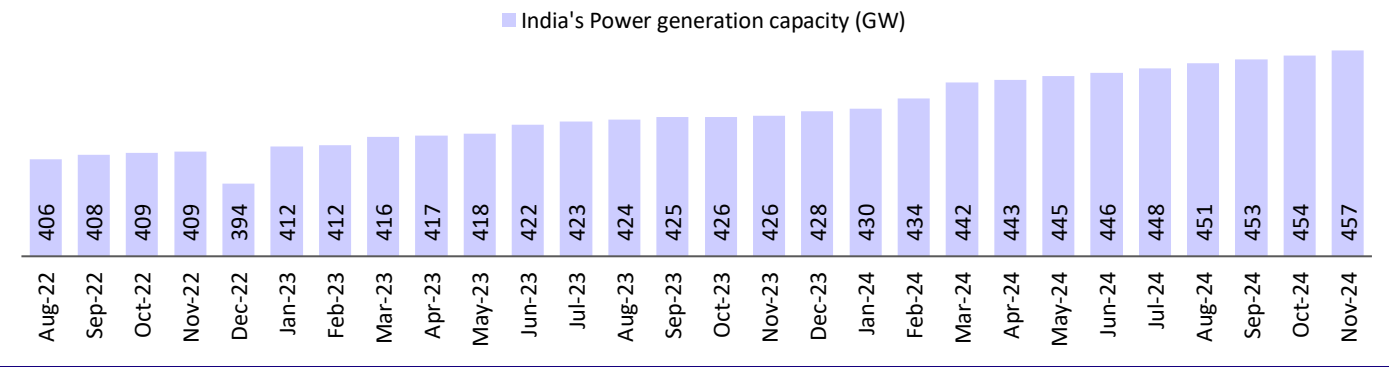
Source: CEA, MOFSL

Exhibit 6: India's power generation



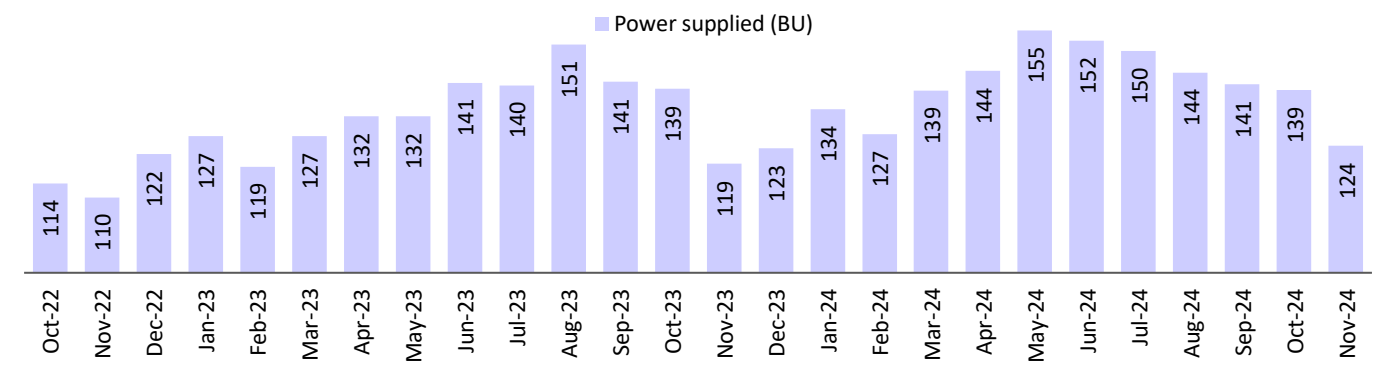
Source: NPP, MOFSL

Exhibit 7: India's power generation capacity



Source: NPP, MOFSL

Exhibit 8: India power supplied



Source: CEA, MOFSL

Exhibit 9: Valuation summary

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Utilities						20	17	15.7	2.7	2.5	2.3	13.6	14.7	14.5
Indian Energy Exch.	180	Neutral	4.4	5.4	6.3	40.6	33.7	28.7	14.0	11.6	10.3	37.8	37.7	38.0
JSW Energy	644	Buy	14.5	18.4	19.5	44.4	35.0	33.0	4.9	4.4	3.9	11.6	13.2	12.6
NTPC	334	Neutral	20.6	25.8	28.0	16.2	12.9	11.9	1.9	1.7	1.6	12.0	13.9	13.9
Power Grid Corp.	311	Buy	18.5	19.1	20.1	16.8	16.3	15.4	3.2	3.0	2.9	19.3	19.1	19.3
Tata Power	392	Buy	12.3	16.4	17.3	31.8	23.9	22.7	3.4	3.0	2.7	11.5	13.5	12.5

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

Indian Energy Exch. Neutral

CMP: INR180 | TP: INR205 (+14%)

- Revenue likely to grow YoY ~4% to INR1.3b.
- EBITDA may rise 7% YoY to INR1.03b.
- The positive outlook is driven by an expected 14% YoY increase in trading volumes to ~32,000 MUs.

Standalone Qtrly performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,040	1,085	1,153	1,213	1,236	1,392	1,230	1,500	4,492	5,358
YoY Change (%)	5.8	14.0	15.0	13.3	18.8	28.3	6.7	23.7	12.0	19.3
EBITDA	816	922	999	1,049	1,000	1,203	1,034	1,292	3,785	4,529
Margin (%)	78.4	84.9	86.6	86.5	81.0	86.4	84.1	86.1	84.3	84.5
Depreciation	50	51	52	52	52	53	51	51	204	208
Interest	7	7	7	7	7	7	8	8	28	28
Other Income	232	244	258	282	308	286	204	204	1,016	1,002
PBT before EO items	991	1,108	1,198	1,271	1,249	1,429	1,179	1,437	4,568	5,294
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0
PBT	991	1,108	1,198	1,271	1,249	1,429	1,179	1,437	4,568	5,294
Tax	250	279	305	320	315	368	293	358	1,154	1,334
Rate (%)	25.2	25.2	25.5	25.2	25.2	25.8	24.9	24.9	25.3	25.2
JV and Associates	0	0	0	0	0	0	0	0	0	0
Reported PAT	741	829	893	951	934	1,061	886	1,079	3,414	3,960
Adj PAT	741	829	893	951	934	1,061	886	1,079	3,414	3,960
YoY Change (%)	8.1	18.3	25.5	14.8	26.0	28.0	-0.9	13.5	16.7	16.0
Margin (%)	71.3	76.4	77.5	78.4	75.6	76.2	72.0	71.9	76.0	73.9

JSW Energy Buy

CMP: INR644 | TP: INR805 (+25%)

- EBITDA is likely to grow 50% YoY to INR16.6b, driven by the full-quarter contribution from SECI IX and an increase in the company's overall generation capacity to ~8GW.
- Adjusted PAT may fall 36% QoQ to ~INR5.4b, due to the impact of seasonality.
- 3Q is expected to benefit from the full-quarter contribution of Ind-Barath, which was in the ramp-up phase during 2QFY25.

Consolidated performance

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	29,279	30,894	25,428	27,559	28,795	32,377	39,136	43,255	1,13,159	1,43,562
YoY Change (%)	-3.3	29.4	13.1	3.2	-1.7	4.8	53.9	57.0	9.5	26.9
EBITDA	12,221	17,104	11,108	11,685	14,177	16,849	16,642	20,340	52,118	68,008
Margin (%)	41.7	55.4	43.7	42.4	49.2	52.0	42.5	47.0	46.1	47.4
Depreciation	3,979	4,087	4,001	4,267	3,755	3,918	5,149	5,578	16,334	18,400
Interest	4,857	5,137	5,208	5,332	5,111	5,183	5,763	7,797	20,534	23,854
Other Income	854	1,279	1,186	1,235	1,632	2,217	1,539	1,701	4,554	7,090
PBT before EO expense	4,238	9,159	3,086	3,321	6,944	9,965	7,269	8,666	19,804	32,844
Extra-Ord income/(exp.)	0	1,700	0	0	0	0	0	0	1,700	0
PBT	4,238	10,859	3,086	3,321	6,944	9,965	7,269	8,666	21,504	32,844
Tax	1,356	2,351	779	-64	1,641	1,282	1,656	2,484	4,423	7,061
Rate (%)	32.0	21.6	25.3	-1.9	23.6	12.9	22.8	28.7	20.6	21.5
Minority Interest	5	66	9	-61	124	235	195	195	19	750
Share of JV & associates	21	59	16	69	38	84	66	66	165	255
Reported PAT	2,899	8,502	2,313	3,513	5,218	8,533	5,484	6,053	17,227	25,288
Adj PAT	2,899	7,170	2,313	3,513	5,218	8,533	5,484	6,053	15,877	25,288
YoY Change (%)	-26.4	54.0	28.8	31.1	80.0	19.0	137.1	72.3	22.6	59.3
Margin (%)	9.9	23.2	9.1	12.7	18.1	26.4	14.0	14.0	14.0	17.6

NTPC**Neutral****CMP: INR334 | TP: INR379 (+13%)**

- NTPC's standalone financial outlook indicates stable projected revenue of INR397b.
- EBITDA is expected to rise 18% YoY to INR117b.
- Adjusted PAT is estimated to increase 10% YoY, driven by higher generation and additional ~2GW capacity YoY. Adjusted PAT excludes prior period items besides extraordinary items.

