Market snapshot

Equities - India	Close	Chg .%	CY24.%
Sensex	77,073	0.6	8.2
Nifty-50	23,345	0.6	8.8
Nifty-M 100	55,106	0.9	23.9
Equities-Global	**Close**	**Chg .%**	**CY24.%**
S&P 500	5,997	0.0	23.3
Nasdaq	19,630	0.0	28.6
FTSE 100	8,521	0.2	5.7
DAX	20,990	0.4	18.8
Hang Seng	7,236	1.8	26.4
Nikkei 225	38,903	1.2	19.2
Commodities	**Close**	**Chg .%**	**CY24.%**
Brent (US$/Bbl)	81	-1.8	-4.5
Gold ($/OZ)	2,708	0.2	27.2
Cu (US$/MT)	9,163	0.9	2.2
Almn (US$/MT)	2,682	0.3	7.7
Currency	**Close**	**Chg .%**	**CY24.%**
USD/INR	86.6	-0.1	2.9
USD/EUR	1.0	1.4	-6.2
USD/JPY	155.6	-0.4	11.5
YIELD (%)	**Close**	**1MChg**	**CY24 chg**
10 Yrs G-Sec	6.8	0.00	-0.4
10 Yrs AAA Corp	7.2	-0.01	-0.5
Flows (USD b)	**20-Jan**	**MTD**	**CYTD**
FIIs	-0.5	0.82	-0.8
DIIs	0.50	4.51	62.9
Volumes (INRb)	**20-Jan**	**MTD***	**YTD***
Cash	971	1003	1003
F&O	1,03,132	1,89,179	1,89,179

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Zomato: Short-term pain, long-term gain

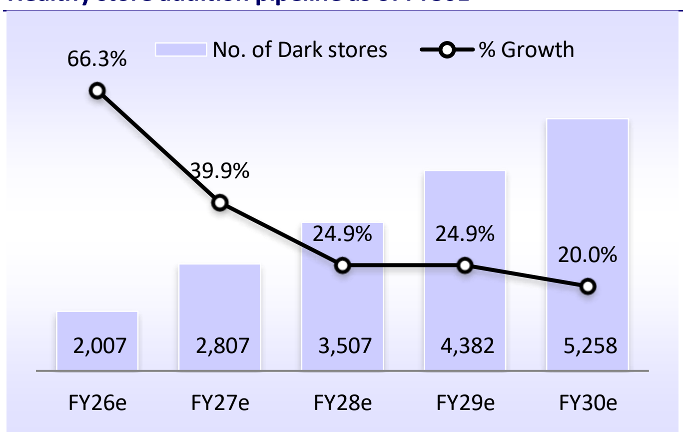
- Zomato reported 3QFY25 revenues of INR54b, up 13% QoQ, in line with our estimate of 14% QoQ growth. Growth was led by Blinkit (GOV up 27% QoQ/120% YoY).
- Food delivery business delivered 17% YoY growth in GOV with a steady increase in margins. Adj. EBITDA as % of GOV margin was up 80bp QoQ at 4.3%. PAT came in at INR590m (est. INR2.7b), down 57% YoY, primarily attributed to increased investments in accelerated new dark-store openings and customer acquisition efforts in the quick commerce (QC) business. For 9MFY25, revenue/adj. EBITDA grew 68.5%/5.1x vs. 9MFY24.
- For 4QFY25, we expect revenue/adj. EBITDA to grow by 65.8%/70.5% YoY. Our DCF-based valuation of INR270 implies a 13% upside from the current price. We reiterate our BUY rating on the stock.

Research covered

Cos/Sector	Key Highlights
Zomato	Short-term pain, long-term gain
Dixon Technologies	Looking to enter the component ecosystem
One 97 Communications	Revenue, GMV in line; on path to turn EBITDA +ve by FY27
APL Apollo Tubes	Margins restore to previous levels; sequential improvement visible
MRPL	Earnings to remain weak amid soft refining cycle
Can Fin Homes	Disbursements weak; Karnataka's situation a key monitorable
Oberoi Realty	Jardin-OGC, Thane launch drives pre-sales
L&T Finance Holdings	Credit costs elevated; MFI stress continues to run its course
Other Updates	MCX | Sunteck Realty | Indostar Capital Finance

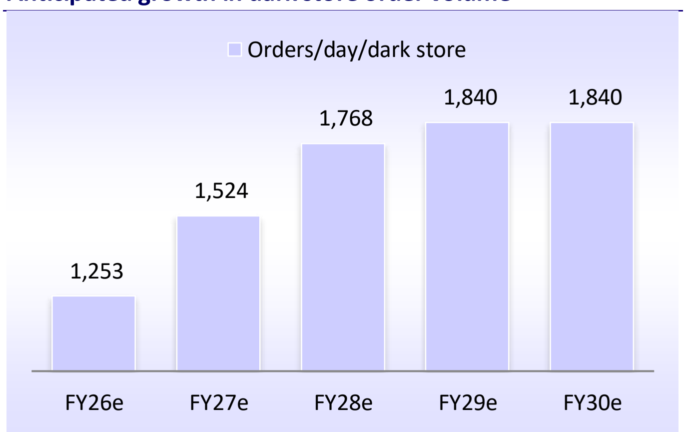
Chart of the Day: Zomato (Short-term pain, long-term gain)

Healthy store addition pipeline as of FY30E



Source: MOFSL, Company

Anticipated growth in dark store order volume



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Non-telcos' AGR bill may be Rs 82k cr less

The government has been planning a financial relief package of over ₹82,000 crore for non-telecom firms impacted by the Supreme Court's 2019 AGR verdict. This package, to be possibly announced in the budget, will offer a waiver of 50% on interest and complete waiver on penalties and interest …

2

IKEA nails it! 90% deliveries in India via EVs

IKEA's commitment to renewable energy in India has saved them nearly ₹100 million in electricity bills and reduced their global climate footprint by 30%. The company plans to increase local manufacturing, grow value addition, and achieve 100% renewable energy for operations in India next fiscal.

3

Indian Oil planning to boost city gas volumes

Indian Oil plans to significantly increase city gas sales to 10 million metric standard cubic meters per day by 2030, up from 0.4 mmscmd currently. This growth strategy relies on converting industries and commercial vehicles to cleaner fuels, supported by expanded infrastructure and competitive CNG prices.

4

Vodafone Idea says 'no communication yet' on media reports of govt weighing Rs 1 lakh crore AGR dues waiver

According to media reports, the proposed move by the government could provide a financial relief of over Rs 1 lakh crore to telecom companies.

5

Murugappa Group sets sights on fresh buyouts

Group firm TI Clean Mobility on Saturday unveiled its electric three-wheeler cargo and a 3.5-tonne electric truck under the brand Montra Electric. It's already selling the 55-tonne electric trucks and e-three-wheelers in the passenger carrier segment and also plans to introduce electric tractors later this year.

6

White Goods PLI: 18 new companies commit Rs 2,300 crore

Voltas, MIRC Electronics, Lumax and UNO Minda are among the 18 companies selected for the third round of the PLI scheme for white goods, committing investments of ₹3,516 crore to boost AC and LED light component production.

7

NCLT ends Go First's turbulent ride, steers co into liquidation

Go Airlines (India) Ltd. has been admitted into liquidation by the Delhi bankruptcy court after lenders failed to receive a viable revival plan. The company has liabilities of about ₹8,575 crore, including significant debts to major banks and other financial creditors. Assets will be liquidated to repay creditors.

Zomato

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ZOMATO IN
Equity Shares (m)	9650
M.Cap.(INRb)/(USDb)	2313.7 / 26.7
52-Week Range (INR)	305 / 127
1, 6, 12 Rel. Per (%)	-14/14/72
12M Avg Val (INR M)	13714

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
GOV	389.2	469.5	568.7
Net Sales	203.1	333.2	477.5
Change (%)	67.7	64.0	43.3
EBITDA	7.7	22.6	54.5
EBITDA margin (%)	3.8	6.8	11.4
Adj. PAT	7.1	22.7	47.4
PAT margin (%)	3.5	6.8	9.9
RoE (%)	3.40	10.20	18.39
RoCE (%)	-0.28	3.39	13.64
EPS	0.82	2.64	5.50
EV/ Sales	10.1	6.1	4.1
Price/ Book	9.8	8.8	7.3

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	20.5	17.4	15.5
FII	53.4	53.8	56.5
Others	26.1	28.9	28.0

FII Includes depository receipts

CMP: INR240 TP: INR270 (+13%) Buy

Short-term pain, long-term gain

QC investments to delay profitability gains, but long-term opportunity attractive

- Zomato reported 3QFY25 revenues of INR54b, up 13% QoQ, in line with our estimate of 14% QoQ growth. Growth was led by Blinkit (GOV up 27% QoQ/120% YoY). Food delivery business delivered 17% YoY growth in GOV with a steady increase in margins. Adj. EBITDA as % of GOV margin was up 80bp QoQ at 4.3%. PAT came in at INR590m (est. INR2.7b), down 57% YoY, primarily attributed to increased investments in accelerated new dark-store openings and customer acquisition efforts in the quick commerce (QC) business. For 9MFY25, revenue/adj. EBITDA grew 68.5%/5.1x vs. 9MFY24. For 4QFY25, we expect revenue/adj. EBITDA to grow by 65.8%/70.5% YoY. Our DCF-based valuation of INR270 implies a 13% upside from the current price. We reiterate our BUY rating on the stock.

Our view: Accelerated dark store expansion to dampen profitability

- **Investments in QC rebase margin expectations:** The company's plans to front-end its investments in QC rebases profitability expectations. Adjusted EBITDA as % of GOV almost broke even in 2QFY25 before reporting a 1.3% loss in 3QFY25. We now expect this loss to widen in the short term, before breaking even in 4QFY26E. As a result, we reduce our PAT estimates by c25% over FY25-27.
- **This cash burn is different from food delivery:** This "cash burn" is, however, different from the one we witnessed when food delivery was scaling up. Contrary to countless questions on whether food delivery would ever be profitable, the viability of the "dark store model" is now beyond doubt: mature dark stores are already contribution margin positive. New dark stores are reaching breakeven GOV faster (see Exhibit 3). Revenue growth could be higher for longer, as companies unlock new cities, markets, and categories.
- **How many dark stores?** Our estimates suggest the company may have to add a cumulative 4,000 stores between FY25E and FY30E (exhibit 1). We believe this could meaningfully increase capex/fixed costs (in case of partner-run dark stores) for the company: our estimates suggest fixed costs for Blinkit could grow at a CAGR of 25% over FY25-30e, testing the company's execution prowess in delivering meaningful profitability gains.
- **Macro slowdown impacting food delivery:** Food delivery GOV growth was 18%, below the company's guidance of 20% sustainable growth; MTUs declined by 2% QoQ as well. A broader slowdown in consumption may be starting to bite Zomato too. Moreover, there is an added risk of rising competition, such as 10-minute food delivery by Swiggy, which is a key downside risk in the near term.

- **Short-term pain, lots to gain:** We note near-term challenges to profitability from QC expansion; however, we believe Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery and e-commerce. Overall, Zomato is well-positioned to capitalize on this growth by expanding its customer base, increasing the order volumes and values, and improving its unit economics and profitability over the long term.

Valuation and change in estimates

- Zomato's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery and e-commerce. We have reduced our estimates for FY25E/26E/27E by ~30%, driven by the accelerated expansion of the dark store network and uncertainty arising from intense competition. This expansion has led to reduced profitability due to higher capital expenditures and increased investments. Zomato should report PAT margin of 3.5%/6.8%/9.9% in FY25E/FY26E/FY27E. Our DCF-based valuation of INR270 suggests a 13% upside from the current price. We reiterate our BUY rating on the stock.

QC profitability misses estimates due to accelerated investment; QC GOV growth remains healthy

- Zomato reported 3QFY25 net revenue of INR54b (+13% QoQ/64% YoY), in line with our estimate of +14% QoQ.
- Food delivery GOV came in at INR99b, slightly below our estimate of INR103b. Blinkit GOV came in at INR77b (up 120% YoY) vs. our estimate of INR75b.
- For food delivery, adjusted EBITDA as % of GOV margin was up 80bp QoQ at 4.3%, beating our estimate of 3.6%.
- Blinkit reported contribution margin of 3.0% (3.8% in 2Q). Adj. EBITDA margin was -1.3% vs. our expectation of -0.1%.
- Blinkit store count crossed the 1,000 mark, one quarter ahead of its plan. Zomato aims to achieve 2,000 stores by 3QFY26, one year ahead of its earlier guidance of 3QFY27.
- Consol. reported EBITDA came in at INR1,620m (3.0% reported EBITDA margin vs. 4.7% in 2Q).
- Food delivery revenue grew 3.0% QoQ/21.6% YoY (est. 7.7% QoQ). FD contribution margin rose to 8.5% from 7.6% in 2Q.
- QC revenue grew 21.0% QoQ/117.0% YoY (est. 24% QoQ growth). QC contribution margin declined to 3.0% (3.8% in 2Q).
- PAT stood at INR59m, down 57% YoY (est. INR2.7b), primarily attributed to increased investments in accelerated new dark-store openings and customer acquisition efforts in QC business.
- Adj. revenue growth was steady YoY at 58% and continued to trend above the stated outlook of 40%+.

