

# India Strategy



## The Retail Rhapsody!

Gautam Duggad - Research Analyst (Gautam.Duggad@MotilalOswal.com)

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

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

# Content: The Retail Rhapsody!

## 01

Page #3-7  
Summary

## 02

Page #8-9  
Corporate earnings at a glance:  
BFSI and Auto to drive earnings  
growth again

## 03

Page #10-11  
Indian markets continue to head  
north backed by strong domestic  
flows and retail participation!

## 04

Page #12-25  
Auto and BFSI lead the charge,  
OMCs drag down earnings

## 05

Page #26-39  
MOFSL Universe: 1QFY25 Highlights  
& Ready Reckoner

## 06

Page #40-256  
Sector & Companies Preview



**AUTOMOBILES – Pg41**  
1QFY25 to be a healthy  
quarter; input cost  
pressures surface



**CAPITAL GOODS - Pg59**  
Election impact to weigh  
on 1QFY25



**CEMENT – Pg69**  
Demand softens; cement  
prices remain muted



**CHEM. SPECIALTY – Pg79**  
Green shoots visible;  
meaningful recovery still  
away



**CONSUMER – Pg89**  
Steady demand; gradual  
volume improvement



**CON. DURABLE – Pg108**  
RAC strong; cables &  
wires growth to  
moderate on a high base



**EMS – Pg113**  
Revenue uptrend set to  
continue



**FIN. BANKS – Pg118**  
Earnings growth to  
moderate; margins bias  
slightly negative



**NBFC – Pg137**  
Seasonally weak quarter;  
loan growth still  
reasonably healthy



**NON LENDING – Pg151**  
Capital markets-linked  
companies to deliver  
decent performance



**HEALTHCARE – Pg161**  
Earnings on healthy  
growth path in 1QFY25 as  
well



**INFRA - Pg177**  
Order inflows hit amid  
elections; tender pipeline  
robust



**LOGISTICS – Pg181**  
Logistics activity remains  
muted in 1QFY25 amid  
elections



**METALS - Pg187**  
Steel prices range-bound;  
lower coal costs to  
support earnings  
performance



**OIL & GAS - Pg198**  
1QFY25 likely to be soft  
quarter amid margin  
weakness



**REAL ESTATE – Pg212**  
Strong demand traction  
likely to continue



**RETAIL – Pg222**  
Value retailers may  
outperform premium  
retailers



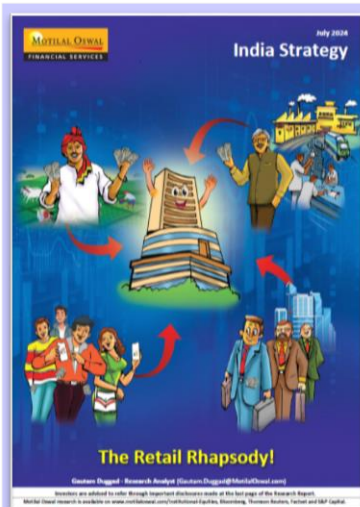
**TECHNOLOGY - Pg233**  
Wishing for a turnaround



**TELECOM - Pg244**  
Moderate growth to  
continue; tariff benefits  
in 2Q



**OTHERS - Pg251**



## The Retail Rhapsody!

**FY25 to be the year of healthy but normalized earnings growth!**

### India: *The Retail Savings Pool* theme finally coming of age!

The Indian Cricket team recently emerged victorious in the ICC Men's T20 World Cup, marking its first World Cup triumph since 2011! The 13-year gap between triumphs was notably long, yet the subsequent celebrations underscore the era we are living in. Similarly, the Indian capital markets have displayed a resilient and consistently upward trend over the past three years. While numerous factors contribute to this stellar performance, we posit that the surge in Retail Investors' savings pool, particularly in Equities, stands out as a prominent driver. The influx of retail investments into equities following the pandemic has significantly altered ownership dynamics. As a proportion of the free-float of the Indian market, DII + Retail ownership increased to 62.9% in Mar'24 from 55.1% in Mar'14 and 58.7% in Mar'19. Non-institutions accounted for more than half of the cash volumes in FY24 (at 52%), up from 38% in FY14 and 49% in FY19. India's weight in the MSCI Index has gone up to ~19% now from ~7% in FY14 and ~9% in FY19. The total DII inflows in 1HCY24, at USD28.5b, exceed the full-year CY23 inflows of USD22.5b. Cumulatively, over CY22-1HCY24, the total FII flows have reached ~USD4.8b vs. USD83b of DII flows. The narrative of India's retail investors 'typically buying at the top and selling at the bottom' has been reversed. At least, in this regard, **this time "it indeed is different"**. Even on the election results counting day (4<sup>th</sup> Jun'24), retail investors used the correction to allocate more and were the net buyers of equities. Total demat accounts have surged to 160m in Jun'24 from 36m in Mar'20. India's Mutual Fund Equity AUM has jumped to INR6.1t in Mar'20 from INR1.9t in Mar'14, and stands at INR27.7t as of May'24. All of this, coupled with solid underlying earnings performance of India Inc. (Nifty-50 profits have compounded at 23% over FY20-24, while MOFSL Universe profits have delivered 27% CAGR over the same period) has propelled India's market capitalization beyond USD5t.

### Best is ahead; albeit with intermittent hiccups: As outlined in our [4QFY24 Strategy Preview report](#),

India now boasts a unique combination of **'size and growth'**. With elections behind us and the return of the same Modi-led NDA dispensation and virtually the same cabinet to power, we anticipate policy continuity to drive the overall economic momentum further. There will be a sustained focus on infrastructure, capex, and manufacturing, which will occupy center stage, in our view. The forthcoming Union Budget of the new government will outline the priorities for the next five years. The much-publicized 100-day agenda will also provide a good idea about the government's policy framework in its third term. We also expect the government to strategically utilize the extra windfall from the RBI dividend to provide relief to the poorer and middle-classes and to encourage consumption ahead of the key state elections slated in Oct-Nov'24. Against this optimistic backdrop, we discuss the earnings for 1QFY25 ahead.

### MOFSL Universe to report flat earnings growth, dragged down by OMCs

We estimate the MOFSL Universe earnings to remain flat and Nifty earnings to grow 4% YoY in 1QFY25. However, excluding OMCs, the MOFSL Universe and Nifty earnings are expected to grow by 11% YoY and 8% YoY, respectively. Margin tailwinds are likely to ebb due to a high base. The EBITDA margin (ex-Financials) is likely to contract 170bp YoY for the MOFSL Universe, reaching 15.8%, mainly dragged down by OMCs. Meanwhile, the margin is projected to contract 80bp for the Nifty-50 at 20.1%. The EBITDA margin (ex-Financials and O&G) is likely to remain flat/decline 30bp YoY to 19.1%/20.4% for MOFSL/Nifty. The overall earnings growth is anticipated to be driven, once again, by domestic cyclicals such as Auto (+18% YoY) and BFSI (+15% YoY), with improved contributions from Healthcare (+21% YoY) and Metals (+12% YoY). Conversely, earnings growth is likely to be weighed down by global cyclicals, such as O&G (led by OMCs), which are anticipated to decline 36% YoY, along with Cement (-15% YoY) and Spec. Chemicals (-20% YoY). The Real Estate (+37% YoY) and Retail (+14% YoY) sectors would report strong growth, while Consumers (+10% YoY), and Technology (+6% YoY) are anticipated to post moderate growth YoY. Our FY25E and FY26E Nifty EPS remain stable at INR1,134 and INR1,330, respectively. We estimate the Nifty EPS to grow 13%/17% in FY25/FY26.

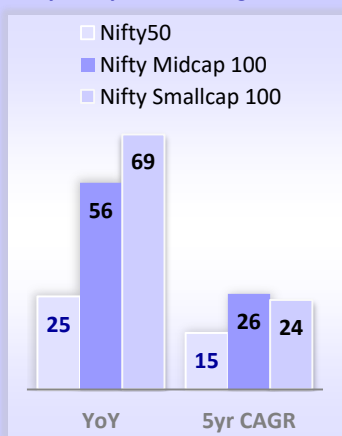
### Annual earnings trend: FY25 to normalize as earnings converge with revenue growth

FY23 and FY24 experienced an interesting interplay of revenue and earnings growth, driven by global macros. In FY23, the MOFSL Universe witnessed a sharp drag on margins as commodity prices surged during the Russia-Ukraine war. This resulted in just 11% earnings growth for MOFSL Universe, despite 24% revenue growth. FY24 saw a reversal of this trend, as commodity prices moderated and margins sharply rebounded. Thus, the MOFSL Universe posted 31% earnings growth despite just 4% revenue growth. Now for FY25, we expect earnings to normalize and track the revenue trend. For FY25, we expect the MOFSL Universe to deliver 10% revenue growth and 11%/13% EBITDA/PAT growth, YoY. The Nifty-50 is expected to deliver 12% earnings growth in FY25 over a high base of FY24 (+26% YoY).

### Earnings highlights – 1QFY25E | BFSI and Auto would continue to lead, while contributions from Healthcare and Metals to improve

- We predict **MOFSL earnings to remain flat, while those of Nifty** to grow 4% YoY in 1QFY25. Excluding global commodities (i.e., Metals and O&G), the MOFSL Universe and Nifty are likely to report 12% YoY and 10% YoY earnings growth, respectively, for the quarter.
- Overall, earnings growth is likely to be driven once again by domestic Cyclical, such as **BFSI** and **Auto**, while contributions from Metals and Healthcare would rise. **Banks and NBFC Lending** would mainly lead BFSI's earnings, with 14% and 17% YoY growth, respectively. The earnings growth of Private and PSU Banks, at 16% and 11% YoY, while healthy, is the lowest over ten and eight quarters, respectively. The **Auto** sector's earnings are likely to rise 18% YoY, the lowest in nine quarters; however, the sector is among the best performers within the MOFSL Coverage sectors once again.
- Sales and EBITDA of the MOFSL Universe are likely to grow 9% and 2%; while for Nifty, we expect sales and EBITDA to improve 6% and 4% YoY, respectively. Ex-OMC's, EBITDA of the MOFSL Universe/Nifty is likely to grow 11%/8% YoY.

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





- The **Healthcare** universe is likely to report strong 21% YoY earnings growth.
- The **Metals** universe is projected to report 12% YoY earnings growth on a weak 1QFY24 base.
- The **Capital Goods** sector is projected to report strong earnings growth at 24% YoY for the quarter (however, the lowest in five quarters), dragged down by L&T. Ex-L&T, the MOFSL Capital Goods Universe is likely to post 44% YoY growth.
- The **Cement** universe is expected to report a 15% YoY earnings decline. The sector is likely to clock the first quarter of earnings decline following a strong performance in the past three quarters (primarily due to a weak base).
- The **Specialty Chemicals** sector is likely to report a sharp earnings decline of 20% YoY for the fifth straight quarter.
- EBITDA margin is projected to contract 170bp YoY for the MOFSL Universe (ex-Financials) to 15.8%. Conversely, the EBITDA margin for the Nifty-50, excluding Financials, is likely to contract 80bp YoY to 20.1% during the quarter.
- The MOFSL Midcap Universe is estimated to report a 7% and 2% YoY growth in sales and EBITDA, respectively, and a 4% YoY decline in PAT. Conversely, the MOFSL Smallcap Universe is estimated to clock a growth of 9%/9%/5% YoY in Sales/EBITDA/PAT for 1QFY25. The MOFSL Largecap Universe is likely to register a sales/EBITDA/PAT growth of 10%/1%/1% YoY during the quarter.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 7%/ 14%/23% over Jun'22-Jun'24.
- **FY25E earnings highlights:** The MOFSL Universe is likely to deliver a sales/EBITDA/PAT growth of 10%/11%/13% YoY. Banks and Metals are likely to be the key earning drivers, with 35% and 17% YoY growth, respectively. These two sectors are anticipated to contribute 57% of incremental earnings for FY25.
- **Nifty EPS remains unchanged:** Our FY25/FY26E Nifty EPS remains stable at INR1,134/INR1,330. We expect the Nifty EPS to grow 13% and 17% in FY25 and FY26, respectively.

**MOFSL Top Ideas: Largecaps – ICICI Bank, SBI, L&T, M&M, HCL Tech, Coal India, Titan, Mankind Pharma, CIFC and Hindalco; Midcaps and Smallcaps – Indian Hotels, Ashok Leyland, Godrej Properties, KEI Industries, PNB Housing, Cello World, Kalyan Jewelers, Persistent Systems, Angel One, Metro Brands.**

### Model portfolio: Key changes

Constructing a model portfolio against the backdrop of a stellar performance of the markets and the underlying expensive valuations presents a unique challenge of participating in the growth without overpaying for it. Our portfolio construction, as always, is driven by earnings growth visibility. While we continue to remain bullish on Domestic Cyclical, we are incrementally turning more constructive on Technology. Sectorally, we remain OW on PSU Banks, Consumption, Industrials, and Real Estate. We raise IT to marginal OW from UW and cut Auto from OW to UW. We also lift Healthcare to marginal OW from Neutral, while maintaining UW on Private Banks and Energy. Industrials and Capex, Consumer Discretionary, Real Estate, and PSU Banks are our key preferred investment themes. We have also made several additions from a bottom-up viewpoint across sectors.

- **FINANCIALS:** We have done marginal tinkering in weights in **NBFCs** even as we stick to our significant OW stance on PSU Banks (**SBI, BoB**), where we find valuations still attractive. We maintain our UW stance on Private Banks, where our preferred picks are **ICICI Bank and HDFC Bank**.

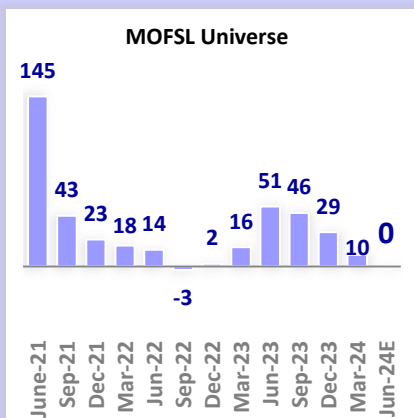
- **TECHNOLOGY:** We raise Technology to marginal **OW** from **UW**. Reasonable valuations, a low base of growth (MOFSL IT Universe earnings posted 5% CAGR over FY22-24), and under-ownership drive our preference. We continue to hold **Infosys and HCL Tech** and now add **Persistent and LTTS** to the portfolio. We expect Persistent to be the fastest-growing company within our coverage universe over the next 2-3 years. It is also well-positioned to capitalize on predictive GenAI spending, particularly, in data engineering. We expect LTTS to register consistent revenue growth over the next three years, led by diversified vertical exposure and best-in-class execution. LTTS is in the pole position to benefit from increased outsourcing activity in ER&D space over the medium to long term.
- **CONSUMPTION:** We continue to remain **OW** on Consumption, with a significant bias towards discretionary consumption names. **In Staples, we are adding HUL and GCPL to the portfolio.** Reasonable valuations, bottoming out of volume growth, and a gradual pick-up in monsoon provide decent catalysts from a tactical perspective. Any potential relief measures in the Union Budget for middle-class/rural segments ahead of the state elections can drive a moderate re-rating in the sector. We are adding **KEI Industries and Kalyan Jewelers** to the model portfolio given the solid underlying earnings growth and consistent execution. We continue to maintain our allocations in **Avenue Supermart, Titan, Indian Hotels, Zomato, Cello, and Metro Brands.**
- **AUTOMOBILES:** We are cutting weights in **Automobiles** and downgrade it to **UW** following the recent sharp run-up in our model portfolio stocks (**SAMIL**, which we added in 4QFY24 has rallied 71% in the last three months, while **Craftsman Automation** has been up 30%). Within the sector, we continue to maintain our preference towards **M&M** (which has also rallied 44% in the last three months between our two preview reports) and **Ashok Leyland.**
- **INDUSTRIALS & REAL ESTATE:** Industrials remain our favorite theme. However, valuations have run up and offer little respite from the near-term risk-reward perspective. While we remain **OW** and maintain our allocations in **L&T and ABB**, we now replace **KOEL with Bharat Electronics.** KOEL, since our initiation in Dec'23, has been up 135%. **BEL** will continue to benefit from its dominant position in defense electronics, and we expect a 16% revenue CAGR and 17% EBITDA CAGR over the next three years. We continue to remain very bullish on **Real Estate** and retain our significant **OW** stance without any change in our picks and weights (**Godrej Properties, Sobha Ltd., and Sunteck Realty**).
- **HEALTHCARE:** We are raising Healthcare to **OW** from **Netural**. We are replacing **Cipla** with **Mankind Pharma** in the portfolio. **Mankind Pharma** is not only enhancing the niche portfolio, but also improving its chronic share, thereby driving a 15% earnings CAGR over FY24-26. Surplus cash provides increased scope for growth through inorganic opportunities. We remain constructive on the Hospitals sector and now switch from **Global Health to Max Healthcare.** After delivering 33% EBITDA CAGR over FY20-24, Max Healthcare is well-placed to deliver 19% EBITDA CAGR over FY24-26 backed by the scale-up of the recently acquired Sahara Hospital (Lucknow), Alexis Hospital (Nagpur), and the addition of beds at its existing sites.

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

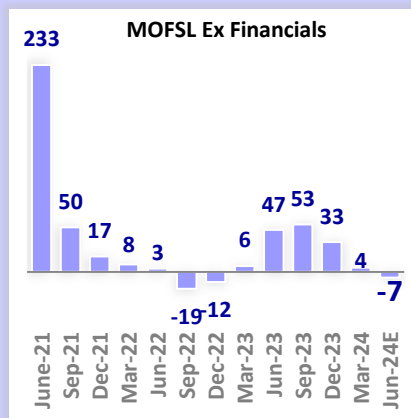
# Corporate earnings at a glance: BFSI and Auto to drive earnings growth again

BFSI and Auto would lead the quarter; Healthcare and Metal's contribution to improve; excluding OMCs, profits would grow 11% and 8% YoY for the MOFSL Universe and Nifty, respectively.

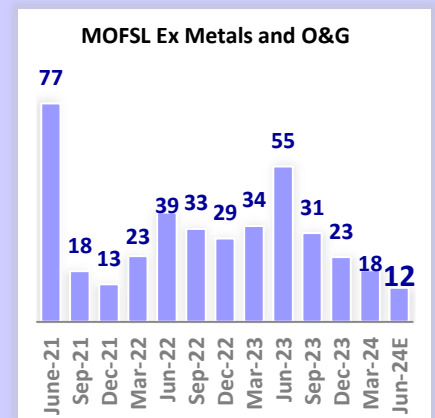
PAT expected to remain flat YoY for the MOFSL Universe



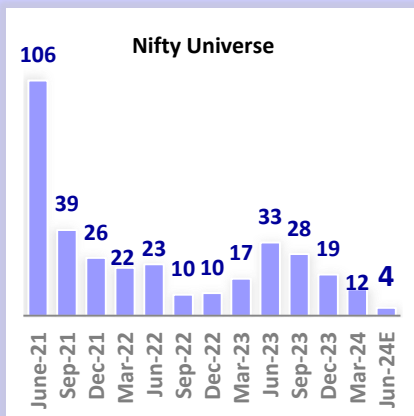
PAT likely to decline 7% YoY for the MOFSL Universe, excluding Financials



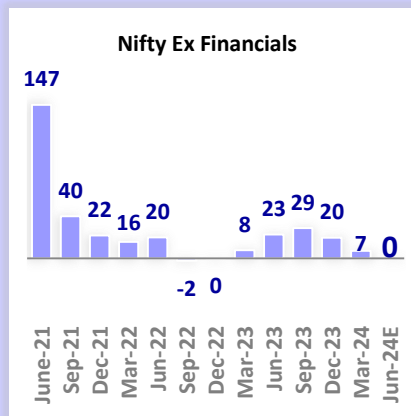
PAT to jump 12% YoY for the MOFSL Universe, sans Metals and O&G



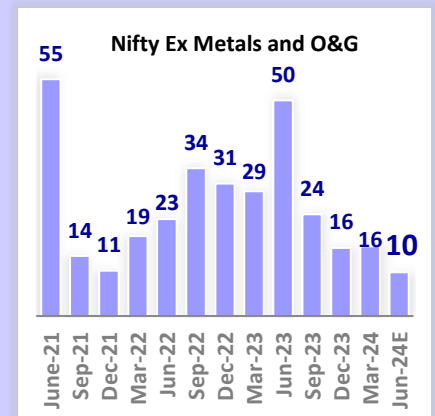
PAT growth for the Nifty Universe likely to be at 4% YoY



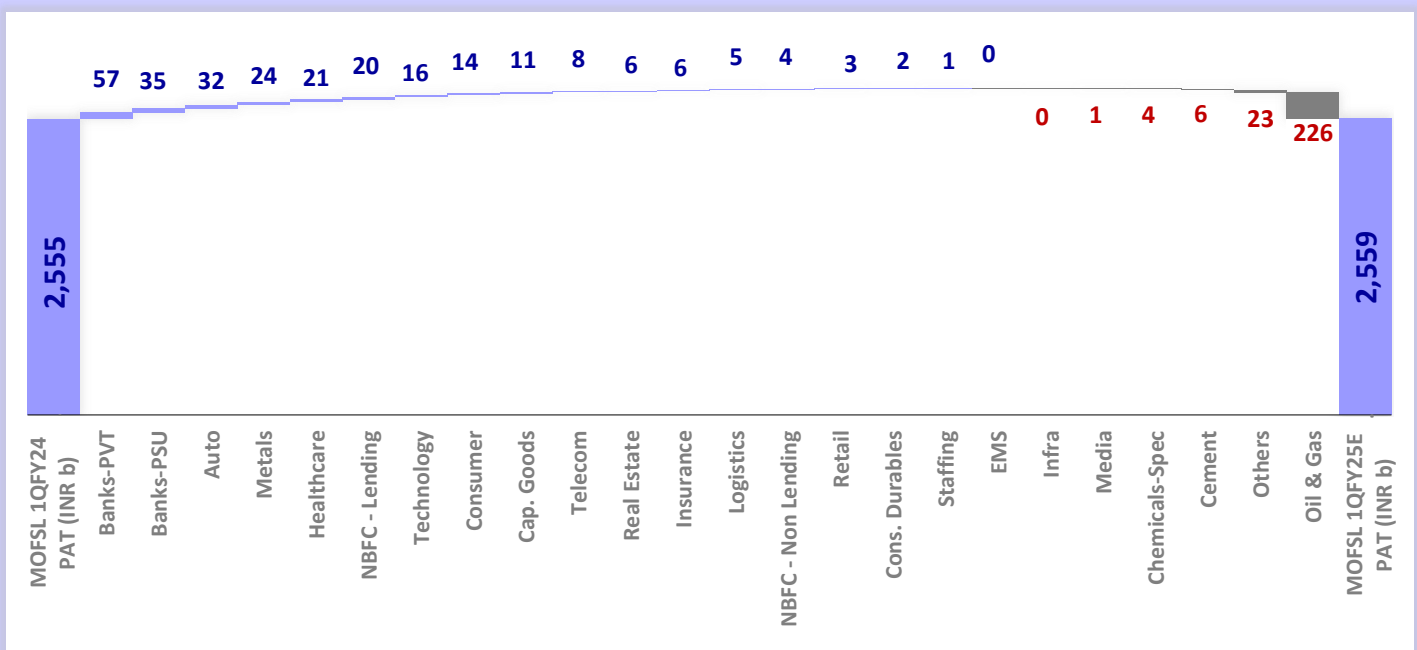
PAT to remain flat YoY for the Nifty Universe, sans Financials



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

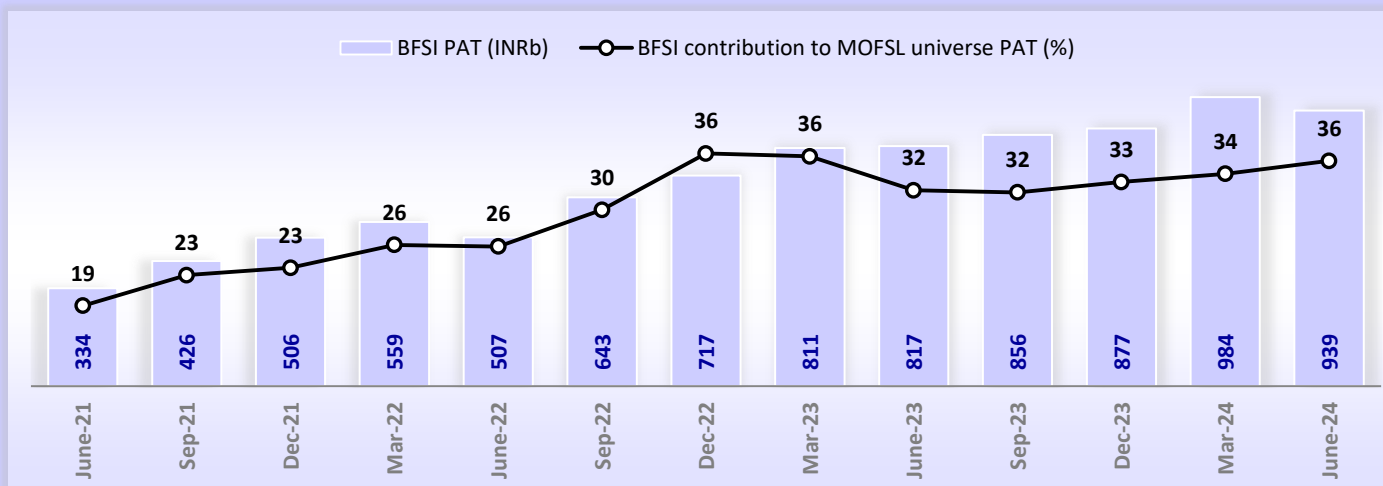


Performance of the MOFSL Universe to be driven by Banks, Auto, Metals, and Healthcare in 1QFY25E

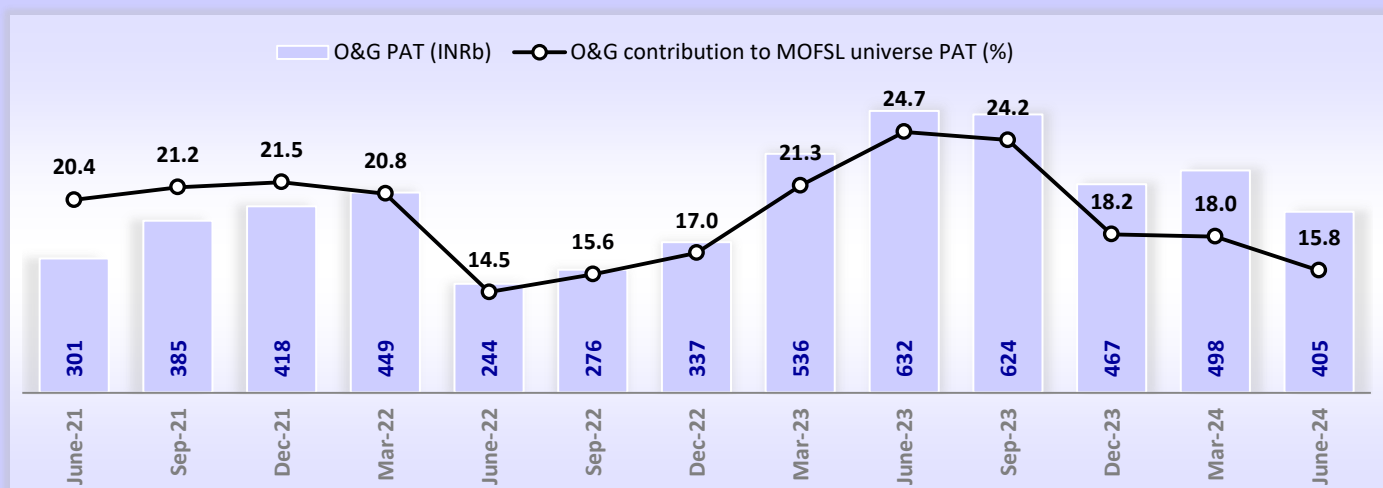


# Corporate earnings at a glance: BFSI and O&G's contribution likely to improve

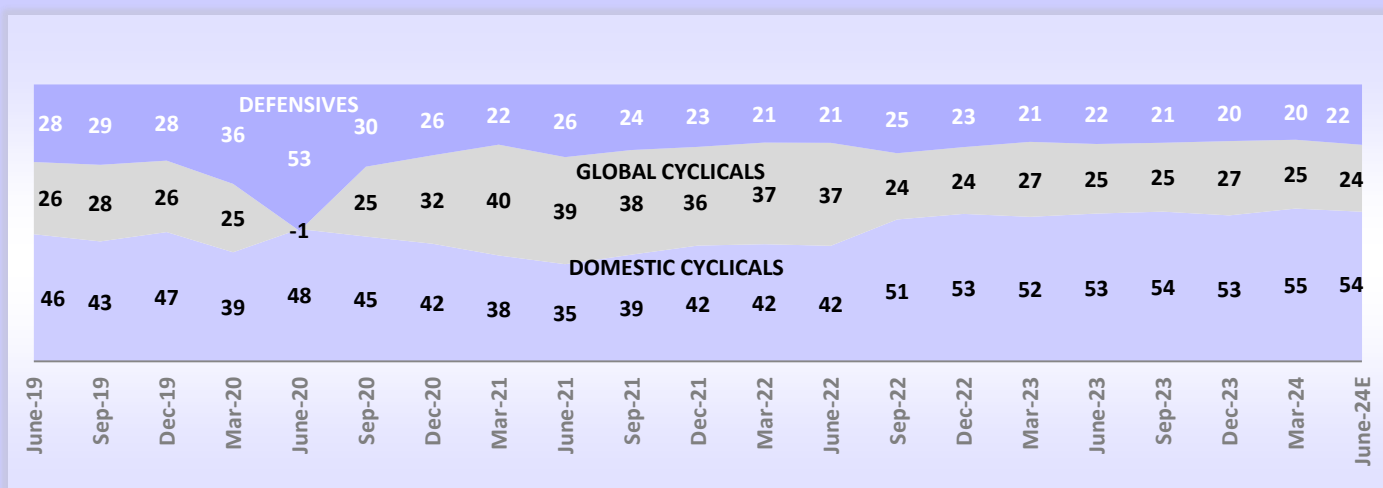
Financials' contribution to witness gains and would account for over one-third of the overall profit pool



O&G's PAT contribution to the MOFSL Universe would decline to a seven-quarter low in 1QFY25



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



**MOFSL: MODEL PORTFOLIO**

| SECTOR WEIGHT /<br>PORTFOLIO PICKS   | BSE<br>100  | MOST<br>WEIGHT | WEIGHT<br>RELATIVE<br>TO BSE100 | EFFECTIVE<br>SECTOR STANCE | PAT YoY / CAGR (%) |           |           |           |
|--------------------------------------|-------------|----------------|---------------------------------|----------------------------|--------------------|-----------|-----------|-----------|
|                                      |             |                |                                 |                            | FY24               | FY25E     | FY26E     | FY24-FY26 |
| <b>Financials</b>                    | <b>31.7</b> | <b>32.0</b>    | <b>0.3</b>                      | <b>Neutral</b>             |                    |           |           |           |
| <b>Private Banks</b>                 | <b>22.3</b> | <b>20.0</b>    | <b>-2.3</b>                     | <b>Underweight</b>         |                    |           |           |           |
| ICICI Bank                           | 6.4         | 8.0            | 1.6                             | Buy                        | 28                 | 13        | 14        | 13        |
| HDFC Bank                            | 9.2         | 7.0            | -2.2                            | Buy                        | 38                 | 15        | 17        | 16        |
| Axis Bank                            | 2.7         | 3.0            | 0.3                             | Neutral                    | 13                 | 13        | 18        | 15        |
| AU Small Finance                     | 0.3         | 2.0            | 1.7                             | Buy                        | 7                  | 43        | 33        | 38        |
| <b>PSU Bank</b>                      | <b>3.4</b>  | <b>6.0</b>     | <b>2.6</b>                      | <b>Overweight</b>          |                    |           |           |           |
| SBI                                  | 2.5         | 4.0            | 1.5                             | Buy                        | 21                 | 18        | 18        | 18        |
| Bank of Baroda                       | 0.4         | 2.0            | 1.6                             | Buy                        | 26                 | 11        | 15        | 13        |
| <b>Diversified Financials</b>        | <b>6.0</b>  | <b>6.0</b>     | <b>0.0</b>                      | <b>Neutral</b>             |                    |           |           |           |
| Angel One                            | 0.0         | 2.0            | 2.0                             | Buy                        | 26                 | 33        | 17        | 25        |
| Chola. Inv & Fin.                    | 0.4         | 2.0            | 1.6                             | Buy                        | 28                 | 30        | 35        | 32        |
| PNB Hsg Fin                          | 0.0         | 2.0            | 2.0                             | Buy                        | 44                 | 23        | 23        | 23        |
| <b>Consumption / Retail</b>          | <b>12.2</b> | <b>14.0</b>    | <b>1.8</b>                      | <b>Overweight</b>          |                    |           |           |           |
| Avenue Supermarts                    | 0.5         | 3.0            | 2.5                             | Buy                        | 7                  | 34        | 32        | 33        |
| Titan Company                        | 1.0         | 3.0            | 2.0                             | Buy                        | 7                  | 20        | 23        | 21        |
| HUL                                  | 1.7         | 2.0            | 0.3                             | Buy                        | 1                  | 8         | 11        | 9         |
| GCPL                                 | 0.4         | 2.0            | 1.6                             | Buy                        | 13                 | 16        | 19        | 17        |
| Zomato                               | 1.0         | 2.0            | 1.0                             | Buy                        | LP                 | 189       | 176       | 182       |
| Indian Hotels                        | 0.4         | 2.0            | 1.6                             | Buy                        | 26                 | 19        | 23        | 21        |
| <b>Energy/Telecom</b>                | <b>13.0</b> | <b>12.0</b>    | <b>-1.0</b>                     | <b>Neutral</b>             |                    |           |           |           |
| Reliance Industries                  | 8.0         | 6.0            | -2.0                            | Buy                        | 4                  | 16        | 21        | 19        |
| Bharti Airtel                        | 2.8         | 4.0            | 1.2                             | Buy                        | 39                 | 80        | 49        | 64        |
| HPCL                                 | 0.0         | 2.0            | 2.0                             | Buy                        | LP                 | -45       | 10        | -22       |
| <b>Technology</b>                    | <b>10.6</b> | <b>11.0</b>    | <b>0.4</b>                      | <b>Neutral</b>             |                    |           |           |           |
| Infosys                              | 4.4         | 4.0            | -0.4                            | Buy                        | 1                  | 8         | 16        | 12        |
| HCL Technologies                     | 1.2         | 3.0            | 1.8                             | Buy                        | 6                  | 8         | 9         | 9         |
| Persistent Systems                   | 0.4         | 2.0            | 1.6                             | Neutral                    | 19                 | 30        | 22        | 26        |
| L&T Technology                       | 0.0         | 2.0            | 2.0                             | Buy                        | 11                 | 10        | 16        | 13        |
| <b>Cap Goods, Infra &amp; Cement</b> | <b>9.7</b>  | <b>10.0</b>    | <b>0.3</b>                      | <b>Neutral</b>             |                    |           |           |           |
| Larsen & Toubro                      | 3.1         | 4.0            | 0.9                             | Buy                        | 25                 | 12        | 29        | 20        |
| ABB India                            | 0.0         | 2.0            | 2.0                             | Buy                        | 82                 | 54        | 24        | 38        |
| Bharat Electronics                   | 0.9         | 2.0            | 1.1                             | Buy                        | 34                 | 21        | 23        | 22        |
| Godrej Properties                    | 0.0         | 2.0            | 2.0                             | Buy                        | 20                 | 27        | 11        | 19        |
| <b>Auto</b>                          | <b>7.7</b>  | <b>5.0</b>     | <b>-2.7</b>                     | <b>Underweight</b>         |                    |           |           |           |
| Mahindra & Mahindra                  | 1.9         | 3.0            | 1.1                             | Buy                        | 35                 | 21        | 19        | 20        |
| Ashok Leyland                        | 0.2         | 2.0            | 1.8                             | Buy                        | 102                | 28        | 20        | 24        |
| <b>Healthcare</b>                    | <b>4.2</b>  | <b>5.0</b>     | <b>0.8</b>                      | <b>Neutral</b>             |                    |           |           |           |
| Mankind Pharma                       | 0.0         | 3.0            | 3.0                             | Buy                        | 38                 | 13        | 15        | 14        |
| Max Healthcare                       | 0.5         | 2.0            | 1.5                             | Buy                        | 19                 | 18        | 23        | 20        |
| <b>Metals / Utilities</b>            | <b>6.9</b>  | <b>4.0</b>     | <b>-2.9</b>                     | <b>Underweight</b>         |                    |           |           |           |
| Hindalco                             | 0.8         | 2.0            | 1.2                             | Buy                        | 1                  | 34        | 4         | 18        |
| Coal India                           | 0.8         | 2.0            | 1.2                             | Buy                        | 18                 | -8        | 18        | 4         |
| <b>Others</b>                        | <b>4.1</b>  | <b>7.0</b>     | <b>2.9</b>                      | <b>Overweight</b>          |                    |           |           |           |
| Kalyan Jewellers                     | 0.0         | 1.0            | 1.0                             | Buy                        | 30                 | 47        | 36        | 41        |
| Metro Brands                         | 0.0         | 1.0            | 1.0                             | Buy                        | -5                 | 20        | 24        | 22        |
| KEI Industries                       | 0.0         | 1.0            | 1.0                             | Buy                        | 22                 | 24        | 24        | 24        |
| Sobha                                | 0.0         | 1.0            | 1.0                             | Buy                        | -53                | 591       | 110       | 281       |
| Restaurant Brands                    | 0.0         | 1.0            | 1.0                             | Buy                        | Loss               | Loss      | LP        | LP        |
| Cello World                          | 0.0         | 1.0            | 1.0                             | Buy                        | 24                 | 22        | 26        | 24        |
| Sunteck Realty                       | 0.0         | 1.0            | 1.0                             | Buy                        | 4700               | 235       | 43        | 119       |
| <b>TOTAL</b>                         | <b>100</b>  | <b>100</b>     |                                 |                            | <b>25</b>          | <b>14</b> | <b>19</b> | <b>16</b> |

LP: Loss to Profit

## MARKETS

### Indian markets continue to head north...

...backed by strong domestic flows and retail participation!

- **Clocking new highs since Mar'23:** The Nifty-50 surpassed the milestone of 24k, and BSE Sensex exceeded the 80k mark and hit an all-time high. Despite the heightened volatility during the Lok Sabha election period, markets remained strong and continued their uptrend. The Nifty-50 surged 25% YoY as of Jun'24 (up 10% in CY24YTD). The Nifty-50 continued its upward march since the last five consecutive quarters (rising 38% since Mar'23). The market cap of the Indian listed universe surpassed USD5t, accounting for 4.2% of the global market cap.
- **Showcasing strong resilience:** The Indian markets continued to showcase their resilience and outperformed other emerging markets handsomely amid weak global macros, high interest rates, and geopolitical uncertainties that kept global markets volatile and jittery. MSCI India outperformed global markets by a wide margin in the past 12 months.
- **Mixed performance by global economies in CY24YTD:** India remains the third best performer (+10%) after Taiwan (+21%) and the US S&P500 (+14%), outperforming China (+10%) and other EM (+6%) along with other key global economies in CY24YTD in USD terms. Further, MSCI India (+16%) outperformed MSCI EM (+6%) by a wide margin in CY24YTD.
- **India's outperformance vs. the global market continues:** As the global markets recover from their lows in CY23, India's outperformance slips from the highs, in CY24. However, despite relative moderation, India remains the top performer in local currency terms and the second-best performer in USD terms (only after the US) in the last 10 years. The Nifty-50 posted a CAGR of 15%/15%/12% (in local currency terms) and a CAGR of 11%/11%/9% (in USD terms) during the three-year/five-year/ten-year periods ended Jun-24.
- **DII flows exhibit power, FII flows remain flat:** Backed by strong retail participation and SIP flows of +USD2b (scaling a new high), DII inflows continue to remain strong. DII inflows over the past six months at USD28.5b have exceeded that of the entire CY23 (USD22.3b). FII flows continued to remain volatile in CY24. With concerns over election uncertainty behind, FIIs turned positive in Jun'24 infusing about USD0.3b in CY24YTD.
- **Broad-based outperformance trend continues!** Following a year of broad-based growth in FY24, with all the indices and sectors delivering positive returns, the outperformance trend has continued in 1QFY25 (Apr-24 to Jun-24) as well. Both the Nifty Midcap 100 (+16% YoY) and the Nifty Smallcap 100 (+20% YoY) outperformed the Nifty-50 by a wide margin of 8% and 12%, respectively. The continued rally of the laggards from the past decade, such as Real Estate, Capital Goods, PSUs, Industrials, Defense, etc. (despite not being a major contributor to the large-cap indices), led to the continued rally in the broader markets. This continued to drive a rally in the mid- and small-cap indices to new highs.

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

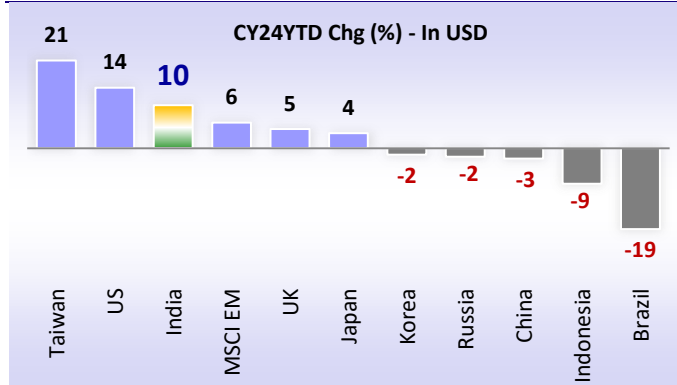


Exhibit 2: World equity indices in local currency terms (%)

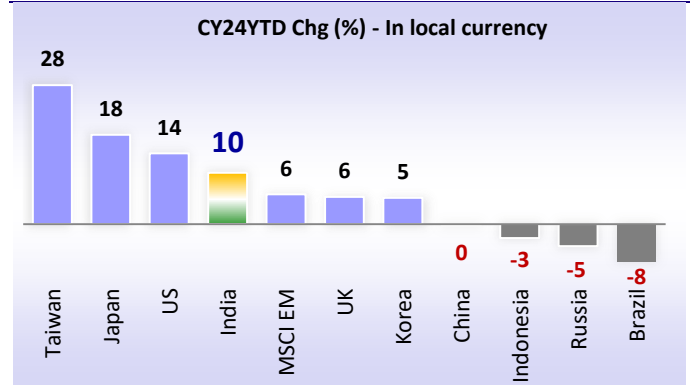


Exhibit 3: FII flows remained volatile but positive...

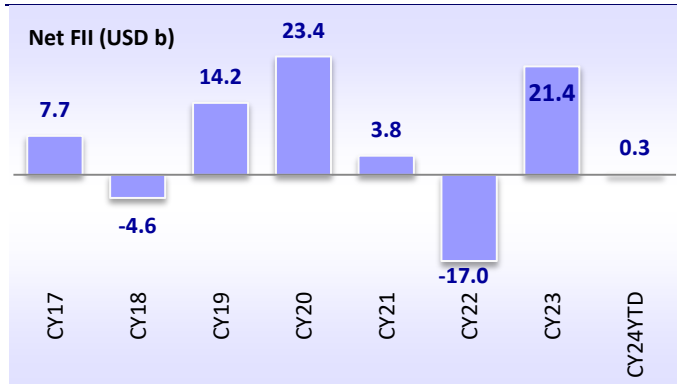


Exhibit 4: ...while DII inflows continued to remain strong

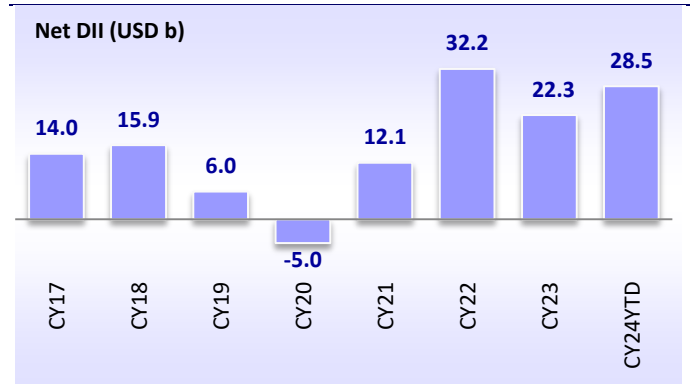


Exhibit 5: FIIs net buyers, and inflows jumped in Jun'24

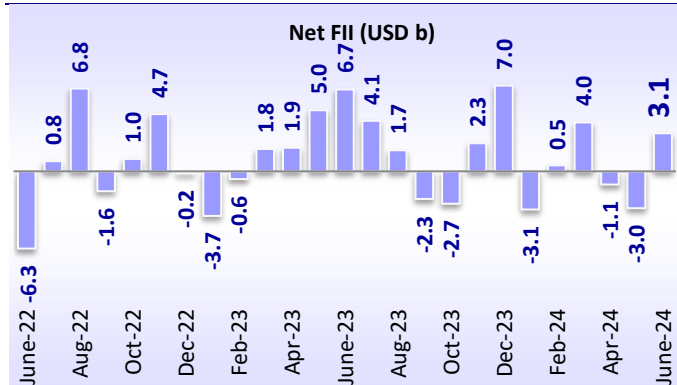


Exhibit 6: DII flows have been robust since the last 11 months

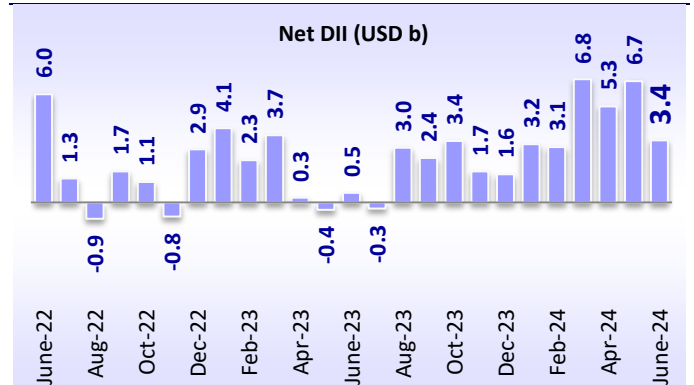
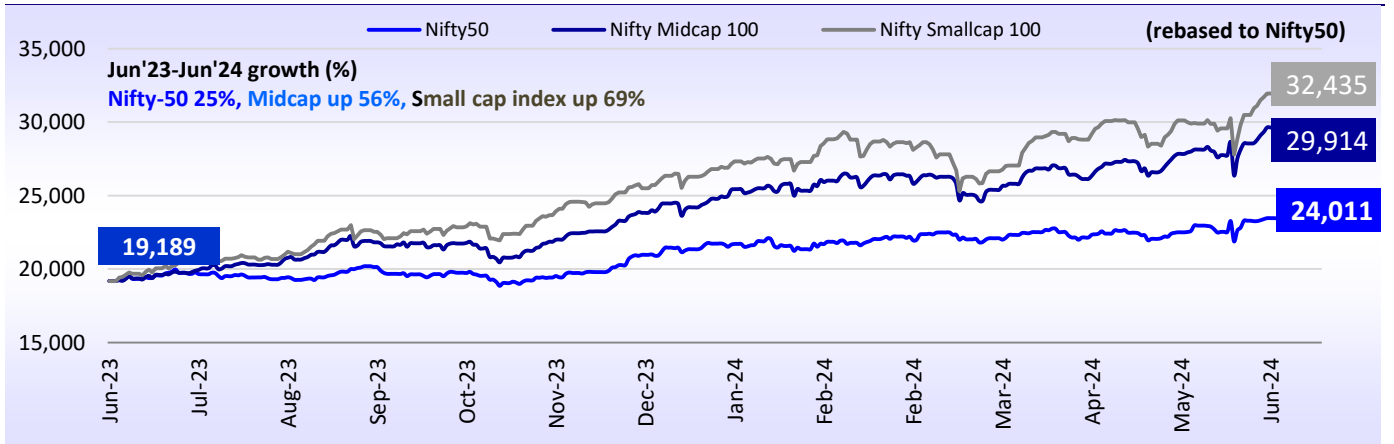


Exhibit 7: Nifty Midcap and Nifty Smallcap indices have outperformed Nifty-50 in past one year (indices rebased to Nifty-50)

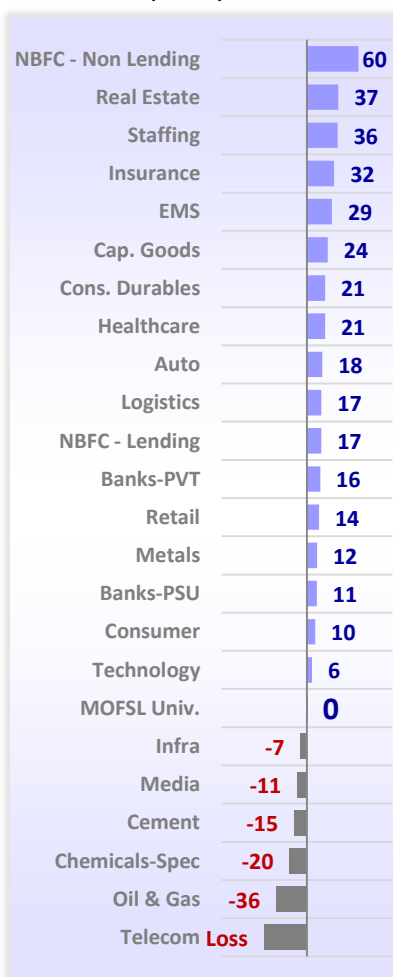


## 1QFY25 PREVIEW

Expect BFSI and Auto to lead the incremental profit growth in 1QFY25

Of the 17 major sectors under MOFSL Coverage, 11 sectors to witness an expansion in EBITDA margin

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

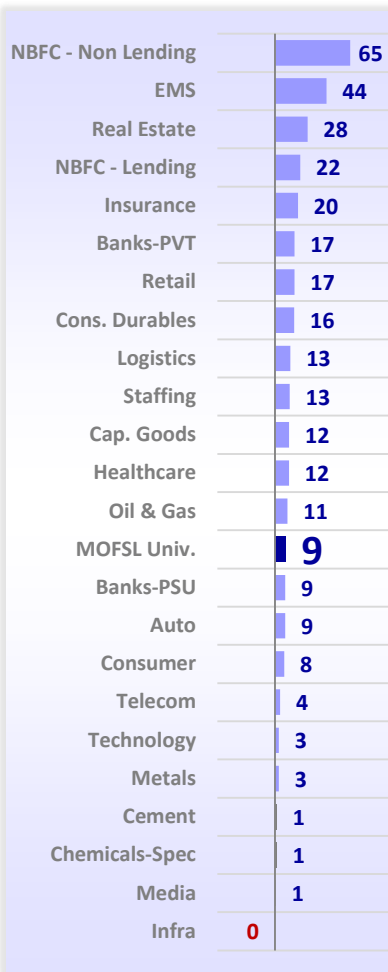


## Auto and BFSI lead the charge, OMCs drag down earnings

### MOFSL ex-OMCs is expected to grow by a healthy 11%

- **Auto** sector's earnings are likely to surge 18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY at 13.1%, fueled by moderate commodity costs on a YoY basis, a favorable product mix, and operating leverage. However, we expect the EBITDA margin to remain stable QoQ. For auto ancillaries, the EBITDA margin may largely remain stable YoY, while it is expected to decline 70bp QoQ. We noted a rise in key commodity prices in 1QFY25 QoQ, such as aluminum (+15%), copper (+16%), lead (+5%), rubber (+5%) and platinum (9%). While the impact of rising input costs is likely to be visible for OEMs from 2Q onwards, tyre companies are expected to face this adverse impact in 1Q itself, with the major impact likely in 2Q.
- **BFSI's** earnings are expected to moderate with a slightly negative margin bias. For BFSI, we expect a 15% YoY earnings growth, which is driven by Private Banks (up 16%), Insurance (up 32%), and NBFC-Lending (up 17%), while PSBs are expected to post an earnings growth of 11% YoY. We estimate systemic loans to clock a 14% growth over FY25-26. The home, vehicle, real estate, and small business segments continued to do well, while CV demand remained healthy. Credit quality for most banks had been robust, leading to controlled provisioning expenses. However, the recent developments related to farm loan waivers could potentially upset the credit culture and result in an uptick in credit costs, particularly in the agri and unsecured segments (like MFI).
- **The Capital Goods sector's** earnings are projected to rise 24% YoY during the quarter. Some moderation in order inflow is expected in 1QFY25, following a strong FY24. The companies continue to benefit from a strong enquiry pipeline, especially in transmission, data centers, EVs, railways, semiconductors, electronics, and hydrogen. We expect 12% YoY growth in execution in 1QFY25. Higher commodity prices and labor shortages can hurt margins. However, we expect margins to get support from improved pricing, cost-saving measures, and an improved product mix. As a result, we expect an ~80bp YoY expansion in EBITDA margin for our coverage universe.
- For the MOFSL **Consumer** coverage universe, revenue/EBITDA/PAT are expected to clock 8%/9%/10% YoY growth in 1QFY25. The demand trend was steady in 1QFY25, and the summer portfolio is expected to outperform. Most of the management teams remain positive on volume recovery in FY25. With steady macro, along with price cuts/consumer offers by companies, we expect that our FMCG universe is likely to clock mid-to-high-single-digit volume growth in FY25.
- The **Healthcare** companies under our coverage are expected to report a healthy YoY earnings growth of 21% in 1QFY25. We expect aggregate sales to grow by 11% YoY to INR763b, aided by strong traction in Domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is likely to exhibit a 15% YoY growth to INR179b, led by a higher share of niche launches in the US generics. PAT is expected to grow by 21% YoY to INR111b. For hospitals, we expect profitability to improve due to the addition of beds, an increase in occupancy, and the optimization of case mix/payor mix.
- Companies within our **Metals** coverage universe are expected to post a revenue, EBITDA, and APAT growth 3%, 11%, and 12% YoY, respectively, in 1QFY25. On a sequential basis, we expect revenue to be flat and EBITDA and APAT to grow 3% and 6%, respectively. The QoQ performance can be attributed to marginal

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



improvement in realizations and lower coal costs offset by softer volumes and high iron ore costs. We expect the ferrous and non-ferrous sectors to deliver earnings improvement QoQ during 1QFY25. The mining companies are expected to report subdued growth due to weak volumes.

- **The Cement sector's** earnings are projected to decline 15% YoY as the cement price remained muted during the quarter. The all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- **The O&G sector's** earnings are expected to decline 36% YoY, driven by lower SG GRM (down 52% QoQ) and marginally lower marketing margins (down 29%/10% for MS/HSD). The EBITDA/scm margins for MAHGL and GUJGA are down 4%/11% QoQ (up 2% QoQ for IGI) amid a continued shortfall in APM gas and 18% higher QoQ spot LNG prices in 1QFY25. We have reduced our Brent price assumption by 7%/12% for FY25/26, to USD78.8/bbl and USD75/bbl for FY25/26, respectively. This has been led by a gradual unwinding of OPEC+ voluntary cuts from Oct'24, as the IEA expects a rise in global oil supply from non-OPEC+ by 1.4mb/d in CY24 and 1.8mb/d in CY25.
- **Specialty Chemicals** is projected to report an earnings decline (down 20% YoY) for the fifth consecutive quarter. We expect positive earnings from 2QFY25 onwards.
- **The Technology** sector's (IT services companies) revenue is expected to recover following a tepid 4QFY24 for the industry. We expect aggregate revenue/EBIT/PAT to grow 3.2%/5.2%/6.1% YoY (all in INR terms) for our coverage universe. We would be looking for signs of recovery in discretionary spending in the form of deal activities, which have been heavily skewed towards cost-takeout projects. However, any disappointment in 1QFY25 could again put pressure on 2Q. We believe mid-tier companies could continue to perform well, especially those with strong offerings in "pre-GenAI" spending, such as data engineering.
- **1QFY25 snapshot:** We expect EBITDA/PBT/PAT to be +2%/flat/flat YoY in 1QFY25 for the MOFSL Universe. Excluding Metals and O&G, EBITDA/PBT/PAT for the MOFSL Universe would grow 10%/11%/12% YoY. Sales for the MOFSL Universe are forecasted to grow 9% YoY. Excluding Metals and O&G, sales are also likely to rise 9% YoY during the quarter.
- EBITDA margins for Real Estate, Metals, Healthcare, Capital Goods, Consumer Durables, Automobiles, Technology, Consumer, and Logistics should expand, while margins for O&G, Specialty Chemicals, Media, EMS, and Retail are likely to contract on a YoY basis.
- **Nifty earnings to grow 4% YoY in 1QFY25:** Ex-OMCs, the Nifty earnings are anticipated to rise ~8% YoY. HDFC Bank, Hindalco, TCS, ICICI Bank, and Maruti Suzuki, are likely to drive Nifty earnings, while BPCL, JSW Steel, Coal India, Grasim Industries and ONGC are projected to drag the same.
- Nifty earnings, ex Metals/O&G, are likely to increase 10% YoY in 1QFY25.
- **FY25E snapshot:** The MOFSL Universe and Nifty are likely to record 13% YoY and 12% YoY earnings growth, respectively, in FY25E. Excluding Metals and O&G, the MOFSL Universe/Nifty should post 18%/12% YoY earnings growth.

### Key sectoral trends and highlights

- **The Private banks** (ex-HDFCB) sector is expected to report a PPOP growth of 10% YoY/flat QoQ, and a PAT growth of 9% YoY/a decline of 2.1% QoQ. We also estimate earnings to record a 16% CAGR over FY24-26. We estimate 1QFY25 NII growth of 16.6% YoY (+13.0% YoY ex-HDFCB). Slippages broadly remain under control, which should drive stability/further improvement in asset quality ratios.
- **The PSU banks** are likely to report moderate earnings growth of 11.5% YoY in 1QFY25. NII growth is also likely to moderate to 8.8% YoY as margins maintain a downward bias. Accordingly, we estimate PSBs' earnings to clock a 17% CAGR over FY24-26. Asset quality is anticipated to remain stable due to an improving borrower profile and a low SMA pool, keeping slippages under control. However, with the ongoing developments about farm loan waivers, the outlook for asset quality will be closely monitored over the coming quarters.
- The MOFSL **NBFC-Lending** Coverage Universe is likely to report a sales/PAT growth of 22%/17% YoY. For our coverage universe, we estimate loan growth of ~20% YoY/~4% QoQ in 1QFY25. While loan growth was broad-based, a) gold financiers are expected to report strong gold loan growth, b) micro-financiers are expected to report muted loan growth, and c) select HFCs (impacted by RBI guidelines on interest income recognition only on cheque encashment) might report weaker disbursement momentum. Structurally, we believe that fixed-rate lenders such as vehicle financiers and micro-LAP lenders will benefit from any interest rate cuts whenever they occur.
- **Auto** OEMs reported ~10% YoY volume growth in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% YoY growth. CVs and tractors grew 4% each. However, passenger car volumes continued to underperform UVs as demand remained weak for the entry-level category. Revenue/EBITDA/PAT for our coverage universe is likely to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (ex-JLR) is likely to improve 170bp YoY at 13.1%.
- For the MOFSL **Consumer** universe, we expect marginal improvement in volume growth QoQ in 1QFY25. Considering a steady macro, price cuts, and consumer offers by companies, we expect that our FMCG universe is likely to post a mid-to-high-single-digit volume growth in FY25. Gross margin is likely to see some improvement, albeit at a slower pace than witnessed over the last 3-4 quarters.
- For the MOFSL **Capital Goods** universe, we expect healthy growth of 12%/21%/24% YoY in sales/ EBITDA/PAT in 1QFY25. Due to elections in Apr-May'24, the government's ordering activity slowed down. During the quarter, LT announced orders worth ~INR183b, BHE won ~INR43b, KECI secured ~INR49b, and KPIL acquired ~INR23b. With strong existing order books, we estimate 12% YoY growth in execution for our coverage universe in 1QFY25.
- The **MOFSL Cement** Universe should report an EBITDA/PBT growth of 2%/2% and a PAT decline of 15% YoY for the quarter. Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate an average capacity utilization of ~85% in 1QFY25 vs. ~88%/95% in 1QFY24/4QFY24.
- The **Healthcare** Universe is likely to report sales/EBITDA/PAT growth of 12%/17%/21% YoY in 1QFY25. We expect aggregate DF segment sales to grow 10% YoY to INR194b in 1QFY25 for the companies under our coverage. This will be

propelled by healthy growth in Cardiac, Gastro, and Derma therapies that have grown more than IPM for the quarter.

- The **Metals** Universe is expected to post an earnings growth of 12% YoY. In 1QFY25, average domestic HRC prices remained flat QoQ /7% lower YoY to INR53,630/t. Premium HCC price declined ~USD70/t (down 21% QoQ) to USD260/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to experience the positive impact of lower coking coal prices in 1QFY25. HRC and rebar prices are expected to improve, driven by the resumption in exports and an expected uptick in domestic demand post-elections.
- For the **Technology** Universe, we expect aggregate revenue/EBITDA/PAT to grow 3.3%/5.1%/6.1% YoY (all in INR terms) for our coverage universe. We expect revenue growth of Tier-I companies to be in the range of -0.5% to +2.0% QoQ in CC. Revenue of Tier-II players is expected to grow by -1.5% to +5.0% QoQ in CC terms. We expect ~5-7% YoY revenue growth in constant currency (cc) terms for HCL and TCS (lower for INFY largely due to a poor exit to FY24) for FY25. This will be contingent on a recovery in the flow business and clients' willingness to resume discretionary spending.

**Exhibit 8: MOFSL and Nifty Universe to post flat and 4% YoY earnings growth, respectively, in 1QFY25 (INR b)**

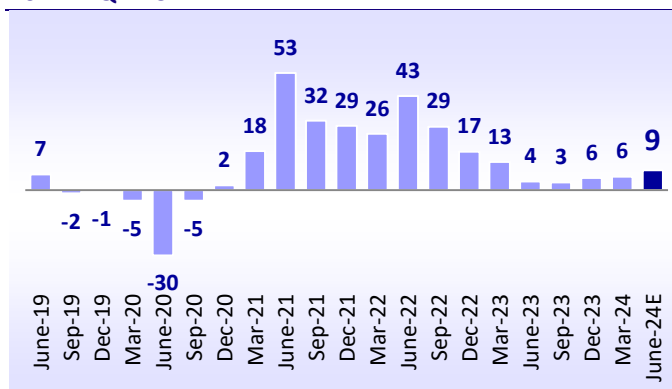
| Sector                        | Sales         | Gr. (%)   |            | EBITDA       | Gr. (%)    |            | PAT          | Gr. (%)    |            | PAT Delta   | PAT        |
|-------------------------------|---------------|-----------|------------|--------------|------------|------------|--------------|------------|------------|-------------|------------|
|                               | Jun-24        | YoY       | QoQ        | Jun-24       | YoY        | QoQ        | Jun-24       | YoY        | QoQ        | INR b       | Share (%)  |
| <b>PAT growth sectors</b>     | <b>2,663</b>  | <b>15</b> | <b>-16</b> | <b>382</b>   | <b>23</b>  | <b>-13</b> | <b>248</b>   | <b>26</b>  | <b>-14</b> | <b>50</b>   | <b>10</b>  |
| NBFC - Non Lending (5)        | 26            | 65        | 5          | 11           | 71         | 7          | 9            | 60         | 6          | 4           | 0          |
| Real Estate (11)              | 124           | 28        | -22        | 35           | 50         | -26        | 24           | 37         | -35        | 6           | 1          |
| Staffing (4)                  | 116           | 13        | 5          | 4            | 17         | 16         | 2            | 36         | 79         | 1           | 0          |
| Insurance (6)                 | 531           | 20        | -33        | 25           | 28         | -37        | 24           | 32         | 17         | 6           | 1          |
| EMS (5)                       | 21            | 44        | -18        | 2            | 35         | -40        | 1            | 29         | -46        | 0           | 0          |
| Capital Goods (11)            | 824           | 12        | -21        | 94           | 21         | -28        | 56           | 24         | -36        | 11          | 2          |
| Consumer Durables (5)         | 180           | 16        | -7         | 18           | 25         | -9         | 12           | 21         | -9         | 2           | 0          |
| Healthcare (24)               | 840           | 12        | 4          | 193          | 17         | 5          | 119          | 21         | 2          | 21          | 5          |
| <b>Med/Low growth sectors</b> | <b>11,291</b> | <b>8</b>  | <b>0</b>   | <b>3,171</b> | <b>10</b>  | <b>-2</b>  | <b>1,848</b> | <b>13</b>  | <b>-3</b>  | <b>207</b>  | <b>72</b>  |
| Automobiles (25)              | 2,859         | 9         | -5         | 391          | 14         | -8         | 212          | 18         | -13        | 32          | 8          |
| Logistics (8)                 | 153           | 13        | 0          | 57           | 14         | 3          | 32           | 17         | 1          | 5           | 1          |
| NBFC - Lending (20)           | 322           | 22        | 4          | 241          | 20         | 5          | 137          | 17         | 3          | 20          | 5          |
| Banks-Private (13)            | 912           | 17        | 3          | 671          | 15         | -8         | 426          | 16         | -4         | 57          | 17         |
| Retail (20)                   | 533           | 17        | 9          | 59           | 14         | 10         | 25           | 14         | 20         | 3           | 1          |
| Metals (10)                   | 2,858         | 3         | -2         | 507          | 11         | 3          | 225          | 12         | 6          | 24          | 9          |
| Banks-PSU (6)                 | 899           | 9         | 1          | 599          | 3          | -3         | 342          | 11         | -10        | 35          | 13         |
| Consumer (19)                 | 882           | 8         | 9          | 226          | 9          | 14         | 161          | 10         | 12         | 14          | 6          |
| Technology (12)               | 1,872         | 3         | 1          | 421          | 5          | -2         | 287          | 6          | -1         | 16          | 11         |
| <b>PAT de-growth sectors</b>  | <b>10,180</b> | <b>9</b>  | <b>3</b>   | <b>1,377</b> | <b>-17</b> | <b>-7</b>  | <b>463</b>   | <b>-35</b> | <b>-20</b> | <b>-253</b> | <b>18</b>  |
| Infrastructure (3)            | 47            | 0         | -13        | 13           | 0          | -9         | 4            | -7         | -23        | 0           | 0          |
| Media (3)                     | 46            | 1         | 7          | 10           | -4         | 36         | 5            | -11        | 26         | -1          | 0          |
| Cement (11)                   | 539           | 1         | -8         | 84           | 2          | -17        | 35           | -15        | -31        | -6          | 1          |
| Chemicals-Specialty (12)      | 160           | 1         | 2          | 30           | -10        | 9          | 16           | -20        | 9          | -4          | 1          |
| Oil & Gas (15)                | 8,267         | 11        | 5          | 875          | -24        | -10        | 405          | -36        | -19        | -226        | 16         |
| Others (13)                   | 495           | 4         | -8         | 70           | -18        | -14        | 21           | -52        | -35        | -23         | 1          |
| Telecom (4)                   | 625           | 4         | 2          | 295          | 4          | 2          | -25          | Loss       | Loss       | 8           | -1         |
| <b>MOFSL Universe (265)</b>   | <b>24,133</b> | <b>9</b>  | <b>-1</b>  | <b>4,930</b> | <b>2</b>   | <b>-4</b>  | <b>2,559</b> | <b>0</b>   | <b>-8</b>  | <b>4</b>    | <b>100</b> |
| <b>Nifty (49)</b>             | <b>13,979</b> | <b>6</b>  | <b>-4</b>  | <b>3,439</b> | <b>4</b>   | <b>-5</b>  | <b>1,857</b> | <b>4</b>   | <b>-9</b>  | <b>65</b>   |            |
| <b>Sensex (30)</b>            | <b>10,354</b> | <b>8</b>  | <b>-3</b>  | <b>2,786</b> | <b>8</b>   | <b>-5</b>  | <b>1,463</b> | <b>9</b>   | <b>-9</b>  | <b>120</b>  |            |

**Exhibit 9: Expect a two-year PBT/PAT CAGR of 20%/23% for the MOFSL Universe (INR b)**

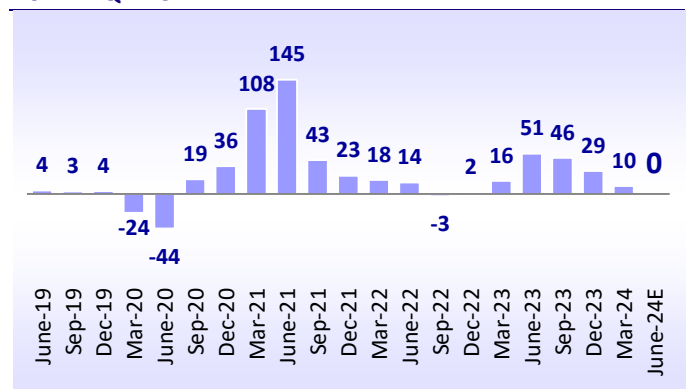
| Sector                                   | PBT (INR b)      |              |              |              | Growth (%) |               |           | PAT (INR b)  |              |              |              | Growth (%) |               |           |
|--|------------------|--------------|--------------|--------------|------------|---------------|-----------|--------------|--------------|--------------|--------------|------------|---------------|-----------|
|  | Jun-22           | Jun-23       | Mar-24       | Jun-24       | YoY        | Two-year CAGR | QoQ       | Jun-22       | Jun-23       | Mar-24       | Jun-24       | YoY        | Two-year CAGR | QoQ       |
|  | Automobiles (25) | 52           | 236          | 312          | 278        | 18            | 130       | -11          | 13           | 180          | 244          | 212        | 18            | 309       |
| Capital Goods (11)                       | 49               | 70           | 122          | 83           | 18         | 31            | -32       | 31           | 45           | 88           | 56           | 24         | 34            | -36       |
| Cement (11)                              | 60               | 54           | 70           | 50           | -8         | -9            | -28       | 44           | 41           | 51           | 35           | -15        | -11           | -31       |
| Chemicals-Specialty (12)                 | 33               | 27           | 20           | 22           | -18        | -19           | 8         | 25           | 20           | 15           | 16           | -20        | -20           | 9         |
| Consumer (19)                            | 165              | 199          | 189          | 217          | 9          | 15            | 15        | 123          | 147          | 144          | 161          | 10         | 15            | 12        |
| Consumer Durables (5)                    | 10               | 14           | 19           | 17           | 20         | 31            | -10       | 7            | 10           | 13           | 12           | 21         | 33            | -9        |
| EMS (5)                                  | 1                | 1            | 3            | 2            | 29         | 43            | -46       | 1            | 1            | 2            | 1            | 29         | 46            | -46       |
| Financials (50)                          | 674              | 1,106        | 1,257        | 1,257        | 14         | 37            | 0         | 507          | 817          | 984          | 939          | 15         | 36            | -5        |
| Banks-Private (13)                       | 361              | 492          | 523          | 568          | 15         | 25            | 9         | 272          | 369          | 443          | 426          | 16         | 25            | -4        |
| Banks-PSU (6)                            | 182              | 431          | 520          | 469          | 9          | 60            | -10       | 133          | 307          | 379          | 342          | 11         | 60            | -10       |
| Insurance (6)                            | 15               | 19           | 24           | 25           | 30         | 27            | 3         | 14           | 18           | 20           | 24           | 32         | 28            | 17        |
| NBFC - Lending (20)                      | 110              | 156          | 178          | 183          | 17         | 29            | 3         | 82           | 118          | 134          | 137          | 17         | 29            | 3         |
| NBFC - Non Lending (5)                   | 6                | 7            | 12           | 12           | 63         | 37            | 4         | 5            | 6            | 9            | 9            | 60         | 38            | 6         |
| Healthcare (24)                          | 101              | 129          | 157          | 155          | 20         | 24            | -1        | 78           | 98           | 117          | 119          | 21         | 24            | 2         |
| Infrastructure (3)                       | 11               | 7            | 9            | 7            | -6         | -23           | -26       | 8            | 5            | 5            | 4            | -7         | -27           | -23       |
| Logistics (8)                            | 33               | 34           | 38           | 40           | 19         | 10            | 5         | 29           | 27           | 32           | 32           | 17         | 5             | 1         |
| Media (3)                                | 10               | 8            | 6            | 8            | -9         | -15           | 37        | 8            | 6            | 4            | 5            | -11        | -16           | 26        |
| Metals (10)                              | 494              | 293          | 316          | 321          | 9          | -19           | 1         | 333          | 201          | 212          | 225          | 12         | -18           | 6         |
| Oil & Gas (15)                           | 371              | 871          | 681          | 581          | -33        | 25            | -15       | 244          | 632          | 498          | 405          | -36        | 29            | -19       |
| Oil Ex OMCs (12)                         | 608              | 466          | 510          | 489          | 5          | -10           | -4        | 429          | 327          | 366          | 336          | 3          | -11           | -8        |
| Real Estate (11)                         | 18               | 20           | 44           | 28           | 39         | 23            | -36       | 15           | 18           | 37           | 24           | 37         | 27            | -35       |
| Retail (20)                              | 34               | 29           | 28           | 33           | 13         | -1            | 20        | 25           | 22           | 21           | 25           | 14         | -1            | 20        |
| Staffing (4)                             | 2                | 2            | 2            | 3            | 38         | 14            | 48        | 2            | 2            | 1            | 2            | 36         | 13            | 79        |
| Technology (12)                          | 326              | 366          | 392          | 384          | 5          | 8             | -2        | 242          | 271          | 291          | 287          | 6          | 9             | -1        |
| Telecom (4)                              | -24              | -3           | 3            | 1            | LP         | LP            | -72       | -48          | -32          | -25          | -25          | Loss       | Loss          | Loss      |
| Others (13)                              | 6                | 45           | 32           | 25           | -43        | 102           | -21       | 2            | 44           | 32           | 21           | -52        | 236           | -35       |
| <b>MOFSL Universe (265)</b>              | <b>2,428</b>     | <b>3,510</b> | <b>3,697</b> | <b>3,510</b> | <b>0</b>   | <b>20</b>     | <b>-5</b> | <b>1,689</b> | <b>2,555</b> | <b>2,767</b> | <b>2,559</b> | <b>0</b>   | <b>23</b>     | <b>-8</b> |
| <b>MOFSL Ex Metals and O&amp;G (240)</b> | <b>1,563</b>     | <b>2,345</b> | <b>2,700</b> | <b>2,608</b> | <b>11</b>  | <b>29</b>     | <b>-3</b> | <b>1,111</b> | <b>1,722</b> | <b>2,057</b> | <b>1,929</b> | <b>12</b>  | <b>32</b>     | <b>-6</b> |
| <b>MOFSL Ex OMCs (262)</b>               | <b>2,666</b>     | <b>3,105</b> | <b>3,526</b> | <b>3,418</b> | <b>10</b>  | <b>13</b>     | <b>-3</b> | <b>1,873</b> | <b>2,250</b> | <b>2,634</b> | <b>2,490</b> | <b>11</b>  | <b>15</b>     | <b>-5</b> |
| <b>Nifty (49)</b>                        | <b>1,931</b>     | <b>2,487</b> | <b>2,680</b> | <b>2,554</b> | <b>3</b>   | <b>15</b>     | <b>-5</b> | <b>1,347</b> | <b>1,793</b> | <b>2,030</b> | <b>1,857</b> | <b>4</b>   | <b>17</b>     | <b>-9</b> |
| <b>Sensex (30)</b>                       | <b>1,469</b>     | <b>1,889</b> | <b>2,125</b> | <b>2,033</b> | <b>8</b>   | <b>18</b>     | <b>-4</b> | <b>1,011</b> | <b>1,342</b> | <b>1,606</b> | <b>1,463</b> | <b>9</b>   | <b>20</b>     | <b>-9</b> |

**Sales/PAT for the MOFSL Universe to grow 9%/remain flat YoY in 1QFY25**

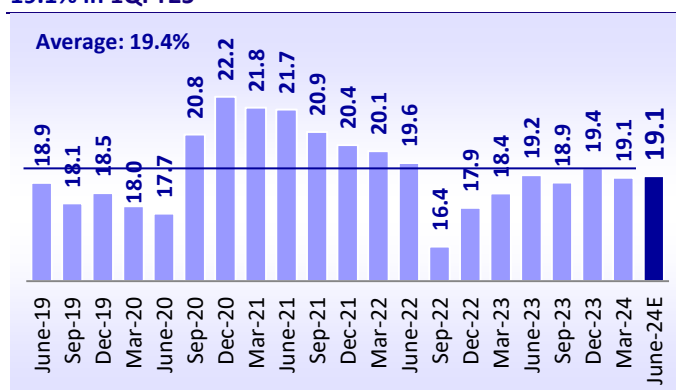
**Exhibit 10: Expect sales for the MOFSL Universe to grow 9% YoY in 1QFY25**



**Exhibit 11: Expect MOFSL Universe earnings to remain flat YoY in 1QFY25**

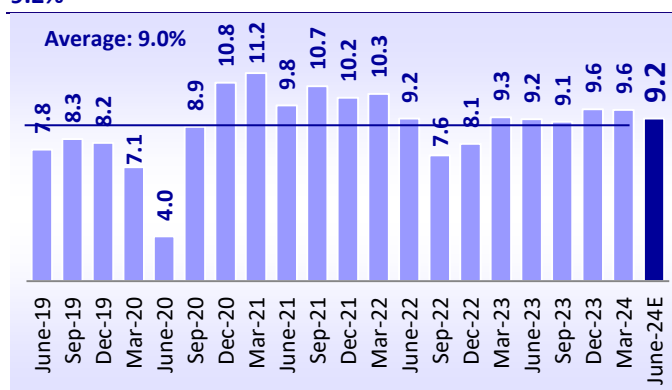


**Exhibit 12: Expect EBITDA margin to remain flat YoY at 19.1% in 1QFY25**



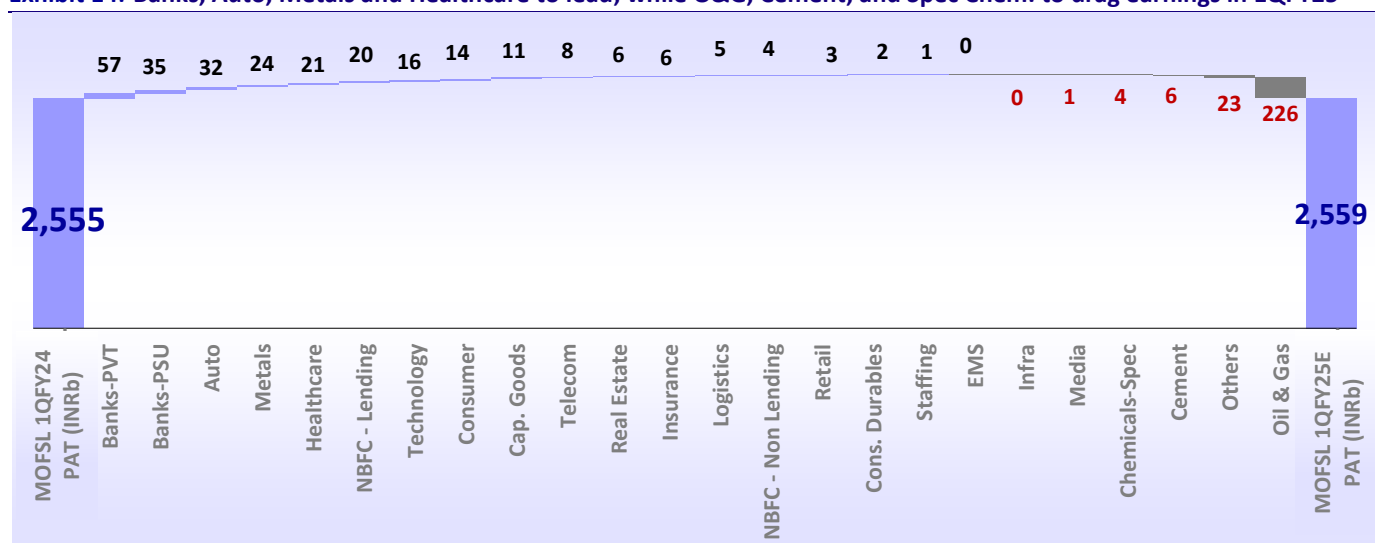
Source: MOFSL, excluding Financials and OMCs

**Exhibit 13: Expect PAT margin to also remain flat YoY at 9.2%**



Source: MOFSL, excluding Financials and OMCs

**Exhibit 14: Banks, Auto, Metals and Healthcare to lead; while O&G, Cement, and Spec Chem. to drag earnings in 1QFY25**



**Exhibit 15: Sectoral quarterly PAT trend (INR b) – MOFSL Universe to report a flat YoY growth in PAT in 1QFY25**

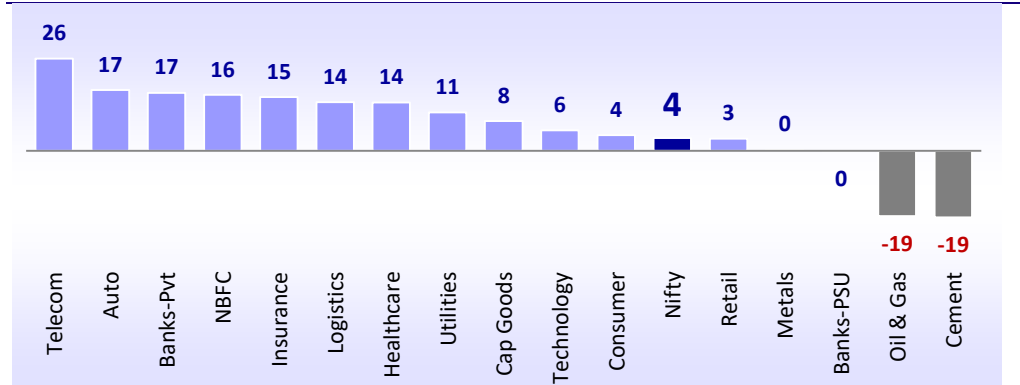
| Sector                | June-21      | Sep-21       | Dec-21       | Mar-22       | June-22      | Sep-22       | Dec-22       | Mar-23       | June-23      | Sep-23       | Dec-23       | Mar-24       | June-24E     |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Automobiles           | 8            | 31           | 59           | 86           | 13           | 97           | 142          | 186          | 180          | 205          | 227          | 244          | 212          |
| Banks-Private         | 174          | 190          | 262          | 295          | 272          | 306          | 343          | 375          | 369          | 415          | 420          | 443          | 426          |
| Banks-PSU             | 123          | 148          | 150          | 152          | 133          | 226          | 252          | 300          | 307          | 294          | 306          | 379          | 342          |
| Insurance             | 4            | 13           | 8            | 16           | 14           | 15           | 16           | 20           | 18           | 19           | 18           | 20           | 24           |
| NBFC - Lending        | 29           | 71           | 81           | 91           | 82           | 90           | 101          | 111          | 118          | 120          | 128          | 134          | 137          |
| NBFC - Non Lending    | 4            | 4            | 5            | 5            | 5            | 6            | 5            | 6            | 6            | 7            | 6            | 9            | 9            |
| Capital Goods         | 18           | 34           | 38           | 63           | 31           | 41           | 46           | 69           | 45           | 58           | 57           | 88           | 56           |
| Cement                | 51           | 45           | 32           | 42           | 44           | 21           | 23           | 36           | 41           | 41           | 46           | 51           | 35           |
| Chemicals-Specialty   | 18           | 16           | 18           | 22           | 25           | 24           | 22           | 25           | 20           | 18           | 15           | 15           | 16           |
| Consumer              | 90           | 109          | 118          | 115          | 123          | 126          | 131          | 133          | 147          | 143          | 147          | 144          | 161          |
| Consumer Durables     | 5            | 7            | 7            | 10           | 7            | 7            | 9            | 11           | 10           | 9            | 9            | 13           | 12           |
| EMS                   | 0            | 0            | 0            | 1            | 1            | 1            | 1            | 2            | 1            | 1            | 1            | 2            | 1            |
| Healthcare            | 89           | 94           | 87           | 79           | 78           | 97           | 88           | 81           | 98           | 110          | 105          | 117          | 119          |
| Infrastructure        | 3            | 3            | 3            | 6            | 8            | 4            | 4            | 5            | 5            | 3            | 4            | 5            | 4            |
| Logistics             | 21           | 20           | 23           | 22           | 29           | 26           | 23           | 29           | 27           | 30           | 32           | 32           | 32           |
| Media                 | 5            | 5            | 8            | 7            | 8            | 5            | 6            | 3            | 6            | 8            | 6            | 4            | 5            |
| Metals                | 373          | 416          | 353          | 414          | 333          | 139          | 133          | 242          | 201          | 179          | 241          | 212          | 225          |
| Oil & Gas             | 301          | 385          | 418          | 449          | 244          | 276          | 337          | 536          | 632          | 624          | 467          | 498          | 405          |
| Real Estate           | 7            | 15           | 20           | 25           | 15           | 15           | 19           | 31           | 18           | 19           | 21           | 37           | 24           |
| Retail                | -5           | 18           | 31           | 25           | 25           | 24           | 28           | 19           | 22           | 23           | 30           | 21           | 25           |
| Staffing              | 1            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 2            | 1            | 2            |
| Technology            | 239          | 247          | 256          | 263          | 242          | 264          | 284          | 286          | 271          | 277          | 284          | 291          | 287          |
| Telecom               | -55          | -46          | -45          | -25          | -48          | -42          | -59          | -21          | -32          | -43          | -35          | -25          | -25          |
| Others                | -25          | -8           | 10           | -1           | 2            | -1           | 34           | 32           | 44           | 16           | 36           | 32           | 21           |
| <b>MOFSL Universe</b> | <b>1,476</b> | <b>1,820</b> | <b>1,945</b> | <b>2,162</b> | <b>1,689</b> | <b>1,767</b> | <b>1,988</b> | <b>2,517</b> | <b>2,555</b> | <b>2,579</b> | <b>2,573</b> | <b>2,767</b> | <b>2,559</b> |

**Expect profits of Nifty constituents to rise 4% YoY in 1QFY25**

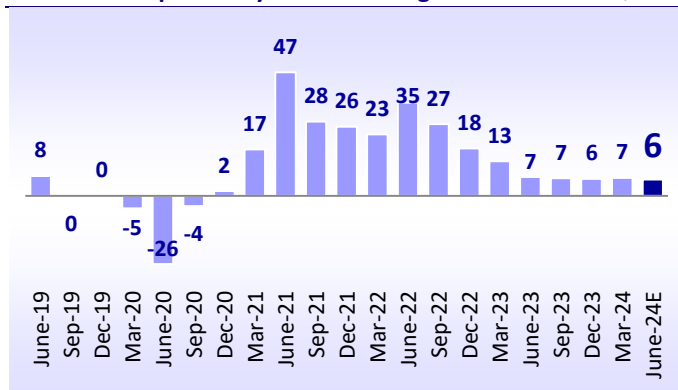
- We expect sales/EBITDA/PBT/PAT for Nifty constituents to improve 6%/4%/3%/4% YoY propelled by BFSI and Auto. Excluding Metals and O&G, Sales/EBITDA/ PBT/PAT is likely to grow 8%/9%/9%/10% YoY for the quarter.
- HDFC Bank, Hindalco, TCS, ICICI Bank and Maruti Suzuki, are likely to drive Nifty earnings, while BPCL, JSW Steel, Coal India, Grasim Industries and ONGC are projected to drag the same.
- Eleven Nifty companies are likely to report a PAT growth of above 20% YoY. Whereas, ten Nifty companies are expected to report a YoY decline in PAT.