Standalone performance**(INRm)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,91,223	4,08,753	3,94,553	4,25,322	4,44,192	4,03,276	3,97,208	4,31,439	16,19,850	16,76,115
YoY Change (%)	2.0	-0.3	-4.7	2.9	13.5	-1.3	0.7	1.4	-1.1	3.5
EBITDA	1,13,694	1,05,375	99,411	1,13,344	1,24,466	96,763	1,17,113	1,13,120	4,30,995	4,51,462
Margin (%)	29.1	25.8	25.2	26.6	28.0	24.0	29.5	26.2	26.6	26.9
Depreciation	32,603	34,642	34,907	37,279	36,545	36,470	36,470	31,467	1,39,432	1,40,951
Interest	25,149	24,647	27,831	24,880	26,490	31,079	26,417	24,729	1,01,679	1,08,714
Other Income	5,584	6,426	8,325	16,887	6,338	9,173	7,946	9,627	37,222	33,083
PBT before EO items	57,202	53,265	59,662	68,321	61,739	60,505	62,172	66,551	2,38,449	2,50,967
Extra-Ord inc/(exp)	0	0	0	8,346	0	0	0	0	8,346	0
PBT	57,202	53,265	59,662	76,666	61,739	60,505	62,172	66,551	2,46,794	2,50,967
Tax	16,541	14,415	13,943	21,102	16,629	14,017	14,300	12,777	66,000	57,722
Rate (%)	29	27	23	28	27	23	23	23	27	23
Reported PAT	40,660	38,850	45,719	55,564	45,110	46,489	47,873	53,773	1,80,794	1,93,244
Adj PAT	36,820	32,610	43,559	51,074	41,950	42,019	47,873	53,773	1,64,054	1,85,614
YoY Change (%)	9.6	-9.3	-1.5	4.3	13.9	28.9	9.9	5.3	2.3	13.1
Margin (%)	9.4	8.0	11.0	12.0	9.4	10.4	12.1	12.5	10.1	11.1

Power Grid Corp.**Buy****CMP: INR311 | TP: INR428 (+38%)**

- Standalone revenue is expected to grow 7% YoY to INR114b.
- EBITDA is expected to improve 5% YoY to INR99b.
- Adjusted PAT may grow by a modest 2% YoY, but we expect this to pick up in coming years as capex and capitalization are likely to pick up strongly.

Standalone Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	1,02,446	97,440	1,06,766	1,10,505	1,00,682	1,02,601	1,14,348	1,18,608	4,18,267	4,36,238
YoY Change (%)	-2.7	-6.6	-0.6	-2.2	-1.7	5.3	7.1	7.3	-2.5	4.3
EBITDA	90,048	85,318	94,006	91,422	87,441	87,870	98,965	1,00,560	3,61,903	3,74,837
YoY Change (%)	1.4	-3.5	0.2	-9.0	-2.9	3.0	5.3	10.0	-2.8	3.6
As of % Sales	87.9	87.6	88.0	82.7	86.8	85.6	86.5	84.8	86.5	85.9
Depreciation	31,414	31,418	31,586	31,164	30,732	31,617	36,714	36,096	1,25,582	1,35,159
Interest	21,214	23,891	25,156	20,208	21,601	26,046	23,481	22,311	90,469	93,439
Other Income	6,436	7,864	7,910	12,032	7,822	11,233	9,195	11,553	34,242	39,803
Extraordinary Inc / (Exp)	-2,860	5,561	1,123	-1,744	-610	2,469	0	0	2,081	1,858
PBT	40,996	43,434	46,298	50,338	42,319	43,909	47,965	53,707	1,82,175	1,87,900
Tax	5,570	5,095	6,595	9,060	8,198	6,798	8,346	10,542	26,320	33,884
Effective Tax Rate (%)	13.6	11.7	14.2	18.0	19.4	15.5	17.4	19.6	14.4	18.0
Reported PAT	35,427	38,340	39,702	41,278	34,122	37,112	39,619	43,165	1,54,746	1,54,017
YoY Change (%)	-5.9	6.5	14.5	-0.9	-3.7	-3.2	-0.2	4.6	2.3	-0.5
Adjusted PAT	37,898	33,431	38,739	42,708	34,613	35,025	39,619	43,165	1,52,775	1,52,422
YoY Change (%)	0.6	-7.1	11.7	2.5	-8.7	4.8	2.3	1.1	1.0	-0.2

Tata Power**Buy****CMP: INR392 | TP: INR508 (+29%)**

- TPWR's consolidated revenue to grow 46% YoY to INR214b and EBITDA to grow by 45% YoY to INR35b, led by rising earnings contribution from its cell and module manufacturing facility, healthy Mundra PLFs and an additional ~800 MW RE capacity YoY.
- Adjusted PAT is likely to decrease 8% YoY, primarily due to the absence of dividend income from ITPC and potentially lower profitability from its joint ventures and associates.

Consolidated performance**(INRm)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	1,52,133	1,57,380	1,46,510	1,58,466	1,72,936	1,56,977	2,14,179	2,27,427	6,14,489	7,71,519
YoY Change (%)	5.0	13.4	3.7	27.2	13.7	-0.3	46.2	43.5	11.5	25.6
EBITDA	29,436	30,910	24,174	23,318	35,867	37,450	35,022	37,189	1,07,838	1,45,528
Margins (%)	19.3	19.6	16.5	14.7	20.7	23.9	16.4	16.4	17.5	18.9
Depreciation	8,934	9,259	9,263	10,408	9,729	9,867	10,656	11,315	37,864	41,567
Interest	12,214	11,818	10,943	11,357	11,762	11,431	12,009	12,752	46,332	47,955
Other Income	2,714	2,915	6,431	6,174	2,474	5,131	2,381	4,423	18,234	14,409
Rate regulated activity	-2,100	-2,679	1,897	3,742	-6,880	-6,736	0	0	861	-13,616
PBT before EO expense	8,902	10,069	12,297	11,469	9,969	14,547	14,738	17,544	42,737	56,799
Extra-ord items	2,347	-277	0	738	2,040	-2,165	0	0	2,807	-125
PBT	11,249	9,792	12,297	12,207	12,009	12,382	14,738	17,544	45,544	56,674
Tax	3,346	2,133	4,126	4,914	3,017	3,802	4,629	4,915	14,519	16,363
Rate (%)	30	22	34	40	25	31	31	28	32	29
Share of associates and JV	3,507	2,515	2,590	3,164	2,894	2,351	1,158	1,566	11,776	7,969
Minority Interest	1,685	1,419	1,231	1,504	2,177	1,666	2,505	2,660	5,839	9,008
Reported PAT	11,410	10,174	10,761	10,456	11,886	10,931	11,267	14,195	42,801	48,279
Adj PAT	8,076	8,972	9,530	8,511	8,182	10,766	8,762	11,535	35,050	39,360

Others | Various Sectors

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

APL Apollo Tubes

Buy

CMP INR1,583 | TP: INR1,900 (+20%)