Key highlights from the management commentary

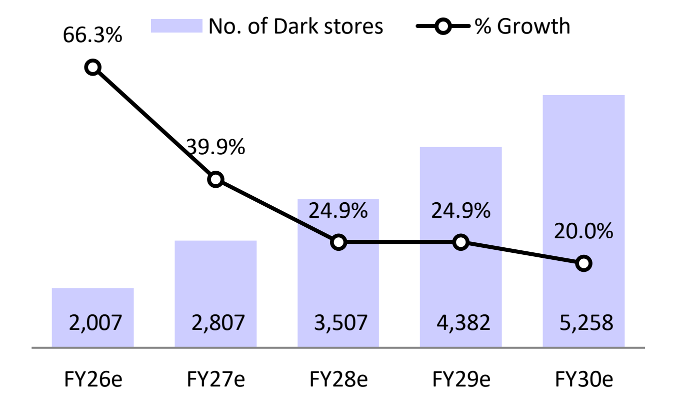
- Food Delivery: YoY adjusted revenue growth was steady at 58% and continued to trend above the stated outlook of 40%+. Currently Zomato is going through a broad-based slowdown in demand, which started during the second half of Nov'24. Notwithstanding the current slowdown, management is positive about a recovery soon and remains confident of its long-term outlook of 20%+ yearly GOV growth in the business given the strong fundamentals.

- Blinkit: Losses in its QC business in 3Q were largely due to the front-loading of growth investments in the business that would have otherwise been made in a staggered manner over the next few quarters. Around 80% of the business comes from the top 8 cities, with growing traction in smaller cities.
- Heightened activity in advertisement: Ad spending rose later in the quarter, driven by the need to promote newly opened stores.
- Food delivery margins improved due to increased platform fees and cost optimizations, with margins expected to stabilize around 5% in the coming quarters.
- District app: Most of the investments from hereon will be focused on getting customers to transition to the new app and growing selection on the platform. It is likely to operate in losses for the next year.

Valuation and view

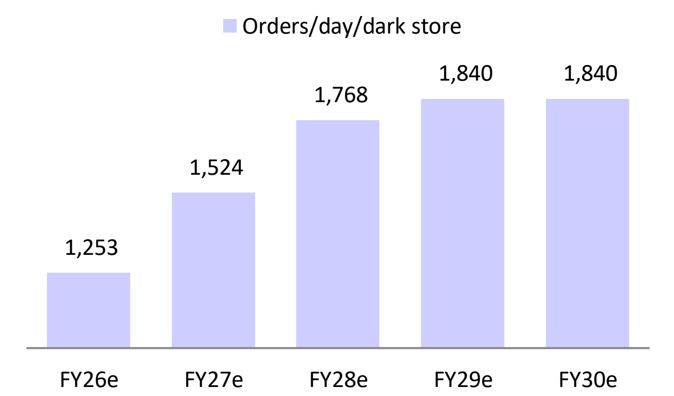
- Zomato's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery and e-commerce. We value the business using a DCF methodology, assuming 12.5% cost of capital. **We maintain our BUY rating with a TP of INR270**, implying 13% potential upside.

Healthy store addition pipeline as of FY30E



Source: MOFSL, Company

Anticipated growth in dark store order volume



Source: MOFSL, Company

Mature dark stores lead with a 6.4% contribution margin and account for ~12% of GOV

Store cohort (Q3FY25)	Store count	Contribution margin (% of GOV)	GOV share (%)
Top 5%	50	6.4%	12%
Next 10%	101	5.2%	18%
Next 15%	151	4.4%	22%
Bottom 25%	252	-8.5%	6%

Consolidated quarterly performance

(INR M)

Y/E march	FY24				FY25				FY24	FY25	Estimate	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY25	(% / bp)
Revenue (net of delivery)	**24,160**	**28,480**	**32,880**	**35,620**	**42,060**	**47,990**	**54,050**	**59,042**	**1,21,140**	**2,03,142**	**54,648**	**-1.1**
YoY Change (%)	70.9	71.4	68.8	73.2	74.1	68.5	64.4	65.8	71.1	67.7	66.2	-180bp
Inventory of traded goods	5,620	6,740	7,820	8,640	10,990	13,340	15,000	17,871	28,820	57,201	15,754	-4.8
Employee Expenses	3,380	4,170	4,230	4,810	5,290	5,900	6,890	7,924	16,590	26,004	6,785	1.5
Delivery expenses	8,100	9,190	10,680	11,180	13,280	13,980	14,500	14,525	39,150	56,285	14,985	-3.2
Gross Profit	**7,060**	**8,380**	**10,150**	**10,990**	**12,500**	**14,770**	**17,660**	**18,722**	**36,580**	**63,652**	**17,124**	**3.1**
Margins (%)	29.2	29.4	30.9	30.9	29.7	30.8	32.7	31.7	30.2	31.3	31	130bp
Advertisement and sales promotion	3,140	3,550	3,740	3,890	3,960	4,210	5,210	5,302	14,320	18,682	4,404	18.3
Others	4,400	5,300	5,900	6,240	6,770	8,300	10,830	11,342	21,840	37,242	10,138	6.8
EBITDA	**-480**	**-470**	**510**	**860**	**1,770**	**2,260**	**1,620**	**2,078**	**420**	**7,728**	**2,583**	**-37.3**
Margins (%)	-2.0	-1.7	1.6	2.4	4.2	4.7	3.0	3.5	0.3	3.8	4.7	-170bp
Depreciation	1,300	1,280	1,280	1,400	1,490	1,800	2,470	2,657	5,260	8,417	2,459	0.4
Interest	180	160	180	200	250	300	430	413	720	1,393	383	12.4
Other Income	1,810	2,120	2,190	2,350	2,360	2,210	2,520	2,952	8,470	10,042	2,732	-7.8
PBT before EO expense	**-150**	**210**	**1,240**	**1,610**	**2,390**	**2,370**	**1,240**	**1,960**	**2,910**	**7,960**	**2,473**	**-49.9**
PBT	**-150**	**210**	**1,240**	**1,610**	**2,390**	**2,370**	**1,240**	**1,960**	**2,910**	**7,960**	**2,473**	**-49.9**
Tax	-170	-150	-140	-140	-140	610	650	-200	-600	920	-200	-425.0
Rate (%)	113.3	-71.4	-11.3	-8.7	-5.9	25.7	52.4	-10.2	NA	NA	-8.1	6050bp
Reported PAT	**20**	**360**	**1,380**	**1,750**	**2,530**	**1,760**	**590**	**2,160**	**3,510**	**7,040**	**2,673**	**-77.9**
Adj PAT	**20**	**360**	**1,380**	**1,750**	**2,530**	**1,760**	**590**	**2,160**	**3,510**	**7,040**	**2,673**	**-77.9**
YoY Change (%)	-101.1	-114	-139.8	-193.0	12,550	389	-57.2	23.4	-136.1	100.6	93.7	NA
Margins (%)	0.1	1.3	4.2	4.9	6.0	3.7	1.1	3.7	2.9	3.5	4.9	NA

Dixon Technologies

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	DIXON IN
Equity Shares (m)	60
M.Cap.(INRb)/(USDb)	1054.8 / 12.2
52-Week Range (INR)	19150 / 5783
1,6,12 Rel. Per (%)	-1/61/184
12M Avg Val (INR M)	6189

Financials & Valuations (INR b)

Y/E MARCH	FY25E	FY26E	FY27E
Sales	394.2	523.0	661.8
EBITDA	14.7	19.9	26.3
EBITDA Margin (%)	3.7	3.8	4.0
PAT	7.8	10.4	15.0
EPS (INR)	130.8	174.2	250.6
EPS Growth (%)	112.8	33.1	43.9
BV/Share (INR)	411.3	582.4	830.1
Ratios			
Net D/E	-0.2	-0.4	-0.6
RoE (%)	37.7	35.1	35.5
RoCE (%)	42.5	39.8	39.7
Payout (%)	2.3	1.7	1.2
Valuations			
P/E (x)	134.2	100.8	70.1
P/BV (x)	42.7	30.1	21.2
EV/EBITDA (x)	70.9	52.0	38.9
Div Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	32.4	32.9	33.6
DII	22.6	23.1	26.4
FII	23.2	22.7	17.4
Others	21.7	21.3	22.6

FII includes depository receipts

CMP: INR17,599 TP: INR20,500 (+17%) BUY

Looking to enter the component ecosystem

Dixon Technologies (Dixon) reported better-than-expected revenue and EBITDA, driven by strong performance of the mobile and EMS segment, while PAT stood lower than our estimates on higher depreciation, interest, and minority interest. The company's revenue/EBITDA jumped 117%/112% YoY for 3QFY25. The mobile and EMS segment continues to benefit from improved volumes from customers, while revenues of consumer electronics, lighting, and home appliances were impacted by weak demand during the quarter. The company is continuously focusing on increasing backward integration and expects display manufacturing to begin from 1Q/2QFY26. We expect incremental margin from the display facility to offset contraction in margins due to the PLI scheme ending by FY26. The company is also exploring entry into display fabs and is awaiting government guidelines from the expected component PLI scheme. We revise our estimates by -8%/-4%%/7% for FY25/FY26/FY27 to factor in higher mobile segment revenues and lower consumer electronics revenues and increase our DCF-based TP to INR20,500 on March'27 estimates. Reiterate BUY.

Revenue and EBITDA beat, while margin remain in-line with our estimates

Dixon's results were ahead of our estimates on revenue and EBITDA. EBITDA outperformance was driven by growth in revenues, with EBITDA margin coming at 3.7%. Higher interest, depreciation expenses, and lower other income than estimates resulted in a 13% miss in PBT. Consolidated revenue grew 117% YoY to INR104.5b, beating our estimates by 2%. Absolute EBITDA grew 112% YoY to INR3.90b, indicating a beat to our estimates by 3%, while margins contracted 10bp YoY to 3.7% but were in line with our estimate. The company's PAT missed our estimates by 24% at INR1.7b vs our estimate of INR2.25b. PAT margin was at 1.6%, 60bp lower than our estimates of 2.2%.

Mobile & EMS segment remains the key growth driver

Mobile and EMS will continue to remain the dominant segment for Dixon. The company is continuously benefitting from improved volumes across its key clients in the mobile segment. Feature phone volumes stood at 25m for 9MFY25. Smartphone volumes ex-Samsung stood at 21m for 9MFY25, including Ismartu's volumes. Within smartphones, Motorola and Xiaomi are witnessing a healthy ramp-up, while Compal's production commenced in Nov'24. Dixon has already entered into a JV with Vivo and expects to ramp up volumes from Vivo after receiving government clearances on the JV. We expect IT hardware revenue to start improving in the coming quarters. It is in discussions to add another global brand on the ODM side for IT hardware. The company is also expanding its capacity in the telecom segment due to increased volumes and expects to double its revenues in FY26 from the telecom segment. Volumes for consumer electronics and lighting were impacted by lower demand. In home appliances, Dixon is ramping up volumes for the fully automatic washing machine. It is also planning to enter into robotic vacuum cleaners, water purifiers, chimneys, etc in this segment.

Backward integration in displays to offset margin contraction once PLI ends

The company's display facility will commence manufacturing from 1Q/2QFY26. The company is also exploring entry into precision components, mechanicals, camera modules, battery packs, etc, which will further deepen its backward integration. As highlighted in our earlier update (Report Link), even after PLI incentives end in FY26, we do not expect a sharp contraction in margins as we believe that the adverse impact on margins will be offset by incremental contribution from backward integration towards components, particularly display manufacturing (refer to Exhibits 12 and 13). In 9MFY25, the company booked PLI incentives worth nearly INR2b in total across all segments. Display manufacturing would have a double-digit EBITDA margin, and hence, in the long run, the company would gain nearly 80-100bp in margin from backward integration towards displays.

Evaluating display fab manufacturing under the component PLI scheme

Dixon is also evaluating entering into display fab manufacturing facility with a global partner and is awaiting government guidelines under the component PLI scheme. Total capex targeted for display fab is expected to be around USD3b, which will be supported to an extent of 50% from the centre and 20% from the state government on a pari-passu basis, while the remaining will have to be invested by the company through a mix of internal accruals/debt/equity. With a larger portion of capex being supported by the government in this case, the company expects a faster payback period, double-digit margins, and similar RoCEs as the core business. We have currently not factored in this investment as the policy is yet awaited from the government.

Financial outlook

We raise our estimates to bake in improved performance for the mobile, telecom, and refrigeration segments, while we lower our estimates for consumer electronics, lighting, and home appliances. We expect a CAGR of 55%/56%/60% in revenue/EBITDA/PAT over FY24-FY27. The revenue growth would be mainly driven by EMS (including mobile and IT hardware) and new emerging segments such as refrigerators, wearables and hearables, and telecom networking products. We expect an EBITDA margin of 3.7%/3.8%/4.0% for FY25/FY26/FY27, led by an increased backward integration. This will result in a PAT CAGR of 60% over FY24-FY27.