Telecom, Autos, Private Banks, and NBFCs are likely to lead Nifty earnings in 1QFY25

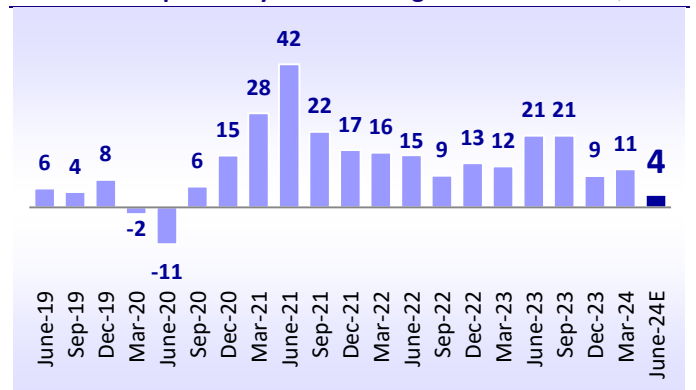
**Exhibit 16: Sector-wise PAT breakdown for the Nifty constituents in 1QFY25E (YoY %)**



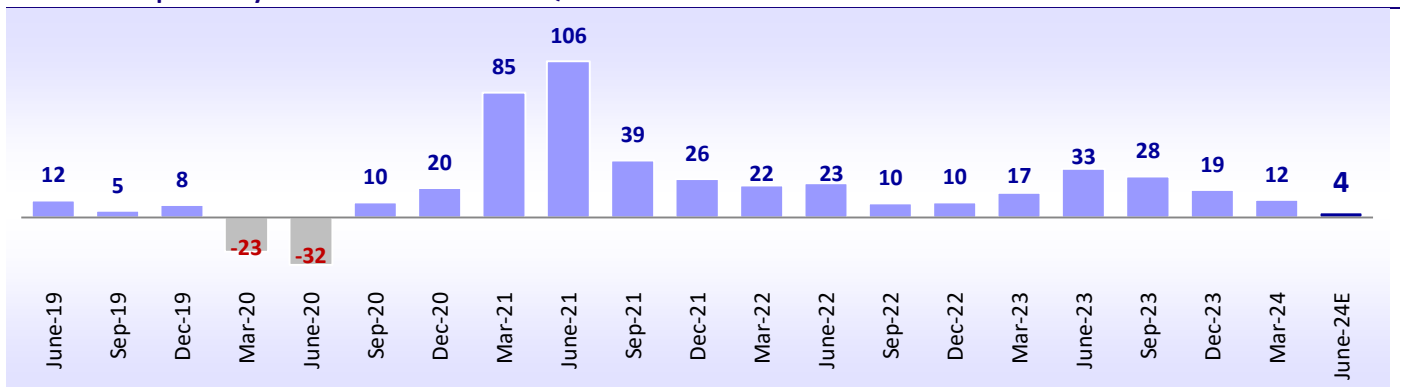
**Exhibit 17: Expect Nifty's revenue to grow 6% YoY in 1QFY25**



**Exhibit 18: Expect Nifty's EBITDA to grow 4% YoY in 1QFY25**



**Exhibit 19: Expect Nifty's PAT to rise 4% YoY in 1QFY25**



**Exhibit 20: Nifty's earnings snapshot for 1QFY25 (INR b)**

| Company                        | Sector         | Sales         |            |             | EBIDTA       | Gr. (%)    |             |              | PBT        | Gr. (%)     |              |            | PAT         | Gr. (%) |     |     |
|--------------------------------|----------------|---------------|------------|-------------|--------------|------------|-------------|--------------|------------|-------------|--------------|------------|-------------|---------|-----|-----|
|                                |                | Jun-24        | YoY        | QoQ         |              | Jun-24     | YoY         | QoQ          |            | Jun-24      | YoY          | QoQ        |             | Jun-24  | YoY | QoQ |
| Bajaj Auto                     | Automobiles    | 117           | 13.2       | 1.6         | 23           | 19.3       | 1.1         | 26           | 18.4       | 2.7         | 20           | 19.0       | 2.3         |         |     |     |
| Eicher Motors                  | Automobiles    | 43            | 6.6        | -0.1        | 11           | 9.5        | -0.9        | 12           | 11.7       | -0.9        | 10           | 9.9        | -5.7        |         |     |     |
| Hero MotoCorp                  | Automobiles    | 106           | 20.9       | 11.4        | 16           | 32.4       | 17.5        | 16           | 31.1       | 21.8        | 12           | 31.6       | 22.5        |         |     |     |
| Mahindra & MahindraAutomobiles |                | 281           | 16.6       | 11.7        | 39           | 19.5       | 19.4        | 37           | 12.1       | 41.5        | 30           | 7.5        | 46.2        |         |     |     |
| Maruti Suzuki                  | Automobiles    | 350           | 8.3        | -8.4        | 42           | 41.4       | -10.0       | 44           | 38.6       | -11.5       | 34           | 37.9       | -11.6       |         |     |     |
| Tata Motors                    | Automobiles    | 1,034         | 1.1        | -13.9       | 138          | 1.5        | -19.0       | 55           | 2.5        | -40.7       | 41           | 8.5        | -46.8       |         |     |     |
| Axis Bank                      | Banks-Private  | 133           | 11.4       | 1.8         | 98           | 11.0       | -7.1        | 86           | 10.2       | -8.4        | 64           | 10.6       | -10.1       |         |     |     |
| HDFC Bank                      | Banks-Private  | 293           | 24.3       | 0.9         | 235          | 25.2       | -19.7       | 206          | 29.5       | 30.8        | 155          | 29.3       | -6.4        |         |     |     |
| ICICI Bank                     | Banks-Private  | 195           | 7.1        | 2.3         | 153          | 8.3        | 1.8         | 141          | 9.9        | -1.4        | 106          | 10.2       | -0.7        |         |     |     |
| IndusInd Bank                  | Banks-Private  | 56            | 14.7       | 3.8         | 42           | 9.4        | 2.7         | 31           | 10.1       | -0.2        | 23           | 10.1       | -0.5        |         |     |     |
| Kotak Mahindra Bank            | Banks-Private  | 71            | 14.3       | 3.1         | 52           | 5.9        | -4.0        | 48           | 3.8        | -8.4        | 36           | 4.0        | -13.2       |         |     |     |
| State Bank                     | Banks-PSU      | 427           | 9.8        | 2.6         | 258          | 2.0        | -10.3       | 227          | -0.3       | -16.3       | 169          | 0          | -18.6       |         |     |     |
| HDFC Life Insur.               | Insurance      | 137           | 17.6       | -34.4       | 7            | 17.4       | -42.0       | 5            | 26.5       | 17.4        | 5            | 25.3       | 26.6        |         |     |     |
| SBI Life Insurance             | Insurance      | 156           | 14.8       | -38.3       | 10           | 14.2       | -34.2       | 4            | 3.1        | -51.9       | 4            | 4.5        | -50.9       |         |     |     |
| Bajaj Finance                  | NBFC - Lending | 84            | 25.7       | 5.4         | 68           | 21.8       | 5.3         | 53           | 17.1       | 4.4         | 39           | 14.9       | 3.2         |         |     |     |
| Bajaj Finserv                  | NBFC - Lending | 234           | 21.5       | -13.0       | 68           | 10.6       | -0.6        | 57           | 11.0       | 2.9         | 22           | 14.2       | 4.7         |         |     |     |
| Shriram Finance                | NBFC - Lending | 52            | 24.8       | 3.0         | 40           | 29.1       | 3.3         | 27           | 20.9       | 2.8         | 20           | 20.0       | 3.3         |         |     |     |
| Larsen & Toubro                | Capital Goods  | 535           | 11.7       | -20.3       | 54           | 10.6       | -25.6       | 44           | 2.3        | -29.9       | 27           | 8.4        | -37.5       |         |     |     |
| Grasim Industries              | Cement         | 69            | 10.7       | 2.0         | 6            | -14.9      | 8.8         | 1            | -68.3      | -61.6       | 1            | -71.4      | -55.7       |         |     |     |
| Ultratech Cement               | Cement         | 181           | 2.1        | -11.3       | 32           | 6.5        | -21.1       | 23           | 2.9        | -26.6       | 16           | -7.9       | -32.7       |         |     |     |
| Asian Paints                   | Consumer       | 92            | 0.0        | 5.2         | 20           | -6.1       | 17.8        | 19           | -8.9       | 18.3        | 14           | -9.0       | 12.4        |         |     |     |
| Britannia                      | Consumer       | 42            | 5.4        | 3.9         | 8            | 13.9       | -0.3        | 7            | 17.5       | -1.5        | 5            | 16.5       | -1.1        |         |     |     |
| Hind. Unilever                 | Consumer       | 156           | 0.4        | 2.3         | 37           | 1.3        | 5.0         | 35           | 0.7        | 5.8         | 26           | 2.4        | 5.7         |         |     |     |
| ITC                            | Consumer       | 184           | 7.0        | 2.5         | 71           | 5.9        | 6.6         | 74           | 6.0        | 7.6         | 54           | 6.3        | 5.9         |         |     |     |
| Nestle                         | Consumer       | 51            | 8.6        | -3.9        | 12           | 13.2       | -10.1       | 11           | 14.9       | -11.6       | 8            | 13.8       | -12.6       |         |     |     |
| Tata Consumer                  | Consumer       | 44            | 18.5       | 12.9        | 7            | 24.3       | 7.6         | 6            | 13.2       | 9.9         | 4            | 20.3       | 1.8         |         |     |     |
| Apollo Hospitals               | Healthcare     | 50            | 13.5       | 1.4         | 7            | 33.0       | 5.7         | 4            | 60.2       | 17.6        | 3            | 79.0       | 17.5        |         |     |     |
| Cipla                          | Healthcare     | 68            | 6.8        | 9.6         | 17           | 16.2       | 32.0        | 16           | 14.7       | 32.5        | 11           | 13.9       | 30.6        |         |     |     |
| Divis Labs                     | Healthcare     | 22            | 23.7       | -4.5        | 7            | 35.3       | -6.7        | 7            | 35.3       | -6.4        | 5            | 43.7       | -4.4        |         |     |     |
| Dr Reddy's Labs                | Healthcare     | 74            | 9.8        | 4.4         | 20           | -3.4       | 11.8        | 17           | -6.4       | 13.2        | 13           | -5.8       | 6.2         |         |     |     |
| Sun Pharma                     | Healthcare     | 132           | 11.9       | 11.6        | 33           | 3.0        | 11.9        | 31           | 9.9        | 3.5         | 26           | 16.0       | -5.6        |         |     |     |
| Adani Ports                    | Logistics      | 72            | 14.6       | 3.9         | 42           | 12.0       | 4.0         | 29           | 17.4       | 8.3         | 23           | 13.8       | 1.7         |         |     |     |
| Coal India                     | Metals         | 364           | 1.0        | -2.8        | 98           | -12.4      | -0.7        | 97           | -9.9       | -14.9       | 74           | -7.6       | -15.2       |         |     |     |
| Hindalco                       | Metals         | 583           | 10.1       | 4.2         | 70           | 23.0       | 5.2         | 46           | 39.5       | 12.2        | 35           | 42.4       | 10.7        |         |     |     |
| JSW Steel                      | Metals         | 422           | -0.1       | -8.9        | 63           | -10.2      | 3.3         | 20           | -43.6      | -6.1        | 14           | -38.3      | 11.0        |         |     |     |
| Tata Steel                     | Metals         | 580           | -2.5       | -1.1        | 60           | 15.1       | -9.7        | 21           | -0.5       | -11.1       | 11           | 79.4       | -7.7        |         |     |     |
| BPCL                           | Oil & Gas      | 1,015         | -10.1      | -12.9       | 60           | -62.3      | -35.7       | 44           | -68.6      | -40.8       | 33           | -68.8      | -40.8       |         |     |     |
| ONGC                           | Oil & Gas      | 372           | 10.0       | 7.4         | 187          | -4.1       | 7.2         | 131          | -1.7       | 2.1         | 98           | -1.9       | -0.4        |         |     |     |
| Reliance Inds.                 | Oil & Gas      | 2,337         | 12.6       | -1.2        | 410          | 7.6        | -3.6        | 261          | 7.3        | -6.0        | 167          | 4.0        | -12.1       |         |     |     |
| Titan Company                  | Retail         | 130           | 9.7        | 4.4         | 12           | 5.3        | -0.5        | 10           | 4.1        | 5.3         | 8            | 3.5        | 1.5         |         |     |     |
| HCL Technologies               | Technology     | 279           | 6.2        | -2.0        | 58           | 5.5        | -5.6        | 50           | 5.7        | -5.8        | 38           | 6.3        | -5.7        |         |     |     |
| Infosys                        | Technology     | 388           | 2.3        | 2.3         | 99           | 0.8        | 3.6         | 86           | 2.7        | 3.3         | 63           | 6.1        | 3.9         |         |     |     |
| LTIMindtree                    | Technology     | 90            | 3.2        | 1.0         | 16           | -2.8       | 3.5         | 15           | -0.6       | 5.4         | 12           | 0.7        | 5.4         |         |     |     |
| TCS                            | Technology     | 622           | 4.8        | 1.6         | 165          | 10.3       | -3.8        | 163          | 8.8        | -3.3        | 121          | 9.2        | -2.9        |         |     |     |
| Tech Mahindra                  | Technology     | 130           | -1.5       | 0.7         | 14           | -10.9      | 1.3         | 11           | -13.3      | -15.7       | 8            | -14.4      | -15.7       |         |     |     |
| Wipro                          | Technology     | 222           | -2.9       | -0.2        | 44           | 3.9        | -0.7        | 38           | 0.1        | -1.6        | 29           | 0.1        | 1.4         |         |     |     |
| Bharti Airtel                  | Telecom        | 387           | 3.3        | 2.8         | 203          | 3.6        | 4.9         | 56           | 6.2        | 6.9         | 37           | 26.2       | 24.1        |         |     |     |
| NTPC                           | Utilities      | 412           | 5.3        | -3.1        | 115          | 1.5        | 1.8         | 61           | 6.4        | -10.9       | 45           | 17.5       | -12.4       |         |     |     |
| Power Grid Corp.               | Utilities      | 107           | 7.9        | -1.7        | 94           | 8.3        | 4.6         | 44           | 8.3        | -13.1       | 36           | 3.7        | -12.4       |         |     |     |
| <b>Nifty Universe</b>          |                | <b>13,979</b> | <b>6.2</b> | <b>-4.2</b> | <b>3,439</b> | <b>3.6</b> | <b>-4.5</b> | <b>2,554</b> | <b>2.7</b> | <b>-4.7</b> | <b>1,857</b> | <b>3.6</b> | <b>-8.5</b> |         |     |     |

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

**Exhibit 21: Expect 16% PAT CAGR for the MOFSL Universe over FY24-26**

| Sector                          | Sales CAGR (%) | EBIDTA CAGR (%) | EBIDTA Margin (%) |             |             | PAT (INR b)   |               |               | PAT Grw / CAGR (%) |           |           |           | PAT Delta Share (%) |
|---------------------------------|----------------|-----------------|-------------------|-------------|-------------|---------------|---------------|---------------|--------------------|-----------|-----------|-----------|---------------------|
|                                 | (FY24-26)      | (FY24-26)       | FY24              | FY25E       | FY26E       | FY24          | FY25E         | FY26E         | FY24               | FY25E     | FY26E     | (FY24-26) | (FY24-26)           |
| <b>High PAT CAGR (&gt;25%)</b>  | <b>13</b>      | <b>20</b>       | <b>18.5</b>       | <b>19.9</b> | <b>21.2</b> | <b>1,363</b>  | <b>1,944</b>  | <b>2,607</b>  | <b>15</b>          | <b>43</b> | <b>34</b> | <b>38</b> | <b>32</b>           |
| Telecom (4)                     | 12             | 16              | 47.2              | 48.7        | 50.6        | -134          | -30           | 103           | Loss               | Loss      | LP        | LP        | 6                   |
| EMS (5)                         | 40             | 50              | 11.2              | 12.0        | 12.9        | 6             | 9             | 14            | 33                 | 59        | 54        | 56        | 0                   |
| Staffing (4)                    | 15             | 27              | 3.4               | 3.9         | 4.1         | 7             | 12            | 15            | 1                  | 64        | 29        | 45        | 0                   |
| Retail (20)                     | 20             | 24              | 11.4              | 11.8        | 12.2        | 93            | 129           | 171           | -1                 | 38        | 33        | 35        | 2                   |
| Real Estate (11)                | 21             | 29              | 28.6              | 30.1        | 32.4        | 94            | 123           | 160           | 17                 | 31        | 30        | 30        | 2                   |
| Metals (10)                     | 10             | 21              | 16.9              | 19.1        | 20.7        | 871           | 1,176         | 1,459         | 0                  | 35        | 24        | 29        | 15                  |
| Others (13)                     | 11             | 21              | 15.3              | 16.5        | 18.2        | 126           | 150           | 208           | 98                 | 20        | 38        | 28        | 2                   |
| Consumer Durables (5)           | 15             | 25              | 9.6               | 10.4        | 11.3        | 42            | 54            | 69            | 23                 | 30        | 27        | 28        | 1                   |
| Infrastructure (3)              | 11             | 13              | 26.5              | 27.6        | 27.6        | 17            | 22            | 28            | -12                | 25        | 29        | 27        | 0                   |
| Capital Goods (11)              | 16             | 22              | 11.5              | 12.1        | 12.7        | 241           | 298           | 379           | 32                 | 23        | 27        | 25        | 4                   |
| <b>Medium PAT CAGR (15-25%)</b> | <b>12</b>      | <b>17</b>       | <b>27.4</b>       | <b>28.4</b> | <b>29.6</b> | <b>5,741</b>  | <b>6,707</b>  | <b>7,934</b>  | <b>28</b>          | <b>17</b> | <b>18</b> | <b>18</b> | <b>57</b>           |
| Logistics (8)                   | 16             | 18              | 37.0              | 37.8        | 38.3        | 121           | 147           | 182           | 12                 | 21        | 24        | 23        | 2                   |
| Healthcare (24)                 | 12             | 17              | 22.3              | 23.5        | 24.2        | 430           | 517           | 616           | 25                 | 20        | 19        | 20        | 5                   |
| Media (3)                       | 10             | 17              | 22.3              | 23.0        | 25.2        | 24            | 27            | 34            | 17                 | 13        | 25        | 19        | 0                   |
| Chemicals-Specialty (12)        | 12             | 17              | 19.1              | 19.5        | 20.7        | 68            | 76            | 96            | -29                | 12        | 26        | 19        | 1                   |
| Financials (54)                 | 13             | 17              | 40.1              | 41.4        | 43.2        | 4,016         | 4,708         | 5,551         | 22                 | 17        | 18        | 18        | 40                  |
| Banks-PVT (13)                  | 17             | 17              | 76.6              | 75.8        | 77.1        | 1,689         | 1,944         | 2,281         | 26                 | 15        | 17        | 16        | 15                  |
| Banks-PSU (6)                   | 10             | 16              | 63.6              | 68.2        | 69.8        | 1,294         | 1,543         | 1,813         | 34                 | 19        | 17        | 18        | 13                  |
| Insurance (7)                   | 11             | 13              | 6.4               | 6.3         | 6.8         | 485           | 533           | 587           | 13                 | 10        | 10        | 10        | 3                   |
| NBFC - Lending (23)             | 22             | 23              | 74.2              | 74.4        | 75.3        | 517           | 641           | 814           | -3                 | 24        | 27        | 25        | 8                   |
| NBFC - Non Lending (5)          | 31             | 44              | 40.8              | 48.1        | 49.2        | 31            | 46            | 56            | 43                 | 47        | 21        | 33        | 1                   |
| Auto (25)                       | 11             | 13              | 13.7              | 14.0        | 14.3        | 855           | 980           | 1,153         | 95                 | 15        | 18        | 16        | 8                   |
| Cement (11)                     | 11             | 18              | 16.5              | 17.5        | 18.6        | 226           | 252           | 301           | 29                 | 11        | 20        | 15        | 2                   |
| <b>Low PAT CAGR (&lt;15%)</b>   | <b>6</b>       | <b>5</b>        | <b>15.4</b>       | <b>14.1</b> | <b>14.9</b> | <b>4,129</b>  | <b>4,003</b>  | <b>4,544</b>  | <b>41</b>          | <b>-3</b> | <b>14</b> | <b>5</b>  | <b>11</b>           |
| Technology (12)                 | 7              | 10              | 22.5              | 22.9        | 23.6        | 1,117         | 1,230         | 1,381         | 4                  | 10        | 12        | 11        | 7                   |
| Consumer (19)                   | 9              | 10              | 24.7              | 25.1        | 25.2        | 587           | 640           | 713           | 16                 | 9         | 11        | 10        | 3                   |
| Oil & Gas (15)                  | 6              | 2               | 13.0              | 11.3        | 12.1        | 2,425         | 2,133         | 2,451         | 80                 | -12       | 15        | 1         | 1                   |
| Ex OMCs (12)                    | 7              | 11              | 16.7              | 17.1        | 18.2        | 1,589         | 1,736         | 2,012         | 21                 | 9         | 16        | 13        | 11                  |
| <b>MOFSL (269)</b>              | <b>10</b>      | <b>13</b>       | <b>20.0</b>       | <b>20.2</b> | <b>21.4</b> | <b>11,234</b> | <b>12,654</b> | <b>15,085</b> | <b>31</b>          | <b>13</b> | <b>19</b> | <b>16</b> | <b>100</b>          |
| <b>MOFSL Ex OMCs (266)</b>      | <b>10</b>      | <b>16</b>       | <b>22.2</b>       | <b>23.1</b> | <b>24.3</b> | <b>10,397</b> | <b>12,256</b> | <b>14,647</b> | <b>22</b>          | <b>18</b> | <b>20</b> | <b>19</b> | <b>NA</b>           |
| <b>Nifty (50)</b>               | <b>9</b>       | <b>13</b>       | <b>23.2</b>       | <b>24.0</b> | <b>25.1</b> | <b>7,929</b>  | <b>8,900</b>  | <b>10,409</b> | <b>26</b>          | <b>12</b> | <b>17</b> | <b>15</b> | <b>NA</b>           |
| <b>Sensex (30)</b>              | <b>10</b>      | <b>15</b>       | <b>27.1</b>       | <b>28.2</b> | <b>29.3</b> | <b>5,926</b>  | <b>6,879</b>  | <b>8,135</b>  | <b>22</b>          | <b>16</b> | <b>18</b> | <b>17</b> | <b>NA</b>           |

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

**Exhibit 22: Exhibit 22: Upgrades/downgrades for Nifty-50 vs. 4QFY24 review**

| (INR)               | Current EPS (INR) |              |              | EPS UPGRADE /<br>DOWNGRADE (%) |             |            | EPS GROWTH (%) |             |             |
|---------------------|-------------------|--------------|--------------|--------------------------------|-------------|------------|----------------|-------------|-------------|
|                     | FY24              | FY25E        | FY26E        | FY24                           | FY25E       | FY26E      | FY24           | FY25E       | FY26E       |
| Hero MotoCorp       | 204.6             | 255.4        | 304.2        | 0.0                            | 7.2         | 8.7        | 40.5           | 24.9        | 19.1        |
| Mahindra & Mahindra | 89.4              | 108.2        | 128.7        | 0.0                            | 5.9         | 7.1        | 35.0           | 21.1        | 18.9        |
| Hindalco            | 45.6              | 61.2         | 63.6         | 0.0                            | 3.2         | 1.5        | 0.8            | 34.1        | 3.9         |
| Nestle              | 41.0              | 36.8         | 41.1         | 0.0                            | 2.9         | 0.7        | 62.5           | -10.3       | 11.8        |
| Dr Reddy's Labs     | 317.1             | 331.6        | 361.6        | 0.0                            | 2.4         | 6.6        | 29.6           | 4.6         | 9.1         |
| Sun Pharma          | 41.4              | 48.1         | 57.6         | 0.0                            | 2.2         | 0.0        | 15.8           | 16.0        | 19.7        |
| Reliance Inds.      | 102.9             | 119.4        | 144.7        | 0.0                            | 1.5         | 6.5        | 4.4            | 16.0        | 21.2        |
| Shriram Finance     | 191.3             | 227.2        | 279.9        | 0.0                            | 1.2         | 1.4        | 19.8           | 18.7        | 23.2        |
| Bajaj Auto          | 276.1             | 329.2        | 382.5        | 0.0                            | 1.1         | 2.0        | 28.9           | 19.2        | 16.2        |
| Kotak Mahindra Bank | 90.4              | 101.1        | 115.8        | 0.0                            | 0.9         | -0.7       | 19.1           | 11.8        | 14.5        |
| Axis Bank           | 80.7              | 90.7         | 106.5        | 0.0                            | 0.9         | 2.1        | 13.0           | 12.4        | 17.5        |
| ITC                 | 16.4              | 17.4         | 18.9         | 0.0                            | 0.8         | 1.8        | 9.0            | 6.3         | 8.5         |
| Grasim Industries   | 95.6              | 97.2         | 108.9        | -0.2                           | 0.8         | 3.3        | -2.9           | 1.7         | 12.0        |
| Asian Paints        | 57.9              | 59.0         | 65.7         | 0.0                            | 0.7         | 1.7        | 30.9           | 1.9         | 11.4        |
| ICICI Bank          | 58.4              | 65.6         | 74.7         | 0.0                            | 0.7         | -2.4       | 27.5           | 12.3        | 13.9        |
| Eicher Motors       | 146.3             | 164.3        | 178.2        | 0.0                            | 0.6         | -2.1       | 37.3           | 12.3        | 8.4         |
| Coal India          | 60.7              | 55.9         | 66.0         | 0.0                            | 0.0         | 0.0        | 17.8           | -7.9        | 18.1        |
| Adani Ports         | 41.3              | 49.1         | 58.5         | 0.0                            | 0.0         | 0.0        | 16.5           | 19.1        | 19.1        |
| Cipla               | 52.5              | 58.9         | 65.8         | 0.0                            | 0.0         | 0.0        | 39.0           | 12.3        | 11.7        |
| SBI Life Insurance  | 18.9              | 19.9         | 23.2         | 0.0                            | 0.0         | 9.3        | 10.0           | 5.3         | 16.5        |
| HDFC Life Insur.    | 7.3               | 10.1         | 11.9         | 0.0                            | 0.0         | 0.0        | 15.4           | 38.2        | 18.4        |
| Larsen & Toubro     | 94.5              | 105.8        | 136.0        | 0.0                            | 0.0         | 0.0        | 24.5           | 12.0        | 28.5        |
| HDFC Bank           | 80.0              | 92.4         | 107.7        | 0.0                            | -0.1        | 0.0        | 1.0            | 15.4        | 16.7        |
| Britannia           | 88.7              | 102.6        | 115.0        | 0.0                            | -0.3        | -0.5       | 10.1           | 15.6        | 12.1        |
| Tata Motors         | 58.7              | 58.1         | 67.2         | 0.0                            | -0.3        | 0.1        | 2628.0         | -1.0        | 15.6        |
| HCL Technologies    | 57.9              | 62.5         | 68.4         | 0.0                            | -0.3        | -7.1       | 5.6            | 8.0         | 9.3         |
| LTIMindtree         | 154.8             | 167.7        | 193.4        | 0.0                            | -0.4        | -3.7       | 2.0            | 8.3         | 15.3        |
| Infosys             | 63.3              | 63.4         | 73.8         | 0.0                            | -0.5        | -0.3       | 10.0           | 0.2         | 16.3        |
| State Bank          | 75.2              | 88.5         | 104.1        | 0.0                            | -0.7        | 1.0        | 20.6           | 17.7        | 17.6        |
| Divis Labs          | 60.0              | 79.3         | 96.5         | 0.0                            | -0.9        | 0.0        | -7.5           | 32.2        | 21.6        |
| Wipro               | 20.4              | 22.2         | 24.5         | 0.0                            | -1.0        | -8.9       | -1.5           | 8.9         | 10.3        |
| Tata Consumer       | 14.6              | 17.7         | 20.1         | 0.0                            | -1.4        | 1.1        | 28.7           | 20.7        | 13.5        |
| Bajaj Finance       | 233.7             | 278.4        | 371.4        | 0.0                            | -1.6        | 1.9        | 22.8           | 19.1        | 33.4        |
| Hind. Unilever      | 43.7              | 47.4         | 52.4         | 0.0                            | -2.0        | -1.4       | 0.7            | 8.3         | 10.6        |
| Maruti Suzuki       | 429.0             | 485.8        | 542.9        | 1.1                            | -2.6        | -3.8       | 56.8           | 13.2        | 11.8        |
| TCS                 | 126.3             | 143.1        | 155.2        | 0.0                            | -3.0        | -8.5       | 9.5            | 13.3        | 8.5         |
| Ultratech Cement    | 244.5             | 279.6        | 347.2        | 0.0                            | -3.0        | 0.5        | 39.4           | 14.4        | 24.2        |
| IndusInd Bank       | 115.5             | 132.6        | 164.2        | 0.0                            | -3.5        | -3.0       | 20.3           | 14.8        | 23.8        |
| BPCL                | 63.3              | 34.7         | 36.3         | -2.0                           | -4.0        | -1.0       | 1271.9         | -45.2       | 4.7         |
| ONGC                | 46.3              | 50.3         | 56.0         | 0.0                            | -4.6        | -2.5       | 44.9           | 8.6         | 11.3        |
| Apollo Hospitals    | 62.4              | 88.5         | 125.9        | 0.0                            | -5.0        | -4.8       | 29.6           | 41.8        | 42.3        |
| Titan Company       | 39.3              | 47.1         | 57.9         | 0.0                            | -5.5        | -6.5       | 6.8            | 19.9        | 22.8        |
| Bharti Airtel       | 19.7              | 35.3         | 52.6         | -2.8                           | -7.5        | -3.3       | 36.7           | 79.6        | 49.1        |
| JSW Steel           | 36.7              | 60.9         | 78.9         | -1.2                           | -12.0       | 0.2        | 149.9          | 65.9        | 29.4        |
| Tata Steel          | 2.7               | 9.5          | 13.3         | 0.0                            | -12.7       | -0.4       | -61.8          | 252.5       | 39.6        |
| Tech Mahindra       | 41.1              | 43.9         | 64.3         | 0.0                            | -13.7       | -4.3       | -28.2          | 6.8         | 46.6        |
| <b>Nifty (50)</b>   | <b>1,006</b>      | <b>1,134</b> | <b>1,330</b> | <b>0.1</b>                     | <b>-0.7</b> | <b>0.2</b> | <b>24.2</b>    | <b>12.8</b> | <b>17.3</b> |

Exhibit 23: Absolute change in FY25E PAT for Nifty constituents (INR b)

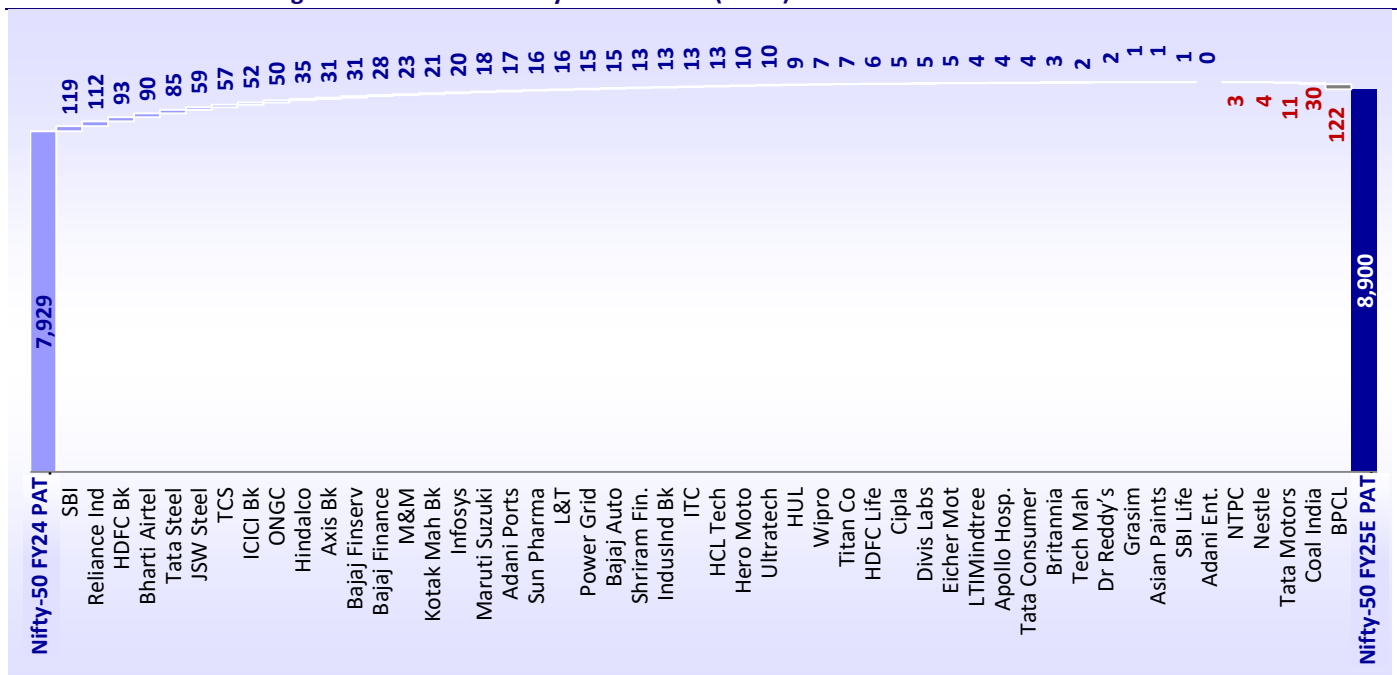


Exhibit 24: Absolute change in FY26E PAT for Nifty constituents (INR b)

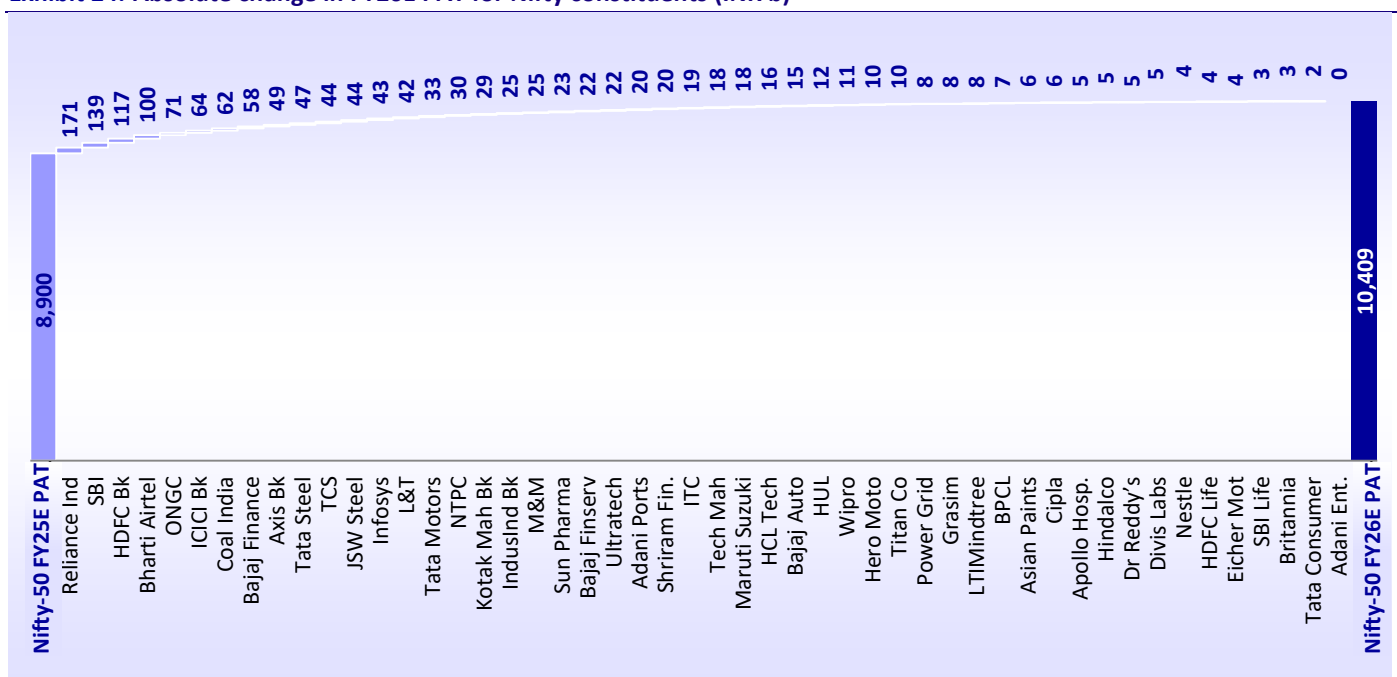


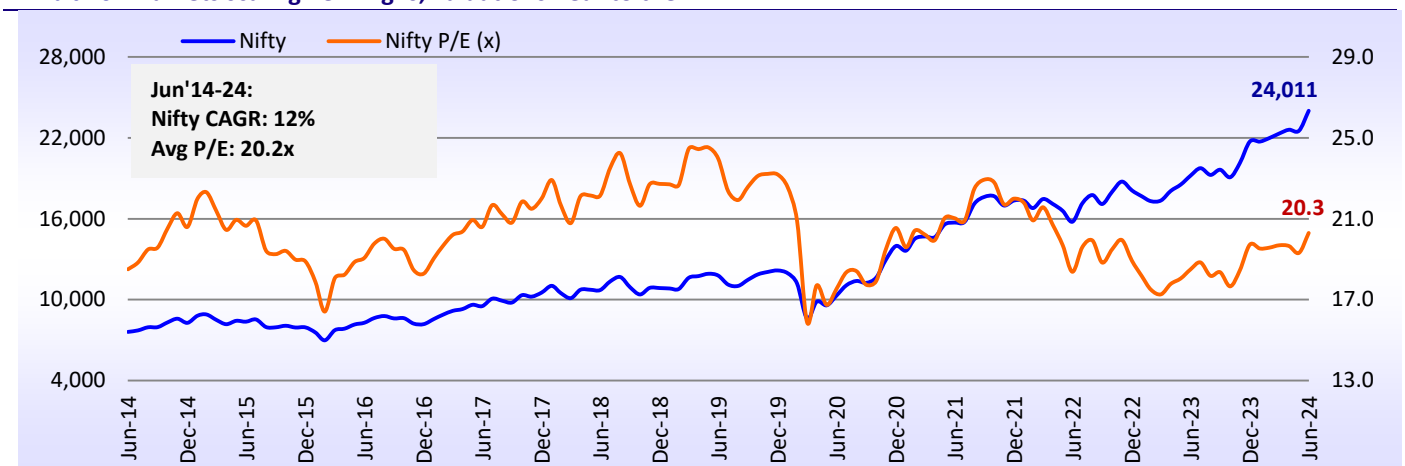
Exhibit 25: Nifty performance – Expect FF PAT CAGR (FY24-26E) of 15%

| Company                          | Sales (INR b) |               |               | Sales<br>CAGR %<br>24-26 | EBIDTA Margin (%) |           |           | EBITDA<br>CAGR %<br>24-26 | PAT (INR b)  |              |              | PAT<br>CAGR %<br>24-26 | Contbn to<br>Delta % |
|----------------------------------|---------------|---------------|---------------|--------------------------|-------------------|-----------|-----------|---------------------------|--------------|--------------|--------------|------------------------|----------------------|
|                                  | FY24          | FY25E         | FY26E         |                          | FY24              | FY25E     | FY26E     |                           | FY24         | FY25E        | FY26E        |                        |                      |
| <b>High PAT Growth (20%+)</b>    | <b>12,581</b> | <b>14,264</b> | <b>16,272</b> | <b>14</b>                | <b>21</b>         | <b>23</b> | <b>24</b> | <b>21</b>                 | <b>995</b>   | <b>1,385</b> | <b>1,814</b> | <b>35</b>              | <b>33</b>            |
| Tata Steel                       | 2,292         | 2,516         | 2,694         | 8                        | 10                | 13        | 15        | 33                        | 34           | 119          | 166          | 122                    | 5                    |
| Bharti Airtel                    | 1,500         | 1,654         | 1,884         | 12                       | 52                | 54        | 56        | 16                        | 113          | 203          | 303          | 64                     | 8                    |
| JSW Steel                        | 1,750         | 1,992         | 2,233         | 13                       | 16                | 19        | 20        | 27                        | 90           | 149          | 193          | 47                     | 4                    |
| Apollo Hospitals                 | 191           | 212           | 246           | 14                       | 13                | 13        | 14        | 22                        | 9            | 13           | 18           | 42                     | 0                    |
| Bajaj Finserv                    | 354           | 476           | 596           | 30                       | 73                | 68        | 63        | 20                        | 81           | 112          | 135          | 29                     | 2                    |
| HDFC Life Insur.                 | 620           | 747           | 875           | 19                       | 6                 | 5         | 5         | 16                        | 16           | 22           | 26           | 28                     | 0                    |
| Divis Labs                       | 78            | 91            | 106           | 16                       | 28                | 31        | 32        | 23                        | 16           | 21           | 26           | 27                     | 0                    |
| Bajaj Finance                    | 296           | 369           | 480           | 27                       | 81                | 79        | 79        | 26                        | 144          | 172          | 230          | 26                     | 3                    |
| Tech Mahindra                    | 520           | 536           | 571           | 5                        | 11                | 12        | 16        | 24                        | 36           | 39           | 57           | 25                     | 1                    |
| Hero MotoCorp                    | 375           | 431           | 496           | 15                       | 14                | 15        | 15        | 19                        | 41           | 51           | 61           | 22                     | 1                    |
| Titan Company                    | 511           | 592           | 689           | 16                       | 10                | 10        | 11        | 18                        | 35           | 42           | 51           | 21                     | 1                    |
| Shriram Finance                  | 188           | 224           | 272           | 20                       | 76                | 76        | 78        | 22                        | 72           | 85           | 105          | 21                     | 1                    |
| Ultratech Cement                 | 709           | 751           | 899           | 13                       | 18                | 19        | 20        | 18                        | 71           | 81           | 102          | 20                     | 1                    |
| Mahindra & Mahindra              | 988           | 1,177         | 1,374         | 18                       | 13                | 13        | 14        | 21                        | 107          | 130          | 154          | 20                     | 2                    |
| Larsen & Toubro                  | 2,211         | 2,497         | 2,857         | 14                       | 11                | 11        | 11        | 17                        | 130          | 145          | 187          | 20                     | 2                    |
| <b>Medium PAT Growth (0-20%)</b> | <b>43,971</b> | <b>47,179</b> | <b>51,584</b> | <b>8</b>                 | <b>25</b>         | <b>26</b> | <b>27</b> | <b>12</b>                 | <b>6,664</b> | <b>7,368</b> | <b>8,440</b> | <b>13</b>              | <b>72</b>            |
| Tata Consumer                    | 152           | 178           | 193           | 13                       | 15                | 16        | 16        | 17                        | 14           | 18           | 20           | 19                     | 0                    |
| IndusInd Bank                    | 206           | 239           | 288           | 18                       | 77                | 76        | 77        | 18                        | 90           | 103          | 128          | 19                     | 2                    |
| Adani Ports                      | 267           | 308           | 350           | 14                       | 59                | 59        | 60        | 15                        | 89           | 106          | 126          | 19                     | 2                    |
| Reliance Inds.                   | 9,011         | 9,903         | 10,935        | 10                       | 18                | 18        | 20        | 15                        | 696          | 808          | 979          | 19                     | 11                   |
| Hindalco                         | 2,160         | 2,369         | 2,456         | 7                        | 11                | 12        | 12        | 9                         | 101          | 136          | 141          | 18                     | 2                    |
| Sun Pharma                       | 478           | 533           | 595           | 12                       | 26                | 26        | 28        | 16                        | 100          | 116          | 139          | 18                     | 2                    |
| Bajaj Auto                       | 447           | 522           | 600           | 16                       | 20                | 20        | 20        | 18                        | 77           | 92           | 107          | 18                     | 1                    |
| State Bank                       | 1,599         | 1,737         | 1,983         | 11                       | 54                | 62        | 64        | 21                        | 671          | 790          | 929          | 18                     | 10                   |
| HDFC Bank                        | 1,085         | 1,259         | 1,476         | 17                       | 87                | 84        | 85        | 15                        | 608          | 702          | 819          | 16                     | 8                    |
| Axis Bank                        | 499           | 556           | 639           | 13                       | 74                | 76        | 79        | 17                        | 249          | 280          | 329          | 15                     | 3                    |
| Britannia                        | 168           | 183           | 202           | 10                       | 19                | 19        | 19        | 11                        | 21           | 25           | 28           | 14                     | 0                    |
| ICICI Bank                       | 743           | 841           | 981           | 15                       | 78                | 79        | 81        | 17                        | 409          | 460          | 524          | 13                     | 5                    |
| Kotak Mah. Bank                  | 260           | 297           | 342           | 15                       | 75                | 73        | 72        | 12                        | 180          | 201          | 230          | 13                     | 2                    |
| Maruti Suzuki                    | 1,419         | 1,551         | 1,725         | 10                       | 13                | 14        | 14        | 14                        | 135          | 153          | 171          | 12                     | 1                    |
| Infosys                          | 1,537         | 1,587         | 1,743         | 7                        | 24                | 24        | 25        | 10                        | 243          | 263          | 306          | 12                     | 3                    |
| Cipla                            | 258           | 278           | 305           | 9                        | 24                | 25        | 26        | 11                        | 42           | 48           | 53           | 12                     | 0                    |
| LTIMindtree                      | 355           | 375           | 412           | 8                        | 18                | 18        | 19        | 10                        | 46           | 50           | 57           | 12                     | 0                    |
| SBI Life Insurance               | 806           | 950           | 1,106         | 17                       | 7                 | 7         | 7         | 17                        | 19           | 20           | 23           | 11                     | 0                    |
| TCS                              | 2,409         | 2,583         | 2,807         | 8                        | 27                | 28        | 28        | 9                         | 462          | 519          | 563          | 10                     | 4                    |
| Eicher Motors                    | 162           | 186           | 205           | 12                       | 27                | 26        | 26        | 10                        | 40           | 45           | 49           | 10                     | 0                    |
| ONGC                             | 6,430         | 6,564         | 6,851         | 3                        | 17                | 17        | 18        | 7                         | 583          | 633          | 705          | 10                     | 5                    |
| Hind. Unilever                   | 619           | 652           | 711           | 7                        | 24                | 24        | 24        | 8                         | 103          | 111          | 123          | 9                      | 1                    |
| HCL Technologies                 | 1,099         | 1,159         | 1,261         | 7                        | 22                | 22        | 22        | 8                         | 157          | 170          | 186          | 9                      | 1                    |
| Wipro                            | 896           | 912           | 961           | 4                        | 19                | 20        | 20        | 7                         | 110          | 117          | 128          | 8                      | 1                    |
| ITC                              | 709           | 761           | 824           | 8                        | 37                | 37        | 38        | 9                         | 205          | 217          | 236          | 7                      | 1                    |
| Power Grid Corp.                 | 453           | 494           | 517           | 7                        | 87                | 86        | 85        | 6                         | 156          | 171          | 179          | 7                      | 1                    |
| Dr Reddy's Labs                  | 279           | 319           | 369           | 15                       | 28                | 27        | 26        | 11                        | 53           | 55           | 60           | 7                      | 0                    |
| Grasim Industries                | 258           | 306           | 328           | 13                       | 9                 | 9         | 10        | 22                        | 63           | 64           | 72           | 7                      | 0                    |
| Asian Paints                     | 355           | 377           | 424           | 9                        | 21                | 21        | 21        | 9                         | 56           | 57           | 63           | 7                      | 0                    |
| NTPC                             | 1,785         | 1,867         | 1,997         | 6                        | 29                | 28        | 29        | 6                         | 213          | 211          | 241          | 6                      | 1                    |
| Tata Motors                      | 4,379         | 4,602         | 5,048         | 7                        | 14                | 14        | 14        | 8                         | 225          | 214          | 247          | 5                      | 1                    |
| Coal India                       | 1,423         | 1,497         | 1,694         | 9                        | 34                | 32        | 35        | 10                        | 374          | 344          | 407          | 4                      | 1                    |
| Nestle                           | 244           | 212           | 235           | -2                       | 24                | 25        | 25        | 0                         | 40           | 35           | 40           | 0                      | 0                    |
| Adani Enterprises                | 1,022         | 1,022         | 1,022         | 0                        | 10                | 10        | 10        | 0                         | 35           | 35           | 35           | 0                      | 0                    |
| <b>PAT de-growth (&lt;0%)</b>    | <b>4,481</b>  | <b>4,118</b>  | <b>4,255</b>  | <b>-3</b>                | <b>10</b>         | <b>6</b>  | <b>6</b>  | <b>-22</b>                | <b>271</b>   | <b>148</b>   | <b>155</b>   | <b>-24</b>             | <b>-5</b>            |
| BPCL                             | 4,481         | 4,118         | 4,255         | -3                       | 10                | 6         | 6         | -22                       | 271          | 148          | 155          | -24                    | -5                   |
| <b>Nifty (PAT free float)</b>    | <b>61,033</b> | <b>65,561</b> | <b>72,112</b> | <b>9</b>                 | <b>23</b>         | <b>24</b> | <b>25</b> | <b>13</b>                 | <b>4,457</b> | <b>5,037</b> | <b>5,907</b> | <b>15</b>              | <b>100</b>           |

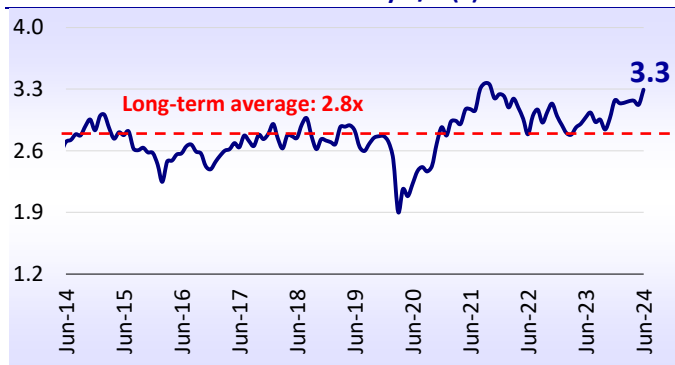
**Valuations near to the LPA for Nifty**

- Nifty is trading at a 12-month forward P/E of 20.2x, near to its own long period average (LPA). Notably, Nifty-50's EPS CAGR of 16% (to INR1,006 in FY24) has converged with the index CAGR of ~15% during the last five years (ended Mar'24). We expect FY25/FY26 EPS to grow 13%/17% to INR1,134/INR1,330.
- India's market capitalization-to-GDP ratio has been volatile, plummeting to 56% (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 136% (of FY24E GDP), above its long-term average of 80%. We expect the nominal GDP to increase 10.1% YoY in FY25.

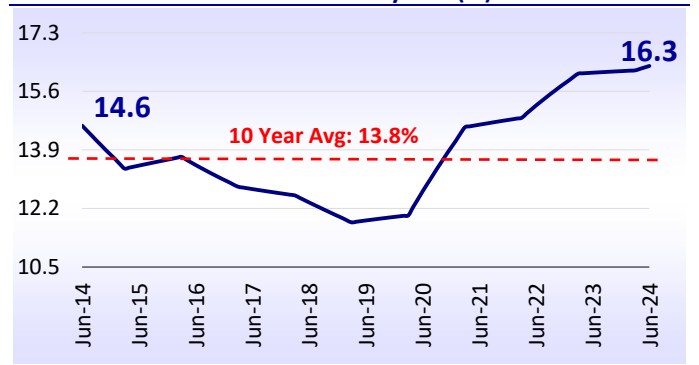
**Exhibit 26: Markets scaling new highs; valuations near to the LPA**



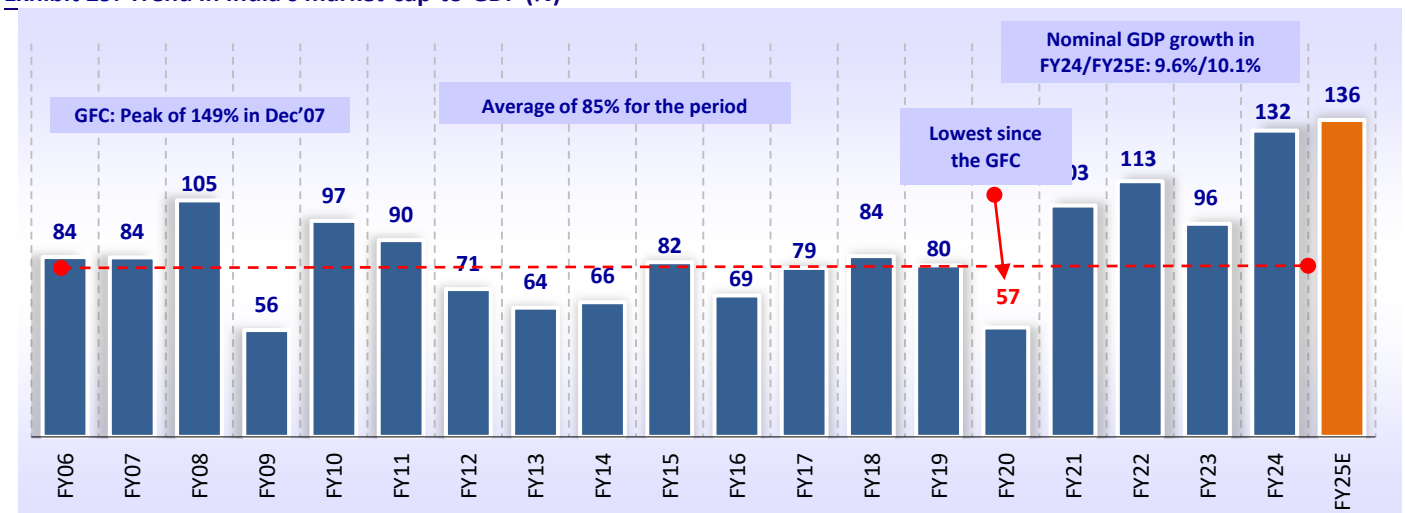
**Exhibit 27: 12-month forward Nifty P/B (x)**



**Exhibit 28: 12-month forward Nifty RoE (%)**



**Exhibit 29: Trend in India's market-cap-to-GDP (%)**



INTENTIONALLY LEFT BLANK

# Sectors & Companies

BSE Sensex: 79,997

Nifty 50: 24,324

July 2024

## MOFSL Universe: 1QFY25 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 2 July 2024, unless otherwise stated.**

## MOFSL Universe: 1QFY25 aggregate performance highlights

Exhibit 30: Quarterly Performance - MOFSL Universe (INR b)

| Sector<br>(Nos of Cos)      | Sales         |            |             | EBITDA       |            |             | PAT          |            |             |
|-----------------------------|---------------|------------|-------------|--------------|------------|-------------|--------------|------------|-------------|
|                             | Jun-24        | Var. % YoY | Var. % QoQ  | Jun-24       | Var % YoY  | Var % QoQ   | Jun-24       | Var % YoY  | Var % QoQ   |
| Automobiles (25)            | 2,859         | 8.7        | -4.7        | 391          | 14.0       | -7.6        | 212          | 17.9       | -13.2       |
| Capital Goods (11)          | 824           | 12.1       | -21.1       | 94           | 20.9       | -28.1       | 56           | 24.4       | -35.8       |
| Cement (11)                 | 539           | 1.5        | -7.5        | 84           | 2.0        | -16.7       | 35           | -14.7      | -31.3       |
| Chemicals-Specialty (12)    | 160           | 1.4        | 2.4         | 30           | -9.9       | 9.1         | 16           | -20.4      | 9.3         |
| Consumer (19)               | 882           | 7.8        | 8.9         | 226          | 9.2        | 14.5        | 161          | 9.7        | 12.4        |
| Consumer Durables (5)       | 180           | 16.5       | -6.7        | 18           | 24.7       | -8.6        | 12           | 21.1       | -8.8        |
| EMS (5)                     | 21            | 44.4       | -17.9       | 2            | 35.5       | -39.7       | 1            | 29.2       | -45.6       |
| Financials (50)             | 2,690         | 15.3       | -7.5        | 1,548        | 11.5       | -4.8        | 939          | 14.9       | -4.6        |
| Banks-Private (13)          | 912           | 16.7       | 2.8         | 671          | 15.5       | -8.1        | 426          | 15.5       | -3.7        |
| Banks-PSU (6)               | 899           | 8.8        | 1.2         | 599          | 3.2        | -2.6        | 342          | 11.5       | -9.8        |
| Insurance (6)               | 531           | 19.7       | -33.4       | 25           | 28.0       | -36.6       | 24           | 31.9       | 17.3        |
| NBFC - Lending (20)         | 322           | 21.8       | 3.6         | 241          | 20.4       | 4.9         | 137          | 16.8       | 2.9         |
| NBFC - Non Lending (5)      | 26            | 64.8       | 5.1         | 11           | 71.4       | 7.0         | 9            | 60.2       | 6.3         |
| Healthcare (24)             | 840           | 11.9       | 3.9         | 193          | 16.8       | 5.1         | 119          | 21.1       | 2.0         |
| Infrastructure (3)          | 47            | -0.1       | -12.7       | 13           | -0.1       | -9.2        | 4            | -7.3       | -23.3       |
| Logistics (8)               | 153           | 13.2       | 0.2         | 57           | 14.1       | 3.0         | 32           | 16.9       | 0.9         |
| Media (3)                   | 46            | 0.7        | 6.6         | 10           | -3.9       | 36.4        | 5            | -10.9      | 26.4        |
| Metals (10)                 | 2,858         | 3.1        | -1.9        | 507          | 11.0       | 3.4         | 225          | 11.9       | 6.1         |
| Oil & Gas (15)              | 8,267         | 10.8       | 4.6         | 875          | -24.4      | -9.6        | 405          | -35.8      | -18.7       |
| Oil Ex OMCs (12)            | 3,634         | 12.2       | 0.6         | 708          | 3.6        | -1.3        | 336          | 2.9        | -8.1        |
| Real Estate (11)            | 124           | 28.0       | -21.5       | 35           | 49.8       | -25.9       | 24           | 36.7       | -35.0       |
| Retail (20)                 | 533           | 16.7       | 9.0         | 59           | 14.4       | 10.2        | 25           | 14.1       | 20.2        |
| Staffing (4)                | 116           | 12.7       | 4.7         | 4            | 17.2       | 16.3        | 2            | 35.9       | 79.2        |
| Technology (12)             | 1,872         | 3.3        | 0.9         | 421          | 5.1        | -1.5        | 287          | 6.1        | -1.3        |
| Telecom (4)                 | 625           | 4.3        | 2.3         | 295          | 4.4        | 2.3         | -25          | Loss       | Loss        |
| Others (13)                 | 495           | 4.3        | -7.8        | 70           | -18.4      | -14.4       | 21           | -52.0      | -34.5       |
| <b>MOFSL Universe (265)</b> | <b>24,133</b> | <b>9.0</b> | <b>-0.9</b> | <b>4,930</b> | <b>1.7</b> | <b>-4.2</b> | <b>2,559</b> | <b>0.2</b> | <b>-7.5</b> |
| <b>Nifty (49)</b>           | <b>13,979</b> | <b>6.2</b> | <b>-4.2</b> | <b>3,439</b> | <b>3.6</b> | <b>-4.5</b> | <b>1,857</b> | <b>3.6</b> | <b>-8.5</b> |
| <b>Sensex (30)</b>          | <b>10,354</b> | <b>7.5</b> | <b>-3.4</b> | <b>2,786</b> | <b>7.8</b> | <b>-5.0</b> | <b>1,463</b> | <b>9.0</b> | <b>-8.9</b> |

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

Exhibit 31: Quarter-wise sales growth (% YoY)

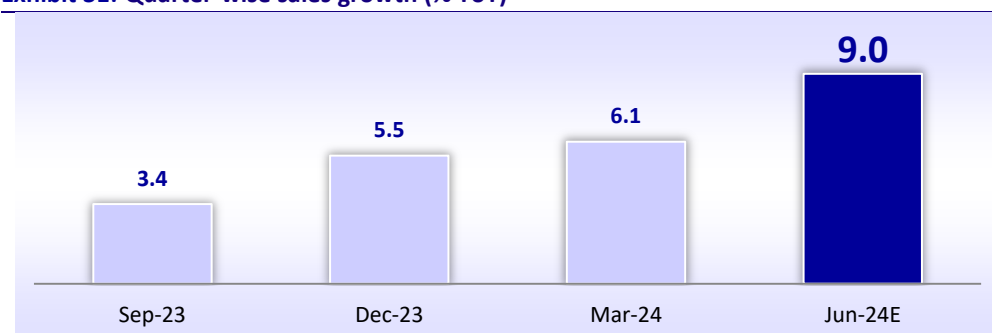
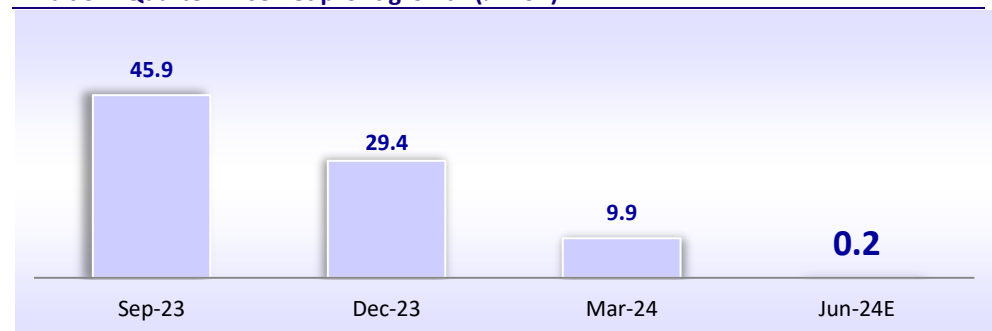


Exhibit 32: Quarter-wise net profit growth (% YoY)