EPS CHANGE (%): FY25|FY26: -1|-2

- APL witnessed volume growth of ~37% YoY to 828,200 MT in 3QFY25 (up 9% QoQ).
- EBITDA/MT is expected to decline to ~INR4,017 (down 13% YoY, led by inventory losses).
- Revenue is likely to grow ~39% YoY in 3QFY25.
- The price of primary steel HRC continues to be a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	45,449	46,304	41,778	47,657	49,743	47,739	58,120	61,883	181,188	217,485
YoY Change (%)	32.2	16.7	-3.5	7.6	9.4	3.1	39.1	29.9	12.1	20.0
Total Expenditure	42,377	43,054	38,982	44,854	46,727	46,359	54,793	57,994	169,266	205,872
EBITDA	3,072	3,250	2,795	2,804	3,016	1,381	3,327	3,889	11,922	11,614
Margins (%)	6.8	7.0	6.7	5.9	6.1	2.9	5.7	6.3	6.6	5.3
Depreciation	409	413	471	466	465	469	560	603	1,759	2,097
Interest	271	266	285	311	278	364	250	200	1,134	1,092
Other Income	217	196	150	186	247	148	210	246	749	851
PBT before EO expense	2,608	2,767	2,190	2,212	2,520	696	2,727	3,332	9,777	9,276
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	2,608	2,767	2,190	2,212	2,520	696	2,727	3,332	9,777	9,276
Tax	672	738	535	508	589	158	686	839	2,453	2,271
Rate (%)	25.8	26.7	24.4	23.0	23.4	22.7	25.2	25.2	25.1	24.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,936	2,029	1,655	1,704	1,932	538	2,041	2,494	7,324	7,004
Adj PAT	1,936	2,029	1,655	1,704	1,932	538	2,041	2,494	7,324	7,004
YoY Change (%)	60.5	35.1	-2.2	-15.5	-0.2	-73.5	23.3	46.3	14.1	-4.4
Margins (%)	4.3	4.4	4.0	3.6	3.9	1.1	3.5	4.0	4.0	3.2

Cello

Buy

CMP INR757 | TP: INR930 (+23%)

EPS CHANGE (%): FY25|FY26: -1|-2

- Revenue is likely to grow ~8% YoY, led by growth in the furniture segment.
- Demand scenario and competitive intensity will be key monitorables going ahead.
- EBITDA margins are expected to remain around 25.1% during the quarter.
- The ramp-up of glassware capacity for commercial production will be the key focus area.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	4,718	4,890	5,271	5,125	5,007	4,901	5,695	6,098	20,003	21,700
YoY Change (%)	NA	NA	NA	5.0	6.1	0.2	8.1	19.0	11.3	8.5
Total Expenditure	3,526	3,687	3,949	3,792	3,714	3,715	4,263	4,528	14,954	16,220
EBITDA	1,192	1,203	1,321	1,333	1,293	1,186	1,432	1,570	5,049	5,480
Margins (%)	25.3	24.6	25.1	26.0	25.8	24.2	25.1	25.7	25.2	25.3
Depreciation	118	127	147	175	141	148	150	205	567	645
Interest	6	7	5	8	6	3	3	3	26	15
Other Income	81	107	45	66	60	133	65	80	299	338
PBT before EO expense	1,149	1,176	1,214	1,215	1,206	1,168	1,344	1,442	4,755	5,159
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,149	1,176	1,214	1,215	1,206	1,168	1,344	1,442	4,755	5,159
Tax	321	310	307	250	311	300	339	362	1,188	1,311
Rate (%)	27.9	26.4	25.3	20.6	25.8	25.7	25.2	25.1	25.0	25.4
Minority Interest & Profit/Loss of Asso. Cos.	54	66	58	77	69	51	66	88	256	274
Reported PAT	774	800	849	888	826	816	939	992	3,311	3,574
Adj PAT	774	800	849	888	826	816	939	992	3,311	3,574
YoY Change (%)	NA	NA	NA	-81.8	6.6	2.1	10.7	11.8	24.4	8.0
Margins (%)	16.4	16.4	16.1	17.3	16.5	16.7	16.5	16.3	16.6	16.5

Coromandel International**Buy****CMP INR1,928 | TP: INR2,220 (+15%)****EPS CHANGE (%): FY25|FY26: +1|+1**

- Fertilizer manufacturing volumes/trading volumes are expected to grow 12%/11% YoY, respectively.
- The Crop Protection segment is expected to witness strong growth in both domestic and export markets.
- Fertilizer manufacturing (NPK and DAP) EBITDA/MT is expected to be ~INR4,694.
- Raw material and product pricing scenario will be the key monitorable.

Quarterly Performance**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	56,934	69,881	54,642	39,127	47,288	74,328	64,419	42,973	220,584	229,008
YoY Change (%)	-0.6	-30.9	-34.2	-28.5	-16.9	6.4	17.9	9.8	-25.5	3.8
Total Expenditure	49,842	59,294	51,063	36,397	42,231	64,581	57,782	39,466	196,596	204,059
EBITDA	7,092	10,587	3,578	2,730	5,058	9,748	6,637	3,506	23,988	24,949
Margins (%)	12.5	15.2	6.5	7.0	10.7	13.1	10.3	8.2	10.9	10.9
Depreciation	481	540	635	630	653	690	680	660	2,286	2,682
Interest	405	462	381	617	574	661	640	450	1,866	2,325
Other Income	445	448	585	835	541	650	800	1,002	2,314	2,993
PBT before EO expense	6,651	10,033	3,147	2,319	4,372	9,047	6,117	3,399	22,150	22,935
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	6,651	10,033	3,147	2,319	4,372	9,047	6,117	3,399	22,150	22,935
Tax	1,674	2,450	776	578	1,125	2,328	1,540	855	5,478	5,848
Rate (%)	25.2	24.4	24.7	24.9	25.7	25.7	25.2	25.2	24.7	25.5
Minority Interest & P/L of Asso. Cos.	36	15	61	138	137	79	64	144	250	425
Reported PAT	4,940	7,569	2,310	1,603	3,110	6,641	4,513	2,399	16,422	16,662
Adj PAT	4,940	7,569	2,310	1,603	3,110	6,641	4,513	2,399	16,422	16,662
YoY Change (%)	-1.0	2.2	-56.2	-34.9	-37.1	-12.3	95.4	49.6	-18.4	1.5
Margins (%)	8.7	10.8	4.2	4.1	6.6	8.9	7.0	5.6	7.4	7.3

DreamFolks**Buy****CMP INR397 | TP: 450 (+13%)****EPS CHANGE (%): FY25|26: -2.0|-0.2|-0.2**

- Revenue is likely to grow ~11% YoY, while gross margin is expected to be ~12% in 3QFY25.
- DFS maintained its FY25 gross margin guidance of 11-13% and EBITDA margin guidance of 7-9%. While the recent changes in credit card criteria pose a challenge, contract renewals in 2H provide some respite to margins.
- Commentaries on changes in credit card spending criteria, demand scenario, newly launched highway services, and margins are the key monitorables.

Consolidated - Quarterly performance**(INR M)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	2,663	2,825	3,051	2,811	3,208	3,169	3,367	3,303	11,350	13,046
YoY Change (%)	66.2	65.0	49.5	18.2	20.5	12.2	10.4	17.5	46.8	14.9
GPM (%)	10.7	12.4	12.5	12.5	11.7	12.4	12.0	12.0	12.0	12.0
Employee benefit expenses (%)	2.8	2.6	2.4	2.3	3.2	3.6	3.0	3.0	10.0	12.8
EBITDA	176	243	274	246	229	231	259	254	939	973
Margins (%)	6.6	8.6	9.0	8.8	7.1	7.3	7.7	7.7	8.3	7.5
Depreciation	8.6	9.2	9.7	9.6	9.0	9.3	11.8	11.6	37.0	41.6
EBIT	168	234	264	237	220	222	247	243	902	932
Margins (%)	6.3	8.3	8.7	8.4	6.9	7.0	7.4	7.3	7.9	7.1
Interest	2	3	3	4	3	8	10	3	12	25
Other Income	11	5	7	11	17	8	17	17	33	59
PBT	176	236	268	243	234	221	254	256	924	965
Tax	47	60	68	64	63	61	65	65	238	254
Rate (%)	26.4	25.3	25.2	26.4	26.8	27.4	25.5	25.5	25.8	26.3
PAT	130	177	200	179	171	160	189	191	686	712
YoY Change (%)	-3.5	19.2	5.5	-29.3	32.3	-9.3	-5.4	6.6	-5.3	3.8
Margins (%)	4.9	6.3	6.6	6.4	5.3	5.1	5.6	5.8	6.0	5.5