Valuation and recommendation

The stock is currently trading at 70.1x P/E on FY27E earnings. We tweak by -8%/-4%%/7% for FY25/FY26/FY27 to factor in higher mobile segment revenues and lower consumer electronics revenues and increase our DCF-based TP to INR20,500 on March'27 estimates. Reiterate BUY.

Key risks and concerns

The key risks to our estimates and recommendation would come from the lower-than-expected growth in the market opportunity, loss of relationship with key clients, increased competition, and limited bargaining power with clients.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	Var (%)
Gross Sales	**32,715**	**49,432**	**48,183**	**46,580**	**65,798**	**1,15,341**	**1,04,53**	**1,08,48**	**1,76,909**	**3,94,162**	**1,02,872**	**2**
YoY Change (%)	14.6	27.8	100.4	52.0	101.1	133.3	117.0	132.9	45.1	122.8	113.5	
Gross Profit	3,158	4,741	4,265	4,356	5,629	8,736	7,736	14,706	16,519.5	36,806.3	9,361.4	-17
Total Expenditure	31,396	47,443	46,339	44,755	63,319	1,11,077	1,00,63	1,04,38	1,69,933	3,79,414	99,066	2
EBITDA	**1,319**	**1,989**	**1,844**	**1,825**	**2,479**	**4,264**	**3,905**	**4,100**	**6,976**	**14,748**	**3,806**	**3**
Margins (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.7	3.8	3.9	3.7	3.7	
Depreciation	337	364	407	510	545	660	746	708	1,619	2,659	527	42
Interest	140	171	222	214	293	379	409	201	747	1,282	225	81
Other Income	29	7	23	167	82	-57	65	197	226	287	186	NM
PBT before EO expense	**870**	**1,461**	**1,238**	**1,267**	**1,723**	**3,167**	**2,816**	**3,387**	**4,836**	**11,093**	**3,240**	
Extra-Ord expense	0	0	0	0	0	2,096	0	0	0	2,096	0	
PBT	**870**	**1,461**	**1,238**	**1,267**	**1,723**	**5,263**	**2,816**	**3,387**	**4,836**	**13,189**	**3,240**	**-13**
Tax	229	352	287	322	400	1,172	689	484	1,189	2,745	836	-18
Rate (%)	26.3	24.1	23.2	25.4	23.2	22.3	24.5	14.3	24.6	20.8	25.8	
MI & P/L of Asso. Cos.	-47	36	-13	-7	-14	193	415	272	-31	865	147	182
Reported PAT	**688**	**1,073**	**964**	**952**	**1,337**	**3,899**	**1,712**	**2,632**	**3,677**	**9,579**	**2,257**	**-24**
Adj PAT	**688**	**1,073**	**964**	**952**	**1,337**	**2,144**	**1,712**	**2,632**	**3,677**	**7,825**	**2,257**	**-24**
YoY Change (%)	50.6	38.9	85.8	18.0	94.3	99.8	77.5	176.5	43.9	112.8	134.0	
Margins (%)	2.1	2.2	2.0	2.0	2.0	1.9	1.6	2.4	2.1	2.0	2.2	

Y/E March	FY24				FY25E				FY24	FY25
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Segmental revenue										
Consumer Electronics	8,820	14,400	9,290	8,970	8,550	14,130	6,330	12,424	41,480	41,434
Lighting Products	2,220	1,810	1,870	1,970	2,270	2,330	2,010	2,220	7,870	8,830
Home Appliances	2,590	3,640	2,880	2,940	3,050	4,440	3,150	4,228	12,050	14,868
Mobile Phones	17,950	28,190	32,140	30,910	51,920	94,440	93,050	89,620	1,09,190	3,29,030
Security Systems	1,140	1,400	2,000	1,790	8	-	-	-8	6,330	-
Total Revenues	**32,715**	**49,432**	**48,183**	**46,580**	**65,798**	**1,15,339**	**1,04,543**	**1,08,482**	**1,76,909**	**3,94,162**
Segmental EBITDA										
Consumer Electronics	300	490	320	300	290	520	220	630	1,410	1,660
Margin (%)	3.4	3.4	3.4	3.3	3.4	3.7	3.5	5.1	3.4	4.0
Lighting Products	190	130	130	142	150	170	140	160	592	620
Margin (%)	8.6	7.2	7.0	7.2	6.6	7.3	7.0	7.2	7.5	7.0
Home Appliances	280	420	300	301	320	490	320	475	1,301	1,605
Margin (%)	10.8	11.5	10.4	10.2	10.5	11.0	10.2	11.2	10.8	10.8
Mobile Phones	530	930	1,040	1,050	1,710	3,080	3,220	2,852	3,550	10,862
Margin (%)	3.0	3.3	3.2	3.4	3.3	3.3	3.5	3.2	3.3	3.3
Security Systems	15	20	50	34	9	4	5	-18	119	-
Margin (%)	1.3	1.4	2.5	1.9	113.7	NM	NM	225.0	1.9	NM
Total EBITDA	**1,319**	**1,989**	**1,844**	**1,825**	**2,479**	**4,264**	**3,905**	**4,100**	**6,976**	**14,748**
Margin (%)	4.0	4.0	3.8	3.9	3.8	3.7	3.7	3.8	3.9	3.7

Note: Refrigerator revenue and EBITDA are part of the Consumer Electronics Segment

One 97 Communications

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	PAYTM IN
Equity Shares (m)	637
M.Cap.(INRb)/(USDb)	572.9 / 6.6
52-Week Range (INR)	1063 / 310
1, 6, 12 Rel. Per (%)	-4/101/6
12M Avg Val (INR M)	5551

Financials & Valuations (INR b)

Y/E March	FY24	FY25E	FY26E
Revenue from Op	99.8	72.3	94.2
Contribution Profit	55.4	41.1	55.3
Adjusted EBITDA	5.6	(4.9)	3.4
EBITDA	(9.1)	(14.3)	(2.2)
PAT	(14.1)	(1.5)	(2.2)
EPS (INR)	(22.2)	(2.4)	(3.4)
EPS Gr. (%)	(20.8)	NM	NM
Ratios			
Contribution Margin (%)	55.5	56.9	58.7
EBITDA Margin (%)	(9.1)	(19.8)	(2.4)
Adj. EBITDA Margin (%)	5.6	(6.7)	3.7
RoE (%)	(10.7)	(1.1)	(1.7)
RoA (%)	(8.0)	(0.8)	(1.0)
Valuations			
P/E(X)	NA	NA	NA
P/BV (X)	4.3	4.4	4.5
P/Sales (X)	5.7	8.0	6.3

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	11.9	8.5	6.1
FII	56.2	55.5	63.7
Others	31.9	36.0	30.2

FII Includes depository receipts

CMP: INR899 TP: INR950 (+6%) NEUTRAL

Revenue, GMV in line; on path to turn EBITDA +ve by FY27

Contribution margin misses estimates amid higher DLG cost

- One 97 Comm. (PAYTM) reported a net loss of INR2.1b, lower than our estimated loss of INR3.6b due to better revenues and lower indirect and ESOP cost. Revenue from payments rose 6% QoQ to INR10b, while revenue from financial services grew 34% QoQ to INR5b, aided by DLG loans, which have better revenues.
- Total revenue thus grew 10% QoQ to INR18.3b (largely in line), while GMV stood at INR5.04t (in line, 13% QoQ). Subscription revenue improved owing to an increase in merchants and revenue per merchant, while disbursements rose 6% QoQ from the lows of 1Q (down 64% YoY).
- Net payment margin grew 5% QoQ (down 35% YoY) to INR4.9b (10bp of GMV vs. 10bp in 2QFY25), while contribution margin declined to 52.5% amid higher direct expenses (owing to DLG cost) and higher payment processing charges.
- We largely maintain our contribution profit estimates. We estimate PAYTM to turn EBITDA positive by FY27. **We value PAYTM at INR950, based on 18x FY30E EBITDA discounted to FY26E, which corresponds to 6.1x FY26E sales. We retain NEUTRAL rating on the stock.**

Adjusted EBITDA to break even by 4QFY25E; merchant expansion on track

- PAYTM reported a net loss of INR2.1b (vs. our est. of loss of INR3.6b). GMV broadly stood in line at INR5.04t, while disbursements grew 6%, of which DLG loans disbursements jumped 157% QoQ.
- During 9MFY25, PAYTM posted a net loss of INR1.2b (incl. exceptional gains in 2Q). We expect the loss to narrow to INR0.3b in 4QFY25.
- Total revenue rose 10% QoQ (down 36% YoY) to INR18.3b (largely in line), supported by healthy growth in both payment and financial services revenue.
- Revenue from payment and financial services improved 14% QoQ (-34% YoY) to INR15.1b, while revenue from financial services grew 34% QoQ (-17% YoY), aided by DLG loans, which have better revenue.
- Revenue from marketing services (erstwhile commerce and cloud) fell 48% YoY to INR2.7b, while no. of credit cards grew only 1% QoQ to 1.39m as card issuers are cautious, which is evident from slower growth in the industry.
- The company expects payment processing margin to settle in the range of 5-6bp vs. the current margin of 10bp. Net payment margin improved by 5% QoQ to INR4.89b. As the DLG model continues to gain traction, leading to healthy disbursement growth, overall take rates are expected to further improve.
- Direct expenses declined 35% YoY (up 13% QoQ) as expenses related to DLG increased, while employee cost and ESOP cost reduced, as it aim to focus on merchant acquisition and improving productivity of sales employees. Contribution profit stood at INR9.6b, with contribution margin at 52.5%. Adjusted EBITDA loss declined to INR0.4b and net loss stood at INR2.1b.

Highlights from the management commentary

- Expects contribution margin, excluding UPI incentives, to remain in the 50-55% range, and including UPI incentives, it is expected to be in the 55-60% range.
- Continues to see increased interest from lenders to partner using the DLG model for both merchant and personal loans, which will help to increase disbursements with the existing partners and expand partnership with new lenders. About 80% of merchant loans came from the DLG model.
- ECL has come down to 4.5% to 5.0% due to improvement in collection efficiency. and earlier there was elevated churn on merchant which has also led to more ECL earlier.
- Merchant loans distribution continues to see strong growth, with a significant proportion of merchant loans distributed under the DLG model. More than 50% of loans distributed are to repeat borrowers.

Valuation and view

- PAYTM continues to witness an improvement in its business metrics. Disbursements have started to recover and are off the lows of 1Q. GMV improves at a steady rate.
- Most of the business metrics continue to improve. We expect that steady business recovery should lead to a 29% revenue CAGR over FY25-27E.
- Contribution margin declined slightly to 52.5% vs. 53.9% in 2QFY25, amid an increase in direct expenses relating to DLG. Management expects contribution margins to remain healthy, led by cost control and steady growth in merchant financial business.
- We estimate a 29% CAGR in disbursements over FY25-27E, while the take rates should be healthy as the company now forays into DLG arrangements. Payment processing margins are expected to moderate to 5-6bp vs. the historical rate of 7-9bp, primarily due to the discontinuation of more profitable products.
- We largely maintain our contribution profit estimates for FY25/FY26. We estimate PAYTM to turn EBITDA positive by FY27. **We value PAYTM at INR950, based on 18x FY30E EBITDA discounted to FY26E, which corresponds to 6.1x FY26E sales. We retain NEUTRAL rating on the stock.**

Quarterly Performance (INR b)