**Annual performance - MOFSL universe (INR b)**

| Sector                     | Sales (INR b)   |                 |                | Chg. YoY (%) |            |             | EBIDTA (INR b) |               |               | Chg. YoY (%) |             |             | PAT (INR b)   |               |               | Chg. YoY (%) |             |             |
|----------------------------|-----------------|-----------------|----------------|--------------|------------|-------------|----------------|---------------|---------------|--------------|-------------|-------------|---------------|---------------|---------------|--------------|-------------|-------------|
|                            | FY24            | FY25E           | FY26E          | FY24         | FY25E      | FY26E       | FY24           | FY25E         | FY26E         | FY24         | FY25E       | FY26E       | FY24          | FY25E         | FY26E         | FY24         | FY25E       | FY26E       |
| Auto (25)                  | 11,398          | 12,601          | 14,071         | 19.7         | 10.6       | 11.7        | 1,566          | 1,766         | 2,015         | 50.8         | 12.8        | 14.1        | 855           | 980           | 1,153         | 94.8         | 14.6        | 17.6        |
| Capital Goods (11)         | 3,380           | 3,906           | 4,547          | 19.4         | 15.6       | 16.4        | 388            | 473           | 578           | 20.4         | 21.8        | 22.2        | 241           | 298           | 379           | 31.9         | 23.3        | 27.5        |
| Cement (11)                | 2,112           | 2,280           | 2,602          | 5.1          | 7.9        | 14.1        | 349            | 399           | 483           | 24.2         | 14.1        | 21.2        | 226           | 252           | 301           | 28.6         | 11.2        | 19.7        |
| Chem.-Specialty (12)       | 620             | 698             | 785            | -8.0         | 12.6       | 12.4        | 119            | 136           | 163           | -18.3        | 14.9        | 19.5        | 68            | 76            | 96            | -29.1        | 11.6        | 26.0        |
| Consumer (19)              | 3,302           | 3,554           | 3,923          | 6.1          | 7.7        | 10.4        | 816            | 892           | 988           | 12.5         | 9.3         | 10.8        | 587           | 640           | 713           | 15.9         | 8.9         | 11.4        |
| Consumer Durables (5)      | 638             | 731             | 844            | 20.3         | 14.6       | 15.4        | 61             | 76            | 95            | 21.0         | 24.1        | 25.8        | 42            | 54            | 69            | 23.2         | 29.7        | 27.1        |
| EMS (5)                    | 75              | 107             | 147            | 39.5         | 41.5       | 38.2        | 8              | 13            | 19            | 16.4         | 51.5        | 48.1        | 6             | 9             | 14            | 33.2         | 58.7        | 54.3        |
| Financials (54)            | 15,379          | 17,233          | 19,611         | 11.2         | 12.1       | 13.8        | 6,166          | 7,139         | 8,477         | 14.5         | 15.8        | 18.7        | 4,016         | 4,708         | 5,551         | 22.1         | 17.2        | 17.9        |
| Banks-PVT (13)             | 3,360           | 3,893           | 4,575          | 20.7         | 15.9       | 17.5        | 2,575          | 2,953         | 3,526         | 23.1         | 14.7        | 19.4        | 1,689         | 1,944         | 2,281         | 26.3         | 15.1        | 17.3        |
| Banks-PSU (6)              | 3,411           | 3,688           | 4,160          | 11.8         | 8.1        | 12.8        | 2,171          | 2,515         | 2,903         | 7.7          | 15.8        | 15.4        | 1,294         | 1,543         | 1,813         | 34.0         | 19.3        | 17.5        |
| Insurance (7)              | 7,289           | 8,040           | 8,903          | 4.9          | 10.3       | 10.7        | 470            | 505           | 601           | -7.2         | 7.6         | 19.0        | 485           | 533           | 587           | 12.6         | 9.8         | 10.3        |
| NBFC-Lending (23)          | 1,236           | 1,490           | 1,828          | 24.5         | 20.6       | 22.7        | 917            | 1,108         | 1,376         | 23.1         | 20.9        | 24.2        | 517           | 641           | 814           | -2.9         | 24.1        | 26.9        |
| NBFC-Non Lending (5)       | 84              | 121             | 144            | 36.2         | 44.6       | 19.0        | 34             | 58            | 71            | 20.6         | 70.6        | 21.6        | 31            | 46            | 56            | 43.3         | 47.0        | 20.8        |
| Healthcare (24)            | 3,137           | 3,501           | 3,939          | 13.6         | 11.6       | 12.5        | 701            | 821           | 954           | 21.7         | 17.2        | 16.2        | 430           | 517           | 616           | 24.9         | 20.3        | 19.1        |
| Infrastructure (3)         | 191             | 201             | 235            | 4.2          | 5.7        | 17.0        | 51             | 56            | 65            | -3.9         | 9.9         | 17.1        | 17            | 22            | 28            | -12.4        | 24.6        | 28.8        |
| Logistics (8)              | 580             | 665             | 785            | 15.8         | 14.6       | 18.0        | 215            | 252           | 301           | 18.1         | 17.1        | 19.4        | 121           | 147           | 182           | 12.3         | 21.2        | 23.9        |
| Media (3)                  | 189             | 202             | 229            | 11.3         | 6.8        | 13.5        | 42             | 46            | 58            | 5.9          | 10.4        | 24.1        | 24            | 27            | 34            | 16.7         | 13.3        | 25.4        |
| Metals (10)                | 11,168          | 12,328          | 13,422         | -2.1         | 10.4       | 8.9         | 1,884          | 2,351         | 2,773         | -0.6         | 24.8        | 17.9        | 871           | 1,176         | 1,459         | 0.1          | 35.1        | 24.0        |
| Oil & Gas (15)             | 35,481          | 38,056          | 39,919         | -4.3         | 7.3        | 4.9         | 4,623          | 4,290         | 4,825         | 54.5         | -7.2        | 12.5        | 2,425         | 2,133         | 2,451         | 79.5         | -12.0       | 14.9        |
| Ex OMCs (12)               | 18,898          | 20,098          | 21,455         | -3.2         | 6.3        | 6.8         | 3,164          | 3,434         | 3,904         | 18.8         | 8.5         | 13.7        | 1,589         | 1,736         | 2,012         | 21.3         | 9.3         | 15.9        |
| Real Estate (11)           | 463             | 569             | 675            | 10.8         | 22.9       | 18.8        | 132            | 171           | 219           | 18.8         | 29.3        | 28.2        | 94            | 123           | 160           | 17.2         | 30.6        | 30.0        |
| Retail (20)                | 1,975           | 2,396           | 2,868          | 20.4         | 21.3       | 19.7        | 225            | 282           | 349           | 10.6         | 24.9        | 23.8        | 93            | 129           | 171           | -0.7         | 38.4        | 32.6        |
| Staffing (4)               | 431             | 492             | 574            | 12.1         | 14.2       | 16.5        | 15             | 19            | 24            | 13.7         | 29.8        | 24.1        | 7             | 12            | 15            | 1.3          | 63.8        | 29.0        |
| Technology (12)            | 7,356           | 7,750           | 8,432          | 5.1          | 5.3        | 8.8         | 1,654          | 1,777         | 1,988         | 4.4          | 7.4         | 11.9        | 1,117         | 1,230         | 1,381         | 3.8          | 10.1        | 12.3        |
| Telecom (4)                | 2,422           | 2,662           | 3,024          | 6.4          | 9.9        | 13.6        | 1,142          | 1,296         | 1,530         | 11.9         | 13.4        | 18.1        | -134          | -30           | 103           | Loss         | Loss        | LP          |
| Others (13)                | 2,027           | 2,220           | 2,486          | 3.8          | 9.5        | 11.9        | 310            | 366           | 452           | 31.4         | 18.1        | 23.4        | 126           | 150           | 208           | 97.6         | 19.6        | 38.0        |
| <b>MOFSL (269)</b>         | <b>1,02,324</b> | <b>1,12,151</b> | <b>123,118</b> | <b>4.0</b>   | <b>9.6</b> | <b>9.8</b>  | <b>20,467</b>  | <b>22,620</b> | <b>26,355</b> | <b>21.4</b>  | <b>10.5</b> | <b>16.5</b> | <b>11,234</b> | <b>12,654</b> | <b>15,085</b> | <b>30.7</b>  | <b>12.6</b> | <b>19.2</b> |
| <b>MOFSL Ex OMCs (266)</b> | <b>85,741</b>   | <b>94,194</b>   | <b>104,654</b> | <b>6.1</b>   | <b>9.9</b> | <b>11.1</b> | <b>19,007</b>  | <b>21,764</b> | <b>25,433</b> | <b>15.0</b>  | <b>14.5</b> | <b>16.9</b> | <b>10,397</b> | <b>12,256</b> | <b>14,647</b> | <b>21.6</b>  | <b>17.9</b> | <b>19.5</b> |

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) |
|----------------------------|-------------|-------------|-------------|------------|------------|------------|---------------|-------------|------------|-------------|-------------|-------------|------------------------|
|                            | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24          | FY25E       | FY26E      | FY24        | FY25E       | FY26E       |                        |
| Auto (25)                  | 26.3        | 26.4        | 22.4        | 5.1        | 5.0        | 4.3        | 13.6          | 13.7        | 11.7       | 19.4        | 19.1        | 19.4        | 16.1                   |
| Capital Goods (11)         | 50.5        | 49.9        | 39.2        | 8.3        | 8.7        | 7.5        | 32.2          | 31.8        | 25.8       | 16.4        | 17.5        | 19.0        | 25.4                   |
| Cement (11)                | 35.8        | 38.5        | 32.2        | 3.5        | 3.8        | 3.4        | 23.5          | 24.3        | 20.2       | 9.9         | 9.9         | 10.6        | 15.4                   |
| Chemicals-Specialty (12)   | 42.0        | 40.5        | 32.1        | 4.4        | 4.3        | 3.9        | 24.5          | 22.9        | 19.0       | 10.4        | 10.7        | 12.1        | 18.6                   |
| Consumer (19)              | 47.2        | 45.8        | 41.1        | 12.0       | 11.6       | 10.7       | 33.4          | 32.2        | 28.8       | 25.5        | 25.4        | 26.0        | 10.1                   |
| Consumer Durables (5)      | 61.4        | 59.4        | 46.7        | 9.7        | 10.5       | 8.9        | 40.4          | 41.2        | 32.5       | 15.8        | 17.7        | 19.1        | 28.4                   |
| EMS (5)                    | 87.2        | 65.4        | 42.4        | 7.1        | 7.6        | 6.4        | 55.8          | 43.7        | 29.3       | 8.2         | 11.5        | 15.2        | 56.5                   |
| Financials (54)            | 16.0        | 14.8        | 12.5        | 2.6        | 2.4        | 2.1        | N.M           | N.M         | N.M        | 16.1        | 16.3        | 16.6        | 17.6                   |
| Banks-PVT (13)             | 17.3        | 16.8        | 14.3        | 2.6        | 2.5        | 2.2        | N.M           | N.M         | N.M        | 15.0        | 15.1        | 15.4        | 16.2                   |
| Banks-PSU (6)              | 9.6         | 8.3         | 7.1         | 1.5        | 1.3        | 1.2        | N.M           | N.M         | N.M        | 15.4        | 16.1        | 16.6        | 18.4                   |
| Insurance (7)              | 22.7        | 21.5        | 19.5        | 7.6        | 5.8        | 4.5        | N.M           | N.M         | N.M        | 33.4        | 27.1        | 23.3        | 10.0                   |
| NBFC - Lending (23)        | 20.1        | 17.8        | 14.0        | 2.7        | 2.6        | 2.2        | N.M           | N.M         | N.M        | 13.7        | 14.7        | 16.0        | 25.5                   |
| NBFC - Non Lending (5)     | 36.8        | 27.3        | 22.6        | 9.5        | 7.9        | 7.0        | N.M           | N.M         | N.M        | 25.9        | 29.0        | 31.0        | 33.3                   |
| Healthcare (24)            | 38.4        | 33.1        | 27.8        | 5.3        | 4.8        | 4.2        | 23.5          | 20.5        | 17.4       | 13.8        | 14.4        | 15.0        | 19.7                   |
| Infrastructure (3)         | 31.6        | 30.1        | 23.4        | 2.3        | 2.5        | 2.3        | 11.7          | 12.1        | 10.0       | 7.2         | 8.3         | 9.7         | 26.6                   |
| Logistics (8)              | 35.2        | 33.5        | 27.0        | 5.5        | 5.5        | 4.7        | 21.2          | 20.8        | 17.3       | 15.5        | 16.3        | 17.4        | 22.6                   |
| Media (3)                  | 20.6        | 21.9        | 17.4        | 1.8        | 2.0        | 1.9        | 12.3          | 14.0        | 11.0       | 8.5         | 9.1         | 10.7        | 19.2                   |
| Metals (10)                | 14.3        | 13.7        | 11.1        | 2.3        | 2.6        | 2.3        | 7.8           | 7.7         | 6.4        | 15.9        | 19.1        | 20.6        | 29.5                   |
| Oil & Gas (15)             | 13.1        | 15.9        | 13.8        | 2.0        | 1.9        | 1.7        | 8.1           | 9.1         | 7.9        | 15.0        | 12.0        | 12.5        | 0.5                    |
| Ex OMCs (12)               | 17.3        | 17.0        | 14.7        | 2.1        | 2.0        | 1.8        | 9.8           | 9.4         | 8.0        | 12.2        | 12.0        | 12.5        | 12.5                   |
| Real Estate (11)           | 63.9        | 58.4        | 44.9        | 5.3        | 5.8        | 5.2        | 47.9          | 43.3        | 33.5       | 8.3         | 9.9         | 11.5        | 30.3                   |
| Retail (20)                | 111.8       | 87.8        | 66.2        | 16.8       | 15.6       | 13.1       | 47.7          | 41.4        | 33.3       | 15.1        | 17.8        | 19.8        | 35.5                   |
| Staffing (4)               | 28.1        | 19.3        | 15.0        | 2.9        | 2.9        | 2.5        | 14.0          | 11.9        | 9.2        | 10.4        | 15.0        | 16.6        | 45.3                   |
| Technology (12)            | 28.6        | 28.4        | 25.3        | 8.0        | 8.7        | 8.6        | 18.6          | 18.9        | 16.9       | 28.0        | 30.7        | 33.9        | 11.2                   |
| Telecom (4)                | -69.0       | -323.5      | 94.1        | 138.9      | 22.0       | 17.9       | 11.1          | 9.7         | 7.8        | -201.4      | -6.8        | 19.1        | LP                     |
| Others (13)                | 46.1        | 44.7        | 32.4        | 6.3        | 6.4        | 5.4        | 20.8          | 20.1        | 16.1       | 13.6        | 14.2        | 16.7        | 28.5                   |
| <b>MOFSL (269)</b>         | <b>24.1</b> | <b>23.7</b> | <b>19.9</b> | <b>3.9</b> | <b>3.8</b> | <b>3.4</b> | <b>10.6</b>   | <b>10.5</b> | <b>8.9</b> | <b>16.2</b> | <b>16.1</b> | <b>17.0</b> | <b>15.9</b>            |
| <b>MOFSL Ex OMCs (266)</b> | <b>25.6</b> | <b>24.1</b> | <b>20.2</b> | <b>4.0</b> | <b>3.9</b> | <b>3.5</b> | <b>11.1</b>   | <b>10.6</b> | <b>8.9</b> | <b>15.7</b> | <b>16.3</b> | <b>17.2</b> | <b>18.7</b>            |

N.M.: Not Meaningful

## Ready reckoner: Quarterly performance

| Sector                | CMP (INR) | RECO    | SALES (INR M)    |             |              | EBDITA (INR M)  |             |              | NET PROFIT (INR M) |              |              |
|-----------------------|-----------|---------|------------------|-------------|--------------|-----------------|-------------|--------------|--------------------|--------------|--------------|
|                       |           |         | Jun-24           | Var % YoY   | Var % QoQ    | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY    | Var % QoQ    |
| Amara Raja Energy     | 1681      | Neutral | 29,915           | 8.0         | 7.0          | 4,422           | 25.1        | 8.5          | 2,551              | 32.5         | 11.9         |
| Apollo Tyres          | 536       | Buy     | 63,749           | 2.1         | 1.9          | 10,136          | -3.6        | -6.1         | 4,273              | 5.2          | -8.1         |
| Ashok Leyland         | 234       | Buy     | 87,011           | 6.2         | -22.8        | 10,587          | 29.0        | -33.5        | 6,535              | 13.3         | -31.1        |
| Bajaj Auto            | 9398      | Neutral | 1,16,668         | 13.2        | 1.6          | 23,317          | 19.3        | 1.1          | 19,806             | 19.0         | 2.3          |
| Balkrishna Inds       | 3129      | Neutral | 25,579           | 20.9        | -5.2         | 6,548           | 34.7        | -7.7         | 4,126              | 32.0         | -15.5        |
| Bharat Forge          | 1645      | Neutral | 23,695           | 11.4        | 1.8          | 6,528           | 18.0        | -0.2         | 3,921              | 24.5         | -0.9         |
| Bosch                 | 34617     | Neutral | 44,079           | 6.0         | 4.1          | 5,985           | 27.9        | 7.4          | 5,416              | 32.4         | -4.1         |
| CEAT                  | 2755      | Buy     | 30,526           | 4.0         | 2.0          | 3,694           | -4.6        | -5.7         | 1,478              | 2.2          | -2.3         |
| CIE Automotive        | 600       | Buy     | 23,389           | 0.8         | -3.6         | 3,495           | -5.7        | -3.1         | 2,010              | -5.9         | -12.7        |
| Craftsman Auto        | 5691      | Buy     | 11,217           | 8.1         | 1.5          | 2,181           | 1.8         | 5.4          | 801                | 7.5          | 28.4         |
| Eicher Motors         | 4626      | Sell    | 42,501           | 6.6         | -0.1         | 11,180          | 9.5         | -0.9         | 10,094             | 9.9          | -5.7         |
| Endurance Tech.       | 2720      | Buy     | 28,303           | 15.5        | 6.2          | 3,806           | 18.5        | 3            | 2,028              | 24.1         | 4.0          |
| Escorts Kubota        | 4123      | Neutral | 23,839           | 2.4         | 14.5         | 3,457           | 5.7         | 30.0         | 2,996              | 5.9          | 23.8         |
| Exide Inds.           | 564       | Neutral | 43,984           | 8.0         | 9.7          | 5,674           | 31.3        | 9.9          | 3,348              | 38.4         | 18.0         |
| Happy Forgings        | 1259      | Buy     | 3,727            | 13.0        | 8.5          | 1,075           | 6.0         | 10.7         | 693                | 8.2          | 5.3          |
| Hero Motocorp         | 5564      | Buy     | 1,06,013         | 20.9        | 11.4         | 15,969          | 32.4        | 17.5         | 12,448             | 31.6         | 22.5         |
| Mahindra & Mahindra   | 2867      | Buy     | 2,80,556         | 16.6        | 11.7         | 38,672          | 19.5        | 19.4         | 29,806             | 7.5          | 46.2         |
| Maruti Suzuki         | 12039     | Buy     | 3,50,194         | 8.3         | -8.4         | 42,180          | 41.4        | -10.0        | 34,271             | 37.9         | -11.6        |
| Samvardhana Motherson | 203       | Buy     | 2,90,974         | 29.5        | 8.3          | 26,777          | 39.1        | 0.3          | 9,336              | 55.4         | 1.8          |
| Motherson Wiring      | 73        | Buy     | 22,103           | 18.9        | -1.0         | 2,739           | 41.1        | -6.0         | 1,774              | 44.1         | -7.3         |
| MRF                   | 128645    | Sell    | 63,865           | 1.0         | 2.8          | 9,676           | -13.2       | -3.8         | 4,534              | -22.0        | -3.4         |
| Sona BLW Precis.      | 671       | Neutral | 9,140            | 24.8        | 3.2          | 2,550           | 25.4        | 2.8          | 1,470              | 28.7         | -0.7         |
| Tata Motors           | 981       | Neutral | 10,33,552        | 1.1         | -13.9        | 1,37,634        | 1.5         | -19.0        | 41,074             | 8.5          | -46.8        |
| Tube Investments      | 4111      | Buy     | 20,321           | 14.2        | 3.5          | 2,349           | 8.8         | 8.2          | 1,649              | 11.6         | -33.5        |
| TVS Motor             | 2339      | Neutral | 84,419           | 17.0        | 3.3          | 9,917           | 29.9        | 7.1          | 5,848              | 25.0         | 20.5         |
| <b>Automobiles</b>    |           |         | <b>28,59,320</b> | <b>8.7</b>  | <b>-4.7</b>  | <b>3,90,547</b> | <b>14.0</b> | <b>-7.6</b>  | <b>2,12,288</b>    | <b>17.9</b>  | <b>-13.2</b> |
| ABB India             | 8515      | Buy     | 31,839           | 26.9        | 3.4          | 5,555           | 59.3        | -1.7         | 4,552              | 53.8         | -1.0         |
| Bharat Electronics    | 306       | Buy     | 37,838           | 7.8         | -55.6        | 8,703           | 31.0        | -61.8        | 7,463              | 40.6         | -58.2        |
| Cummins India         | 3936      | Buy     | 20,788           | -5.9        | -10.2        | 4,135           | 21.4        | -24.0        | 3,824              | 21.1         | -31.9        |
| Hitachi Energy        | 13482     | Neutral | 13,692           | 31.6        | -19.2        | 1,232           | 266.0       | -32.3        | 694                | 2,778.7      | -39.0        |
| KEC International     | 903       | Neutral | 45,050           | 6.2         | -26.9        | 2,973           | 21.7        | -23.4        | 820                | 93.7         | -46.0        |
| Kalpataru Proj.       | 1212      | Buy     | 40,353           | 11.4        | -21.6        | 3,390           | 8.0         | -15.3        | 1,295              | 2.8          | -26.0        |
| Kirloskar Oil         | 1400      | Buy     | 11,953           | -5.5        | -14.1        | 1,434           | -7.1        | -19.5        | 922                | -10.7        | -21.6        |
| Larsen & Toubro       | 3624      | Buy     | 5,34,615         | 11.7        | -20.3        | 53,847          | 10.6        | -25.6        | 27,035             | 8.4          | -37.5        |
| Siemens               | 7775      | Buy     | 61,469           | 26.1        | 6.9          | 9,339           | 64.8        | 6.3          | 7,420              | 62.8         | -7.6         |
| Thermax               | 5175      | Neutral | 22,010           | 13.9        | -20.4        | 2,125           | 60.8        | -22.2        | 1,484              | 59.3         | -20.9        |
| Triveni Turbine       | 606       | Buy     | 4,268            | 13.4        | -6.8         | 845             | 19.2        | -5.9         | 709                | 16.3         | -7.0         |
| <b>Capital Goods</b>  |           |         | <b>8,23,873</b>  | <b>12.1</b> | <b>-21.1</b> | <b>93,578</b>   | <b>20.9</b> | <b>-28.1</b> | <b>56,218</b>      | <b>24.4</b>  | <b>-35.8</b> |
| ACC                   | 2770      | Neutral | 51,154           | -1.6        | -5.2         | 7,296           | -5.1        | -12.8        | 4,167              | -10.2        | -15.2        |
| Ambuja Cements        | 692       | Neutral | 46,567           | -1.5        | -2.6         | 7,225           | -23.8       | -9.4         | 4,773              | -26.0        | -12.3        |
| Birla Corporation     | 1584      | Buy     | 24,538           | 1.9         | -7.6         | 3,474           | 16.6        | -26.5        | 942                | 57.8         | -50.0        |
| Dalmia Bharat         | 1839      | Buy     | 36,283           | -0.1        | -15.8        | 5,389           | -12.7       | -17.6        | 1,045              | -19.6        | -58.7        |
| Grasim Industries     | 2743      | Buy     | 69,043           | 10.7        | 2.0          | 5,731           | -14.9       | 8.8          | 1,017              | -71.4        | -55.7        |
| India Cements         | 284       | Sell    | 11,521           | -17.3       | -7.5         | 288             | 474.2       | -38.5        | -543               | Loss         | Loss         |
| J K Cements           | 4329      | Buy     | 28,739           | 4.0         | -7.5         | 4,687           | 14.9        | -16.3        | 1,499              | 20.8         | -29.9        |
| JK Lakshmi Cem.       | 896       | Buy     | 16,673           | -3.6        | -6.4         | 2,487           | 26.7        | -26.1        | 1,000              | 27.5         | -36.3        |
| Ramco Cements         | 843       | Neutral | 22,193           | -1.0        | -17.0        | 3,133           | -8.2        | -24.9        | 345                | -56.3        | -71.6        |
| Shree Cement          | 27672     | Neutral | 50,687           | 1.4         | -0.6         | 11,833          | 26.9        | -10.8        | 5,441              | -6.4         | -17.8        |
| Ultratech Cement      | 11847     | Buy     | 1,81,113         | 2.1         | -11.3        | 32,474          | 6.5         | -21.1        | 15,546             | -7.9         | -32.7        |
| <b>Cement</b>         |           |         | <b>5,38,512</b>  | <b>1.5</b>  | <b>-7.5</b>  | <b>84,018</b>   | <b>2.0</b>  | <b>-16.7</b> | <b>35,232</b>      | <b>-14.7</b> | <b>-31.3</b> |
| Alkyl Amines          | 2146      | Neutral | 3,760            | -8.2        | 5.4          | 699             | -5.5        | 1.5          | 407                | -18.2        | 5.9          |
| Atul                  | 6566      | Neutral | 12,154           | 2.8         | 0.3          | 1,676           | -8.0        | 13.6         | 777                | -23.8        | 32.2         |
| Clean Science         | 1514      | Neutral | 2,346            | 24.7        | 3.1          | 1,006           | 32.1        | 6.4          | 813                | 37.9         | 15.7         |
| Deepak Nitrite        | 2684      | Neutral | 18,611           | 5.2         | -12.5        | 2,773           | 32.2        | -7.9         | 1,759              | 17.3         | -10.2        |
| Fine Organic          | 5236      | Sell    | 5,339            | 0.3         | 2.4          | 1,246           | -18.0       | -5.8         | 941                | -17.6        | -10.1        |
| Galaxy Surfactants    | 2772      | Buy     | 9,725            | 3.3         | 4.7          | 1,106           | -10.2       | 8.8          | 663                | -11.9        | -14.5        |
| Navin Fluorine        | 3604      | Neutral | 4,790            | -2.5        | -20.4        | 830             | -27.3       | -24.6        | 391                | -36.4        | -44.4        |
| NOCIL                 | 285       | Neutral | 3,738            | -5.8        | 4.9          | 536             | -1.4        | 23.5         | 337                | 0.4          | -18.0        |
| P I Industries        | 3757      | Buy     | 21,970           | 15.0        | 26.2         | 5,602           | 19.8        | 26.8         | 3,989              | 4.2          | 8.0          |
| SRF                   | 2395      | Neutral | 32,860           | -1.6        | -7.9         | 6,471           | -10.1       | -9.1         | 3,074              | -19.8        | -29.8        |
| Tata Chemicals        | 1095      | Neutral | 39,462           | -6.4        | 13.6         | 6,505           | -37.6       | 46.8         | 1,795              | -65.2        | LP           |

**Ready reckoner: Quarterly performance**

| Sector                     | CMP (INR) | RECO    | SALES (INR M)   |             |              | EBDITA (INR M)  |             |              | NET PROFIT (INR M) |              |              |
|----------------------------|-----------|---------|-----------------|-------------|--------------|-----------------|-------------|--------------|--------------------|--------------|--------------|
|                            |           |         | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY    | Var % QoQ    |
| Vinati Organics            | 1942      | Buy     | 5,605           | 30.0        | 1.9          | 1,502           | 37.8        | 0.0          | 1,061              | 27.5         | 1.6          |
| <b>Chemicals-Specialty</b> |           |         | <b>1,60,361</b> | <b>1.4</b>  | <b>2.4</b>   | <b>29,951</b>   | <b>-9.9</b> | <b>9.1</b>   | <b>16,008</b>      | <b>-20.4</b> | <b>9.3</b>   |
| Asian Paints               | 2926      | Neutral | 91,823          | 0.0         | 5.2          | 19,916          | -6.1        | 17.8         | 14,330             | -9.0         | 12.4         |
| Britannia                  | 5403      | Neutral | 42,283          | 5.4         | 3.9          | 7,847           | 13.9        | -0.3         | 5,307              | 16.5         | -1.1         |
| Colgate                    | 2870      | Neutral | 14,433          | 9.0         | -3.1         | 4,698           | 12.4        | -11.7        | 3,336              | 15.7         | -12.2        |
| Dabur                      | 603       | Buy     | 33,653          | 7.5         | 19.6         | 6,596           | 9.1         | 41.3         | 4,942              | 4.7          | 38.1         |
| Emami                      | 723       | Buy     | 8,914           | 8.0         | 0.0          | 2,135           | 12.4        | 1.2          | 1,770              | 25.3         | 6.1          |
| Godrej Consumer            | 1370      | Buy     | 36,216          | 5.0         | 7.0          | 7,845           | 15.1        | 3.2          | 5,019              | 34.5         | -12.7        |
| Hind. Unilever             | 2485      | Buy     | 1,55,530        | 0.4         | 2.3          | 37,113          | 1.3         | 5.0          | 26,432             | 2.4          | 5.7          |
| Indigo Paints              | 1390      | Buy     | 3,259           | 13.0        | -15.3        | 600             | 22.2        | -29.0        | 358                | 15.3         | -34.3        |
| ITC                        | 425       | Buy     | 1,83,622        | 7.0         | 2.5          | 70,667          | 5.9         | 6.6          | 54,263             | 6.3          | 5.9          |
| Jyothy Labs                | 477       | Neutral | 7,524           | 9.5         | 14.0         | 1,317           | 12.1        | 21.5         | 977                | 12.0         | 25.0         |
| Marico                     | 603       | Buy     | 26,719          | 7.9         | 17.3         | 6,341           | 10.5        | 43.5         | 4,615              | 8.1          | 45.1         |
| Nestle                     | 2545      | Neutral | 50,600          | 8.6         | -3.9         | 12,067          | 13.2        | -10.1        | 7,985              | 13.8         | -12.6        |
| P&G Hygiene                | 16547     | Neutral | 9,576           | 12.8        | -4.5         | 2,652           | 25.4        | 3.1          | 1,894              | 28.2         | 2.2          |
| Page Industries            | 38790     | Neutral | 13,187          | 7.0         | 32.5         | 2,625           | 8.5         | 57.0         | 1,767              | 11.6         | 63.3         |
| Pidilite Inds.             | 3085      | Neutral | 35,044          | 7.0         | 20.8         | 8,117           | 14.8        | 40.7         | 5,651              | 19.1         | 49.5         |
| Tata Consumer              | 1106      | Buy     | 44,347          | 18.5        | 12.9         | 6,776           | 24.3        | 7.6          | 3,854              | 20.3         | 1.8          |
| United Breweries           | 2032      | Sell    | 26,187          | 15.2        | 22.9         | 3,087           | 38.6        | 117.5        | 2,025              | 48.8         | 150.5        |
| United Spirits             | 1276      | Neutral | 23,550          | 8.4         | -11.7        | 4,117           | 6.9         | 13.7         | 2,620              | 9.3          | -35.7        |
| Varun Beverages            | 1578      | Buy     | 75,944          | 35.3        | 75.9         | 21,142          | 39.9        | 113.8        | 14,226             | 43.2         | 164.7        |
| <b>Consumer</b>            |           |         | <b>8,82,410</b> | <b>7.8</b>  | <b>8.9</b>   | <b>2,25,658</b> | <b>9.2</b>  | <b>14.5</b>  | <b>1,61,373</b>    | <b>9.7</b>   | <b>12.4</b>  |
| Havells India              | 1811      | Neutral | 57,196          | 18.3        | 5.1          | 5,873           | 46.1        | -7.4         | 3,898              | 35.8         | -12.7        |
| KEI Industries             | 4552      | Buy     | 19,966          | 12.0        | -13.9        | 2,079           | 16.6        | -15.0        | 1,364              | 12.4         | -19.2        |
| Polycab India              | 6629      | Buy     | 45,835          | 17.8        | -18.0        | 5,945           | 8.4         | -21.9        | 4,213              | 5.4          | -22.8        |
| R R Kabel                  | 1755      | Buy     | 17,671          | 10.6        | 0.7          | 1,303           | 15.4        | 13.1         | 881                | 18.5         | 11.9         |
| Voltas                     | 1450      | Buy     | 39,430          | 17.4        | -6.2         | 2,590           | 39.7        | 35.9         | 1,900              | 46.9         | 83.0         |
| <b>Consumer Durables</b>   |           |         | <b>1,80,098</b> | <b>16.5</b> | <b>-6.7</b>  | <b>17,792</b>   | <b>24.7</b> | <b>-8.6</b>  | <b>12,255</b>      | <b>21.1</b>  | <b>-8.8</b>  |
| Avalon Tech                | 541       | Buy     | 2,186           | -7.0        | 0.8          | 157             | -3.0        | -8.6         | 63                 | -11.3        | -11.2        |
| Cyient DLM                 | 753       | Buy     | 2,606           | 20.0        | -28.0        | 184             | -7.9        | -51.7        | 93                 | 74.5         | -58.9        |
| Data Pattern               | 3092      | Neutral | 1,148           | 28.0        | -37.0        | 390             | 40.3        | -58.0        | 316                | 22.2         | -55.6        |
| Kaynes Tech                | 3962      | Buy     | 4,814           | 62.0        | -24.5        | 627             | 55.8        | -34.1        | 443                | 79.7         | -45.5        |
| Syrma SGS Tech.            | 486       | Buy     | 10,042          | 67.0        | -11.5        | 554             | 50.1        | -24.8        | 266                | -6.7         | -23.8        |
| <b>EMS</b>                 |           |         | <b>20,796</b>   | <b>44.4</b> | <b>-17.9</b> | <b>1,913</b>    | <b>35.5</b> | <b>-39.7</b> | <b>1,181</b>       | <b>29.2</b>  | <b>-45.6</b> |
| Ajanta Pharma              | 2240      | Buy     | 11,022          | 8.0         | 4.6          | 2,855           | 1.5         | 2.6          | 1,969              | -1.9         | 4.5          |
| Alembic Pharma             | 976       | Neutral | 15,671          | 5.4         | 3.3          | 2,648           | 33.3        | 1.8          | 1,666              | 38.0         | -6.9         |
| Alkem Lab                  | 4921      | Neutral | 30,793          | 3.8         | 4.9          | 4,988           | 28.2        | 24.1         | 3,898              | 35.9         | 28.2         |
| Apollo Hospitals           | 6101      | Buy     | 50,133          | 13.5        | 1.4          | 6,768           | 33.0        | 5.7          | 2,982              | 79.0         | 17.5         |
| Aurobindo Pharma           | 1213      | Neutral | 76,598          | 11.8        | 1.1          | 16,928          | 47.0        | 0.3          | 9,704              | 63.6         | -3.9         |
| Biocon                     | 356       | Neutral | 39,592          | 15.7        | 1.1          | 9,067           | 27.2        | -1.0         | 1,760              | 76.0         | -5.8         |
| Cipla                      | 1488      | Buy     | 67,562          | 6.8         | 9.6          | 17,363          | 16.2        | 32.0         | 11,346             | 13.9         | 30.6         |
| Divis Labs                 | 4570      | Neutral | 21,994          | 23.7        | -4.5         | 6,818           | 35.3        | -6.7         | 5,127              | 43.7         | -4.4         |
| Dr Reddy's Labs            | 6372      | Neutral | 73,961          | 9.8         | 4.4          | 19,748          | -3.4        | 11.8         | 12,866             | -5.8         | 6.2          |
| Eris Lifescience           | 1039      | Neutral | 6,999           | 50.0        | 27.0         | 2,436           | 43.5        | 43.4         | 892                | -5.9         | 9.5          |
| Gland Pharma               | 1812      | Buy     | 15,138          | 25.2        | -1.5         | 3,573           | 21.5        | -0.4         | 2,120              | 9.2          | 10.5         |
| Glenmark Pharma            | 1248      | Neutral | 32,950          | 8.5         | 7.6          | 6,129           | 40.1        | 21.5         | 2,917              | 162.6        | 73.7         |
| Global Health              | 1275      | Buy     | 8,216           | 6.3         | 1.6          | 1,997           | 8.3         | 4.5          | 1,166              | 14.3         | -8.5         |
| Granules India             | 491       | Buy     | 11,806          | 19.8        | 0.4          | 2,456           | 55.5        | -4.0         | 1,230              | 94.3         | -5.1         |
| GSK Pharma                 | 2621      | Neutral | 8,096           | 6.3         | -12.9        | 2,113           | 46.8        | -17.9        | 1,699              | 47.8         | -11.5        |
| IPCA Labs.                 | 1132      | Neutral | 21,578          | 35.9        | 6.1          | 3,668           | 24.7        | 14.0         | 1,723              | 11.9         | 85.3         |
| Laurus Labs                | 437       | Buy     | 14,301          | 21.0        | -0.7         | 2,231           | 33.8        | -7.6         | 692                | 158.4        | -8.4         |
| Lupin                      | 1633      | Neutral | 50,311          | 9.2         | 1.4          | 9,660           | 48.3        | -3.1         | 5,061              | 77.3         | -0.4         |
| Mankind Pharma             | 2129      | Buy     | 28,256          | 9.6         | 15.8         | 7,120           | 8.7         | 20.5         | 5,393              | 10.8         | 14.4         |
| Max Healthcare             | 912       | Buy     | 18,977          | 17.0        | 6.0          | 5,143           | 19.9        | 4.1          | 3,537              | 15.8         | 6.3          |
| Piramal Pharma             | 161       | Buy     | 19,610          | 12.1        | -23.2        | 1,608           | 21.5        | -69.7        | -664               | Loss         | PL           |
| Sun Pharma                 | 1524      | Buy     | 1,31,835        | 11.9        | 11.6         | 32,695          | 3.0         | 11.9         | 26,483             | 16.0         | -5.6         |
| Torrent Pharma             | 2821      | Neutral | 29,778          | 14.9        | 8.5          | 9,410           | 19.0        | 6.6          | 4,881              | 29.1         | 8.7          |
| Zydus Lifesciences         | 1074      | Neutral | 55,308          | 7.6         | -0.1         | 15,320          | 0.0         | -5.7         | 10,368             | -7.6         | -11.8        |
| <b>Healthcare</b>          |           |         | <b>8,40,485</b> | <b>11.9</b> | <b>3.9</b>   | <b>1,92,741</b> | <b>16.8</b> | <b>5.1</b>   | <b>1,18,817</b>    | <b>21.1</b>  | <b>2.0</b>   |
| G R Infraproject           | 1721      | Buy     | 19,542          | -9.2        | -9.3         | 2,677           | -14.9       | -10.5        | 1,846              | -11.3        | -17.9        |
| IRB Infra                  | 65        | Neutral | 18,273          | 11.8        | -11.3        | 8,348           | 7.3         | -6.2         | 1,402              | 4.8          | -25.8        |

## Ready reckoner: Quarterly performance

| Sector                 | CMP (INR) | RECO    | SALES (INR M)    |             |              | EBDITA (INR M)  |              |              | NET PROFIT (INR M) |              |              |
|------------------------|-----------|---------|------------------|-------------|--------------|-----------------|--------------|--------------|--------------------|--------------|--------------|
|                        |           |         | Jun-24           | Var % YoY   | Var % QoQ    | Jun-24          | Var % YoY    | Var % QoQ    | Jun-24             | Var % YoY    | Var % QoQ    |
| KNR Constructions      | 341       | Buy     | 9,277            | -0.2        | -21.3        | 1,614           | -6.8         | -20.6        | 946                | -14.2        | -28.8        |
| <b>Infrastructure</b>  |           |         | <b>47,093</b>    | <b>-0.1</b> | <b>-12.7</b> | <b>12,639</b>   | <b>-0.1</b>  | <b>-9.2</b>  | <b>4,193</b>       | <b>-7.3</b>  | <b>-23.3</b> |
| Adani Ports            | 1474      | Buy     | 71,624           | 14.6        | 3.9          | 42,043          | 12.0         | 4.0          | 23,305             | 13.8         | 1.7          |
| Blue Dart Express      | 8222      | Buy     | 13,633           | 10.2        | 3.1          | 1,505           | 32.8         | 7.9          | 837                | 40.0         | 10.0         |
| Concor                 | 1026      | Buy     | 22,197           | 15.6        | -4.2         | 5,127           | 30.9         | 4.9          | 3,256              | 33.4         | 10.5         |
| JSW Infra              | 350       | Buy     | 10,360           | 18.0        | -5.5         | 5,574           | 23.5         | -4.1         | 3,310              | 29.5         | -11.5        |
| Mahindra Logistics     | 545       | Neutral | 14,436           | 11.6        | -0.5         | 650             | -2.5         | 14.8         | 19                 | LP           | LP           |
| TCI Express            | 1257      | Buy     | 3,140            | 3.0         | -1.0         | 447             | -3.6         | -0.3         | 310                | -4.2         | -1.9         |
| Transport Corp.        | 944       | Buy     | 10,331           | 8.8         | -4.2         | 1,068           | 6.0          | -2.4         | 880                | 6.9          | -15.8        |
| VRL Logistics          | 575       | Buy     | 7,114            | 5.5         | -7.4         | 925             | -9.2         | -12.2        | 202                | -40.4        | -6.2         |
| <b>Logistics</b>       |           |         | <b>1,52,836</b>  | <b>13.2</b> | <b>0.2</b>   | <b>57,339</b>   | <b>14.1</b>  | <b>3.0</b>   | <b>32,118</b>      | <b>16.9</b>  | <b>0.9</b>   |
| PVR Inox               | 1469      | Neutral | 11,688           | -10.4       | -7.0         | -518            | PL           | PL           | -1,862             | Loss         | Loss         |
| Sun TV                 | 784       | Buy     | 13,832           | 5.0         | 49.2         | 8,306           | 5.6          | 63.3         | 6,109              | 4.8          | 53.2         |
| Zee Entertainment      | 153       | Neutral | 20,870           | 5.2         | -3.8         | 2,030           | 31.0         | -3.4         | 992                | 100.1        | -6.3         |
| <b>Media</b>           |           |         | <b>46,390</b>    | <b>0.7</b>  | <b>6.6</b>   | <b>9,819</b>    | <b>-3.9</b>  | <b>36.4</b>  | <b>5,239</b>       | <b>-10.9</b> | <b>26.4</b>  |
| Coal India             | 479       | Buy     | 3,63,557         | 1.0         | -2.8         | 97,718          | -12.4        | -0.7         | 73,653             | -7.6         | -15.2        |
| Hindalco               | 695       | Buy     | 5,83,275         | 10.1        | 4.2          | 70,274          | 23.0         | 5.2          | 35,126             | 42.4         | 10.7         |
| Hindustan Zinc         | 652       | Neutral | 78,595           | 7.9         | 4.1          | 37,739          | 12.8         | 3.4          | 21,633             | 10.1         | 6.1          |
| JSPL                   | 1045      | Buy     | 1,36,685         | 8.6         | 1.3          | 30,754          | 17.0         | 25.8         | 14,173             | -16.0        | 51.5         |
| JSW Steel              | 938       | Buy     | 4,21,504         | -0.1        | -8.9         | 63,279          | -10.2        | 3.3          | 14,423             | -38.3        | 11.0         |
| Nalco                  | 193       | Neutral | 38,821           | 22.1        | 8.5          | 11,378          | 91.4         | 2.7          | 7,414              | 122.1        | 9.6          |
| NMDC                   | 244       | Buy     | 53,666           | -0.5        | -17.3        | 17,532          | -12.1        | -16.6        | 14,925             | -9.7         | 4.3          |
| SAIL                   | 147       | Neutral | 2,56,699         | 5.4         | -2.2         | 24,587          | 49.1         | 39.0         | 6,432              | 202.7        | 256.2        |
| Tata Steel             | 175       | Neutral | 5,80,269         | -2.5        | -1.1         | 59,575          | 15.1         | -9.7         | 11,130             | 79.4         | -7.7         |
| Vedanta                | 458       | Neutral | 3,44,958         | 2.3         | -2.9         | 94,548          | 47.3         | 7.8          | 26,006             | 202.4        | 65.6         |
| <b>Metals</b>          |           |         | <b>28,58,028</b> | <b>3.1</b>  | <b>-1.9</b>  | <b>5,07,382</b> | <b>11.0</b>  | <b>3.4</b>   | <b>2,24,916</b>    | <b>11.9</b>  | <b>6.1</b>   |
| Aegis Logistics        | 852       | Neutral | 29,774           | 41.7        | 62.1         | 2,476           | 26.4         | -19.3        | 1,283              | 10.8         | -34.7        |
| BPCL                   | 304       | Neutral | 10,15,427        | -10.1       | -12.9        | 59,604          | -62.3        | -35.7        | 32,970             | -68.8        | -40.8        |
| Castrol India          | 214       | Buy     | 13,800           | 3.5         | 4.1          | 3,373           | 8.9          | 14.8         | 2,480              | 10.1         | 14.7         |
| GAIL                   | 222       | Buy     | 3,25,389         | 0.4         | 0.6          | 34,410          | 31.7         | -3.3         | 22,525             | 41.5         | 3.5          |
| Gujarat Gas            | 650       | Buy     | 40,696           | 7.6         | -1.6         | 5,506           | 41.9         | -6.9         | 3,292              | 53.0         | -10.6        |
| Gujarat State Petronet | 301       | Buy     | 3,005            | -23.7       | -33.9        | 2,276           | -32.4        | -39.8        | 1,458              | -36.4        | -44.2        |
| HPCL                   | 328       | Buy     | 10,55,563        | -5.7        | -8.1         | 32,616          | -65.8        | -36.4        | 12,436             | -80.0        | -56.3        |
| Indraprastha Gas       | 519       | Sell    | 34,217           | 0.4         | -4.9         | 5,391           | -16.1        | 3.2          | 3,677              | -16.1        | -3.9         |
| IOC                    | 168       | Buy     | 25,62,191        | 29.7        | 29.4         | 74,676          | -66.3        | -30.1        | 23,698             | -82.8        | -51.0        |
| Mahanagar Gas          | 1707      | Buy     | 15,059           | -2.1        | -3.9         | 3,876           | -25.7        | -1.6         | 2,591              | -29.7        | -2.2         |
| MRPL                   | 214       | Sell    | 2,54,562         | 20.2        | 0.5          | 14,125          | -37.0        | -39.6        | 5,588              | -47.2        | -51.1        |
| Oil India              | 485       | Buy     | 59,848           | 28.9        | 4.0          | 24,545          | 5.4          | 5.1          | 18,225             | 13.0         | -10.2        |
| ONGC                   | 275       | Buy     | 3,71,873         | 10.0        | 7.4          | 1,86,629        | -4.1         | 7.2          | 98,277             | -1.9         | -0.4         |
| Petronet LNG           | 336       | Neutral | 1,48,925         | 27.8        | 8.0          | 15,320          | 29.6         | 38.8         | 10,298             | 30.4         | 39.6         |
| Reliance Inds.         | 3132      | Buy     | 23,37,159        | 12.6        | -1.2         | 4,10,039        | 7.6          | -3.6         | 1,66,567           | 4.0          | -12.1        |
| <b>Oil &amp; Gas</b>   |           |         | <b>82,67,488</b> | <b>10.8</b> | <b>4.6</b>   | <b>8,74,861</b> | <b>-24.4</b> | <b>-9.6</b>  | <b>4,05,364</b>    | <b>-35.8</b> | <b>-18.7</b> |
| <b>Oil Ex OMCs</b>     |           |         | <b>36,34,306</b> | <b>12.2</b> | <b>0.6</b>   | <b>7,07,965</b> | <b>3.6</b>   | <b>-1.3</b>  | <b>3,36,259</b>    | <b>2.9</b>   | <b>-8.1</b>  |
| Brigade Enterpr.       | 1366      | Buy     | 11,424           | 74.7        | -32.9        | 3,179           | 81.8         | -26.5        | 1,116              | 141.5        | -48.1        |
| DLF                    | 831       | Neutral | 14,753           | 3.7         | -30.9        | 5,264           | 32.9         | -30.2        | 7,688              | 46.1         | -16.4        |
| Godrej Properties      | 3310      | Buy     | 6,948            | -25.8       | -51.3        | 185             | LP           | -85.0        | 1,913              | 43.2         | -60.0        |
| Kolte Patil Dev.       | 427       | Buy     | 4,066            | -28.8       | -22.7        | 299             | -67.1        | LP           | 50                 | -89.1        | LP           |
| Macrotech Developers   | 1495      | Buy     | 34,582           | 113.8       | -13.9        | 9,337           | 182.9        | -10.8        | 5,908              | 247.5        | -11.4        |
| Mahindra Lifespace     | 601       | Neutral | 1,600            | 63.2        | 1,019.4      | -411            | Loss         | Loss         | 119                | LP           | -83.4        |
| Oberoi Realty          | 1805      | Neutral | 9,950            | 9.3         | -24.3        | 5,667           | 19.6         | -28.1        | 3,990              | 24.1         | -49.4        |
| Phoenix Mills          | 3580      | Neutral | 9,145            | 12.8        | -30.0        | 5,181           | 5.2          | -17.3        | 2,169              | -9.8         | -33.6        |
| Prestige Estates       | 1840      | Buy     | 19,330           | 15.0        | -10.7        | 4,932           | -6.4         | -40.4        | 230                | -91.4        | -83.6        |
| Sobha                  | 1992      | Buy     | 9,658            | 6.4         | 26.6         | 1,188           | 81.7         | 91.5         | 522                | 332.1        | 642.0        |
| Sunteck Realty         | 555       | Buy     | 2,471            | 250.1       | -42.1        | 395             | LP           | -74.2        | 253                | LP           | -75.0        |
| <b>Real Estate</b>     |           |         | <b>1,23,927</b>  | <b>28.0</b> | <b>-21.5</b> | <b>35,217</b>   | <b>49.8</b>  | <b>-25.9</b> | <b>23,958</b>      | <b>36.7</b>  | <b>-35.0</b> |
| Aditya Birla Fashion   | 330       | Neutral | 34,811           | 8.9         | 2.2          | 3,191           | 9.1          | 12.5         | -2,353             | Loss         | Loss         |
| Avenue Supermarts      | 4778      | Buy     | 1,40,772         | 18.6        | 10.6         | 12,887          | 24.5         | 36.6         | 8,242              | 25.1         | 46.4         |
| Barbeque Nation        | 570       | Neutral | 3,576            | 10.4        | 20.0         | 606             | 29.6         | 10.7         | -13                | Loss         | Loss         |
| Bata India             | 1494      | Neutral | 10,165           | 6.1         | 27.4         | 2,734           | 14.2         | 50.0         | 1,268              | 18.6         | 99.2         |
| Campus Activewear      | 294       | Buy     | 3,724            | 5.3         | 2.3          | 652             | -1.6         | 2.0          | 324                | 3.0          | -1.1         |
| Devyani Intl.          | 168       | Buy     | 11,936           | 41.0        | 14.0         | 2,008           | 15.8         | 15.5         | 179                | -47.1        | 445.3        |

**Ready reckoner: Quarterly performance**

| Sector                   | CMP (INR) | RECO    | SALES (INR M)    |             |             | EBDITA (INR M)  |              |              | NET PROFIT (INR M) |              |              |
|--------------------------|-----------|---------|------------------|-------------|-------------|-----------------|--------------|--------------|--------------------|--------------|--------------|
|                          |           |         | Jun-24           | Var % YoY   | Var % QoQ   | Jun-24          | Var % YoY    | Var % QoQ    | Jun-24             | Var % YoY    | Var % QoQ    |
| Jubilant Foodworks       | 575       | Neutral | 14,210           | 8.5         | 6.7         | 2,775           | 0.4          | 9.1          | 579                | -22.9        | 67.9         |
| Kalyan Jewellers         | 496       | Buy     | 55,791           | 27.5        | 23.0        | 3,754           | 16.2         | 22.6         | 1,867              | 29.8         | 35.7         |
| Metro Brands             | 1239      | Buy     | 6,342            | 8.9         | 8.8         | 2,022           | 8.4          | 27.5         | 1,037              | 10.9         | 19.8         |
| Raymond                  | 2979      | Buy     | 21,433           | 21.0        | -17.8       | 2,630           | 33.8         | -39.7        | 1,068              | 24.6         | -55.7        |
| Relaxo Footwear          | 831       | Neutral | 7,769            | 5.2         | 4.0         | 1,204           | 12.0         | 0.1          | 617                | 9.5          | 0.4          |
| Restaurant Brands        | 102       | Buy     | 5,061            | 19.9        | 15.3        | 653             | 34.7         | 18.5         | -147               | Loss         | Loss         |
| Sapphire Foods           | 1561      | Buy     | 7,332            | 12.0        | 16.1        | 1,269           | 4.5          | 23.3         | 172                | -31.0        | 741.1        |
| Senco Gold               | 1108      | Buy     | 15,469           | 18.5        | 36.0        | 809             | 20.4         | -7.8         | 365                | 31.8         | 13.3         |
| Shoppers Stop            | 759       | Neutral | 10,861           | 10.6        | 8.6         | 1,931           | 12.1         | 17.7         | 77                 | -48.7        | 59.8         |
| Titan Company            | 3400      | Buy     | 1,30,453         | 9.7         | 4.4         | 11,845          | 5.3          | -0.5         | 7,824              | 3.5          | 1.5          |
| Trent                    | 5539      | Buy     | 36,778           | 45.0        | 15.4        | 5,259           | 43.8         | 10.2         | 3,042              | 105.2        | 22.8         |
| V-Mart Retail            | 2892      | Neutral | 7,860            | 15.8        | 17.6        | 671             | 27.9         | 66.8         | -176               | Loss         | Loss         |
| Vedant Fashions          | 1099      | Neutral | 2,629            | -15.6       | -27.6       | 1,165           | -21.4        | -33.5        | 658                | -28.4        | -43.1        |
| Westlife Foodworld       | 829       | Neutral | 6,400            | 4.1         | 13.8        | 863             | -18.1        | 11.9         | 96                 | -66.7        | 1,136.7      |
| <b>Retail</b>            |           |         | <b>5,33,371</b>  | <b>16.7</b> | <b>9.0</b>  | <b>58,928</b>   | <b>14.4</b>  | <b>10.2</b>  | <b>24,726</b>      | <b>14.1</b>  | <b>20.2</b>  |
| Qess Corp                | 640       | Neutral | 50,085           | 8.9         | 2.0         | 1,828           | 18.8         | -6.3         | 851                | 77.9         | -15.0        |
| SIS                      | 453       | Buy     | 34,232           | 15.0        | 9.1         | 1,712           | 23.1         | 103.9        | 1,100              | 22.9         | LP           |
| Team Lease Serv.         | 2956      | Buy     | 25,256           | 16.3        | 3.8         | 328             | 24.7         | -10.4        | 335                | 29.9         | 22.2         |
| Updater Services         | 303       | Buy     | 6,809            | 17.9        | 7.8         | 272             | -20.1        | -32.4        | 204                | 1.1          | -12.0        |
| <b>Staffing</b>          |           |         | <b>1,16,382</b>  | <b>12.7</b> | <b>4.7</b>  | <b>4,140</b>    | <b>17.2</b>  | <b>16.3</b>  | <b>2,489</b>       | <b>35.9</b>  | <b>79.2</b>  |
| Coforge                  | 5656      | Neutral | 24,289           | 9.4         | 3.0         | 4,024           | 21.3         | -3.3         | 2,351              | 29.3         | 4.7          |
| Cyient                   | 1845      | Buy     | 17,801           | 5.6         | -4.3        | 3,204           | 1.5          | -4.4         | 1,920              | 8.6          | 1.4          |
| HCL Technologies         | 1481      | Buy     | 2,79,324         | 6.2         | -2.0        | 57,571          | 5.5          | -5.6         | 37,570             | 6.3          | -5.7         |
| Infosys                  | 1621      | Buy     | 3,87,995         | 2.3         | 2.3         | 99,238          | 0.8          | 3.6          | 63,094             | 6.1          | 3.9          |
| LTIMindtree              | 5470      | Neutral | 89,827           | 3.2         | 1.0         | 15,899          | -2.8         | 3.5          | 11,606             | 0.7          | 5.4          |
| L&T Technology           | 5026      | Buy     | 25,308           | 10.0        | -0.3        | 4,859           | 7.3          | -3.4         | 3,385              | 8.8          | -0.7         |
| Mphasis                  | 2505      | Neutral | 34,653           | 6.6         | 1.6         | 6,168           | 5.1          | -3.4         | 4,252              | 7.4          | 8.1          |
| Persistent Systems       | 4499      | Neutral | 27,243           | 17.4        | 5.2         | 4,658           | 10.1         | 2.5          | 3,215              | 15.9         | 2.0          |
| TCS                      | 4016      | Buy     | 6,22,167         | 4.8         | 1.6         | 1,65,306        | 10.3         | -3.8         | 1,21,441           | 9.2          | -2.9         |
| Tech Mahindra            | 1472      | Neutral | 1,29,617         | -1.5        | 0.7         | 14,258          | -10.9        | 1.3          | 8,176              | -14.4        | -15.7        |
| Wipro                    | 538       | Neutral | 2,21,585         | -2.9        | -0.2        | 43,525          | 3.9          | -0.7         | 28,731             | 0.1          | 1.4          |
| Zensar Tech              | 751       | Neutral | 12,636           | 3.0         | 2.8         | 2,072           | -9.9         | 2.1          | 1,454              | -6.9         | -16.1        |
| <b>Technology</b>        |           |         | <b>18,72,444</b> | <b>3.3</b>  | <b>0.9</b>  | <b>4,20,785</b> | <b>5.1</b>   | <b>-1.5</b>  | <b>2,87,196</b>    | <b>6.1</b>   | <b>-1.3</b>  |
| Bharti Airtel            | 1419      | Buy     | 3,86,639         | 3.3         | 2.8         | 2,03,113        | 3.6          | 4.9          | 36,626             | 26.2         | 24.1         |
| Indus Towers             | 384       | Neutral | 73,979           | 4.6         | 2.8         | 38,471          | 10.6         | -5.5         | 16,138             | 19.7         | -12.9        |
| Tata Comm                | 1889      | Neutral | 58,377           | 22.3        | 2.6         | 11,035          | 7.8          | 4.5          | 2,420              | -36.3        | -35.2        |
| Vodafone Idea            | 17        | Neutral | 1,05,987         | -0.5        | -0.1        | 42,325          | 1.8          | -2.4         | -79,780            | Loss         | Loss         |
| <b>Telecom</b>           |           |         | <b>6,24,983</b>  | <b>4.3</b>  | <b>2.3</b>  | <b>2,94,944</b> | <b>4.4</b>   | <b>2.3</b>   | <b>-24,595</b>     | <b>Loss</b>  | <b>Loss</b>  |
| APL Apollo Tubes         | 1593      | Buy     | 49,969           | 9.9         | 4.9         | 3,261           | 6.2          | 16.3         | 2,043              | 5.5          | 19.9         |
| Cello World              | 901       | Buy     | 5,142            | 9.0         | 0.3         | 1,295           | 8.6          | -2.8         | 834                | 7.7          | -6.1         |
| Coromandel International | 1571      | Buy     | 55,876           | -1.9        | 42.8        | 6,928           | -2.3         | 153.8        | 4,693              | -5.0         | 192.7        |
| EPL                      | 220       | Buy     | 10,200           | 12.1        | -0.9        | 1,886           | 18.6         | -1.2         | 626                | 15.2         | -7.5         |
| Godrej Agrovet           | 813       | Neutral | 27,030           | 7.7         | 26.6        | 2,234           | 15.8         | 50.9         | 1,295              | 22.9         | 126.6        |
| Indian Hotels            | 603       | Buy     | 15,910           | 8.5         | -16.5       | 4,530           | 10.4         | -31.3        | 2,400              | 7.9          | -42.6        |
| Interglobe Aviation      | 4254      | Neutral | 1,73,272         | 3.9         | -2.8        | 38,665          | -25.1        | -11.5        | 15,702             | -49.1        | -17.1        |
| Kajaria Ceramics         | 1478      | Buy     | 10,978           | 3.2         | -11.5       | 1,625           | -4.0         | -5.5         | 937                | -12.8        | -8.5         |
| Lemon Tree Hotel         | 145       | Buy     | 2,776            | 24.9        | -15.2       | 1,250           | 19.6         | -27.1        | 244                | 4.0          | -63.6        |
| MTAR Tech                | 1892      | Buy     | 1,297            | -15.0       | -9.3        | 233             | -32.6        | 27.7         | 137                | -32.8        | 180.8        |
| One 97 Comm.             | 421       | Neutral | 14,911           | -36.3       | -34.2       | -7,682          | Loss         | Loss         | -8,431             | Loss         | Loss         |
| UPL                      | 566       | Neutral | 89,523           | -0.1        | -36.4       | 14,014          | -12.0        | -27.5        | -1,421             | PL           | PL           |
| Zomato                   | 209       | Buy     | 38,063           | 57.5        | 6.9         | 2,074           | LP           | 141.2        | 2,198              | 10,890.0     | 25.6         |
| <b>Others</b>            |           |         | <b>4,94,947</b>  | <b>4.3</b>  | <b>-7.8</b> | <b>70,314</b>   | <b>-18.4</b> | <b>-14.4</b> | <b>21,257</b>      | <b>-52.0</b> | <b>-34.5</b> |

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) |             |             |
|---------------------------|-----------|---------|-----------------|-------------|--------------|---------------------|-------------|--------------|--------------------|-------------|-------------|
|                           |           |         | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24              | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY   | Var % QoQ   |
| <b>Financials</b>         |           |         |                 |             |              |                     |             |              |                    |             |             |
| AU Small Finance          | 673       | Buy     | 19,244          | 54.4        | 43.9         | 8,116               | 48.6        | 22.2         | 4,230              | 9.3         | 14.1        |
| Axis Bank                 | 1254      | Neutral | 1,33,198        | 11.4        | 1.8          | 97,882              | 11.0        | -7.1         | 64,099             | 10.6        | -10.1       |
| Bandhan Bank              | 202       | Neutral | 29,216          | 17.3        | 1.9          | 17,066              | 9.2         | -7.2         | 8,142              | 12.9        | 1,390.6     |
| DCB Bank                  | 139       | Buy     | 5,262           | 11.8        | 3.7          | 2,347               | 12.5        | 0.4          | 1,414              | 11.4        | -9.2        |
| Equitas Small Fin.        | 94        | Buy     | 8,092           | 8.9         | 3.0          | 3,355               | 7.5         | -10.5        | 1,745              | -8.7        | -16.0       |
| Federal Bank              | 175       | Buy     | 22,897          | 19.3        | 4.3          | 14,508              | 11.4        | 30.7         | 9,716              | 13.8        | 7.2         |
| HDFC Bank                 | 1731      | Buy     | 2,93,436        | 24.3        | 0.9          | 2,35,043            | 25.2        | -19.7        | 1,54,587           | 29.3        | -6.4        |
| ICICI Bank                | 1190      | Buy     | 1,95,292        | 7.1         | 2.3          | 1,53,108            | 8.3         | 1.8          | 1,06,323           | 10.2        | -0.7        |
| IDFC First Bank           | 79        | Neutral | 46,970          | 25.4        | 5.1          | 17,425              | 16.1        | 4.7          | 6,813              | -11.0       | -5.9        |
| IndusInd Bank             | 1430      | Buy     | 55,806          | 14.7        | 3.8          | 41,914              | 9.4         | 2.7          | 23,381             | 10.1        | -0.5        |
| Kotak Mahindra Bank       | 1770      | Neutral | 71,240          | 14.3        | 3.1          | 52,433              | 5.9         | -4.0         | 35,889             | 4.0         | -13.2       |
| RBL Bank                  | 258       | Neutral | 16,607          | 16.8        | 3.8          | 8,926               | 37.9        | 0.6          | 3,416              | 18.6        | -3.1        |
| SBI Cards                 | 711       | Neutral | 14,479          | 17.4        | 2.3          | 18,764              | 23.8        | 2.4          | 6,447              | 8.7         | -2.7        |
| <b>Banks-Private</b>      |           |         | <b>9,11,739</b> | <b>16.7</b> | <b>2.8</b>   | <b>6,70,888</b>     | <b>15.5</b> | <b>-8.1</b>  | <b>4,26,203</b>    | <b>15.5</b> | <b>-3.7</b> |
| Bank of Baroda            | 265       | Buy     | 1,16,177        | 5.6         | -1.5         | 77,707              | -0.7        | -4.1         | 46,030             | 13.1        | -5.8        |
| Canara Bank               | 116       | Buy     | 96,596          | 11.5        | 0.8          | 79,306              | 4.3         | 7.4          | 39,577             | 12.0        | 5.3         |
| Indian Bank               | 538       | Buy     | 61,467          | 7.8         | 2.2          | 44,088              | 6.6         | 2.4          | 22,061             | 29.1        | -1.8        |
| Punjab National Bank      | 121       | Neutral | 1,03,522        | 8.9         | -0.1         | 69,142              | 15.9        | 7.8          | 30,087             | 139.7       | -0.1        |
| State Bank                | 826       | Buy     | 4,27,193        | 9.8         | 2.6          | 2,57,924            | 2.0         | -10.3        | 1,68,584           | -0.2        | -18.6       |
| Union Bank                | 134       | Buy     | 93,840          | 6.2         | -0.6         | 70,684              | -1.5        | 8.2          | 35,797             | 10.6        | 8.1         |
| <b>Banks-PSU</b>          |           |         | <b>8,98,795</b> | <b>8.8</b>  | <b>1.2</b>   | <b>5,98,850</b>     | <b>3.2</b>  | <b>-2.6</b>  | <b>3,42,136</b>    | <b>11.5</b> | <b>-9.8</b> |
| HDFC Life Insur.          | 590       | Buy     | 1,37,328        | 17.6        | -34.4        | 7,160               | 17.4        | -42.0        | 5,205              | 25.3        | 26.6        |
| ICICI Lombard             | 1809      | Buy     | 48,652          | 25.2        | 11.4         | -2,433              | Loss        | Loss         | 5,759              | 47.5        | 10.9        |
| ICICI Pru Life            | 620       | Buy     | 95,880          | 30.0        | -36.7        | 5,001               | 14.2        | -35.6        | 2,397              | 15.9        | 38.0        |
| Max Financial             | 980       | Neutral | 58,655          | 20.4        | -45.4        | 3,254               | 31.8        | -60.4        | 2,089              | 102.8       | LP          |
| SBI Life Insurance        | 1494      | Buy     | 1,55,657        | 14.8        | -38.3        | 9,935               | 14.2        | -34.2        | 3,980              | 4.5         | -50.9       |
| Star Health               | 569       | Buy     | 35,308          | 16.0        | 4.0          | 2,563               | 76.3        | LP           | 4,113              | 42.9        | 189.0       |
| <b>Insurance</b>          |           |         | <b>5,31,479</b> | <b>19.7</b> | <b>-33.4</b> | <b>25,480</b>       | <b>28.0</b> | <b>-36.6</b> | <b>23,542</b>      | <b>31.9</b> | <b>17.3</b> |
| AAVAS Financiers          | 1860      | Neutral | 2,525           | 11.6        | 6.5          | 1,788               | 22.2        | -1.6         | 1,346              | 22.7        | -5.6        |
| Bajaj Finance             | 7163      | Neutral | 84,455          | 25.7        | 5.4          | 67,516              | 21.8        | 5.3          | 39,469             | 14.9        | 3.2         |
| Can Fin Homes             | 890       | Neutral | 3,355           | 17.7        | 2.4          | 2,882               | 16.4        | 6.0          | 2,140              | 16.7        | 2.4         |
| Chola. Inv & Fin.         | 1400      | Buy     | 25,519          | 38.5        | 8.4          | 17,184              | 28.3        | 5.6          | 9,263              | 27.6        | -12.5       |
| CreditAccess              | 1342      | Buy     | 9,208           | 27.8        | 4.5          | 7,100               | 30.6        | 4.0          | 4,061              | 16.5        | 2.3         |
| Five-Star Business        | 829       | Buy     | 4,827           | 31.3        | 4.6          | 3,557               | 36.2        | 6.9          | 2,483              | 35.1        | 5.2         |
| Fusion Micro              | 460       | Buy     | 3,684           | 24.7        | 2.0          | 2,815               | 19.6        | -3.2         | 1,246              | 3.4         | -6.1        |
| Home First Fin.           | 1096      | Buy     | 1,460           | 17.2        | 6.7          | 1,149               | 17.6        | 1.3          | 860                | 24.4        | 3.0         |
| IIFL Finance              | 521       | Buy     | 14,935          | 13.9        | -9.2         | 8,057               | -0.3        | 2.1          | 4,377              | 2.9         | 17.2        |
| L&T Finance               | 187       | Buy     | 21,002          | 19.8        | 5.7          | 14,942              | 21.0        | 9.7          | 6,768              | 27.6        | 22.4        |
| LIC Housing Fin           | 795       | Buy     | 21,506          | -2.7        | -3.9         | 19,159              | -4.7        | 0.6          | 12,450             | -5.9        | 14.1        |
| M & M Financial           | 302       | Buy     | 18,854          | 19.0        | 4.0          | 12,605              | 26.1        | 7.5          | 5,279              | 49.7        | -14.7       |
| Manappuram Finance        | 206       | Buy     | 15,459          | 20.0        | 3.5          | 9,618               | 19.9        | 3.0          | 5,757              | 15.6        | 2.2         |
| MAS Financial             | 293       | Buy     | 1,784           | 29.9        | 6.2          | 1,215               | 28.4        | 8.0          | 730                | 27.5        | 7.3         |
| Muthoot Finance           | 1797      | Neutral | 22,439          | 18.5        | 5.1          | 16,514              | 17.9        | 9.4          | 11,749             | 20.5        | 11.2        |
| PNB Housing               | 796       | Buy     | 6,735           | 8.7         | 8.1          | 5,854               | 15.4        | 3.3          | 4,354              | 25.4        | -0.9        |
| Poonawalla Fincorp        | 419       | Buy     | 6,075           | 44.2        | 8.0          | 4,728               | 60.8        | 15.5         | 3,211              | 60.4        | -3.2        |
| Repco Home Fin            | 551       | Neutral | 1,648           | 6.6         | 1.2          | 1,309               | 5.0         | 1.7          | 960                | 7.7         | -11.2       |
| Shriram Finance           | 2824      | Buy     | 52,420          | 24.8        | 3.0          | 40,352              | 29.1        | 3.3          | 20,108             | 20.0        | 3.3         |
| Spandana Sphoorty         | 737       | Buy     | 4,130           | 40.8        | 7.0          | 2,630               | 39.1        | -1.1         | 831                | -30.4       | -35.4       |
| <b>NBFC - Lending</b>     |           |         | <b>3,22,022</b> | <b>21.8</b> | <b>3.6</b>   | <b>2,40,973</b>     | <b>20.4</b> | <b>4.9</b>   | <b>1,37,443</b>    | <b>16.8</b> | <b>2.9</b>  |
| 360 One WAM               | 954       | Buy     | 5,143           | 26.7        | -10.4        | 2,606               | 32.3        | -4.9         | 2,228              | 20.0        | -8.6        |
| Angel One                 | 2354      | Buy     | 8,931           | 71.8        | 2.2          | 3,258               | 9.8         | -29.0        | 2,414              | 9.3         | -29.0       |
| BSE                       | 2487      | Neutral | 5,905           | 174.3       | 20.9         | 2,715               | 386.4       | 182.3        | 2,480              | 201.3       | 133.0       |
| Cams Services             | 3761      | Buy     | 3,290           | 25.9        | 6.0          | 1,530               | 39.0        | 6.7          | 1,073              | 41.8        | 4.2         |
| MCX                       | 3873      | Buy     | 2,248           | 54.2        | 24.1         | 1,382               | 1,192.4     | 35.5         | 1,166              | 492.9       | 32.7        |
| <b>NBFC - Non Lending</b> |           |         | <b>25,518</b>   | <b>64.8</b> | <b>5.1</b>   | <b>11,490</b>       | <b>71.4</b> | <b>7.0</b>   | <b>9,361</b>       | <b>60.2</b> | <b>6.3</b>  |

**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<br>INR | Reco    | EPS (INR) |         |         | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|----------------------------|------------|---------|-----------|---------|---------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                            |            |         | FY24      | FY25E   | FY26E   | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Automobiles</b>         |            |         |           |         |         | <b>26.3</b> | <b>26.4</b> | <b>22.4</b> | <b>5.1</b> | <b>5.0</b> | <b>4.3</b> | <b>19.4</b> | <b>19.1</b> | <b>19.4</b> |
| Amara Raja Energy          | 1,681      | Neutral | 49.5      | 59.0    | 66.5    | 15.4        | 28.5        | 25.3        | 2.1        | 4.0        | 3.5        | 14.2        | 14.9        | 14.8        |
| Apollo Tyres               | 536        | Buy     | 29.0      | 29.8    | 35.8    | 16.1        | 17.9        | 15.0        | 1.7        | 1.8        | 1.6        | 13.9        | 12.9        | 14.0        |
| Ashok Leyland              | 234        | Buy     | 9.1       | 11.7    | 14.0    | 19          | 20          | 16.7        | 5.7        | 6.6        | 5.5        | 31.1        | 35.5        | 35.8        |
| Bajaj Auto                 | 9,398      | Neutral | 276.1     | 329.2   | 382.5   | 33.1        | 28.5        | 24.6        | 10.3       | 9.3        | 8.1        | 30.7        | 34.7        | 35.3        |
| Balkrishna Inds            | 3,129      | Neutral | 76.5      | 87.8    | 113.4   | 30.3        | 35.7        | 27.6        | 5.1        | 6.1        | 5.3        | 18.0        | 18.1        | 20.6        |
| Bharat Forge               | 1,645      | Neutral | 20.6      | 36.0    | 48.5    | 54.8        | 45.7        | 33.9        | 7.3        | 9.2        | 7.7        | 13.8        | 21.7        | 24.7        |
| Bosch                      | 34,617     | Neutral | 620.5     | 802.2   | 938.9   | 48.4        | 43.2        | 36.9        | 7.3        | 7.7        | 6.9        | 15.9        | 18.7        | 19.7        |
| CEAT                       | 2,755      | Buy     | 169.4     | 160.9   | 197.5   | 15.8        | 17.1        | 14.0        | 2.7        | 2.4        | 2.1        | 18.3        | 15.1        | 16.3        |
| CIE Automotive             | 600        | Buy     | 21.1      | 23.5    | 29.6    | 21.9        | 25.5        | 20.3        | 2.9        | 3.4        | 3.0        | 14.4        | 14.1        | 15.8        |
| Craftsman Auto             | 5,691      | Buy     | 144.2     | 176.6   | 245.0   | 30.0        | 32.2        | 23.2        | 5.5        | 4.2        | 3.6        | 20.1        | 17.2        | 16.7        |
| Eicher Motors              | 4,626      | Sell    | 146.3     | 164.3   | 178.2   | 27.5        | 28.2        | 26.0        | 6.1        | 6.0        | 5.2        | 24.2        | 23.0        | 21.6        |
| Endurance Tech.            | 2,720      | Buy     | 47.3      | 65.5    | 85.6    | 38.7        | 41.5        | 31.8        | 5.2        | 6.7        | 5.7        | 14.2        | 17.2        | 19.3        |
| Escorts Kubota             | 4,123      | Neutral | 94.9      | 102.6   | 123.9   | 29.3        | 40.2        | 33.3        | 3.3        | 4.9        | 4.4        | 12.1        | 13.0        | 14.0        |
| Exide Inds.                | 564        | Neutral | 12.4      | 16.4    | 19.6    | 24.6        | 34.4        | 28.8        | 2.0        | 3.4        | 3.1        | 8.0         | 9.8         | 10.7        |
| Happy Forgings             | 1,259      | Buy     | 25.8      | 34.7    | 45.2    | 34.4        | 36.2        | 27.8        | 5.2        | 6.3        | 5.3        | 18.7        | 18.7        | 20.7        |
| Hero Motocorp              | 5,564      | Buy     | 204.6     | 255.4   | 304.2   | 23.1        | 21.8        | 18.3        | 5.2        | 5.7        | 5.2        | 23.6        | 27.3        | 29.6        |
| Mahindra & Mahindra        | 2,867      | Buy     | 89.4      | 108.2   | 128.7   | 21.5        | 26.5        | 22.3        | 4.4        | 5.5        | 4.6        | 22.4        | 22.6        | 22.5        |
| Maruti Suzuki              | 12,039     | Buy     | 429.0     | 485.8   | 542.9   | 29.4        | 24.8        | 22.2        | 4.7        | 4.0        | 3.5        | 15.7        | 15.9        | 15.7        |
| Motherson Wiring           | 73         | Buy     | 1.4       | 1.8     | 2.1     | 45.7        | 41.6        | 35.3        | 17.4       | 15.4       | 12.7       | 42.5        | 41.1        | 39.3        |
| MRF                        | 128,645    | Sell    | 4,990.2   | 4,582.8 | 5,113.5 | 26.7        | 28.1        | 25.2        | 3.4        | 3.0        | 2.7        | 13.5        | 11.1        | 11.2        |
| Samvardhana M              | 203        | Buy     | 3.7       | 6.5     | 8.5     | 31.6        | 31.4        | 23.8        | 3.0        | 4.7        | 4.1        | 10.3        | 15.8        | 18.5        |
| Sona BLW Precis.           | 671        | Neutral | 8.9       | 10.6    | 13.3    | 78.9        | 63.1        | 50.4        | 14.8       | 12.3       | 10.5       | 20.6        | 20.7        | 22.5        |
| Tata Motors                | 981        | Neutral | 58.7      | 58.1    | 67.2    | 16.9        | 16.9        | 14.6        | 4.5        | 3.4        | 2.8        | 34.5        | 22.5        | 21.2        |
| Tube Investments           | 4,111      | Buy     | 34.4      | 63.4    | 79.2    | 108.4       | 64.9        | 51.9        | 14.2       | 12.7       | 10.4       | 14.7        | 21.6        | 22.0        |
| TVS Motor                  | 2,339      | Neutral | 43.8      | 55.3    | 65.4    | 49.1        | 42.3        | 35.8        | 13.2       | 11.1       | 8.8        | 30.2        | 29.7        | 27.5        |
| <b>Capital Goods</b>       |            |         |           |         |         | <b>50.5</b> | <b>49.9</b> | <b>39.2</b> | <b>8.3</b> | <b>8.7</b> | <b>7.5</b> | <b>16.4</b> | <b>17.5</b> | <b>19.0</b> |
| ABB India                  | 8,515      | Buy     | 58.9      | 90.5    | 111.9   | 108.0       | 94.0        | 76.1        | 22.7       | 23.4       | 18.2       | 22.9        | 28.1        | 26.9        |
| Bharat Electronics         | 306        | Buy     | 5.5       | 6.7     | 8.2     | 36.6        | 46.0        | 37.5        | 9.1        | 11.0       | 8.8        | 24.9        | 24.0        | 23.5        |
| Cummins India              | 3,936      | Buy     | 60.0      | 74.2    | 89.0    | 50.2        | 53.0        | 44.2        | 13.5       | 15.7       | 13.7       | 28.8        | 31.3        | 33.1        |
| Hitachi Energy             | 13,482     | Neutral | 38.6      | 86.8    | 165.4   | 180.3       | 155.3       | 81.5        | 21.7       | 33.1       | 23.5       | 12.0        | 21.3        | 28.9        |
| Kalpataru Proj.            | 1,212      | Buy     | 32.6      | 54.7    | 75.1    | 32.7        | 22.2        | 16.1        | 3.0        | 3.0        | 2.6        | 9.6         | 14.6        | 17.3        |
| KEC International          | 903        | Neutral | 13.5      | 24.5    | 39.2    | 51.4        | 36.8        | 23.0        | 4.4        | 5.1        | 4.4        | 8.8         | 14.6        | 20.6        |
| Kirloskar Oil              | 1,400      | Buy     | 25.0      | 34.4    | 44.1    | 34.4        | 40.7        | 31.7        | 4.7        | 6.8        | 5.9        | 14.6        | 17.8        | 19.8        |
| Larsen & Toubro            | 3,624      | Buy     | 94.5      | 105.8   | 136.0   | 39.9        | 34.2        | 26.6        | 6.0        | 5.1        | 4.4        | 14.8        | 15.8        | 17.8        |
| Siemens                    | 7,775      | Buy     | 55.1      | 81.0    | 97.0    | 97.6        | 95.9        | 80.1        | 14.6       | 18.2       | 15.6       | 15.9        | 20.4        | 20.9        |
| Thermax                    | 5,175      | Neutral | 52.2      | 67.1    | 83.1    | 80.4        | 77.2        | 62.3        | 10.6       | 11.6       | 10.0       | 14.1        | 15.9        | 17.3        |
| Triveni Turbine            | 606        | Buy     | 8.5       | 11.0    | 14.8    | 63.4        | 55.1        | 40.8        | 17.8       | 15.9       | 12.4       | 31.3        | 32.2        | 34.2        |
| <b>Cement</b>              |            |         |           |         |         | <b>35.8</b> | <b>38.5</b> | <b>32.2</b> | <b>3.5</b> | <b>3.8</b> | <b>3.4</b> | <b>9.9</b>  | <b>9.9</b>  | <b>10.6</b> |
| ACC                        | 2,770      | Neutral | 99.3      | 123.8   | 135.7   | 25.1        | 22.4        | 20.4        | 2.9        | 2.9        | 2.5        | 12.4        | 13.6        | 13.2        |
| Ambuja Cements             | 692        | Neutral | 10.7      | 10.7    | 13.5    | 57.2        | 64.5        | 51.1        | 3.6        | 3.6        | 3.4        | 11.8        | 9.3         | 9.6         |
| Birla Corporation          | 1,584      | Buy     | 54.0      | 66.8    | 87.2    | 26.4        | 23.7        | 18.2        | 1.6        | 1.7        | 1.6        | 6.6         | 7.5         | 9.1         |
| Dalmia Bharat              | 1,839      | Buy     | 41.1      | 52.7    | 67.3    | 47.2        | 34.9        | 27.3        | 2.2        | 2.0        | 1.9        | 4.8         | 5.9         | 7.2         |
| Grasim Industries          | 2,743      | Buy     | 95.6      | 97.2    | 108.9   | 23.9        | 28.2        | 25.2        | 2.9        | 3.3        | 3.2        | 4.3         | 1.7         | 2.5         |
| India Cements              | 284        | Sell    | -7.6      | -1.8    | 6.0     | -28.1       | -157.5      | 47.7        | 1.2        | 1.6        | 1.6        | -4.3        | -1.0        | 3.4         |
| J K Cements                | 4,329      | Buy     | 102.7     | 129.1   | 153.6   | 39.7        | 33.5        | 28.2        | 5.9        | 5.4        | 4.7        | 15.9        | 17.3        | 17.9        |
| JK Lakshmi Cem.            | 896        | Buy     | 39.6      | 41.9    | 47.0    | 22.0        | 21.4        | 19.1        | 3.2        | 2.9        | 2.6        | 15.6        | 14.5        | 14.4        |
| Ramco Cements              | 843        | Neutral | 16.7      | 23.2    | 31.7    | 48.5        | 36.4        | 26.6        | 2.7        | 2.6        | 2.4        | 5.7         | 7.4         | 9.4         |
| Shree Cement               | 27,672     | Neutral | 684.2     | 626.4   | 624.3   | 37.6        | 44.2        | 44.3        | 4.5        | 4.5        | 4.2        | 12.8        | 10.6        | 9.8         |
| Ultratech Cement           | 11,847     | Buy     | 244.5     | 279.6   | 347.2   | 39.9        | 42.4        | 34.1        | 4.7        | 5.1        | 4.3        | 12.3        | 12.7        | 13.8        |
| <b>Chemicals-Specialty</b> |            |         |           |         |         | <b>42.0</b> | <b>40.5</b> | <b>32.1</b> | <b>4.4</b> | <b>4.3</b> | <b>3.9</b> | <b>10.4</b> | <b>10.7</b> | <b>12.1</b> |
| Alkyl Amines               | 2,146      | Neutral | 29.1      | 41.5    | 55.8    | 62.3        | 51.7        | 38.4        | 7.3        | 7.8        | 6.9        | 12.2        | 15.9        | 19.0        |
| Atul                       | 6,566      | Neutral | 103.4     | 117.2   | 162.0   | 55.5        | 56.0        | 40.5        | 3.3        | 3.6        | 3.3        | 6.2         | 6.6         | 8.5         |
| Clean Science              | 1,514      | Neutral | 23.0      | 30.4    | 34.4    | 57.8        | 49.8        | 44.1        | 11.7       | 10.8       | 8.9        | 22.1        | 24.0        | 22.2        |
| Deepak Nitrite             | 2,684      | Neutral | 55.1      | 69.2    | 77.3    | 38.5        | 38.8        | 34.7        | 6.0        | 6.5        | 5.6        | 16.9        | 18.1        | 17.3        |
| Fine Organic               | 5,236      | Sell    | 120.0     | 119.2   | 116.9   | 33.6        | 43.9        | 44.8        | 6.6        | 7.3        | 6.4        | 21.8        | 18.0        | 15.2        |
| Galaxy Surfactants         | 2,772      | Buy     | 85.0      | 97.7    | 115.0   | 26.7        | 28.4        | 24.1        | 3.7        | 4.0        | 3.6        | 14.8        | 15.0        | 15.8        |
| Navin Fluorine             | 3,604      | Neutral | 46.1      | 61.6    | 88.9    | 67.5        | 58.5        | 40.6        | 6.5        | 6.9        | 6.1        | 10.0        | 12.2        | 15.9        |
| NOCIL                      | 285        | Neutral | 7.9       | 10.2    | 13.0    | 31.6        | 27.9        | 21.9        | 2.5        | 2.7        | 2.5        | 8.1         | 9.8         | 11.7        |
| P I Industries             | 3,757      | Buy     | 110.6     | 111.9   | 131.9   | 35.0        | 33.6        | 28.5        | 6.7        | 5.6        | 4.7        | 21.1        | 17.9        | 17.9        |
| SRF                        | 2,395      | Neutral | 47.5      | 53.7    | 71.5    | 53.9        | 44.6        | 33.5        | 6.6        | 5.6        | 5.0        | 13.0        | 13.3        | 15.8        |
| Tata Chemicals             | 1,095      | Neutral | 36.1      | 33.5    | 51.3    | 29.9        | 32.7        | 21.3        | 1.2        | 1.2        | 1.2        | 4.4         | 3.8         | 5.6         |