EPL**Buy****CMP INR263 | TP: INR320 (+22%)****EPS CHANGE (%): FY25|FY26: +1|0**

- Revenue is expected to grow 9% YoY on broad-based growth across geographies.
- EBITDA margin is likely to expand ~200bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Customer addition for the Brazilian plant and prices of raw materials will be the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	9,102	10,016	9,751	10,292	10,074	10,862	10,663	11,194	39,161	42,793
YoY Change (%)	9.4	5.6	3.2	6.2	10.7	8.4	9.4	8.8	6.0	9.3
Total Expenditure	7,512	8,206	7,917	8,383	8,216	8,657	8,442	8,876	32,018	34,191
EBITDA	1,590	1,810	1,834	1,909	1,858	2,205	2,220	2,318	7,143	8,602
Margins (%)	17.5	18.1	18.8	18.5	18.4	20.3	20.8	20.7	18.2	20.1
Depreciation	800	836	842	850	836	852	880	920	3,328	3,488
Interest	235	306	294	321	290	291	285	270	1,156	1,136
Other Income	100	96	237	161	65	140	167	130	594	502
PBT before EO expense	655	764	935	899	797	1,202	1,222	1,258	3,253	4,480
Extra-Ord expense	0	0	0	605	0	0	0	0	605	0
PBT	655	764	935	294	797	1,202	1,222	1,258	2,648	4,480
Tax	106	254	70	152	139	301	296	307	582	1,043
Rate (%)	16.2	33.2	7.5	51.7	17.4	25.0	24.2	24.4	22.0	23.3
Minority Interest & Profit/Loss of Asso. Cos.	-6	-5	-4	81	-16	-31	-4	86	66	35
Reported PAT	543	505	861	223	642	870	922	1,037	2,132	3,472
Adj PAT	543	505	861	677	642	870	922	1,037	2,586	3,472
YoY Change (%)	57.4	9.3	37.1	-19.7	18.2	72.3	7.1	53.2	13.5	34.3
Margins (%)	6.0	5.0	8.8	6.6	6.4	8.0	8.7	9.3	6.6	8.1

Godrej Agrovet**Buy****CMP INR743 | TP: INR960 (+29%)****EPS CHANGE (%): FY25|FY26: +1|+1**

- We expect a revenue growth of ~11% YoY in 3QFY25, driven by palm oil, animal feed, and poultry.
- The performance outlook on Astec and domestic Crop Protection will be the key focus area.
- EBITDA margins are likely to expand to 9.8% from 6.8% in 3QFY25, led by strategic initiatives.
- Raw material (such as maize and soybean) and palm oil prices are the key monitorables.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	25,102	25,709	23,452	21,343	23,508	24,488	26,050	24,485	95,606	98,530
YoY Change (%)	0.0	5.1	0.9	1.9	-6.4	-4.8	11.1	14.7	2.0	3.1
Total Expenditure	23,173	23,694	21,861	19,863	21,246	22,254	23,510	22,055	88,591	89,066
EBITDA	1,929	2,014	1,591	1,480	2,261	2,234	2,540	2,429	7,015	9,464
Margins (%)	7.7	7.8	6.8	6.9	9.6	9.1	9.8	9.9	7.3	9.6
Depreciation	528	529	530	556	546	583	598	619	2,143	2,346
Interest	295	279	251	254	302	398	340	320	1,079	1,359
Other Income	115	112	84	102	92	126	98	149	413	466
PBT before EO expense	1,222	1,318	894	772	1,506	1,379	1,700	1,640	4,206	6,224
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,222	1,318	894	772	1,506	1,379	1,700	1,640	4,206	6,224
Tax	353	369	191	220	345	541	428	413	1,133	1,727
Rate (%)	28.9	28.0	21.3	28.5	22.9	39.3	25.2	25.2	26.9	27.7
Minority Interest & Profit/Loss of Asso. Cos.	-185	-104	-215	-19	-190	-121	-138	-118	-523	-567
Reported PAT	1,053	1,053	918	571	1,352	958	1,410	1,345	3,596	5,064
Adj PAT	1,053	1,053	918	571	1,352	958	1,410	1,345	3,596	5,064
YoY Change (%)	27.3	46.7	43.5	84.2	28.3	-9.0	53.5	135.4	44.1	40.8
Margins (%)	4.2	4.1	3.9	2.7	5.7	3.9	5.4	5.5	3.8	5.1

Gravita Industries**Buy****CMP INR2,176 | TP: INR2,800 (+29%)****EPS CHANGE (%): FY25 | FY26: -2 | 0**

- Revenue is expected to grow 26% YoY, led by healthy growth across all segments.
- Increase in domestic businesses, led by favorable regulatory policies, will be the focus area.
- Adj. EBITDA margins are likely to marginally contract to 11.3% from 11.8% in 3QFY25.
- The ramp-up of aluminum operations and the plastic segment will be the key monitorable.

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

Y/E March	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	7,034	8,362	7,578	8,634	9,079	9,274	9,554	11,128	31,608	39,035
YoY Change (%)	5.6	44.2	11.0	9.4	29.1	10.9	26.1	28.9	12.9	23.5
Total Expenditure	6,349	7,563	6,681	7,705	8,166	8,259	8,476	9,924	28,298	34,825
Adjusted EBITDA	685	798	897	929	912	1,015	1,078	1,204	3,309	4,209
Margins (%)	9.7	9.5	11.8	10.8	10.1	10.9	11.3	10.8	10.5	10.8
Depreciation	79	86	90	125	65	72	85	90	380	312
Interest	127	112	130	124	130	120	125	20	492	394
Other Income	132	69	61	42	33	23	20	35	304	111
PBT before EO expense	612	670	738	722	751	847	888	1,129	2,742	3,614
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	612	670	738	722	751	847	888	1,129	2,742	3,614
Tax	86	82	123	28	71	128	120	147	319	466
Rate (%)	14.1	12.2	16.7	3.9	9.4	15.1	13.5	13.1	11.6	12.9
Minority Interest & Profit/Loss of Asso. Cos.	5	10	12	4	7	-1	15	10	31	31
Reported PAT	521	579	603	690	673	720	753	972	2,392	3,118
Adj PAT	521	579	603	690	673	720	753	972	2,392	3,118
YoY Change (%)	26.0	36.1	35.2	37.4	29.3	24.4	24.9	40.8	18.9	30.3
Margins (%)	7.4	6.9	8.0	8.0	7.4	7.8	7.9	8.7	7.6	8.0

IndiaMART**Buy****CMP: INR2,285 | TP: INR2,800 (+23%)****EPS CHANGE (%): FY25 | 26 | 27: 0.9 | -2.7 | -3.6**

- Revenue is expected to grow ~18% YoY in 3QFY25. Expect 2%/13% QoQ/YoY growth in ARPU.
- INMART's margin expansion was attributed to low supplier additions and cost-optimization initiatives. We believe as customer growth picks up, customer addition costs will increase, leading to normalized margins.
- Outlook on paid subscribers' growth and margin are the key monitorables.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	2,821	2,947	3,053	3,147	3,313	3,477	3,591	3,708	11,968	14,089
YoY Change (%)	25.6	22.5	21.4	17.1	17.4	18.0	17.6	17.8	21.5	17.7
Total Expenditure	2,048	2,150	2,200	2,260	2,120	2,130	2,519	2,552	8,658	9,321
EBITDA	773	797	853	887	1,193	1,347	1,072	1,155	3,310	4,767
Margins (%)	27.4	27.0	27.9	28.2	36.0	38.7	29.9	31.2	27.7	33.8
Depreciation	74	80	84	127	81	82	96	92	365	351
Interest	22	23	22	22	20	19	19	19	89	77
Other Income	571	346	417	772	532	655	363	378	2,106	1,928
PBT before EO expense	1,248	1,040	1,164	1,510	1,624	1,901	1,320	1,422	4,962	6,267
Extra-Ord expense	18	0	0	0	0	0	0	0	18	0
PBT	1,230	1,040	1,164	1,510	1,624	1,901	1,320	1,422	4,944	6,267
Tax	293	239	277	395	374	422	293	316	1,204	1,405
Rate (%)	23.8	23.0	23.8	26.2	23.0	22.2	22.2	22.2	24.4	22.4
Minority Interest & P/L of Asso. Cos.	106	110	72	116	112	127	127	127	404	493
Reported PAT	831	691	815	999	1,138	1,352	900	979	3,336	4,369
Adj PAT	849	691	815	999	1,138	1,352	900	979	3,354	4,369
YoY Change (%)	81.8	1.0	33.1	79.0	34.0	95.7	10.4	-2.0	44.5	30.3
Margins (%)	30.1	23.4	26.7	31.7	34.3	38.9	25.1	26.4	28.0	31.0

Indian Hotels

Buy

CMP INR873 | TP: 960 (+10%)

EPS CHANGE (%): FY25|FY26: +1|+1

- Revenue is expected to grow 28% YoY, while EBITDA margin is expected to be ~39.7% in 3QFY25.
- Key domestic markets, such as Mumbai, Delhi, Hyderabad, and Bangalore, are expected to witness strong traction (double-digit growth).
- Demand scenario in key markets, improvement in occupancy, and ARR are the key focus areas.