	FY24				FY25E				FY24	FY25E	FY25E	V/s our
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Est
Payment and Financial Services	**19.2**	**20.7**	**22.9**	**18.6**	**11.6**	**13.2**	**15.1**	**19.1**	**81.3**	**59.0**	**14.8**	**0.0**
% Change (Y-o-Y)	42.4	36.1	43.0	-3.0	-39.3	-36.2	-34.2	2.7	27.4	-27.4	-35.2	-0.0
Commerce and Cloud Services	**4.1**	**4.2**	**5.1**	**4.0**	**3.2**	**3.0**	**2.7**	**3.1**	**17.4**	**12.0**	**2.8**	**-0.0**
% Change (Y-o-Y)	22.0	12.5	22.4	0.5	-20.7	-28.8	-48.1	-21.6	14.4	-31.0	-45.4	0.1
Revenue from Operations	**23.4**	**25.2**	**28.5**	**22.7**	**15.0**	**16.6**	**18.3**	**22.4**	**99.8**	**72.3**	**18.0**	**0.0**
% Change (Y-o-Y)	39.3	31.6	38.2	-2.9	-35.9	-34.1	-35.9	-1.1	24.9	-27.5	-36.9	-0.0
Direct Expenses	10.4	10.9	13.3	9.8	7.5	7.7	8.7	7.4	44.4	31.2	7.8	0.1
Contribution Profit	**13.0**	**14.3**	**15.2**	**12.9**	**7.5**	**8.9**	**9.6**	**15.1**	**55.4**	**41.1**	**10.2**	**-0.1**
% Change (Y-o-Y)	79.3	69.2	45.1	0.4	-42.1	-37.3	-36.9	17.0	42.0	-25.7	-33.0	0.1
Indirect Expenses	12.2	12.7	13.0	11.9	13.0	10.8	10.0	12.2	49.8	46.0	11.0	-0.1
Adjusted EBITDA	**0.8**	**1.5**	**2.2**	**1.0**	**-5.5**	**-1.9**	**-0.4**	**2.9**	**5.6**	**-4.9**	**-0.8**	**-0.5**
EBITDA	**-2.9**	**-2.3**	**-1.6**	**-2.2**	**-7.9**	**-4.0**	**-2.2**	**-0.1**	**-9.1**	**-14.3**	**-3.5**	**-0.4**
PAT	**-3.6**	**-2.9**	**-2.2**	**-5.5**	**-8.4**	**-4.2**	**-2.1**	**-0.3**	**-14.1**	**-1.5**	**-3.6**	**-0.4**
% Change (Y-o-Y)	-44.5	-49.9	-43.9	227.1	134.7	45.5	-5.5	-94.0	-20.6	-89.2	61.9	-1.1
Adj. PAT	**-3.6**	**-2.9**	**-2.2**	**-3.2**	**-8.4**	**9.3**	**-2.1**	**-0.3**			**-3.6**	
Operating Parameters												
GMV (INRt)	4.1	4.5	5.1	4.7	4.3	4.5	5.0	5.1	18.3	18.8	4.9	0.0
Disbursements (INR b)	148.5	162.1	155.4	58.0	50.1	52.8	55.8	77.0	523.7	235.7	60.2	-0.1
GMV Growth (%)	36.8	41.5	47.4	29.6	5.2	-0.7	-1.2	8.3	38.4	3.0	-3.6	
Disbursements Growth (%)	167.3	121.7	56.0	-53.8	-66.3	-67.4	-64.1	32.8	48.0	-55.0	-61.3	
Profitability												-
Contribution Margin (%)	55.7	56.6	53.3	56.8	50.3	53.9	52.5	67.2	55.5	56.9	56.6	
Adjusted EBITDA Margin (%)	3.6	6.1	7.7	4.5	-36.4	-11.2	-2.2	12.8	5.6	-6.7	-4.4	
EBITDA Margin (%)	-12.5	-9.2	-5.5	-9.9	-52.8	-24.3	-12.2	-0.5	-9.1	-19.8	-19.2	

E: MOFSL Estimates

APL Apollo Tubes

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APAT IN
Equity Shares (m)	278
M.Cap.(INRb)/(USDb)	441.3 / 5.1
52-Week Range (INR)	1729 / 1253
1, 6, 12 Rel. Per (%)	3/12/-5
12M Avg Val (INR M)	994

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	208.6	261.6	304.5
EBITDA	11.7	17.5	22.2
PAT	7.1	11.8	15.3
EBITDA (%)	5.6	6.7	7.3
EPS (INR)	25.4	42.5	55.3
EPS Gr. (%)	-3.7	67.2	30.0
BV/Sh. (INR)	149.4	186.0	235.2
Ratios			
Net D/E	-0.1	-0.2	-0.4
RoE (%)	18.2	25.4	26.3
RoCE (%)	17.1	23.8	26.3
Payout (%)	23.6	14.1	10.9
Valuations			
P/E (x)	62.3	37.2	28.7
EV/EBITDA (x)	37.1	24.5	18.7
Div Yield (%)	0.4	0.4	0.4
FCF Yield (%)	3.2	1.8	3.2

Shareholding Pattern (%)

As on	Dec-24	Sep-24	Dec-23
Promoter	28.3	28.3	29.6
DII	16.5	15.9	13.8
FII	31.7	31.9	29.3
Others	23.5	23.8	27.4

Note: FII includes depository receipts

CMP: INR1,584 TP: INR1,920 (+21%) Buy

Margins restore to previous levels; sequential improvement visible

Earnings above our estimates

- APL Apollo Tubes (APAT) reported a strong quarter led by healthy volume growth (37% YoY), sequential margin recovery (EBITDA/MT up 2.3x QoQ to INR4,173 while still down 10% YoY), and market share gains in general structures. Discounting intensity during the quarter was also lower (down INR100-150/MT QoQ).
- Following a significant inventory loss in 2QFY25, 3Q was a more stable quarter. Looking ahead, we expect further improvements in volumes (led by better utilization in Raipur and Dubai plants) and margins (led by operating leverage). Our implied growth for Revenue/EBITDA/Adj. PAT in 4Q is ~19%/39%/42% YoY.
- We maintain our FY25E/FY26E/FY27E earnings and value the stock at 35x FY27 EPS to arrive at a TP of INR1,920. **Reiterate BUY**.

Strong volumes drive earnings

- Consolidated revenue grew 30%/14% YoY/QoQ to INR54.3b (est. INR58.1b) as the volume growth (up 37%/9% YoY/QoQ to ~828KMT) was partially offset by a decline in realization (down 5% YoY, while realizations grew 4% QoQ to INR65,597). VAP mix stood at 56% in 3QFY25 vs. 59%/55% in 3QFY24/2QFY25.
- Gross profit/MT declined 5% YoY but grew 33% QoQ to INR9,303. EBITDA/MT declined 10% YoY but increased 2.3x QoQ to INR4,173 (est. INR4,017). EBITDA grew 24%/2.5x YoY/QoQ to INR3.5b (est. in line).
- Adjusted PAT grew 31%/4x YoY/QoQ to INR2.2b (est. INR2b).
- In 9MFY25, APAT's revenue grew 14% YoY to INR151.8b, while EBITDA/Adj. PAT declined 14%/17% YoY to INR7.9b/INR4.6b. Volume grew 19% to 23,07,530MT.

Highlights from the management commentary

- **Demand scenario**: The company is witnessing a recovery in demand across its end-user segments, with strong demand tailwinds in the railway and aviation segments. While demand in infrastructure, water transportation, and construction has been softer, a recovery is expected in 2HCY25.
- **Guidance**: APAT guided for a marginally better EBITDA in FY25 vs. FY24, with an expected EBITDA of over INR4b in 4Q and EBITDA/MT of over INR4,500/MT. The company has maintained its sales volume guidance of ~4MMT/5MMT in FY26/FY27, respectively. EBITDA per ton is expected to reach ~INR4,500 over the next couple of quarters and is likely to improve to INR5,000 over FY26.
- **Capex:** The company has proposed to build three new Greenfield plants, which will add ~610KMT of manufacturing capacity. It expects to incur a capex of INR6b over the next year, reaching a total manufacturing capacity of ~5.5MMT.

Valuation and view

- With lower channel inventory and higher demand for primary steel products (led by the narrowing gap in primary and secondary steel prices), APAT is likely to continue witnessing strong volume growth. We expect margins (EBITDA/MT) to improve sequentially in 2HFY25, supported by the operating leverage and higher mix of VAP.
- We expect APAT to clock 19%/23%/28% CAGR in revenue/EBITDA/PAT over FY24-27. We value the stock at 35x FY27 EPS to arrive at a TP of INR1,920. **Reiterate BUY**.

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

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3Q	%
Gross Sales	**45,449**	**46,304**	**41,778**	**47,657**	**49,743**	**47,739**	**54,327**	**56,778**	**181,188**	**208,588**	**58,120**	**-7**
YoY Change (%)	32.2	16.7	-3.5	7.6	9.4	3.1	30.0	19.1	12.1	15.1	39.1	
Total Expenditure	42,377	43,054	38,982	44,854	46,727	46,359	50,872	52,889	169,266	196,845	54,793	
EBITDA	**3,072**	**3,250**	**2,795**	**2,804**	**3,016**	**1,381**	**3,456**	**3,889**	**11,922**	**11,742**	**3,327**	**4**
Margins (%)	6.8	7.0	6.7	5.9	6.1	2.9	6.4	6.9	6.6	5.6	5.7	
Depreciation	409	413	471	466	465	469	503	540	1,759	1,977	560	
Interest	271	266	285	311	278	364	368	370	1,134	1,380	250	
Other Income	217	196	150	186	247	148	217	250	749	861	210	
PBT before EO expense	**2,608**	**2,767**	**2,190**	**2,212**	**2,520**	**696**	**2,801**	**3,229**	**9,777**	**9,246**	**2,727**	
PBT	**2,608**	**2,767**	**2,190**	**2,212**	**2,520**	**696**	**2,801**	**3,229**	**9,777**	**9,246**	**2,727**	
Tax	672	738	535	508	589	158	631	813	2,453	2,190	686	
Rate (%)	25.8	26.7	24.4	23.0	23.4	22.7	22.5	25.2	25.1	23.7	25.2	
Reported PAT	**1,936**	**2,029**	**1,655**	**1,704**	**1,932**	**538**	**2,170**	**2,417**	**7,324**	**7,056**	**2,041**	
Adj PAT	**1,936**	**2,029**	**1,655**	**1,704**	**1,932**	**538**	**2,170**	**2,417**	**7,324**	**7,056**	**2,041**	**6**
YoY Change (%)	60.5	35.1	-2.2	-15.5	-0.2	-73.5	31.1	41.8	14.1	-3.7	23.3	
Margins (%)	4.3	4.4	4.0	3.6	3.9	1.1	4.0	4.3	4.0	3.4	3.5	

Key performance indicators

Y/E March	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YOY	QOQ
Segment Volumes ('000 MT)							
Apollo Structural							
Big Section	62	64	58	52	67	8%	29%
Super Heavy Section	7	8	11	11	13	75%	20%
Light Structures	95	102	110	127	143	49%	12%
General Structures	249	272	288	338	360	45%	7%
Apollo Z - Rust-proof structures	124	156	168	150	166	34%	10%
Apollo Z- Coated Products	36	40	52	51	46	27%	-10%
Apollo Galv - Agri/Industrial	30	37	34	29	34	12%	16%
TOTAL	604	679	721	758	828	37%	9%
Value Added Products	355	407	433	420	468	32%	11%
Segment EBITDA/MT (INR/MT)							
Apollo Structural							
Big Section	8,177	7,845	7,901	5,541	8,259	1%	49%
Super Heavy Section	9,551	9,210	9,425	7,069	9,132	-4%	29%
Light Structures	5,771	5,187	5,169	2,899	5,226	-9%	80%
General Structures	1,771	1,802	1,944	-24	1,970	NA	NA
Apollo Z - Rust-proof structures	6,144	4,865	4,958	2,567	5,199	-15%	103%
Apollo Z- Coated Products	7,516	6,023	5,757	3,395	5,921	-21%	74%
Apollo Galv - Agri/Industrial	6,452	5,725	5,698	3,340	5,805	-10%	74%
Cost Break-up							
RM Cost (% of sales)	86%	87%	86%	89%	86%	0bps	-304bps
Employee Cost (% of sales)	2%	1%	2%	2%	2%	11bps	-17bps
Other Cost (% of sales)	6%	6%	6%	6%	6%	22bps	-26bps
Gross Margins (%)	14%	13%	14%	11%	14%	0bps	304bps
EBITDA Margins (%)	6.7%	5.9%	6.1%	2.9%	6.4%	-33bps	347bps

MRPL

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	MRPL IN
Equity Shares (m)	1753
M.Cap.(INRb)/(USDb)	252.2 / 2.9
52-Week Range (INR)	289 / 133
1, 6, 12 Rel. Per (%)	2/-29/-26
12M Avg Val (INR M)	1265

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	918	847	855
EBITDA	22	51	55
Adj. PAT	(1)	18	21
Adj. EPS (INR)	(0.8)	10.4	12.1
EPS Gr. (%)	PL	LP	17.1
BV/Sh (INR)	74.8	83.1	92.8
Ratios			
Net D:E	0.9	0.7	0.5
RoE (%)	(1.1)	13.1	13.8
RoCE (%)	2.6	9.5	10.4
Payout (%)	-	20.0	20.0
Valuation			
P/E (x)	*NA*	13.8	11.8
P/BV (x)	1.9	1.7	1.5
EV/EBITDA (x)	16.6	6.9	6.0
Div. Yield (%)	-	1.5	1.7
FCF Yield (%)	5.8	12.6	12.6

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	88.6	88.6	88.6
DII	1.7	1.5	1.6
FII	1.4	1.7	2.6
Others	8.4	8.2	7.3