## Ready reckoner: Full year valuations

| Company Name             | CMP    |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)      |             |             | ROE (%)     |             |             |
|--------------------------|--------|---------|-----------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                          | INR    | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       |
| Vinati Organics          | 1,942  | Buy     | 31.2      | 42.7  | 52.0  | 47.2        | 45.5        | 37.4        | 6.2         | 7.2         | 6.2         | 13.8        | 16.8        | 17.9        |
| <b>Consumer</b>          |        |         |           |       |       | <b>47.2</b> | <b>45.8</b> | <b>41.1</b> | <b>12.0</b> | <b>11.6</b> | <b>10.7</b> | <b>25.5</b> | <b>25.4</b> | <b>26.0</b> |
| Asian Paints             | 2,926  | Neutral | 57.9      | 59.0  | 65.7  | 49.1        | 49.6        | 44.5        | 14.6        | 13.8        | 12.4        | 32.0        | 29.0        | 29.3        |
| Britannia                | 5,403  | Neutral | 88.7      | 102.6 | 115.0 | 55.4        | 52.7        | 47.0        | 30.0        | 28.4        | 23.8        | 57.2        | 58.0        | 55.2        |
| Colgate                  | 2,870  | Neutral | 49.2      | 54.1  | 58.4  | 55.1        | 53.0        | 49.2        | 39.3        | 35.0        | 29.2        | 74.5        | 71.7        | 64.7        |
| Dabur                    | 603    | Buy     | 10.6      | 12.1  | 13.3  | 49.4        | 49.9        | 45.5        | 9.4         | 10.0        | 9.3         | 19.9        | 20.8        | 21.1        |
| Emami                    | 723    | Buy     | 18.0      | 21.1  | 23.2  | 23.8        | 34.3        | 31.1        | 7.7         | 11.3        | 9.9         | 33.2        | 35.0        | 33.9        |
| Godrej Consumer          | 1,370  | Buy     | 19.3      | 22.5  | 26.7  | 64.8        | 60.9        | 51.4        | 10.2        | 9.9         | 8.9         | 15.0        | 17.2        | 18.2        |
| Hind. Unilever           | 2,485  | Buy     | 43.7      | 47.4  | 52.4  | 51.9        | 52.5        | 47.4        | 10.4        | 11.2        | 10.9        | 20.2        | 21.5        | 23.3        |
| Indigo Paints            | 1,390  | Buy     | 31.3      | 34.8  | 38.0  | 40.1        | 39.9        | 36.6        | 6.6         | 6.4         | 5.6         | 17.7        | 17.1        | 16.3        |
| ITC                      | 425    | Buy     | 16.4      | 17.4  | 18.9  | 26.2        | 24.4        | 22.5        | 7.2         | 6.8         | 6.4         | 28.5        | 28.4        | 29.2        |
| Jyothy Labs              | 477    | Neutral | 9.8       | 10.9  | 12.2  | 44.8        | 43.8        | 39.0        | 8.9         | 9.2         | 8.3         | 21.5        | 21.5        | 22.3        |
| Marico                   | 603    | Buy     | 11.5      | 12.7  | 14.1  | 43.3        | 47.3        | 42.8        | 16.7        | 19.5        | 18.5        | 38.8        | 42.0        | 44.4        |
| Nestle                   | 2,545  | Neutral | 41.0      | 36.8  | 41.1  | 63.9        | 69.1        | 61.9        | 75.7        | 61.0        | 51.2        | 136.5       | 96.4        | 90.0        |
| P&G Hygiene              | 16,547 | Neutral | 250.6     | 284.7 | 314.7 | 67.4        | 58.1        | 52.6        | 55.0        | 45.5        | 38.8        | 83.9        | 85.0        | 79.7        |
| Page Industries          | 38,790 | Neutral | 510.3     | 597.6 | 722.8 | 67.5        | 64.9        | 53.7        | 24.0        | 23.2        | 19.8        | 35.6        | 35.7        | 36.8        |
| Pidilite Inds.           | 3,085  | Neutral | 35.9      | 42.5  | 48.6  | 84.1        | 72.5        | 63.5        | 18.2        | 16.4        | 14.8        | 23.3        | 24.1        | 24.5        |
| Tata Consumer            | 1,106  | Buy     | 14.6      | 17.7  | 20.1  | 74.8        | 62.6        | 55.1        | 6.5         | 4.9         | 4.7         | 8.6         | 9.6         | 9.4         |
| United Breweries         | 2,032  | Sell    | 15.5      | 25.7  | 34.2  | 111         | 79          | 59.4        | 11.0        | 11.8        | 10.7        | 10.1        | 15.6        | 18.9        |
| United Spirits           | 1,276  | Neutral | 18.1      | 18.7  | 21.1  | 63          | 68          | 60.5        | 11.8        | 11.1        | 9.4         | 18.9        | 16.3        | 15.6        |
| Varun Beverages          | 1,578  | Buy     | 15.8      | 21.7  | 26.6  | 88.4        | 72.7        | 59.4        | 26.2        | 21.7        | 16.3        | 34.2        | 34.5        | 31.4        |
| <b>Consumer Durables</b> |        |         |           |       |       | <b>61.4</b> | <b>59.4</b> | <b>46.7</b> | <b>9.7</b>  | <b>10.5</b> | <b>8.9</b>  | <b>15.8</b> | <b>17.7</b> | <b>19.1</b> |
| Havells India            | 1,811  | Neutral | 20.3      | 25.4  | 31.6  | 74.7        | 71.2        | 57.3        | 12.7        | 13.4        | 11.6        | 17.1        | 18.8        | 20.3        |
| KEI Industries           | 4,552  | Buy     | 64.4      | 79.9  | 99.1  | 53.7        | 57.0        | 45.9        | 9.9         | 10.7        | 8.8         | 18.5        | 18.8        | 19.2        |
| Polycab India            | 6,629  | Buy     | 118.8     | 130.9 | 157.1 | 42.7        | 50.6        | 42.2        | 9.3         | 10.3        | 8.6         | 21.8        | 20.3        | 20.5        |
| R R Kabel                | 1,755  | Buy     | 26.4      | 38.6  | 52.4  | 58.2        | 45.5        | 33.5        | 9.5         | 9.1         | 7.4         | 18.4        | 21.7        | 24.3        |
| Voltas                   | 1,450  | Buy     | 7.2       | 21.0  | 31.8  | 152.5       | 68.9        | 45.6        | 6.3         | 7.4         | 6.5         | 4.1         | 10.8        | 14.4        |
| <b>EMS</b>               |        |         |           |       |       | <b>87.2</b> | <b>65.4</b> | <b>42.4</b> | <b>7.1</b>  | <b>7.6</b>  | <b>6.4</b>  | <b>8.2</b>  | <b>11.5</b> | <b>15.2</b> |
| Avalon Tech              | 541    | Buy     | 4.3       | 9.3   | 15.9  | 115.9       | 58.2        | 34.0        | 5.9         | 5.8         | 5.0         | 5.2         | 10.6        | 15.8        |
| Cyient DLM               | 753    | Buy     | 7.7       | 14.6  | 21.9  | 93.3        | 51.4        | 34.5        | 6.3         | 5.8         | 5.0         | 11.1        | 12.0        | 15.6        |
| Data Pattern             | 3,092  | Neutral | 32.4      | 39.7  | 54.0  | 74.7        | 77.9        | 57.2        | 10.2        | 11.2        | 9.4         | 14.6        | 15.5        | 17.9        |
| Kaynes Tech              | 3,962  | Buy     | 28.7      | 50.3  | 82.5  | 100.0       | 78.8        | 48.0        | 7.4         | 9.0         | 7.6         | 10.6        | 12.1        | 17.2        |
| Syrma SGS Tech.          | 486    | Buy     | 6.1       | 9.7   | 15.3  | 75.9        | 49.9        | 31.8        | 5.1         | 4.9         | 4.3         | 6.9         | 10.2        | 14.4        |
| <b>Financials</b>        |        |         |           |       |       |             |             |             |             |             |             |             |             |             |
| <b>Banks-Private</b>     |        |         |           |       |       | <b>17.3</b> | <b>16.8</b> | <b>14.3</b> | <b>2.6</b>  | <b>2.5</b>  | <b>2.2</b>  | <b>15.0</b> | <b>15.1</b> | <b>15.4</b> |
| AU Small Finance         | 673    | Buy     | 23.0      | 31.2  | 39.5  | 24.6        | 21.6        | 17.0        | 3.0         | 2.9         | 2.5         | 13.1        | 14.8        | 15.7        |
| Axis Bank                | 1,254  | Neutral | 80.7      | 90.7  | 106.5 | 13.0        | 13.8        | 11.8        | 2.1         | 2.2         | 1.9         | 18.0        | 17.1        | 17.1        |
| Bandhan Bank             | 202    | Neutral | 13.8      | 23.9  | 27.3  | 13.0        | 8.5         | 7.4         | 1.3         | 1.4         | 1.2         | 1.3         | 2.0         | 2.0         |
| DCB Bank                 | 139    | Buy     | 17.1      | 20.3  | 24.9  | 7.0         | 6.9         | 5.6         | 0.8         | 0.8         | 0.7         | 11.9        | 12.6        | 13.7        |
| Equitas Small Fin.       | 94     | Buy     | 7.1       | 8.1   | 11.0  | 13.0        | 11.6        | 8.5         | 1.8         | 1.6         | 1.4         | 14.4        | 14.4        | 17.2        |
| Federal Bank             | 175    | Buy     | 16.3      | 17.5  | 21.0  | 9.2         | 10.0        | 8.3         | 1.3         | 1.3         | 1.1         | 14.7        | 13.8        | 14.6        |
| HDFC Bank                | 1,731  | Buy     | 80.0      | 92.4  | 107.7 | 18.1        | 18.7        | 16.1        | 2.5         | 2.7         | 2.3         | 14.6        | 15.0        | 15.5        |
| ICICI Bank               | 1,190  | Buy     | 58.4      | 65.6  | 74.7  | 18.8        | 18.2        | 15.9        | 3.3         | 3.0         | 2.6         | 18.9        | 18.0        | 17.6        |
| IDFC First Bank          | 79     | Neutral | 4.3       | 5.0   | 6.7   | 17.5        | 15.7        | 11.7        | 1.7         | 1.6         | 1.4         | 10.2        | 10.5        | 12.5        |
| IndusInd Bank            | 1,430  | Buy     | 115.5     | 132.6 | 164.2 | 13.5        | 10.8        | 8.7         | 1.9         | 1.5         | 1.3         | 15.3        | 15.3        | 16.4        |
| Kotak Mahindra Bank      | 1,770  | Neutral | 90.4      | 101.1 | 115.8 | 19.7        | 17.5        | 15.3        | 2.7         | 2.3         | 2.0         | 15.3        | 14.3        | 14.0        |
| RBL Bank                 | 258    | Neutral | 19.3      | 24.6  | 32.3  | 12.4        | 10.5        | 8.0         | 1.0         | 1.0         | 0.9         | 8.2         | 9.8         | 12.1        |
| SBI Cards                | 711    | Neutral | 25.4      | 30.6  | 41.6  | 26.9        | 23.2        | 17.1        | 5.4         | 4.6         | 3.7         | 22.0        | 21.7        | 23.9        |
| <b>Banks-PSU</b>         |        |         |           |       |       | <b>9.6</b>  | <b>8.3</b>  | <b>7.1</b>  | <b>1.5</b>  | <b>1.3</b>  | <b>1.2</b>  | <b>15.4</b> | <b>16.1</b> | <b>16.6</b> |
| Bank of Baroda           | 265    | Buy     | 34.4      | 38.2  | 44.1  | 7.7         | 6.9         | 6.0         | 1.2         | 1.1         | 1.0         | 17.8        | 17.2        | 17.3        |
| Canara Bank              | 116    | Buy     | 16.0      | 18.5  | 21.2  | 36.2        | 6.3         | 5.5         | 6.4         | 1.1         | 1.0         | 20.2        | 19.8        | 19.6        |
| Indian Bank              | 538    | Buy     | 62.2      | 72.5  | 86.2  | 8.4         | 7.4         | 6.2         | 1.3         | 1.2         | 1.0         | 17.1        | 17.4        | 17.9        |
| Punjab National Bank     | 121    | Neutral | 7.5       | 12.1  | 15.2  | 16.6        | 10.0        | 7.9         | 1.3         | 1.2         | 1.1         | 8.7         | 12.9        | 14.5        |
| State Bank               | 826    | Buy     | 75.2      | 88.5  | 104.1 | 10.0        | 9.3         | 7.9         | 1.7         | 1.6         | 1.3         | 18.8        | 18.6        | 18.4        |
| Union Bank               | 134    | Buy     | 18.9      | 20.6  | 23.6  | 8.1         | 6.5         | 5.7         | 1.2         | 1.0         | 0.8         | 16.7        | 16.1        | 16.2        |
| <b>Insurance</b>         |        |         |           |       |       | <b>22.7</b> | <b>21.5</b> | <b>19.5</b> | <b>7.6</b>  | <b>5.8</b>  | <b>4.5</b>  | <b>33.4</b> | <b>27.1</b> | <b>23.3</b> |
| HDFC Life Insur.         | 590    | Buy     | 7.3       | 10.1  | 11.9  | 86.8        | 58.5        | 49.5        | 2.9         | 2.3         | 2.0         | 20.1        | 16.4        | 16.0        |
| ICICI Lombard            | 1,809  | Buy     | 38.9      | 51.7  | 62.1  | 43.3        | 35.0        | 29.1        | 6.9         | 6.5         | 5.6         | 17.2        | 19.9        | 20.6        |
| ICICI Pru Life           | 620    | Buy     | 5.9       | 8.3   | 10.4  | 102.9       | 74.5        | 59.8        | 2.1         | 1.8         | 1.5         | 18.8        | 19.4        | 19.8        |
| Life Insurance Corp.     | 985    | Buy     | 64.3      | 68.3  | 73.6  | 14.2        | 14.4        | 13.4        | 0.8         | 0.8         | 0.7         | 24.9        | 11.6        | 11.4        |
| Max Financial            | 980    | Neutral | 17.2      | 24.2  | 30.1  | 58.2        | 40.5        | 32.6        | 2.2         | 1.8         | 1.5         | 19.9        | 19.5        | 19.2        |
| SBI Life Insurance       | 1,494  | Buy     | 18.9      | 19.9  | 23.2  | 79.2        | 75.1        | 64.4        | 2.6         | 2.1         | 1.8         | 26.5        | 21.6        | 20.4        |

## Ready reckoner: Full year valuations

| Company Name              | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|---------------------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                           | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| Star Health               | 569   | Buy     | 14.4      | 18.4  | 24.4  | 37.6        | 31.0        | 23.3        | 4.8        | 4.3        | 3.6        | 12.8        | 15.0        | 17.0        |
| <b>NBFC - Lending</b>     |       |         |           |       |       | <b>20.1</b> | <b>17.8</b> | <b>14.0</b> | <b>2.7</b> | <b>2.6</b> | <b>2.2</b> | <b>13.7</b> | <b>14.7</b> | <b>16.0</b> |
| AAVAS Financiers          | 1,860 | Neutral | 62.0      | 74.3  | 93.2  | 21.2        | 25.0        | 19.9        | 2.8        | 3.4        | 2.9        | 13.9        | 14.5        | 15.6        |
| Aditya Birla Cap          | 237   | Buy     | 10.1      | 13.2  | 17.3  | 17.3        | 17.9        | 13.7        | 1.7        | 2.1        | 1.8        | 11.2        | 12.1        | 14.0        |
| Bajaj Finance             | 7,163 | Neutral | 233.7     | 278.4 | 371.4 | 31.0        | 25.7        | 19.3        | 5.8        | 4.8        | 3.9        | 22.0        | 20.4        | 22.4        |
| Can Fin Homes             | 890   | Neutral | 56.4      | 66.4  | 73.9  | 13.4        | 13.4        | 12.0        | 2.3        | 2.3        | 2.0        | 18.8        | 18.6        | 17.6        |
| Chola. Inv & Fin.         | 1,400 | Buy     | 40.7      | 52.9  | 69.9  | 28.4        | 26.4        | 20.0        | 5.0        | 4.9        | 3.8        | 20.2        | 20.5        | 21.6        |
| CreditAccess              | 1,342 | Buy     | 90.7      | 105.0 | 126.0 | 15.9        | 12.8        | 10.6        | 3.5        | 2.6        | 2.1        | 24.8        | 22.8        | 22.1        |
| Five-Star Business        | 829   | Buy     | 28.6      | 35.5  | 43.1  | 25.2        | 23.3        | 19.2        | 4.0        | 3.9        | 3.2        | 17.5        | 18.2        | 18.4        |
| Fusion Micro              | 460   | Buy     | 50.2      | 63.4  | 78.0  | 9.2         | 7.3         | 5.9         | 1.6        | 1.3        | 1.1        | 19.5        | 20.1        | 20.2        |
| Home First Fin.           | 1,096 | Buy     | 34.5      | 42.2  | 53.4  | 26.0        | 26.0        | 20.5        | 3.7        | 4.0        | 3.4        | 15.5        | 16.3        | 17.7        |
| IIFL Finance              | 521   | Buy     | 46.2      | 37.4  | 55.8  | 7.4         | 13.9        | 9.3         | 1.2        | 1.7        | 1.4        | 18.0        | 13.3        | 16.5        |
| Indostar Capital          | 249   | Buy     | 8.5       | 13.2  | 21.1  | 21.9        | 18.9        | 11.8        | 0.8        | 1.0        | 0.9        | 3.7         | 5.4         | 8.1         |
| L&T Finance               | 187   | Buy     | 9.3       | 11.4  | 15.4  | 17.0        | 16.4        | 12.2        | 1.7        | 1.8        | 1.6        | 10.3        | 11.6        | 14.1        |
| LIC Housing Fin           | 795   | Buy     | 86.6      | 90.5  | 93.0  | 7.1         | 8.8         | 8.5         | 1.1        | 1.2        | 1.1        | 16.3        | 14.9        | 13.7        |
| M & M Financial           | 302   | Buy     | 14.3      | 22.7  | 28.3  | 19.6        | 13.3        | 10.7        | 2.0        | 1.9        | 1.7        | 10.4        | 15.3        | 17.0        |
| Manappuram Finance        | 206   | Buy     | 26.0      | 30.0  | 35.3  | 6.7         | 6.9         | 5.8         | 1.3        | 1.3        | 1.1        | 20.7        | 20.1        | 19.8        |
| MAS Financial             | 293   | Buy     | 15.1      | 17.8  | 22.1  | 18.8        | 16.5        | 13.3        | 2.7        | 2.1        | 1.9        | 15.6        | 15.2        | 14.9        |
| Muthoot Finance           | 1,797 | Neutral | 100.9     | 124.8 | 141.0 | 14.7        | 14.4        | 12.7        | 2.4        | 2.6        | 2.2        | 17.9        | 19.1        | 18.6        |
| Piramal Enterprises       | 906   | Neutral | -75.0     | 30.9  | 65.8  | -11.3       | 29.3        | 13.8        | 0.7        | 0.8        | 0.7        | -5.8        | 2.6         | 5.3         |
| PNB Housing               | 796   | Buy     | 58.1      | 71.5  | 87.9  | 10.8        | 11.1        | 9.0         | 1.1        | 1.2        | 1.1        | 11.6        | 11.7        | 12.8        |
| Poonawalla Fincorp        | 419   | Buy     | 13.3      | 18.8  | 25.6  | 34.9        | 22.3        | 16.4        | 4.4        | 3.4        | 2.9        | 14.1        | 16.5        | 19.4        |
| Repco Home Fin            | 551   | Neutral | 63.1      | 66.0  | 72.0  | 6.4         | 8.4         | 7.7         | 0.9        | 1.0        | 0.9        | 14.6        | 13.4        | 12.9        |
| Shriram Finance           | 2,824 | Buy     | 191.3     | 227.2 | 279.9 | 12.3        | 12.4        | 10.1        | 1.8        | 1.9        | 1.7        | 15.7        | 16.4        | 17.6        |
| Spandana Sphoorty         | 737   | Buy     | 70.2      | 84.0  | 110.4 | 12.0        | 8.8         | 6.7         | 1.6        | 1.2        | 1.0        | 14.8        | 15.2        | 17.0        |
| <b>NBFC - Non Lending</b> |       |         |           |       |       | <b>36.8</b> | <b>27.3</b> | <b>22.6</b> | <b>9.5</b> | <b>7.9</b> | <b>7.0</b> | <b>25.9</b> | <b>29.0</b> | <b>31.0</b> |
| 360 ONE WAM               | 954   | Buy     | 22.4      | 26.7  | 32.4  | 30.1        | 35.7        | 29.4        | 7.0        | 9.4        | 8.8        | 24.5        | 27.1        | 31.0        |
| Angel One                 | 2,354 | Buy     | 135.9     | 181.3 | 212.1 | 22.4        | 13.0        | 11.1        | 8.3        | 3.2        | 2.7        | 43.3        | 33.1        | 26.8        |
| BSE                       | 2,487 | Neutral | 57.0      | 86.3  | 112.5 | 44.1        | 28.8        | 22.1        | 10.3       | 9.2        | 8.2        | 23.4        | 32.0        | 37.0        |
| Cams Services             | 3,761 | Buy     | 71.6      | 88.9  | 106.6 | 40.7        | 42.3        | 35.3        | 15.6       | 17.3       | 14.7       | 41.3        | 43.9        | 45.1        |
| MCX                       | 3,873 | Buy     | 16.3      | 106.9 | 118.5 | 205.5       | 36.2        | 32.7        | 12.4       | 13.3       | 12.3       | 5.8         | 38.0        | 39.0        |
| <b>Healthcare</b>         |       |         |           |       |       | <b>38.4</b> | <b>33.1</b> | <b>27.8</b> | <b>5.3</b> | <b>4.8</b> | <b>4.2</b> | <b>13.8</b> | <b>14.4</b> | <b>15.0</b> |
| Ajanta Pharma             | 2,240 | Buy     | 62.3      | 70.3  | 83.9  | 35.9        | 31.9        | 26.7        | 7.9        | 6.7        | 5.6        | 22.7        | 22.8        | 22.9        |
| Alembic Pharma            | 976   | Neutral | 31.5      | 37.9  | 42.1  | 31.2        | 25.7        | 23.2        | 4.0        | 3.5        | 3.1        | 13.5        | 14.4        | 14.1        |
| Alkem Lab                 | 4,921 | Neutral | 159.7     | 169.1 | 195.2 | 30.9        | 29.1        | 25.2        | 5.7        | 5.0        | 4.3        | 19.7        | 18.2        | 18.3        |
| Apollo Hospitals          | 6,101 | Buy     | 62.4      | 88.5  | 125.9 | 101.8       | 68.9        | 48.5        | 12.7       | 10.4       | 8.6        | 13.7        | 16.9        | 20.1        |
| Aurobindo Pharma          | 1,213 | Neutral | 56.0      | 67.0  | 75.7  | 19.4        | 18.1        | 16.0        | 2.1        | 2.1        | 1.9        | 11.6        | 12.4        | 12.5        |
| Biocon                    | 356   | Neutral | 2.2       | 6.2   | 12.1  | 121.4       | 57.7        | 29.3        | 1.6        | 2.1        | 2.0        | 1.4         | 3.7         | 7.0         |
| Cipla                     | 1,488 | Buy     | 52.5      | 58.9  | 65.8  | 28.5        | 25.3        | 22.6        | 4.5        | 3.9        | 3.4        | 15.9        | 15.4        | 14.9        |
| Divis Labs                | 4,570 | Neutral | 60.0      | 79.3  | 96.5  | 57.3        | 57.6        | 47.4        | 6.7        | 8.1        | 7.2        | 12.1        | 14.7        | 16.1        |
| Dr Reddy's Labs           | 6,372 | Neutral | 317.1     | 331.6 | 361.6 | 19.4        | 19.2        | 17.6        | 3.7        | 3.2        | 2.7        | 20.7        | 18.1        | 16.8        |
| Eris Lifescience          | 1,039 | Neutral | 29.2      | 30.9  | 42.5  | 28.8        | 33.6        | 24.4        | 4.5        | 4.9        | 4.1        | 16.8        | 15.4        | 18.3        |
| Gland Pharma              | 1,812 | Buy     | 47.6      | 59.4  | 69.4  | 38.7        | 30.5        | 26.1        | 3.5        | 3.1        | 2.8        | 9.4         | 10.6        | 11.1        |
| Glenmark Pharma           | 1,248 | Neutral | 2.5       | 42.7  | 50.5  | 385.4       | 29.2        | 24.7        | 3.4        | 3.9        | 3.4        | 0.8         | 14.4        | 14.8        |
| Global Health             | 1,275 | Buy     | 17.8      | 19.6  | 25.2  | 74.4        | 65.1        | 50.5        | 12.2       | 10.3       | 8.8        | 17.9        | 16.8        | 18.7        |
| Granules India            | 491   | Buy     | 17.4      | 23.5  | 31.8  | 24.8        | 20.9        | 15.4        | 3.2        | 3.2        | 2.6        | 13.9        | 16.3        | 18.6        |
| GSK Pharma                | 2,621 | Neutral | 43.3      | 45.8  | 50.8  | 44.9        | 57.3        | 51.6        | 18.5       | 21.3       | 17.9       | 41.3        | 37.2        | 34.7        |
| IPCA Labs.                | 1,132 | Neutral | 20.8      | 30.5  | 40.6  | 59.6        | 37.1        | 27.9        | 5.0        | 4.1        | 3.7        | 8.7         | 11.6        | 13.9        |
| Laurus Labs               | 437   | Buy     | 3.0       | 7.9   | 14.1  | 129.9       | 55.3        | 31.1        | 5.1        | 5.3        | 4.6        | 4.0         | 9.9         | 15.8        |
| Lupin                     | 1,633 | Neutral | 41.5      | 50.7  | 59.6  | 39.0        | 32.2        | 27.4        | 5.1        | 4.5        | 3.9        | 14.1        | 15.0        | 15.3        |
| Mankind Pharma            | 2,129 | Buy     | 47.8      | 54.1  | 62.4  | 48.1        | 39.3        | 34.1        | 9.8        | 7.7        | 6.6        | 22.8        | 21.3        | 20.9        |
| Max Healthcare            | 912   | Buy     | 13.7      | 16.2  | 19.9  | 59.7        | 56.3        | 45.8        | 8.6        | 8.1        | 6.9        | 15.3        | 15.6        | 16.3        |
| Piramal Pharma            | 161   | Buy     | 0.4       | 2.5   | 5.1   | 304.4       | 63.5        | 31.3        | 1.9        | 2.3        | 2.1        | 0.8         | 4.1         | 7.9         |
| Sun Pharma                | 1,524 | Buy     | 41.4      | 48.1  | 57.6  | 39.1        | 31.7        | 26.5        | 6.1        | 5.0        | 4.3        | 16.7        | 16.9        | 17.4        |
| Torrent Pharma            | 2,821 | Neutral | 47.1      | 64.5  | 79.4  | 55.2        | 43.7        | 35.5        | 12.8       | 5.8        | 5.8        | 24.4        | 28.9        | 32.5        |
| Zydus Lifesciences        | 1,074 | Neutral | 37.6      | 39.0  | 41.4  | 26.7        | 27.5        | 26.0        | 5.1        | 4.4        | 3.8        | 20.3        | 17.6        | 15.7        |
| <b>Infrastructure</b>     |       |         |           |       |       | <b>31.6</b> | <b>30.1</b> | <b>23.4</b> | <b>2.3</b> | <b>2.5</b> | <b>2.3</b> | <b>7.2</b>  | <b>8.3</b>  | <b>9.7</b>  |
| G R Infraproject          | 1,721 | Buy     | 73.0      | 78.7  | 101.3 | 17.9        | 21.9        | 17.0        | 1.8        | 2.1        | 1.9        | 11.4        | 10.0        | 11.6        |
| IRB Infra                 | 65    | Neutral | 1.0       | 1.6   | 2.1   | 58.3        | 40.0        | 31.4        | 2.6        | 2.7        | 2.5        | 4.5         | 6.9         | 8.3         |
| KNR Constructions         | 341   | Buy     | 15.2      | 15.3  | 20.1  | 16.2        | 22.3        | 17.0        | 2.1        | 2.6        | 2.3        | 14.4        | 12.5        | 14.4        |
| <b>Logistics</b>          |       |         |           |       |       | <b>35.2</b> | <b>33.5</b> | <b>27.0</b> | <b>5.5</b> | <b>5.5</b> | <b>4.7</b> | <b>15.5</b> | <b>16.3</b> | <b>17.4</b> |
| Adani Ports               | 1,474 | Buy     | 41.3      | 49.1  | 58.5  | 32.5        | 30.0        | 25.2        | 5.5        | 5.1        | 4.4        | 18.1        | 18.5        | 18.8        |

## Ready reckoner: Full year valuations

| Company Name           | CMP   |         | EPS (INR) |       |       | PE (x)       |             |             | PB (x)      |             |             | ROE (%)     |             |             |
|------------------------|-------|---------|-----------|-------|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | INR   | Reco    | FY24      | FY25E | FY26E | FY24         | FY25E       | FY26E       | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       |
| Blue Dart Express      | 8,222 | Buy     | 121.6     | 167.7 | 233.3 | 50.8         | 49.0        | 35.2        | 10.2        | 11.5        | 9.3         | 21.4        | 25.4        | 29.1        |
| Concor                 | 1,026 | Buy     | 20.3      | 25.8  | 33.9  | 43.4         | 39.8        | 30.3        | 4.6         | 4.9         | 4.5         | 10.7        | 12.8        | 15.6        |
| JSW Infra              | 350   | Buy     | 5.8       | 6.7   | 9.5   | 42.4         | 51.8        | 36.7        | 6.3         | 8.1         | 6.9         | 19.8        | 16.5        | 20.3        |
| Mahindra Logistics     | 545   | Neutral | -8.2      | 6.3   | 16.8  | -50.0        | 87.0        | 32.5        | 5.9         | 7.5         | 6.3         | -11.0       | 8.7         | 20.6        |
| TCI Express            | 1,257 | Buy     | 34.4      | 38.3  | 44.6  | 29.8         | 32.8        | 28.2        | 5.6         | 5.9         | 5.0         | 20.3        | 19.3        | 19.2        |
| Transport Corp.        | 944   | Buy     | 45.8      | 50.9  | 62.9  | 17.6         | 18.5        | 15.0        | 3.1         | 3.1         | 2.6         | 18.7        | 17.7        | 18.4        |
| VRL Logistics          | 575   | Buy     | 10.1      | 15.4  | 23.1  | 53.9         | 37.4        | 24.9        | 5.1         | 5.1         | 4.6         | 9.2         | 13.9        | 19.4        |
| <b>Media</b>           |       |         |           |       |       | <b>20.6</b>  | <b>21.9</b> | <b>17.4</b> | <b>1.8</b>  | <b>2.0</b>  | <b>1.9</b>  | <b>8.5</b>  | <b>9.1</b>  | <b>10.7</b> |
| PVR Inox               | 1,469 | Neutral | 11.7      | 2.5   | 34.9  | 113.8        | 591.5       | 42.1        | 1.8         | 2.0         | 1.9         | 1.6         | 0.3         | 4.5         |
| Sun TV                 | 784   | Buy     | 47.6      | 51.3  | 52.5  | 12.6         | 15.3        | 14.9        | 2.3         | 2.7         | 2.5         | 18.1        | 17.9        | 16.9        |
| Zee Entertainment      | 153   | Neutral | 4.5       | 7.3   | 10.7  | 30.7         | 21.0        | 14.3        | 1.2         | 1.3         | 1.2         | 4.0         | 6.3         | 8.7         |
| <b>Metals</b>          |       |         |           |       |       | <b>14.3</b>  | <b>13.7</b> | <b>11.1</b> | <b>2.3</b>  | <b>2.6</b>  | <b>2.3</b>  | <b>15.9</b> | <b>19.1</b> | <b>20.6</b> |
| Coal India             | 479   | Buy     | 60.7      | 55.9  | 66.0  | 7.1          | 8.6         | 7.3         | 3.2         | 3.0         | 2.5         | 45.2        | 34.6        | 34.1        |
| Hindalco               | 695   | Buy     | 45.6      | 61.2  | 63.6  | 12.3         | 11.3        | 10.9        | 1.6         | 1.7         | 1.5         | 13.6        | 15.8        | 14.3        |
| Hindustan Zinc         | 652   | Neutral | 18.4      | 23.0  | 29.9  | 15.9         | 28.3        | 21.8        | 8.1         | 13.9        | 10.0        | 55.2        | 55.6        | 53.5        |
| JSPL                   | 1,045 | Buy     | 58.4      | 65.6  | 95.7  | 14.5         | 15.9        | 10.9        | 1.9         | 2.1         | 1.8         | 14.1        | 13.9        | 17.6        |
| JSW Steel              | 938   | Buy     | 36.7      | 60.9  | 78.9  | 22.6         | 15.4        | 11.9        | 2.6         | 2.5         | 2.2         | 12.4        | 17.6        | 19.6        |
| Nalco                  | 193   | Neutral | 9.1       | 12.3  | 14.1  | 16.8         | 15.7        | 13.6        | 1.9         | 2.2         | 2.0         | 12.1        | 14.8        | 15.3        |
| NMDC                   | 244   | Buy     | 19.7      | 25.5  | 28.5  | 10.2         | 9.6         | 8.6         | 2.3         | 2.3         | 1.9         | 23.9        | 26.5        | 24.7        |
| SAIL                   | 147   | Neutral | 2.6       | 9.8   | 12.7  | 51.4         | 14.9        | 11.5        | 1.0         | 1.0         | 1.0         | 1.9         | 7.0         | 8.6         |
| Tata Steel             | 175   | Neutral | 2.7       | 9.5   | 13.3  | 57.6         | 18.3        | 13.1        | 2.3         | 2.4         | 2.2         | 3.6         | 13.4        | 17.3        |
| Vedanta                | 458   | Neutral | 13.3      | 33.9  | 44.7  | 20.5         | 13.5        | 10.2        | 3.3         | 4.9         | 3.9         | 14.1        | 38.4        | 42.6        |
| <b>Oil &amp; Gas</b>   |       |         |           |       |       | <b>13.1</b>  | <b>15.9</b> | <b>13.8</b> | <b>2.0</b>  | <b>1.9</b>  | <b>1.7</b>  | <b>15.0</b> | <b>12.0</b> | <b>12.5</b> |
| Aegis Logistics        | 852   | Neutral | 16.2      | 18.0  | 22.0  | 27.5         | 47.3        | 38.6        | 4.0         | 6.9         | 6.2         | 15.3        | 15.4        | 17.0        |
| BPCL                   | 304   | Neutral | 63.3      | 34.7  | 36.3  | 9.5          | 8.8         | 8.4         | 3.4         | 1.6         | 1.4         | 41.9        | 18.7        | 17.8        |
| Castrol India          | 214   | Buy     | 8.7       | 9.6   | 10.5  | 21.3         | 22.3        | 20.4        | 8.7         | 9.4         | 8.8         | 43.1        | 43.4        | 44.6        |
| GAIL                   | 222   | Buy     | 13.7      | 13.2  | 16.1  | 13.2         | 16.8        | 13.8        | 1.8         | 2.0         | 1.9         | 15.0        | 13.0        | 14.6        |
| Gujarat Gas            | 650   | Buy     | 16.0      | 21.0  | 23.6  | 34.0         | 31.0        | 27.6        | 4.9         | 5.2         | 4.6         | 15.0        | 17.7        | 17.7        |
| Gujarat State Petronet | 301   | Buy     | 22.8      | 11.6  | 12.1  | 15.6         | 25.9        | 24.9        | 2.0         | 1.6         | 1.5         | 13.1        | 6.3         | 6.2         |
| HPCL                   | 328   | Buy     | 75.2      | 41.3  | 45.3  | 6.3          | 7.9         | 7.2         | 2.2         | 1.3         | 1.2         | 40.4        | 17.5        | 17.0        |
| Indraprastha Gas       | 519   | Sell    | 25.0      | 22.8  | 30.2  | 17.3         | 22.8        | 17.2        | 3.5         | 3.8         | 3.3         | 22.4        | 17.5        | 20.3        |
| IOC                    | 168   | Buy     | 29.5      | 11.7  | 13.6  | 5.7          | 14.3        | 12.4        | 1.3         | 1.2         | 1.1         | 25.1        | 8.6         | 9.4         |
| Mahanagar Gas          | 1,707 | Buy     | 132.3     | 111.3 | 117.2 | 10.3         | 15.3        | 14.6        | 2.6         | 2.9         | 2.6         | 28.2        | 20.1        | 18.8        |
| MRPL                   | 214   | Sell    | 20.5      | 13.8  | 15.0  | 10.6         | 15.6        | 14.3        | 2.9         | 2.5         | 2.2         | 31.2        | 17.0        | 16.2        |
| Oil India              | 485   | Buy     | 48.7      | 46.8  | 51.7  | 12.3         | 10.4        | 9.4         | 2.2         | 1.6         | 1.4         | 14.1        | 16.3        | 16.1        |
| ONGC                   | 275   | Buy     | 46.3      | 50.3  | 56.0  | 5.8          | 5.5         | 4.9         | 1.0         | 0.9         | 0.8         | 18.8        | 17.6        | 17.2        |
| Petronet LNG           | 336   | Neutral | 23.6      | 29.1  | 25.7  | 11.2         | 11.5        | 13.1        | 2.3         | 2.6         | 2.4         | 22.2        | 24.1        | 18.9        |
| Reliance Inds.         | 3,132 | Buy     | 102.9     | 119.4 | 144.7 | 28.9         | 26.2        | 21.6        | 2.4         | 2.3         | 2.1         | 8.6         | 9.7         | 10.7        |
| <b>Real Estate</b>     |       |         |           |       |       | <b>63.9</b>  | <b>58.4</b> | <b>44.9</b> | <b>5.3</b>  | <b>5.8</b>  | <b>5.2</b>  | <b>8.3</b>  | <b>9.9</b>  | <b>11.5</b> |
| Brigade Enterpr.       | 1,366 | Buy     | 22.1      | 37.1  | 42.0  | 42.3         | 36.8        | 32.5        | 5.2         | 6.4         | 5.4         | 13.1        | 18.9        | 18.0        |
| DLF                    | 831   | Neutral | 11.0      | 15.6  | 17.0  | 81.6         | 53.1        | 49.0        | 4.1         | 3.5         | 3.2         | 7.1         | 9.4         | 9.5         |
| Godrej Properties      | 3,310 | Buy     | 26.9      | 34.2  | 37.8  | 85.5         | 96.8        | 87.5        | 6.4         | 8.4         | 7.7         | 7.8         | 9.1         | 9.2         |
| Kolte Patil Dev.       | 427   | Buy     | -9.2      | 13.3  | 42.7  | -50.5        | 32.1        | 10.0        | 4.8         | 4.0         | 2.9         | -7.8        | 13.1        | 34.0        |
| Macrotech Developers   | 1,495 | Buy     | 16.9      | 23.7  | 35.4  | 67.0         | 63.0        | 42.2        | 6.2         | 7.3         | 6.3         | 10.7        | 12.2        | 16.0        |
| Mahindra Lifespace     | 601   | Neutral | 6.3       | 7.7   | 6.3   | 92.9         | 78.6        | 96.0        | 4.9         | 4.8         | 4.6         | 5.3         | 6.2         | 4.9         |
| Oberoi Realty          | 1,805 | Neutral | 53.0      | 50.5  | 70.8  | 27.8         | 35.8        | 25.5        | 3.9         | 4.3         | 3.7         | 14.8        | 12.6        | 15.6        |
| Phoenix Mills          | 3,580 | Neutral | 61.6      | 60.8  | 83.0  | 45.0         | 58.9        | 43.1        | 5.2         | 6.1         | 5.4         | 12.3        | 10.9        | 13.2        |
| Prestige Estates       | 1,840 | Buy     | 19.0      | 19.9  | 26.2  | 61.7         | 92.5        | 70.1        | 3.9         | 5.8         | 5.4         | 6.7         | 6.4         | 7.9         |
| Sobha                  | 1,992 | Buy     | 5.1       | 35.2  | 74.2  | 283.2        | 56.5        | 26.9        | 5.5         | 6.8         | 5.5         | 2.0         | 12.7        | 22.6        |
| Sunteck Realty         | 555   | Buy     | 4.8       | 16.2  | 23.2  | 80.3         | 34.2        | 23.9        | 1.8         | 2.4         | 2.2         | 2.4         | 7.4         | 9.7         |
| <b>Retail</b>          |       |         |           |       |       | <b>111.8</b> | <b>87.8</b> | <b>66.2</b> | <b>16.8</b> | <b>15.6</b> | <b>13.1</b> | <b>15.1</b> | <b>17.8</b> | <b>19.8</b> |
| Aditya Birla Fashion   | 330   | Neutral | -7.4      | -7.1  | -6.4  | -27.9        | -46.7       | -51.5       | 4.4         | 8.4         | 10.0        | -18.6       | -16.4       | -17.7       |
| Avenue Supermarts      | 4,778 | Buy     | 39.0      | 52.2  | 69.1  | 116.2        | 91.5        | 69.2        | 15.8        | 14.1        | 11.7        | 14.6        | 16.7        | 18.5        |
| Barbeque Nation        | 570   | Neutral | -2.9      | -0.5  | 2.3   | -174.3       | -1,083      | 248.0       | 5.0         | 5.7         | 5.6         | -2.8        | -0.5        | 2.2         |
| Bata India             | 1,494 | Neutral | 22.8      | 29.2  | 40.1  | 59.8         | 51.2        | 37.3        | 11.5        | 10.1        | 7.9         | 19.8        | 21.9        | 23.8        |
| Campus Activewear      | 294   | Buy     | 2.9       | 4.2   | 5.6   | 73.5         | 70.8        | 52.9        | 10.1        | 11.6        | 9.5         | 13.7        | 16.3        | 17.9        |
| Devyani Intl.          | 168   | Buy     | 0.8       | 1.2   | 2.1   | 195.3        | 140.0       | 80.5        | 17.2        | 26.5        | 27.0        | 9.2         | 15.9        | 33.2        |
| Jubilant Foodworks     | 575   | Neutral | 3.9       | 5.5   | 8.2   | 113.6        | 104.6       | 70.5        | 13.6        | 16.5        | 15.6        | 12.0        | 15.8        | 22.1        |
| Kalyan Jewellers       | 496   | Buy     | 5.8       | 8.5   | 11.5  | 73.8         | 58.2        | 43.0        | 10.5        | 10.6        | 9.0         | 15.3        | 19.4        | 22.6        |
| Metro Brands           | 1,239 | Buy     | 12.7      | 15.3  | 19.0  | 90.2         | 80.9        | 65.3        | 16.4        | 14.9        | 12.5        | 20.3        | 20.5        | 21.3        |
| Raymond                | 2,979 | Buy     | 104.1     | 126.4 | 145.8 | 17.4         | 23.6        | 20.4        | 2.6         | 3.6         | 3.1         | 18.4        | 16.7        | 16.4        |
| Relaxo Footwear        | 831   | Neutral | 8.1       | 10.4  | 13.3  | 101.3        | 79.6        | 62.7        | 10.1        | 9.4         | 8.5         | 10.4        | 12.4        | 14.2        |

## Ready reckoner: Full year valuations

| Company Name        | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)       |             |             | ROE (%)       |             |             |
|---------------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|--------------|-------------|-------------|---------------|-------------|-------------|
|                     | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24         | FY25E       | FY26E       | FY24          | FY25E       | FY26E       |
| Restaurant Brands   | 102   | Buy     | -4.8      | -2.1  | 0.3   | -21.3       | -48.4       | 346.9       | 8.0          | 9.7         | 9.4         | -32.1         | -18.1       | 2.7         |
| Sapphire Foods      | 1,561 | Buy     | 8.2       | 14.0  | 24.4  | 192.4       | 111.3       | 64.1        | 7.5          | 7.0         | 6.3         | 4.0           | 6.5         | 10.3        |
| Senco Gold          | 1,108 | Buy     | 23.3      | 30.3  | 37.1  | 33.1        | 36.6        | 29.8        | 4.4          | 5.4         | 4.7         | 15.7          | 15.9        | 16.8        |
| Shoppers Stop       | 759   | Neutral | 7.2       | 14.1  | 19.1  | 103.8       | 53.9        | 39.8        | 19.4         | 14.4        | 10.5        | 21.8          | 30.7        | 30.6        |
| Titan Company       | 3,400 | Buy     | 39.3      | 47.1  | 57.9  | 96.9        | 72.2        | 58.8        | 36.1         | 24.5        | 19.0        | 32.9          | 38.6        | 36.4        |
| Trent               | 5,539 | Buy     | 29.2      | 49.4  | 62.7  | 135         | 112         | 88.3        | 32.3         | 31.6        | 22.9        | 31.2          | 35.5        | 32.1        |
| V-Mart Retail       | 2,892 | Neutral | -53.5     | -23.3 | 15.1  | -40         | -124        | 191.4       | 5.2          | 7.4         | 7.1         | NM            | NM          | 3.8         |
| Vedant Fashions     | 1,099 | Neutral | 17.1      | 19.3  | 23.8  | 54          | 57          | 46.2        | 14.5         | 14.6        | 12.3        | 27.6          | 26.9        | 25.9        |
| Westlife Foodworld  | 829   | Neutral | 4.4       | 7.2   | 11.9  | 181.2       | 115.0       | 69.7        | 21.3         | 15.3        | 14.1        | 12.0          | 15.7        | 21.1        |
| <b>Staffing</b>     |       |         |           |       |       | <b>28.1</b> | <b>19.3</b> | <b>15.0</b> | <b>2.9</b>   | <b>2.9</b>  | <b>2.5</b>  | <b>10.4</b>   | <b>15.0</b> | <b>16.6</b> |
| Quess Corp          | 640   | Neutral | 22.5      | 30.3  | 37.0  | 23.2        | 21.2        | 17.3        | 2.2          | 2.5         | 2.3         | 12.8          | 16.2        | 18.1        |
| SIS                 | 453   | Buy     | 13.3      | 30.8  | 40.3  | 30.7        | 14.7        | 11.2        | 1.1          | 1.0         | 0.9         | 8.2           | 16.8        | 18.1        |
| Team Lease Serv.    | 2,956 | Buy     | 64.8      | 90.9  | 129.2 | 42.3        | 32.5        | 22.9        | 5.0          | 4.7         | 3.9         | 12.4          | 15.0        | 18.1        |
| Updater Services    | 303   | Buy     | 11.4      | 17.9  | 23.6  | 28.2        | 16.9        | 12.9        | 2.4          | 2.0         | 1.8         | 10.7          | 11.5        | 13.4        |
| <b>Technology</b>   |       |         |           |       |       | <b>28.6</b> | <b>28.4</b> | <b>25.3</b> | <b>8.0</b>   | <b>8.7</b>  | <b>8.6</b>  | <b>28.0</b>   | <b>30.7</b> | <b>33.9</b> |
| Coforge             | 5,656 | Neutral | 133.0     | 169.2 | 203.3 | 41.3        | 33.4        | 27.8        | 9.4          | 8.5         | 7.4         | 23.9          | 26.4        | 27.7        |
| Cyient              | 1,845 | Buy     | 66.9      | 81.2  | 99.3  | 29.8        | 22.7        | 18.6        | 5.1          | 4.4         | 4.0         | 18.3          | 18.8        | 21.3        |
| HCL Technologies    | 1,481 | Buy     | 57.9      | 62.5  | 68.4  | 26.7        | 23.7        | 21.7        | 6.1          | 5.9         | 6.0         | 23.5          | 25.0        | 27.7        |
| Infosys             | 1,621 | Buy     | 63.3      | 63.4  | 73.8  | 23.7        | 25.6        | 22.0        | 7.0          | 7.6         | 7.6         | 29.8          | 29.8        | 34.6        |
| LTIMindtree         | 5,470 | Neutral | 154.8     | 167.7 | 193.4 | 31.9        | 32.6        | 28.3        | 7.3          | 7.1         | 6.2         | 24.4          | 23.1        | 23.3        |
| L&T Technology      | 5,026 | Buy     | 123.0     | 135.3 | 156.9 | 44.5        | 37.1        | 32.0        | 10.9         | 8.8         | 7.7         | 25.4          | 25.3        | 25.7        |
| Mphasis             | 2,505 | Neutral | 81.8      | 93.7  | 101.1 | 29.2        | 26.7        | 24.8        | 5.1          | 5.0         | 4.6         | 18.6          | 19.5        | 19.4        |
| Persistent Systems  | 4,499 | Neutral | 75.1      | 93.4  | 113.9 | 53.1        | 48.2        | 39.5        | 12.2         | 12.1        | 10.5        | 25.6          | 26.7        | 28.4        |
| TCS                 | 4,016 | Buy     | 126.3     | 143.1 | 155.2 | 30.8        | 28.1        | 25.9        | 15.7         | 16.6        | 17.1        | 50.9          | 58.1        | 65.1        |
| Tech Mahindra       | 1,472 | Neutral | 41.1      | 43.9  | 64.3  | 30.4        | 33.5        | 22.9        | 4.1          | 4.8         | 4.6         | 13.3          | 14.4        | 20.5        |
| Wipro               | 538   | Neutral | 20.4      | 22.2  | 24.5  | 23.5        | 24.2        | 22.0        | 3.4          | 3.8         | 3.8         | 14.4          | 15.8        | 17.3        |
| Zensar Tech         | 751   | Neutral | 29.1      | 26.5  | 32.6  | 20.8        | 28.3        | 23.1        | 3.8          | 4.3         | 3.8         | 20.3          | 16.0        | 17.4        |
| <b>Telecom</b>      |       |         |           |       |       | <b>-69</b>  | <b>-324</b> | <b>94.1</b> | <b>138.9</b> | <b>22.0</b> | <b>17.9</b> | <b>-201.4</b> | <b>-6.8</b> | <b>19.1</b> |
| Bharti Airtel       | 1,419 | Buy     | 19.7      | 35.3  | 52.6  | 62.5        | 40.2        | 27.0        | 8.4          | 6.4         | 5.2         | 14.2          | 19.8        | 21.9        |
| Indus Towers        | 384   | Neutral | 22.4      | 25.1  | 27.8  | 13.0        | 15.3        | 13.8        | 2.9          | 3.1         | 2.5         | 25.1          | 22.2        | 20.0        |
| Tata Comm           | 1,889 | Neutral | 42.3      | 48.1  | 83.5  | 47.6        | 39.3        | 22.6        | 32.1         | 19.1        | 11.0        | 72.9          | 59.4        | 62          |
| Vodafone Idea       | 17    | Neutral | -11.1     | -10.9 | -10.4 | -1.2        | -1.6        | -1.6        | -0.4         | -0.5        | -0.4        | NM            | NM          | NM          |
| <b>Others</b>       |       |         |           |       |       | <b>46.1</b> | <b>44.7</b> | <b>32.4</b> | <b>6.3</b>   | <b>6.4</b>  | <b>5.4</b>  | <b>13.6</b>   | <b>14.2</b> | <b>16.7</b> |
| APL Apollo Tubes    | 1,593 | Buy     | 26.4      | 37.9  | 55.7  | 56.6        | 42.0        | 28.6        | 11.5         | 9.8         | 7.5         | 22.2          | 26.0        | 29.8        |
| Cello World         | 901   | Buy     | 15.6      | 19.0  | 24.0  | 49.7        | 47.3        | 37.5        | 14.3         | 12.4        | 9.4         | 28.8          | 26.3        | 25.1        |
| Coromandel Int.     | 1,571 | Buy     | 55.8      | 63.0  | 71.3  | 19.3        | 24.9        | 22.0        | 3.4          | 4.3         | 3.7         | 19.0          | 18.3        | 17.9        |
| EPL                 | 220   | Buy     | 8.2       | 10.1  | 14.1  | 21.8        | 21.8        | 15.6        | 2.7          | 3.1         | 2.7         | 12.7          | 14.7        | 18.6        |
| Godrej Agrovet      | 813   | Neutral | 18.7      | 24.5  | 31.3  | 26.0        | 33.2        | 26.0        | 3.7          | 5.6         | 4.9         | 14.8          | 17.7        | 20.1        |
| Indian Hotels       | 603   | Buy     | 8.9       | 10.6  | 13.0  | 66.7        | 57.0        | 46.4        | 8.9          | 7.9         | 6.8         | 14.4          | 14.8        | 15.7        |
| Interglobe Aviation | 4,254 | Neutral | 211.8     | 187.7 | 182.6 | 16.7        | 22.7        | 23.3        | 70.5         | 17.8        | 10.1        | -373.7        | 130.4       | 55.5        |
| Kajaria Ceramics    | 1,478 | Buy     | 27.2      | 33.1  | 38.1  | 42.5        | 44.7        | 38.8        | 7.0          | 8.1         | 7.3         | 17.1          | 18.6        | 19.3        |
| Lemon Tree Hotel    | 145   | Buy     | 1.9       | 2.7   | 4.0   | 68.8        | 53.5        | 36          | 10.6         | 9.6         | 7.6         | 16.3          | 19.8        | 23.6        |
| MTAR Tech           | 1,892 | Buy     | 18.2      | 32.1  | 57.2  | 92.3        | 59.0        | 33          | 7.7          | 7.5         | 6.1         | 8.7           | 13.6        | 20.4        |
| One 97 Comm.        | 421   | Neutral | -22.4     | -26.7 | -10.9 | -18.0       | -15.8       | -39         | 1.9          | 2.2         | 2.3         | -10.8         | -13.4       | -5.9        |
| UPL                 | 566   | Neutral | 3.7       | 27.3  | 45.9  | 124.5       | 20.7        | 12.3        | 0.9          | 1.1         | 1.0         | 1.1           | 8.3         | 13.0        |
| Zomato              | 209   | Buy     | 0.4       | 1.2   | 3.3   | 447.2       | 177.2       | 64.3        | 7.9          | 8.6         | 7.6         | 1.8           | 5.0         | 12.6        |

# Sectors & Companies

BSE Sensex: 79,997

Nifty 50: 24,324

July 2024

## Sector and Companies Preview Compendium

Automobiles

Capital Goods

Cement

Chemicals-Specialty

Consumer

Consumer Durables

EMS

Financials – Banks

Financials – NBFC: Lending

Financials – NBFC: Non Lending

Healthcare

Infrastructure

Logistics

Metals

Oil & Gas

Real Estate

Retail

Technology

Telecom

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 2 July 2024, unless otherwise stated.**

# Automobiles

## Company

|                            |
|----------------------------|
| Amara Raja Energy Mobility |
| Apollo Tyres               |
| Ashok Leyland              |
| Bajaj Auto                 |
| Balkrishna Industries      |
| Bharat Forge               |
| BOSCH                      |
| Ceat                       |
| CIE India                  |
| Craftsman Automation       |
| Eicher Motors              |
| Endurance Technologies     |
| Escorts Kubota             |
| Exide Industries           |
| Happy Forgings             |
| Hero MotoCorp              |
| Mahindra & Mahindra        |
| Maruti Suzuki              |
| Motherson Wiring           |
| MRF                        |
| Samvardhana Motherson Sumi |
| Sona BLW Precision Ltd     |
| Tata Motors                |
| Tube Investments           |
| TVS Motor Company          |

## 1QFY25 to be a healthy quarter; input cost pressures surface

### Retail growth has lagged wholesales in Q1 and remains a cause of concern

- Auto OEMs reported volume growth of ~10% YoY in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% YoY growth. CV and tractors grew by 4% each. We expect a volume CAGR of 9%/6%/5% for 2Ws/PVs/Tractors over FY24-26. For 3Ws/CVs, we anticipate a volume CAGR of 8%/7% over the same period.
- Revenue/EBITDA/PAT for our coverage universe is expected to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY to 13.1% (stable QoQ), driven by moderate commodity costs, a favorable product mix and operating leverage. For auto ancillaries, EBITDA margin is expected to largely remain stable YoY, but it may decline 70bp QoQ.
- We noted a rise in key commodity prices in 1QFY25 QoQ, such as aluminum (+15%), copper (+16%), lead (+5%), rubber (+5%) and platinum (9%). We expect the impact of rising input costs to be visible from Q2 onwards.
- Within OEMs, we expect 2W OEMs (ex Eicher) and Maruti Suzuki to outperform peers.

### 1QFY25 witnesses positive volume growth YoY across segments

Auto OEMs reported volume growth of ~10% YoY in 1QFY25, with broad-based growth in almost all the segments. 2Ws outperformed with ~11% YoY growth, followed by PVs with 6% growth. CV and tractors grew by 4% each. However, passenger car volumes continue to underperform UVs as demand remained weak for the entry-level category. Within CVs, MHCVs grew 9% YoY, while LCVs posted modest 2% YoY growth. CVs posted growth in 1Q despite an anticipated slowdown due to general elections. Tractor wholesales grew 4% YoY, partially supported by the Navratri festival during the quarter. 3W volumes rose 5% YoY. Overall, automobile demand in 1Q was hit by the impact of incessant heat waves in many parts of the country and the election-led slowdown, especially in CVs. As a result, retail demand lagged wholesales in most of the key segments, including 2Ws, PVs and tractors, which led to an increase in dealer stock at the end of 1Q.

### Rising commodity costs to dent margins in the coming quarters

Revenue/EBITDA/PAT for our coverage universe is expected to grow ~9%/14%/18% YoY during the quarter. EBITDA margin for our Auto OEM universe (excluding JLR) is expected to improve 170bp YoY at 13.1%, driven by moderate commodity costs on YoY basis, a favorable product mix and operating leverage. However, we expect EBITDA margin to remain stable QoQ. For auto ancillaries, EBITDA margin may largely remain stable YoY, while it is expected to decline 70bp QoQ. In 1Q, prices of key commodities such as aluminum/copper/lead/rubber/platinum increased by ~15%/16%/5%/5%/9% QoQ. While the impact of rising input costs is likely to be visible for OEMs from Q2 onward, tyre companies are expected to face this impact in 1Q itself, with the major impact likely in 2Q.

### Hits and misses in 1QFY25

As highlighted above, our coverage universe is likely to post a strong 18% YoY growth in earnings. Within OEMs, we expect all the three mass-market 2W players to post healthy double-digit earnings growth on the back of healthy volume growth

and benign input costs. However, we expect Eicher to underperform its peers (with 10% growth). Within PVs, MSIL is likely to outperform peers with 38% YoY earnings growth. On the other hand, Tata Motors is likely to underperform peers with 8.5% YoY earnings growth. In auto ancillaries, we expect quite a few players to report healthy double-digit YoY earnings growth. However, the tyre companies (ex-BKT) within our coverage universe are likely to underperform peers given the rise in input costs. Amongst the other notable ones, Craftsman, CIE Automotive, and Happy Forgings are also likely to see single-digit earnings growth in 1QFY25.

### Prefer ancillaries over OEMs

In our recent thematic report dated May'24 ([click here to refer our thematic note](#)), we indicated our preference for Auto Ancillaries over Auto OEMs. Our rationale at that time was the huge growth opportunity that ancillary companies are likely to see in the coming years, led by: 1) potential benefits of the supply chain de-risking strategy by global OEMs; 2) a consistent rise in content supply amid rising premiumization; 3) favorable government policies that advocate 'Make In India'; and 4) emergence of India as an auto hub for global OEMs. This theme seems to have started to play out well, with the top 30 auto ancillary companies having delivered strong returns in the last two months compared to the listed Auto OEM companies. While part of the re-rating has played out, we expect this theme to continue to play out over the year. In our auto ancillary coverage universe, we like Craftsman Automation, SAMIL and Happy Forgings. Among Auto OEMs, Maruti and MM are our top picks.