Consolidated - Quarterly Earning Model

(INRm)

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	14,664	14,332	19,638	19,053	15,502	18,261	25,088	24,780	67,688	83,631
YoY Change (%)	15.8	16.3	16.5	17.2	5.7	27.4	27.7	30.1	16.5	23.6
Total Expenditure	10,562	10,784	12,315	12,455	11,006	13,249	15,134	16,002	46,116	55,391
EBITDA	4,102	3,548	7,324	6,598	4,496	5,013	9,954	8,778	21,571	28,240
Margins (%)	28.0	24.8	37.3	34.6	29.0	27.5	39.7	35.4	31.9	33.8
Depreciation	1,091	1,112	1,143	1,197	1,173	1,249	1,250	1,292	4,543	4,964
Interest	565	591	532	515	499	522	531	500	2,202	2,052
Other Income	493	477	398	461	460	641	480	505	1,829	2,086
PBT before EO expense	2,939	2,322	6,047	5,347	3,285	3,882	8,652	7,491	16,655	23,310
Extra-Ord expense	0	0	0	0	0	-3,074	0	0	0	-3,074
PBT	2,939	2,322	6,047	5,347	3,285	6,956	8,652	7,491	16,655	26,384
Tax	833	723	1,667	1,416	943	1,224	2,596	2,247	4,639	7,009
Rate (%)	28.4	31.1	27.6	26.5	28.7	17.6	30.0	30.0	27.9	26.6
Minority Interest & Profit/Loss of Asso. Cos.	-118	-70	-140	-247	-142	186	89	-6	-575	128
Reported PAT	2,224	1,669	4,520	4,178	2,484	5,546	5,967	5,250	12,591	19,247
Adj PAT	2,224	1,669	4,520	4,178	2,484	3,241	5,967	5,250	12,591	16,942
YoY Change (%)	25.7	48.6	18.1	27.3	11.7	94.1	32.0	25.7	25.6	52.9
Margins (%)	15.2	11.6	23.0	21.9	16.0	17.7	23.8	21.2	18.6	20.3

Info Edge

Neutral

CMP: INR8,728 | TP: INR7,900 (-9%)

EPS CHANGE (%): FY25|26|27: 0.3|1.0|2.0

- Expect steady growth in the recruitment vertical to continue, driven by the non-IT segment. Additionally, IT hiring is also likely to see good momentum with double-digit growth.
- Both 99acres and Jeevansathi businesses are nearing break-even levels, with profitability anticipated in FY26.
- The Real Estate vertical is anticipated to face some uncertainty due to the low inventory of unsold projects in major metros and moderated new project sales, which may stabilize in the coming quarters.
- The outlook on IT hiring and investee companies is the key monitorable.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25E				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenues	5,843	5,930	5,954	6,083	6,389	6,561	6,841	7,200	23,811	26,991
YoY (%)	15.1	11.5	7.2	7.9	9.3	10.6	14.9	18.4	10.3	13.4
Salary costs	2,464	2,435	2,422	2,500	2,587	2,624	2,810	2,981	9,821	11,002
Ad and Promotion costs	680	686	686	692	856	755	787	842	2,744	3,240
Other Expenses	432	398	439	422	452	437	465	490	1,692	1,844
EBITDA	2,266	2,411	2,407	2,469	2,495	2,744	2,779	2,887	9,554	10,905
EBITDA Margin (%)	38.8	40.7	40.4	40.6	39.0	41.8	40.6	40.1	40.1	40.4
Depreciation	153	176	174	174	175	186	171	180	677	712
EBIT Margin (%)	36.2	37.7	37.5	37.7	36.3	39.0	38.1	37.6	37.3	37.8
Other Income	578	636	650	728	770	803	718	756	2,592	3,047
PBT bef. Extra-ordinary	2,667	2,824	2,837	2,976	3,043	3,315	3,278	3,413	11,306	13,049
Provision for Tax	668	687	701	745	720	3,537	770	802	2,802	5,829
ETR (%)	25.0	24.3	24.7	25.0	23.7	106.7	23.5	23.5	24.8	44.7
Reported PAT	1,999	2,087	2,136	2,109	2,323	859	2,508	2,611	8,332	8,300
EOI	0	-50	0	-121	0	1,080	0	0	-171	1,080
PAT after Extraordinary Items	1,999	2,137	2,136	2,231	2,323	1,939	2,508	2,611	8,504	7,220
QoQ (%)	1.1	6.9	-0.1	4.4	4.1	-16.5	29.3	4.1		
YoY (%)	34.7	27.1	11.4	12.9	16.2	-9.3	17.4	17.0	20.5	-15.1
Adj EPS (INR)	15.5	16.2	16.5	16.3	18.0	6.7	19.4	20.2	64.3	64.0

InterGlobe Aviation**Neutral****CMP INR4,591 | TP: INR5,055 (+10%)****EPS CHANGE (%): FY25|26: 0|+19**

- Expect ASK at 40.9b (+12% YoY), PLF at 85.9% (up from 85.8% in 3QFY24), and RPK at 35.1b (up 12% YoY).
- Outlook on P&W engine-fitted aircraft (being grounded in CY25) is a key monitorable. Further, the commentary on impending competition would be keenly monitored.
- According to our database, INDIGO's average fare was up 12% QoQ to INR6,804 in 3QFY25, on one-month forward bookings. However, the same was up 24% QoQ at INR6,670 on 15-day forward bookings.
- International expansion is a key focus area for the management, with the addition of new networks and code share agreements.

Standalone Quarterly performance**(INR b)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	166.8	149.4	194.5	178.3	195.7	169.7	219.4	195.8	689.0	780.5
YoY Change (%)	29.8	19.6	30.3	25.9	17.3	13.6	12.8	9.8	26.6	13.3
EBITDAR	51.6	23.9	54.4	43.7	57.7	23.8	70.0	47.8	173.7	199.4
Margin (%)	30.9	16.0	28.0	24.5	29.5	14.0	31.9	24.4	25.2	25.5
Net Rentals	1.9	2.0	3.0	3.9	6.2	7.6	6.9	7.2	10.8	28.1
EBITDA	49.7	22.0	51.4	39.8	51.5	16.2	63.1	40.6	162.9	171.3
Margin (%)	29.8	14.7	26.4	22.4	26.3	9.5	28.8	20.7	23.6	21.9
Depreciation	14.0	15.5	16.6	18.0	18.7	20.8	20.9	20.2	64.1	80.5
Interest	9.5	10.2	11.0	11.0	11.6	12.4	12.5	11.0	41.7	47.4
Other Income	4.8	5.6	6.1	6.8	6.8	7.9	7.9	9.8	23.3	32.4
PBT	30.9	1.9	30.0	17.7	28.0	-9.1	37.7	19.2	80.4	75.8
Tax	0.0	0.0	0.0	-1.2	0.8	0.8	0.8	1.3	-1.2	3.6
Rate (%)	0.0	0.0	0.0	-7.0	2.7	-8.7	2.0	6.8	-1.5	4.7
Reported PAT	30.9	1.9	30.0	18.9	27.3	-9.9	36.9	17.9	81.7	72.2
EPS	80.0	4.9	77.7	49.1	70.6	-25.6	95.7	46.3	211.6	187.1
YoY Change (%)	LP	LP	111.4	106.8	-11.7	PL	23.2	-5.6	LP	-11.6

Kajaria Ceramics**Buy****CMP INR1,169 | TP: INR1,450 (+24%)****EPS CHANGE (%): FY25|FY26: -- |--**