FII Includes depository receipts

CMP: INR143 TP: INR120 (-16%) Sell

Earnings to remain weak amid soft refining cycle

- MRPL reported a substantial beat vs. our estimates in 3QFY25 due to a strong refining performance, with GRM coming in at USD6.2/bbl (our estimate: USD5/bbl). The strong refining performance was likely due to better core GRM as well as inventory gain.
- While Singapore GRM exhibited a steady recovery in 3QFY25, averaging USD5/bbl (vs. USD3.6/bbl in 2Q), the near-term refining outlook continues to remain weak with SG GRM averaging a mere USD2.7/bbl in 4QFY25YTD.
- Considering the weak refining outlook, we bring down our 4QFY25 GRM assumption to USD5.4/bbl (vs. USD6.4/bbl earlier). We also cut our FY26/FY27 EBITDA by 3%/2% as we temper our GRM assumption to USD6.5/USD7 per bbl (earlier: USD7/USD7.5 per bbl). Further, we model a throughput of 18mmt for FY26/FY27 (earlier: 17mmt).
- With oil demand growth likely to remain weak in CY25 at ~1mb/d, we do not foresee a sharp turnaround in the refining cycle in the near to medium term. We believe that our FY26/FY27 GRM assumptions are at the higher end of what the company has delivered historically and provide further downside risk to our EBITDA estimates.
- Following this earnings revision, our revised TP stands at INR120, premised on 5.5x Dec'26E EV/EBITDA.
- We believe a strong FCF generation of INR14.5b/INR31.5b in FY25/FY26 and a debt reduction will result in a decline in the net debt-to-equity ratio to 0.7x by the end of FY26 (vs. 0.89x on 30 Sep'24).
- However, at 1.7x FY26E P/B (FY26E RoE: 13.1%), we believe valuations for MRPL remain elevated. **We reiterate our Sell rating on the stock, implying a 16% potential downside from the CMP.**

Robust GRM drives a 42% beat on EBITDA

- The refining throughput was in line with our estimate of 4.6mmt (in line YoY) in 3QFY25.
  - However, the reported GRM came in at USD6.2/bbl (vs. our est. of USD5/bbl). The variance vs. our estimate was likely due to better core GRM as well as inventory gain.
  - GRM registered a sharp recovery over 2QFY25 (reported GRM: USD 0.6/bbl) amid steady recovery in Singapore GRM on a QoQ basis, averaging USD3.6/bbl in 2Q and USD5/bbl in 3QFY25.
  - Profitability in 3QFY25 was also hit by a forex loss of INR1.6b.
- The resultant EBITDA stood 42% above our estimate at INR11.9b. PAT came in 59% above our estimate at INR3b.
- **In 9MFY25**, net sales grew 8% to INR701b, while EBITDA/PAT stood at INR13.7b/-INR3.1b (vs. INR54.9b/INR24.6b in 9MFY24). **In 4QFY25**, we are building in a net sales/ EBITDA/APAT of INR217b/INR8.4b/INR1.7b.

- **Other highlights:**
  - Venezuela's Merey-16 Crude was processed for the first time in Nov'24.
  - The highest-ever production of ATF/Benzene, at 763tmt/61tmt, was achieved during 3QFY25.

Valuation and view

- The stock is currently trading at FY26E EV/EBITDA of 6.9x. Additionally, the dividend yield is expected to be a meager 1.5% in FY26 at the current price. Our GRM assumptions of USD6.5/USD7.0 per bbl for FY26/FY27 are also at the higher end of what the company has delivered historically.
- We value the stock at 5.5x Dec'26E EBITDA of INR54.1b to arrive at our TP of INR120. **We reiterate our Sell rating on the stock.**

Standalone - Quarterly Earnings (INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Net Sales	**211.7**	**192.3**	**246.7**	**253.3**	**232.5**	**249.7**	**218.7**	**217.2**	**904.0**	**918.1**	**215.9**	**1%**
YoY Change (%)	-40.4	-21.9	-7.1	-0.1	20.9	29.8	-11.3	-14.2	-16.9	1.6	-12.5	
EBITDA	**20.6**	**22.4**	**11.8**	**23.4**	**6.2**	**-4.3**	**11.9**	**8.4**	**78.3**	**22.2**	**8.4**	**42%**
Margin (%)	11.7	11.7	4.8	9.2	2.7	-1.7	5.5	3.9	8.7	2.4	3.9	
Depreciation	2.9	3.0	3.3	3.3	3.4	3.4	3.3	3.7	12.6	13.8	3.4	
Forex loss	-0.1	1.0	0.2	0.1	0.1	0.4	1.6	0.0	1.3	2.1	0.0	
Interest	2.7	3.1	2.7	2.6	2.1	2.8	2.6	2.4	11.1	10.0	2.5	
Other Income	0.5	0.7	0.4	0.4	0.4	0.6	0.3	0.2	2.1	1.6	0.4	
PBT before EO expense	**15.6**	**16.1**	**5.9**	**17.7**	**1.0**	**-10.4**	**4.7**	**2.6**	**55.3**	**-2.1**	**2.9**	**62%**
PBT	**15.6**	**16.1**	**5.9**	**17.7**	**1.0**	**-10.4**	**4.7**	**2.6**	**55.2**	**-2.1**	**2.9**	**62%**
Tax	5.5	5.5	2.0	6.3	0.4	-3.6	1.7	0.9	19.3	-0.7	1.0	
Rate (%)	35.0	34.0	34.5	35.6	34.8	34.5	35.2	34.0	34.9	33.2	34.0	
Reported PAT	**10.1**	**10.6**	**3.9**	**11.4**	**0.7**	**-6.8**	**3.0**	**1.7**	**36.0**	**-1.4**	**1.9**	**59%**
YoY Change (%)	-62.6	LP	LP	-40.1	-93.8	PL	-21.4	-85.0	36.6	PL	-50.6	
Margin (%)	4.8	5.5	1.6	4.5	0.3	-2.7	1.4	0.8	4.0	-0.2	0.9	
Key Assumptions												
Refining throughput (mmt)	4.4	3.2	4.4	4.6	4.4	4.6	4.6	4.5	12.2	18.0	4.5	2%
Reported GRM (USD/bbl)	9.8	17.1	5.0	11.4	4.7	0.6	6.2	5.4	11.2	4.2	5.0	24%

Year-end: March (INRm)	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Exchange Rate (USD/INR)	70.0	70.9	74.3	74.5	80.4	82.8	84.2	86.0	86.2
Brent Crude (USD/bbl)	70.1	61.2	44.4	80.5	96.1	83.0	78.4	70.0	70.0
Capacity (mmt)	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Throughput (mmt)	16.4	14.2	11.5	14.9	17.2	16.0	18.0	18.0	18.0
Utilization (%)	*110%*	*94%*	*77%*	*99%*	*115%*	*107%*	*120%*	*120%*	*120%*
MRPL Core GRM (USD/bbl)	4.1	(0.3)	3.0	7.9	9.7	10.8	4.2	6.5	7.0
Singapore	4.9	3.2	0.5	5.0	10.7	6.6	4.5	5.5	5.5
Premium/discount	(0.7)	(3.5)	2.5	2.9	(0.9)	4.2	(0.2)	1.0	1.5
EPS	**2.1**	**(23.6)**	**(4.3)**	**17.0**	**15.0**	**20.5**	**(0.8)**	**10.4**	**12.1**

Can Fin Homes

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CANF IN
Equity Shares (m)	133
M.Cap.(INRb)/(USDb)	94.3 / 1.1
52-Week Range (INR)	952 / 650
1, 6, 12 Rel. Per (%)	-4/-12/-16
12M Avg Val (INR M)	643

Financials Snapshot (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	13.6	14.7	16.8
PPP	11.6	12.4	14.1
PAT	8.5	9.2	10.5
EPS (INR)	64.0	68.8	78.9
EPS Gr (%)	14	7	15
BVPS (INR)	384	447	519
Ratios (%)			
NIM	3.8	3.7	3.7
C/I ratio	16.8	18.2	18.2
RoAA	2.2	2.2	2.2
RoE	18.0	16.6	16.4
Payout	9.4	9.4	8.2
Valuation			
P/E (x)	11.1	10.3	9.0
P/BV (x)	1.8	1.6	1.4
Div. Yield (%)	0.8	0.9	0.9

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	30.0	30.0	30.0
DII	28.1	27.5	28.5
FII	11.4	11.7	11.1
Others	30.5	30.8	30.5

FII Includes depository receipts

CMP: INR708 TP: INR775 (+9%) Neutral

Disbursements weak; Karnataka's situation a key monitorable

NIM stable sequentially; opex to remain elevated in FY26E on tech. spends

- Can Fin Homes (CANF)'s 3QFY25 PAT grew ~6% YoY to ~INR2.1b (in line). NII rose 5% YoY to ~INR3.4b (in line). Other income was ~INR58m (PQ: INR74m) because of lower disbursements, translating into a lower fee income.
- Opex grew ~20% YoY to INR593m (in line). CANF's cost-to-income ratio was ~17% (PQ: ~17%, PY: ~15%). Its 3QFY25 RoA/RoE stood at ~2.25%/~17.6%.
- Management guided a loan growth of ~15% in FY26. The company expects disbursements in 4QFY25 to remain in line with levels recorded in 4QFY24. However, if the situation improves in Karnataka (KAR), then it could exceed the above guidance. Further, management guided FY26 disbursements of ~INR120b, if the prevailing e-Khata issues in KAR are resolved.
- We estimate an advances/PAT CAGR of ~12% each over FY24-27, with an RoA/ RoE of ~2.2%/~16.0% in FY27. CANF, in our view, is a robust franchise with strong moats on the liability side. However, we await: 1) execution on loan growth guidance considering the prevailing situation in KAR and 2) disruptions (if any) from the tech transformation that the company will embark on in the current calendar year before turning constructive on the stock. The stock's valuation of 1.4x FY27E P/BV suggests management's inability to deliver on its loan growth guidance because of recurring external events that impede strong business momentum. **We reiterate our Neutral rating with a TP of INR775 (premised on 1.6x Sep'26E P/BV).**

Disbursements weak due to disruption in KAR; advances rise ~9% YoY

- CANF's 3QFY25 disbursements were flat YoY and declined 21% QoQ to INR18.8b. The impact was mainly on account of issues pertaining to registration in KAR following the introduction of E-Khata.
- Advances grew ~9% YoY to ~INR372b. Annualized run-off in advances stood at ~14% (PQ: 15% and PY: ~14%).

Margin broadly steady QoQ; borrowing mix stable

- NIM (reported) was broadly stable QoQ at ~3.73%. Reported spreads expanded ~10bp QoQ from both an improvement in yields and a decline in the CoB. The improvement in SENP and LAP mix has contributed to the rise in yields. We model NIMs of ~3.7% each for FY26/FY27 (FY25E: ~3.8%).
- There was no change in the borrowing mix during the quarter. The company raised ~INR16b during the quarter from the NHB at a blended rate of ~7.6%, which was 30-35bp lower than the cost of its bank borrowings.

Minor deterioration in asset quality; GS3 rises ~5bp QoQ

- Asset quality exhibited minor deterioration, with GS3 rising ~5bp QoQ to ~0.92% and NS3 rising ~3bp QoQ to ~0.5%. PCR on stage 3 loans dipped ~80bp QoQ to ~45.2% during the quarter.
- Provisions stood at INR220m (vs. MOFSLe of INR121m) resulting in annualized credit costs of ~25bp (PQ: ~15bp and PY: ~35bp).
- The company expects improvements in its SMA0 book in 4QFY25. Further, the company expects NPAs to improve and guided for credit costs of ~15bp in FY25 as well as FY26. We model credit costs of ~17bp/15bp for FY26/FY27.

Highlights from the management commentary

- CANF faced a setback in KAR, losing ~INR4b in disbursements due to delays in property registrations following the introduction of the e-Khata system.
- All bank term loans have been moved to Repo Rate/T-Bill-linked loans, with no bank loans now linked to MCLR. Additionally, the company has also been able to negotiate with the banks for a better rate.
- CANF guided for disbursements of INR120b and loan growth of ~15% in FY26. Management further guided that the cost-to-income ratio will increase to ~18.0-18.5% in FY26, following the implementation of its technology transformation.