### Summary of 1QFY25 earnings estimates

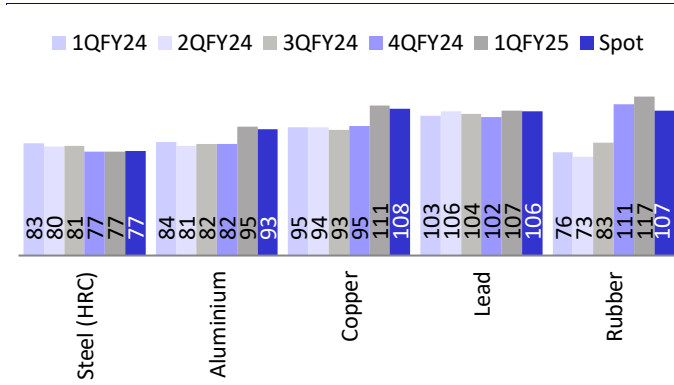
| Sector                | CMP    | Reco    | Sales (INR M)    |            |             | EBIDTA (INR M)  |             |             | PAT (INR M)     |             |              |
|-----------------------|--------|---------|------------------|------------|-------------|-----------------|-------------|-------------|-----------------|-------------|--------------|
|                       | (INR)  |         | Jun-24           | YoY        | QoQ         | Jun-24          | YoY         | QoQ         | Jun-24          | YoY         | QoQ          |
| Amara Raja Energy     | 1681   | Neutral | 29,915           | 8.0        | 7.0         | 4,422           | 25.1        | 8.5         | 2,551           | 32.5        | 11.9         |
| Apollo Tyres          | 536    | Buy     | 63,749           | 2.1        | 1.9         | 10,136          | -3.6        | -6.1        | 4,273           | 5.2         | -8.1         |
| Ashok Leyland         | 234    | Buy     | 87,011           | 6.2        | -22.8       | 10,587          | 29.0        | -33.5       | 6,535           | 13.3        | -31.1        |
| Bajaj Auto            | 9398   | Neutral | 1,16,668         | 13.2       | 1.6         | 23,317          | 19.3        | 1.1         | 19,806          | 19.0        | 2.3          |
| Balkrishna Inds       | 3129   | Neutral | 25,579           | 20.9       | -5.2        | 6,548           | 34.7        | -7.7        | 4,126           | 32.0        | -15.5        |
| Bharat Forge          | 1645   | Neutral | 23,695           | 11.4       | 1.8         | 6,528           | 18.0        | -0.2        | 3,921           | 24.5        | -0.9         |
| Bosch                 | 34617  | Neutral | 44,079           | 6.0        | 4.1         | 5,985           | 27.9        | 7.4         | 5,416           | 32.4        | -4.1         |
| CEAT                  | 2755   | Buy     | 30,526           | 4.0        | 2.0         | 3,694           | -4.6        | -5.7        | 1,478           | 2.2         | -2.3         |
| CIE Automotive        | 600    | Buy     | 23,389           | 0.8        | -3.6        | 3,495           | -5.7        | -3.1        | 2,010           | -5.9        | -12.7        |
| Craftsman Auto        | 5691   | Buy     | 11,217           | 8.1        | 1.5         | 2,181           | 1.8         | 5.4         | 801             | 7.5         | 28.5         |
| Eicher Motors         | 4626   | Sell    | 42,505           | 6.6        | -0.1        | 11,180          | 9.5         | -0.9        | 10,094          | 9.9         | -5.7         |
| Endurance Tech.       | 2720   | Buy     | 28,303           | 15.5       | 6.2         | 3,806           | 18.5        | 3           | 2,028           | 24.1        | 4.0          |
| Escorts Kubota        | 4123   | Neutral | 23,839           | 2.4        | 14.5        | 3,457           | 5.7         | 30.0        | 2,996           | 5.9         | 23.8         |
| Exide Inds.           | 564    | Neutral | 43,984           | 8.0        | 9.7         | 5,850           | 35.4        | 13.3        | 3,348           | 38.4        | 18.0         |
| Happy Forgings        | 1259   | Buy     | 3,727            | 13.0       | 8.5         | 1,075           | 5.9         | 10.7        | 693             | 8.2         | 5.3          |
| Hero Motocorp         | 5564   | Buy     | 1,06,013         | 20.9       | 11.4        | 15,969          | 32.4        | 17.5        | 12,448          | 31.6        | 22.5         |
| Mahindra & Mahindra   | 2867   | Buy     | 2,80,556         | 16.6       | 11.7        | 38,672          | 19.5        | 19.4        | 29,806          | 7.5         | 46.2         |
| Maruti Suzuki         | 12039  | Buy     | 3,50,194         | 8.3        | -8.4        | 42,180          | 41.4        | -10.0       | 34,271          | 37.9        | -11.6        |
| Samvardhana Motherson | 203    | Buy     | 2,90,974         | 29.5       | 8.3         | 26,777          | 39.1        | 0.3         | 9,336           | 55.4        | 1.8          |
| Motherson Wiring      | 73     | Buy     | 22,103           | 18.9       | -1.0        | 2,739           | 41.1        | -6.0        | 1,769           | 43.7        | -7.6         |
| MRF                   | 128645 | Sell    | 63,865           | 1.0        | 2.8         | 9,676           | -13.2       | -3.8        | 4,534           | -22.0       | -3.4         |
| Sona BLW Precis.      | 671    | Neutral | 9,140            | 24.8       | 3.2         | 2,550           | 25.4        | 2.8         | 1,470           | 28.7        | -0.7         |
| Tata Motors           | 981    | Neutral | 10,33,552        | 1.1        | -13.9       | 1,37,634        | 1.5         | -19.0       | 41,074          | 8.5         | -46.8        |
| Tube Investments      | 4111   | Buy     | 20,321           | 14.2       | 3.5         | 2,349           | 8.8         | 8.2         | 1,649           | 11.7        | -33.5        |
| TVS Motor             | 2339   | Neutral | 84,419           | 17.0       | 3.3         | 9,917           | 29.9        | 7.1         | 5,848           | 25.0        | 20.5         |
| <b>Automobiles</b>    |        |         | <b>28,59,324</b> | <b>8.7</b> | <b>-4.7</b> | <b>3,90,723</b> | <b>14.0</b> | <b>-7.6</b> | <b>2,12,284</b> | <b>17.9</b> | <b>-13.2</b> |

**Volume snapshot 1QFY25 ('000 units)**

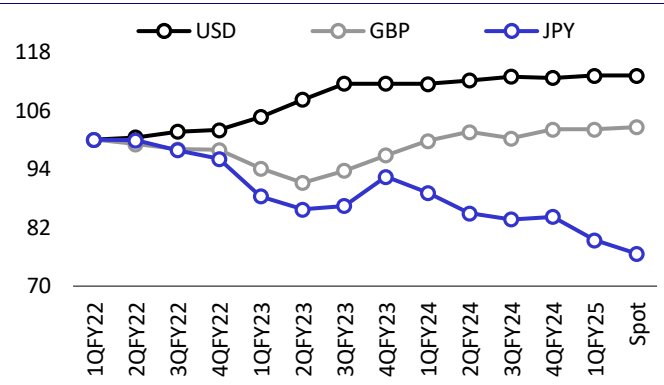
|                           | 1QFY25       | 1QFY24       | YoY (%)   | 4QFY24       | QoQ (%)    | FY24          | FY23          | YoY (%)   |
|---------------------------|--------------|--------------|-----------|--------------|------------|---------------|---------------|-----------|
| Two wheelers              | 5,491        | 4,937        | 11        | 5,422        | 1          | 21,437        | 19,533        | 10        |
| Three wheelers            | 228          | 218          | 5         | 235          | -3         | 992           | 870           | 14        |
| Passenger cars            | 489          | 509          | -4        | 494          | -1         | 1,979         | 2,161         | -8        |
| UVs & MPVs                | 747          | 640          | 17        | 808          | -8         | 2,916         | 2,392         | 22        |
| <b>Total PVs</b>          | <b>1,220</b> | <b>1,148</b> | <b>6</b>  | <b>1,302</b> | <b>-6</b>  | <b>4,894</b>  | <b>4,553</b>  | <b>8</b>  |
| M&HCV                     | 89           | 82           | 9         | 115          | -23        | 391           | 381           | 3         |
| LCV                       | 152          | 149          | 2         | 169          | -10        | 642           | 659           | -3        |
| <b>Total CVs</b>          | <b>241</b>   | <b>231</b>   | <b>4</b>  | <b>284</b>   | <b>-15</b> | <b>1,034</b>  | <b>1,040</b>  | <b>-1</b> |
| Tractors                  | 279          | 268          | 4         | 182          | 53         | 972           | 986           | -1        |
| <b>Total (ex Tractor)</b> | <b>7,180</b> | <b>6,534</b> | <b>10</b> | <b>7,243</b> | <b>-1</b>  | <b>28,357</b> | <b>25,997</b> | <b>9</b>  |

Source: Company, MOFSL

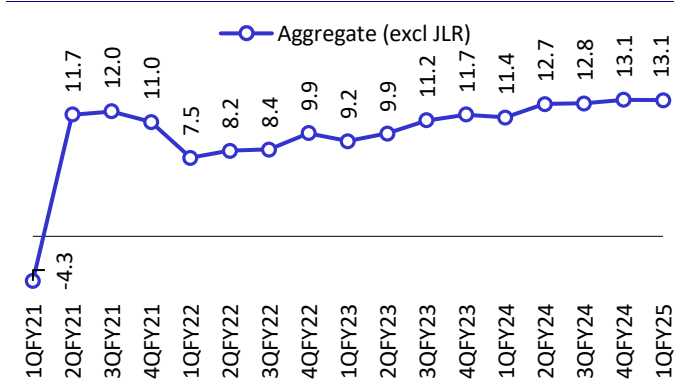
**Exhibit 1: Commodity prices inched up QoQ in 1QFY25**



**Exhibit 2: Trends in key currencies vs. INR (average, indexed)**

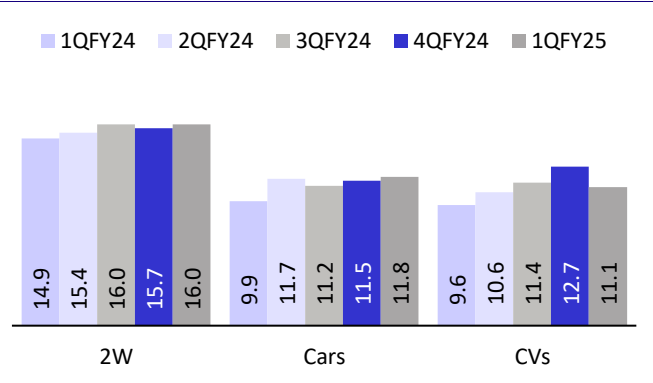


**Exhibit 3: EBITDA margin expected to remain flat QoQ**



Source: MOFSL

**Exhibit 4: Segment-wise EBITDA margins trends (%)**



Source: MOFSL

**Exhibit 5: Our Auto OEM coverage universe (excluding JLR) is expected to clock earnings growth of 23% YoY**

|                     | Volumes ('000 units) |              |             |              |            | EBITDA Margins (%) |             |             |             |             | Adj. PAT (INR M) |                 |             |                 |             |
|---------------------|----------------------|--------------|-------------|--------------|------------|--------------------|-------------|-------------|-------------|-------------|------------------|-----------------|-------------|-----------------|-------------|
|                     | 1Q<br>FY25           | 1Q<br>FY24   | YoY<br>(%)  | 4Q<br>FY24   | QoQ<br>(%) | 1Q<br>FY25         | 1Q<br>FY24  | YoY<br>(bp) | 4Q<br>FY24  | QoQ<br>(bp) | 1Q<br>FY25       | 1Q<br>FY24      | YoY<br>(%)  | 4Q<br>FY24      | QoQ<br>(%)  |
| Bajaj Auto          | 1,102                | 1,027        | 7.3         | 1,069        | 3.1        | 20.0               | 19.0        | 100         | 20.1        | -10         | 19,806           | 16,648          | 19.0        | 19,360          | 2.3         |
| Hero MotoCorp       | 1,535                | 1,353        | 13.5        | 1,392        | 10.3       | 15.1               | 13.8        | 130         | 14.3        | 80          | 12,448           | 9,462           | 31.6        | 10,161          | 22.5        |
| TVS Motor           | 1,087                | 953          | 14.1        | 1,063        | 2.3        | 11.7               | 10.6        | 120         | 11.3        | 40          | 5,848            | 4,677           | 25.0        | 4,854           | 20.5        |
| Maruti Suzuki       | 522                  | 498          | 4.8         | 584          | -10.6      | 12.0               | 9.2         | 280         | 12.3        | -20         | 34,271           | 24,851          | 37.9        | 38,778          | -11.6       |
| M&M                 | 333                  | 301          | 10.6        | 285          | 16.8       | 13.8               | 13.4        | 30          | 12.9        | 90          | 29,806           | 27,737          | 7.5         | 20,382          | 46.2        |
| TTMT India CV**     | 93                   | 89           | 5.4         | 111          | -16.1      | 10.5               | 9.4         | 110         | 11.9        | -140        | NA               | NA              | -           | NA              | --          |
| TTMT India PV**     | 139                  | 140          | -1.2        | 156          | -10.9      | 7.0                | 5.2         | 180         | 7.3         | -30         | NA               | NA              | -           | NA              | --          |
| JLR (GBP mn)        | 110                  | 106          | 3.2         | 121          | -9.1       | 15.4               | 16.3        | -80         | 16.3        | -90         | 316              | 323             | -2.1        | 732             | -56.8       |
| Ashok Leyland       | 44                   | 41           | 6.2         | 56           | -22.0      | 12.2               | 10.0        | 210         | 14.1        | -200        | 6,535            | 5,768           | 13.3        | 9,485           | -31.1       |
| Eicher - RE         | 226                  | 228          | -0.7        | 228          | -0.7       | 27.5               | 26.0        | 150         | 27.6        | -10         | 9,506            | 9,139           | 4.0         | 9,833           | -3.3        |
| Eicher - VECV       | 20                   | 20           | 0.7         | 26           | -23.4      | 7.5                | 7.8         | -30         | 7.9         | -40         | 1,623            | 1,818           | -10.7       | 2,446           | -33.7       |
| <b>Aggregate **</b> | <b>5,179</b>         | <b>4,708</b> | <b>10.0</b> | <b>5,019</b> | <b>3.2</b> | <b>13.1</b>        | <b>11.4</b> | <b>170</b>  | <b>13.1</b> | <b>0</b>    | <b>1,34,586</b>  | <b>1,09,033</b> | <b>23.4</b> | <b>1,38,664</b> | <b>-2.9</b> |

\*\* Aggregate includes TTMT's standalone performance only

Source: JLR in GBP m, MOFSL

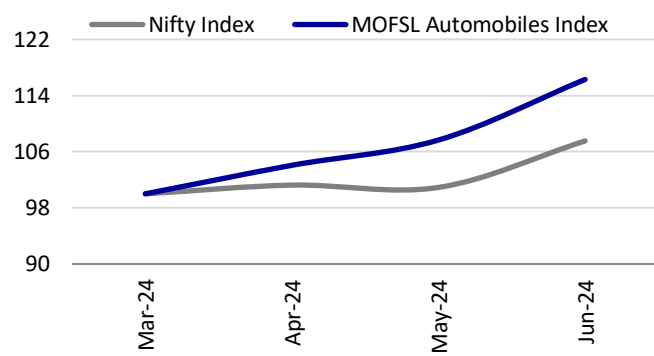
**Exhibit 6: Revised estimates**

|            | FY25E   |         |         | FY26E   |         |         |
|------------|---------|---------|---------|---------|---------|---------|
|            | Rev     | Old     | Chg (%) | Rev     | Old     | Chg (%) |
| BJAUT      | 329.2   | 325.7   | 1.1     | 382.5   | 374.9   | 2.0     |
| HMCL       | 255.4   | 238.3   | 7.2     | 304.2   | 273.7   | 11.1    |
| TVSL       | 55.3    | 55.3    | 0.0     | 65.4    | 65.1    | 0.4     |
| EIM *      | 164.3   | 164.3   | 0.0     | 178.2   | 183.2   | -2.7    |
| MSIL *     | 485.8   | 489.4   | -0.7    | 542.9   | 546.4   | -0.6    |
| MM         | 108.2   | 102.2   | 5.9     | 128.7   | 120.2   | 7.1     |
| TTMT *     | 58.1    | 58.2    | -0.2    | 67.2    | 67.5    | -0.4    |
| AL         | 11.7    | 11.7    | 0.0     | 14.0    | 13.2    | 6.1     |
| ESCORTS    | 102.6   | 101.6   | 1.0     | 123.9   | 120.9   | 2.5     |
| ARE&M      | 59.0    | 56.0    | 5.4     | 66.5    | 60.5    | 9.9     |
| EXID       | 16.4    | 16.3    | 0.5     | 19.6    | 18.9    | 3.7     |
| BOSCH      | 802     | 821     | -2.3    | 939     | 950.9   | -1.3    |
| ENDU       | 65.5    | 65.8    | -0.3    | 85.6    | 81.1    | 5.6     |
| MACA       | 23.5    | 24.5    | -3.8    | 29.6    | 29.6    | 0.0     |
| BHFC       | 38.7    | 36.0    | 7.4     | 48.9    | 48.5    | 0.8     |
| MOTHERSO * | 6.5     | 6.4     | 1.3     | 8.5     | 7.8     | 9.1     |
| SONACOMS   | 10.6    | 11.7    | -9.1    | 13.3    | 14.0    | -4.8    |
| CEAT       | 160.9   | 160.9   | 0.0     | 197.5   | 195.6   | 1.0     |
| APTY *     | 29.8    | 30.1    | -1.0    | 35.8    | 34.6    | 3.5     |
| BIL        | 87.8    | 91.1    | -3.6    | 113.4   | 114.4   | -0.8    |
| MRF        | 4,582.8 | 4,584.0 | 0.0     | 5,113.5 | 5,112.3 | 0.0     |
| MSUMI      | 1.8     | 1.9     | -5.2    | 2.2     | 2.3     | -1.2    |
| TIINDIA    | 63.4    | 62.3    | 1.7     | 79.2    | 77.0    | 2.8     |
| CRAFTSMA   | 176.6   | 174.4   | 1.3     | 245.0   | 230.7   | 6.2     |
| HAPPYFORG  | 34.7    | 34.7    | 0.1     | 45.2    | 44.9    | 0.6     |

\* Consolidated

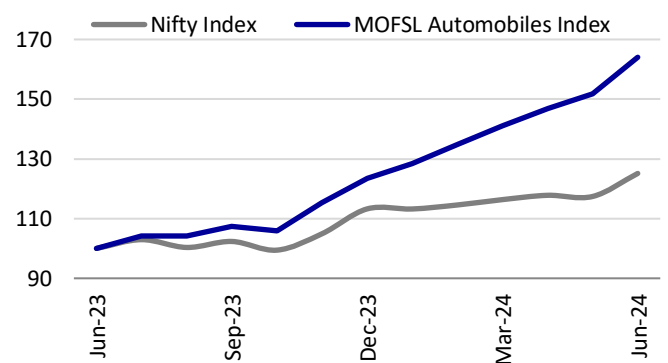
Source:, MOFSL

Exhibit 7: Relative performance – three months (%)



Source: Bloomberg, MOFSL

Exhibit 8: Relative performance – one year (%)



S4ource: Bloomberg, MOFSL

Comparative valuations

| Company Name          | CMP      | Reco    | EPS (INR) |         |         | PE (x) |       |       | PB (x) |       |       | ROE (%) |       |       |
|-----------------------|----------|---------|-----------|---------|---------|--------|-------|-------|--------|-------|-------|---------|-------|-------|
|                       | (INR)    |         | FY24      | FY25E   | FY26E   | FY24   | FY25E | FY26E | FY24   | FY25E | FY26E | FY24    | FY25E | FY26E |
| <b>Automobiles</b>    |          |         |           |         |         |        |       |       |        |       |       |         |       |       |
| Amara Raja Energy     | 1,681    | Neutral | 49.5      | 59.0    | 66.5    | 34.0   | 28.5  | 25.3  | 4.5    | 4.0   | 3.5   | 14.2    | 14.9  | 14.8  |
| Apollo Tyres          | 536      | Buy     | 29.0      | 29.8    | 35.8    | 18.5   | 17.9  | 15.0  | 2.0    | 1.8   | 1.6   | 13.9    | 12.9  | 14.0  |
| Ashok Leyland         | 234      | Buy     | 9.1       | 11.7    | 14.0    | 26     | 20    | 16.7  | 7.8    | 6.6   | 5.5   | 31.1    | 35.5  | 35.8  |
| Bajaj Auto            | 9,398    | Neutral | 276.1     | 329.2   | 382.5   | 33.1   | 28.5  | 24.6  | 10.3   | 9.3   | 8.1   | 30.7    | 34.7  | 35.3  |
| Balkrishna Inds       | 3,129    | Neutral | 76.5      | 87.8    | 113.4   | 40.9   | 35.7  | 27.6  | 6.8    | 6.1   | 5.3   | 18.0    | 18.1  | 20.6  |
| Bharat Forge          | 1,645    | Neutral | 20.6      | 36.0    | 48.5    | 68.3   | 39.1  | 29.0  | 9.1    | 7.9   | 6.6   | 13.8    | 21.7  | 24.7  |
| Bosch                 | 34,617   | Neutral | 620.5     | 802.2   | 938.9   | 48.4   | 43.2  | 36.9  | 7.3    | 7.7   | 6.9   | 15.9    | 18.7  | 19.7  |
| CEAT                  | 2,755    | Buy     | 169.4     | 160.9   | 197.5   | 16.3   | 17.1  | 14.0  | 2.8    | 2.4   | 2.1   | 18.3    | 15.1  | 16.3  |
| CIE Automotive        | 600      | Buy     | 21.1      | 23.5    | 29.6    | 28.4   | 25.5  | 20.3  | 3.8    | 3.4   | 3.0   | 14.4    | 14.1  | 15.8  |
| Craftsman Auto        | 5,691    | Buy     | 144.2     | 176.6   | 245.0   | 39.5   | 32.2  | 23.2  | 7.2    | 4.2   | 3.6   | 20.1    | 17.2  | 16.7  |
| Eicher Motors         | 4,626    | Sell    | 146.3     | 164.3   | 178.2   | 31.6   | 28.2  | 26.0  | 7.0    | 6.0   | 5.2   | 24.2    | 23.0  | 21.6  |
| Endurance Tech.       | 2,720    | Buy     | 47.3      | 65.5    | 85.6    | 57.7   | 41.5  | 31.8  | 7.7    | 6.7   | 5.7   | 14.2    | 17.2  | 19.3  |
| Escorts Kubota        | 4,123    | Neutral | 94.9      | 102.6   | 123.9   | 43.4   | 40.2  | 33.3  | 5.0    | 4.9   | 4.4   | 12.1    | 13.0  | 14.0  |
| Exide Inds.           | 564      | Neutral | 12.4      | 16.4    | 19.6    | 45.6   | 34.4  | 28.8  | 3.7    | 3.4   | 3.1   | 8.0     | 9.8   | 10.7  |
| Happy Forgings        | 1,259    | Buy     | 25.8      | 34.7    | 45.2    | 48.8   | 36.2  | 27.8  | 7.4    | 6.3   | 5.3   | 18.7    | 18.7  | 20.7  |
| Hero Motocorp         | 5,564    | Buy     | 204.6     | 259.0   | 304.2   | 23.1   | 21.5  | 18.3  | 5.2    | 5.7   | 5.1   | 23.6    | 27.6  | 29.5  |
| Mahindra & Mahindra   | 2,867    | Buy     | 89.4      | 108.2   | 128.7   | 32.8   | 27.1  | 22.7  | 6.7    | 5.6   | 4.7   | 22.4    | 22.6  | 22.5  |
| Maruti Suzuki         | 12,039   | Buy     | 429.0     | 485.8   | 542.9   | 28.1   | 24.8  | 22.2  | 4.5    | 4.0   | 3.5   | 15.7    | 15.9  | 15.7  |
| Motherson Wiring      | 73       | Buy     | 1.4       | 1.8     | 2.2     | 50.5   | 41.1  | 32.7  | 19.2   | 15.3  | 12.3  | 42.5    | 41.5  | 41.6  |
| MRF                   | 1,28,645 | Sell    | 4,990.2   | 4,583.0 | 5,113.0 | 25.8   | 28.1  | 25.2  | 3.3    | 3.0   | 2.7   | 13.5    | 11.1  | 11.2  |
| Samvardhana Motherson | 203      | Buy     | 3.7       | 6.5     | 8.5     | 54.8   | 31.4  | 23.8  | 5.3    | 4.7   | 4.1   | 10.3    | 15.8  | 18.5  |
| Sona BLW Precis.      | 671      | Neutral | 8.9       | 10.6    | 13.3    | 75.0   | 63.1  | 50.4  | 14.8   | 12.2  | 10.5  | 20.6    | 21.2  | 22.8  |
| Tata Motors           | 981      | Neutral | 58.7      | 58.1    | 67.2    | 16.9   | 16.9  | 14.6  | 4.5    | 3.4   | 2.8   | 34.5    | 22.5  | 21.2  |
| Tube Investments      | 4,111    | Buy     | 34.4      | 63.4    | 79.2    | 119.4  | 64.9  | 51.9  | 15.6   | 12.7  | 10.4  | 14.7    | 21.6  | 22.0  |
| TVS Motor             | 2,339    | Neutral | 43.8      | 55.3    | 65.4    | 49.1   | 42.3  | 35.8  | 13.2   | 11.1  | 8.8   | 30.2    | 29.7  | 27.5  |

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.

## Amara Raja Energy Mobility

**Neutral**

**CMP: INR1681 | TP: INR1475 (-12%)**

**EPS CHANGE (%): FY25E|FY26E: 5|10**

- Revenue growth of 8% YoY to be driven by OEM demand in 2Ws/4Ws, aftermarket division, trading and new energy business. Industrial division would see an uptick due to the 5G expansion by telecom players.
- EBITDA margin should see a sequential expansion despite uptick in lead prices, offset by lower other expenses.

### Quarterly Performance

(INR M)

| Y/E March (INR m)            | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>27,699</b> | <b>28,108</b> | <b>28,817</b> | <b>27,967</b> | <b>29,915</b> | <b>31,199</b> | <b>32,275</b> | <b>32,537</b> | <b>1,12,603</b> | <b>1,25,927</b> |
| YoY Change (%)               | 5.7           | 4.1           | 9.3           | 14.9          | 8.0           | 11.0          | 12.0          | 16.3          | 8.4             | 11.8            |
| RM Cost (% of sales)         | 71.1          | 68.4          | 66.0          | 65.5          | 66.5          | 66.5          | 67.0          | 67.6          | 66.9            | 66.9            |
| Staff Cost (% of sales)      | 5.8           | 5.8           | 6.3           | 5.8           | 6.0           | 5.9           | 5.8           | 5.9           | 6.2             | 5.9             |
| Other Exp (% of sales)       | 10.3          | 12.1          | 12.6          | 14.1          | 12.7          | 12.5          | 12.2          | 11.5          | 12.5            | 12.2            |
| <b>EBITDA</b>                | <b>3,535</b>  | <b>3,870</b>  | <b>4,349</b>  | <b>4,077</b>  | <b>4,422</b>  | <b>4,702</b>  | <b>4,843</b>  | <b>4,921</b>  | <b>16,214</b>   | <b>18,889</b>   |
| Margins (%)                  | 12.8          | 13.8          | 15.1          | 14.6          | 14.8          | 15.1          | 15.0          | 15.1          | 14.4            | 15.0            |
| Depreciation                 | 1,111         | 1,148         | 1,202         | 1,210         | 1,150         | 1,200         | 1,300         | 1,407         | 4,787           | 5,057           |
| Interest                     | 56            | 62            | 77            | 97            | 85            | 90            | 95            | 80            | 332             | 350             |
| Other Income                 | 216           | 275           | 238           | 283           | 260           | 280           | 285           | 275           | 1,015           | 1,100           |
| <b>PBT before EO expense</b> | <b>2,584</b>  | <b>2,935</b>  | <b>3,307</b>  | <b>3,053</b>  | <b>3,447</b>  | <b>3,692</b>  | <b>3,733</b>  | <b>3,710</b>  | <b>12,110</b>   | <b>14,582</b>   |
| Extra-Ord expense            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>PBT after EO</b>          | <b>2,584</b>  | <b>2,935</b>  | <b>3,307</b>  | <b>3,053</b>  | <b>3,447</b>  | <b>3,692</b>  | <b>3,733</b>  | <b>3,710</b>  | <b>12,110</b>   | <b>14,582</b>   |
| Tax                          | 659           | 791           | 779           | 773           | 896           | 960           | 971           | 965           | 3,052           | 3,791           |
| Tax Rate (%)                 | 25.5          | 27.0          | 23.6          | 25.3          | 26.0          | 26.0          | 26.0          | 26.0          | 25.2            | 26.0            |
| <b>Adj PAT</b>               | <b>1,925</b>  | <b>2,143</b>  | <b>2,528</b>  | <b>2,280</b>  | <b>2,551</b>  | <b>2,732</b>  | <b>2,763</b>  | <b>2,745</b>  | <b>9,059</b>    | <b>10,791</b>   |
| YoY Change (%)               | 46.4          | 6.0           | 13.5          | 29.7          | 32.5          | 27.5          | 9.3           | 20.4          | 18.4            | 19.1            |

E: MOFSL Estimates

## Apollo Tyres

**Buy**

**CMP: INR536 | TP: INR620 (+16%)**

**EPS CHANGE (%): FY25E|FY26E: -1|3.5**

- Overall revenue growth is expected to see a marginal growth of 2% YoY due to weakness in replacement demand.
- Increase in input costs and higher other expenses due to EPR could drive a 130bp contraction QoQ in consolidated EBITDA margin to 15.9%, despite price hikes. Rubber prices in 1Q remained high (+5% QoQ), but spot prices softened.

### Consolidated - Quarterly Earning Model

(INR M)

| Y/E March                                     | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Revenues</b>                           | <b>62,446</b> | <b>62,797</b> | <b>65,954</b> | <b>62,582</b> | <b>63,749</b> | <b>63,547</b> | <b>68,160</b> | <b>68,740</b> | <b>2,53,777</b> | <b>2,64,197</b> |
| YoY Change (%)                                | 5.1           | 5.4           | 2.7           | 0.2           | 2.1           | 1.2           | 3.3           | 9.8           | 3.3             | 4.1             |
| Total Expenditure                             | 51,931        | 51,198        | 53,873        | 51,788        | 53,613        | 53,697        | 57,391        | 56,705        | 2,08,790        | 2,21,407        |
| <b>EBITDA</b>                                 | <b>10,515</b> | <b>11,599</b> | <b>12,081</b> | <b>10,794</b> | <b>10,136</b> | <b>9,850</b>  | <b>10,769</b> | <b>12,035</b> | <b>44,987</b>   | <b>42,790</b>   |
| Margins (%)                                   | 16.8          | 18.5          | 18.3          | 17.2          | 15.9          | 15.5          | 15.8          | 17.5          | 17.7            | 16.2            |
| Depreciation                                  | 3,620         | 3,603         | 3,676         | 3,880         | 3,680         | 3,700         | 3,725         | 3,803         | 14,778          | 14,908          |
| Interest                                      | 1,355         | 1,328         | 1,230         | 1,146         | 1,150         | 1,130         | 1,120         | 1,097         | 5,059           | 4,497           |
| Other Income                                  | 355           | 253           | 184           | 743           | 470           | 435           | 485           | 223           | 1,536           | 1,613           |
| <b>PBT before EO expense</b>                  | <b>5,896</b>  | <b>6,922</b>  | <b>7,358</b>  | <b>6,511</b>  | <b>5,776</b>  | <b>5,455</b>  | <b>6,409</b>  | <b>7,358</b>  | <b>26,685</b>   | <b>24,998</b>   |
| Extra-Ord expense                             | 132           | 122           | 151           | 1,381         | 0             | 0             | 0             | 0             | 1,786           | 0               |
| <b>PBT</b>                                    | <b>5,764</b>  | <b>6,800</b>  | <b>7,207</b>  | <b>5,130</b>  | <b>5,776</b>  | <b>5,455</b>  | <b>6,409</b>  | <b>7,358</b>  | <b>24,899</b>   | <b>24,998</b>   |
| Tax Rate (%)                                  | 31.1          | 30.3          | 31.1          | 31.0          | 26.0          | 25.1          | 23.6          | 22.6          | 30.9            | 24.2            |
| Minority Interest & Profit/Loss of Asso. Cos. | 0             | -2            | -1            | -1            | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>Reported PAT</b>                           | <b>3,969</b>  | <b>4,744</b>  | <b>4,966</b>  | <b>3,541</b>  | <b>4,273</b>  | <b>4,088</b>  | <b>4,894</b>  | <b>5,696</b>  | <b>17,215</b>   | <b>18,951</b>   |
| <b>Adj PAT</b>                                | <b>4,060</b>  | <b>4,828</b>  | <b>5,071</b>  | <b>4,648</b>  | <b>4,273</b>  | <b>4,088</b>  | <b>4,894</b>  | <b>5,696</b>  | <b>18,607</b>   | <b>18,951</b>   |
| YoY Change (%)                                | 112.9         | 169.1         | 81.9          | 18.1          | 5.2           | -15.3         | -3.5          | 22.5          | 80.8            | 1.8             |
| Margins (%)                                   | 6.5           | 7.7           | 7.7           | 7.4           | 6.7           | 6.4           | 7.2           | 8.3           | 7.3             | 7.2             |

E: MOFSL Estimates

**Ashok Leyland****Buy****CMP: INR234 | TP: INR270 (+15%)****EPS CHANGE (%): FY25E|FY26E:0|6**

- Overall volumes grew 6% YoY (-22% QoQ) in 1Q despite election led slowdown.
- Net price realization is estimated to remain flat YoY.
- EBITDA margin is expected to improve by 220bp YoY to 12.2% due to reduction in input costs and healthy pricing discipline in the industry. Sequentially margin contraction would be due to operating deleverage.

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

|                               | FY24          |               |               |                 | FY25E         |                 |                 |                 | FY24            | FY25E           |
|-------------------------------|---------------|---------------|---------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q              | 1QE           | 2QE             | 3QE             | 4QE             |                 |                 |
| Total Volumes (nos)           | 41,329        | 49,846        | 47,241        | 56,267          | 43,893        | 50,843          | 51,965          | 61,271          | 1,94,683        | 2,07,972        |
| Growth %                      | 4.2           | 10.0          | -0.7          | -5.7            | 6.2           | 2.0             | 10.0            | 8.9             | 1.3             | 6.8             |
| Realizations (INR '000)       | 1,981         | 1,934         | 1,963         | 2,002           | 1,982         | 2,002           | 2,022           | 2,084           | 1,971           | 2,027           |
| Change (%)                    | 8.8           | 6.0           | 3.4           | 2.8             | 0.0           | 3.5             | 3.0             | 4.1             | 4.8             | 2.9             |
| <b>Net operating revenues</b> | <b>81,893</b> | <b>96,380</b> | <b>92,730</b> | <b>1,12,667</b> | <b>87,011</b> | <b>1,01,796</b> | <b>1,05,083</b> | <b>1,27,669</b> | <b>3,83,670</b> | <b>4,21,558</b> |
| Change (%)                    | 13.4          | 16.6          | 2.7           | -3.1            | 6.2           | 5.6             | 13.3            | 13.3            | 6.2             | 9.9             |
| RM/sales %                    | 73.7          | 73.5          | 72.2          | 71.8            | 72.0          | 72.5            | 72.5            | 72.8            | 72.7            | 72.5            |
| Staff/sales %                 | 6.6           | 5.9           | 6.1           | 4.9             | 6.3           | 5.9             | 5.7             | 4.7             | 5.8             | 5.6             |
| Other exp/sales %             | 9.7           | 9.3           | 9.6           | 9.1             | 9.5           | 9.3             | 9.3             | 9.6             | 9.4             | 9.4             |
| <b>EBITDA</b>                 | <b>8,208</b>  | <b>10,798</b> | <b>11,139</b> | <b>15,921</b>   | <b>10,587</b> | <b>12,569</b>   | <b>13,146</b>   | <b>16,475</b>   | <b>46,066</b>   | <b>52,778</b>   |
| EBITDA Margins(%)             | 10.0          | 11.2          | 12.0          | 14.1            | 12.2          | 12.3            | 12.5            | 12.9            | 12.0            | 12.5            |
| Interest                      | 699           | 587           | 616           | 592             | 550           | 500             | 450             | 232             | 2,494           | 1,732           |
| Other Income                  | 512           | 475           | 300           | 1,179           | 500           | 475             | 475             | 520             | 2,466           | 1,970           |
| Depreciation                  | 1,794         | 1,803         | 1,785         | 1,797           | 1,800         | 1,820           | 1,850           | 1,773           | 7,178           | 7,243           |
| <b>PBT before EO Item</b>     | <b>6,227</b>  | <b>8,883</b>  | <b>9,039</b>  | <b>14,711</b>   | <b>8,737</b>  | <b>10,724</b>   | <b>11,321</b>   | <b>14,990</b>   | <b>38,859</b>   | <b>45,773</b>   |
| EO Exp/(Inc)                  | 6             | 229           | 6             | 697             | 0             | 0               | 0               | 0               | 937             | 0               |
| <b>PBT after EO</b>           | <b>6,221</b>  | <b>8,654</b>  | <b>9,033</b>  | <b>14,014</b>   | <b>8,737</b>  | <b>10,724</b>   | <b>11,321</b>   | <b>14,990</b>   | <b>37,922</b>   | <b>45,773</b>   |
| Effective Tax Rate (%)        | 7.3           | 35.2          | 35.8          | 35.8            | 25.2          | 25.2            | 25.2            | 25.2            | 31.0            | 25.2            |
| <b>Adj PAT</b>                | <b>5,768</b>  | <b>5,768</b>  | <b>5,804</b>  | <b>9,485</b>    | <b>6,535</b>  | <b>8,022</b>    | <b>8,468</b>    | <b>11,213</b>   | <b>26,826</b>   | <b>34,238</b>   |
| Change (%)                    | 868.8         | 197.4         | 62.7          | 32.7            | 13.3          | 39.1            | 45.9            | 18.2            | 102.5           | 27.6            |

E: MOFSL Estimates

**Bajaj Auto****Neutral****CMP: INR9,398 | TP: INR8,660 (-8%)****EPS CHANGE (%): FY25|26E: 1|2**

- Both domestic/exports volumes grew 7% YoY. Bajaj continues to enjoy the benefit of a rich mix in domestic motorcycles, while export markets are seeing a gradual recovery.
- Margin to expand 100bp YoY led by lower input costs, improved mix and operating leverage benefits.

**Quarterly Performance****(INR M)**

|                        | FY24            |                 |                 |                 | FY25E           |                 |                 |                 | FY24            | FY25E           |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                        | 1Q              | 2Q              | 3Q              | 4Q              | 1QE             | 2QE             | 3QE             | 4QE             |                 |                 |
| Volumes ('000 units)   | 1,027           | 1,054           | 1,201           | 1,069           | 1,102           | 1,170           | 1,345           | 1,274           | 4,351           | 4,891           |
| Growth YoY (%)         | 10.0            | -8.4            | 22.1            | 24.3            | 7.3             | 11.0            | 12.0            | 19.2            | 10.8            | 12.4            |
| Realization (INR/unit) | 1,00,347        | 1,02,256        | 1,00,862        | 1,07,476        | 1,05,864        | 1,06,923        | 1,07,458        | 1,06,591        | 1,02,703        | 1,06,745        |
| Growth YoY (%)         | 17.0            | 15.4            | 6.5             | 3.8             | 5.5             | 4.6             | 6.5             | -0.8            | 10.7            | 3.9             |
| <b>Net Sales</b>       | <b>1,03,098</b> | <b>1,07,773</b> | <b>1,21,135</b> | <b>1,14,847</b> | <b>1,16,668</b> | <b>1,25,088</b> | <b>1,44,543</b> | <b>1,35,796</b> | <b>4,46,852</b> | <b>5,22,096</b> |
| Change (%)             | 28.8            | 5.6             | 30.0            | 29.0            | 13.2            | 16.1            | 19.3            | 18.2            | 22.7            | 16.8            |
| <b>EBITDA</b>          | <b>19,539</b>   | <b>21,329</b>   | <b>24,299</b>   | <b>23,063</b>   | <b>23,317</b>   | <b>25,126</b>   | <b>29,593</b>   | <b>27,093</b>   | <b>88,229</b>   | <b>1,05,129</b> |
| EBITDA Margins (%)     | 19.0            | 19.8            | 20.1            | 20.1            | 20.0            | 20.1            | 20.5            | 20.0            | 19.7            | 20.1            |
| Other Income           | 3,463           | 3,614           | 3,461           | 3,487           | 3,800           | 4,200           | 4,150           | 4,128           | 14,025          | 16,278          |
| Interest               | 121             | 65              | 121             | 228             | 100             | 110             | 110             | 120             | 535             | 440             |
| Depreciation           | 835             | 876             | 881             | 906             | 910             | 925             | 925             | 937             | 3,498           | 3,697           |
| <b>PBT after EO</b>    | <b>22,046</b>   | <b>24,000</b>   | <b>26,758</b>   | <b>25,416</b>   | <b>26,107</b>   | <b>28,291</b>   | <b>32,708</b>   | <b>30,163</b>   | <b>98,220</b>   | <b>1,17,269</b> |
| Effective Tax Rate (%) | 24.5            | 23.5            | 23.7            | 23.8            | 24.1            | 24.1            | 24.1            | 24.1            | 23.9            | 24.1            |
| <b>Adj. PAT</b>        | <b>16,648</b>   | <b>18,361</b>   | <b>20,419</b>   | <b>19,360</b>   | <b>19,806</b>   | <b>21,463</b>   | <b>24,814</b>   | <b>22,884</b>   | <b>74,788</b>   | <b>88,968</b>   |
| Change (%)             | 41.9            | 20.0            | 36.9            | 35.1            | 19.0            | 16.9            | 21.5            | 18.2            | 32.9            | 19.0            |

E: MOFSL Estimates

**Balkrishna Industries****Neutral****CMP: INR3,129 | TP: INR2,825 (-10%)****EPS CHANGE (%): FY25E|FY26E: -4|-1**

- Revenue is expected to grow by 17% YoY. We expect India market to remain the key growth driver, while other geographies are expected to grow on a low base of FY24.
- EBITDA margins are expected to decline 70bp QoQ due to a rise in rubber costs, which are expected to stay elevated (+5% QoQ).

**Quarterly Earning Model (Standalone)****(INR M)**

| Y/E March                          | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Volumes (Ton)</b>               | <b>67,209</b> | <b>70,585</b> | <b>72,749</b> | <b>82,085</b> | <b>78,635</b> | <b>79,055</b> | <b>81,479</b> | <b>84,829</b> | <b>2,92,628</b> | <b>3,23,998</b> |
| YoY Change (%)                     | -19.2         | -10.5         | 9.4           | 12.9          | 17.0          | 12.0          | 12.0          | 3.3           | -2.8            | 10.7            |
| <b>Realizations (INR '000/ton)</b> | <b>314.7</b>  | <b>318.3</b>  | <b>318.3</b>  | <b>328.6</b>  | <b>325.3</b>  | <b>325.4</b>  | <b>325.6</b>  | <b>323.7</b>  | <b>320.4</b>    | <b>325.0</b>    |
| YoY Change (%)                     | -4.0          | -10.5         | -4.5          | 2.7           | 3.4           | 2.2           | 2.3           | -1.5          | -4.2            | 1.4             |
| <b>Net Revenues</b>                | <b>21,150</b> | <b>22,468</b> | <b>23,158</b> | <b>26,971</b> | <b>25,579</b> | <b>25,728</b> | <b>26,530</b> | <b>27,456</b> | <b>93,760</b>   | <b>1,05,293</b> |
| YoY Change (%)                     | -22.4         | -19.9         | 4.5           | 16.0          | 20.9          | 14.5          | 14.6          | 1.8           | -6.9            | 12.3            |
| <b>EBITDA</b>                      | <b>4,863</b>  | <b>5,480</b>  | <b>5,868</b>  | <b>7,098</b>  | <b>6,548</b>  | <b>6,509</b>  | <b>6,898</b>  | <b>7,132</b>  | <b>23,322</b>   | <b>27,088</b>   |
| Margins (%)                        | 23.0          | 24.4          | 25.3          | 26.3          | 25.6          | 25.3          | 26.0          | 26.0          | 24.9            | 25.7            |
| Depreciation                       | 1,537         | 1,586         | 1,591         | 1,724         | 1,600         | 1,650         | 1,700         | 1,732         | 6,438           | 6,682           |
| Interest                           | 208           | 229           | 354           | 299           | 220           | 200           | 175           | 202           | 1,089           | 797             |
| Forex loss/(gain)                  | -330          | -250          | 520           | -490          | 0             | 0             | 0             | 0             | -550            | 500             |
| Other Income                       | 660           | 520           | 700           | 870           | 680           | 700           | 750           | 723           | 2,750           | 2,853           |
| <b>PBT before EI</b>               | <b>4,108</b>  | <b>4,435</b>  | <b>4,104</b>  | <b>6,436</b>  | <b>5,408</b>  | <b>5,359</b>  | <b>5,773</b>  | <b>5,921</b>  | <b>19,095</b>   | <b>21,961</b>   |
| Extra-Ord expense                  | 0             | 0             | 0             | 98            | 0             | 0             | 0             | 0             | 98              | 0               |
| <b>PBT</b>                         | <b>4,108</b>  | <b>4,435</b>  | <b>4,104</b>  | <b>6,337</b>  | <b>5,408</b>  | <b>5,359</b>  | <b>5,773</b>  | <b>5,921</b>  | <b>18,997</b>   | <b>21,961</b>   |
| Rate (%)                           | 23.9          | 24.5          | 24.8          | 24.1          | 23.7          | 23.7          | 23.7          | 23.8          | 24.3            | 24.3            |
| <b>Adj PAT</b>                     | <b>3,125</b>  | <b>3,350</b>  | <b>3,084</b>  | <b>4,884</b>  | <b>4,126</b>  | <b>4,089</b>  | <b>4,405</b>  | <b>4,513</b>  | <b>14,456</b>   | <b>16,633</b>   |
| YoY Change (%)                     | -2.3          | -17.1         | 209.9         | 89.6          | 32.0          | 22.1          | 42.8          | -7.6          | 34.0            | 15.1            |

E: MOFSL Estimates

**Bharat Forge****Neutral****CMP: INR1645 | TP: INR1525 (-7%)****EPS CHANGE (%): FY25E|FY26E: 7|-1**

- Revenue growth is expected to be at 11% YoY in 1Q. Growth would be driven by domestic business, which is expected to grow 22.5% YoY. Exports would see 5% YoY growth. Revenue growth is likely to be driven by ramp up of defense orders.
- EBITDA margin is expected to decline 50bp QoQ to 27.6%.

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

|                             | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Net operating income</b> | <b>21,273</b> | <b>22,494</b> | <b>22,634</b> | <b>23,286</b> | <b>23,695</b> | <b>24,621</b> | <b>25,848</b> | <b>26,820</b> | <b>89,686</b> | <b>1,00,984</b> |
| Change (%)                  | 20.9          | 20.7          | 15.9          | 16.6          | 11.4          | 9.5           | 14.2          | 15.2          | 18.4          | 12.6            |
| <b>Total Cost</b>           | <b>15,739</b> | <b>16,383</b> | <b>16,181</b> | <b>16,745</b> | <b>17,167</b> | <b>17,875</b> | <b>18,740</b> | <b>19,383</b> | <b>64,909</b> | <b>73,164</b>   |
| RM/Sales (%)                | 44.3          | 43.3          | 41.9          | 41.4          | 41.7          | 42.0          | 42.1          | 42.2          | 42.7          | 42.0            |
| Staff Cost (% of Sales)     | 7.0           | 6.7           | 6.7           | 6.5           | 6.6           | 6.6           | 6.5           | 6.5           | 6.7           | 6.6             |
| Other Exp. (% of Sales)     | 22.7          | 22.8          | 22.9          | 24.0          | 24.2          | 24.0          | 23.9          | 23.6          | 23.0          | 23.9            |
| <b>EBITDA</b>               | <b>5,534</b>  | <b>6,111</b>  | <b>6,453</b>  | <b>6,541</b>  | <b>6,528</b>  | <b>6,746</b>  | <b>7,108</b>  | <b>7,437</b>  | <b>24,777</b> | <b>27,820</b>   |
| EBITDA Margins (%)          | 26.0          | 27.2          | 28.5          | 28.1          | 27.6          | 27.4          | 27.5          | 27.7          | 27.6          | 27.5            |
| Change (%)                  | 20.3          | 35.1          | 30.9          | 25.1          | 18.0          | 10.4          | 10.2          | 13.7          | 29.6          | 12.3            |
| <b>Non-Operating Income</b> | <b>472</b>    | <b>424</b>    | <b>346</b>    | <b>382</b>    | <b>450</b>    | <b>460</b>    | <b>475</b>    | <b>482</b>    | <b>1,623</b>  | <b>1,867</b>    |
| Interest                    | 705           | 726           | 809           | 634           | 650           | 620           | 580           | 550           | 2,874         | 2,400           |
| Depreciation                | 1,089         | 1,128         | 1,124         | 1,079         | 1,100         | 1,150         | 1,200         | 1,216         | 4,420         | 4,666           |
| EO Exp / (Inc)              | 47            | 63            | -179          | 82            | 0             | 0             | 0             | 0             | 154           |                 |
| <b>PBT after EO items</b>   | <b>4,165</b>  | <b>4,616</b>  | <b>5,044</b>  | <b>5,127</b>  | <b>5,228</b>  | <b>5,436</b>  | <b>5,803</b>  | <b>6,153</b>  | <b>18,952</b> | <b>22,621</b>   |
| Tax                         | 1,050         | 1,156         | 1,266         | 1,231         | 1,307         | 1,359         | 1,451         | 1,538         | 4,703         | 5,655           |
| Eff. Tax Rate (%)           | 25.2          | 25.0          | 25.1          | 24.0          | 25.0          | 25.0          | 25.0          | 25.0          | 24.8          | 25.0            |
| <b>Rep. PAT</b>             | <b>3,115</b>  | <b>3,460</b>  | <b>3,778</b>  | <b>3,897</b>  | <b>3,921</b>  | <b>4,077</b>  | <b>4,352</b>  | <b>4,615</b>  | <b>14,250</b> | <b>16,965</b>   |
| Change (%)                  | 42.4          | 28.7          | 21.6          | 85.7          | 25.9          | 17.8          | 15.2          | 18.4          | 36.3          | 19.1            |
| <b>Adj. PAT</b>             | <b>3,150</b>  | <b>3,508</b>  | <b>3,644</b>  | <b>3,958</b>  | <b>3,921</b>  | <b>4,077</b>  | <b>4,352</b>  | <b>4,615</b>  | <b>14,250</b> | <b>16,965</b>   |
| Change (%)                  | 19.0          | 30.9          | 32.3          | 31.4          | 24.5          | 16.2          | 19.4          | 16.6          | 36.3          | 19.1            |

E: MOFSL Estimates

**Bosch****Neutral****CMP: INR34,617 | TP: INR31,290 (-10%)****EPS CHANGE (%): FY25|26E: -2|-1**

- We expect ~6% YoY revenue growth led by stable growth in mobility division.
- EBITDA margin likely to expand by 40bp QoQ to 13.6%, driven by gradual localization benefits despite elevated other costs.
- As a result, we expect Bosch to post a strong 32% YoY growth in PAT in 1Q.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>41,584</b> | <b>41,301</b> | <b>42,052</b> | <b>42,334</b> | <b>44,079</b> | <b>48,322</b> | <b>48,780</b> | <b>47,300</b> | <b>1,67,271</b> | <b>1,88,482</b> |
| YoY Change (%)               | 17.3          | 12.8          | 14.9          | 4.2           | 6.0           | 17.0          | 16.0          | 11.7          | 12.0            | 12.7            |
| RM Cost (% of sales)         | 64.5          | 66.8          | 62.3          | 65.5          | 64.2          | 63.0          | 63.0          | 61.9          | 64.8            | 63.0            |
| Staff Cost (% of sales)      | 7.4           | 8.1           | 7.9           | 8.5           | 7.7           | 7.5           | 7.5           | 8.3           | 8.0             | 7.8             |
| Other Expenses (% of sales)  | 17.9          | 13.2          | 16.0          | 12.8          | 14.5          | 15.5          | 15.0          | 15.8          | 14.7            | 15.2            |
| <b>EBITDA</b>                | <b>4,679</b>  | <b>4,913</b>  | <b>5,784</b>  | <b>5,572</b>  | <b>5,985</b>  | <b>6,766</b>  | <b>7,054</b>  | <b>6,644</b>  | <b>20,948</b>   | <b>26,450</b>   |
| Margins (%)                  | 11.3          | 11.9          | 13.8          | 13.2          | 13.6          | 14.0          | 14.5          | 14.0          | 12.5            | 14.0            |
| Depreciation                 | 921           | 1,013         | 1,173         | 1,188         | 1,000         | 1,080         | 1,210         | 1,320         | 4,295           | 4,610           |
| Interest                     | 308           | 122           | 39            | 39            | 80            | 75            | 75            | 70            | 508             | 300             |
| Other Income                 | 1,875         | 1,542         | 1,548         | 2,262         | 1,950         | 2,050         | 2,200         | 2,205         | 7,227           | 8,405           |
| <b>PBT before EO expense</b> | <b>5,325</b>  | <b>5,320</b>  | <b>6,120</b>  | <b>6,607</b>  | <b>6,855</b>  | <b>7,661</b>  | <b>7,969</b>  | <b>7,460</b>  | <b>23,372</b>   | <b>29,946</b>   |
| Extra-Ord expense            | 0             | -7,850        | -588          | 0             | 0             | 0             | 0             | 0             | -8,438          | 0               |
| <b>PBT after EO Expense</b>  | <b>5,325</b>  | <b>13,170</b> | <b>6,708</b>  | <b>6,607</b>  | <b>6,855</b>  | <b>7,661</b>  | <b>7,969</b>  | <b>7,460</b>  | <b>31,810</b>   | <b>29,946</b>   |
| Tax                          | 1,235         | 3,181         | 1,527         | 962           | 1,440         | 1,609         | 1,674         | 1,567         | 6,905           | 6,289           |
| Tax Rate (%)                 | 23.2          | 24.2          | 22.8          | 14.6          | 21.0          | 21.0          | 21.0          | 21.0          | 21.7            | 21.0            |
| <b>Reported PAT</b>          | <b>4,090</b>  | <b>9,989</b>  | <b>5,181</b>  | <b>5,645</b>  | <b>5,416</b>  | <b>6,052</b>  | <b>6,296</b>  | <b>5,893</b>  | <b>24,905</b>   | <b>23,657</b>   |
| <b>Adj PAT</b>               | <b>4,090</b>  | <b>3,843</b>  | <b>4,721</b>  | <b>5,645</b>  | <b>5,416</b>  | <b>6,052</b>  | <b>6,296</b>  | <b>5,893</b>  | <b>18,058</b>   | <b>23,657</b>   |
| YoY Change (%)               | 22.4          | 3.2           | 48.0          | 41.5          | 32.4          | 57.5          | 33.4          | 4.4           | 26.8            | 31.0            |

E: MOFSL Estimates

**Ceat****Buy****CMP: INR2,755 | TP: INR3,160 (+15%)****EPS CHANGE (%): FY25E|FY26E: 0|1**

- Revenues are expected to grow 4% YoY, led by 2W and PV OEM segments and improving replacement demand.
- Expect EBITDA margin to decline 100bp QoQ to 12.1% largely due to increase in input costs.

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

| Y/E March                            | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                      | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>                     | <b>29,352</b> | <b>30,533</b> | <b>29,631</b> | <b>29,919</b> | <b>30,526</b> | <b>33,587</b> | <b>34,372</b> | <b>35,889</b> | <b>1,19,435</b> | <b>1,34,374</b> |
| YoY Change (%)                       | 4.1           | 5.5           | 8.7           | 4.1           | 4.0           | 10.0          | 16.0          | 20.0          | 5.6             | 12.5            |
| RM cost (%)                          | 58.9          | 56.7          | 58.7          | 57.7          | 59.5          | 61.2          | 60.7          | 61.3          | 58.0            | 60.7            |
| Employee cost (%)                    | 6.7           | 7.1           | 7.3           | 7.2           | 7.2           | 7.0           | 7.2           | 7.0           | 7.1             | 7.1             |
| Other expenses (%)                   | 21.2          | 21.3          | 19.9          | 22.0          | 21.2          | 20.4          | 20.7          | 20.6          | 21.1            | 20.7            |
| <b>EBITDA</b>                        | <b>3,871</b>  | <b>4,561</b>  | <b>4,175</b>  | <b>3,915</b>  | <b>3,694</b>  | <b>3,829</b>  | <b>3,918</b>  | <b>4,012</b>  | <b>16,522</b>   | <b>15,453</b>   |
| Margins (%)                          | 13.2          | 14.9          | 14.1          | 13.1          | 12.1          | 11.4          | 11.4          | 11.2          | 13.8            | 11.5            |
| Depreciation                         | 1,209         | 1,245         | 1,273         | 1,361         | 1,250         | 1,300         | 1,350         | 1,397         | 5,088           | 5,297           |
| Interest                             | 701           | 717           | 656           | 617           | 550           | 500           | 450           | 411           | 2,691           | 1,911           |
| Other Income                         | 33            | 105           | 29            | 31            | 50            | 75            | 70            | 85            | 197             | 280             |
| <b>PBT before EO expense</b>         | <b>1,993</b>  | <b>2,704</b>  | <b>2,276</b>  | <b>1,969</b>  | <b>1,944</b>  | <b>2,104</b>  | <b>2,188</b>  | <b>2,289</b>  | <b>8,941</b>    | <b>8,525</b>    |
| Exceptional item                     | 0             | 0             | 0             | 582           | 0             | 0             | 0             | 0             | 582             | 0               |
| <b>PBT</b>                           | <b>1,993</b>  | <b>2,704</b>  | <b>2,276</b>  | <b>1,387</b>  | <b>1,944</b>  | <b>2,104</b>  | <b>2,188</b>  | <b>2,289</b>  | <b>8,359</b>    | <b>8,525</b>    |
| Tax Rate (%)                         | 26.5          | 25.3          | 23.9          | 33.0          | 26.0          | 26.0          | 26.0          | 26.0          | 26.5            | 26.0            |
| Minority Int. & Profit of Asso. Cos. | 18            | -59           | -84           | -157          | -40           | -45           | -55           | -60           | -282            | -200            |
| <b>Reported PAT</b>                  | <b>1,446</b>  | <b>2,080</b>  | <b>1,815</b>  | <b>1,086</b>  | <b>1,478</b>  | <b>1,602</b>  | <b>1,674</b>  | <b>1,754</b>  | <b>6,427</b>    | <b>6,508</b>    |
| <b>Adj PAT</b>                       | <b>1,446</b>  | <b>2,080</b>  | <b>1,815</b>  | <b>1,513</b>  | <b>1,478</b>  | <b>1,602</b>  | <b>1,674</b>  | <b>1,754</b>  | <b>6,854</b>    | <b>6,508</b>    |
| YoY Change (%)                       | 1,383         | 745           | 408           | 8             | 2             | -23           | -8            | 16            | 227             | -5              |

**CIE Automotive****Buy****CMP: INR600 | TP: INR690 (+15%)****EPS CHANGE (%): CY24E|25E: -4|0**

- We expect India business to post 5% YoY growth in revenues, led by an uptick in key clients like MM and BAL. However, the EU business is expected to remain impacted by a business slowdown seen at Metalcastello. Overall, consol revenues are expected to grow by 1% YoY.
- EBITDA margins are expected to decline 110bp YoY to 14.9%, largely due to a slowdown in Europe.
- We have reduced our CY24E EPS by 4% to factor in muted Europe business outlook, thus leading to lower margins.

**Quarterly performance (Consol.)**

| (INR m)                         | CY23          |               |               |               | CY24E         |               |               |               | CY23          | CY24E         |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Y/E December                    | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>                | <b>24,402</b> | <b>23,203</b> | <b>22,794</b> | <b>22,404</b> | <b>24,268</b> | <b>23,389</b> | <b>24,920</b> | <b>25,725</b> | <b>92,803</b> | <b>98,302</b> |
| YoY Change (%)                  | 18.4          | 4.7           | 2.2           | -0.3          | -0.5          | 0.8           | 9.3           | 14.8          | 6.0           | 5.9           |
| <b>EBITDA</b>                   | <b>3,806</b>  | <b>3,704</b>  | <b>3,454</b>  | <b>3,274</b>  | <b>3,606</b>  | <b>3,495</b>  | <b>3,804</b>  | <b>3,939</b>  | <b>14,239</b> | <b>14,844</b> |
| Margins (%)                     | 15.6          | 16.0          | 15.2          | 14.6          | 14.9          | 14.9          | 15.3          | 15.3          | 15.3          | 15.1          |
| Depreciation                    | 825           | 833           | 783           | 781           | 863           | 876           | 900           | 899           | 3,222         | 3,539         |
| Interest                        | 240           | 221           | 310           | 303           | 220           | 215           | 215           | 200           | 1,074         | 850           |
| Other Income                    | 160           | 195           | 200           | 265           | 513           | 255           | 260           | 281           | 820           | 1,309         |
| Share of profit from associates | 3             | -3            | -2            | -3            | 4             | 3             | 5             | 3             | -5            | 15            |
| <b>PBT before EO expense</b>    | <b>2,901</b>  | <b>2,846</b>  | <b>2,561</b>  | <b>2,455</b>  | <b>3,035</b>  | <b>2,659</b>  | <b>2,949</b>  | <b>3,120</b>  | <b>10,763</b> | <b>11,764</b> |
| EO Exp/(Inc)                    | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT after EO exp</b>         | <b>2,901</b>  | <b>2,846</b>  | <b>2,561</b>  | <b>2,455</b>  | <b>3,035</b>  | <b>2,659</b>  | <b>2,949</b>  | <b>3,120</b>  | <b>10,763</b> | <b>11,764</b> |
| Tax Rate (%)                    | 24.2          | 24.9          | 27.0          | 27.8          | 24.3          | 24.5          | 24.5          | 24.6          | 25.8          | 24.5          |
| <b>Adj. PAT</b>                 | <b>2,203</b>  | <b>2,136</b>  | <b>1,867</b>  | <b>1,770</b>  | <b>2,302</b>  | <b>2,010</b>  | <b>2,230</b>  | <b>2,355</b>  | <b>7,976</b>  | <b>8,897</b>  |
| YoY Change (%)                  | 34.1          | 15.7          | 11.4          | 6.4           | 4.5           | -5.9          | 19.4          | 33.0          | 16.8          | 11.5          |

**Craftsman Auto****Buy****CMP: INR5,691 | TP: INR6,520 (+15%)****EPS CHANGE (%): FY25E|FY26E: 1|6**

- Standalone revenue likely to grow ~5.5% YoY, led by 25% YoY growth in Alu products. DR Axion to grow 15% YoY led by good PV OEM demand.
- We expect margins to improve 70bp QoQ to 19.4% led by reduced costs.
- We raise our FY26E EPS by 6% to factor in recovery across business divisions.

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

|                              | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net operating income</b>  | <b>10,376</b> | <b>11,791</b> | <b>11,297</b> | <b>11,053</b> | <b>11,217</b> | <b>12,972</b> | <b>12,818</b> | <b>13,689</b> | <b>44,517</b> | <b>50,695</b> |
| Change (%)                   | 53.5          | 52.9          | 50.8          | 12.7          | 8.1           | 10.0          | 13.5          | 23.8          | 39.9          | 13.9          |
| <b>EBITDA</b>                | <b>2,142</b>  | <b>2,375</b>  | <b>2,202</b>  | <b>2,069</b>  | <b>2,181</b>  | <b>2,582</b>  | <b>2,646</b>  | <b>2,626</b>  | <b>8,788</b>  | <b>10,035</b> |
| EBITDA Margins (%)           | 20.6          | 20.1          | 19.5          | 18.7          | 19.4          | 19.9          | 20.6          | 19.2          | 19.7          | 19.8          |
| Non-Operating Income         | 37            | 47            | 35            | 53            | 38            | 40            | 39            | 44            | 172           | 161           |
| Interest                     | 424           | 416           | 442           | 464           | 440           | 345           | 340           | 318           | 1745          | 1443          |
| Depreciation                 | 683           | 668           | 703           | 723           | 720           | 770           | 755           | 914           | 2777          | 3159          |
| Minority Int/Share of Profit | 62            | 97            | 82            | 79            | 0             | 0             | 0             | 0             | 320           | 0             |
| <b>PBT after EO items</b>    | <b>1,011</b>  | <b>1,241</b>  | <b>1,010</b>  | <b>856</b>    | <b>1,059</b>  | <b>1,507</b>  | <b>1,590</b>  | <b>1,438</b>  | <b>4,118</b>  | <b>5,594</b>  |
| Eff. Tax Rate (%)            | 26.3          | 23.8          | 27.6          | 27.2          | 24.4          | 24.6          | 24.7          | 24.9          | 26.1          | 24.7          |
| <b>Rep. PAT</b>              | <b>745</b>    | <b>945</b>    | <b>731</b>    | <b>623</b>    | <b>801</b>    | <b>1,136</b>  | <b>1,197</b>  | <b>1,080</b>  | <b>3,045</b>  | <b>4,212</b>  |
| Change (%)                   | 34.0          | 56.0          | 41.7          | -22.3         | 7.5           | 20.1          | 63.7          | 73.2          | 22.6          | 38.3          |
| <b>Adj. PAT</b>              | <b>745</b>    | <b>945</b>    | <b>731</b>    | <b>623</b>    | <b>801</b>    | <b>1,136</b>  | <b>1,197</b>  | <b>1,080</b>  | <b>3,045</b>  | <b>4,212</b>  |
| Change (%)                   | 34.0          | 56.0          | 41.7          | -22.3         | 7.5           | 20.1          | 63.7          | 73.2          | 22.6          | 38.3          |

E: MOFSL Estimates

**Eicher Motors****Sell**

CMP: INR4,626 | TP: INR4,045(-13%)

EPS CHANGE (%): FY25E|FY26E: 0|-3

- Overall RE volumes declined 1% YoY/QoQ. Domestic volumes declined 2% YoY, but export volumes grew 14.5% YoY.
- RE margins to see 10bp decline sequentially.
- VECV margins likely to decline 40bp sequentially mainly due to lower CV volumes.

**Quarterly performance (Consolidated)**

| INR m                             | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E    |
|-----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| Y/E March                         |        |        |        |        |        |        |        |        |          |          |
| Net Operating income              | 39,864 | 41,145 | 41,788 | 42,560 | 42,501 | 48,667 | 48,623 | 48,998 | 1,65,358 | 1,88,789 |
| Growth (%)                        | 17.3   | 16.9   | 12.3   | 11.9   | 6.6    | 18.3   | 16.4   | 15.1   | 14.5     | 14.2     |
| EBITDA                            | 10,208 | 10,872 | 10,903 | 11,286 | 11,180 | 12,987 | 12,880 | 11,125 | 43,269   | 48,172   |
| EBITDA Margins (%)                | 25.6   | 26.4   | 26.1   | 26.5   | 26.3   | 26.7   | 26.5   | 22.7   | 26.2     | 25.5     |
| PAT                               | 8,179  | 9,146  | 8,821  | 9,386  | 9,211  | 10,670 | 10,537 | 9,533  | 35,533   | 39,951   |
| Share of JV Loss/(PAT)/ Min. Int. | -1,004 | -1,016 | -1,139 | -1,318 | -883   | -1,085 | -1,321 | -1,704 | -4,477   | -4,992   |
| Recurring PAT                     | 9,183  | 10,163 | 9,960  | 10,705 | 10,094 | 11,755 | 11,858 | 11,236 | 40,010   | 44,944   |
| Growth (%)                        | 50.4   | 54.7   | 34.4   | 18.2   | 9.9    | 15.7   | 19.1   | 5.0    | 37.3     | 12.3     |

**Standalone (Royal Enfield)**

| (INR Million)              | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E    |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                            | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3QE    | 4QE    |          |          |
| Y/E March                  |        |        |        |        |        |        |        |        |          |          |
| Royal Enfield ('000 units) | 228    | 229    | 228    | 228    | 226    | 260    | 259    | 265    | 913      | 1,009    |
| Growth (%)                 | 21.6   | 10.4   | 3.0    | 4.2    | -0.7   | 13.2   | 13.6   | 16.3   | 9.3      | 10.6     |
| Net Realn (INR '000/unit)  | 171.3  | 171.4  | 177.8  | 184.1  | 182.3  | 182.5  | 182.7  | 180.1  | 176.2    | 181.9    |
| Change - YoY (%)           | -1.3   | 4.8    | 9.6    | 5.0    | 6.4    | 6.4    | 2.8    | -2.2   | 4.6      | 3.2      |
| Net operating income       | 39,012 | 39,307 | 40,542 | 41,921 | 41,200 | 47,366 | 47,322 | 47,697 | 1,60,782 | 1,83,585 |
| Growth (%)                 | 20.1   | 15.7   | 12.9   | 9.4    | 5.6    | 20.5   | 16.7   | 13.8   | 14.3     | 14.2     |
| EBITDA                     | 10,127 | 10,974 | 11,148 | 11,553 | 11,329 | 13,136 | 13,029 | 11,274 | 43,802   | 48,768   |
| EBITDA Margins (%)         | 26.0   | 27.9   | 27.5   | 27.6   | 27.5   | 27.7   | 27.5   | 23.6   | 27.2     | 26.6     |
| Recurring PAT              | 9,139  | 9,385  | 9,137  | 9,833  | 9,506  | 10,955 | 10,837 | 9,263  | 37,494   | 40,562   |
| Growth (%)                 | 57.5   | 52.6   | 34.2   | 31.7   | 4.0    | 16.7   | 18.6   | -5.8   | 43.0     | 8.2      |

**Endurance Technologies****Buy**

CMP: INR2,720 | TP: INR3,100 (+14%)

EPS CHANGE (%): FY25E|FY26E: 0|6

- Consolidated revenue growth of 15.5% YoY to be driven by 20% YoY growth in the S/A business on the back of good growth in 2Ws. However, the EU business is likely to see muted offtake given the slowdown in the market.
- Expect QoQ EBITDA margin contraction by 50bp mainly led by higher input costs offset by lower other expenses.

**Consolidated - Quarterly**

| Y/E March             | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E    |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                       | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| INR m                 |        |        |        |        |        |        |        |        |          |          |
| Net Sales             | 24,500 | 25,450 | 25,611 | 26,648 | 28,303 | 29,392 | 29,795 | 31,037 | 1,02,209 | 1,18,527 |
| YoY Change (%)        | 15.9   | 7.8    | 22.2   | 19.3   | 15.5   | 15.5   | 16.3   | 16.5   | 16.1     | 16.0     |
| EBITDA                | 3,213  | 3,183  | 2,990  | 3,694  | 3,806  | 4,043  | 4,125  | 4,366  | 13,080   | 16,340   |
| Margins (%)           | 13.1   | 12.5   | 11.7   | 13.9   | 13.4   | 13.8   | 13.8   | 14.1   | 12.8     | 13.8     |
| Depreciation          | 1,129  | 1,184  | 1,144  | 1,282  | 1,265  | 1,290  | 1,305  | 1,316  | 4,740    | 5,176    |
| Interest              | 90     | 98     | 109    | 129    | 115    | 93     | 84     | 90     | 427      | 382      |
| Other Income          | 166    | 155    | 270    | 265    | 235    | 265    | 325    | 430    | 856      | 1,255    |
| PBT before EO expense | 2,159  | 2,056  | 2,006  | 2,548  | 2,661  | 2,925  | 3,061  | 3,390  | 8,769    | 12,037   |
| Exceptional Item      | 0      | 0      | 0      | -200   | 0      | 0      | 0      | 0      | -200     | 0        |
| PBT after EO          | 2,159  | 2,056  | 2,006  | 2,748  | 2,661  | 2,925  | 3,061  | 3,390  | 8,969    | 12,037   |
| Eff. Tax Rate (%)     | 24.3   | 24.8   | 24.1   | 23.5   | 23.8   | 23.8   | 22.9   | 23.2   | 75.9     | 23.4     |
| Adj. PAT              | 1,635  | 1,546  | 1,523  | 1,950  | 2,028  | 2,230  | 2,359  | 2,603  | 6,653    | 9,220    |
| YoY Change (%)        | 47.0   | 17.5   | 40.7   | 42.9   | 24.1   | 44.3   | 54.9   | 33.5   | 36.5     | 38.6     |

**Escorts****Neutral****CMP: INR4,123 | TP: INR3700 (-10%)****EPS CHANGE (%): FY25E | FY26E: 1 | 3**

- 1QFY25 witnessed ~3% YoY decline in tractor volumes led by weak agri sentiments. However, we expect demand to pick up in the coming quarters. We also expect ~3% YoY growth in the tractor realizations.
- EBITDA margin is likely to improve 50bp YoY to 14.5% driven by favorable business mix.

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

| Y/E March         | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>  | <b>23,277</b> | <b>20,462</b> | <b>23,204</b> | <b>20,825</b> | <b>23,839</b> | <b>23,167</b> | <b>25,082</b> | <b>24,816</b> | <b>88,496</b> | <b>96,905</b> |
| YoY Change (%)    | 15.5          | 8.6           | 2.5           | -4.6          | 2.4           | 13.2          | 8.1           | 19.2          | 6.0           | 9.5           |
| Total Expenditure | 20,008        | 17,829        | 20,077        | 18,166        | 20,383        | 20,133        | 21,571        | 21,563        | 76,829        | 83,649        |
| <b>EBITDA</b>     | <b>3,269</b>  | <b>2,633</b>  | <b>3,127</b>  | <b>2,659</b>  | <b>3,457</b>  | <b>3,035</b>  | <b>3,512</b>  | <b>3,253</b>  | <b>11,667</b> | <b>13,257</b> |
| Margins (%)       | 14.0          | 12.9          | 13.5          | 12.8          | 14.5          | 13.1          | 14.0          | 13.1          | 13.2          | 13.7          |
| Depreciation      | 402           | 407           | 415           | 441           | 435           | 445           | 450           | 456           | 1,669         | 1,786         |
| Interest          | 27            | 24            | 24            | 35            | 26            | 30            | 30            | 34            | 137           | 120           |
| Other Income      | 945           | 950           | 1,035         | 1,053         | 1,010         | 1,100         | 1,150         | 1,990         | 3,986         | 5,250         |
| <b>PBT</b>        | <b>3,786</b>  | <b>3,152</b>  | <b>3,723</b>  | <b>3,237</b>  | <b>4,006</b>  | <b>3,660</b>  | <b>4,182</b>  | <b>4,754</b>  | <b>13,847</b> | <b>16,601</b> |
| Rate (%)          | 25.3          | 25.4          | 25.5          | 25.2          | 25.2          | 25.2          | 25.2          | 25.2          | 25.4          | 25.2          |
| <b>Adj. PAT</b>   | <b>2,828</b>  | <b>2,350</b>  | <b>2,773</b>  | <b>2,421</b>  | <b>2,996</b>  | <b>2,738</b>  | <b>3,128</b>  | <b>3,556</b>  | <b>10,327</b> | <b>12,417</b> |
| YoY Change (%)    | 91.8          | 64.9          | 48.7          | 18.7          | 5.9           | 16.5          | 12.8          | 46.9          | 51.8          | 20.2          |
| Margins (%)       | 12.1          | 11.5          | 11.9          | 11.6          | 12.6          | 11.8          | 12.5          | 14.3          | 11.7          | 12.8          |

**Exide Industries****Neutral****CMP: INR564 | TP: INR505 (-11%)****EPS CHANGE (%): FY25E | FY26E: 1 | 4**

- Expect revenue growth of 8% YoY to be driven by recovery growth 2W volumes and recovery in replacement demand.
- EBITDA margin is expected to remain flat at 12.9% as an increase in lead prices is likely to be offset by operating leverage benefits.

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

| Y/E March                     | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>              | <b>40,726</b> | <b>41,067</b> | <b>38,405</b> | <b>40,094</b> | <b>43,984</b> | <b>45,995</b> | <b>42,246</b> | <b>45,610</b> | <b>1,60,292</b> | <b>1,77,846</b> |
| Growth YoY (%)                | 4.4           | 10.4          | 12.6          | 13.2          | 8.0           | 12.0          | 10.0          | 13.8          | 9.8             | 11.0            |
| <b>Gross operating income</b> | <b>40,726</b> | <b>41,067</b> | <b>38,405</b> | <b>40,094</b> | <b>43,996</b> | <b>45,995</b> | <b>42,246</b> | <b>45,621</b> | <b>1,60,292</b> | <b>1,77,846</b> |
| Growth YoY (%)                | 4.4           | 10.4          | 12.6          | 13.2          | 8.0           | 12.0          | 10.0          | 13.8          | 9.8             | 11.0            |
| RM(%)                         | 71.7          | 68.9          | 68.5          | 67.0          | 68.0          | 68.0          | 68.0          | 68.0          | 69.1            | 68.0            |
| Employee cost (%)             | 5.8           | 6.2           | 6.4           | 6.1           | 6.1           | 5.8           | 5.9           | 6.1           | 6.1             | 6.0             |
| Other Exp(%)                  | 11.8          | 13.1          | 13.6          | 14.1          | 13.0          | 13.2          | 13.2          | 12.6          | 13.1            | 13.0            |
| Total Cost                    | 36,404        | 36,235        | 34,006        | 34,932        | 38,310        | 40,015        | 36,796        | 39,546        | 1,41,578        | 1,54,668        |
| <b>EBITDA</b>                 | <b>4,322</b>  | <b>4,831</b>  | <b>4,399</b>  | <b>5,162</b>  | <b>5,674</b>  | <b>5,979</b>  | <b>5,450</b>  | <b>6,063</b>  | <b>18,714</b>   | <b>23,178</b>   |
| EBITDA Margin(%)              | 10.6          | 11.8          | 11.5          | 12.9          | 12.9          | 13.0          | 12.9          | 13.3          | 11.7            | 13.0            |
| Change (%)                    | 11.8          | 17.1          | 9.7           | 40.6          | 31.3          | 23.8          | 23.9          | 17.5          | 19.3            | 23.9            |
| Non-Operating Income          | 192           | 392           | 227           | 34            | 200           | 300           | 350           | 356           | 845             | 1,206           |
| Interest                      | 98            | 115           | 145           | 128           | 130           | 145           | 135           | 140           | 486             | 550             |
| Depreciation                  | 1,194         | 1,259         | 1,274         | 1,248         | 1,280         | 1,320         | 1,340         | 1,294         | 4,975           | 5,234           |
| <b>PBT after EO Exp</b>       | <b>3,222</b>  | <b>3,849</b>  | <b>3,208</b>  | <b>3,819</b>  | <b>4,464</b>  | <b>4,814</b>  | <b>4,325</b>  | <b>4,986</b>  | <b>14,099</b>   | <b>18,600</b>   |
| Effective Tax Rate (%)        | 24.9          | 25.4          | 25.1          | 25.7          | 25.0          | 25.0          | 25.0          | 25.1          | 25.3            | 25.0            |
| <b>Adj. PAT</b>               | <b>2,419</b>  | <b>2,870</b>  | <b>2,403</b>  | <b>2,838</b>  | <b>3,348</b>  | <b>3,611</b>  | <b>3,244</b>  | <b>3,748</b>  | <b>10,530</b>   | <b>13,950</b>   |
| Change (%)                    | 6.9           | 16.6          | 7.7           | 36.5          | 38.4          | 25.8          | 35.0          | 32.1          | 16.5            | 32.5            |

## Happy Forgings

Buy

CMP: INR1259 | TP: INR1,420 (+13%)

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

- Revenue is expected to grow ~13% YoY, led by growth in CV volumes and execution of new orders especially in industrials.
- Increased revenue mix of industrials should result in better product mix, aiding overall EBITDA margin at 28.8%, +50bp QoQ.

## Quarterly (Standalone)

(INR M)

|                             | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net operating income</b> | <b>3,298</b> | <b>3,431</b> | <b>3,420</b> | <b>3,433</b> | <b>3,727</b> | <b>4,186</b> | <b>4,343</b> | <b>4,477</b> | <b>13,582</b> | <b>16,732</b> |
| Change (%)                  |              |              | 16.2         | 13.5         | 13.0         | 22.0         | 27.0         | 30.4         | 13.5          | 23.2          |
| RM/Sales (%)                | 43.0         | 44.7         | 44.5         | 43.5         | 43.8         | 44.2         | 44.4         | 44.4         | 43.9          | 44.2          |
| Staff Cost (%)              | 7.5          | 8.5          | 9.0          | 8.6          | 8.2          | 7.8          | 7.9          | 8.1          | 8.4           | 8.0           |
| Other Exp. (%)              | 18.7         | 19.5         | 18.7         | 19.6         | 19.2         | 18.5         | 17.8         | 17.5         | 19.1          | 18.2          |
| <b>EBITDA</b>               | <b>1,015</b> | <b>938</b>   | <b>952</b>   | <b>971</b>   | <b>1,075</b> | <b>1,235</b> | <b>1,301</b> | <b>1,343</b> | <b>3,875</b>  | <b>4,954</b>  |
| EBITDA Margins (%)          | 30.8         | 27.3         | 27.8         | 28.3         | 28.8         | 29.5         | 30.0         | 30.0         | 28.5          | 29.6          |
| Non-Operating Income        | 22           | 7            | 33           | 72           | 50           | 55           | 60           | 66           | 134           | 231           |
| Interest                    | 27           | 44           | 38           | 9            | 20           | 17           | 18           | 18           | 118           | 73            |
| Depreciation                | 155          | 162          | 171          | 160          | 175          | 178          | 181          | 185          | 647           | 719           |
| <b>PBT after EO items</b>   | <b>855</b>   | <b>738</b>   | <b>777</b>   | <b>875</b>   | <b>930</b>   | <b>1,095</b> | <b>1,162</b> | <b>1,206</b> | <b>3,244</b>  | <b>4,393</b>  |
| Tax                         | 214          | 185          | 198          | 217          | 237          | 279          | 296          | 308          | 814           | 1120          |
| Eff. Tax Rate (%)           | 25.1         | 25.1         | 25.5         | 24.8         | 25.5         | 25.5         | 25.5         | 25.5         | 25.1          | 25.5          |
| <b>Rep. PAT</b>             | <b>640</b>   | <b>553</b>   | <b>579</b>   | <b>658</b>   | <b>693</b>   | <b>816</b>   | <b>866</b>   | <b>899</b>   | <b>2,430</b>  | <b>3,273</b>  |
| Change (%)                  |              |              | 39.2         | 29.7         | 8.2          | 47.6         | 49.5         | 36.6         | 18.3          | 34.7          |
| <b>Adj. PAT</b>             | <b>640</b>   | <b>553</b>   | <b>579</b>   | <b>658</b>   | <b>693</b>   | <b>816</b>   | <b>866</b>   | <b>899</b>   | <b>2,430</b>  | <b>3,273</b>  |
| Change (%)                  |              |              | 39.2         | 29.7         | 8.2          | 47.6         | 49.5         | 36.6         | 16.4          | 34.7          |

## Hero MotoCorp

Buy

CMP: INR5,564 | TP: INR6,375 (+15%)

EPS CHANGE (%): FY25E|FY26E: 7 | 9

- Volumes grew ~13% YoY, driven by recovery in rural regions and traction due to new product launch. Overall, we expect HMCL to post 21% YoY growth in revenues in 1Q.
- Better product mix and healthy volumes should drive EBITDA margin expansion of 130bp YoY to 15.1%
- Overall, we expect HMCL to post a strong 32% YoY growth in earnings in 1QFY25.