- Estimate sales volume to grow 8% YoY (+1% QoQ) in 3QFY25. Realization is estimated to decline 3% YoY and 1% QoQ.
- Gross margin is estimated to contract 40bp YoY to ~38%.
- EBITDA is estimated to decline 3% YoY and OPM is likely to contract 140bp YoY to ~14%.
- Adjusted net profit after MI is estimated to decline 1% YoY to INR1.0b.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	10,642	11,216	11,518	12,408	11,137	11,793	12,245	13,620	45,784	48,795
YoY Change (%)	5.6	4.1	5.6	3.0	4.6	5.1	6.3	9.8	4.5	6.6
Total Expenditure	8,950	9,419	9,730	10,688	9,466	10,204	10,513	11,616	38,787	41,799
EBITDA	1,692	1,797	1,788	1,720	1,671	1,589	1,733	2,004	6,997	6,996
Margins (%)	15.9	16.0	15.5	13.9	15.0	13.5	14.2	14.7	15.3	14.3
Depreciation	305	361	389	425	421	406	413	424	1,480	1,664
Interest	53	43	50	66	47	47	48	43	211	185
Other Income	93	83	113	174	102	99	135	196	462	532
PBT before EO expense	1,427	1,477	1,462	1,403	1,304	1,235	1,407	1,734	5,768	5,679
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,427	1,477	1,462	1,403	1,304	1,235	1,407	1,734	5,768	5,679
Tax	336	366	379	354	327	341	350	394	1,435	1,412
Rate (%)	23.5	24.8	25.9	25.2	25.0	27.6	24.9	22.7	24.9	24.9
Adj PAT	1,091	1,110	1,083	1,050	978	893	1,057	1,339	4,334	4,267
MI & P/L of Asso. Cos.	16	31	41	25	48	42	25	26	113	141
Adj PAT	1,075	1,080	1,042	1,024	898	843	1,032	1,313	4,221	4,086
YoY Change (%)	16.5	60.8	40.2	-2.3	-16.4	-21.9	-1.0	28.2	24.7	-2.2
Margins (%)	10.1	9.6	9.0	8.3	8.1	7.1	8.4	9.6	9.2	8.5

Lemon Tree Hotels**Buy****CMP INR159 | TP: INR190 (+19%)****EPS CHANGE (%): FY25|FY26: +1|0**

- Revenue is expected to grow 22% YoY and EBITDA margin is expected to be ~50.3% in 3QFY25.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trend are the key monitorables.
- We anticipate Aurika Mumbai to start ramping up and reporting higher occupancy rates.

Consolidated Quarterly Performance**(INRm)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	2,223	2,272	2,887	3,273	2,680	2,844	3,528	3,754	10,655	12,806
YoY Change (%)	15.7	15.5	23.6	29.5	20.6	25.2	22.2	14.7	21.8	20.2
Total Expenditure	1,178	1,253	1,490	1,558	1,530	1,536	1,752	1,807	5,479	6,625
EBITDA	1,045	1,019	1,397	1,715	1,151	1,307	1,776	1,947	5,176	6,180
Margins (%)	47.0	44.8	48.4	52.4	42.9	46.0	50.3	51.9	48.6	48.3
Depreciation	228	226	333	334	346	348	350	355	1,121	1,398
Interest	481	473	534	528	518	513	480	460	2,016	1,971
Other Income	24	29	22	39	4	5	60	50	113	118
PBT before EO expense	359	348	552	892	291	451	1,006	1,182	2,151	2,929
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	359	348	552	892	291	451	1,006	1,182	2,151	2,929
Tax	87	86	118	50	91	102	240	281	341	715
Rate (%)	24.2	24.8	21.3	5.6	31.2	22.7	23.9	23.8	15.9	24.4
MI & P/L of Asso. Cos.	38	35	80	172	2	52	102	233	325	389
Reported PAT	235	226	354	670	198	296	664	667	1,485	1,826
Adj PAT	235	226	354	670	198	296	664	667	1,485	1,826
YoY Change (%)	34.5	35.1	-11.4	52.4	-15.6	30.9	87.5	-0.4	25.7	22.9
Margins (%)	10.6	10.0	12.3	20.5	7.4	10.4	18.8	17.8	13.9	14.3

MTAR Technologies**Buy****CMP INR1,674 | TP: INR2,100 (+25%)****EPS CHANGE (%): FY25|FY26: -3|-3**

- The company expects to post strong revenue growth of ~43% YoY in 3QFY25, albeit on a lower base.
- Order inflow from existing US customers and new customers is likely to be the key monitorable.
- EBITDA margin is expected to expand to ~21.2% in 3QFY25 vs ~20.2% in 3QFY24, led by favorable operating leverage.

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

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	1,526	1,668	1,184	1,430	1,283	1,902	1,693	2,330	5,808	7,208
YoY Change (%)	67.6	32.2	-26.1	-27.2	-15.9	14.0	43.0	63.0	1.2	24.1
Total Expenditure	1,180	1,307	945	1,247	1,117	1,534	1,334	1,725	4,681	5,709
EBITDA	345	361	239	182	166	368	359	606	1,127	1,498
Margins (%)	22.6	21.6	20.2	12.7	12.9	19.4	21.2	26.0	19.4	20.8
Depreciation	56	58	58	59	61	78	79	80	232	298
Interest	57	55	56	55	48	52	52	55	223	207
Other Income	41	8	5	4	5	14	30	35	58	85
PBT before EO expense	273	257	129	72	62	253	258	506	730	1,078
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	273	257	129	72	62	253	258	506	730	1,078
Tax	69	52	24	23	18	65	65	127	169	275
Rate (%)	25.4	20.3	18.9	32.2	28.6	25.8	25.2	25.2	23.2	25.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	203	205	104	49	44	188	193	378	561	803
Adj PAT	203	205	104	49	44	188	193	378	561	803
YoY Change (%)	25.4	-17.1	-66.8	-84.3	-78.2	-8.2	84.5	676.5	-45.7	43.1
Margins (%)	13.3	12.3	8.8	3.4	3.5	9.9	11.4	16.2	9.7	11.1

Quess**Neutral****CMP INR665 | TP: INR760 (+14%)****EPS CHANGE (%): FY25|26|27: -1.6|-2.7|-2.5**

- Expect revenue to remain flat QoQ and grow 7.0% YoY in 3QFY25.
- Margin recovery is likely to remain gradual; margins should largely remain flat QoQ.
- IT staffing is expected to remain subdued, while the GCC segment continued to expand. We anticipate a pickup in IT hiring later in FY25.
- Commentaries on IT staffing, de-merger, and margins are the key monitorables.

Consolidated - Quarterly**(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	46,002	47,483	48,418	49,098	50,031	51,794	51,802	54,347	1,91,001	2,07,974
YoY Change (%)	15.6	11.1	8.4	10.6	8.8	9.1	7.0	10.7	11.3	8.9
Total Expenditure	44,463	45,800	46,608	47,146	48,147	49,838	49,818	52,229	1,84,017	2,00,032
EBITDA	1,539	1,683	1,810	1,952	1,884	1,956	1,983	2,119	6,984	7,942
Margins (%)	3.3	3.5	3.7	4.0	3.8	3.8	3.8	3.9	3.7	3.8
Depreciation	686	697	718	731	690	697	762	762	2,832	2,912
EBIT	853	987	1,092	1,220	1,194	1,259	1,221	1,356	4,152	5,030
Margins (%)	1.9	2.1	2.3	2.5	2.4	2.4	2.4	2.5	2.2	2.4
Interest	272	330	354	266	282	284	216	216	1,222	998
Other Income	41	151	52	50	102	44	135	135	295	416
PBT before EO expense	621	809	790	1,005	1,014	1,018	1,140	1,275	3,225	4,448
Recurring Tax	140	83	-45	-30	69	85	114	128	148	395
Rate (%)	22.6	10.3	-5.7	-3.0	6.8	8.4	10.0	10.0	4.6	8.9
MI & P/L of Asso. Cos.	3.1	-9.8	-2	35	78.7	12.4	0	0	25.5	91.0
Adjusted PAT	478	735	838	1,000	867	921	1,026	1,148	3,052	3,961
Extraordinary items	0	16	199	57	-171	-3	0	0	272	-174
Reported PAT	478	719	639	943	1,038	924	1,026	1,148	2,780	4,136
YoY Change (%)	-22.0	71.0	-27.4	184.8	117.1	28.5	60.5	21.6	23.8	48.8
Margins (%)	1.0	1.5	1.3	1.9	2.1	1.8	2.0	2.1	1.5	2.0