Valuation and view

- CANF has successfully demonstrated its ability to maintain its pristine asset quality for several years, and we expect the same to continue. However, CANF will have to accelerate its disbursements over the next few quarters to deliver on its guided loan growth. We estimate a CAGR of 10%/9%/12% in NII/PPOP/PAT over FY24-27, with an RoA of 2.2% and RoE of ~16% in FY27.
- **Reiterate Neutral with a TP of INR775 (premised on 1.6x Sep'26E P/BV).**

Quarterly performance INR m

Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	Act vs est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	8,181	8,652	8,948	9,117	9,242	9,553	9,803	9,932	34,899	38,529	9,772	0
Interest Expenses	5,330	5,484	5,660	5,839	6,027	6,155	6,356	6,418	22,314	24,956	6,315	1
Net Interest Income	**2,851**	**3,168**	**3,288**	**3,278**	**3,214**	**3,398**	**3,447**	**3,514**	**12,585**	**13,573**	**3,457**	0
YoY Growth (%)	13.9	26.1	30.6	25.5	12.7	7.3	4.8	7.2	24.0	7.8	5.1	
Other income	60	58	71	159	70	74	58	131	348	333	73	-20
Total Income	**2,911**	**3,226**	**3,359**	**3,437**	**3,284**	**3,472**	**3,506**	**3,644**	**12,933**	**13,906**	**3,530**	-1
YoY Growth (%)	13.9	25.7	30.8	25.7	12.8	7.6	4.4	6.0	24.1	7.5	5.1	
Operating Expenses	435	524	494	720	488	594	593	659	2,173	2,333	592	0
YoY Growth (%)	7.4	29.5	12.7	39.3	12.3	13.3	20.0	-8.5	23.1	7.4	19.8	
Operating Profits	**2,476**	**2,702**	**2,865**	**2,717**	**2,796**	**2,878**	**2,913**	**2,986**	**10,760**	**11,573**	**2,938**	**-1**
YoY Growth (%)	15.2	25.0	34.6	22.5	12.9	6.5	1.7	9.9	24.3	7.6	2.6	
Provisions	137	722	308	18	245	137	221	36	1,185	640	100	121
Profit before Tax	**2,339**	**1,980**	**2,557**	**2,700**	**2,551**	**2,741**	**2,691**	**2,949**	**9,575**	**10,933**	**2,838**	-5
Tax Provisions	504	399	556	609	555	626	570	655	2,068	2,405	624	-9
Profit after tax	**1,835**	**1,581**	**2,001**	**2,090**	**1,996**	**2,115**	**2,121**	**2,295**	**7,507**	**8,527**	**2,214**	-4
YoY Growth (%)	13.1	11.5	32.1	26.1	8.8	33.8	6.0	9.8	20.8	13.6	10.6	
Key Parameters (%)												
Yield on loans	10.2	10.5	10.6	10.6	10.5	10.6	10.6					
Cost of funds	7.3	7.3	7.3	7.4	7.5	7.4	7.6					
Spread	3.0	3.2	3.3	3.2	3.0	3.2	3.1					
NIM	3.6	3.8	3.9	3.8	3.6	3.8	3.7					
Credit cost	0.17	0.88	0.37	0.0	0.28	0.15	0.24					
Cost to Income Ratio (%)	14.9	16.2	14.7	20.9	14.9	17.1	16.9					
Tax Rate (%)	21.6	20.2	21.7	22.6	21.7	22.8	21.2					
Balance Sheet Parameters												
Loans (INR B)	**325.1**	**333.6**	**340.5**	**350.0**	**355.6**	**365.9**	**371.6**					
Growth (%)	18.0	15.7	13.1	10.9	9.4	9.7	9.1					
AUM mix (%)												
Home loans	89.1	89.1	89.1	88.9	88.9	88.5	88.3					
Non-housing loans	10.9	10.9	10.9	11.1	11.1	11.5	11.7					
Salaried customers	72.7	72.4	72.1	71.9	71.7	70.9	70.9					
Self-employed customers	27.2	27.5	27.8	28.0	28.3	29.1	29.0					
Disbursements (INR B)	**19.7**	**20.2**	**18.8**	**23.1**	**18.5**	**23.8**	**18.8**					
Change YoY (%)	14.2	-10.1	-23.1	-8.8	-5.7	17.9	0.0					
Borrowing mix (%)												
Banks	54.0	57.0	60.0	59.0	56.0	60.0	60.0					
NHB	22.0	19.0	19.0	16.0	16.0	14.0	14.0					
Market borrowings	23.0	23.0	20.0	24.0	27.0	25.0	25.0					
Deposits	1.0	1.0	1.0	1.0	1.0	1.0	1.0					
Asset Quality												
GNPL (INR m)	2,052	2,540	3,088	2,860	3,250	3,200	3,410					
NNPL (INR m)	1,096	1,420	1,674	1,470	1,740	1,720	1,870					
GNPL ratio %	0.63	0.76	0.91	0.82	0.91	0.88	0.92					
NNPL ratio %	0.34	0.43	0.49	0.42	0.49	0.47	0.50					
PCR %	46.6	44.1	45.8	48.6	47.0	46.0	45.2					
Return Ratios (%)												
ROA (Rep)	2.2	1.9	2.3	2.5	2.2	2.3	2.3					
ROE (Rep)	19.2	16.0	19.4	19.3	17.6	18.0	17.6					

E: MOFSL Estimates

Oberoi Realty

BSE SENSEX	S&P CNX
77,073	23,345

Conference Call Details

Date: 21st January 2025
Time: 16:00 IST
Dial-in details:
+91-22 6280 1244

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	56.4	68.8	87.5
EBITDA	33.0	40.3	45.9
EBITDA Margin (%)	58.6	58.6	52.5
PAT	24.3	30.1	35.1
EPS (INR)	66.7	82.8	96.6
EPS Gr. (%)	26.0	24.0	16.7
BV/Sh. (INR)	439.5	514.3	602.9
Ratios			
RoE (%)	16.3	17.4	17.3
RoCE (%)	14.6	15.7	16.1
Payout (%)	12.0	9.7	8.3
Valuations			
P/E (x)	30.0	24.2	20.7
P/BV (x)	4.6	3.9	3.3
EV/EBITDA (x)	22.3	18.1	15.1
Div yld (%)	0.4	0.4	0.4

CMP: INR2,003 — Neutral

Jardin-OGC, Thane launch drives pre-sales

Strong leasing momentum

Operational performance

- The company achieved pre-sales of INR19.2b, up 144% YoY (13% lower than the estimate).
- 70% of the sales were driven by the new launch of Project Jardin, where OBER sold 466 units valued at INR13.3b, whereas bookings across other projects were weak.
- The company successfully concluded the transaction through NCLT for the acquisition of Mulund Asset.
- The company entered into a joint development agreement for ~81.05 acres in Alibaug.
- **Leasing segment:** Following the Commerz-3 augmentation in 1QFY25, occupancy inched up to 77% from 65%, resulting in revenue growth of 19% QoQ to INR1.1b. This brought the total office revenue to INR1.6b (+15% QoQ), leading to an increased EBITDA margin of 90%.
- Commerz-1 occupancy rose 96% (vs. 84% in 2QFY25). However, revenue growth was only 7% YoY at INR122m. Commerz-2 occupancy also increased to 97% with revenue of INR356m.
- Oberoi Mall continued to deliver healthy performance with a 12% YoY increase in revenue to INR496m. EBITDA from the annuity portfolio stood at INR1.9b, with a blended margin of 91% (unchanged as of 2QFY25).
- In 3QFY25, The Westin hotel witnessed a similar YoY growth of 9% in revenue to INR537m, aided by a 24% increase in ARR of INR16396. However, the occupancy reduced to 79%. EBITDA came in at INR226m with a margin of 42%.

Cash flow performance

- Collections increased 56% YoY to INR13.9b.
- Net debt during the quarter was at 0.01x (vs. 0.02x in 2QFY25). The company raised INR15b via Non-Convertible Debentures.

P&L highlights

- Revenue increased 34% YoY to INR14.1b (4% below estimate). Further, the company reported EBITDA of INR8.6b, up 68% YoY, as the margin expanded 12pps YoY to 61%. The margin expansion was led by higher revenue recognition from Enigma and Three Sixty West.
- Consequently, PAT increased 72% YoY to INR6.2b.
- The company declared its 3rd interim dividend for FY24-25 at the rate of INR2/share, i.e. 20% of the face value of equity shares of INR10/share.

Quarterly performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	(%)
Net Sales	**9,100**	**12,174**	**10,536**	**13,148**	**14,052**	**13,199**	**14,111**	**14,997**	**44,958**	**56,358**	**14,653**	-4%
YoY Change (%)	-0.3	76.8	-35.3	36.8	54.4	8.4	33.9	14.1	7.2	25.4	39.1	
Total Expenditure	4,362	5,792	5,443	5,262	5,901	5,061	5,549	6,811	20,859	23,323	6,064	
EBITDA	**4,737**	**6,382**	**5,094**	**7,886**	**8,151**	**8,138**	**8,561**	**8,186**	**24,099**	**33,035**	**8,589**	0%
Margins (%)	52.1	52.4	48.3	60.0	58.0	61.7	60.7	54.6	53.6	58.6	58.6	206bp
Depreciation	113	113	114	135	202	208	233	395	475	1,037	270	
Interest	615	565	501	504	589	517	745	368	2,184	2,219	577	
Other Income	236	264	292	2,438	368	387	492	162	3,230	1,409	366	
PBT before EO expense	**4,245**	**5,968**	**4,771**	**9,685**	**7,728**	**7,800**	**8,076**	**7,585**	**24,669**	**31,188**	**8,109**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**4,245**	**5,968**	**4,771**	**9,685**	**7,728**	**7,800**	**8,076**	**7,585**	**24,669**	**31,188**	8,109	0%
Tax	1,046	1,421	1,192	1,833	1,905	1,930	1,919	1,188	5,491	6,942	1,805	
Rate (%)	24.6	23.8	25.0	18.9	24.7	24.7	23.8	15.7	22.3	22.3	22.3	
Minority Interest & Profit/Loss of Asso. Cos.	17	21	22	28	23	25	27	-52	89	23	0	
Reported PAT	3,216	4,568	3,602	7,880	5,845	5,894	6,184	6,345	19,266	24,268	6,304	
Adj PAT	**3,216**	**4,568**	**3,602**	**7,880**	**5,845**	**5,894**	**6,184**	**6,345**	**19,266**	**24,268**	**6,304**	-2%
YoY Change (%)	-20.2	43.4	-48.7	64.1	81.7	29.0	71.7	-19.5	1.2	26.0	75.0	
Margins (%)	35.3	37.5	34.2	59.9	41.6	44.7	43.8	42.3	42.9	43.1	43.0	
Operational metrics												
Residential												
Sale Volume (msf)	0.15	0.22	0.26	0.45	0.21	0.28	0.66	0.92	1.0	2.1	0.69	-4%
Sale Value (INRm)	4,760	9,650	7,868	17,907	10,519	14,425	19,183	28,488	39,428	72,614	22,000	-13%
Collections (INRm)	11,091	11,013	8,915	10,821	10,114	12,112	13,950	22,921	40,086	59,096	16,000	-13%
Realization (INR/sft)	32,630	43,700	30,575	40,017	49,903	52,305	29,081	30,930	40,062	35,126	32,000	-9%

Source: MOFSL, Company

Note: The estimates are under review since we will revise them after the earnings call.

L&T Finance Holdings

BSE SENSEX	S&P CNX
77,073	23,345

Conference Call Details

Date: 21st Jan 2025
Time: 11:00 AM IST
Call details:
+91 22 6280 1486/
+91 22 7115 8867
Registration Link

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Total Income	84.2	107.4	135.6
PPP	59.1	76.7	99.5
Adj. PAT	25.9	33.9	46.1
EPS (INR)	10.4	13.6	18.5
EPS Gr. (%)	11.6	31.0	35.9
BV/Sh. (INR)	102	113	128
Ratios			
NIM (%)	9.4	9.7	9.6
C/I ratio (%)	40.8	38.3	35.3
RoAA (%)	2.3	2.5	2.7
RoE (%)	10.6	12.7	15.3
Payout (%)	26.5	23.5	21.5
Valuation			
P/E (x)	14.0	10.7	7.8
P/BV (x)	1.4	1.3	1.1
Div. Yield (%)	1.9	2.2	2.7

CMP: INR145 **BUY**

Credit costs elevated; MFI stress continues to run its course

NIM + fees declined ~50bp QoQ due to a change in the product mix

- L&T Finance's (LTF) 3QFY25 PAT declined 2% YoY to INR6.3b (~6% beat). PPoP (in-line) grew ~11% YoY to ~INR14.8b.
- Credit costs stood at INR6.5b (in-line), translating into annualized credit costs of ~2.5% (PQ: 2.6% and PY: 2.5%). The company utilized macro-prudential provisions of INR1b during the quarter. Including macro-prudential provisions, credit costs for the quarter stood at ~2.9%. The company guided for macro-prudential provision utilization of INR3b-3.5b in 4QFY25.
- LTF also completed an ARC transaction, resulting in a provision reversal of ~INR2.5b. Write-offs stood at ~INR7.4b. Adjusting for provision reversals from the ARC transaction, the write-offs would have been ~INR10b.
- Total loan book grew ~16% YoY and ~2% QoQ to ~INR951b. Wholesale loans continued to run down, declining ~28% YoY to ~INR29b (PQ: ~INR40b).

MFI disbursements continue to remain muted; personal loans grow ~9% YoY

- Retail assets contributed ~97% to the loan mix (PQ: 96%). Retail loans grew ~23% YoY, led by healthy growth in Tractors, HL, LAP, and Personal Loans. The company has started re-growing its personal loans book, which saw ~9% QoQ increase. Rural Business Loans (MFI) and 2W remained flat QoQ.
- Total disbursements in 3QFY25 grew ~2% YoY to ~INR152b, driven by ~5% YoY growth in retail disbursements. Wholesale disbursements were NIL during the quarter.

Asset quality largely stable; retail GS3 stands at ~2.85%

- Consol. GS3 rose ~5bp QoQ to ~3.25% and NS3 was stable QoQ at ~1%. PCR was stable at ~71%.
- Retail GS3 was stable QoQ at 2.85%.