## Quarterly Performance (S/A)

(INR B)

| Y/E March                      | FY24        |             |             |             | FY25         |              |              |              | FY24         | FY25         |
|--------------------------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                | 1Q          | 2Q          | 3Q          | 4Q          | 1Q           | 2Q           | 3Q           | 4Q           |              |              |
| Total Volumes ('000 nos)       | 1,353       | 1,417       | 1,460       | 1,392       | 1,535        | 1,523        | 1,571        | 1,580        | 5,621        | 6,209        |
| Growth YoY (%)                 | -2.7        | -0.8        | 12.3        | 9.6         | 13.5         | 7.5          | 8.2          | 13.5         | 5.5          | 10.5         |
| Net Realization                | 64,819      | 66,680      | 66,604      | 68,373      | 69,057       | 69,748       | 69,399       | 69,246       | 66,632       | 69,361       |
| Growth YoY (%)                 | 7.4         | 4.9         | 5.5         | 4.6         | 6.5          | 4.6          | 4.0          | 1.3          | 5.0          | 4.1          |
| <b>Net Op Revenues</b>         | <b>87.7</b> | <b>94.5</b> | <b>97.2</b> | <b>95.2</b> | <b>106.0</b> | <b>106.2</b> | <b>109.0</b> | <b>109.4</b> | <b>374.6</b> | <b>430.7</b> |
| Growth YoY (%)                 | 4.5         | 4.1         | 18.5        | 14.6        | 20.9         | 12.5         | 12.5         | 15.0         | 10.8         | 15.0         |
| RM Cost (% sales)              | 69.4        | 68.6        | 66.2        | 66.4        | 67.0         | 67.2         | 67.3         | 67.1         | 67.6         | 67.2         |
| Staff Cost (% sales)           | 6.6         | 6.1         | 6.2         | 6.8         | 6.4          | 6.6          | 6.4          | 5.6          | 6.4          | 6.2          |
| Other Exp (% sales)            | 10.3        | 11.2        | 12.5        | 12.5        | 11.5         | 11.5         | 11.5         | 11.8         | 11.7         | 11.6         |
| <b>EBITDA</b>                  | <b>12.1</b> | <b>13.3</b> | <b>14.7</b> | <b>13.6</b> | <b>16.0</b>  | <b>15.7</b>  | <b>16.1</b>  | <b>17.0</b>  | <b>53.6</b>  | <b>64.7</b>  |
| Growth YoY (%)                 | 28.2        | 27.9        | 58.9        | 25.5        | 32.4         | 17.9         | 9.5          | 25.2         | 0.0          | 0.0          |
| EBITDA Margins (%)             | 13.8        | 14.1        | 15.1        | 14.3        | 15.1         | 14.7         | 14.8         | 15.6         | 14.3         | 15.0         |
| Other Income                   | 2.2         | 2.5         | 2.4         | 1.8         | 2.4          | 2.6          | 2.6          | 3.2          | 8.9          | 10.7         |
| Interest                       | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          | 0.2          | 0.2          |
| Depreciation                   | 1.7         | 1.7         | 1.8         | 1.9         | 1.9          | 1.9          | 1.9          | 1.9          | 7.1          | 7.6          |
| <b>PBT before EO Exp/(Inc)</b> | <b>12.5</b> | <b>14.0</b> | <b>15.2</b> | <b>13.5</b> | <b>16.4</b>  | <b>16.3</b>  | <b>16.7</b>  | <b>18.2</b>  | <b>55.3</b>  | <b>67.6</b>  |
| Effective Tax Rate (%)         | 24.7        | 24.6        | 22.6        | 24.7        | 24.3         | 24.3         | 24.3         | 24.7         | 24.1         | 24.4         |
| <b>Adj. PAT</b>                | <b>9.5</b>  | <b>10.5</b> | <b>11.8</b> | <b>10.2</b> | <b>12.4</b>  | <b>12.3</b>  | <b>12.7</b>  | <b>13.7</b>  | <b>42.0</b>  | <b>51.1</b>  |
| Growth (%)                     | 51.5        | 47.2        | 42.9        | 18.3        | 31.6         | 16.9         | 16.3         | 35.1         | 44.2         | 21.9         |

**MRF****Sell****CMP: INR1,28,645 | TP: INR99,700 (-22%)****EPS CHANGE (%): FY25E|FY26E: 0 | 0**

- Expect revenue growth to remain flat led by moderate OE demand and slow pickup in replacement.
- EBITDA margin to contract 100bp QoQ, led by additional expenses toward EPR and some impact of RM inflation. However, we expect major impact of commodity increase to come from 2Q onwards.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>63,233</b> | <b>60,876</b> | <b>60,478</b> | <b>62,151</b> | <b>63,865</b> | <b>64,528</b> | <b>65,316</b> | <b>65,710</b> | <b>2,46,737</b> | <b>2,59,419</b> |
| YoY Change (%)               | 12.9          | 6.4           | 9.3           | 8.6           | 1.0           | 6.0           | 8.0           | 5.7           | 9.3             | 5.1             |
| Total Expenditure            | 52,091        | 49,589        | 50,084        | 52,096        | 54,189        | 54,561        | 55,077        | 55,307        | 2,04,595        | 2,19,134        |
| <b>EBITDA</b>                | <b>11,142</b> | <b>11,286</b> | <b>10,394</b> | <b>10,055</b> | <b>9,676</b>  | <b>9,967</b>  | <b>10,239</b> | <b>10,402</b> | <b>42,142</b>   | <b>40,285</b>   |
| Margins (%)                  | 17.6          | 18.5          | 17.2          | 16.2          | 15.2          | 15.4          | 15.7          | 15.8          | 17.1            | 15.5            |
| Depreciation                 | 3,317         | 3,500         | 3,591         | 3,842         | 3,750         | 3,820         | 3,870         | 3,911         | 14,250          | 15,351          |
| Interest                     | 780           | 749           | 776           | 858           | 680           | 660           | 650           | 652           | 3,163           | 2,642           |
| Other Income                 | 739           | 696           | 766           | 924           | 840           | 820           | 920           | 917           | 3,125           | 3,497           |
| <b>PBT before EO expense</b> | <b>7,783</b>  | <b>7,734</b>  | <b>6,792</b>  | <b>6,279</b>  | <b>6,086</b>  | <b>6,307</b>  | <b>6,639</b>  | <b>6,756</b>  | <b>27,853</b>   | <b>25,788</b>   |
| Extra-Ord expense            | 0             | 0             | 0             | 1,200         | 0             | 0             | 0             | 0             | 464             | 0               |
| <b>PBT</b>                   | <b>7,783</b>  | <b>7,734</b>  | <b>6,792</b>  | <b>5,079</b>  | <b>6,086</b>  | <b>6,307</b>  | <b>6,639</b>  | <b>6,756</b>  | <b>27,389</b>   | <b>25,788</b>   |
| Tax                          | 1,969         | 2,015         | 1,712         | 1,284         | 1,552         | 1,608         | 1,693         | 1,723         | 6,980           | 6,576           |
| Rate (%)                     | 25.3          | 26.1          | 25.2          | 25.3          | 25.5          | 25.5          | 25.5          | 25.5          | 25.5            | 25.5            |
| <b>Reported PAT</b>          | <b>5,814</b>  | <b>5,719</b>  | <b>5,080</b>  | <b>3,795</b>  | <b>4,534</b>  | <b>4,699</b>  | <b>4,946</b>  | <b>5,033</b>  | <b>20,409</b>   | <b>19,212</b>   |
| <b>Adj PAT</b>               | <b>5,814</b>  | <b>5,719</b>  | <b>5,080</b>  | <b>4,692</b>  | <b>4,534</b>  | <b>4,699</b>  | <b>4,946</b>  | <b>5,033</b>  | <b>20,755</b>   | <b>19,212</b>   |
| YoY Change (%)               | 417.6         | 361.3         | 200.2         | 32.7          | -22.0         | -17.8         | -2.6          | 7.3           | 173.9           | -7.4            |
| Margins (%)                  | 9.2           | 9.4           | 8.4           | 7.5           | 7.1           | 7.3           | 7.6           | 7.7           | 8.4             | 7.4             |

**Mahindra & Mahindra****Buy****CMP: INR2,867 | TP: INR3,300 (+15%)****EPS CHANGE (%): FY25E|FY26E: 6 | 7**

- There was a volume growth of 13% YoY in autos and ~6% YoY in tractors, leading to an overall volume growth of ~11% YoY during the quarter.
- We expect a 40bp YoY gain in EBITDA margin due to favorable mix. PBIT margin for Auto division is likely to expand by 130bp YoY to 8.8%.

**Quarterly Performance**

| Y/E March                              | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|  | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>INR b</b>                           |             |             |             |             |             |             |             |             |              |              |
| <b>Total Volumes ('000 units)</b>      | 301         | 302         | 313         | 285         | 333         | 343         | 356         | 338         | 1,202        | 1,370        |
| Growth YoY (%)                         | 10.7        | 10.6        | 11.1        | 2.2         | 10.6        | 13.5        | 13.6        | 18.6        | 8.7          | 14.0         |
| <b>Net Realization (INR '000/unit)</b> | 799         | 805         | 808         | 881         | 842         | 862         | 865         | 867         | 822          | 859          |
| Growth YoY (%)                         | 10.1        | 4.6         | 5.1         | 8.8         | 5.5         | 7.1         | 7.1         | -1.5        | 7.0          | 4.5          |
| <b>Net Op. Income</b>                  | <b>241</b>  | <b>243</b>  | <b>253</b>  | <b>251</b>  | <b>281</b>  | <b>296</b>  | <b>308</b>  | <b>293</b>  | <b>988</b>   | <b>1,177</b> |
| Growth YoY (%)                         | 22.0        | 15.7        | 16.8        | 11.2        | 16.6        | 21.6        | 21.7        | 16.8        | 16.2         | 19.2         |
| RM Cost (% of sales)                   | 75.3        | 75.6        | 75.4        | 73.5        | 74.0        | 75.0        | 75.5        | 76.2        | 74.9         | 75.2         |
| Staff (% of sales)                     | 4.3         | 4.6         | 4.5         | 4.4         | 4.3         | 4.1         | 4.0         | 4.6         | 4.5          | 4.2          |
| Oth. Exp. (% of Sales)                 | 6.9         | 7.2         | 7.3         | 9.2         | 7.9         | 8.1         | 7.1         | 6.5         | 7.5          | 7.4          |
| <b>EBITDA</b>                          | <b>32</b>   | <b>31</b>   | <b>32</b>   | <b>32</b>   | <b>39</b>   | <b>38</b>   | <b>41</b>   | <b>37</b>   | <b>129</b>   | <b>154.9</b> |
| EBITDA Margins (%)                     | 13.4        | 12.6        | 12.8        | 12.9        | 13.8        | 12.8        | 13.4        | 12.7        | 13.1         | 13.2         |
| Other income                           | 9.7         | 21.5        | 7.4         | 4.3         | 8.0         | 15.0        | 10.0        | 13.5        | 41.4         | 46.5         |
| Interest                               | 0.3         | 0.3         | 0.3         | 0.4         | 0.4         | 0.3         | 0.3         | 0.3         | 1.4          | 1.3          |
| Depreciation                           | 8.3         | 8.2         | 8.2         | 9.8         | 8.8         | 9.0         | 9.2         | 9.9         | 34.4         | 36.9         |
| <b>PBT after EO</b>                    | <b>33.4</b> | <b>43.7</b> | <b>31.2</b> | <b>26.5</b> | <b>37.5</b> | <b>43.4</b> | <b>41.7</b> | <b>40.6</b> | <b>134.8</b> | <b>163.2</b> |
| Tax                                    | 5.7         | 9.2         | 6.7         | 6.1         | 7.7         | 8.9         | 8.5         | 8.3         | 27.7         | 33.5         |
| Effective Tax Rate (%)                 | 17.1        | 21.0        | 21.4        | 23.1        | 20.5        | 20.5        | 20.5        | 20.5        | 20.5         | 20.5         |
| <b>Reported PAT</b>                    | <b>27.7</b> | <b>34.5</b> | <b>24.5</b> | <b>20.4</b> | <b>29.8</b> | <b>34.5</b> | <b>33.1</b> | <b>32.3</b> | <b>107.2</b> | <b>129.8</b> |
| <b>Adj PAT</b>                         | <b>27.7</b> | <b>34.5</b> | <b>24.5</b> | <b>20.4</b> | <b>29.8</b> | <b>34.5</b> | <b>33.1</b> | <b>32.3</b> | <b>107.2</b> | <b>129.8</b> |
| Change (%)                             | 97.6        | 47.6        | 10.7        | 3.2         | 7.5         | 0.0         | 35.1        | 58.4        | 35.1         | 21.1         |

**Maruti Suzuki****Buy****CMP: INR12,039 | TP: INR14,437 (+20%)****EPS CHANGE (%): FY25E|FY26E: -1|-1**

- Volume growth of 5% YoY was driven by visible traction in UVs (29% YoY growth) even as entry-level models declined 4% YoY.
- EBITDA margin likely to expand 280bp YoY to 12% over a low base and due to lower RM costs, improved mix and operating leverage benefit. We expect PAT growth of 38% YoY in 1QFY25.

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

| Y/E March                     | FY24            |                 |                 |                 | FY25            |                 |                 |                 | FY24             | FY25             |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
|                               | 1Q              | 2Q              | 3Q              | 4Q              | 1Q              | 2Q              | 3Q              | 4Q              |                  |                  |
| Volumes ('000 units)          | 498.0           | 552.1           | 501.2           | 584.0           | 521.9           | 607.3           | 551.3           | 554.1           | 2,135.3          | 2,234.6          |
| Change (%)                    | 6.4             | 6.7             | 7.6             | 13.4            | 4.8             | 10.0            | 10.0            | -5.1            | 8.6              | 4.6              |
| Realizations (INR/car)        | 6,49,095        | 6,71,348        | 6,64,570        | 6,54,672        | 6,71,039        | 6,87,815        | 6,94,693        | 7,04,558        | 6,60,006         | 6,89,746         |
| Change (%)                    | 14.6            | 16.1            | 6.6             | 5.2             | 3.4             | 2.5             | 4.5             | 7.6             | 10.4             | 4.5              |
| <b>Net operating revenues</b> | <b>3,23,269</b> | <b>3,70,621</b> | <b>3,33,087</b> | <b>3,82,349</b> | <b>3,50,194</b> | <b>4,17,683</b> | <b>3,83,004</b> | <b>3,90,407</b> | <b>14,09,326</b> | <b>15,41,287</b> |
| Change (%)                    | 22.0            | 23.8            | 14.7            | 19.3            | 8.3             | 12.7            | 15.0            | 2.1             | 19.9             | 9.4              |
| RM Cost (% of sales)          | 72.8            | 70.6            | 70.9            | 71.4            | 71.0            | 71.0            | 71.2            | 71.0            | 71.4             | 71.0             |
| Staff Cost (% of sales)       | 4.5             | 3.5             | 4.0             | 3.6             | 4.3             | 3.5             | 3.6             | 3.7             | 3.9              | 3.7              |
| Other Cost (% of sales)       | 13.5            | 12.9            | 13.3            | 12.8            | 12.7            | 13.0            | 12.8            | 13.2            | 13.1             | 12.9             |
| <b>EBITDA</b>                 | <b>29,830</b>   | <b>47,842</b>   | <b>39,079</b>   | <b>46,850</b>   | <b>42,180</b>   | <b>52,390</b>   | <b>47,359</b>   | <b>47,260</b>   | <b>1,64,011</b>  | <b>1,89,190</b>  |
| EBITDA Margins (%)            | 9.2             | 12.9            | 11.7            | 12.3            | 12.0            | 12.5            | 12.4            | 12.1            | 11.6             | 12.3             |
| Depreciation                  | 7,475           | 7,941           | 7,517           | 7,290           | 7,800           | 8,200           | 8,100           | 8,362           | 30,223           | 32,462           |
| <b>EBIT</b>                   | <b>22,355</b>   | <b>39,901</b>   | <b>31,562</b>   | <b>39,560</b>   | <b>34,380</b>   | <b>44,190</b>   | <b>39,259</b>   | <b>38,899</b>   | <b>1,33,788</b>  | <b>1,56,728</b>  |
| EBIT Margins (%)              | 6.9             | 10.8            | 9.5             | 10.3            | 9.8             | 10.6            | 10.3            | 10.0            | 9.5              | 10.2             |
| Interest                      | 465             | 351             | 354             | 762             | 360             | 370             | 370             | 380             | 1,932            | 1,480            |
| Non-Operating Income          | 10,012          | 8,436           | 9,330           | 11,180          | 10,200          | 10,500          | 9,800           | 9,408           | 38,548           | 39,908           |
| <b>PBT</b>                    | <b>31,902</b>   | <b>47,986</b>   | <b>40,538</b>   | <b>49,978</b>   | <b>44,220</b>   | <b>54,320</b>   | <b>48,689</b>   | <b>47,926</b>   | <b>1,70,404</b>  | <b>1,95,156</b>  |
| Effective Tax Rate (%)        | 22.1            | 22.6            | 22.8            | 22.4            | 22.5            | 22.5            | 22.5            | 22.5            | 22.5             | 22.5             |
| <b>Adjusted PAT</b>           | <b>24,851</b>   | <b>37,165</b>   | <b>31,300</b>   | <b>38,778</b>   | <b>34,271</b>   | <b>42,098</b>   | <b>37,734</b>   | <b>37,143</b>   | <b>1,32,094</b>  | <b>1,51,246</b>  |
| Change (%)                    | 145.4           | 80.3            | 33.1            | 47.8            | 37.9            | 13.3            | 20.6            | -4.2            | 64.1             | 14.5             |

**Motherson Wiring India****Buy****CMP: INR73 | TP: INR84 (+15%)****EPS CHANGE (%): FY25E|FY26E: -5|-1**

- Revenue growth of 19% YoY, driven by healthy volume growth YoY across key segments and increase in content due to higher share of SUV volumes.
- EBITDA margin expansion of 200bp YoY, aided by ramp-up of new facilities, lower input costs and operating leverage.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>18,588</b> | <b>21,046</b> | <b>21,145</b> | <b>22,327</b> | <b>22,103</b> | <b>24,093</b> | <b>24,575</b> | <b>25,004</b> | <b>83,283</b> | <b>95,775</b> |
| YoY Change (%)               | 11.2          | 14.7          | 25.4          | 19.3          | 18.9          | 14.5          | 16.2          | 12.0          | 17.8          | 15.0          |
| RM Cost (% of sales)         | 65.7          | 66.2          | 65.5          | 65.1          | 65.2          | 66.0          | 66.2          | 66.9          | 65.5          | 66.1          |
| Staff Cost (% of sales)      | 17.6          | 16.3          | 16.1          | 15.4          | 15.9          | 15.1          | 14.9          | 14.8          | 16.3          | 15.2          |
| Other Expenses (% of sales)  | 6.3           | 5.7           | 6.0           | 6.4           | 6.5           | 6.5           | 6.1           | 5.5           | 6.1           | 6.1           |
| <b>EBITDA</b>                | <b>1,941</b>  | <b>2,481</b>  | <b>2,620</b>  | <b>2,913</b>  | <b>2,739</b>  | <b>2,981</b>  | <b>3,135</b>  | <b>3,197</b>  | <b>10,132</b> | <b>12,052</b> |
| Margins (%)                  | 10.4          | 11.8          | 12.4          | 13.0          | 12.4          | 12.4          | 12.8          | 12.8          | 12.2          | 12.6          |
| Depreciation                 | 338           | 364           | 377           | 394           | 380           | 395           | 410           | 417           | 1,473         | 1,602         |
| Interest                     | 77            | 74            | 64            | 58            | 55            | 58            | 57            | 60            | 273           | 230           |
| Other Income                 | 136           | 56            | 11            | 43            | 40            | 50            | 45            | 40            | 69            | 175           |
| <b>PBT before EO expense</b> | <b>1,661</b>  | <b>2,100</b>  | <b>2,190</b>  | <b>2,505</b>  | <b>2,344</b>  | <b>2,578</b>  | <b>2,713</b>  | <b>2,760</b>  | <b>8,455</b>  | <b>10,395</b> |
| Extra-Ord expense            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT after EO Expense</b>  | <b>1,661</b>  | <b>2,100</b>  | <b>2,190</b>  | <b>2,505</b>  | <b>2,344</b>  | <b>2,578</b>  | <b>2,713</b>  | <b>2,760</b>  | <b>8,455</b>  | <b>10,395</b> |
| Tax Rate (%)                 | 26            | 26            | 23            | 24            | 25            | 25            | 25            | 25            | 25            | 25            |
| <b>Reported PAT</b>          | <b>1,231</b>  | <b>1,559</b>  | <b>1,679</b>  | <b>1,914</b>  | <b>1,769</b>  | <b>1,947</b>  | <b>2,048</b>  | <b>2,084</b>  | <b>6,383</b>  | <b>7,848</b>  |
| <b>Adj PAT</b>               | <b>1,231</b>  | <b>1,559</b>  | <b>1,679</b>  | <b>1,914</b>  | <b>1,769</b>  | <b>1,947</b>  | <b>2,048</b>  | <b>2,084</b>  | <b>6,383</b>  | <b>7,848</b>  |
| YoY Change (%)               | -2.2          | 33.9          | 58.1          | 38.3          | 43.7          | 24.9          | 22.0          | 8.9           | 31.1          | 23.0          |

E: MOSL Estimates

**Samvardhana Motherson Sumi****Buy**

CMP: INR203 | TP: INR230 (+13%)

EPS CHANGE (%): FY25E|FY26E: 1|9

- Execution of healthy order book, along with contribution from recent acquisitions, should drive revenue growth of 29.5% YoY.
- EBITDA margin to expand by 60bp YoY to 9.2% mainly due to benign input cost.
- Overall, we expect 55% YoY growth in earnings for SAMIL largely driven by inorganic growth.

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

| Y/E March                    | FY24            |                 |                 |                 | FY25E           |                 |                 |                 | FY24            | FY25E            |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
|                              | 1Q              | 2Q              | 3Q              | 4Q              | 1QE             | 2QE             | 3QE             | 4QE             |                 |                  |
| <b>Net Sales</b>             | <b>2,24,622</b> | <b>2,34,738</b> | <b>2,56,439</b> | <b>2,68,612</b> | <b>2,90,974</b> | <b>2,87,028</b> | <b>3,07,219</b> | <b>3,15,103</b> | <b>9,84,947</b> | <b>12,00,325</b> |
| YoY Change (%)               | 27.2            | 28.5            | 26.5            | 19.3            | 29.5            | 22.3            | 19.8            | 17.3            | 25.0            | 21.9             |
| <b>EBITDA</b>                | <b>19,246</b>   | <b>18,888</b>   | <b>23,159</b>   | <b>26,686</b>   | <b>26,777</b>   | <b>26,901</b>   | <b>29,985</b>   | <b>30,695</b>   | <b>90,206</b>   | <b>1,14,358</b>  |
| Margins (%)                  | 8.6             | 8.0             | 9.0             | 9.9             | 9.2             | 9.4             | 9.8             | 9.7             | 9.2             | 9.5              |
| Depreciation                 | 8,389           | 8,674           | 10,164          | 10,878          | 10,400          | 10,500          | 10,800          | 10,905          | 38,105          | 42,605           |
| Interest                     | 2,526           | 4,879           | 6,203           | 4,504           | 4,000           | 3,500           | 3,000           | 2,866           | 18,112          | 13,366           |
| Other income                 | 529             | 1,654           | 1,084           | 836             | 550             | 600             | 550             | 551             | 1,876           | 2,251            |
| <b>PBT before EO expense</b> | <b>8,860</b>    | <b>6,989</b>    | <b>7,877</b>    | <b>12,140</b>   | <b>12,927</b>   | <b>13,501</b>   | <b>16,735</b>   | <b>17,475</b>   | <b>35,865</b>   | <b>60,637</b>    |
| Extra-Ord expense            | 0               | 2,494           | 9               | -4,974          | 0               | 0               | 0               | 0               | -2,472          | 0                |
| <b>PBT after EO Expense</b>  | <b>8,860</b>    | <b>4,495</b>    | <b>7,868</b>    | <b>17,114</b>   | <b>12,927</b>   | <b>13,501</b>   | <b>16,735</b>   | <b>17,475</b>   | <b>38,336</b>   | <b>60,637</b>    |
| Tax Rate (%)                 | 29.5            | 32.8            | 27.6            | 28.3            | 27.0            | 27.0            | 27.0            | 27.0            | 29.3            | 27.0             |
| Min. Int & Share of profit   | 241             | 188             | 272             | -43             | 100             | 70              | 120             | 155             | 658             | 445              |
| <b>Reported PAT</b>          | <b>6,009</b>    | <b>2,015</b>    | <b>5,420</b>    | <b>13,718</b>   | <b>9,336</b>    | <b>9,786</b>    | <b>12,096</b>   | <b>12,602</b>   | <b>27,162</b>   | <b>43,820</b>    |
| <b>Adj PAT</b>               | <b>6,009</b>    | <b>4,509</b>    | <b>5,420</b>    | <b>9,170</b>    | <b>9,336</b>    | <b>9,786</b>    | <b>12,096</b>   | <b>12,602</b>   | <b>25,108</b>   | <b>43,820</b>    |
| YoY Change (%)               | 325.5           | 43.2            | 19.2            | 45.6            | 55.4            | 117.0           | 123.2           | 37.4            | 65.6            | 74.5             |

E: MOFSL Estimates

**Sona Comstar****Neutral**

CMP: INR671 | TP: INR610 (-9%)

EPS CHANGE (%): FY25E|FY26E: -9|-5

- Revenue growth of 25% YoY expected to be driven by ramp-up of new orders.
- We expect EBITDA margin to largely remain flat sequentially at 27.9%.

**Consol. Quarterly Performance**

| Y/E March                     | FY24         |              |              |              | FY25E        |              |              |               | FY24          | FY25E         |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
|                               | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE           |               |               |
| <b>Net operating revenues</b> | <b>7,322</b> | <b>7,908</b> | <b>7,766</b> | <b>8,853</b> | <b>9,140</b> | <b>9,203</b> | <b>9,129</b> | <b>11,290</b> | <b>31,848</b> | <b>38,763</b> |
| Change (%)                    | 24.3         | 20.3         | 13.4         | 19.0         | 24.8         | 16.4         | 17.6         | 27.5          | 19.0          | 21.7          |
| <b>EBITDA</b>                 | <b>2,034</b> | <b>2,233</b> | <b>2,273</b> | <b>2,481</b> | <b>2,550</b> | <b>2,549</b> | <b>2,529</b> | <b>3,144</b>  | <b>8,651</b>  | <b>10,772</b> |
| EBITDA Margins (%)            | 27.8         | 28.2         | 29.3         | 28.0         | 27.9         | 27.7         | 27.7         | 27.9          | 27.2          | 27.8          |
| Depreciation                  | 511          | 534          | 559          | 598          | 590          | 620          | 645          | 676           | 2,202         | 2,531         |
| <b>EBIT</b>                   | <b>1,523</b> | <b>1,699</b> | <b>1,714</b> | <b>1,883</b> | <b>1,960</b> | <b>1,929</b> | <b>1,884</b> | <b>2,468</b>  | <b>6,449</b>  | <b>8,241</b>  |
| EBIT Margins (%)              | 20.8         | 21.5         | 22.1         | 21.3         | 21.4         | 21.0         | 20.6         | 21.9          | 20.2          | 21.3          |
| Interest                      | 53           | 60           | 73           | 71           | 70           | 60           | 55           | 54            | 258           | 239           |
| Non-Operating Income          | 54           | 61           | 50           | 75           | 70           | 75           | 75           | 83            | 239           | 303           |
| <b>PBT</b>                    | <b>1,495</b> | <b>1,641</b> | <b>1,690</b> | <b>1,886</b> | <b>1,960</b> | <b>1,944</b> | <b>1,904</b> | <b>2,496</b>  | <b>6,343</b>  | <b>8,304</b>  |
| Effective Tax Rate (%)        | 25.1         | 24.4         | 21.0         | 21.5         | 25.0         | 25.0         | 25.0         | 25.0          | 24.3          | 25.0          |
| <b>Adjusted PAT</b>           | <b>1,142</b> | <b>1,286</b> | <b>1,336</b> | <b>1,481</b> | <b>1,470</b> | <b>1,458</b> | <b>1,428</b> | <b>1,872</b>  | <b>4,871</b>  | <b>6,228</b>  |
| Change (%)                    | 50.6         | 39.0         | 24.7         | 20.2         | 28.7         | 13.4         | 6.9          | 26.4          | 31.8          | 27.9          |

## Tata Motors

Neutral

CMP: INR981 | TP: INR960 (-2%)

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

- India business performance was a mixed bag as CV volumes grew 6% YoY and PVs declined 1% YoY.
- However, CV/PV EBIT margin likely to contract 190bp/50bp QoQ due to lower volumes.
- JLR volumes are expected to see 3% YoY growth. We estimate an EBIT margin of 7.5% (-170bp QoQ) for JLR, led by unfavorable product mix, rising spends and lower volumes.
- Overall, we expect the consolidated entity to post 8.5% YoY growth in 1Q earnings.

## Quarterly Performance [Consol]

(INR B)

| INR b                                 | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                       | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| JLR Volumes (incl JV; '000 units)     | 106.3         | 109.1         | 113.9         | 120.6         | 109.7         | 110.7         | 116.7         | 121.6         | 450.0         | 458.6         |
| JLR Realizations (GBP/unit)           | 74,024        | 70,824        | 72,989        | 71,331        | 70,975        | 71,684        | 73,118        | 78,317        | 72,252        | 73,697        |
| JLR EBITDA Margins (%)                | 16.3          | 14.9          | 16.2          | 16.3          | 15.4          | 15.9          | 16.1          | 16.9          | 15.9          | 16.1          |
| India CV Volumes ('000 units)         | 88.6          | 106.8         | 98.8          | 111.3         | 93.4          | 108.8         | 105.9         | 119.8         | 405.5         | 427.9         |
| India CV Realizations (INR '000/unit) | 1925.4        | 1887.2        | 2042.9        | 1943.9        | 1924.5        | 1905.3        | 1962.4        | 2067.3        | 1949.5        | 1969.0        |
| India CV EBITDA Margins (%)           | 9.4           | 10.4          | 11.1          | 11.9          | 10.5          | 10.4          | 9.9           | 11.3          | 10.8          | 10.6          |
| India PV Volumes ('000 units)         | 140.4         | 139.0         | 138.6         | 155.6         | 138.7         | 144.0         | 146.5         | 155.9         | 573.6         | 585.2         |
| India PV Realizations (INR '000/unit) | 921.8         | 880.9         | 938.1         | 931.7         | 927.0         | 940.9         | 945.6         | 951.5         | 918.7         | 941.6         |
| India PV EBITDA Margins (%)           | 5.2           | 6.4           | 6.5           | 7.3           | 7.0           | 7.3           | 6.8           | 7.0           | 6.4           | 7.0           |
| <b>Net Consol. Op Income</b>          | <b>1022.4</b> | <b>1051.3</b> | <b>1105.8</b> | <b>1199.9</b> | <b>1033.6</b> | <b>1083.3</b> | <b>1146.7</b> | <b>1338.6</b> | <b>4379.3</b> | <b>4602.1</b> |
| Growth (%)                            | 42.1          | 32.1          | 25.0          | 13.3          | 1.1           | 3.0           | 3.7           | 11.6          | 26.6          | 5.1           |
| <b>Consol. EBITDA</b>                 | <b>135.6</b>  | <b>137.2</b>  | <b>153.3</b>  | <b>169.9</b>  | <b>137.6</b>  | <b>149.8</b>  | <b>159.6</b>  | <b>187.7</b>  | <b>596.1</b>  | <b>634.7</b>  |
| EBITDA Margins (%)                    | 13.3          | 13.1          | 13.9          | 14.2          | 13.3          | 13.8          | 13.9          | 14.0          | 13.6          | 13.8          |
| Depreciation                          | 66.3          | 66.4          | 68.5          | 71.5          | 70.0          | 72.0          | 74.0          | 80.5          | 272.7         | 296.5         |
| Other Income                          | 13.6          | 16.3          | 15.0          | 14.6          | 14.2          | 15.5          | 15.2          | 16.1          | 59.5          | 61.0          |
| Interest Expenses                     | 26.2          | 27.0          | 24.8          | 22.3          | 23.0          | 25.0          | 24.0          | 24.2          | 100.3         | 96.2          |
| <b>PBT before EO</b>                  | <b>53.3</b>   | <b>61.1</b>   | <b>75.8</b>   | <b>92.1</b>   | <b>54.7</b>   | <b>64.2</b>   | <b>72.6</b>   | <b>94.9</b>   | <b>282.3</b>  | <b>286.3</b>  |
| EO Exp/(Inc)                          | 6.8           | 1.2           | 0.9           | -87.0         | 0.0           | 0.0           | 0.0           | 0.0           | -78.12        | 0.00          |
| <b>PBT after EO Exp</b>               | <b>46.5</b>   | <b>59.9</b>   | <b>74.9</b>   | <b>179.1</b>  | <b>54.7</b>   | <b>64.2</b>   | <b>72.6</b>   | <b>94.9</b>   | <b>360.4</b>  | <b>286.3</b>  |
| Tax rate (%)                          | 33.6          | 36.8          | 7.2           | 3.5           | 26.3          | 26.3          | 26.3          | 26.3          | 13.7          | 26.3          |
| <b>PAT</b>                            | <b>30.9</b>   | <b>37.8</b>   | <b>69.5</b>   | <b>172.8</b>  | <b>40.3</b>   | <b>47.3</b>   | <b>53.5</b>   | <b>69.9</b>   | <b>311.1</b>  | <b>211.0</b>  |
| Minority Interest                     | -1.0          | -0.7          | -1.2          | -1.2          | -1.0          | -0.7          | -0.8          | -2.0          | -4.1          | -4.5          |
| Share in profit of Associate          | 2.1           | 0.5           | 1.9           | 2.5           | 1.8           | 1.5           | 1.8           | 2.1           | 7.0           | 7.2           |
| <b>Reported PAT</b>                   | <b>32.0</b>   | <b>37.6</b>   | <b>70.3</b>   | <b>174.1</b>  | <b>41.1</b>   | <b>48.1</b>   | <b>54.5</b>   | <b>70.0</b>   | <b>314.0</b>  | <b>213.6</b>  |
| <b>Adj PAT</b>                        | <b>37.9</b>   | <b>38.7</b>   | <b>71.0</b>   | <b>77.3</b>   | <b>41.1</b>   | <b>48.1</b>   | <b>54.5</b>   | <b>70.0</b>   | <b>224.9</b>  | <b>213.6</b>  |
| Growth (%)                            | -158.3        | -407.9        | 140.1         | 37.4          | 8.5           | 24.2          | -23.3         | -9.4          | 2629.7        | -5.0          |

E: MOFSL Estimates

## Tube Investments

**Buy**
**CMP: INR4,111 | TP: INR4,830 (+17%)**
**EPS CHANGE (%): FY25E|FY26E: 2|3**

- Sequential recovery in 2W business and growth in exports to drive QoQ growth in engineering business.
- Metal-formed business to see 20% YoY growth, though margin pressure would persist due to increased competition.
- EBIT margin for the mobility business is likely to expand to -4% (vs. -5.7% in 4QFY24); engineering business to see 10bp QoQ growth to 12.6%, while margins for metal-formed business likely to improve 50bp QoQ to 11.5%.

### Quarterly performance (S/A)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>17,801</b> | <b>19,696</b> | <b>18,983</b> | <b>19,624</b> | <b>20,321</b> | <b>21,416</b> | <b>21,457</b> | <b>21,763</b> | <b>76,105</b> | <b>84,957</b> |
| YoY Change (%)               | -9.0          | 3.3           | 11.0          | 18.0          | 14.2          | 8.7           | 13.0          | 10.9          | 5.2           | 11.6          |
| <b>EBITDA</b>                | <b>2,160</b>  | <b>2,514</b>  | <b>2,395</b>  | <b>2,171</b>  | <b>2,349</b>  | <b>2,632</b>  | <b>2,743</b>  | <b>2,701</b>  | <b>9,239</b>  | <b>10,426</b> |
| Margins (%)                  | 12.1          | 12.8          | 12.6          | 11.1          | 11.6          | 12.3          | 12.8          | 12.4          | 12.1          | 12.3          |
| Depreciation                 | 331           | 346           | 361           | 370           | 350           | 360           | 370           | 376           | 1,408         | 1,456         |
| Interest                     | 70            | 77            | 74            | 75            | 45            | 42            | 37            | 20            | 295           | 144           |
| Other Income                 | 219           | 358           | 137           | 1,451         | 250           | 350           | 400           | 1,724         | 2,165         | 2,724         |
| <b>PBT before EO expense</b> | <b>1,979</b>  | <b>2,448</b>  | <b>2,096</b>  | <b>3,178</b>  | <b>2,204</b>  | <b>2,580</b>  | <b>2,736</b>  | <b>4,029</b>  | <b>9,701</b>  | <b>11,550</b> |
| Tax                          | 502           | 634           | 521           | 699           | 555           | 650           | 690           | 1,019         | 2,359         | 2,914         |
| Tax Rate (%)                 | 25.4          | 25.9          | 24.9          | 22.0          | 25.2          | 25.2          | 25.2          | 25.3          | 24.3          | 25.2          |
| <b>Adj PAT</b>               | <b>1,477</b>  | <b>1,814</b>  | <b>1,575</b>  | <b>2,479</b>  | <b>1,649</b>  | <b>1,930</b>  | <b>2,047</b>  | <b>3,010</b>  | <b>7,345</b>  | <b>8,636</b>  |
| YoY Change (%)               | 10.0          | 13.2          | 14.4          | -9.2          | 11.6          | 6.4           | 30.0          | 21.4          | 4.1           | 17.6          |

E: MOFSL Estimates

## TVS Motor Company

**Neutral**
**CMP: INR2,339 | TP: INR2,095 (-10%)**
**EPS CHANGE (%): FY25E|FY26E: 0|0**

- In 1Q, domestic 2W volumes grew 15% YoY, while exports jumped 16% YoY. EV volumes grew 34% YoY.
- Overall, we expect TVSL to post 25% YoY growth in earnings in 1Q.
- We expect EBITDA margin to expand 40bp QoQ at 11.7% led by operating leverage and favorable product mix.

### S/A Quarterly Performance

| Y/E March (INR m)            | FY24          |                |                |                | FY25E          |                |                |                | FY24            | FY25E           |
|------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|
|                              | 1Q            | 2Q             | 3Q             | 4Q             | 1QE            | 2QE            | 3QE            | 4QE            |                 |                 |
| <b>Vols ('000 units)</b>     | <b>953.2</b>  | <b>1,074.4</b> | <b>1,100.8</b> | <b>1,062.5</b> | <b>1,087.2</b> | <b>1,196.4</b> | <b>1,217.3</b> | <b>1,179.9</b> | <b>4,191</b>    | <b>4,681</b>    |
| Growth (%)                   | 5.1           | 4.6            | 25.2           | 22.4           | 14.1           | 11.4           | 10.6           | 11.0           | 13.8            | 11.7            |
| <b>Realn (INR '000/unit)</b> | <b>75.7</b>   | <b>75.8</b>    | <b>74.9</b>    | <b>76.9</b>    | <b>77.6</b>    | <b>76.9</b>    | <b>77.6</b>    | <b>77.9</b>    | <b>75.8</b>     | <b>77.5</b>     |
| Growth (%)                   | 14.3          | 7.9            | 0.6            | 1.1            | 2.5            | 1.4            | 3.7            | 1.4            | 5.8             | 2.2             |
| <b>Net Sales</b>             | <b>72,179</b> | <b>81,446</b>  | <b>82,450</b>  | <b>81,688</b>  | <b>84,419</b>  | <b>91,972</b>  | <b>94,516</b>  | <b>91,964</b>  | <b>3,17,764</b> | <b>3,62,871</b> |
| Growth (%)                   | 20.1          | 12.8           | 26.0           | 23.7           | 17.0           | 12.9           | 14.6           | 12.6           | 20.5            | 14.2            |
| RM (% of sales)              | 74.6          | 74.0           | 73.7           | 72.8           | 72.8           | 73.3           | 73.5           | 73.4           | 73.7            | 73.3            |
| Emp cost ( % of sales)       | 5.2           | 4.8            | 4.9            | 5.1            | 5.1            | 4.8            | 4.7            | 4.7            | 5.0             | 4.8             |
| Other exp (% of sales)       | 9.6           | 10.1           | 10.2           | 10.8           | 10.4           | 10.0           | 9.8            | 9.8            | 10.2            | 10.0            |
| <b>EBITDA</b>                | <b>7,638</b>  | <b>8,998</b>   | <b>9,244</b>   | <b>9,262</b>   | <b>9,917</b>   | <b>10,959</b>  | <b>11,384</b>  | <b>11,102</b>  | <b>35,141</b>   | <b>43,363</b>   |
| EBITDA Margin(%)             | 10.6          | 11.0           | 11.2           | 11.3           | 11.7           | 11.9           | 12.0           | 12.1           | 11.1            | 12.0            |
| Interest                     | 474           | 523            | 448            | 372            | 350            | 320            | 290            | 288            | 1,816           | 1,248           |
| Depreciation                 | 1,636         | 1,701          | 1,781          | 1,887          | 1,870          | 1,910          | 1,915          | 1,960          | 7,004           | 7,655           |
| Other Income                 | 576           | 462            | 734            | -287           | 100            | 150            | 180            | 120            | 1,485           | 550             |
| <b>PBT after EO Exp</b>      | <b>6,104</b>  | <b>7,237</b>   | <b>7,750</b>   | <b>6,716</b>   | <b>7,797</b>   | <b>8,879</b>   | <b>9,359</b>   | <b>8,974</b>   | <b>27,807</b>   | <b>35,010</b>   |
| Tax                          | 1,427         | 1,871          | 1,817          | 1,862          | 1,949          | 2,220          | 2,340          | 2,244          | 6,977           | 8,753           |
| <b>Total Tax</b>             | <b>1,427</b>  | <b>1,871</b>   | <b>1,817</b>   | <b>1,862</b>   | <b>1,949</b>   | <b>2,220</b>   | <b>2,340</b>   | <b>2,244</b>   | <b>6,977</b>    | <b>8,753</b>    |
| Tax rate (%)                 | 23.4          | 25.9           | 23.4           | 27.7           | 25.0           | 25.0           | 25.0           | 25.0           | 25.1            | 25.0            |
| <b>Reported PAT</b>          | <b>4,677</b>  | <b>5,366</b>   | <b>5,934</b>   | <b>4,854</b>   | <b>5,848</b>   | <b>6,659</b>   | <b>7,019</b>   | <b>6,731</b>   | <b>20,830</b>   | <b>26,258</b>   |
| <b>Adjusted PAT</b>          | <b>4,677</b>  | <b>5,366</b>   | <b>5,934</b>   | <b>4,854</b>   | <b>5,848</b>   | <b>6,659</b>   | <b>7,019</b>   | <b>6,731</b>   | <b>20,830</b>   | <b>26,258</b>   |
| Growth (%)                   | 45.9          | 31.7           | 68.2           | 33.4           | 25.0           | 24.1           | 18.3           | 38.7           | 44.4            | 26.1            |

# 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                  |

## Election impact to weigh on 1QFY25

After strong order inflows in FY24, we expect some moderation in 1QFY25, particularly for companies focused on government capex, due to general elections during the quarter. However, companies continue to benefit from a strong enquiry pipeline, especially in transmission, data center, EV, railways, semiconductor, electronics and hydrogen. Companies linked to domestic private capex are still awaiting finalization of large orders. Demand remained strong for all powergen players in 1QFY25. We believe that strong order books should provide healthy revenue visibility for companies. We expect 12% YoY growth in execution in 1QFY25. Higher commodity prices and labor shortage can hurt margins. However, we expect margins to get support from improved pricing, cost-saving measures and improved product mix. As a result, we expect a ~80bp YoY expansion in EBITDA margin for our coverage universe. For 1QFY25, we estimate our coverage companies to report revenue growth of 12% YoY, EBITDA growth of 21% YoY, and PAT growth of 24% YoY.

## Ordering activity likely to pick up from 2QFY25 onward

Due to elections in Apr-May'24, the government's ordering activity slowed down. During the quarter, LT announced orders worth ~INR183b, BHE won ~INR43b, KECI secured ~INR49b, and KPIL acquired ~INR23b. Our FY25 estimates factor in a moderation in order inflows for LT, BHE and KPIL. Transmission, data centers and electronics continued to grow faster during the quarter, which is visible in their order inflows. As per companies, the domestic enquiry pipeline from private sectors such as sugar, metals and even the defense sector, should see conversions to orders from 2QFY25 onward. With strong existing order books, we estimate 12% YoY growth in execution in 1QFY25 for our coverage universe.

## Margin trajectory a mixed bag in 1QFY25

We expect margins for EPC companies to be impacted by legacy projects (e.g., for LT, KEC). During 4QFY24, LT trimmed its FY25 E&C margin guidance to 8%-8.25%. Similarly, KECI too guided for double-digit margin performance only in FY26. In recent months, copper/aluminum/zinc prices have appreciated by more than 20%/15%/25% from the levels of Feb'24. The impact of this price increase will reflect in the coming quarters. Product companies, on the other hand, are relatively better placed given their tech-led offerings, deeper penetration in tier 3 & 4 markets and short-cycle orders, which result in better pricing power for the companies. Accordingly, we expect ~80bp YoY margin expansion in 1QFY25.

## Export weakness to remain for few more quarters

Product exports have been sluggish in most geographies due to factors such as inflation, geopolitical worries, and economic slowdown. Consequently, export growth remained tepid for KKC, ABB and SIEM in FY24. We expect this weakness to continue for a few more quarters. The silver lining for companies here is a much stronger demand in the domestic market, which offsets weakness in exports. For EPC players, international ordering activity, especially in GCC, has been strong, with LT and KECI bagging oil & gas, hydrocarbon and civil-related orders from Saudi Arabia and UAE. Triveni Turbine is witnessing good traction in exports, particularly from the shift toward renewable fuel. KOEL is witnessing traction with its conscious strategy of growing exports in the US and the Middle East.

**We remain optimistic on long-term capex cycle**

We believe that there are enough levers for companies to sustain the capex cycle for the long term. Despite a weaker majority in election results, we expect the government to remain focused on areas such as renewables, transmission, PLI and defense, where significant policy changes have already been announced in the past few years. It is the broad-based private sector capex, which is yet to materialize from the current levels. We are witnessing green shoots in private capex, particularly from auto, cement, metals and PLI-led capex. Companies' order books are already quite buoyant, which provides visibility for a healthy revenue CAGR. We expect a gradual pickup in exports from 2HFY25 onward. We, thus, increase our estimates for select companies to factor in better margins and continued traction in fast-growing high-margin segments. We also roll forward our target prices to Sep'26.

**Our top picks**

Our top picks in the sector are ABB, LT and BHE. We expect ABB to be the key beneficiary of an improved addressable market for short-cycle orders from the private sector as well as transmission, railways, data center, and PLI-led spending. We expect LT to continue to benefit from both domestic and international spending, along with control over its working capital. We like BHE due to 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) |             |              |
|----------------------|-----------|---------|-----------------|-------------|--------------|----------------|-------------|--------------|--------------------|-------------|--------------|
|                      |           |         | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24         | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY   | Var % QoQ    |
| ABB India            | 8515      | Buy     | 31,839          | 26.9        | 3.4          | 5,555          | 59.3        | -1.7         | 4,552              | 53.8        | -1.0         |
| Bharat Electronics   | 306       | Buy     | 37,838          | 7.8         | -55.6        | 8,703          | 31.0        | -61.8        | 7,463              | 40.6        | -58.2        |
| Cummins India        | 3936      | Buy     | 20,788          | -5.9        | -10.2        | 4,135          | 21.4        | -24.0        | 3,824              | 21.1        | -31.9        |
| Hitachi Energy       | 13482     | Neutral | 13,692          | 31.6        | -19.2        | 1,232          | 266.0       | -32.3        | 694                | 2,778.7     | -39.0        |
| KEC International    | 903       | Neutral | 45,050          | 6.2         | -26.9        | 2,973          | 21.7        | -23.4        | 820                | 93.7        | -46.0        |
| Kalpataru Proj.      | 1212      | Buy     | 40,353          | 11.4        | -21.6        | 3,390          | 8.0         | -15.3        | 1,295              | 2.8         | -26.0        |
| Kirloskar Oil        | 1400      | Buy     | 11,953          | -5.5        | -14.1        | 1,434          | -7.1        | -19.5        | 922                | -10.7       | -21.6        |
| Larsen & Toubro      | 3624      | Buy     | 5,34,615        | 11.7        | -20.3        | 53,847         | 10.6        | -25.6        | 27,035             | 8.4         | -37.5        |
| Siemens              | 7775      | Buy     | 61,469          | 26.1        | 6.9          | 9,339          | 64.8        | 6.3          | 7,420              | 62.8        | -7.6         |
| Thermax              | 5175      | Neutral | 22,010          | 13.9        | -20.4        | 2,125          | 60.8        | -22.2        | 1,484              | 59.3        | -20.9        |
| Triveni Turbine      | 606       | Buy     | 4,268           | 13.4        | -6.8         | 845            | 19.2        | -5.9         | 709                | 16.3        | -7.0         |
| <b>Capital Goods</b> |           |         | <b>8,23,873</b> | <b>12.1</b> | <b>-21.1</b> | <b>93,578</b>  | <b>20.9</b> | <b>-28.1</b> | <b>56,218</b>      | <b>24.4</b> | <b>-35.8</b> |

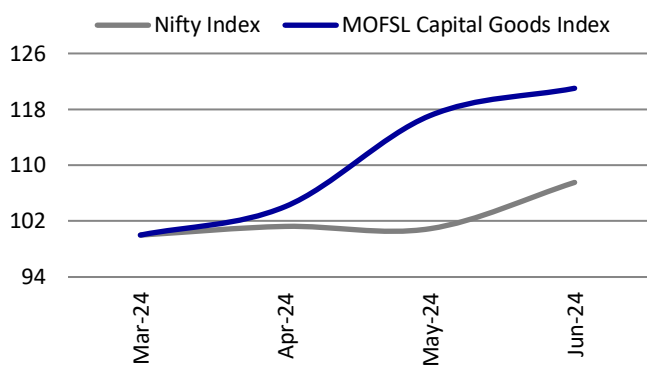
ABB: December ending; SIEM: September ending

**Exhibit 2: Comparative valuations**

| Company Name         | CMP    |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|----------------------|--------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                      | INR    | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Capital Goods</b> |        |         |           |       |       | <b>50.5</b> | <b>49.9</b> | <b>39.2</b> | <b>8.3</b> | <b>8.7</b> | <b>7.5</b> | <b>16.4</b> | <b>17.5</b> | <b>19.0</b> |
| ABB India            | 8,515  | Buy     | 58.9      | 90.5  | 111.9 | 108.0       | 94.0        | 76.1        | 22.7       | 23.4       | 18.2       | 22.9        | 28.1        | 26.9        |
| Bharat Electronics   | 306    | Buy     | 5.5       | 6.7   | 8.2   | 36.6        | 46.0        | 37.5        | 9.1        | 11.0       | 8.8        | 24.9        | 24.0        | 23.5        |
| Cummins India        | 3,936  | Buy     | 60.0      | 74.2  | 89.0  | 50.2        | 53.0        | 44.2        | 13.5       | 15.7       | 13.7       | 28.8        | 31.3        | 33.1        |
| Hitachi Energy       | 13,482 | Neutral | 38.6      | 86.8  | 165.4 | 180.3       | 155.3       | 81.5        | 21.7       | 33.1       | 23.5       | 12.0        | 21.3        | 28.9        |
| Kalpataru Proj.      | 1,212  | Buy     | 32.6      | 54.7  | 75.1  | 32.7        | 22.2        | 16.1        | 3.0        | 3.0        | 2.6        | 9.6         | 14.6        | 17.3        |
| KEC International    | 903    | Neutral | 13.5      | 24.5  | 39.2  | 51.4        | 36.8        | 23.0        | 4.4        | 5.1        | 4.4        | 8.8         | 14.6        | 20.6        |
| Kirloskar Oil        | 1,400  | Buy     | 25.0      | 34.4  | 44.1  | 34.4        | 40.7        | 31.7        | 4.7        | 6.8        | 5.9        | 14.6        | 17.8        | 19.8        |
| Larsen & Toubro      | 3,624  | Buy     | 94.5      | 105.8 | 136.0 | 39.9        | 34.2        | 26.6        | 6.0        | 5.1        | 4.4        | 14.8        | 15.8        | 17.8        |
| Siemens              | 7,775  | Buy     | 55.1      | 81.0  | 97.0  | 97.6        | 95.9        | 80.1        | 14.6       | 18.2       | 15.6       | 15.9        | 20.4        | 20.9        |
| Thermax              | 5,175  | Neutral | 52.2      | 67.1  | 83.1  | 80.4        | 77.2        | 62.3        | 10.6       | 11.6       | 10.0       | 14.1        | 15.9        | 17.3        |
| Triveni Turbine      | 606    | Buy     | 8.5       | 11.0  | 14.8  | 63.4        | 55.1        | 40.8        | 17.8       | 15.9       | 12.4       | 31.3        | 32.2        | 34.2        |

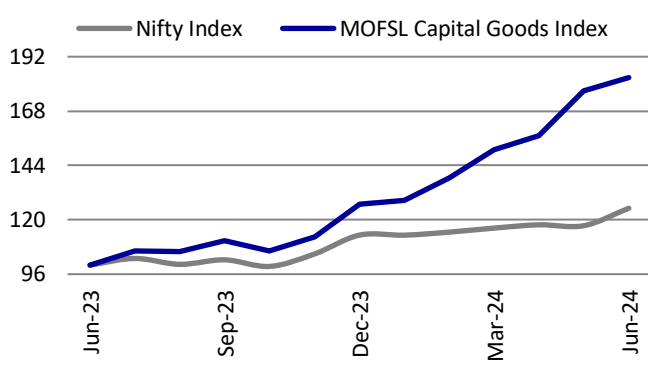
ABB: December ending; SIEM: September ending

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



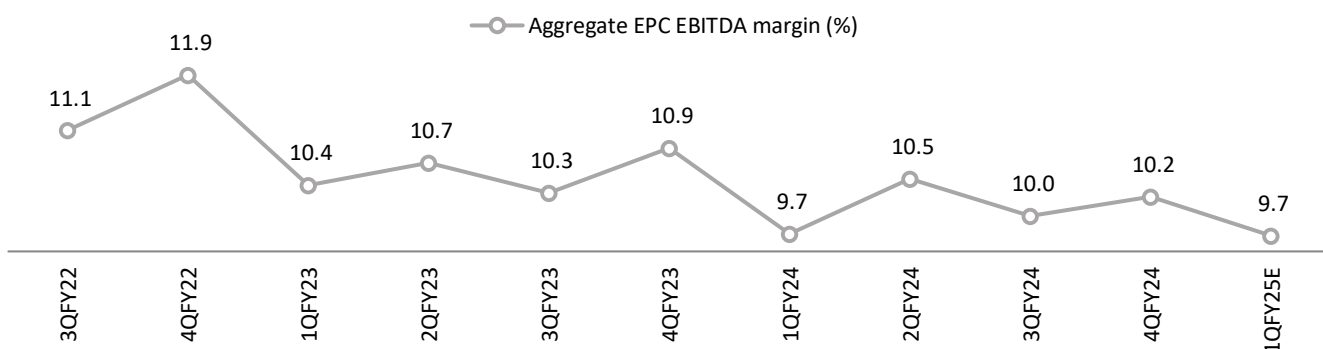
Source: Bloomberg, MOFSL

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



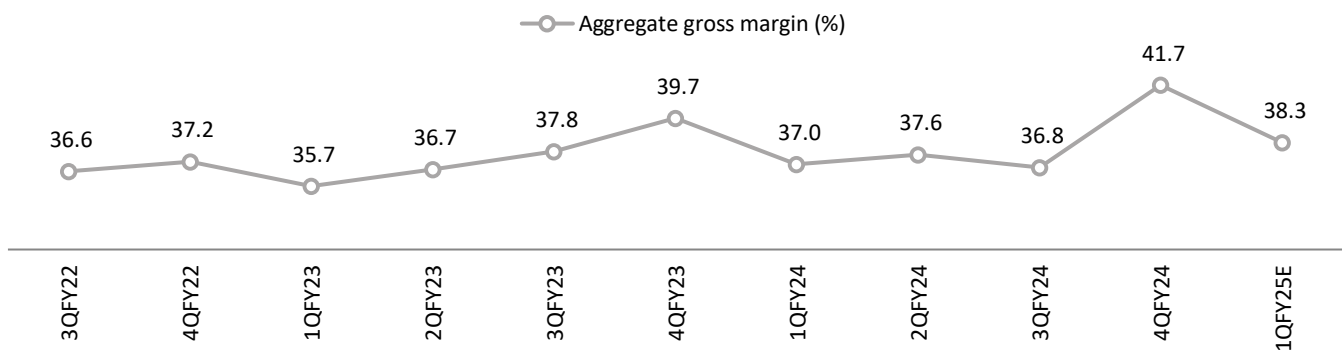
Source: Bloomberg, MOFSL

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



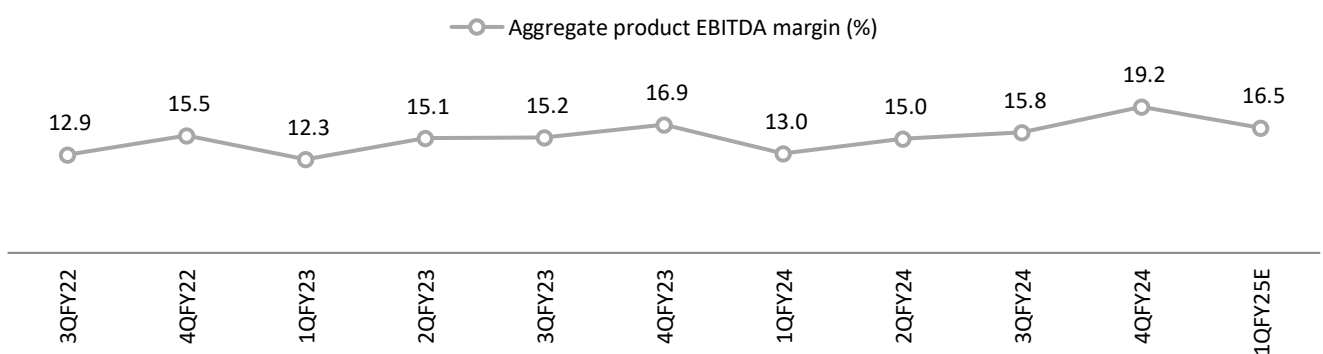
Source: Company, MOFSL

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



Source: Company, MOFSL

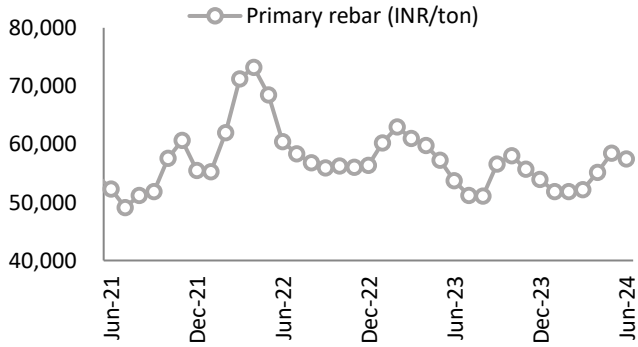
**Exhibit 7: EBITDA margin snapshot for product companies under our coverage**



Source: Company, MOFSL

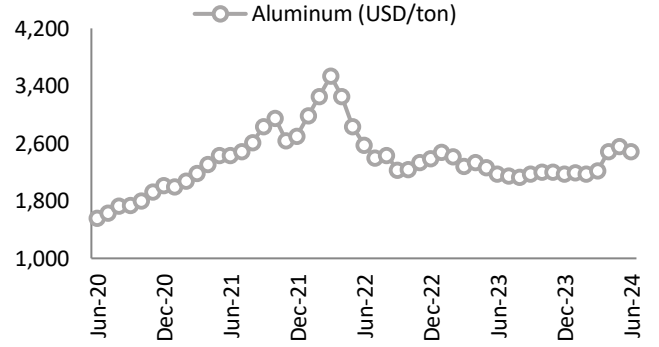
**Copper and aluminum prices have started inching up in recent months**

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



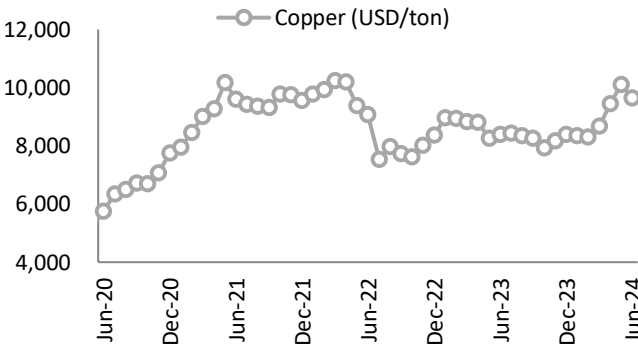
Source: Bloomberg, MOFSL

**Exhibit 9: Aluminum price trend (USD/ton)**



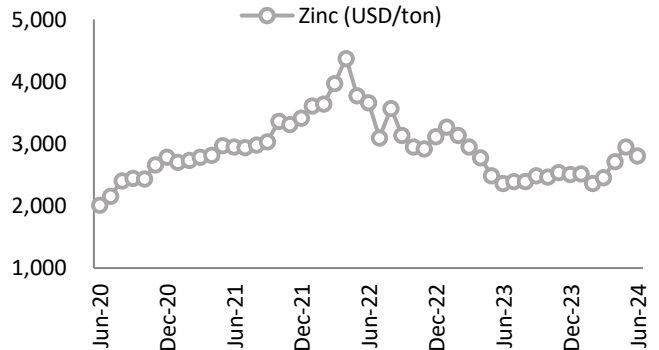
Source: Bloomberg, MOFSL

**Exhibit 10: Copper price trend (USD/ton)**



Source: Bloomberg, MOFSL

**Exhibit 11: Zinc price trend (USD/ton)**



Source: Bloomberg, MOFSL

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

## ABB India

**Buy**

**CMP: INR8,515 | TP: INR9,500 (+12%)**

**EPS CHANGE (%): CY24|CY25: -|+3**

- Expect revenue to grow 27% YoY, driven by strong order book. Demand continues to be healthy, which will reflect in order inflows.
- We expect margin to expand ~350bp YoY on the back of product mix, share of services and operating leverage.
- We increase estimates and TP to factor in higher margin and roll forward.
- We would watch out for incremental inflows from transmission, railways, data center, and private capex for improvement in inflows from the current levels.
- Key monitorables: sustainability of inflows and margins, outlook on exports, and localization levels.

### Standalone - Quarterly Snapshot

(INR m)

| Y/E December                 | CY23          |               |               |               | CY24E         |               |               |               | CY23            | CY24E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>24,112</b> | <b>25,086</b> | <b>27,692</b> | <b>27,575</b> | <b>30,804</b> | <b>31,839</b> | <b>34,081</b> | <b>37,994</b> | <b>1,04,465</b> | <b>1,34,718</b> |
| YoY Change (%)               | 22.5          | 22.2          | 30.6          | 13.6          | 27.8          | 26.9          | 23.1          | 37.8          | 21.9            | 29.0            |
| Total Expenditure            | 21,259        | 21,599        | 23,307        | 23,403        | 25,152        | 26,285        | 28,133        | 31,681        | 89,567          | 1,11,251        |
| <b>EBITDA</b>                | <b>2,853</b>  | <b>3,487</b>  | <b>4,385</b>  | <b>4,172</b>  | <b>5,652</b>  | <b>5,555</b>  | <b>5,948</b>  | <b>6,313</b>  | 14,898          | 23,467          |
| Margins (%)                  | 11.8          | 13.9          | 15.8          | 15.1          | 18.3          | 17.4          | 17.5          | 16.6          | 14.3            | 17.4            |
| Depreciation                 | 274           | 292           | 303           | 329           | 314           | 328           | 328           | 328           | 1,199           | 1,297           |
| Interest                     | 22            | 14            | 9             | 82            | 38            | 24            | 24            | 24            | 127             | 111             |
| Other Income                 | 723           | 750           | 768           | 776           | 871           | 906           | 906           | 906           | 3,017           | 3,589           |
| <b>PBT before EO expense</b> | <b>3,279</b>  | <b>3,931</b>  | <b>4,842</b>  | <b>4,537</b>  | <b>6,171</b>  | <b>6,109</b>  | <b>6,502</b>  | <b>6,867</b>  | <b>16,589</b>   | <b>25,649</b>   |
| <b>PBT</b>                   | <b>3,279</b>  | <b>3,931</b>  | <b>4,842</b>  | <b>4,537</b>  | <b>6,171</b>  | <b>6,109</b>  | <b>6,502</b>  | <b>6,867</b>  | <b>16,589</b>   | <b>25,649</b>   |
| Tax                          | 827           | 972           | 1,222         | 1,085         | 1,575         | 1,557         | 1,614         | 1,718         | 4,106           | 6,463           |
| Rate (%)                     | 25.2          | 24.7          | 25.2          | 23.9          | 25.5          | 25.5          | 24.8          | 25.0          | 24.8            | 25.2            |
| <b>Reported PAT</b>          | <b>2,452</b>  | <b>2,959</b>  | <b>3,620</b>  | <b>3,452</b>  | <b>4,596</b>  | <b>4,552</b>  | <b>4,888</b>  | <b>5,149</b>  | <b>12,483</b>   | <b>19,185</b>   |
| <b>Adj PAT</b>               | <b>2,452</b>  | <b>2,959</b>  | <b>3,620</b>  | <b>3,452</b>  | <b>4,596</b>  | <b>4,552</b>  | <b>4,888</b>  | <b>5,149</b>  | <b>12,483</b>   | <b>19,185</b>   |
| YoY Change (%)               | -34.3         | 110.9         | 84            | 13.1          | 87.4          | 53.8          | 35.0          | 49.2          | 79.5            | 54.4            |
| Margins (%)                  | 10.2          | 11.8          | 13.1          | 12.5          | 14.9          | 14.3          | 14.3          | 13.6          | 11.9            | 14.2            |

## Bharat Electronics

**Buy**

**CMP: INR306 | TP: INR360 (18%)**

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

- Expect revenue growth of 8% YoY, led by better execution of OB and strong inflows during FY24.
- We expect margins to expand ~410bp YoY to 23% on a low base of 1QFY24. We increase our TP on roll forward.
- Key monitorables: Update on order inflows, status of QRSAM/MRSAM, share of exports, and working capital cycle.
- Finalization of orders, execution of the huge backlog, share of non-defense and exports will be in focus

### Standalone - Quarterly Snapshot

(INR m)

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>       | <b>35,108</b> | <b>39,933</b> | <b>41,367</b> | <b>85,285</b> | <b>37,838</b> | <b>47,297</b> | <b>59,121</b> | <b>92,229</b> | <b>2,01,694</b> | <b>2,36,484</b> |
| Change (%)             | 12.8          | 1.2           | 0.1           | 32.1          | 7.8           | 18.4          | 42.9          | 8.1           | 14.3            | 17.2            |
| <b>EBITDA</b>          | <b>6,644</b>  | <b>10,044</b> | <b>10,494</b> | <b>22,800</b> | <b>8,703</b>  | <b>11,020</b> | <b>14,897</b> | <b>26,488</b> | <b>49,982</b>   | <b>59,383</b>   |
| Change (%)             | 29.4          | 17.4          | 23.0          | 24.9          | 31.0          | 9.7           | 42.0          | 16.2          | 23.5            | 18.8            |
| Margin (%)             | 18.9          | 25.2          | 25.4          | 26.7          | 23.0          | 23.3          | 25.2          | 28.7          | 24.8            | 25.1            |
| Depreciation           | 1,013         | 1,004         | 998           | 1,109         | 1,059         | 1,084         | 1,110         | 1,299         | 4,124           | 4,552           |
| Interest               | 11            | 15            | 5             | 39            | 18            | 18            | 18            | 18            | 70              | 70              |
| Other Income           | 1,417         | 1,705         | 2,232         | 2,205         | 2,277         | 2,331         | 2,388         | 2,795         | 7,558           | 9,792           |
| <b>PBT</b>             | <b>7,038</b>  | <b>10,729</b> | <b>11,723</b> | <b>23,856</b> | <b>9,903</b>  | <b>12,250</b> | <b>16,157</b> | <b>27,966</b> | <b>53,346</b>   | <b>64,552</b>   |
| Tax                    | 1,729         | 2,606         | 2,790         | 6,021         | 2,440         | 3,019         | 3,981         | 6,892         | 13,146          | 15,907          |
| Effective Tax Rate (%) | 24.6          | 24.3          | 23.8          | 25.2          | 24.6          | 24.6          | 24.6          | 24.6          | 24.6            | 24.6            |
| <b>Reported PAT</b>    | <b>5,308</b>  | <b>8,123</b>  | <b>8,933</b>  | <b>17,835</b> | <b>7,463</b>  | <b>9,231</b>  | <b>12,175</b> | <b>21,075</b> | <b>40,200</b>   | <b>48,645</b>   |
| Change (%)             | 23.0          | 32.9          | 49.2          | 30.6          | 40.6          | 13.6          | 36.3          | 18.2          | 33.7            | 21.0            |
| <b>Adj PAT</b>         | <b>5,308</b>  | <b>8,123</b>  | <b>8,933</b>  | <b>17,835</b> | <b>7,463</b>  | <b>9,231</b>  | <b>12,175</b> | <b>21,075</b> | <b>40,200</b>   | <b>48,645</b>   |
| Change (%)             | <b>23.0</b>   | <b>32.9</b>   | <b>49.2</b>   | <b>30.6</b>   | <b>40.6</b>   | <b>13.6</b>   | <b>36.3</b>   | <b>18.2</b>   | <b>33.7</b>     | <b>21.0</b>     |

**Cummins India****Buy****CMP: INR3,936 | TP: INR4,300 (+9%)****EPS CHANGE (%): FY25 | FY26: -|-**

- We expect 6% YoY revenue decline on a high base (1QFY24 had witnessed pre-buying), while we expect exports to remain weak during 1QFY25 too.
- Key monitorables – Demand outlook across segments, particularly in powergen for CPCB 4+ products and exports.
- Expect EBITDA margin expansion of ~450bp YoY. Sequentially, we expect a ~360bp contraction as 4QFY24 benefited from higher volumes and share of HHP.
- Pricing discipline after the CPCB4+ implementation will be closely watched.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Net Sales</b>             | <b>22,087</b> | <b>18,997</b> | <b>25,341</b> | <b>23,162</b> | <b>20,788</b> | <b>22,388</b> | <b>29,850</b> | <b>33,581</b> | <b>89,586</b> | <b>1,06,607</b> |
| YoY Change (%)               | 31.0          | -2.6          | 16.2          | 20.3          | -5.9          | 17.8          | 17.8          | 45.0          | 15.7          | 19.0            |
| Total Expenditure            | 18,681        | 15,611        | 19,961        | 17,719        | 16,653        | 17,934        | 23,644        | 26,587        | 71,972        | 84,818          |
| <b>EBITDA</b>                | <b>3,406</b>  | <b>3,386</b>  | <b>5,379</b>  | <b>5,443</b>  | <b>4,135</b>  | <b>4,453</b>  | <b>6,206</b>  | <b>6,994</b>  | <b>17,614</b> | <b>21,789</b>   |
| Margins (%)                  | 15.4          | 17.8          | 21.2          | 23.5          | 19.9          | 19.9          | 20.8          | 20.8          | 19.7          | 20.4            |
| Depreciation                 | 358           | 379           | 419           | 420           | 378           | 387           | 396           | 464           | 1,576         | 1,625           |
| Interest                     | 77            | 67            | 63            | 62            | 69            | 70            | 72            | 84            | 268           | 295             |
| Other Income                 | 1,175         | 1,322         | 1,136         | 2,045         | 1,345         | 1,378         | 1,411         | 1,651         | 5,678         | 5,786           |
| <b>PBT before EO expense</b> | <b>4,146</b>  | <b>4,263</b>  | <b>6,034</b>  | <b>7,006</b>  | <b>5,034</b>  | <b>5,374</b>  | <b>7,149</b>  | <b>8,098</b>  | <b>21,448</b> | <b>25,656</b>   |
| Extra-Ord expense            |               |               | 17            |               |               |               |               |               | 17            | 0               |
| <b>PBT</b>                   | <b>4,146</b>  | <b>4,263</b>  | <b>6,017</b>  | <b>7,006</b>  | <b>5,034</b>  | <b>5,374</b>  | <b>7,149</b>  | <b>8,098</b>  | <b>21,431</b> | <b>25,656</b>   |
| Tax                          | 989           | 978           | 1,467         | 1,390         | 1,211         | 1,292         | 1,719         | 1,947         | 4,824         | 6,170           |
| Rate (%)                     | 23.9          | 22.9          | 24.4          | 19.8          | 24.0          | 24.0          | 24.0          | 24.0          | 22.5          | 24.0            |
| <b>Reported PAT</b>          | <b>3,157</b>  | <b>3,285</b>  | <b>4,549</b>  | <b>5,615</b>  | <b>3,824</b>  | <b>4,082</b>  | <b>5,430</b>  | <b>6,150</b>  | <b>16,606</b> | <b>19,486</b>   |
| <b>Adj PAT</b>               | <b>3,157</b>  | <b>3,285</b>  | <b>4,562</b>  | <b>5,615</b>  | <b>3,824</b>  | <b>4,082</b>  | <b>5,430</b>  | <b>6,150</b>  | <b>16,619</b> | <b>19,486</b>   |
| YoY Change (%)               | 50.6          | 30.2          | 26.7          | 76.3          | 21.1          | 24.2          | 19.0          | 9.5           | 45.7          | 517.3           |
| Margins (%)                  | 14.3          | 17.3          | 18.0          | 24.2          | 18.4          | 18.2          | 18.2          | 18.3          | 18.6          | 18.3            |

**Hitachi Energy India****Neutral****CMP: INR13,482 | TP: INR12,000 (-11%)****EPS CHANGE (%): FY25 | FY26: -|+11**

- Expect revenue growth of 32% YoY at INR13.7b, led by easing of supply chain issues and healthy opening OB.
- Key monitorables: Further ramp-up in margins, progress on HVDC projects and STATCOM order finalization.
- We expect EBITDA margin to improve sharply on operating leverage gain and easing of supply chain related issues.
- Mumbai HVDC project to provide near-term support to revenue.

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

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4QE           |               |               |
| <b>Net Sales</b>       | <b>10,401</b> | <b>12,280</b> | <b>12,742</b> | <b>16,953</b> | <b>13,692</b> | <b>15,648</b> | <b>16,300</b> | <b>19,559</b> | <b>52,375</b> | <b>65,198</b> |
| Change (%)             | 5.5           | 10.2          | 23.2          | 27.1          | 31.6          | 27.4          | 27.9          | 15.4          | 17.2          | 24.5          |
| <b>EBITDA</b>          | <b>337</b>    | <b>653</b>    | <b>680</b>    | <b>1,820</b>  | <b>1,232</b>  | <b>1,487</b>  | <b>1,548</b>  | <b>1,950</b>  | <b>3,490</b>  | <b>6,217</b>  |
| Change (%)             | 31.3          | -13.7         | 72.4          | 91.4          | 266.0         | 127.5         | 127.7         | 7.1           | 47.9          | 78.1          |
| Margins (%)            | 3.2           | 5.3           | 5.3           | 10.7          | 9.0           | 9.5           | 9.5           | 10.0          | 6.7           | 9.5           |
| Depreciation           | 223           | 225           | 227           | 225           | 227           | 233           | 238           | 244           | 900           | 978           |
| Interest               | 110           | 107           | 137           | 112           | 94            | 94            | 94            | 94            | 466           | 375           |
| Other Income           | 29            | 2             | 22            | 39            | 28            | 29            | 29            | 31            | 93            | 117           |
| <b>PBT</b>             | <b>34</b>     | <b>324</b>    | <b>338</b>    | <b>1,522</b>  | <b>939</b>    | <b>1,189</b>  | <b>1,246</b>  | <b>1,643</b>  | <b>2,217</b>  | <b>4,982</b>  |
| Tax                    | 10            | 76            | 108           | 385           | 245           | 311           | 325           | 429           | 579           | 1,301         |
| Effective Tax Rate (%) | 28.7          | 23.6          | 32.0          | 25.3          | 26.1          | 26.1          | 26.1          | 26.1          | 26.1          | 26.1          |
| <b>Reported PAT</b>    | <b>24</b>     | <b>247</b>    | <b>230</b>    | <b>1,137</b>  | <b>694</b>    | <b>878</b>    | <b>920</b>    | <b>1,214</b>  | <b>1,638</b>  | <b>3,680</b>  |
| Change (%)             | 79.9          | -33.3         | 401.5         | 123.7         | 2,778.7       | 254.9         | 300.6         | 6.8           | 74.4          | 124.7         |
| <b>Adj PAT</b>         | <b>24</b>     | <b>247</b>    | <b>230</b>    | <b>1,137</b>  | <b>694</b>    | <b>878</b>    | <b>920</b>    | <b>1,214</b>  | <b>1,638</b>  | <b>3,680</b>  |
| Change (%)             | 79.9          | -33.3         | 402           | 123.7         | 2,778.7       | 254.9         | 300.6         | 6.8           | 74.4          | 124.7         |

**Kalpataru Projects International****Buy****CMP: INR1,212 | TP: INR1,385 (+14%)****EPS CHANGE (%): FY25 | FY26: -|-**

- Expect revenue growth of 11% YoY as elections and labor availability impacted execution in 1QFY25.
- Key monitorables: Execution improvement, further uptick in T&D order inflows, outlook on urban infra and B&F division.
- We expect EBITDA margin of 8.4% (-30bp YoY) and gradual improvement in the remaining part of FY25.
- We would also watch out for working capital cycle.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>36,220</b> | <b>38,440</b> | <b>41,470</b> | <b>51,470</b> | <b>40,353</b> | <b>46,724</b> | <b>55,220</b> | <b>70,086</b> | <b>1,67,600</b> | <b>2,12,383</b> |
| YoY Change (%)               | 15.4          | 16.7          | 18.2          | 17.1          | 11.4          | 21.6          | 33.2          | 36.2          | 16.9            | 26.7            |
| Total Expenditure            | 33,080        | 35,360        | 38,030        | 47,470        | 36,963        | 42,613        | 50,305        | 63,706        | 1,53,940        | 1,93,586        |
| <b>EBITDA</b>                | <b>3,140</b>  | <b>3,080</b>  | <b>3,440</b>  | <b>4,000</b>  | <b>3,390</b>  | <b>4,112</b>  | <b>4,915</b>  | <b>6,381</b>  | <b>13,660</b>   | <b>18,797</b>   |
| Margins (%)                  | 8.7           | 8.0           | 8.3           | 7.8           | 8.4           | 8.8           | 8.9           | 9.1           | 8.2             | 8.9             |
| Depreciation                 | 930           | 880           | 940           | 930           | 971           | 971           | 971           | 971           | 3,680           | 3,886           |
| Interest                     | 750           | 850           | 830           | 940           | 897           | 919           | 942           | 1,009         | 3,370           | 3,766           |
| Other Income                 | 290           | 250           | 270           | 320           | 220           | 220           | 220           | 220           | 1,130           | 878             |
| <b>PBT before EO expense</b> | <b>1,750</b>  | <b>1,600</b>  | <b>1,940</b>  | <b>2,450</b>  | <b>1,741</b>  | <b>2,441</b>  | <b>3,221</b>  | <b>4,620</b>  | <b>7,740</b>    | <b>12,023</b>   |
| Extra-Ord expense            | 0             | 0             | 0             | 350           | 0             | 0             | 0             | 0             | 350             | 0               |
| <b>PBT</b>                   | <b>1,750</b>  | <b>1,600</b>  | <b>1,940</b>  | <b>2,100</b>  | <b>1,741</b>  | <b>2,441</b>  | <b>3,221</b>  | <b>4,620</b>  | <b>7,390</b>    | <b>12,023</b>   |
| Tax                          | 490           | 470           | 500           | 600           | 446           | 625           | 825           | 1,183         | 2,060           | 3,078           |
| Rate (%)                     | 28.0          | 29.4          | 25.8          | 28.6          | 25.6          | 25.6          | 25.6          | 25.6          | 27.9            | 25.6            |
| <b>Reported PAT</b>          | <b>1,260</b>  | <b>1,130</b>  | <b>1,440</b>  | <b>1,500</b>  | <b>1,295</b>  | <b>1,816</b>  | <b>2,397</b>  | <b>3,437</b>  | <b>5,330</b>    | <b>8,945</b>    |
| <b>Adj PAT</b>               | <b>1,260</b>  | <b>1,130</b>  | <b>1,440</b>  | <b>1,750</b>  | <b>1,295</b>  | <b>1,816</b>  | <b>2,397</b>  | <b>3,437</b>  | <b>5,582</b>    | <b>8,945</b>    |
| YoY Change (%)               | -23.2         | 8.7           | 29.7          | 52.6          | 2.8           | 60.7          | 66.4          | 96.4          | 19.1            | 60.2            |
| Margins (%)                  | 3.5           | 2.9           | 3.5           | 3.4           | 3.2           | 3.9           | 4.3           | 4.9           | 3.3             | 4.2             |

**KEC International****Neutral****CMP: INR903 | TP: INR800 (-11%)****EPS CHANGE (%): FY25 | FY26: -|-**

- Expect 6% YoY revenue growth driven by strong order book
- Key monitorables – Order pipeline in both T&D and civil, margin improvement, and NWC levels
- We expect EBITDA margin to expand both YoY and QoQ; in line with guidance and completion of legacy projects
- We would watch out for the payment cycle, particularly, from railways and pending proceeds from Afghanistan.
- We increase our TP on roll forward.