SIS**Buy****CMP INR366 | TP: INR470 (+28%)****EPS CHANGE (%): FY25|26|27: -4.8|-1.2|-1.1**

- Expect double-digit YoY growth in 3QFY25.
- The FM business margin is likely to inch up towards 5.0% by 1QFY26. Overall margin recovery to remain gradual, margins to inch up by 30bp QoQ.
- The outlook on margin is a key monitorable.
- The company expects two quarters of turbulence in the International business, particularly in Australia.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	29,767	30,736	30,734	31,376	31,299	32,688	33,924	34,806	1,22,614	1,32,716
YoY Change (%)	11.1	11.1	5.8	4.7	5.1	6.3	10.4	10.9	8.1	8.2
Total Expenditure	28,377	29,292	29,221	30,537	29,925	31,241	32,319	33,099	1,17,426	1,26,583
EBITDA	1,390	1,445	1,514	839	1,374	1,447	1,605	1,707	5,188	6,133
Margins (%)	4.7	4.7	4.9	2.7	4.4	4.4	4.7	4.9	4.2	4.6
Depreciation	358	404	416	486	427	420	436	454	1,663	1,738
Interest	327	347	404	403	422	404	183	183	1,482	1,191
Other Income	88	125	54	160	118	76	76	231	427	500
PBT	793	819	748	111	643	699	1,061	1,300	2,470	3,704
Tax	-50	132	447	289	70	72	85	104	819	331
Rate (%)	-6.2	16.1	59.8	261.6	10.9	10.3	8.0	8.0	33.1	8.9
Minority Interest & P/L of Asso. Cos.	52	66	69	62	69	61	63	65	249	257
Adjusted PAT	895	753	369	-117	642	688	1,039	1,261	1,900	3,630
YoY Change (%)	8.4	11.6	-64.3	-112.6	-28.3	-8.6	181.4	NA	-45.2	91.1
Margins (%)	3.0	2.4	1.2	-0.4	2.1	2.1	3.1	3.6	1.5	2.7

Swiggy**Neutral****CMP INR542 | TP: INR520 (-4%)****EPS CHANGE (%): FY25 | 26 | 27: NA | NA | 0.0**

- The GOV for FD/QC businesses is likely to achieve 20%/100% YoY growth, with take rates of 22%/14%, driving an overall revenue growth of 8.0% QoQ in 3QFY25.
- Instamart is anticipated to grow 19% QoQ with an adjusted EBITDA of -10.0% for 3Q, while out-of-home consumption is anticipated to reach break-even with 19.3% QoQ revenue growth.
- FD's adjusted EBITDA as a percentage of GOV is expected to improve 20bp QoQ to 1.8%. Instamart is projected to report a -2.2% contribution margin and -10.0% adjusted EBITDA margin in 3Q.
- Key factors to monitor include Instamart's GOV and AOV growth, dark store additions, and margins. FY26E absolute loss has been revised to INR14.5b from INR8.0b, due to a lower adjusted EBITDA in QC led by dark store expansion.

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

Y/E march	FY24		FY25				FY24	FY25
	1Q	2Q	1Q	2Q	3QE	4QE		
Revenue (net of delivery)	23,898	27,633	32,249	36,044	38,910	42,018	1,12,474	1,49,221
YoY Change (%)	NA	NA	34.9	30.4	NA	NA	36.1	32.7
Inventory of traded goods	9,100	11,446	11,954	13,874	14,927	16,045	46,042	56,799
Employee Expenses	4,858	5,367	5,892	6,073	7,000	7,790	20,122	26,755
Delivery expenses	7,490	8,263	10,460	10,949	14,496	15,540	33,511	51,445
Gross Profit	2,450	2,558	3,943	5,149	2,486	2,643	12,800	14,222
Margins (%)	10.3	9.3	12.2	14.3	6.4	6.3	11.4	9.5
Advertisement and sales promotion	4,871	4,939	4,454	5,371	5,178	5,018	18,508	20,020
Others	3,319	3,851	4,905	5,290	3,950	3,896	16,372	18,040
EBITDA	-5,740	-6,232	-5,415	-5,512	-6,641	-6,270	-22,080	-23,839
Margins (%)	-24.0	-22.6	-16.8	-15.3	-17.1	-14.9	-19.6	-16.0
Depreciation	913	1,046	1,217	1,309	1,362	1,471	4,206	5,358
Interest	174	155	198	231	200	200	714	829
Other Income	1,198	872	879	848	1,200	1,200	3,870	4,127
PBT before EO expense	-5,629	-6,561	-5,951	-6,204	-7,003	-6,741	-23,130	-25,898
Extra-Ord expense	-7	-3	-132	-21	0	0	-306	-153
PBT	-5,636	-6,564	-6,083	-6,225	-7,003	-6,741	-23,436	-26,051
Tax	0	0	0	0	0	0	0	0
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	NA	NA
Minority Interest & Profit/Loss of Asso. Cos.	5	6	1	1	0	0	66	2
Reported PAT	-5,641	-6,570	-6,084	-6,226	-7,003	-6,741	-23,502	-26,053
Adj PAT	-5,634	-6,567	-5,952	-6,205	-7,003	-6,741	-23,196	-25,900
YoY Change (%)	NA	NA	6	-6	NA	NA	-44.4	11.7
Margins (%)	-23.6	-23.8	-18.5	-17.2	-18.0	-16.0	-20.6	-17.4

TeamLease**Buy****CMP INR2,999 | TP: INR3,700 (+23%)****EPS CHANGE (%): FY25|26|27: -3.6|-1.5|-2.1**

- Expect 2.2%/16.9% QoQ/YoY growth in 3QFY25. We expect substantial revenue from EdTech to be booked in 2HFY25. The vertical is likely to maintain similar profitability to FY24.
- PAPM pressure continues as the growing client base has lower PAPM; hence, the weighted average PAPM is reducing.
- Margin is likely to clock a 20bp sequential improvement in 3QFY25.
- Commentaries on PAPM, IT hiring, and margin are the key monitorables.

Consolidated Quarterly Performance**(INR M)**

	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	21,716	22,726	24,454	24,320	25,799	27,968	28,577	28,226	93,215	1,10,569
YoY Change (%)	16%	16%	22%	20%	19%	23%	17%	16%	18%	19%
Total Expenditure	21,453	22,409	24,093	23,953	25,576	27,634	28,170	27,752	91,907	1,09,132
Reported EBITDA	263	318	361	367	223	335	406	474	1,308	1,438
Margins (%)	1.2%	1.4%	1.5%	1.5%	0.9%	1.2%	1.4%	1.7%	1.4%	1.3%
Reported EBIT	138	188	225	231	91	196	271	339	783	898
Margins (%)	0.6%	0.8%	0.9%	0.9%	0.4%	0.7%	0.9%	1.2%	0.8%	0.8%
Interest	21	25	31	26	30	44	20	20	102	114
Other Income	140	130	100	90	141	107	150	150	461	548
PBT before EO expense	258	294	294	295	202	259	401	469	1,141	1,332
Extra-Ord expense	0	0	-35	0	0	0	0	0	-35	0
Reported PBT	258	294	329	295	202	259	401	469	1,176	1,332
Tax	1	18	18	14	8	11	16	19	51	54
Rate (%)	0%	6%	6%	5%	4%	4%	4%	4%	4%	4%
Adjusted PAT	258	276	275	274	194	249	385	450	1,082	1,277
YoY Change (%)	-3%	-13%	-5%	12%	-25%	-10%	40%	64%	-3%	18%
Margins (%)	1.2%	1.2%	1.1%	1.1%	0.8%	0.9%	1.3%	1.6%	1.2%	1.2%
Reported PAT	258	276	310	274	194	249	385	450	1,118	1,277
YoY Change (%)	-3%	-13%	7%	3%	-25%	-10%	24%	64%	-2%	14%
Margins (%)	1.2%	1.2%	1.3%	1.1%	0.8%	0.9%	1.3%	1.6%	1.2%	1.2%

Updater Services**Buy****CMP INR374 | TP: INR460 (+23%)****EPS CHANGE (%): FY25|26|27: -0.7|-5.4|-5.0**

- Expect 9.8%/17.4% QoQ/YoY growth in 3QFY25, with 2H likely to be in the 10-13% range.
- The margin is likely to dip 30bp in 3QFY25. IFM's target margin range is 5-6%, with the FY24 margin at 5.3%. The margin is anticipated to reach 6% this year.
- The company's focus on high-margin contracts in the IFM business and value-added services (BSS) should lead to a steady increase in profit margin going forward.
- Commentaries on demand, high-margin BSS vertical, acquisitions, and the airport business are the key monitorables.