Collection efficiency dips in Dec'24; LTF+4 customers stand at ~3.9%

- MFI collection efficiency (0-90dpd) stood at ~97.9% in Dec'24 (vs 98.3% in Sep'24).
- Only ~3.9% (PQ: ~5.4%) of LTF's MFI customers have loans from five or more lenders (including LTF).

NIM contracts ~45bp QoQ; fee income reduces sequentially

- Spreads (calc.) declined ~10bp QoQ to ~8.8%. Yields (calc.) rose ~10bp QoQ to ~16.2%, while CoF (calc.) rose ~20bp QoQ to 7.3%.
- Reported NIM contracted ~45bp QoQ to 8.5%. However, Consol NIM + fees declined ~50bp QoQ to 10.3%, driven by lower fee income and a decline in MFI in the loan mix.

Valuation and view

In the retail segment, Home Loans, Tractors, LAP, and SME continue to exhibit strong growth, with retail now contributing ~97% to the loan mix. Stress in the MFI segment continues to remain pronounced and will run its course before conditions begin to improve. We will review our estimates after the earnings call on 21st Jan'25.

Quarterly performance (INR M)

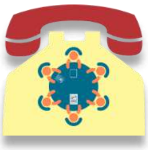
Y/E March	FY24				FY25E				FY24	FY25E	3QFY25E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Interest Income	31,165	31,685	33,063	33,226	34,526	36,544	38,064	35,804	1,29,139	1,44,938	36,910	3
Interest Expenses	13,638	13,249	13,534	13,351	13,514	14,763	15,692	16,753	53,772	60,723	15,796	-1
Net Interest Income	**17,527**	**18,436**	**19,529**	**19,875**	**21,012**	**21,781**	**22,371**	**19,051**	**75,367**	**84,216**	**21,113**	**6**
Change YoY (%)	14.3	11.9	7.2	12.6	19.9	18.1	14.6	-4.1	11.4	11.7	8.1	
Other Operating Income	1,068	453	2,277	3,492	3,318	3,649	2,912	5,133	6,667	15,012	3,256	-11
Net Operating Income	**18,596**	**18,889**	**21,805**	**23,367**	**24,330**	**25,431**	**25,283**	**24,184**	**82,034**	**99,228**	**24,369**	**4**
Change YoY (%)	11.7	7.5	12.9	31.9	30.8	34.6	16.0	3.5	15.1	21.0	11.8	
Other income	1,535	2,682	473	56	2	47	76	445	4,745	569	237	-68
Total Income	**20,130**	**21,572**	**22,278**	**23,422**	**24,332**	**25,477**	**25,359**	**24,629**	**86,779**	**99,797**	**24,606**	**3**
Change YoY (%)	11.1	15.0	11.9	18.7	20.9	18.1	13.8	5.2	13.4	15.0	10.4	
Operating Expenses	7,782	8,598	8,896	9,803	9,656	9,578	10,578	10,898	35,079	40,710	10,141	4
Change YoY (%)	18.3	25.2	19.9	24.6	24.1	11.4	18.9	11.2	22.1	16.1	14.0	
Operating Profits	**12,348**	**12,974**	**13,382**	**13,619**	**14,676**	**15,899**	**14,781**	**13,730**	**51,701**	**59,087**	**14,464**	**2**
Change YoY (%)	6.9	9.1	7.2	7.3	18.9	22.5	10.5	0.8	6.3	14.3	8.1	
Provisions	5,212	5,000	5,142	6,679	5,453	6,504	6,542	6,106	21,410	24,605	6,512	0
Profit before Tax	**7,136**	**7,974**	**8,240**	**6,940**	**9,223**	**9,396**	**8,239**	**7,624**	**30,290**	**34,481**	**7,952**	**4**
Tax Provisions	1,831	2,032	1,847	1,410	2,370	2,429	1,983	1,839	7,119	8,620	2,044	-3
Profit after tax	**5,309**	**5,951**	**6,402**	**5,539**	**6,855**	**6,967**	**6,257**	**5,785**	**23,171**	**25,861**	**5,909**	**6**
Change YoY (%)	103	47	41	11	29	17	-2	4	43	12	-8	
Key Operating Parameters (%)												
Rep. Net Income (% of Avg Assets)	9.64	10.84	10.92	11.25	11.08	10.86	10.33					
Rep. Cost of funds (%)	7.77	7.79	7.81	7.82	7.85	7.80	7.83					
Cost to Income Ratio	38.7	39.9	39.9	41.9	39.7	37.6	41.7					
Rep Credit Cost	2.33	2.58	2.52	3.23	2.37	2.59	2.49					
Tax Rate	25.7	25.5	22.4	20.3	25.7	25.9	24.1					
Balance Sheet Parameters												
Gross Customer Assets (INR B)	786	787	818	856	887	930	951					
Change YoY (%)	-10.8	-12.6	-7.5	5.8	12.9	18.1	16.3					
Borrowings (INR B)	754	766	760	765	803	849	862					
Change YoY (%)	-7.8	-10.3	-11.9	-7.8	6.5	10.9	13.4					
Customer Assets /Borrowings (%)	104	103	108	112	110	110	110					
Asset Quality Parameters (%)												
GS 3 (INR B)	31.7	25.8	26.3	27.0	27.9	29.6	30.8					
Gross Stage 3 (%)	4.0	3.3	3.2	3.2	3.1	3.19	3.23					
NS 3 (INR B)	9.1	6.3	6.5	6.6	6.9	8.7	9.1					
Net Stage 3 (%)	1.6	0.8	0.8	0.8	0.8	1.0	0.97					
PCR (%)	71.4	75.7	75.3	75.5	75.3	70.6	70.6					
Return Ratios (%)												
ROAA	2.1	2.4	2.5	2.2	2.7	2.6	2.3					
ROAE	9.4	10.8	11.4	9.5	11.6	11.7	10.2					

E: MOFSL Estimates

MCX

BSE SENSEX	S&P CNX
77,073	23,345

Conference Call Details



Date: 21[th] January 2025
Time: 04:00pm IST
Dial In : +91 22 7115 8184

Year End	2025E	2026E	2027E
Sales	11.7	15.6	18.2
EBIT margin (%)	57.6	62.7	64.2
PAT	6.1	8.5	10.1
EPS (INR)	119.0	166.6	198.8
EPS Gr. (%)	630.1	40.0	19.3
BV/Sh. (INR)	294.1	327.4	367.2
Ratio			
RoE (%)	42.2	53.6	57.2
Valuations			
P/E (x)	48.9	34.9	29.2
P/BV (x)	19.8	17.8	15.8
Div Yld (%)	0.6	0.6	0.6

CMP: INR6,017 — Neutral

7% miss on PAT due to lower-than-expected top-line

- MCX's operating revenue came in at INR3b, reflecting a 57% YoY growth (5% miss). For 9MFY25, operating revenue grew 63% YoY to INR8.2b.
- Revenue growth was driven by a strong spike in volumes, increasing 102% YoY. Futures volume grew 37% YoY to INR17.9t and options volume grew 116% YoY to INR130t.
- Other income stood at INR230m, growing 30% YoY, and was 13% lower than our estimates.
- Staff cost increased 15% YoY to INR332m (in-line). Other expenses declined 59% YoY to INR750m (8% lower than estimates).
- EBIT stood at INR1.8b vs EBIT loss of INR310m in 3QFY24, a 6% miss on our estimates.
- The company reported PAT of INR1.6b (vs loss of INR54m in 3QFY24), flat QoQ, and was 7% lower than our estimates. For 9MFY25, PAT stood at INR4.2b.
- The call is scheduled for 21[st] Jan'25 at 4pm.
  +91 22 6280 1385/ +91 22 7115 818.

Quarterly Performance INRm

	FY24				FY25				FY24	FY25E	Est.	Var.	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QFY25	(%/bp)		
Sales	**1,458**	**1,651**	**1,915**	**1,811**	**2,344**	**2,856**	**3,014**	**3,337**	6,835	11,551	3,180	(5.2)	57.4	5.5
Yo-Y Gr. (%)	34.0	29.6	33.4	35.4	60.8	73.0	57.4	84.3	33.1	69.0	66.1			
Staff Costs	253	274	290	307	321	327	332	334	1,123	1,314	333	(0.3)	14.7	1.8
Other expenses	1,098	1,664	1,822	484	697	735	750	936	5,069	3,119	811	(7.5)	(58.8)	2.1
EBITDA	107	-287	-197	1,020	1,326	1,794	1,931	2,067	643	7,118	2,036	(5.1)	NA	7.6
Depreciation	43	66	113	138	134	140	146	118	359	539	140	(4.3)	29.8	4.1
EBIT	**64**	**-353**	**-310**	**882**	**1,191**	**1,654**	**1,785**	**1,948**	**283**	**6,579**	1,895	(5.8)	NA	7.9
Margins (%)	4.4	-21.4	-16.2	48.7	50.8	57.9	59.2	58.4	4.1	57.0	59.6			
Interest Costs	1	1	1	1	1	1	2	-1	3	3	1		240.0	70.0
Other Income	204	189	177	183	188	252	230	341	754	1,012	265	(13.3)	29.6	(9.0)
PBT bef. Exceptional items	**267**	**-164**	**-133**	**1,065**	**1,379**	**1,906**	**2,013**	**2,290**	**1,035**	**7,588**	**2,160**	(6.8)	**NA**	**5.7**
Tax	58	16	-91	205	273	374	418	641	189	1,706	432	(3.2)	NA	11.9
Rate (%)	21.6	-9.9	68.3	19.3	19.8	19.6	20.8	28.0	18.2	22.5	20.0			
Profit from associate	-13	-10	-11	19	4	4	5	6	-15	19	0.0			
PAT	**197**	**-191**	**-54**	**878**	**1,109**	**1,536**	**1,600**	**1,655**	**831**	**5,901**	**1,728**	(7.4)	NA	4.2
Y-o-Y Gr. (%)	NA	NA	NA	NA	NA	NA	NA	88	-44	NA	NA			
EPS (INR)	**3.9**	**-3.7**	**-1.1**	**17.3**	**21.8**	**30.2**	**31.5**	**32.5**	**16.3**	**115.7**	**34.0**	(7.4)	**NA**	**4.2**
Total volumes (INR t)	**51.8**	**67.0**	**73.6**	**82.7**	**112.3**	**143.2**	**148.4**	**159.9**	**275.0**	**563.7**	**148.4**	-	**101.6**	**3.6**
Q-o-Q Gr. (%)	23.4	29.3	9.9	12.4	35.8	27.5	3.6	7.7						
Y-o-Y Gr. (%)	80.7	86.3	80.6	97.1	116.8	113.8	101.6	93.4	86.7	105.0				

E: MOFSL Estimates

Sunteck Realty

BSE SENSEX	S&P CNX
77,073	23,345

Conference Call Details

Date: 21st January 2025
Time: 16:30 IST
Dial-in details:
+91-22 6280 1289

Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	11.1	21.3	9.4
EBITDA	2.4	6.2	2.1
EBITDA Margin (%)	21.6	29.1	22.1
PAT	1.7	4.6	1.5
EPS (INR)	11.7	31.3	10.1
EPS Gr. (%)	142.2	166.6	-67.6
BV/Sh. (INR)	223.5	253.3	261.9
Ratios			
RoE (%)	5.4	13.1	3.9
RoCE (%)	5.7	12.6	4.3
Payout (%)	12.8	4.8	14.8
Valuations			
P/E (x)	41.9	15.7	48.5
P/BV (x)	2.2	1.9	1.9
EV/EBITDA (x)	28.6	12.6	27.2
Div yld (%)	0.3	0.3	0.3

CMP: INR493 — Buy

Strong presales driven by the uber luxury segment

Collections to improve once execution ramps up

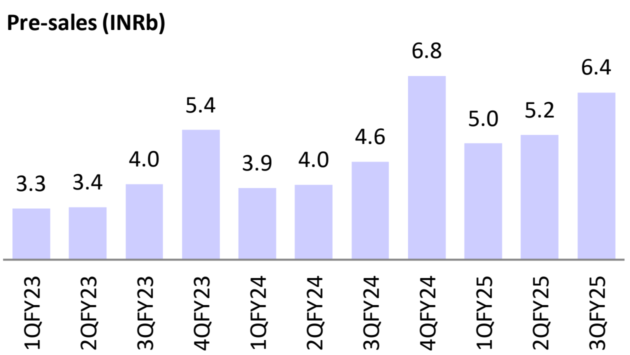
Operational performance

- SRIN reported presales of INR6.35b in 3QFY25, up 40% YoY (in line with our estimate of INR6.5b). The growth was driven by the 66% contribution from the uber luxury and 19% contribution from the premium luxury segments.
- During 9MFY25, the company achieved presales of INR16.61b, up 34% YoY, fueled by the strong traction in uber and premium luxury projects. SRIN achieved 66% of the total presales guidance for FY25 (at INR25b).
- Collections declined 23% YoY to INR3.36b for 3QFY25. The company achieved INR9.45b (flat) collections for 9MFY25. The collection efficiency stood at 57%.
- Net operating cashflow surplus for the company was INR3.12b for 9MFY25.
- The net debt-to-equity ratio stood at zero, with a net cash surplus of INR610m at the end of 3QFY25.
- SRIN added the Nepean Sea project-2 with a total GDV of INR24b, which translated into a total GDV of INR54b for the said project.