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

| Y/E March - INR m            | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>42,436</b> | <b>44,990</b> | <b>50,067</b> | <b>61,648</b> | <b>45,050</b> | <b>51,807</b> | <b>60,817</b> | <b>67,575</b> | <b>1,99,141</b> | <b>2,25,249</b> |
| YoY Change (%)               | 27.9          | 10.7          | 14.4          | 11.6          | 6.2           | 15.2          | 21.5          | 9.6           | 15.2            | 13.1            |
| Total Expenditure            | 39,992        | 42,247        | 46,988        | 57,768        | 42,077        | 48,284        | 56,438        | 62,048        | 1,86,996        | 2,08,847        |
| <b>EBITDA</b>                | <b>2,444</b>  | <b>2,743</b>  | <b>3,079</b>  | <b>3,880</b>  | <b>2,973</b>  | <b>3,523</b>  | <b>4,379</b>  | <b>5,527</b>  | <b>12,146</b>   | <b>16,402</b>   |
| Margins (%)                  | 5.8           | 6.1           | 6.1           | 6.3           | 6.6           | 6.8           | 7.2           | 8.2           | 6.1             | 7.3             |
| Depreciation                 | 418           | 465           | 488           | 483           | 491           | 491           | 491           | 491           | 1,853           | 1,965           |
| Interest                     | 1,587         | 1,778         | 1,644         | 1,543         | 1,481         | 1,553         | 1,592         | 1,742         | 6,551           | 6,368           |
| Other Income                 | 28            | 158           | 260           | 78            | 101           | 101           | 101           | 101           | 524             | 405             |
| <b>PBT before EO expense</b> | <b>467</b>    | <b>658</b>    | <b>1,207</b>  | <b>1,933</b>  | <b>1,102</b>  | <b>1,580</b>  | <b>2,397</b>  | <b>3,395</b>  | <b>4,265</b>    | <b>8,474</b>    |
| <b>PBT</b>                   | <b>467</b>    | <b>658</b>    | <b>1,207</b>  | <b>1,933</b>  | <b>1,102</b>  | <b>1,580</b>  | <b>2,397</b>  | <b>3,395</b>  | <b>4,265</b>    | <b>8,474</b>    |
| Tax                          | 44            | 100           | 239           | 415           | 282           | 404           | 614           | 869           | 798             | 2,169           |
| Rate (%)                     | 9.4           | 15.2          | 19.8          | 21.5          | 25.6          | 25.6          | 25.6          | 25.6          | 18.7            | 25.6            |
| <b>Reported PAT</b>          | <b>423</b>    | <b>558</b>    | <b>969</b>    | <b>1,517</b>  | <b>820</b>    | <b>1,175</b>  | <b>1,783</b>  | <b>2,526</b>  | <b>3,467</b>    | <b>6,305</b>    |
| <b>Adj PAT</b>               | <b>423</b>    | <b>558</b>    | <b>969</b>    | <b>1,517</b>  | <b>820</b>    | <b>1,175</b>  | <b>1,783</b>  | <b>2,526</b>  | <b>3,467</b>    | <b>6,305</b>    |
| YoY Change (%)               | 36.8          | 1.0           | 449.5         | 110.2         | 93.7          | 110.6         | 84.1          | 66.5          | 96.9            | 81.8            |
| Margins (%)                  | 1.0           | 1.2           | 1.9           | 2.5           | 1.8           | 2.3           | 2.9           | 3.7           | 1.7             | 2.8             |

**Kirloskar Oil Engines****Buy**

CMP: INR1,400 | TP: INR1,500 (+7%)

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

- We expect revenue to decline 5% YoY on a high base of 1QFY24, when pre-buying had occurred ahead of the original deadline for CPCB 4+.
- Key monitorables – Outlook on demand for gensets, pricing environment, and export ramp-up.
- We expect EBITDA margin to contract 20bp YoY. EBITDA margin for KOEL will be dependent on product mix, export and distribution.
- Demand scenario and export outlook will be observed closely in the coming quarters.

**Standalone - Quarterly Snapshot**

(INR m)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>12,647</b> | <b>10,590</b> | <b>11,352</b> | <b>13,917</b> | <b>11,953</b> | <b>11,384</b> | <b>14,799</b> | <b>18,783</b> | <b>48,505</b> | <b>56,920</b> |
| YoY Change (%)               | 26.5          | 4.8           | 13.5          | 20.7          | -5.5          | 7.5           | 30.4          | 35.0          | 17.8          | 17.3          |
| Total Expenditure            | 11,102        | 9,603         | 10,023        | 12,135        | 10,519        | 9,938         | 12,840        | 16,297        | 42,864        | 49,384        |
| <b>EBITDA</b>                | <b>1,545</b>  | <b>986</b>    | <b>1,329</b>  | <b>1,782</b>  | <b>1,434</b>  | <b>1,446</b>  | <b>1,959</b>  | <b>2,487</b>  | <b>5,642</b>  | <b>7,536</b>  |
| Margins (%)                  | 12.2          | 9.3           | 11.7          | 12.8          | 12.0          | 12.7          | 13.2          | 13.2          | 11.6          | 13.2          |
| Depreciation                 | 213           | 243           | 257           | 257           | 238           | 244           | 250           | 268           | 970           | 999           |
| Interest                     | 14            | 16            | 20            | 29            | 33            | 33            | 33            | 33            | 78            | 132           |
| Other Income                 | 70            | 64            | 57            | 85            | 78            | 78            | 78            | 78            | 274           | 313           |
| <b>PBT before EO expense</b> | <b>1,388</b>  | <b>791</b>    | <b>1,109</b>  | <b>1,581</b>  | <b>1,242</b>  | <b>1,247</b>  | <b>1,755</b>  | <b>2,264</b>  | <b>4,868</b>  | <b>6,718</b>  |
| <b>PBT</b>                   | <b>1,388</b>  | <b>791</b>    | <b>1,109</b>  | <b>1,581</b>  | <b>1,242</b>  | <b>1,247</b>  | <b>1,755</b>  | <b>2,264</b>  | <b>4,868</b>  | <b>6,718</b>  |
| Tax                          | 355           | 205           | 287           | 405           | 320           | 322           | 452           | 584           | 1,252         | 1,732         |
| Rate (%)                     | 25.6          | 25.9          | 25.9          | 25.6          | 25.8          | 25.8          | 25.8          | 25.8          | 25.7          | 25.8          |
| <b>Reported PAT</b>          | <b>1,032</b>  | <b>586</b>    | <b>822</b>    | <b>1,176</b>  | <b>922</b>    | <b>926</b>    | <b>1,302</b>  | <b>1,681</b>  | <b>3,616</b>  | <b>4,986</b>  |
| <b>Adj PAT</b>               | <b>1,032</b>  | <b>586</b>    | <b>822</b>    | <b>1,176</b>  | <b>922</b>    | <b>926</b>    | <b>1,302</b>  | <b>1,681</b>  | <b>3,616</b>  | <b>4,986</b>  |
| YoY Change (%)               | 59.9          | -19.3         | 20.5          | 81.3          | -10.7         | 58.0          | 58.5          | 42.9          | 33.8          | 37.9          |
| Margins (%)                  | 8.2           | 5.5           | 7.2           | 8.5           | 7.7           | 8.1           | 8.8           | 8.9           | 7.5           | 8.8           |

**Larsen & Toubro****Buy**

CMP: INR3,624 | TP: INR4,150 (+15%)

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

- Expect consolidated revenue growth of 12% YoY, led by 14% YoY Core E&C revenue growth.
- Key monitorables – Domestic tender pipeline, margin performance as well as working capital cycle.
- We expect Core E&C EBITDA margin of 7.5%, flat on a YoY basis.
- We increase our TP on roll forward.
- We would also look out for execution ramp-up in Saudi projects and how the Middle East pipeline is shaping up.

**Consolidated - Quarterly Snapshot**

(INR b)

| Y/E March                    | FY24       |            |            |            | FY25E      |            |            |            | FY24         | FY25E        |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                              | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Net Sales</b>             | <b>479</b> | <b>510</b> | <b>551</b> | <b>671</b> | <b>535</b> | <b>568</b> | <b>621</b> | <b>773</b> | <b>2,211</b> | <b>2,497</b> |
| YoY Change (%)               | 33.6       | 19.3       | 18.8       | 15.0       | 11.7       | 11.4       | 12.7       | 15.2       | 20.6         | 36.2         |
| Total Expenditure            | 430        | 454        | 494        | 598        | 481        | 508        | 554        | 685        | 1,976        | 2,227        |
| <b>EBITDA</b>                | <b>49</b>  | <b>56</b>  | <b>58</b>  | <b>72</b>  | <b>54</b>  | <b>61</b>  | <b>68</b>  | <b>88</b>  | <b>235</b>   | <b>270</b>   |
| Margins (%)                  | 10.2       | 11.0       | 10.4       | 10.8       | 10.1       | 10.7       | 10.9       | 11.4       | 10.6         | 10.8         |
| Depreciation                 | 8          | 9          | 9          | 10         | 10         | 10         | 10         | 10         | 37           | 39           |
| Interest                     | 9          | 9          | 9          | 9          | 8          | 8          | 8          | 8          | 35           | 33           |
| Other Income                 | 11         | 11         | 8          | 10         | 8          | 8          | 9          | 9          | 42           | 34           |
| <b>PBT before EO expense</b> | <b>43</b>  | <b>50</b>  | <b>48</b>  | <b>63</b>  | <b>44</b>  | <b>51</b>  | <b>58</b>  | <b>79</b>  | <b>204</b>   | <b>232</b>   |
| Extra-Ord expense            | 0          | 0          | 0          | -1         | 0          | 0          | 0          | 0          | -1           | 0            |
| <b>PBT</b>                   | <b>43</b>  | <b>50</b>  | <b>48</b>  | <b>64</b>  | <b>44</b>  | <b>51</b>  | <b>58</b>  | <b>79</b>  | <b>205</b>   | <b>232</b>   |
| Tax                          | 12         | 11         | 12         | 14         | 11         | 13         | 15         | 20         | 49           | 60           |
| Rate (%)                     | 28.1       | 22.8       | 24.7       | 22.1       | 25.8       | 25.8       | 25.8       | 25.8       | 24.1         | 25.8         |
| MI & P/L of Asso. Cos.       | 6          | 6          | 6          | 6          | 6          | 6          | 6          | 7          | 25           | 25           |
| <b>Reported PAT</b>          | <b>25</b>  | <b>32</b>  | <b>29</b>  | <b>44</b>  | <b>27</b>  | <b>32</b>  | <b>37</b>  | <b>51</b>  | <b>131</b>   | <b>147</b>   |
| <b>Adj PAT</b>               | <b>25</b>  | <b>32</b>  | <b>29</b>  | <b>43</b>  | <b>27</b>  | <b>32</b>  | <b>37</b>  | <b>51</b>  | <b>130</b>   | <b>147</b>   |
| YoY Change (%)               | 46.5       | 44.6       | 20.0       | 8.4        | 8.4        | -1.7       | 25.0       | 18.6       | 49.8         | 13.0         |
| Margins (%)                  | 5.2        | 6.3        | 5.3        | 6.4        | 5.1        | 5.6        | 5.9        | 6.6        | 5.9          | 5.9          |

**Siemens****Buy****CMP: INR7,775 | TP: INR8,700 (+12%)****EPS CHANGE (%): FY25|26: +1|+2**

- We expect 26% YoY revenue growth on healthy execution of the order book.
- Key monitorable – Margin trajectory, execution progress of the locomotive order, tendering pipeline in energy segment and status of HVDC ordering.
- Expect EBITDAM to expand ~360bp on account of operating leverage, better pricing power and product mix.
- Demand outlook from both government and private sector, and export outlook to be watched keenly.

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

| Y/E September                | FY23          |               |               |               | FY24E         |               |               |               | FY23            | FY24E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| INR m                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>40,151</b> | <b>48,578</b> | <b>48,732</b> | <b>58,077</b> | <b>48,252</b> | <b>57,499</b> | <b>61,469</b> | <b>72,138</b> | <b>1,95,538</b> | <b>2,39,358</b> |
| YoY Change (%)               | 17.4          | 22.8          | 14.4          | 24.7          | 20.2          | 18.4          | 26.1          | 24.2          | 21.2            | 22.4            |
| Total Expenditure            | 34,159        | 42,366        | 43,067        | 51,075        | 42,291        | 48,717        | 52,130        | 61,601        | 1,70,667        | 2,04,739        |
| <b>EBITDA</b>                | <b>5,992</b>  | <b>6,212</b>  | <b>5,665</b>  | <b>7,002</b>  | <b>5,961</b>  | <b>8,782</b>  | <b>9,339</b>  | <b>10,537</b> | <b>24,871</b>   | <b>34,619</b>   |
| Margins (%)                  | 14.9          | 12.8          | 11.6          | 12.1          | 12.4          | 15.3          | 15.2          | 14.6          | 12.7            | 14.5            |
| Depreciation                 | 761           | 785           | 876           | 786           | 785           | 800           | 876           | 876           | 3,208           | 3,338           |
| Interest                     | 37            | 99            | 43            | 49            | 34            | 313           | 37            | 37            | 228             | 420             |
| Other Income                 | 1,017         | 1,166         | 1,324         | 1,455         | 1,641         | 3,210         | 1,561         | 1,561         | 4,962           | 7,973           |
| <b>PBT before EO expense</b> | <b>6,211</b>  | <b>6,494</b>  | <b>6,070</b>  | <b>7,622</b>  | <b>6,783</b>  | <b>10,879</b> | <b>9,987</b>  | <b>11,186</b> | <b>26,397</b>   | <b>38,834</b>   |
| Extra-Ord expense            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | -1              | 0               |
| <b>PBT</b>                   | <b>6,211</b>  | <b>6,494</b>  | <b>6,070</b>  | <b>7,622</b>  | <b>6,783</b>  | <b>10,879</b> | <b>9,987</b>  | <b>11,186</b> | <b>26,398</b>   | <b>38,834</b>   |
| Tax                          | 1,584         | 1,776         | 1,513         | 1,905         | 1,726         | 2,851         | 2,567         | 2,828         | 6,778           | 9,972           |
| Rate (%)                     | 25.5          | 27.3          | 24.9          | 25.0          | 25.4          | 26.2          | 25.7          | 25.3          | 25.7            | 25.7            |
| <b>Reported PAT</b>          | <b>4,627</b>  | <b>4,718</b>  | <b>4,557</b>  | <b>5,717</b>  | <b>5,057</b>  | <b>8,028</b>  | <b>7,420</b>  | <b>8,358</b>  | <b>19,620</b>   | <b>28,863</b>   |
| <b>Adj PAT</b>               | <b>4,627</b>  | <b>4,718</b>  | <b>4,557</b>  | <b>5,717</b>  | <b>5,057</b>  | <b>8,028</b>  | <b>7,420</b>  | <b>8,358</b>  | <b>19,619</b>   | <b>28,863</b>   |
| YoY Change (%)               | 86.8          | 38.8          | 50.6          | 49.8          | 9.3           | 70.2          | 62.8          | 46.2          | 55.5            | 47.1            |
| Margins (%)                  | 11.5          | 9.7           | 9.4           | 9.8           | 10.5          | 14.0          | 12.1          | 11.6          | 10.0            | 12.1            |

**Thermax****Neutral****CMP: INR5,175 | TP: INR4,710 (-9%)****EPS CHANGE (%): FY25|26: +3|+3**

- Expect revenue to grow 14% YoY and EBITDA margin to expand 290bp YoY to 9.7% on better margins in industrial product segment.
- Key monitorables – large order pipeline, margin guidance, Chemicals segment and subsidiary performance.
- We expect healthy EBITDA and PAT growth on a low base of 1QFY24.
- We increase our TP on slightly higher margin and roll forward.
- Additional investments (if any) in FEPL, TOESL and other subsidiaries to be monitored closely.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Net Sales</b>             | <b>19,330</b> | <b>23,025</b> | <b>23,244</b> | <b>27,637</b> | <b>22,010</b> | <b>26,589</b> | <b>28,172</b> | <b>33,703</b> | <b>93,235</b> | <b>1,10,474</b> |
| YoY Change (%)               | 16.8          | 10.9          | 13.4          | 19.6          | 13.9          | 15.5          | 21.2          | 21.9          | 15.2          | 18.5            |
| Total Expenditure            | 18,008        | 20,978        | 21,369        | 24,905        | 19,884        | 23,986        | 25,404        | 30,495        | 85,261        | 99,769          |
| <b>EBITDA</b>                | <b>1,322</b>  | <b>2,046</b>  | <b>1,874</b>  | <b>2,732</b>  | <b>2,125</b>  | <b>2,603</b>  | <b>2,769</b>  | <b>3,208</b>  | <b>7,974</b>  | <b>10,705</b>   |
| Margins (%)                  | 6.8           | 8.9           | 8.1           | 9.9           | 9.7           | 9.8           | 9.8           | 9.5           | 8.6           | 9.7             |
| Depreciation                 | 294           | 330           | 358           | 499           | 386           | 395           | 405           | 474           | 1,481         | 1,660           |
| Interest                     | 134           | 198           | 266           | 278           | 294           | 301           | 309           | 361           | 876           | 1,265           |
| Other Income                 | 531           | 659           | 584           | 553           | 542           | 555           | 569           | 666           | 2,326         | 2,332           |
| <b>PBT before EO expense</b> | <b>1,425</b>  | <b>2,177</b>  | <b>1,834</b>  | <b>2,507</b>  | <b>1,987</b>  | <b>2,462</b>  | <b>2,624</b>  | <b>3,039</b>  | <b>7,943</b>  | <b>10,111</b>   |
| Extra-Ord expense            | 506           | 0             | -1,261        |               |               |               |               |               | -755          | 0               |
| <b>PBT</b>                   | <b>919</b>    | <b>2,177</b>  | <b>3,095</b>  | <b>2,507</b>  | <b>1,987</b>  | <b>2,462</b>  | <b>2,624</b>  | <b>3,039</b>  | <b>8,698</b>  | <b>10,111</b>   |
| Tax                          | 315           | 589           | 721           | 633           | 503           | 623           | 664           | 769           | 2,258         | 2,558           |
| Rate (%)                     | 34.3          | 27.0          | 23.3          | 25.2          | 25.3          | 25.3          | 25.3          | 25.3          | 26.0          | 25.3            |
| <b>Reported PAT</b>          | <b>600</b>    | <b>1,586</b>  | <b>2,371</b>  | <b>1,876</b>  | <b>1,484</b>  | <b>1,839</b>  | <b>1,960</b>  | <b>2,270</b>  | <b>6,432</b>  | <b>7,553</b>    |
| <b>Adj PAT</b>               | <b>932</b>    | <b>1,586</b>  | <b>1,403</b>  | <b>1,876</b>  | <b>1,484</b>  | <b>1,839</b>  | <b>1,960</b>  | <b>2,270</b>  | <b>5,873</b>  | <b>7,553</b>    |
| YoY Change (%)               | 58.1          | 45.3          | 11.0          | 20.1          | 59.3          | 15.9          | 39.7          | 21.0          | 42.7          | 17.4            |
| Margins (%)                  | 4.8           | 6.9           | 6.0           | 6.8           | 6.7           | 6.9           | 7.0           | 6.7           | 6.3           | 6.8             |

**Triveni Turbine****Buy****CMP: INR606 | TP: INR720 (+19%)****EPS CHANGE (%): FY25|26: -|-**

- Expect revenue growth of 13% YoY on account of strong momentum in exports and aftermarket, while we expect domestic to remain weak during 1QFY25.
- Key monitorables – Domestic order inflow, inquiry pipeline and further updates on US market foray.
- We expect EBITDA margin to improve ~100bp 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           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>               | <b>3,764</b> | <b>3,878</b> | <b>4,317</b> | <b>4,581</b> | <b>4,268</b> | <b>5,121</b> | <b>5,548</b> | <b>6,401</b> | <b>16,539</b> | <b>21,338</b> |
| YoY Change (%)                 | 45.3         | 32.4         | 32.5         | 23.9         | 13.4         | 32.1         | 28.5         | 39.8         | 32.6          | 29.0          |
| Total Expenditure              | 3,055        | 3,134        | 3,480        | 3,682        | 3,423        | 4,122        | 4,466        | 5,102        | 13,352        | 17,113        |
| <b>EBITDA</b>                  | <b>709</b>   | <b>744</b>   | <b>837</b>   | <b>898</b>   | <b>845</b>   | <b>999</b>   | <b>1,082</b> | <b>1,299</b> | <b>3,188</b>  | <b>4,225</b>  |
| Margins (%)                    | 18.8         | 19.2         | 19.4         | 19.6         | 19.8         | 19.5         | 19.5         | 20.3         | 19.3          | 19.8          |
| Depreciation                   | 49           | 51           | 55           | 53           | 63           | 63           | 63           | 63           | 208           | 251           |
| Interest                       | 7            | 6            | 6            | 7            | 5            | 5            | 5            | 5            | 27            | 21            |
| Other Income                   | 133          | 144          | 171          | 176          | 170          | 174          | 179          | 192          | 622           | 715           |
| <b>PBT before EO expense</b>   | <b>786</b>   | <b>830</b>   | <b>947</b>   | <b>1,014</b> | <b>947</b>   | <b>1,105</b> | <b>1,192</b> | <b>1,423</b> | <b>3,576</b>  | <b>4,667</b>  |
| <b>PBT</b>                     | <b>786</b>   | <b>830</b>   | <b>947</b>   | <b>1,014</b> | <b>947</b>   | <b>1,105</b> | <b>1,192</b> | <b>1,423</b> | <b>3,576</b>  | <b>4,667</b>  |
| Tax                            | 177          | 190          | 264          | 252          | 238          | 278          | 300          | 358          | 883           | 1,173         |
| Rate (%)                       | 22.5         | 22.9         | 27.9         | 24.9         | 25.1         | 25.1         | 25.1         | 25.1         | 24.7          | 25.1          |
| MI & Profit/Loss of Asso. Cos. |              |              |              |              |              |              |              |              |               |               |
| <b>Reported PAT</b>            | <b>610</b>   | <b>640</b>   | <b>683</b>   | <b>762</b>   | <b>709</b>   | <b>827</b>   | <b>893</b>   | <b>1,065</b> | <b>2,693</b>  | <b>3,494</b>  |
| <b>Adj PAT</b>                 | <b>610</b>   | <b>640</b>   | <b>683</b>   | <b>762</b>   | <b>709</b>   | <b>827</b>   | <b>893</b>   | <b>1,065</b> | <b>2,693</b>  | <b>3,494</b>  |
| YoY Change (%)                 | 59.0         | 38.2         | 29.8         | 37.0         | 16.3         | 29.2         | 30.7         | 39.8         | 39.6          | 29.6          |
| Margins (%)                    | 16.2         | 16.5         | 15.8         | 16.6         | 16.6         | 16.1         | 16.1         | 16.6         | 16.3          | 16.4          |

# 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  |

## Demand softens; cement prices remain muted

### Estimate ~5% YoY volume growth for our coverage universe in 1QFY25

- We estimate our cement coverage universe to report a volume growth of ~5% YoY (three-year CAGR of ~14%) in 1QFY25. Further, we estimate an average capacity utilization of ~85% vs. ~88%/95% in 1QFY24/4QFY24.
- The cement price remained muted during the quarter, and the all-India average cement price was down ~4% YoY/1% QoQ in 1QFY25. Similarly, we estimate the blended realization for our coverage universe to contract ~4%/1% YoY/QoQ.
- We estimate the average EBITDA/t to decline ~1% YoY (down 11% QoQ) to INR895, as weak cement prices offset the benefit of lower variable costs. The aggregate EBITDA of our coverage universe is estimated to increase by a mere 3% YoY, while OPM is likely to improve marginally by 50bp YoY to 16.7%.
- GRASIM's revenue is estimated to increase 11% YoY. VSF volume is estimated to grow 13% YoY, while realization is estimated to contract 6% YoY (flat QoQ). Its chemical segment's volume is estimated to increase 11% YoY, while realization could decline 5% YoY. Further, EBITDA is likely to dip 15% YoY to INR5.7b and OPM will be at ~8%; down 2.5pp YoY. PAT is estimated to decline 71% YoY.

## Volume growth moderates; muted prices lead to subdued performance

- Following a strong growth (in the range of ~8-19% YoY) over eight consecutive quarters (1QFY23-4QFY24), growth in cement volume is estimated to moderate to ~5% YoY in 1QFY25 amid general elections during the quarter. We estimate 7-9% YoY volume growth for DALBHARA, JKCE, SRCM, and TRCL, followed by 3-5% growth for ACC, ACEM, BCORP, and UTCEM, and ~2% growth for JKLC. However, ICEM's volume is estimated to decline ~15% YoY.
- Further, cement prices remained muted during the quarter due to softness in demand. Cement prices in the East and South regions were down ~4% YoY each, followed by ~3% YoY dip in the North, Central and West regions. We estimate the blended realization for our coverage universe to decline ~4%/1% YoY/QoQ.
- Avg. opex/t for our coverage universe is estimated to decline 5% YoY (up 1% QoQ), largely due to a reduction in variable/freight costs. We estimate the avg. variable cost/t to decline by INR192 YoY and freight cost/t to dip by INR50 YoY.
- We estimate JKLC and SRCM to report an EBITDA growth of 27% YoY (each), followed by 17%/15% YoY growth for BCORP/JKCE and ~6% YoY growth for UTCEM. Conversely, we expect EBITDA to decline ~5%/8% YoY for ACC/TRCL, ~13% for DALBHARA, and ~24% for ACEM. ICEM is estimated to report an EBITDA surge of 5.7x YoY on a low base.
- We estimate an EBITDA/t of INR1,239 for SRCM (the highest within our coverage universe), followed by INR1,030 for UTCEM, and INR949 for JKCE. EBITDA/t is estimated to be between INR712 and INR802 for ACC, ACEM, BCORP, JKLC and DALBHARA, and INR679 for TRCL. ICEM's EBITDA/t is estimated at INR127.

**Sector outlook and recommendations**

- We estimate the cement demand momentum to improve due to the govt's intensifying focus on affordable housing and infrastructure development (expanding rail, roads, and construction of airports), continuing strong demand from real estate, and likely pick-up in industrial capex. We believe the announcements under the forthcoming Budget will be the key monitorables.
- We estimate cement demand to register a CAGR of 7.5% over FY24-27, higher than our supply growth estimate of ~7.0% over the same period. Further, we estimate clinker utilization to improve to 81% by FY27 from 78% in FY24.
- We shift our valuation multiples for our coverage companies to Jun'26E from FY26E. We prefer UTCEM and GRASIM in the large-cap space while, JKCE and JKLC are our preferred picks in the mid-cap space.

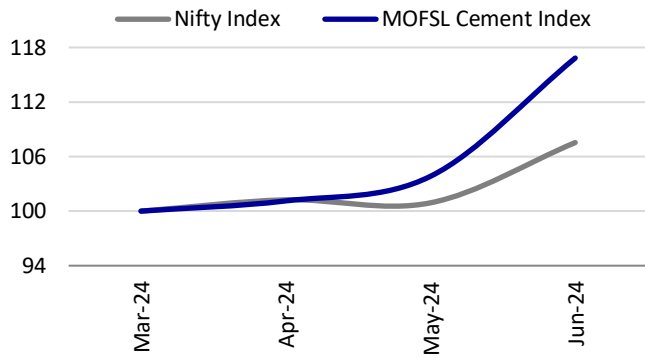
**Exhibit 1: Summary of our 1QFY25 estimates**

| Sector            | CMP (INR) | RECO    | SALES (INR M)   |            |             | EBDITA (INR M) |            |              | NET PROFIT (INR M) |              |              |
|-------------------|-----------|---------|-----------------|------------|-------------|----------------|------------|--------------|--------------------|--------------|--------------|
|                   |           |         | Jun-24          | Var % YoY  | Var % QoQ   | Jun-24         | Var % YoY  | Var % QoQ    | Jun-24             | Var % YoY    | Var % QoQ    |
| ACC               | 2770      | Neutral | 51,154          | -1.6       | -5.2        | 7,296          | -5.1       | -12.8        | 4,167              | -10.2        | -15.2        |
| Ambuja Cements    | 692       | Neutral | 46,567          | -1.5       | -2.6        | 7,225          | -23.8      | -9.4         | 4,773              | -26.0        | -12.3        |
| Birla Corporation | 1584      | Buy     | 24,538          | 1.9        | -7.6        | 3,474          | 16.6       | -26.5        | 942                | 57.8         | -50.0        |
| Dalmia Bharat     | 1839      | Buy     | 36,283          | -0.1       | -15.8       | 5,389          | -12.7      | -17.6        | 1,045              | -19.6        | -58.7        |
| Grasim Industries | 2743      | Buy     | 69,043          | 10.7       | 2.0         | 5,731          | -14.9      | 8.8          | 1,017              | -71.4        | -55.7        |
| India Cements     | 284       | Sell    | 11,521          | -17.3      | -7.5        | 288            | 474.2      | -38.5        | -543               | Loss         | Loss         |
| J K Cements       | 4329      | Buy     | 28,739          | 4.0        | -7.5        | 4,687          | 14.9       | -16.3        | 1,499              | 20.8         | -29.9        |
| JK Lakshmi Cem.   | 896       | Buy     | 16,673          | -3.6       | -6.4        | 2,487          | 26.7       | -26.1        | 1,000              | 27.5         | -36.3        |
| Ramco Cements     | 843       | Neutral | 22,193          | -1.0       | -17.0       | 3,133          | -8.2       | -24.9        | 345                | -56.3        | -71.6        |
| Shree Cement      | 27672     | Neutral | 50,687          | 1.4        | -0.6        | 11,833         | 26.9       | -10.8        | 5,441              | -6.4         | -17.8        |
| Ultratech Cement  | 11847     | Buy     | 1,81,113        | 2.1        | -11.3       | 32,474         | 6.5        | -21.1        | 15,546             | -7.9         | -32.7        |
| <b>Cement</b>     |           |         | <b>5,38,512</b> | <b>1.5</b> | <b>-7.5</b> | <b>84,018</b>  | <b>2.0</b> | <b>-16.7</b> | <b>35,232</b>      | <b>-14.7</b> | <b>-31.3</b> |

**Exhibit 2: Comparative valuations**

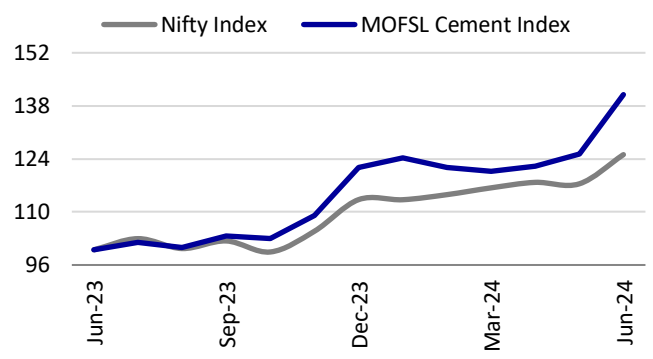
| Company Name      | CMP    |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)    |            |             |
|-------------------|--------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|------------|------------|-------------|
|                   | INR    | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24       | FY25E      | FY26E       |
| <b>Cement</b>     |        |         |           |       |       | <b>35.8</b> | <b>38.5</b> | <b>32.2</b> | <b>3.5</b> | <b>3.8</b> | <b>3.4</b> | <b>9.9</b> | <b>9.9</b> | <b>10.6</b> |
| ACC               | 2,770  | Neutral | 99.3      | 123.8 | 135.7 | 25.1        | 22.4        | 20.4        | 2.9        | 2.9        | 2.5        | 12.4       | 13.6       | 13.2        |
| Ambuja Cements    | 692    | Neutral | 10.7      | 10.7  | 13.5  | 57.2        | 64.5        | 51.1        | 3.6        | 3.6        | 3.4        | 11.8       | 9.3        | 9.6         |
| Birla Corporation | 1,584  | Buy     | 54.0      | 66.8  | 87.2  | 26.4        | 23.7        | 18.2        | 1.6        | 1.7        | 1.6        | 6.6        | 7.5        | 9.1         |
| Dalmia Bharat     | 1,839  | Buy     | 41.1      | 52.7  | 67.3  | 47.2        | 34.9        | 27.3        | 2.2        | 2.0        | 1.9        | 4.8        | 5.9        | 7.2         |
| Grasim Industries | 2,743  | Buy     | 95.6      | 97.2  | 108.9 | 23.9        | 28.2        | 25.2        | 2.9        | 3.3        | 3.2        | 4.3        | 1.7        | 2.5         |
| India Cements     | 284    | Sell    | -7.6      | -1.8  | 6.0   | -28.1       | -157.5      | 47.7        | 1.2        | 1.6        | 1.6        | -4.3       | -1.0       | 3.4         |
| J K Cements       | 4,329  | Buy     | 102.7     | 129.1 | 153.6 | 39.7        | 33.5        | 28.2        | 5.9        | 5.4        | 4.7        | 15.9       | 17.3       | 17.9        |
| JK Lakshmi Cem.   | 896    | Buy     | 39.6      | 41.9  | 47.0  | 22.0        | 21.4        | 19.1        | 3.2        | 2.9        | 2.6        | 15.6       | 14.5       | 14.4        |
| Ramco Cements     | 843    | Neutral | 16.7      | 23.2  | 31.7  | 48.5        | 36.4        | 26.6        | 2.7        | 2.6        | 2.4        | 5.7        | 7.4        | 9.4         |
| Shree Cement      | 27,672 | Neutral | 684.2     | 626.4 | 624.3 | 37.6        | 44.2        | 44.3        | 4.5        | 4.5        | 4.2        | 12.8       | 10.6       | 9.8         |
| Ultratech Cement  | 11,847 | Buy     | 244.5     | 279.6 | 347.2 | 39.9        | 42.4        | 34.1        | 4.7        | 5.1        | 4.3        | 12.3       | 12.7       | 13.8        |

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



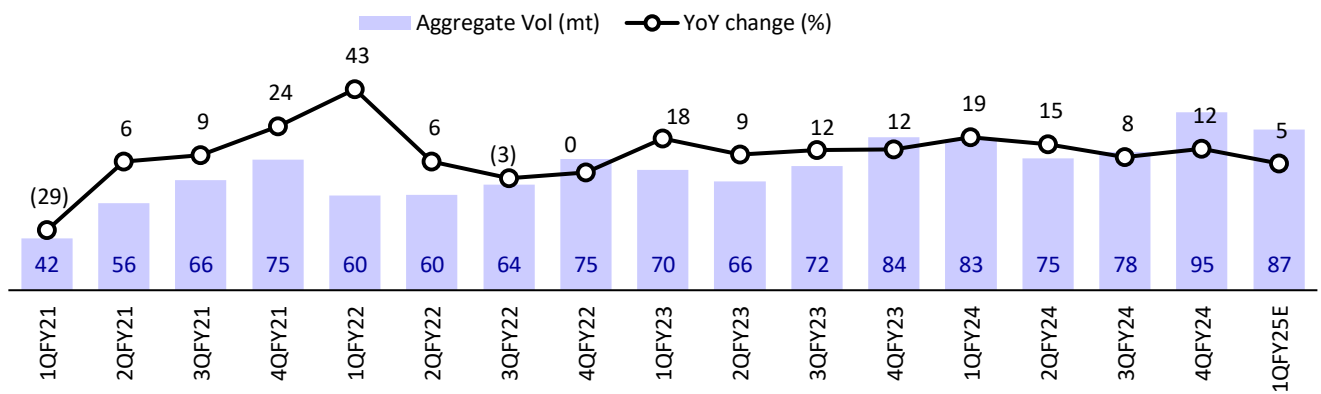
Source: Bloomberg, MOFSL

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



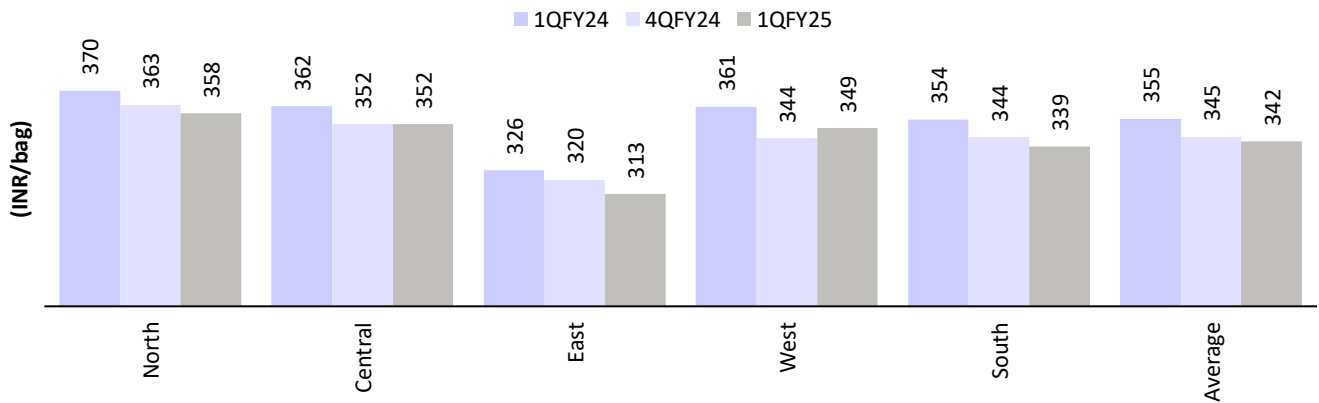
Source: Bloomberg, MOFSL

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



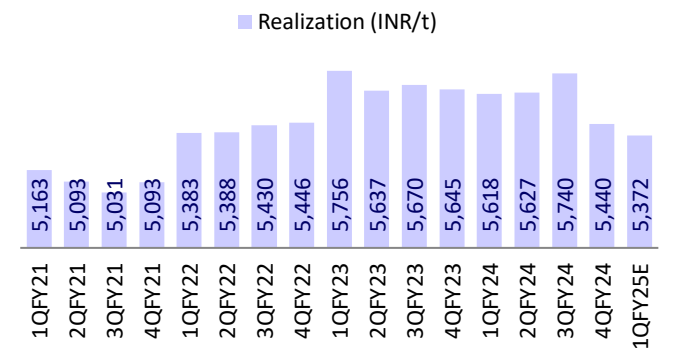
Source: MOFSL, Company, E: MOFSL estimate

**Exhibit 6: Pan-India average cement price down ~4%/1% YoY/QoQ**



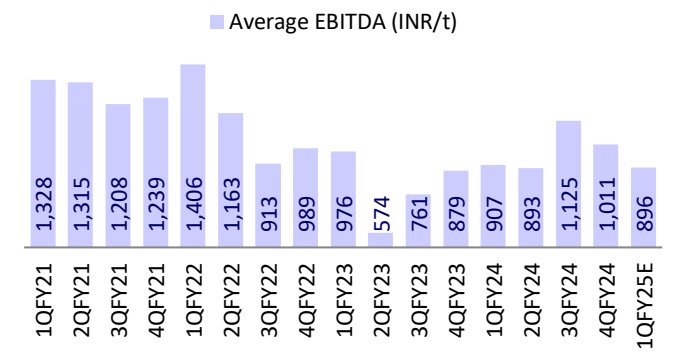
Source: MOFSL, Industry

**Exhibit 7: Expect realization to decline 4%/1% YoY/QoQ**



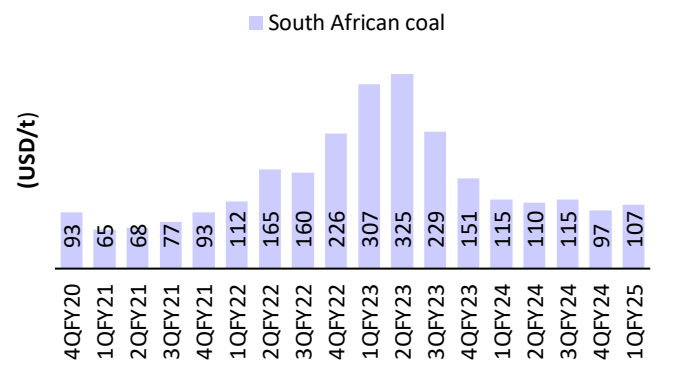
Source: MOFSL; E: MOFSL estimate

**Exhibit 8: Expect average EBITDA/t to decline 1% YoY**



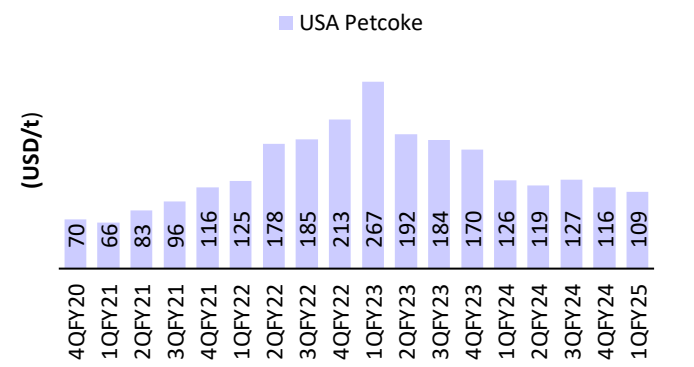
Source: Company, MOFSL; E: MOFSL estimate

**Exhibit 9: Average South African coal price down 7% YoY**



Source: Bloomberg, MOFSL

**Exhibit 10: Average US Petcoke price down 13% YoY**



Source: Company, Industry

**Exhibit 11: Key operating parameters**

| Companies                    | Volume (mt) |            |              | Realization (INR/t) |              |             | EBITDA (INR/t) |             |              |
|------------------------------|-------------|------------|--------------|---------------------|--------------|-------------|----------------|-------------|--------------|
|                              | 1QFY25E     | YoY (%)    | QoQ (%)      | 1QFY25E             | YoY (INR)    | QoQ (INR)   | 1QFY25E        | YoY (INR)   | QoQ (INR)    |
| ACC                          | 9.9         | 5.5        | (5.0)        | 5,158               | (375)        | (12)        | 736            | (82)        | (66)         |
| Ambuja Cements               | 9.3         | 2.9        | (2.0)        | 4,986               | (223)        | (30)        | 774            | (271)       | (63)         |
| Birla Corporation            | 4.6         | 4.0        | (5.4)        | 5,350               | (111)        | (127)       | 758            | 82          | (217)        |
| Dalmia Bharat                | 7.6         | 8.6        | (14.0)       | 4,794               | (415)        | (100)       | 712            | (163)       | (31)         |
| India Cements                | 2.3         | (15.0)     | (7.0)        | 5,084               | (141)        | (28)        | 127            | 108         | (65)         |
| JK Cement                    | 4.9         | 6.7        | (5.0)        | 5,819               | (149)        | (155)       | 949            | 68          | (128)        |
| JK Lakshmi Cement            | 3.1         | 2.1        | (5.0)        | 5,379               | (320)        | (80)        | 802            | 156         | (229)        |
| The Ramco Cements            | 4.6         | 7.2        | (16.0)       | 4,812               | (399)        | (57)        | 679            | (115)       | (80)         |
| Shree Cement                 | 9.5         | 7.1        | 0.2          | 5,308               | (299)        | (45)        | 1,239          | 193         | (154)        |
| UltraTech Cement             | 31.5        | 5.2        | (10.1)       | 5,746               | (175)        | (75)        | 1,030          | 12          | (143)        |
| <b>Sector aggregate/avg.</b> | <b>87.4</b> | <b>4.8</b> | <b>(7.6)</b> | <b>5,372</b>        | <b>(246)</b> | <b>(68)</b> | <b>896</b>     | <b>(12)</b> | <b>(115)</b> |

**Exhibit 12: Valuation summary**

|                   | M-cap (USD b) | CMP (INR) | Rating  | EV/EBITDA (x) |       | EV/t (USD) |       | Net debt/EBITDA (x) |       |
|-------------------|---------------|-----------|---------|---------------|-------|------------|-------|---------------------|-------|
|                   |               |           |         | FY25E         | FY26E | FY25E      | FY26E | FY25E               | FY26E |
| ACC               | 7.0           | 2,770     | Neutral | 11.8          | 10.3  | 143        | 131   | (1.8)               | (2.0) |
| Ambuja Cements    | 18.4          | 692       | Neutral | 24.1          | 20.7  | 201        | 199   | (5.3)               | (1.6) |
| Birla Corporation | 1.6           | 1,584     | Buy     | 9.2           | 7.7   | 96         | 85    | 1.7                 | 1.2   |
| Dalmia Bharat     | 4.6           | 1,839     | Buy     | 11.6          | 9.8   | 95         | 93    | 0.4                 | 0.2   |
| Grasim Industries | 25.0          | 2,750     | Buy     | 13.3          | 10.1  | N/A        | N/A   | 2.6                 | 1.7   |
| India Cements     | 1.2           | 284       | Sell    | 32.7          | 16.7  | 98         | 96    | 6.7                 | 3.2   |
| JK Cement         | 4.5           | 4,329     | Buy     | 14.9          | 12.9  | 204        | 177   | 1.9                 | 1.7   |
| JK Lakshmi Cement | 1.4           | 896       | Buy     | 10.0          | 8.6   | 80         | 72    | 1.4                 | 1.6   |
| Ramco Cements     | 2.7           | 843       | Neutral | 12.7          | 11.2  | 131        | 124   | 2.8                 | 2.5   |
| Shree Cement      | 13.4          | 27,672    | Neutral | 18.6          | 17.1  | 218        | 189   | (1.1)               | (0.8) |
| UltraTech Cement  | 45.8          | 11,847    | Buy     | 23.0          | 18.2  | 272        | 237   | (0.1)               | (0.3) |

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.

**ACC****Neutral****CMP: INR2,770 | TP: INR2,830 (+2%)****EPS CHANGE (%): FY25|26: +3.4|+2.4**

- Expect sales volume to grow 5% YoY, whereas cement realization could decline 7% YoY.
- Expect EBITDA/t at INR736 vs. INR818/INR802 in 1QFY24/4QFY24.
- Variable cost/t to decline 2% YoY. Opex/t is estimated to decline 10% YoY.
- Adj. PAT is likely to decline 10% YoY.

**Standalone quarterly performance****(INR b)**

| Y/E March                 | FY24        |             |             |             | FY25        |             |             |             | FY24         | FY25E        |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                           | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Cement Sales (mt)         | 9.40        | 8.10        | 8.88        | 10.44       | 9.92        | 8.67        | 9.68        | 11.20       | 36.9         | 39.46        |
| Change (YoY %)            | 23.8        | 18.2        | 15.3        | 24.0        | 5.5         | 7.0         | 9.0         | 7.3         | 19.5         | 33.8         |
| <b>Net Sales</b>          | <b>52.0</b> | <b>44.3</b> | <b>49.2</b> | <b>54.0</b> | <b>51.2</b> | <b>46.6</b> | <b>53.5</b> | <b>61.9</b> | <b>199.5</b> | <b>213.1</b> |
| Change (YoY %)            | 16.4        | 11.2        | 8.4         | 12.7        | (1.6)       | 5.1         | 8.7         | 14.6        | (10.2)       | 6.8          |
| <b>EBITDA</b>             | <b>7.7</b>  | <b>5.5</b>  | <b>9.0</b>  | <b>8.4</b>  | <b>7.3</b>  | <b>7.2</b>  | <b>10.6</b> | <b>12.3</b> | <b>30.6</b>  | <b>37.4</b>  |
| Margin (%)                | 14.8        | 12.4        | 18.4        | 15.5        | 14.3        | 15.5        | 19.7        | 19.9        | 15.3         | 17.5         |
| Depreciation              | 2.0         | 2.1         | 2.3         | 2.3         | 2.3         | 2.3         | 2.3         | 2.3         | 8.8          | 9.2          |
| Interest                  | 0.3         | 0.3         | 0.3         | 0.7         | 0.6         | 0.5         | 0.3         | 0.3         | 1.5          | 1.6          |
| Other Income              | 0.8         | 2.1         | 0.8         | 1.2         | 1.1         | 1.1         | 1.2         | 1.2         | 4.9          | 4.5          |
| <b>PBT before EO Item</b> | <b>6.2</b>  | <b>5.2</b>  | <b>7.2</b>  | <b>6.6</b>  | <b>5.6</b>  | <b>5.5</b>  | <b>9.1</b>  | <b>10.8</b> | <b>25.2</b>  | <b>31.0</b>  |
| EO Income/(Expense)       | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>PBT after EO Item</b>  | <b>6.2</b>  | <b>5.2</b>  | <b>7.2</b>  | <b>6.6</b>  | <b>5.6</b>  | <b>5.5</b>  | <b>9.1</b>  | <b>10.8</b> | <b>25.2</b>  | <b>31.0</b>  |
| Tax                       | 1.6         | 1.3         | 1.9         | -0.9        | 1.4         | 1.4         | 2.3         | 2.7         | 3.9          | 7.8          |
| Rate (%)                  | 25.5        | 25.5        | 26.6        | (13.2)      | 25.0        | 25.0        | 25.0        | 25.0        | 15.7         | 25.0         |
| <b>Reported PAT</b>       | <b>4.6</b>  | <b>3.8</b>  | <b>5.3</b>  | <b>7.5</b>  | <b>4.2</b>  | <b>4.2</b>  | <b>6.8</b>  | <b>8.1</b>  | <b>21.2</b>  | <b>23.3</b>  |
| <b>Adjusted PAT</b>       | <b>4.6</b>  | <b>3.8</b>  | <b>5.3</b>  | <b>4.9</b>  | <b>4.2</b>  | <b>4.2</b>  | <b>6.8</b>  | <b>8.1</b>  | <b>18.7</b>  | <b>23.3</b>  |
| Margin (%)                | 8.9         | 8.7         | 10.7        | 9.1         | 8.1         | 8.9         | 12.7        | 13.2        | 9.4          | 10.9         |
| Change (YoY %)            | 108.8       | NM          | 212.1       | 72.0        | (10.2)      | 8.2         | 29.0        | 65.6        | 88.7         | 24.6         |

**Ambuja Cements****Neutral****CMP: INR692 | TP: INR720 (+4%)****EPS CHANGE (%): FY25|26: -9.1|-3.3**

- Standalone sales volume to increase 3% YoY. Consolidated volume to rise ~8% YoY.
- EBITDA/t is expected to be INR774 vs. INR1,045/INR837 in 1QFY24/4QFY24.
- We expect realization to decline 4% YoY. Opex/t is likely to increase 1% YoY.
- Other income to increase 6% YoY. Adj. PAT is estimated to decline 26% YoY.

**Standalone quarterly performance****(INR b)**

| Y/E December/March                 | FY24        |             |             |             | FY25        |             |             |             | FY24         | FY25E        |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                                    | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Sales Volume (mt)                  | 9.08        | 7.58        | 8.20        | 9.53        | 9.34        | 8.41        | 9.41        | 10.68       | 34.40        | 37.84        |
| Change (YoY %)                     | 23          | 8           | 6           | 18          | 3           | 11          | 15          | 12          | 14           | 10           |
| Realization (INR/t)                | 5,209       | 5,235       | 5,414       | 5,016       | 4,986       | 5,066       | 5,246       | 5,196       | 5,138        | 5,078        |
| Change (YoY %)                     | (4)         | 0           | 1           | (5)         | (4)         | (3)         | (3)         | 4           | (2)          | (1)          |
| <b>Net Sales</b>                   | <b>47.3</b> | <b>39.7</b> | <b>44.4</b> | <b>47.8</b> | <b>46.6</b> | <b>42.6</b> | <b>49.4</b> | <b>56.2</b> | <b>179.2</b> | <b>194.7</b> |
| Change (YoY %)                     | 18.4        | 8.0         | 7.5         | 12.3        | -1.5        | 7.3         | 11.2        | 17.5        | -10.3        | 8.7          |
| <b>EBITDA</b>                      | <b>9.5</b>  | <b>7.7</b>  | <b>8.5</b>  | <b>8.0</b>  | <b>7.2</b>  | <b>6.3</b>  | <b>10.1</b> | <b>13.5</b> | <b>33.7</b>  | <b>37.1</b>  |
| Margin (%)                         | 20.1        | 19.5        | 19.2        | 16.7        | 15.5        | 14.8        | 20.5        | 24.0        | 18.8         | 19.1         |
| Depreciation                       | 2.3         | 2.3         | 2.3         | 2.4         | 2.5         | 2.5         | 2.6         | 2.7         | 9.4          | 10.3         |
| Interest                           | 0.4         | 0.4         | 0.5         | 0.3         | 0.3         | 0.4         | 0.3         | 0.2         | 1.6          | 1.2          |
| Other Income                       | 1.9         | 3.8         | 1.1         | 1.8         | 2.0         | 4.1         | 1.7         | 1.7         | 8.5          | 9.6          |
| <b>PBT before EO Item</b>          | <b>8.7</b>  | <b>8.8</b>  | <b>6.8</b>  | <b>7.0</b>  | <b>6.4</b>  | <b>7.5</b>  | <b>9.0</b>  | <b>12.3</b> | <b>31.2</b>  | <b>35.2</b>  |
| Extraordinary Inc./ (Exp.)         | 0.0         | 0.0         | 0.0         | -0.2        | 0.0         | 0.0         | 0.0         | 0.0         | -0.2         | 0.0          |
| <b>PBT after EO Exp./ (Inc.)</b>   | <b>8.7</b>  | <b>8.8</b>  | <b>6.8</b>  | <b>6.8</b>  | <b>6.4</b>  | <b>7.5</b>  | <b>9.0</b>  | <b>12.3</b> | <b>31.1</b>  | <b>35.2</b>  |
| Tax                                | 2.2         | 2.4         | 1.7         | 1.5         | 1.6         | 1.9         | 2.3         | 2.9         | 7.7          | 8.7          |
| Prior period tax adj. and reversal | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| Rate (%)                           | 25.6        | 26.8        | 24.5        | 21.8        | 25.6        | 25.6        | 25.6        | 23.5        | 24.9         | 24.9         |
| <b>Reported Profit</b>             | <b>6.4</b>  | <b>6.4</b>  | <b>5.1</b>  | <b>5.3</b>  | <b>4.8</b>  | <b>5.6</b>  | <b>6.7</b>  | <b>9.4</b>  | <b>23.3</b>  | <b>26.4</b>  |
| <b>Adj. PAT</b>                    | <b>6.4</b>  | <b>6.4</b>  | <b>5.1</b>  | <b>5.4</b>  | <b>4.8</b>  | <b>5.6</b>  | <b>6.7</b>  | <b>9.4</b>  | <b>23.5</b>  | <b>26.4</b>  |
| Change (YoY %)                     | (28.2)      | 328.5       | 23.8        | (3.3)       | (26.0)      | (12.9)      | 29.7        | 72.4        | (6.9)        | 12.6         |

**Birla Corporation****Buy****CMP: INR1,584 | TP: INR1,970 (+24%)****EPS CHANGE (%): FY25|26: -6.9|-2.0**

- Estimate a volume growth of 4% YoY. Realization is expected to decline 2% YoY/QoQ each.
- Variable cost/t is estimated to decline 10% YoY and opex/t is estimated to decline 4% YoY.
- Expect EBITDA/t at INR758 vs. INR675/INR974 in 1QFY24/4QFY24.
- Interest cost is estimated to decline 13% YoY. Its adj. PAT is estimated to jump 58% YoY.

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

| Y/E March                         | FY24        |             |             |             | FY25        |             |             |             | FY24        | FY25E        |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|                                   | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |             |              |
| Sales volume (mt)                 | 4.41        | 4.18        | 4.20        | 4.85        | 4.59        | 4.35        | 4.41        | 5.06        | 17.65       | 18.40        |
| Change (YoY %)                    | 12.2        | 14.8        | 12.9        | 9.2         | 4.0         | 4.0         | 5.0         | 4.3         | 12.2        | 4.2          |
| Cement Realization (INR/t)        | 5,229       | 5,211       | 5,316       | 5,218       | 5,118       | 5,188       | 5,263       | 5,283       | 5,239       | 5,214        |
| Change (YoY %)                    | (2.2)       | 1.2         | 2.7         | (1.2)       | (2.1)       | (0.5)       | (1.0)       | 1.3         | (0.0)       | (0.5)        |
| <b>Net Sales</b>                  | <b>24.1</b> | <b>22.9</b> | <b>23.1</b> | <b>26.6</b> | <b>24.5</b> | <b>23.7</b> | <b>24.1</b> | <b>28.0</b> | <b>96.6</b> | <b>100.4</b> |
| Change (YoY %)                    | 9.3         | 14.3        | 14.7        | 7.9         | 1.9         | 3.7         | 4.2         | 5.5         | 11.3        | 3.9          |
| <b>EBITDA</b>                     | <b>3.0</b>  | <b>2.9</b>  | <b>3.8</b>  | <b>4.7</b>  | <b>3.5</b>  | <b>3.5</b>  | <b>3.7</b>  | <b>5.0</b>  | <b>14.4</b> | <b>15.7</b>  |
| Margin (%)                        | 12.4        | 12.6        | 16.4        | 17.8        | 14.2        | 14.7        | 15.5        | 17.8        | 14.9        | 15.7         |
| Depreciation                      | 1.4         | 1.4         | 1.4         | 1.5         | 1.5         | 1.5         | 1.5         | 1.6         | 5.8         | 6.2          |
| Interest                          | 1.0         | 1.0         | 1.0         | 0.8         | 0.9         | 0.8         | 0.8         | 0.9         | 3.7         | 3.4          |
| Other Income                      | 0.2         | 0.3         | 0.2         | 0.3         | 0.2         | 0.2         | 0.2         | 0.3         | 0.9         | 1.0          |
| <b>Profit before Tax</b>          | <b>0.8</b>  | <b>0.8</b>  | <b>1.5</b>  | <b>2.7</b>  | <b>1.3</b>  | <b>1.3</b>  | <b>1.6</b>  | <b>2.8</b>  | <b>5.7</b>  | <b>7.1</b>   |
| EO (Income)/Expense               | -           | 0.0         | -           | (0.1)       | -           | -           | -           | -           | (0.1)       | -            |
| <b>Profit before Tax after EO</b> | <b>0.8</b>  | <b>0.8</b>  | <b>1.5</b>  | <b>2.7</b>  | <b>1.3</b>  | <b>1.3</b>  | <b>1.6</b>  | <b>2.8</b>  | <b>5.8</b>  | <b>7.1</b>   |
| Tax                               | 0.2         | 0.2         | 0.4         | 0.8         | 0.4         | 0.4         | 0.4         | 0.8         | 1.6         | 1.9          |
| Rate (%)                          | 21.7        | 24.3        | 28.9        | 29.2        | 27.5        | 27.5        | 27.5        | 27.5        | 27.5        | 27.5         |
| <b>Reported PAT</b>               | <b>0.6</b>  | <b>0.6</b>  | <b>1.1</b>  | <b>1.9</b>  | <b>0.9</b>  | <b>1.0</b>  | <b>1.2</b>  | <b>2.1</b>  | <b>4.2</b>  | <b>5.1</b>   |
| <b>Adj. PAT</b>                   | <b>0.6</b>  | <b>0.6</b>  | <b>1.1</b>  | <b>1.9</b>  | <b>0.9</b>  | <b>1.0</b>  | <b>1.2</b>  | <b>2.1</b>  | <b>4.2</b>  | <b>5.1</b>   |
| Margin (%)                        | 2.5         | 2.6         | 4.7         | 7.1         | 3.8         | 4.1         | 4.8         | 7.4         | 4.3         | 5.1          |
| Change (YoY %)                    | (16.2)      | NM          | NM          | 164.6       | 57.8        | 66.9        | 6.7         | 9.4         | 1,052.2     | 23.7         |

**Dalmia Bharat****Buy****CMP: INR1,839 | TP: INR2,300 (+25%)****EPS CHANGE (%): FY25|26: +0.8|-5.2**

- Estimate sales volume to grow 9% YoY. Realization to decline 8% YoY.
- Estimate variable cost/t to decline 7% YoY. Opex/t is likely to decline 6% YoY.
- Estimate EBITDA/t to be INR712 vs. INR875/INR743 in 1QFY24/4QFY24.
- Depreciation is estimated to decline 15% YoY. Adj. PAT is estimated to dip 20% YoY.

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

| Y/E March                          | FY24        |             |             |             | FY25        |             |             |             | FY24         | FY25E        |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                                    | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Sales volume (mt)                  | 7.0         | 6.2         | 6.8         | 8.8         | 7.6         | 6.8         | 7.7         | 9.5         | 28.8         | 31.5         |
| Change (YoY %)                     | 12.4        | 6.9         | 7.9         | 18.9        | 8.6         | 9.9         | 13.2        | 7.5         | 12.1         | 9.5          |
| Realization (INR/t)                | 5,209       | 5,079       | 5,300       | 4,894       | 4,794       | 4,919       | 5,019       | 5,127       | 5,101        | 4,976        |
| Change (YoY %)                     | -2.2        | -0.8        | -0.5        | -7.4        | -8.0        | -3.1        | -5.3        | 4.8         | -3.2         | -2.5         |
| <b>Net Sales</b>                   | <b>36.3</b> | <b>31.5</b> | <b>36.0</b> | <b>43.1</b> | <b>36.3</b> | <b>33.5</b> | <b>38.6</b> | <b>48.5</b> | <b>146.9</b> | <b>156.9</b> |
| Change (YoY %)                     | 10.0        | 6.0         | 7.4         | 10.1        | -0.1        | 6.4         | 7.2         | 12.6        | 8.5          | 6.8          |
| <b>EBITDA</b>                      | <b>6.2</b>  | <b>5.9</b>  | <b>7.8</b>  | <b>6.5</b>  | <b>5.4</b>  | <b>5.3</b>  | <b>7.3</b>  | <b>10.7</b> | <b>26.4</b>  | <b>28.7</b>  |
| Margin (%)                         | 17.0        | 18.7        | 21.6        | 15.2        | 14.9        | 15.8        | 19.0        | 22.0        | 18.0         | 18.3         |
| Depreciation                       | 4.0         | 4.0         | 3.7         | 3.3         | 3.4         | 3.4         | 3.5         | 3.6         | 15.0         | 13.9         |
| Interest                           | 0.8         | 1.0         | 1.1         | 0.9         | 1.0         | 1.0         | 1.0         | 1.1         | 3.9          | 4.1          |
| Other Income                       | 0.5         | 0.9         | 0.6         | 1.2         | 0.6         | 0.5         | 0.6         | 1.3         | 3.2          | 3.0          |
| <b>PBT before EO Expense</b>       | <b>1.9</b>  | <b>1.7</b>  | <b>3.6</b>  | <b>3.5</b>  | <b>1.6</b>  | <b>1.4</b>  | <b>3.4</b>  | <b>7.3</b>  | <b>10.7</b>  | <b>13.7</b>  |
| Extra-Ord. expense                 | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>PBT after EO Expense</b>        | <b>1.9</b>  | <b>1.7</b>  | <b>3.6</b>  | <b>3.5</b>  | <b>1.6</b>  | <b>1.4</b>  | <b>3.4</b>  | <b>7.3</b>  | <b>10.7</b>  | <b>13.7</b>  |
| Tax                                | 0.4         | 0.5         | 1.0         | 0.3         | 0.4         | 0.4         | 0.9         | 1.8         | 2.2          | 3.5          |
| Prior period tax adj.              | 0.0         | 0.0         | 0.1         | -0.6        | 0.0         | 0.0         | 0.0         | 0.0         | -0.6         | 0.0          |
| Rate (%)                           | 22.2        | 27.9        | 24.7        | 26.7        | 25.6        | 25.6        | 25.6        | 25.3        | 15.0         | 25.4         |
| <b>Reported PAT (pre-minority)</b> | <b>1.4</b>  | <b>1.2</b>  | <b>2.7</b>  | <b>3.2</b>  | <b>1.2</b>  | <b>1.0</b>  | <b>2.5</b>  | <b>5.5</b>  | <b>8.5</b>   | <b>10.2</b>  |
| Minority + associate               | 0.1         | 0.1         | 0.0         | 0.1         | 0.1         | 0.1         | 0.0         | 0.1         | 0.3          | 0.3          |
| <b>PAT Adj. for EO items</b>       | <b>1.3</b>  | <b>1.2</b>  | <b>2.7</b>  | <b>2.5</b>  | <b>1.0</b>  | <b>1.0</b>  | <b>2.5</b>  | <b>5.4</b>  | <b>7.7</b>   | <b>9.9</b>   |
| Change (YoY %)                     | -33.3       | 325.0       | 33.8        | -3.1        | -19.6       | -17.6       | -7.1        | 111.9       | 12.6         | 28.2         |

## Grasim Industries

Buy

CMP: INR2,743 | TP: INR3,150 (+15%)

EPS CHANGE (%): FY25|26: -0.9|-1.9

- Expect revenue for the VSF/Chemical segments to increase 6%/5% YoY.
- EBITDA for the VSF segment is expected to grow 22% YoY and OPM is likely to improve 1.6pp YoY to 12.5%.
- Chemical segment's EBITDA is expected to decline 17% YoY, and OPM to contract 3.5pp YoY to 13.2%.
- Expect blended EBITDA/kg at INR21.4 for the VSF segment vs. INR19.9/INR21.1 in 1QFY24/4QFY24.
- Standalone EBITDA is likely to decline 15% YoY to INR5.7b and OPM is estimated to contract 2.5pp YoY to 8.0%.
- Interest/depreciation are estimated to increase 79%/31% YoY. Adjusted profit to decrease 71% YoY to INR1.0b.

## Standalone performance

| Y/E March                     | FY24   |        |      |        | FY25   |      |      |      | FY24   | FY25E |
|-------------------------------|--------|--------|------|--------|--------|------|------|------|--------|-------|
|                               | 1Q     | 2Q     | 3Q   | 4Q     | 1QE    | 2QE  | 3QE  | 4QE  |        |       |
| Net Sales                     | 62.4   | 64.4   | 64.0 | 67.7   | 69.0   | 73.3 | 80.2 | 83.2 | 258.5  | 305.8 |
| Change (YoY %)                | (14.0) | (4.5)  | 3.3  | 1.8    | 10.7   | 13.9 | 25.3 | 22.9 | (3.7)  | 18.3  |
| EBITDA                        | 6.7    | 5.9    | 5.2  | 5.3    | 5.7    | 6.2  | 7.2  | 7.5  | 23.2   | 26.7  |
| Margin (%)                    | 10.8   | 9.2    | 8.2  | 7.8    | 8.3    | 8.5  | 9.0  | 9.0  | 9.0    | 8.7   |
| Depreciation                  | 2.9    | 2.9    | 3.0  | 3.4    | 3.8    | 3.8  | 3.9  | 4.0  | 12.2   | 15.4  |
| Interest                      | 1.1    | 1.1    | 1.1  | 1.2    | 1.9    | 1.9  | 1.9  | 2.0  | 4.4    | 7.7   |
| Other Income                  | 1.2    | 7.6    | 1.2  | 2.6    | 1.2    | 11.6 | 1.5  | 1.7  | 12.6   | 15.9  |
| PBT before EO Items           | 4.0    | 9.6    | 2.4  | 3.3    | 1.3    | 12.1 | 2.9  | 3.2  | 19.2   | 19.5  |
| Extraordinary Inc./ (Exp.)    | -      | -      | -    | (7.2)  | -      | -    | -    | -    | (7.2)  | -     |
| PBT after EO Items            | 4.0    | 9.6    | 2.4  | -3.9   | 1.3    | 12.1 | 2.9  | 3.2  | 12.0   | 19.5  |
| Tax                           | 0.4    | 1.6    | 0.0  | 0.5    | 0.2    | 2.3  | 0.6  | 0.6  | 2.6    | 3.7   |
| Rate (%)                      | 10.2   | 16.8   | 1.2  | (13.5) | 19.0   | 19.0 | 19.0 | 19.0 | 21.3   | 19.0  |
| Reported PAT                  | 3.6    | 7.9    | 2.4  | -4.4   | 1.0    | 9.8  | 2.4  | 2.6  | 9.5    | 15.8  |
| Prior period tax/DTL reversal | -      | -      | -    | -      | -      | -    | -    | -    | -      | -     |
| Adj. PAT                      | 3.6    | 7.9    | 2.4  | 2.3    | 1.0    | 9.8  | 2.4  | 2.6  | 16.2   | 15.8  |
| Margin (%)                    | 5.7    | 12.3   | 3.7  | 3.4    | 1.5    | 13.3 | 3.0  | 3.2  | 6.3    | 5.2   |
| Change (YoY %)                | (56.1) | (22.9) | 46.9 | 145.3  | (71.4) | 23.0 | 0.3  | 14.3 | (22.8) | (2.3) |

## India Cements

Sell

CMP: INR284 | TP: INR180 (-44%)

EPS CHANGE (%): FY25|26: NA|-9.1

- Expect sales volume to decline 15% YoY and blended realization to decline 3% YoY.
- Expect blended EBITDA/t of INR127 vs. INR19/INR192 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 11% YoY. Opex/t is estimated to decrease 5% YoY.
- ICEM to report a net loss of INR543m vs. a loss of INR753m/INR435m in 1QFY24/4QFY24.

## Standalone performance

| Y/E March             | FY24  |       |        |        | FY25   |       |       |       | FY24  | FY25E |
|-----------------------|-------|-------|--------|--------|--------|-------|-------|-------|-------|-------|
|                       | 1Q    | 2Q    | 3Q     | 4Q     | 1QE    | 2QE   | 3QE   | 4QE   |       |       |
| Sales volume (mt)     | 2.7   | 2.4   | 2.0    | 2.4    | 2.3    | 2.5   | 2.1   | 2.7   | 9.5   | 9.6   |
| Change (YoY %)        | (0.2) | 5.1   | (9.0)  | (12.5) | (15.0) | 5.0   | 8.0   | 12.8  | (4.4) | 2.0   |
| Realization (INR/t)   | 5,225 | 5,157 | 5,450  | 5,112  | 5,084  | 5,155 | 5,419 | 5,397 | 5,226 | 5,266 |
| Change (YoY %)        | (3.5) | (7.4) | (2.5)  | (2.5)  | (2.7)  | (0.0) | (0.6) | 5.6   | (3.9) | 0.8   |
| Net Sales             | 13.9  | 12.2  | 10.8   | 12.5   | 11.5   | 12.8  | 11.6  | 14.8  | 49.4  | 50.8  |
| Change (YoY %)        | (3.7) | (2.6) | (11.3) | (14.7) | (17.3) | 5.0   | 7.4   | 19.1  | (8.1) | 2.8   |
| EBITDA                | 0.1   | 0.1   | 0.5    | 0.5    | 0.3    | 0.3   | 1.0   | 1.7   | 1.1   | 3.3   |
| Margin (%)            | 0.4   | 0.7   | 4.5    | 3.8    | 2.5    | 2.6   | 8.8   | 11.3  | 2.2   | 6.5   |
| Depreciation          | 0.5   | 0.5   | 0.6    | 0.6    | 0.6    | 0.6   | 0.6   | 0.6   | 2.2   | 2.3   |
| Interest              | 0.6   | 0.6   | 0.6    | 0.6    | 0.6    | 0.6   | 0.6   | 0.6   | 2.4   | 2.3   |
| Other Income          | 0.1   | 0.1   | 0.2    | 0.2    | 0.1    | 0.1   | 0.1   | 0.1   | 0.5   | 0.5   |
| PBT before EO expense | (1.0) | (1.0) | (0.5)  | (0.5)  | (0.7)  | (0.7) | 0.0   | 0.6   | (3.0) | (0.8) |
| Extra-Ord. expense    | -     | -     | (0.3)  | (0.2)  | -      | -     | -     | -     | (0.4) | -     |
| PBT                   | (1.0) | (1.0) | (0.2)  | (0.3)  | (0.7)  | (0.7) | 0.0   | 0.6   | (2.5) | (0.8) |
| Tax                   | (0.2) | (0.2) | (0.1)  | (0.0)  | (0.2)  | (0.2) | 0.0   | 0.2   | (0.5) | (0.2) |
| Rate (%)              | 23.9  | 17.6  | 31.3   | 10.9   | 25.7   | 25.7  | 25.7  | 25.7  | 20.5  | 25.7  |
| Reported PAT          | (0.8) | (0.8) | (0.2)  | (0.3)  | (0.5)  | (0.5) | 0.0   | 0.5   | (2.0) | (0.6) |
| Tax                   | -     | -     | -      | -      | -      | -     | -     | -     | -     | -     |
| Adj. PAT              | (0.8) | (0.8) | (0.3)  | (0.4)  | (0.5)  | (0.5) | 0.0   | 0.5   | (2.3) | (0.6) |
| Change (YoY %)        | NM    | NM    | NM     | NM     | NM     | NM    | NM    | NM    | NM    | NM    |
| Margin (%)            | (5.4) | (6.7) | (3.2)  | (3.5)  | (4.7)  | (4.0) | 0.2   | 3.2   | (4.7) | (1.1) |

**JK Cement****Buy****CMP: INR4,329 | TP: INR5,300 (+22%)****EPS CHANGE (%): FY25|26: -8.8|-9.7**

- Estimate JKCE's volume to grow 7% YoY. Blended realization is estimated to decline 2% YoY.
- Estimate EBITDA/t at INR949 vs. INR881/INR1,077 in 1QFY24/4QFY24.
- Opex/t is estimated to decline 4% YoY. Variable cost/t is likely to dip 13% YoY.
- Depreciation/interest costs to increase 15%/8% YoY. Adj. PAT is estimated to increase 21% YoY.