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

Y/E March	FY24				FY25E				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Gross Sales	5,764	6,001	6,361	6,318	6,522	6,800	7,464	7,434	24,444	28,220
YoY Change (%)	20.3	16.7	17.3	10.5	13.1	13.3	17.4	17.7	16.0	15.4
Total Expenditure	5,404	5,616	5,959	5,944	6,112	6,363	7,009	6,958	22,923	26,442
Core EBITDA	360	385	401	374	409	437	455	476	1,520	1,777
Margins (%)	6.3	6.4	6.3	5.9	6.3	6.4	6.1	6.4	6.2	6.3
ESOP cost	0.0	31.7	21.7	18.9	0.0	0.0	0.0	0.0	72.3	0.0
Fair value changes	31.8	57.2	31.8	-47.4	0.0	0.0	0.0	0.0	105.9	0.0
EBITDA	329	296	348	403	409	437	455	476	1,342	1,777
Margins (%)	5.7	4.9	5.5	6.4	6.3	6.4	6.1	6.4	5.5	6.3
Depreciation	131	137	149	123	115	123	149	149	539.6	535.7
Interest	56	63	42	31	34	29	26	26	192.8	115.6
Other Income, net	27	27	93	56	65	69	45	45	236	224
PBT	169	123	250	305	326	354	325	346	846	1,350
Tax	45	31	44	63	69	74	49	52	183.2	243.4
Rate (%)	26.7	25.2	17.7	20.7	21.3	20.8	15.0	15.0	21.7	18.0
Minority Interest & Profit/Loss of Asso. Cos.	-5	-8	-3	-17	3	-1	0	0	-17	2
Adjusted PAT	202	197	275	194	256	280	276	294	885	1,168
YoY Change (%)	-22.6	-19.8	114.2	-10.3	27.2	41.8	0.5	51.3	137.9	32.0
Margins (%)	3.5	3.3	4.3	3.1	3.9	4.1	3.7	4.0	3.6	4.1

UPL**Neutral****CMP INR501 | TP: INR550 (+10%)****EPS CHANGE (%): FY25|FY26: 0|+2**

- UPL is likely to witness ~11% revenue growth in 3Q, led by ~14%/13%/13% revenue growth in North America/India/LATAM.
- Margins are likely to witness strong recovery with an EBITDA margin of ~18.2% in 3QFY25 vs ~4.2% in 3QFY24.
- The price trend in raw materials, debt levels, and capex plans are the key monitorables.
- The global demand-supply scenario will be a key monitorable.

Cons.: Quarterly Earning Model**(INRb)**

Y/E March	FY24				FY25				FY24	FY25E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	89.6	101.7	98.9	140.8	90.7	110.9	109.6	154.4	431.0	465.5
YoY Change (%)	-17.2	-18.7	-27.7	-15.0	1.2	9.0	10.8	9.6	-19.6	8.0
Total Expenditure	73.7	86.0	94.7	121.5	79.2	95.2	89.7	124.4	375.8	388.5
EBITDA	15.9	15.8	4.2	19.3	11.5	15.8	19.9	29.9	55.2	77.0
Margins (%)	17.8	15.5	4.2	13.7	12.6	14.2	18.2	19.4	12.8	16.6
Depreciation	6.4	6.6	6.8	7.9	6.6	7.0	7.3	8.0	27.6	28.9
Interest	7.0	8.7	11.9	10.9	9.1	10.7	9.0	8.5	38.5	37.3
Other Income	1.0	1.1	1.5	1.3	1.0	1.1	1.4	1.3	4.8	4.8
Exch. difference on trade rec./payable	3.2	2.5	3.2	0.8	0.5	2.2	0.0	0.0	9.8	2.7
PBT before EO expense	0.4	-1.0	-16.2	0.9	-3.7	-3.0	5.0	14.7	-15.9	13.0
Extra-Ord expense	0.4	0.9	0.2	1.1	0.5	0.1	0.0	0.0	2.5	0.6
PBT	0.0	-1.9	-16.4	-0.1	-4.2	-3.1	5.0	14.7	-18.5	12.4
Tax	-1.6	-1.0	-0.6	1.1	0.7	1.4	0.9	2.7	-2.1	5.7
Rate (%)	3,280.0	51.9	3.6	-733.3	-17.0	-44.2	18.0	18.0	11.3	45.5
MI & P/L of Asso. Cos.	-0.1	1.0	-3.6	-1.7	-1.1	-0.1	-4.0	-1.7	-4.4	-6.9
Reported PAT	1.7	-1.9	-12.2	0.4	-3.8	-4.4	8.1	13.8	-12.0	13.7
Adj PAT	4.0	1.1	-5.9	3.6	-2.0	-0.6	8.1	13.8	2.8	19.3
YoY Change (%)	-61.7	-89.8	-144.2	-65.1	-150.8	-159.3	-237.7	279.2	-93.7	589.6
Margins (%)	4.5	1.0	-6.0	2.6	-2.2	-0.6	7.4	9.0	0.6	4.1

Zomato**Buy****CMP INR277 | TP: INR330 (+18%)****EPS CHANGE (%): FY25|26|27: 5.7|2.5|1.9**

- The GOV for the FD/QC businesses is expected to grow 22%/113% YoY, with take rates of 21%/19%, driving an overall revenue growth of 66% YoY in 3QFY25.
- Blinkit is projected to sustain its growth momentum with 24%/123% QoQ/YoY growth. Hyperpure should also continue its upward trajectory.
- For the Food Delivery business, adjusted EBITDA as a % of GOV margin is expected to inch up 10bp QoQ to 3.6%. Blinkit is likely to post a contribution margin of 3.7% and an Adj. EBITDA margin of -0.1% in 3Q.
- The outlook on Blinkit, growth, and margins are the key monitorables.

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

Y/E march	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (net of delivery)	24,160	28,480	32,880	35,620	42,060	47,990	54,648	60,882	1,21,140	2,05,581
YoY Change (%)	70.9	71.4	68.8	73.2	74.1	68.5	66.2	70.9	71.1	69.7
Inventory of traded goods	5,620	6,740	7,820	8,640	10,990	13,340	15,754	18,117	28,820	58,201
Employee Expenses	3,380	4,170	4,230	4,810	5,290	5,900	6,785	7,803	16,590	25,778
Delivery expenses	8,100	9,190	10,680	11,180	13,280	13,980	14,985	15,917	39,150	58,162
Gross Profit	7,060	8,380	10,150	10,990	12,500	14,770	17,124	19,046	36,580	63,440
Margins (%)	29.2	29.4	30.9	30.9	29.7	30.8	31.3	31.3	30.2	30.9
Advertisement and sales promotion	3,140	3,550	3,740	3,890	3,960	4,210	4,404	4,505	14,320	17,080
Others	4,400	5,300	5,900	6,240	6,770	8,300	10,138	11,468	21,840	36,675
EBITDA	-480	-470	510	860	1,770	2,260	2,583	3,073	420	9,685
Margins (%)	-2.0	-1.7	1.6	2.4	4.2	4.7	4.7	5.0	0.3	4.7
Depreciation	1,300	1,280	1,280	1,400	1,490	1,800	2,459	2,740	5,260	8,489
Interest	180	160	180	200	250	300	383	426	720	1,359
Other Income	1,810	2,120	2,190	2,350	2,360	2,210	2,732	3,044	8,470	10,347
PBT before EO expense	-150	210	1,240	1,610	2,390	2,370	2,473	2,951	2,910	10,184
PBT	-150	210	1,240	1,610	2,390	2,370	2,473	2,951	2,910	10,184
Tax	-170	-150	-140	-140	-140	610	-200	-200	-600	70
Rate (%)	113.3	-71.4	-11.3	-8.7	-5.9	25.7	-8.1	-6.8	NA	NA
Reported PAT	20	360	1,380	1,750	2,530	1,760	2,673	3,151	3,510	10,114
Adj PAT	20	360	1,380	1,750	2,530	1,760	2,673	3,151	3,510	10,114
YoY Change (%)	-101.1	-114	-139.8	-193.0	12,550	389	93.7	80.0	-136.1	188.2
Margins (%)	0.1	1.3	4.2	4.9	6.0	3.7	4.9	5.2	2.9	4.9

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