P&L highlights

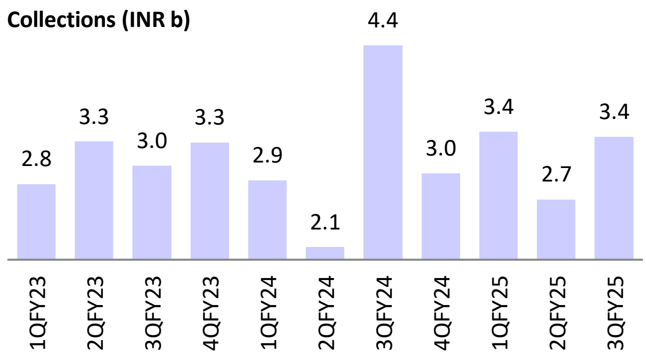
- Revenue jumped ~4x YoY to INR1.6b, while it was 54% below our estimate. For 9MFY24, SRIN reported revenue of INR6.5b, which surged 369% YoY.
- The company reported EBITDA of INR484m vs. a loss of INR148m in 3QFY24. EBITDA margin came in at 29.9% (vs. 22.1% in 2QFY25). For 9MFY25, it reported an EBITDA of INR1.2b compared to a loss of INR364m for 9MFY24.
- For 3QFY25, Adj. PAT stood at INR425m vs. net loss of INR97m in 3QFY24. For 9MFY25, Adj. PAT came in at INR1b against a loss of INR300m for 9MFY24.

Pre-sales increased 40% YoY to INR6.4b



Source: Company, MOFSL

Collections declined 23% YoY to INR3.4b



Source: Company, MOFSL

Quarterly performance (INR m)

Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			3Q	
Net Sales	**706**	**250**	**424**	**4,269**	**3,163**	**1,690**	**1,618**	**4,647**	**5,648**	**11,118**	**3,002**	**-46**
YoY Change (%)	-50.8	-69.1	-52.5	773.4	348.2	577.3	281.1	8.8			607.2	
Total Expenditure	780	391	573	2,735	2,849	1,317	1,134	3,421	4,476	8,720	2,355	
EBITDA	**-75**	**-141**	**-148**	**1,534**	**314**	**374**	**484**	**1,226**	**1,173**	**2,397**	**647**	**-25**
Margins (%)	-10.6	-56.5	-34.9	35.9	9.9	22.1	29.9	26.4	20.8	21.6	21.6	
Depreciation	18	22	24	31	34	36	31	169	95	270	73	
Interest	173	158	171	182	103	99	87	114	684	403	109	
Other Income	178	113	185	81	117	130	130	188	555	566	153	
PBT before EO expense	**-87**	**-208**	**-158**	**1,402**	**295**	**368**	**495**	**1,131**	**949**	**2,290**	**618**	**-20**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**-87**	**-208**	**-158**	**1,402**	**295**	**368**	**495**	**1,131**	**949**	**2,290**	**618**	**-20**
Tax	-27	-64	-55	386	70	22	69	411	240	572	155	
Rate (%)	31.0	30.5	34.9	27.5	23.9	5.9	13.9	36.4	25.3	25.0	25.0	
MI & Profit/Loss of Asso. Cos.	7	-6	-6	3	-3	1	1	0	-1	-1	0	
Reported PAT	**-67**	**-139**	**-97**	**1,013**	**228**	**346**	**425**	**720**	**710**	**1,718**	**464**	**-8**
Adj PAT	**-67**	**-139**	**-97**	**1,013**	**228**	**346**	**425**	**720**	**710**	**1,718**	**464**	**-8**
YoY Change (%)	-127.0	-693.3	-569.3	-463.1	-438.0	-349.6	-537.1	-29.0	NA	142.2	-576.9	
Margins (%)	-9.6	-55.6	-22.9	23.7	7.2	20.5	26.3	15.5	12.6	15.5	15.5	
Operational metrics												
Pre-sales	3,860	3,950	4,550	6,780	5,020	5,240	6,350	8,622	19,140	25,232	6,500	**-2**
Collections	2,880	2,140	4,380	2,960	3,420	2,670	3,360	7,106	12,360	16,556	4,818	**-30**

Note: Estimates are under review since we will revise them after the earnings call; Source: MOFSL, Company

Indostar Capital Finance

BSE SENSEX	S&P CNX
77,073	23,345

Conference Call Details

Date : 21st Jan 2025
Link for the call
Time: 12:00 pm IST
Dial in : +91 22 6280 1550/ +91 22 7115 8378

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
NII	6.2	8.6	11.2
PPP	2.9	4.7	6.8
PAT	1.5	2.4	3.6
EPS (INR)	10.7	16.4	24.8
EPS Gr. (%)	26	52	51
BV (INR)	248	260	285
Ratios			
NIM (%)	6.5	6.9	7.1
C/I ratio (%)	67.7	60.0	54.6
RoA (%)	1.1	1.5	1.9
RoE (%)	4.4	6.7	9.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	26.3	17.3	11.4
P/BV (x)	1.1	1.1	1.0
Div. Yield (%)	0.0	0.0	0.0

CMP: INR282 Buy

Healthy growth in VF AUM; credit costs elevated

PAT grows ~64% YoY but declines ~13% sequentially

- IndoStar's 3QFY25 PAT at INR277m rose ~64% YoY (PY: INR169m) but declined ~13% QoQ. Credit costs were higher sequentially at ~INR480m (PQ: ~INR193m), translating into annualized credit costs of ~1.8% (PQ: 0.8%).
- Total AUM stood at ~INR106b and grew ~32% YoY and ~5% QoQ. On 31st Dec'24, IndoStar sold a pool of assets (worth INR1.74b) from its CV business to an ARC.

Niwas Housing Finance (earlier IndoStar Home Finance)

- AUM as of Dec'24 stood at ~INR27.5b and grew 34% YoY/~7% QoQ.
- GS3 rose ~25bp QoQ to 1.65% and NS3 increased ~20bp QoQ to 1.3%.
- The subsidiary delivered a PAT of INR160m in 3QFY25 (vs. INR140m in 2QFY25)
- CRAR came in at ~52.6%; the debt-equity ratio stood at 3x.

IndoStar Capital Finance Limited (ICFL)

- ICFL delivered a PAT of INR114m in 3QFY25, which declined ~37% QoQ.
- AUM stood at ~INR78.7b and grew ~4% QoQ. Of this, the AUM of retail vehicle finance came in at ~INR73b, which grew ~5% QoQ and ~51% YoY. Disbursements stood at ~INR12.9b and rose 15% YoY.
- GS3 improved ~5bp QoQ to ~4.9% whereas NS3 rose ~20bp QoQ to 2.7%.
- CRAR was healthy at ~28.5%; the debt-equity ratio stood at 2x.

Valuation and view

- Indostar has a strong focus on expanding its retail business, specifically in the Commercial Vehicle (CV) lending segment. The company plans to target the lucrative used CV market, with increasing emphasis on used and light commercial vehicles in tier II and III towns.
- The company plans to boost its disbursement capabilities by expanding its distribution presence. Indostar trades at 1.0x FY27E P/BV and is transitioning into a significant used-CV and MSME lender. We might make changes to our estimates after the earnings call to be held on 21st Jan 2025.

Quarterly Performance (INR m)

Y/E March	FY24				FY25			FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
Interest Income	2,723	2,175	2,262	3,143	2,703	2,956	3,125	11,453	15,465
Interest Expenses	1,544	1,408	1,453	1,954	1,668	1,878	1,930	6,873	9,278
Net Interest Income	**1,179**	**767**	**808**	**1,189**	**1,035**	**1,078**	**1,196**	**4,580**	**6,187**
YoY Growth (%)	*-8.6*	*-33.0*	*-36.5*	*10.6*	*-12.2*	*40.5*	*47.9*	*-4.2*	*35.1*
Other Income	271	169	127	1,636	387	565	611	2,522	2,775
Total Income	**1,450**	**936**	**936**	**2,825**	**1,422**	**1,643**	**1,806**	**7,102**	**8,962**
YoY Growth (%)	*-12.7*	*-36.9*	*-36.1*	*103.5*	*-1.9*	*75.6*	*93.1*	*18.5*	*26.2*
Operating Expenses	1,153	850	884	1,392	1,106	1,272	1,212	4,922	6,070
Operating Profit	**297**	**86**	**52**	**1,433**	**317**	**371**	**594**	**2,180**	**2,892**
YoY Growth (%)	*-53.6*	*-76.3*	*-79.6*	*97.3*	*6.4*	*333.5*	*1,044.5*	*10.0*	*32.7*
Provisions & Loan Losses	-119	-11	-52	1,041	210	193	479	884	1,172
Profit before Tax	**416**	**297**	**191**	**392**	**297**	**363**	**331**	**1,296**	**1,720**
Tax Provisions	27	49	22	40	48	46	54	138	258
Net Profit	**389**	**248**	**169**	**353**	**249**	**317**	**277**	**1,158**	**1,462**
YoY Growth (%)	*-36.1*	*-52.0*	*-54.0*	*-53.6*	*-36.0*	*27.9*	*64.3*	*-48.5*	*26.2*
Key Operating Parameters (%)									
Yield on loans (Cal)	16.3	14.3	13.3	17.0	17.0	17.1	17.6		
Cost of funds (Cal)	10.7	11.9	9.4	11.0	10.9	11.2	10.9		
Spreads (Cal)	5.6	2.4	3.8	6.0	6.1	5.9	6.7		
NIMs (Cal)	5.9	3.9	4.1	5.7	4.5	4.4	4.6		
Credit Cost (Cal)	-0.6	-0.1	-0.3	5.0	0.9	0.8	1.8		
Cost to Income Ratio	79.5	90.8	94.5	49.3	77.7	77.4	67.1		
Tax Rate	6.5	0.0	0.4	10.1	0.1	0.1	0.1		
Balance Sheet Parameters									
AUM (INR B)	80.6	77.3	80.4	87.6	95.7	101.1	106.3		
Change YoY (%)	-2.2	-2.3	4.8	12.2	18.6	30.9	32.2		
AUM Mix (%)									
Vehicle	48.7	56.7	60.3	63.8	66.1	68.9	68.7		
Housing	21.6	24.5	25.5	25.9	25.0	25.3	25.9		
SME & Others	14.6	13.7	9.1	5.5	4.7	4.0	3.6		
Corporate	14.8	4.7	4.7	4.4	3.9	1.7	1.6		
Disbursements (INR B)	11.2	12.7	13.5	17.7	16.3	17.2	15.7		
Change YoY (%)	224.4	279.9	157.7	96.8	45.8	35.9	16.9		
Asset Quality Parameters (%)									
GS 3 (INR B)	4.9	4.7	3.9	3.1	3.5	3.7	3.6		
Gross Stage 3 (% on Assets)	6.6	6.7	5.3	4.1	4.2	5.0	4.9		
Net Stage 3 (% on Assets)	3.1	3.3	2.4	1.8	2.1	2.5	2.7		
PCR (%)	53.6	51.5	56.9	59.1	53.7	51.0	46.2		

E: MOFSL estimates

Wipro: Significant rigour in execution led to good revenue & margin performance; Srini Pallia, CEO

- Q4 revenue guidance -1% to 1% is based on current visibility
- Discretionary spending is gradually returning
- Net new resignations are decreasing and attrition is expected to decline in Q4
- FY25 fresher guidance is 9,000-10,000 with plans to onboard 10,000-12,000 freshers starting next year
- There is a need to revise our aspirational margin target of 17.5% upwards
- We are confident in maintaining Q4 margins at Q3 levels

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ICICI Lombard: The market is expected to remain competitive; Gopal Balachandran, CFO

- Pricing discipline seems to be looking up from January 2025
- Market is expected to remain competitive
- Premium trajectory for the commercial business looks promising
- Combined ratio should keep moving down along guided glide path
- Expect the combined ratio to come down to 101.5%

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Bank of Maharashtra: Profit This Year Should Hit Rs 5500 Cr Since We've Crossed Rs 4000 Cr In 9 Months; Nidhu Saxena, MD & CEO

- Increased the MCLr by 30 bps, which has helped improve the yield on advances
- Have not raised bulk deposits at high costs
- Do not anticipate any challenges in maintaining healthy NIM levels in FY25
- 37% of the loan book will be repriced when the rate cut occurs
- Personal loans stand at Rs 3300 crs, representing 1.47% of the total loans
- RBL will provide a 5 year dispensation if ECL is implemented

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Can Fin Homes: e-khaata impacted business in Q3FY25 but the issue is improving lately; Suresh Iyer, MD & CEO

- Disbursal may be close to Rs 9000 Crs for Fy25; on the upper end
- Target Rs 12000 cr of disbursal for FY26
- Expect AUM growth of 15% in FY26
- e-khaata impacted business in Q3FY25 but the issue is improving lately

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SELL	< - 10%
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UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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

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