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

| Y/E March                    | FY24        |             |             |             | FY25        |             |             |             | FY24         | FY25E        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                              | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Sales volume (mt)            | 4.6         | 4.5         | 4.7         | 5.2         | 4.9         | 4.9         | 5.3         | 5.7         | 19.07        | 20.84        |
| Change (YoY %)               | 25.4        | 24.5        | 13.5        | 11.3        | 6.7         | 8.1         | 12.4        | 9.8         | 17.5         | 9.3          |
| Realization (INR/t)          | 5,968       | 6,068       | 6,238       | 5,974       | 5,819       | 6,066       | 6,065       | 5,713       | 6,060        | 5,910        |
| Change (YoY %)               | (2.9)       | (1.1)       | 6.1         | 0.5         | (2.5)       | (0.0)       | (2.8)       | (4.4)       | 1.2          | (2.5)        |
| <b>Net Sales</b>             | <b>27.6</b> | <b>27.5</b> | <b>29.3</b> | <b>31.1</b> | <b>28.7</b> | <b>29.7</b> | <b>32.1</b> | <b>32.6</b> | <b>115.6</b> | <b>123.2</b> |
| Change (YoY %)               | 21.7        | 23.1        | 20.5        | 11.8        | 4.0         | 8.1         | 9.3         | 5.0         | 18.9         | 6.6          |
| <b>EBITDA</b>                | <b>4.1</b>  | <b>4.7</b>  | <b>6.3</b>  | <b>5.6</b>  | <b>4.7</b>  | <b>5.2</b>  | <b>6.0</b>  | <b>7.0</b>  | <b>20.6</b>  | <b>22.9</b>  |
| Margin (%)                   | 14.8        | 17.0        | 21.3        | 18.0        | 16.3        | 17.6        | 18.7        | 21.4        | 17.8         | 18.6         |
| Depreciation                 | 1.3         | 1.4         | 1.4         | 1.5         | 1.6         | 1.6         | 1.6         | 1.9         | 5.7          | 6.6          |
| Interest                     | 1.1         | 1.2         | 1.1         | 1.1         | 1.2         | 1.2         | 1.2         | 1.1         | 4.5          | 4.7          |
| Other Income                 | 0.3         | 0.3         | 0.4         | 0.5         | 0.3         | 0.3         | 0.3         | 0.7         | 1.5          | 1.6          |
| <b>PBT before EO expense</b> | <b>2.0</b>  | <b>2.4</b>  | <b>4.1</b>  | <b>3.4</b>  | <b>2.3</b>  | <b>2.8</b>  | <b>3.5</b>  | <b>4.7</b>  | <b>11.9</b>  | <b>13.2</b>  |
| Extra-Ord. expense           | 0.2         | -           | -           | (0.1)       | -           | -           | -           | -           | 0.1          | -            |
| <b>PBT</b>                   | <b>1.8</b>  | <b>2.4</b>  | <b>4.1</b>  | <b>3.5</b>  | <b>2.3</b>  | <b>2.8</b>  | <b>3.5</b>  | <b>4.7</b>  | <b>11.8</b>  | <b>13.2</b>  |
| Tax                          | 0.7         | 0.7         | 1.3         | 1.3         | 0.8         | 0.9         | 1.2         | 2.2         | 3.9          | 5.1          |
| Profit from associate and MI | (0.0)       | (0.0)       | (0.0)       | (0.0)       | -           | -           | -           | -           | (0.0)        | -            |
| Rate (%)                     | 37.2        | 26.9        | 30.6        | 36.7        | 33.6        | 33.6        | 33.6        | 46.7        | 32.4         | 38.2         |
| <b>Reported PAT</b>          | <b>1.1</b>  | <b>1.8</b>  | <b>2.8</b>  | <b>2.2</b>  | <b>1.5</b>  | <b>1.8</b>  | <b>2.3</b>  | <b>2.5</b>  | <b>8.0</b>   | <b>8.2</b>   |
| <b>Adj. PAT</b>              | <b>1.2</b>  | <b>1.8</b>  | <b>2.8</b>  | <b>2.1</b>  | <b>1.5</b>  | <b>1.8</b>  | <b>2.3</b>  | <b>2.5</b>  | <b>8.0</b>   | <b>8.2</b>   |
| Change (YoY %)               | (23.7)      | 59.8        | 628.0       | 90.3        | 20.8        | 1.9         | (17.3)      | 16.5        | 87.9         | 1.9          |

**JK Lakshmi****Buy****CMP: INR896 | TP: INR1,100 (+23%)****EPS CHANGE (%): FY25|26: -3.9|-9.6**

- Sales volume is expected to increase 2% YoY. Realization is likely to decline 6% YoY.
- EBITDA/t is estimated at INR802 vs. INR646/INR1,032 in 1QFY24/4QFY24.
- We expect opex/t to decline 9% YoY. Variable cost is likely to decline 14% YoY.
- Depreciation/interest costs to increase 28%/42% YoY. PAT is estimated to grow 27% YoY.

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

| Y/E March                    | FY24        |             |             |             | FY25        |             |             |              | FY24        | FY25E       |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
|                              | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE          |             |             |
| Sales volume (mt)            | 3.04        | 2.73        | 2.96        | 3.26        | 3.10        | 2.92        | 3.36        | 3.65         | 11.99       | 13.03       |
| Change (YoY %)               | 1.2         | 12.3        | 7.6         | 0.9         | 2.1         | 6.8         | 13.5        | 11.8         | 5           | 9           |
| Realization (INR/t)          | 5,699       | 5,763       | 5,753       | 5,459       | 5,379       | 5,439       | 5,539       | 5,561        | 5,662       | 5,485       |
| Change (YoY %)               | 3.4         | 2.1         | 1.3         | (5.2)       | (5.6)       | (5.6)       | (3.7)       | 1.9          | 0.2         | (3.1)       |
| <b>Net Sales</b>             | <b>17.3</b> | <b>15.7</b> | <b>17.0</b> | <b>17.8</b> | <b>16.7</b> | <b>15.9</b> | <b>18.6</b> | <b>20.3</b>  | <b>67.9</b> | <b>71.4</b> |
| Change (YoY %)               | 4.6         | 14.6        | 9.0         | (4.4)       | (3.6)       | 0.8         | 9.3         | 13.9         | 5.2         | 5.2         |
| <b>EBITDA</b>                | <b>2.0</b>  | <b>2.2</b>  | <b>3.0</b>  | <b>3.4</b>  | <b>2.5</b>  | <b>2.4</b>  | <b>3.3</b>  | <b>3.7</b>   | <b>10.5</b> | <b>11.9</b> |
| Margin (%)                   | 11.3        | 13.8        | 17.7        | 18.9        | 14.9        | 14.9        | 17.5        | 18.4         | 15.5        | 16.6        |
| Depreciation                 | 0.6         | 0.6         | 0.7         | 0.7         | 0.7         | 0.7         | 0.7         | 0.7          | 2.5         | 2.9         |
| Interest                     | 0.3         | 0.3         | 0.4         | 0.4         | 0.5         | 0.5         | 0.5         | 0.6          | 1.5         | 2.0         |
| Other Income                 | 0.1         | 0.1         | 0.2         | 0.3         | 0.2         | 0.2         | 0.2         | 0.2          | 0.7         | 0.8         |
| <b>PBT before EO expense</b> | <b>1.2</b>  | <b>1.4</b>  | <b>2.1</b>  | <b>2.5</b>  | <b>1.5</b>  | <b>1.4</b>  | <b>2.2</b>  | <b>2.7</b>   | <b>7.2</b>  | <b>7.7</b>  |
| Extra-Ord. expense           | -           | -           | (0.1)       | -           | -           | -           | -           | -            | (0.1)       | -           |
| <b>PBT</b>                   | <b>1.2</b>  | <b>1.4</b>  | <b>2.2</b>  | <b>2.5</b>  | <b>1.5</b>  | <b>1.4</b>  | <b>2.2</b>  | <b>2.7</b>   | <b>7.3</b>  | <b>7.7</b>  |
| Tax                          | 0.4         | 0.5         | 0.7         | 0.9         | 0.5         | 0.4         | 0.7         | 0.9          | 2.4         | 2.5         |
| Prior period tax adj.        | -           | -           | -           | -           | -           | -           | -           | -            | -           | -           |
| Rate (%)                     | 32.7        | 32.0        | 32.7        | 35.1        | 32.6        | 32.6        | 32.6        | 32.6         | 33.4        | 32.6        |
| <b>Reported PAT</b>          | <b>0.8</b>  | <b>1.0</b>  | <b>1.5</b>  | <b>1.6</b>  | <b>1.0</b>  | <b>0.9</b>  | <b>1.5</b>  | <b>1.8</b>   | <b>4.9</b>  | <b>5.2</b>  |
| <b>Adj. PAT</b>              | <b>0.0</b>  | <b>0.0</b>  | <b>0.1</b>  | <b>0.1</b>  | <b>0.1</b>  | <b>0.1</b>  | <b>0.1</b>  | <b>(0.0)</b> | <b>0.2</b>  | <b>0.3</b>  |
| Change (YoY %)               | <b>0.8</b>  | <b>0.9</b>  | <b>1.4</b>  | <b>1.6</b>  | <b>1.0</b>  | <b>0.9</b>  | <b>1.5</b>  | <b>1.8</b>   | <b>4.7</b>  | <b>5.2</b>  |

## The Ramco Cements

**Neutral**
**CMP: INR843 | TP: INR920 (+9%)**
**EPS CHANGE (%): FY25|26: -5.6|-2.1**

- Expect volume to rise 7% YoY. Realization to decline 8% YoY, due to weak pricing in the southern region.
- EBITDA/t is estimated at INR679 vs. INR794/INR760 in 1QFY24/4QFY24.
- Expect variable cost/t to decline 12% YoY. Opex/t is likely to decline 6% YoY.
- Depreciation/interest costs to increase 14%/12% YoY. PAT is estimated to decline 56% YoY.

### Quarterly performance

**(INR b)**

| Y/E March                    | FY24        |             |             |             | FY25        |             |             |             | FY24        | FY25E        |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|                              | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |             |              |
| Sales Volume (mt)            | 4.30        | 4.61        | 4.00        | 5.49        | 4.61        | 4.98        | 4.58        | 5.88        | 18.40       | 20.06        |
| Change (YoY %)               | 29.9        | 37.7        | 9.9         | 16.8        | 7.2         | 8.0         | 14.6        | 7.1         | 22.5        | 9.0          |
| Cement Realization (INR/t)   | 5,212       | 5,053       | 5,265       | 4,869       | 4,812       | 4,912       | 5,012       | 5,353       | 5,081       | 5,041        |
| Change (YoY %)               | (1.6)       | (3.8)       | (4.5)       | (10.9)      | (7.7)       | (2.8)       | (4.8)       | 9.9         | (5.6)       | (0.8)        |
| <b>Net Sales</b>             | <b>22.4</b> | <b>23.3</b> | <b>21.1</b> | <b>26.7</b> | <b>22.2</b> | <b>24.5</b> | <b>23.0</b> | <b>31.5</b> | <b>93.5</b> | <b>101.1</b> |
| Change (YoY %)               | 26.4        | 30.5        | 4.8         | 4.0         | (1.0)       | 5.0         | 9.0         | 17.8        | 14.9        | 8.1          |
| <b>EBITDA</b>                | <b>3.4</b>  | <b>4.0</b>  | <b>4.0</b>  | <b>4.2</b>  | <b>3.1</b>  | <b>4.3</b>  | <b>3.7</b>  | <b>7.4</b>  | <b>15.5</b> | <b>18.5</b>  |
| Margin (%)                   | 15.2        | 17.1        | 18.8        | 15.6        | 14.1        | 17.7        | 16.1        | 23.4        | 16.6        | 18.3         |
| Depreciation                 | 1.5         | 1.6         | 1.7         | 1.7         | 1.7         | 1.7         | 1.8         | 1.8         | 6.4         | 7.0          |
| Interest                     | 0.9         | 1.2         | 1.0         | 1.0         | 1.0         | 1.1         | 1.1         | 1.2         | 4.2         | 4.4          |
| Other Income                 | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.1         | 0.4         | 0.4          |
| <b>PBT before EO expense</b> | <b>1.1</b>  | <b>1.4</b>  | <b>1.3</b>  | <b>1.6</b>  | <b>0.5</b>  | <b>1.7</b>  | <b>0.9</b>  | <b>4.5</b>  | <b>5.4</b>  | <b>7.5</b>   |
| <b>PBT</b>                   | <b>1.1</b>  | <b>1.4</b>  | <b>1.3</b>  | <b>1.6</b>  | <b>0.5</b>  | <b>1.7</b>  | <b>0.9</b>  | <b>4.5</b>  | <b>5.4</b>  | <b>7.5</b>   |
| Tax                          | 0.3         | 0.4         | 0.4         | 0.4         | 0.1         | 0.5         | 0.3         | 1.2         | 1.5         | 2.1          |
| Prior year tax adj.          | -           | -           | -           | -           | -           | -           | -           | -           | -           | -            |
| Rate (%)                     | 27.0        | 26.7        | 30.8        | 25.2        | 28.0        | 28.0        | 28.0        | 27.2        | 27.3        | 27.5         |
| <b>Reported PAT</b>          | <b>0.8</b>  | <b>1.0</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>0.3</b>  | <b>1.2</b>  | <b>0.7</b>  | <b>3.3</b>  | <b>3.9</b>  | <b>5.5</b>   |
| <b>Adj. PAT</b>              | <b>0.8</b>  | <b>1.0</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>0.3</b>  | <b>1.2</b>  | <b>0.7</b>  | <b>3.3</b>  | <b>3.9</b>  | <b>5.5</b>   |
| Change (YoY %)               | (29.7)      | 783.2       | 38.6        | (20.4)      | (56.3)      | 19.5        | (29.4)      | 168.2       | 15.0        | 38.5         |
| Margin (%)                   | 3.5         | 4.3         | 4.4         | 4.5         | 1.6         | 4.9         | 2.9         | 10.3        | 4.2         | 5.4          |

## Shree Cement

**Neutral**
**CMP: INR27,672 | TP: INR30,000 (+8%)**
**EPS CHANGE (%): FY25|26: -1.3|+0.8**

- Expect volume to increase 7% YoY. Blended realization to decline 5% YoY.
- We estimate EBITDA/t at INR1,239 vs. INR1,046/INR1,393 in 1QFY24/4QFY24.
- Variable cost/t is estimated to decline 17% YoY. Opex/t is likely to decline 11% YoY.
- Depreciation is estimated to increase 69% YoY. Adj. PAT is estimated to decrease 6% YoY.

### Standalone quarterly performance

**(INR b)**

| Y/E March                   | FY24        |             |             |             | FY25        |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Sales Volume (mt)           | 8.92        | 8.20        | 8.89        | 9.53        | 9.55        | 8.93        | 9.96        | 10.26       | 35.53        | 38.70        |
| Change (YoY %)              | 18.8        | 9.9         | 10.7        | 8.0         | 7.1         | 8.9         | 12.0        | 7.7         | 11.7         | 8.9          |
| Blended Realization (INR/t) | 5,607       | 5,594       | 5,513       | 5,353       | 5,308       | 5,397       | 5,388       | 5,528       | 5,512        | 5,407        |
| Change (YoY %)              | 0.1         | 10.3        | 8.8         | -1.3        | -5.3        | -3.5        | -2.3        | 3.3         | 4.2          | -1.9         |
| <b>Net Sales</b>            | <b>50.0</b> | <b>45.8</b> | <b>49.0</b> | <b>51.0</b> | <b>50.7</b> | <b>48.2</b> | <b>53.6</b> | <b>56.7</b> | <b>195.9</b> | <b>209.2</b> |
| Change (YoY %)              | 18.9        | 21.3        | 20.4        | 6.6         | 1.4         | 5.1         | 9.4         | 11.2        | 16.3         | 6.8          |
| <b>EBITDA</b>               | <b>9.3</b>  | <b>8.7</b>  | <b>12.3</b> | <b>13.3</b> | <b>11.8</b> | <b>10.8</b> | <b>12.2</b> | <b>14.4</b> | <b>43.6</b>  | <b>49.3</b>  |
| Margin (%)                  | 18.7        | 19.0        | 25.2        | 26.0        | 23.3        | 22.5        | 22.8        | 25.4        | 22.3         | 23.6         |
| Depreciation                | 3.1         | 3.3         | 3.5         | 6.3         | 5.2         | 5.1         | 5.3         | 6.5         | 16.1         | 22.1         |
| Interest                    | 0.8         | 0.7         | 0.6         | 0.6         | 0.6         | 0.6         | 0.5         | 0.5         | 2.6          | 2.3          |
| Other Income                | 1.6         | 1.3         | 1.4         | 1.4         | 1.3         | 1.2         | 1.4         | 1.5         | 5.6          | 5.4          |
| <b>PBT before EO Exp.</b>   | <b>7.1</b>  | <b>6.0</b>  | <b>9.7</b>  | <b>7.7</b>  | <b>7.3</b>  | <b>6.3</b>  | <b>7.8</b>  | <b>8.9</b>  | <b>30.5</b>  | <b>30.3</b>  |
| Extra-Ord. Expense          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>PBT</b>                  | <b>7.1</b>  | <b>6.0</b>  | <b>9.7</b>  | <b>7.7</b>  | <b>7.3</b>  | <b>6.3</b>  | <b>7.8</b>  | <b>8.9</b>  | <b>30.5</b>  | <b>30.3</b>  |
| Tax                         | 1.3         | 1.1         | 2.3         | 1.1         | 1.9         | 1.6         | 2.0         | 2.3         | 5.8          | 7.7          |
| Rate (%)                    | 18.2        | 17.6        | 24.0        | 14.3        | 25.5        | 25.5        | 25.5        | 25.5        | 19.0         | 25.5         |
| <b>Reported PAT</b>         | <b>5.8</b>  | <b>4.9</b>  | <b>7.3</b>  | <b>6.6</b>  | <b>5.4</b>  | <b>4.7</b>  | <b>5.8</b>  | <b>6.6</b>  | <b>24.7</b>  | <b>22.6</b>  |
| Prior period Tax adjustment | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0          | 0.0          |
| <b>Adj. PAT</b>             | <b>5.8</b>  | <b>4.9</b>  | <b>7.3</b>  | <b>6.6</b>  | <b>5.4</b>  | <b>4.7</b>  | <b>5.8</b>  | <b>6.6</b>  | <b>24.7</b>  | <b>22.6</b>  |
| Change (YoY %)              | 84.2        | 159.1       | 165.3       | 68.8        | -6.4        | -3.9        | -20.8       | 0.0         | 110.3        | -8.4         |

## UltraTech Cement

Buy

CMP: INR11,847 | TP: INR13,300 (+12%)

EPS CHANGE (%): FY25|26: -2.8|+0.3

- Estimate sales volume (consolidated) to increase 5% YoY and blended realization to decline 3% YoY.
- RMC revenue is expected to increase 20% YoY. White cement revenue is likely to grow 3% YoY.
- We expect EBITDA/t at INR1,030 vs. INR1,018/INR1,173 in 1QFY24/4QFY24.
- Variable cost per tonne is estimated to decline 7% YoY. Expect opex/t to dip 4% YoY.
- EBITDA is estimated to grow 6% YoY and OPM to surge 75bp YoY to ~18%.
- Depreciation/Interest expenses are estimated to increase 12%/19% YoY. Adj. PAT to decline 8% YoY.

## Consolidated performance

(INR b)

|                              | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| Sales Volume (mt)            | 30.0         | 26.7         | 27.3         | 35.1         | 31.5         | 28.6         | 29.9         | 38.8         | 119.0        | 128.8        |
| Change (YoY %)               | 19.6         | 15.5         | 5.6          | 10.8         | 5.2          | 7.3          | 9.4          | 10.5         | 12.6         | 8.2          |
| Blended Realn. (INR/t)       | 5,920        | 5,999        | 6,127        | 5,821        | 5,746        | 5,762        | 5,918        | 5,888        | 5,957        | 5,832        |
| Change (YoY %)               | -2.2         | -0.2         | 2.1          | -1.2         | -2.9         | -4.0         | -3.4         | 1.2          | -0.4         | -2.1         |
| Change (QoQ %)               | 0.5          | 1.3          | 2.1          | -5.0         | -1.3         | 0.3          | 2.7          | -0.5         |              |              |
| <b>Net Sales</b>             | <b>177.4</b> | <b>160.1</b> | <b>167.4</b> | <b>204.2</b> | <b>181.1</b> | <b>165.0</b> | <b>176.9</b> | <b>228.3</b> | <b>709.1</b> | <b>751.3</b> |
| Change (YoY %)               | 17.0         | 15.3         | 7.9          | 9.4          | 2.1          | 3.0          | 5.7          | 11.8         | 12.1         | 6.0          |
| Total Expenditure            | 146.9        | 134.6        | 134.9        | 163.1        | 148.6        | 136.7        | 142.0        | 178.6        | 579.4        | 606.0        |
| <b>EBITDA</b>                | <b>30.5</b>  | <b>25.5</b>  | <b>32.5</b>  | <b>41.1</b>  | <b>32.5</b>  | <b>28.3</b>  | <b>34.9</b>  | <b>49.7</b>  | <b>129.7</b> | <b>145.3</b> |
| Margin (%)                   | 17.2         | 15.9         | 19.4         | 20.1         | 17.9         | 17.1         | 19.7         | 21.8         | 18.3         | 19.3         |
| Depreciation                 | 7.5          | 8.0          | 7.8          | 8.1          | 8.4          | 8.5          | 8.7          | 9.0          | 31.5         | 34.4         |
| Interest                     | 2.1          | 2.3          | 2.6          | 2.6          | 2.5          | 2.4          | 2.3          | 2.3          | 9.7          | 9.6          |
| Other Income                 | 1.7          | 1.7          | 1.4          | 1.4          | 1.7          | 1.7          | 1.6          | 1.8          | 6.2          | 6.7          |
| <b>PBT before EO expense</b> | <b>22.6</b>  | <b>16.9</b>  | <b>23.5</b>  | <b>31.7</b>  | <b>23.3</b>  | <b>19.0</b>  | <b>25.5</b>  | <b>40.2</b>  | <b>94.7</b>  | <b>108.0</b> |
| Extra-Ord. expense           | -            | -            | -            | 0.72         | -            | -            | -            | -            | 0.72         | -            |
| <b>PBT after EO Expense</b>  | <b>22.6</b>  | <b>16.9</b>  | <b>23.5</b>  | <b>31.0</b>  | <b>23.3</b>  | <b>19.0</b>  | <b>25.5</b>  | <b>40.2</b>  | <b>94.0</b>  | <b>108.0</b> |
| Tax                          | 5.8          | 4.1          | 5.8          | 8.5          | 7.8          | 6.3          | 8.5          | 4.7          | 24.2         | 27.3         |
| Prior period tax adjustment  | 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         | 33.3         | 33.3         | 33.3         | 11.8         | 25.7         | 25.3         |
| <b>Reported PAT</b>          | <b>16.9</b>  | <b>12.8</b>  | <b>17.7</b>  | <b>22.5</b>  | <b>15.5</b>  | <b>12.7</b>  | <b>17.0</b>  | <b>35.5</b>  | <b>69.8</b>  | <b>80.7</b>  |
| Minority Interest            | 0.0          | 0.0          | -0.1         | -0.1         | 0.0          | 0.0          | 0.0          | 0.0          | -0.2         | 0.0          |
| <b>Adj. PAT</b>              | <b>16.9</b>  | <b>12.8</b>  | <b>17.8</b>  | <b>23.1</b>  | <b>15.5</b>  | <b>12.7</b>  | <b>17.0</b>  | <b>35.4</b>  | <b>70.6</b>  | <b>80.7</b>  |
| Change (YoY %)               | 6.3          | 69.6         | 67.9         | 38.7         | -7.9         | -0.8         | -4.2         | 53.4         | 39.2         | 14.4         |

# Specialty Chemicals

## Company

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

## Green shoots visible; meaningful recovery still away

- Raw material prices have stabilized for most of the companies in 1QFY25 and the Red Sea issue is driving container and freight rates higher in the near term, which could boost realization in the near term for the sector. The lead time for both RM sourcing and supplies of finished goods has increased significantly. Companies could see aggressive restocking by customers, which augurs well for them in the short term.
- Volumes saw an uptick in the first two months of 1QFY25 vs. YoY, led by a pick-up in discretionary segments. Realization could still decline in double digits for most companies, which indicates that pricing pressure persists in the sector. The management teams of various companies have said that prices seem to have bottomed out, but meaningful recovery would only be seen in 2H.
- Prices of organic compounds such as Propylene (Korea)/Butadiene (Korea)/Benzene were flat/up 68%/up 14% YoY, while prices of Toluene (Korea) increased 6% YoY. Prices of other key materials, such as Acetic Acid/Aniline/Acetone were down 2%/up 2%/up 16% YoY. Prices of Phenol dipped 3% YoY, while prices of IPA were up 22% YoY. Prices of ACN were down 3% YoY. Blended Phenol and Acetone spreads stood at INR90/kg (down 3% YoY). Ammonia prices declined 23% YoY in 1QFY25.
- We estimate our coverage universe to report: 1) sales growth of 1% YoY, 2) an EBITDA contraction of 10% YoY, and 3) a PAT decline of 20% YoY in 1QFY25. EBITDAM may contract 240bp YoY (up 120bp QoQ). Margin contraction is anticipated to be the highest for FINEORG, NFIL and TTCH. PAT margin may dip 270bp YoY in 1QFY25.**
- Capacity expansion plans have 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 toward the US, the Middle East, and Africa in the long term, where cheaper feedstock is available. The valuation multiples of companies remain elevated. **We have a BUY rating on GALSURF, PI and VO.**

### Exhibit 1: Summary of quarterly earnings estimates

| Sector                     | CMP (INR) | RECO    | SALES (INR M)   |            |            | EBDITA (INR M) |             |            | NET PROFIT (INR M) |              |            |
|----------------------------|-----------|---------|-----------------|------------|------------|----------------|-------------|------------|--------------------|--------------|------------|
|                            |           |         | Jun-24          | Var % YoY  | Var % QoQ  | Jun-24         | Var % YoY   | Var % QoQ  | Jun-24             | Var % YoY    | Var % QoQ  |
| Alkyl Amines               | 2146      | Neutral | 3,760           | -8.2       | 5.4        | 699            | -5.5        | 1.5        | 407                | -18.2        | 5.9        |
| Atul                       | 6566      | Neutral | 12,154          | 2.8        | 0.3        | 1,676          | -8.0        | 13.6       | 777                | -23.8        | 32.2       |
| Clean Science              | 1514      | Neutral | 2,346           | 24.7       | 3.1        | 1,006          | 32.1        | 6.4        | 813                | 37.9         | 15.7       |
| Deepak Nitrite             | 2684      | Neutral | 18,611          | 5.2        | -12.5      | 2,773          | 32.2        | -7.9       | 1,759              | 17.3         | -10.2      |
| Fine Organic               | 5236      | Sell    | 5,339           | 0.3        | 2.4        | 1,246          | -18.0       | -5.8       | 941                | -17.6        | -10.1      |
| Galaxy Surfactants         | 2772      | Buy     | 9,725           | 3.3        | 4.7        | 1,106          | -10.2       | 8.8        | 663                | -11.9        | -14.5      |
| Navin Fluorine             | 3604      | Neutral | 4,790           | -2.5       | -20.4      | 830            | -27.3       | -24.6      | 391                | -36.4        | -44.4      |
| NOCIL                      | 285       | Neutral | 3,738           | -5.8       | 4.9        | 536            | -1.4        | 23.5       | 337                | 0.4          | -18.0      |
| P I Industries             | 3757      | Buy     | 21,970          | 15.0       | 26.2       | 5,602          | 19.8        | 26.8       | 3,989              | 4.2          | 8.0        |
| SRF                        | 2395      | Neutral | 32,860          | -1.6       | -7.9       | 6,471          | -10.1       | -9.1       | 3,074              | -19.8        | -29.8      |
| Tata Chemicals             | 1095      | Neutral | 39,462          | -6.4       | 13.6       | 6,505          | -37.6       | 46.8       | 1,795              | -65.2        | LP         |
| Vinati Organics            | 1942      | Buy     | 5,605           | 30.0       | 1.9        | 1,502          | 37.8        | 0.0        | 1,061              | 27.5         | 1.6        |
| <b>Chemicals-Specialty</b> |           |         | <b>1,60,361</b> | <b>1.4</b> | <b>2.4</b> | <b>29,951</b>  | <b>-9.9</b> | <b>9.1</b> | <b>16,008</b>      | <b>-20.4</b> | <b>9.3</b> |

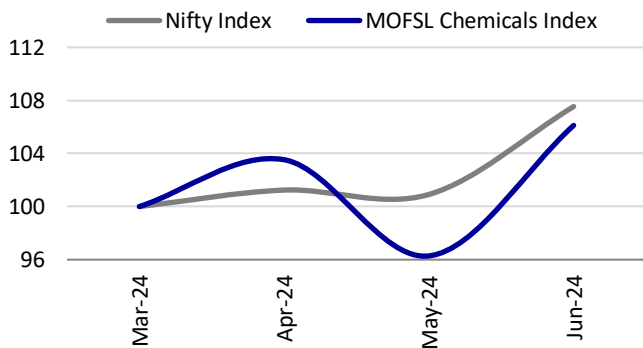
Aman Chowdhary – Research Analyst (Aman.Chowdhary@motilaloswal.com)

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com)

**Exhibit 2: Comparative valuations**

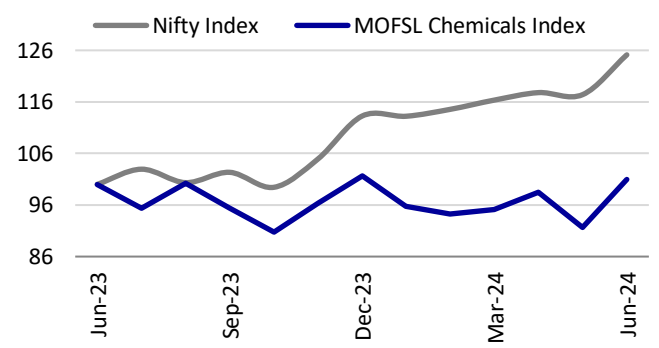
| Company Name               | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|----------------------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                            | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Chemicals-Specialty</b> |       |         |           |       |       | <b>42.0</b> | <b>40.5</b> | <b>32.1</b> | <b>4.4</b> | <b>4.3</b> | <b>3.9</b> | <b>10.4</b> | <b>10.7</b> | <b>12.1</b> |
| Alkyl Amines               | 2,146 | Neutral | 29.1      | 41.5  | 55.8  | 62.3        | 51.7        | 38.4        | 7.3        | 7.8        | 6.9        | 12.2        | 15.9        | 19.0        |
| Atul                       | 6,566 | Neutral | 103.4     | 117.2 | 162.0 | 55.5        | 56.0        | 40.5        | 3.3        | 3.6        | 3.3        | 6.2         | 6.6         | 8.5         |
| Clean Science              | 1,514 | Neutral | 23.0      | 30.4  | 34.4  | 57.8        | 49.8        | 44.1        | 11.7       | 10.8       | 8.9        | 22.1        | 24.0        | 22.2        |
| Deepak Nitrite             | 2,684 | Neutral | 55.1      | 69.2  | 77.3  | 38.5        | 38.8        | 34.7        | 6.0        | 6.5        | 5.6        | 16.9        | 18.1        | 17.3        |
| Fine Organic               | 5,236 | Sell    | 120.0     | 119.2 | 116.9 | 33.6        | 43.9        | 44.8        | 6.6        | 7.3        | 6.4        | 21.8        | 18.0        | 15.2        |
| Galaxy Surfactants         | 2,772 | Buy     | 85.0      | 97.7  | 115.0 | 26.7        | 28.4        | 24.1        | 3.7        | 4.0        | 3.6        | 14.8        | 15.0        | 15.8        |
| Navin Fluorine             | 3,604 | Neutral | 46.1      | 61.6  | 88.9  | 67.5        | 58.5        | 40.6        | 6.5        | 6.9        | 6.1        | 10.0        | 12.2        | 15.9        |
| NOCIL                      | 285   | Neutral | 7.9       | 10.2  | 13.0  | 31.6        | 27.9        | 21.9        | 2.5        | 2.7        | 2.5        | 8.1         | 9.8         | 11.7        |
| P I Industries             | 3,757 | Buy     | 110.6     | 111.9 | 131.9 | 35.0        | 33.6        | 28.5        | 6.7        | 5.6        | 4.7        | 21.1        | 17.9        | 17.9        |
| SRF                        | 2,395 | Neutral | 47.5      | 53.7  | 71.5  | 53.9        | 44.6        | 33.5        | 6.6        | 5.6        | 5.0        | 13.0        | 13.3        | 15.8        |
| Tata Chemicals             | 1,095 | Neutral | 36.1      | 33.5  | 51.3  | 29.9        | 32.7        | 21.3        | 1.2        | 1.2        | 1.2        | 4.4         | 3.8         | 5.6         |
| Vinati Organics            | 1,942 | Buy     | 31.2      | 42.7  | 52.0  | 47.2        | 45.5        | 37.4        | 6.2        | 7.2        | 6.2        | 13.8        | 16.8        | 17.9        |

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



Source: Bloomberg, MOFSL

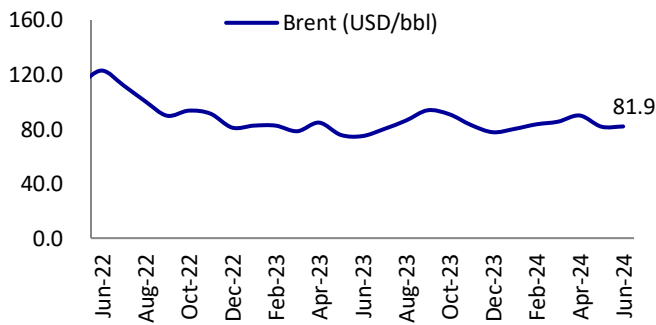
**Exhibit 4: Relative performance – one-year (%)**



Source: Bloomberg, MOFSL

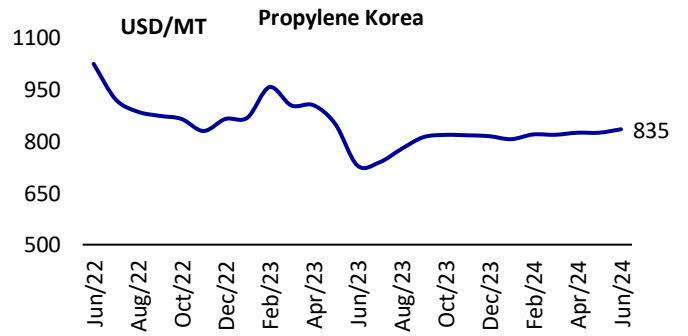
**Trends in key RM and product prices**

**Exhibit 5: Brent crude price up 9% YoY**



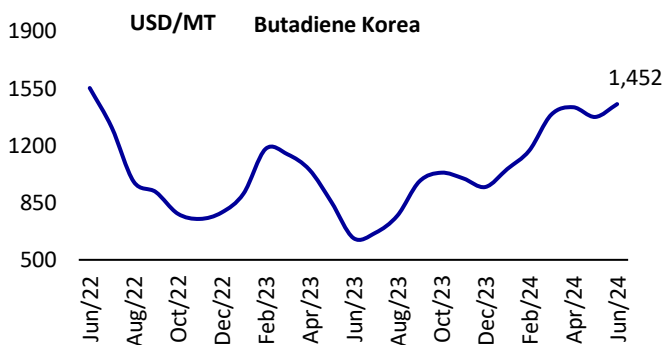
Source: Reuters, MOFSL

**Exhibit 6: Propylene price up 14% YoY**



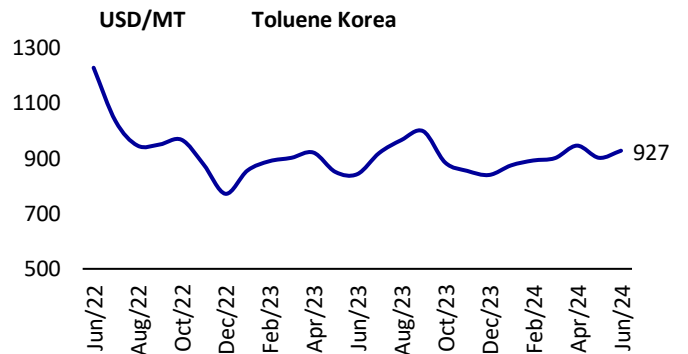
Source: Bloomberg, MOFSL

**Exhibit 7: Butadiene price up 129% YoY**



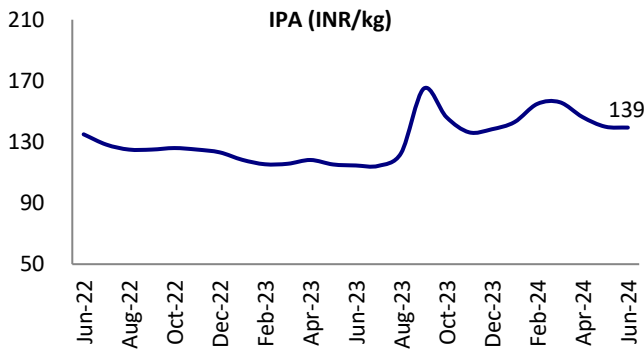
Source: Bloomberg, MOFSL

**Exhibit 8: Toluene (Korea) price up 6% YoY**



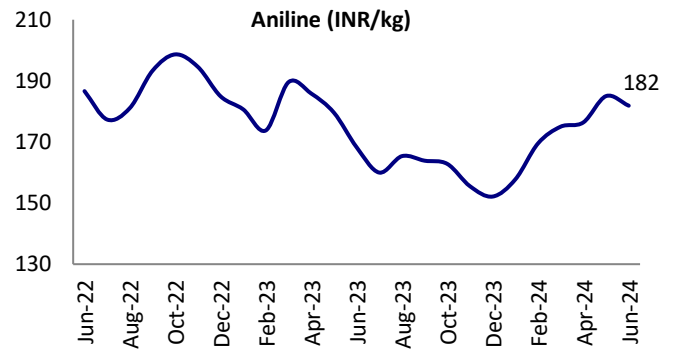
Source: Bloomberg, MOFSL

**Exhibit 9: IPA price up 22% YoY**



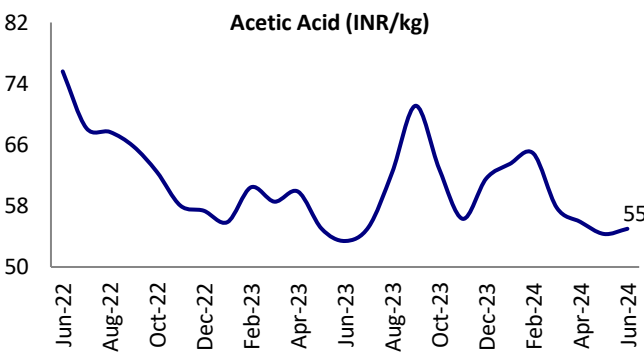
Source: IndiaPetroChem, MOFSL

**Exhibit 10: Aniline price up 8% YoY**



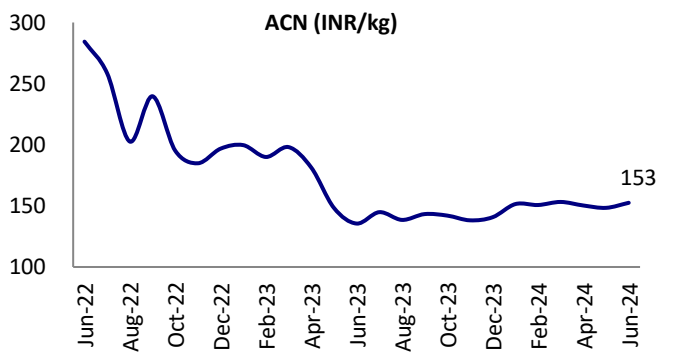
Source: IndiaPetroChem, MOFSL

**Exhibit 11: Acetic Acid price up 3% YoY**



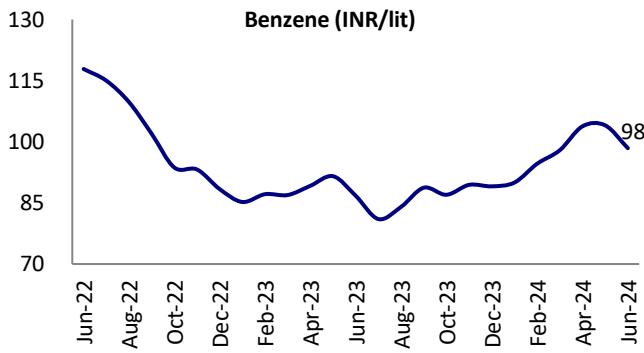
Source: IndiaPetroChem, MOFSL

**Exhibit 12: ACN price up 13% YoY**



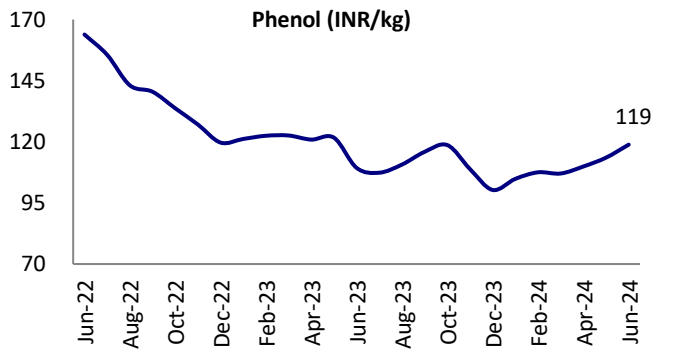
Source: IndiaPetroChem, MOFSL

**Exhibit 13: Benzene price up 13% YoY**



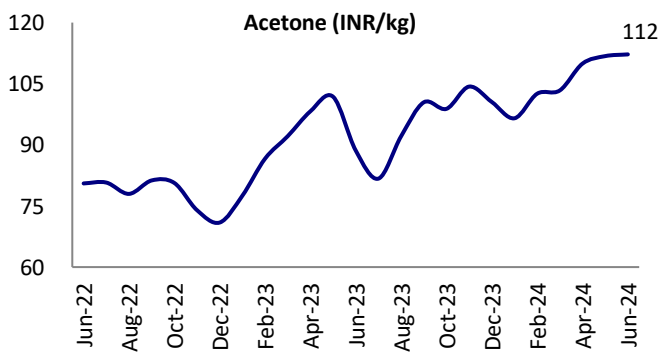
Source: IndiaPetroChem, MOFSL

**Exhibit 14: Phenol price up 9% YoY**



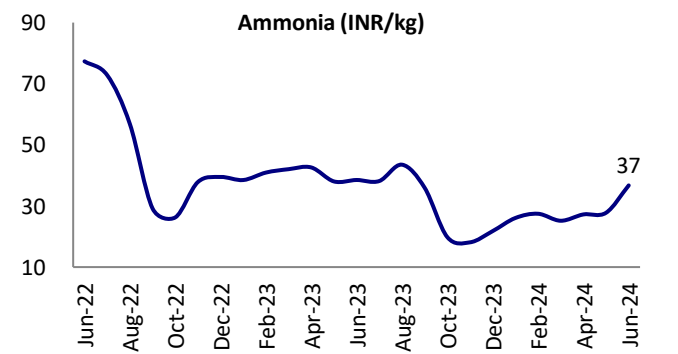
Source: IndiaPetroChem, MOFSL

**Exhibit 15: Acetone price up 27% YoY**



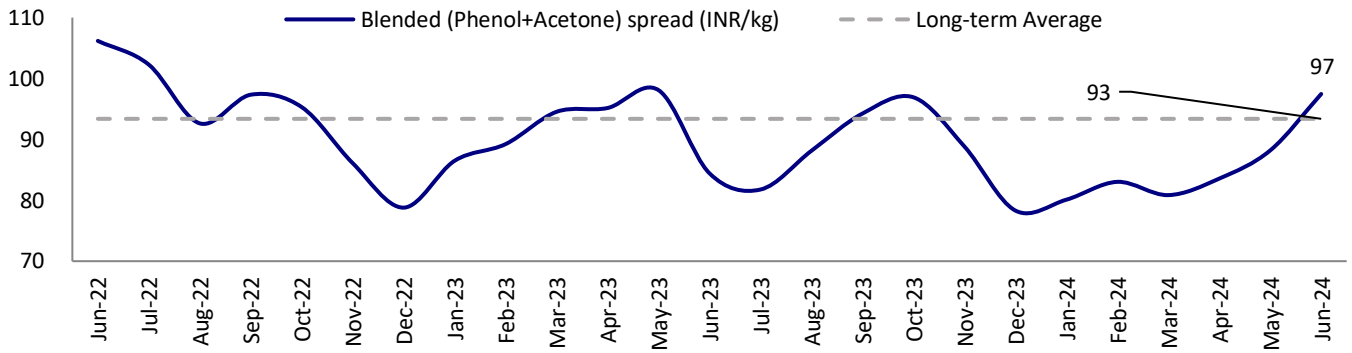
Source: IndiaPetroChem, MOFSL

**Exhibit 16: Ammonia price down 5% YoY**



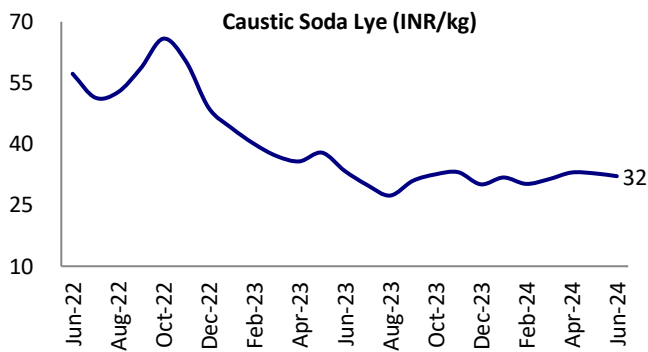
Source: IndiaPetroChem, MOFSL

**Exhibit 17: Blended Phenol and Acetone spread up 15% YoY**



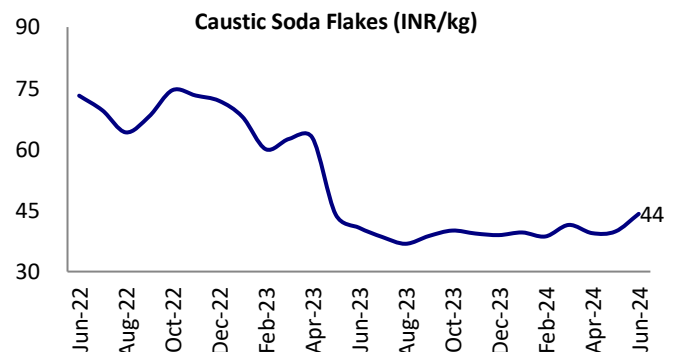
Source: IndiaPetroChem, MOFSL

**Exhibit 18: Caustic Soda Lye price down 4% YoY**



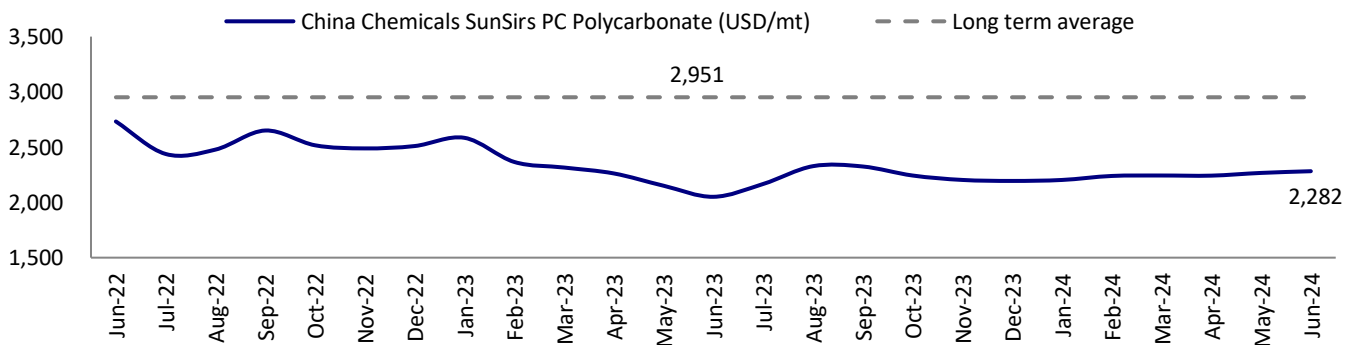
Source: IndiaPetroChem, MOFSL

**Exhibit 19: Caustic Soda Flakes price up 8% YoY**



Source: IndiaPetroChem, MOFSL

**Exhibit 20: Polycarbonate price up 11% YoY**



Source: Bloomberg, MOFSL

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

## Alkyl Amines

**Neutral**

**CMP: INR2,146 | TP: INR1,955 (-9%)**

**EPS CHANGE (%): FY25|26: +5|-3**

- Expect revenue to decline 8% YoY and EBITDA to fall 6% YoY.
- Key monitorable: stabilization of the Ethylamines plant and update on the weak ACN market conditions.
- Expect EBITDA margin to expand 50bp YoY to 18.6% in 1QFY25.
- Watch out for updates on progress of new products and ADD probe progress on other products apart from ACN.

### Standalone - Quarterly Snapshot

| Y/E March             | FY24  |       |       |       | FY25  |       |       |       | FY24   | FY25E  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                       | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| Gross Sales           | 4,098 | 3,522 | 3,221 | 3,566 | 3,760 | 4,106 | 4,322 | 5,100 | 14,406 | 17,287 |
| YoY Change (%)        | -13.5 | -13.9 | -17.1 | -13.5 | -8.2  | 16.6  | 34.2  | 43.0  | -14.4  | 20.0   |
| Gross Margin (%)      | 44.7% | 45.7% | 47.6% | 49.2% | 49.2% | 48.0% | 48.0% | 47.1% | 46.7%  | 48.0%  |
| EBITDA                | 740   | 483   | 596   | 689   | 699   | 816   | 867   | 1,098 | 2,507  | 3,479  |
| Margin (%)            | 18.1  | 13.7  | 18.5  | 19.3  | 18.6  | 19.9  | 20.1  | 21.5  | 17.4   | 20.1   |
| Depreciation          | 122   | 125   | 168   | 174   | 182   | 186   | 191   | 195   | 589    | 754    |
| Interest              | 9     | 17    | 11    | 7     | 8     | 10    | 13    | 17    | 44     | 48     |
| Other Income          | 55    | 24    | 46    | 26    | 36    | 28    | 40    | 56    | 151    | 160    |
| PBT before EO expense | 664   | 364   | 463   | 533   | 544   | 649   | 703   | 942   | 2,025  | 2,838  |
| PBT                   | 664   | 364   | 463   | 533   | 544   | 649   | 703   | 942   | 2,025  | 2,838  |
| Tax                   | 166   | 92    | 129   | 149   | 137   | 163   | 177   | 237   | 536    | 714    |
| Rate (%)              | 25.0  | 25.2  | 27.8  | 27.9  | 25.2  | 25.2  | 25.2  | 25.2  | 26.5   | 25.2   |
| Reported PAT          | 498   | 272   | 334   | 385   | 407   | 485   | 526   | 705   | 1,489  | 2,124  |
| Adj PAT               | 498   | 272   | 334   | 385   | 407   | 485   | 526   | 705   | 1,489  | 2,124  |
| YoY Change (%)        | -39.2 | -48.0 | -26.8 | -20.9 | -18.2 | 78.1  | 57.4  | 83.4  | -34.9  | 42.6   |
| Margin (%)            | 12.1  | 7.7   | 10.4  | 10.8  | 10.8  | 11.8  | 12.2  | 13.8  | 10.3   | 12.3   |

## Atul

**Neutral**

**CMP: INR6,566 | TP: INR6,480 (-1%)**

**EPS CHANGE (%): FY25|26: -11|0**

- Expect revenue to increase 3% YoY, with EBITDA declining 8% YoY.
- Expect revenue for Life Science Chemicals to improve 10% YoY, while Performance revenue to improve by 1%
- EBITDA margin likely to contract 160bp YoY amid higher operating expenses.
- Further delay in commissioning and ramp-up of its new capacity expansions may hurt growth in FY25.

### Consolidated - Quarterly Snapshot

| Y/E March                        | FY24   |        |        |        | FY25   |        |        |        | FY24   | FY25E  |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                  | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Gross Sales                      | 11,820 | 11,937 | 11,378 | 12,122 | 12,154 | 12,551 | 13,211 | 14,929 | 47,257 | 52,844 |
| YoY Change (%)                   | -20.0  | -19.7  | -10.3  | 1.4    | 2.8    | 5.1    | 16.1   | 23.2   | -12.9  | 11.8   |
| Gross Margin (%)                 | 46.5%  | 44.1%  | 47.1%  | 49.7%  | 49.1%  | 48.2%  | 46.8%  | 43.7%  | 46.9%  | 46.8%  |
| EBITDA                           | 1,823  | 1,552  | 1,517  | 1,476  | 1,676  | 1,713  | 1,846  | 2,214  | 6,367  | 7,449  |
| Margin (%)                       | 15.4   | 13.0   | 13.3   | 12.2   | 13.8   | 13.6   | 14.0   | 14.8   | 13.5   | 14.1   |
| Depreciation                     | 519    | 540    | 612    | 758    | 793    | 813    | 817    | 829    | 2,429  | 3,253  |
| Interest                         | 20     | 19     | 21     | 51     | 25     | 28     | 29     | 31     | 111    | 113    |
| Other Income                     | 82     | 221    | 150    | 129    | 149    | 157    | 165    | 190    | 582    | 661    |
| PBT before EO expense            | 1,365  | 1,215  | 1,034  | 796    | 1,007  | 1,028  | 1,165  | 1,544  | 4,409  | 4,744  |
| PBT                              | 1,365  | 1,215  | 1,034  | 796    | 1,007  | 1,028  | 1,165  | 1,544  | 4,409  | 4,744  |
| Tax                              | 364    | 325    | 334    | 242    | 254    | 259    | 294    | 387    | 1,265  | 1,194  |
| Rate (%)                         | 26.7   | 26.7   | 32.3   | 30.4   | 25.2   | 25.2   | 25.2   | 25.1   | 28.7   | 25.2   |
| MI and Profit/Loss of Asso. Cos. | 20     | 22     | 21     | 34     | 24     | 24     | 24     | 24     | 97     | 97     |
| Reported PAT                     | 1,021  | 912    | 721    | 588    | 777    | 794    | 896    | 1,180  | 3,241  | 3,647  |
| Adj PAT                          | 1,021  | 912    | 721    | 588    | 777    | 794    | 896    | 1,180  | 3,047  | 3,453  |
| YoY change (%)                   | -37.6  | -38.4  | -30.0  | -36.2  | -23.8  | -13.0  | 24.3   | 100.8  | -38.9  | 13.3   |
| Margin (%)                       | 8.6    | 7.6    | 6.3    | 4.9    | 6.4    | 6.3    | 6.8    | 7.9    | 6.4    | 6.5    |

**Clean Science & Technology****Neutral****CMP: INR1,514 | TP: INR1,375 (-9%)****EPS CHANGE (%): FY25|26: +9|0**

- Expect revenue and EBITDA to increase 25% and 32% YoY, respectively.
- Key monitorable: Ramp-up of the new HALS plant in the subsidiary and pick-up in Guaiacol demand
- Expect EBITDAM to expand 240bp YoY in 1QFY25.
- Watch out for the changing sales mix of the flagship and non-flagship products.

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

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Gross Sales</b>           | <b>1,881</b> | <b>1,811</b> | <b>1,947</b> | <b>2,275</b> | <b>2,346</b> | <b>2,370</b> | <b>2,377</b> | <b>2,387</b> | <b>7,915</b> | <b>9,480</b> |
| YoY Change (%)               | -19.6        | -26.8        | -18.0        | 4.9          | 24.7         | 30.9         | 22.1         | 4.9          | -15.4        | 19.8         |
| <b>Gross Margin (%)</b>      | <b>61.4%</b> | <b>65.9%</b> | <b>66.8%</b> | <b>65.7%</b> | <b>65.7%</b> | <b>65.5%</b> | <b>65.1%</b> | <b>63.7%</b> | <b>65.0%</b> | <b>65.0%</b> |
| <b>EBITDA</b>                | <b>761</b>   | <b>748</b>   | <b>866</b>   | <b>945</b>   | <b>1,006</b> | <b>1,018</b> | <b>1,010</b> | <b>977</b>   | <b>3,321</b> | <b>4,010</b> |
| Margin (%)                   | 40.5         | 41.3         | 44.5         | 41.5         | 42.9         | 43.0         | 42.5         | 40.9         | 42.0         | 42.3         |
| Depreciation                 | 108          | 111          | 113          | 127          | 129          | 131          | 133          | 135          | 459          | 528          |
| Interest                     | 1            | 3            | 1            | 6            | 1            | 2            | 3            | 5            | 9            | 11           |
| Other Income                 | 134          | 60           | 78           | 141          | 142          | 128          | 135          | 164          | 413          | 569          |
| <b>PBT before EO expense</b> | <b>787</b>   | <b>695</b>   | <b>830</b>   | <b>953</b>   | <b>1,018</b> | <b>1,013</b> | <b>1,009</b> | <b>1,000</b> | <b>3,265</b> | <b>4,040</b> |
| <b>PBT</b>                   | <b>787</b>   | <b>695</b>   | <b>830</b>   | <b>953</b>   | <b>1,018</b> | <b>1,013</b> | <b>1,009</b> | <b>1,000</b> | <b>3,265</b> | <b>4,040</b> |
| Tax                          | 198          | 173          | 204          | 250          | 205          | 204          | 203          | 200          | 825          | 811          |
| Rate (%)                     | 25.1         | 24.9         | 24.6         | 26.3         | 20.1         | 20.1         | 20.1         | 20.0         | 25.3         | 20.1         |
| <b>Reported PAT</b>          | <b>589</b>   | <b>522</b>   | <b>626</b>   | <b>703</b>   | <b>813</b>   | <b>809</b>   | <b>806</b>   | <b>800</b>   | <b>2,440</b> | <b>3,228</b> |
| <b>Adj. PAT</b>              | <b>589</b>   | <b>522</b>   | <b>626</b>   | <b>703</b>   | <b>813</b>   | <b>809</b>   | <b>806</b>   | <b>800</b>   | <b>2,440</b> | <b>3,228</b> |
| YoY Change (%)               | -6.3         | -23.2        | -25.3        | -12.7        | 37.9         | 55.1         | 28.7         | 13.8         | -17.3        | 32.3         |
| Margin (%)                   | 31.3         | 28.8         | 32.2         | 30.9         | 34.6         | 34.2         | 33.9         | 33.5         | 30.8         | 34.1         |

**Deepak Nitrite****Neutral****CMP: INR2,684 | TP: INR2,705 (+1%)****EPS CHANGE (%): FY25|26: -4|-3**

- Expect EBITDA margin of 14.9% in 1QFY25 (vs. 11.9% in 1QFY24), with a likely expansion in both AI and Phenol segment.
- Watch out for the update on various capex under implementation.
- Updates on Oman subsidiary and on downstream products announced (MIBK, MIBC and Polycarbonate) to be keenly monitored.
- Key risk: substantial margin fluctuations due to the highly commoditized nature of the products.

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

| Y/E March               | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E         |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                         | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>      | <b>17,683</b> | <b>17,781</b> | <b>20,092</b> | <b>21,262</b> | <b>18,611</b> | <b>20,817</b> | <b>22,233</b> | <b>24,824</b> | <b>76,818</b> | <b>86,484</b> |
| YoY Change (%)          | -14.1         | -9.4          | 0.9           | 8.4           | 5.2           | 17.1          | 10.7          | 16.8          | -3.6          | 12.6          |
| <b>Gross Margin (%)</b> | <b>30.8%</b>  | <b>34.4%</b>  | <b>31.7%</b>  | <b>30.7%</b>  | <b>32.4%</b>  | <b>32.7%</b>  | <b>33.4%</b>  | <b>35.2%</b>  | <b>31.8%</b>  | <b>33.5%</b>  |
| <b>EBITDA</b>           | <b>2,098</b>  | <b>3,023</b>  | <b>3,047</b>  | <b>3,011</b>  | <b>2,773</b>  | <b>3,360</b>  | <b>3,805</b>  | <b>4,558</b>  | <b>11,178</b> | <b>14,496</b> |
| Margin (%)              | 11.9          | 17.0          | 15.2          | 14.2          | 14.9          | 16.1          | 17.1          | 18.4          | 14.6          | 16.8          |
| Depreciation            | 381           | 394           | 417           | 465           | 536           | 566           | 595           | 685           | 1,657         | 2,381         |
| Interest                | 18            | 27            | 29            | 44            | 27            | 29            | 31            | 35            | 118           | 122           |
| Other Income            | 319           | 170           | 136           | 191           | 141           | 149           | 157           | 180           | 816           | 627           |
| <b>PBT</b>              | <b>2,017</b>  | <b>2,772</b>  | <b>2,736</b>  | <b>3,492</b>  | <b>2,350</b>  | <b>2,915</b>  | <b>3,335</b>  | <b>4,019</b>  | <b>11,017</b> | <b>12,619</b> |
| Tax                     | 518           | 721           | 715           | 953           | 592           | 735           | 842           | 1,008         | 2,908         | 3,176         |
| Rate (%)                | 25.7          | 26.0          | 26.1          | 27.3          | 25.2          | 25.2          | 25.2          | 25.1          | 26.4          | 25.2          |
| <b>Reported PAT</b>     | <b>1,499</b>  | <b>2,051</b>  | <b>2,020</b>  | <b>2,538</b>  | <b>1,759</b>  | <b>2,180</b>  | <b>2,494</b>  | <b>3,010</b>  | <b>8,108</b>  | <b>9,443</b>  |
| <b>Adj PAT</b>          | <b>1,499</b>  | <b>2,051</b>  | <b>2,020</b>  | <b>1,958</b>  | <b>1,759</b>  | <b>2,180</b>  | <b>2,494</b>  | <b>3,010</b>  | <b>7,521</b>  | <b>9,443</b>  |
| YoY Change (%)          | -36.1         | 17.5          | -3.4          | -16.3         | 17.3          | 6.3           | 23.4          | 53.7          | -11.7         | 25.6          |
| Margin (%)              | 8.5           | 11.5          | 10.1          | 9.2           | 9.5           | 10.5          | 11.2          | 12.1          | 9.8           | 10.9          |

## Fine Organic Industries

**Sell**
**CMP: INR5,236 | TP: INR4,095 (-22%)**
**EPS CHANGE (%): FY25|26: +8|+8**

- Expect revenue to be flat YoY and EBITDA margin to contract 520bp YoY to 23.3% in 1QFY25.
- Key monitorable: update on the progress of JV to be set up in Thailand and the new land acquisition (MoU already signed).
- Watch out for escalating freight costs, which have gone up for exports to the US and Europe.
- Key risk: Delay in the addition of new capacities could deter growth with existing capacities running at optimum utilization.

### Standalone - Quarterly Snapshot

**(INR m)**

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>5,321</b> | <b>4,717</b> | <b>4,258</b> | <b>5,215</b> | <b>5,339</b> | <b>5,366</b> | <b>5,376</b> | <b>5,382</b> | <b>19,511</b> | <b>21,463</b> |
| YoY Change (%)               | -29.3        | -43.0        | -43.2        | -25.3        | 0.3          | 13.7         | 26.3         | 3.2          | -35.6         | 10.0          |
| <b>Gross Margin (%)</b>      | <b>42.9%</b> | <b>41.9%</b> | <b>41.8%</b> | <b>43.6%</b> | <b>41.8%</b> | <b>40.9%</b> | <b>40.4%</b> | <b>39.3%</b> | <b>42.6%</b>  | <b>40.6%</b>  |
| <b>EBITDA</b>                | <b>1,519</b> | <b>1,044</b> | <b>924</b>   | <b>1,322</b> | <b>1,246</b> | <b>1,209</b> | <b>1,188</b> | <b>1,130</b> | <b>4,809</b>  | <b>4,772</b>  |
| Margin (%)                   | 28.5         | 22.1         | 21.7         | 25.4         | 23.3         | 22.5         | 22.1         | 21.0         | 24.6          | 22.2          |
| Depreciation                 | 117          | 144          | 147          | 153          | 157          | 159          | 162          | 164          | 561           | 642           |
| Interest                     | 6            | 7            | 5            | 5            | 5            | 6            | 6            | 7            | 23            | 24            |
| Other Income                 | 145          | 172          | 174          | 226          | 175          | 184          | 194          | 223          | 717           | 776           |
| <b>PBT before EO expense</b> | <b>1,540</b> | <b>1,064</b> | <b>946</b>   | <b>1,391</b> | <b>1,258</b> | <b>1,228</b> | <b>1,214</b> | <b>1,182</b> | <b>4,941</b>  | <b>4,882</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 6            | 0            | 0            | 0            | 0            | 6             | 0             |
| <b>PBT</b>                   | <b>1,540</b> | <b>1,064</b> | <b>946</b>   | <b>1,385</b> | <b>1,258</b> | <b>1,228</b> | <b>1,214</b> | <b>1,182</b> | <b>4,935</b>  | <b>4,882</b>  |
| Tax                          | 397          | 270          | 249          | 342          | 316          | 309          | 306          | 297          | 1,259         | 1,229         |
| Rate (%)                     | 25.8         | 25.4         | 26.4         | 24.7         | 25.2         | 25.2         | 25.2         | 25.1         | 25.5          | 25.2          |
| <b>Reported PAT</b>          | <b>1,142</b> | <b>794</b>   | <b>697</b>   | <b>1,043</b> | <b>941</b>   | <b>919</b>   | <b>908</b>   | <b>886</b>   | <b>3,676</b>  | <b>3,654</b>  |
| <b>Adj PAT</b>               | <b>1,142</b> | <b>794</b>   | <b>697</b>   | <b>1,047</b> | <b>941</b>   | <b>919</b>   | <b>908</b>   | <b>886</b>   | <b>3,680</b>  | <b>3,654</b>  |
| YoY Change (%)               | -27.4        | -51.6        | -46.9        | -24.2        | -17.6        | 15.8         | 30.3         | -15.4        | -37.7         | -0.7          |
| Margin (%)                   | 21.5         | 16.8         | 16.4         | 20.1         | 17.6         | 17.1         | 16.9         | 16.5         | 18.9          | 17.0          |

## Galaxy Surfactants

**Buy**
**CMP: INR2,772 | TP: INR3,450 (+24%)**
**EPS CHANGE (%): FY25|26: -1|0**

- Expect revenue to expand 3% YoY with volume pick-up offsetting the decline in realization
- Watch out for the update on demand recovery in AMET and RoW regions
- Expect EBITDA margin of 11.4%, with absolute EBITDA/kg declining YoY
- Impact of the ongoing Red Sea issue would also be keenly monitored.

### Consolidated - Quarterly Snapshot

**(INR m)**

| Y/E March               | FY24         |              |              |              | FY25         |               |               |               | FY24          | FY25E         |
|-------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                         | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>      | <b>9,418</b> | <b>9,831</b> | <b>9,405</b> | <b>9,290</b> | <b>9,725</b> | <b>10,535</b> | <b>10,914</b> | <b>12,048</b> | <b>37,944</b> | <b>43,222</b> |
| YoY Change (%)          | -18.7        | -20.5        | -13.3        | -5.2         | 3.3          | 7.2           | 16.0          | 29.7          | -14.9         | 13.9          |
| <b>Gross Margin (%)</b> | <b>32.4%</b> | <b>31.5%</b> | <b>31.8%</b> | <b>32.6%</b> | <b>32.6%</b> | <b>32.6%</b>  | <b>33.3%</b>  | <b>32.0%</b>  | <b>32.1%</b>  | <b>32.6%</b>  |
| <b>EBITDA</b>           | <b>1,232</b> | <b>1,249</b> | <b>1,125</b> | <b>1,017</b> | <b>1,106</b> | <b>1,327</b>  | <b>1,451</b>  | <b>1,590</b>  | <b>4,622</b>  | <b>5,474</b>  |
| Margin (%)              | 13.1         | 12.7         | 12.0         | 10.9         | 11.4         | 12.6          | 13.3          | 13.2          | 12.2          | 12.7          |
| Depreciation            | 238          | 247          | 251          | 262          | 263          | 266           | 270           | 281           | 998           | 1,081         |
| Interest                | 57           | 54           | 59           | 54           | 52           | 55            | 58            | 66            | 224           | 230           |
| Other Income            | 25           | 27           | 64           | 239          | 40           | 42            | 44            | 51            | 355           | 177           |
| <b>PBT</b>              | <b>962</b>   | <b>975</b>   | <b>878</b>   | <b>940</b>   | <b>830</b>   | <b>1,048</b>  | <b>1,168</b>  | <b>1,293</b>  | <b>3,755</b>  | <b>4,340</b>  |
| Tax                     | 210          | 201          | 165          | 165          | 168          | 212           | 236           | 262           | 740           | 877           |
| Rate (%)                | 21.8         | 20.6         | 18.8         | 17.5         | 20.2         | 20.2          | 20.2          | 20.3          | 19.7          | 20.2          |
| <b>Reported PAT</b>     | <b>752</b>   | <b>774</b>   | <b>714</b>   | <b>775</b>   | <b>663</b>   | <b>837</b>    | <b>932</b>    | <b>1,031</b>  | <b>3,015</b>  | <b>3,463</b>  |
| <b>Adj PAT</b>          | <b>752</b>   | <b>774</b>   | <b>714</b>   | <b>775</b>   | <b>663</b>   | <b>837</b>    | <b>932</b>    | <b>1,031</b>  | <b>3,015</b>  | <b>3,463</b>  |
| YoY Change (%)          | -25.1        | -7.7         | -32.8        | -14.4        | -11.9        | 8.1           | 30.6          | 33.1          | -20.9         | 14.9          |
| Margin (%)              | 8.0          | 7.9          | 7.6          | 8.3          | 6.8          | 7.9           | 8.5           | 8.6           | 7.9           | 8.0           |

## Navin Fluorine International

Neutral

CMP: INR3,604 | TP: INR3,555 (-1%)

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

- Expect revenue of INR4.8b due to a YoY decline in Navin Molecular and Spec Chem
- Key monitorable: progress of the upcoming AHF capacity announced in addition to the already existing capacity.
- EBITDA margin to decline 590bp YoY to 17.3%
- Watch out for the update on the launch of new molecules and updates on deferred molecules in previous quarters

## Consolidated - Quarterly Snapshot

(INR m)

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>4,912</b> | <b>4,718</b> | <b>5,001</b> | <b>6,020</b> | <b>4,790</b> | <b>5,429</b> | <b>7,026</b> | <b>8,303</b> | <b>20,650</b> | <b>25,549</b> |
| YoY Change (%)               | 23.6         | 12.5         | -11.3        | -13.6        | -2.5         | 15.1         | 40.5         | 37.9         | -0.6          | 23.7          |
| Gross Margin (%)             | 58.7%        | 57.2%        | 54.1%        | 50.0%        | 52.0%        | 53.7%        | 55.0%        | 57.6%        | 54.7%         | 55.0%         |
| <b>EBITDA</b>                | <b>1,142</b> | <b>983</b>   | <b>757</b>   | <b>1,101</b> | <b>830</b>   | <b>1,011</b> | <b>1,517</b> | <b>2,028</b> | <b>3,983</b>  | <b>5,385</b>  |
| Margin (%)                   | 23.3         | 20.8         | 15.1         | 18.3         | 17.3         | 18.6         | 21.6         | 24.4         | 19.3          | 21.1          |
| Depreciation                 | 213          | 243          | 249          | 257          | 259          | 263          | 269          | 273          | 962           | 1,064         |
| Interest                     | 194          | 200          | 177          | 174          | 184          | 194          | 205          | 235          | 746           | 818           |
| Other Income                 | 83           | 231          | 119          | 125          | 137          | 140          | 144          | 154          | 559           | 575           |
| <b>PBT before EO expense</b> | <b>818</b>   | <b>772</b>   | <b>450</b>   | <b>794</b>   | <b>523</b>   | <b>693</b>   | <b>1,188</b> | <b>1,674</b> | <b>2,834</b>  | <b>4,078</b>  |
| Extra-Ord. expense           | 0            | 0            | 521          | 0            | 0            | 0            | 0            | 0            | 521           | 0             |
| <b>PBT</b>                   | <b>818</b>   | <b>772</b>   | <b>972</b>   | <b>794</b>   | <b>523</b>   | <b>693</b>   | <b>1,188</b> | <b>1,674</b> | <b>3,355</b>  | <b>4,078</b>  |
| Tax                          | 202          | 166          | 191          | 90           | 132          | 174          | 299          | 421          | 650           | 1,026         |
| Rate (%)                     | 24.8         | 21.5         | 19.7         | 11.4         | 25.2         | 25.2         | 25.2         | 25.2         | 19.4          | 25.2          |
| <b>Reported PAT</b>          | <b>615</b>   | <b>606</b>   | <b>780</b>   | <b>704</b>   | <b>391</b>   | <b>519</b>   | <b>889</b>   | <b>1,253</b> | <b>2,705</b>  | <b>3,052</b>  |
| <b>Adj. PAT</b>              | <b>615</b>   | <b>606</b>   | <b>362</b>   | <b>704</b>   | <b>391</b>   | <b>519</b>   | <b>889</b>   | <b>1,253</b> | <b>2,285</b>  | <b>3,052</b>  |
| YoY Change (%)               | -17.4        | 4.8          | -66.1        | -48.4        | -36.4        | -14.4        | 145.8        | 78.0         | -39.1         | 33.6          |
| Margin (%)                   | 12.5         | 12.8         | 7.2          | 11.7         | 8.2          | 9.6          | 12.6         | 15.1         | 11.1          | 11.9          |

## NOCIL

Neutral

CMP: INR285 | TP: INR260 (-9%)

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

- Expect revenue to decline 6% YoY to INR3.7b, with lower realization offsetting higher volumes
- Key monitorable: further details on the new capex announced recently.
- EBITDAM to improve 60bp YoY to 14.3% in 1QFY25; absolute EBITDA/kg to decline YoY
- There is a probable risk of higher dumping from China as ADD was rejected by the GoI in FY22.

## Standalone - Quarterly Earning Model

(INR m)

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>3,967</b> | <b>3,509</b> | <b>3,406</b> | <b>3,565</b> | <b>3,738</b> | <b>4,050</b> | <b>4,361</b> | <b>4,465</b> | <b>14,447</b> | <b>16,614</b> |
| YoY Change (%)               | -22.1        | -9.9         | 4.6          | -9.2         | -5.8         | 15.4         | 28.0         | 25.2         | -10.6         | 15.0          |
| Gross Margin (%)             | 42.7%        | 43.4%        | 46.3%        | 42.1%        | 40.8%        | 45.4%        | 44.2%        | 55.4%        | 43.6%         | 46.7%         |
| <b>EBITDA</b>                | <b>544</b>   | <b>441</b>   | <b>477</b>   | <b>434</b>   | <b>536</b>   | <b>619</b>   | <b>713</b>   | <b>742</b>   | <b>1,896</b>  | <b>2,609</b>  |
| Margin (%)                   | 13.7         | 12.6         | 14.0         | 12.2         | 14.3         | 15.3         | 16.3         | 16.6         | 13.1          | 15.7          |
| Depreciation                 | 126          | 127          | 132          | 130          | 132          | 134          | 136          | 139          | 515           | 541           |
| Interest                     | 4            | 3            | 5            | 4            | 3            | 4            | 5            | 6            | 16            | 18            |
| Other Income                 | 48           | 49           | 61           | 249          | 50           | 53           | 56           | 64           | 407           | 223           |
| <b>PBT before EO expense</b> | <b>461</b>   | <b>360</b>   | <b>402</b>   | <b>549</b>   | <b>451</b>   | <b>534</b>   | <b>627</b>   | <b>661</b>   | <b>1,771</b>  | <b>2,274</b>  |
| <b>PBT</b>                   | <b>461</b>   | <b>360</b>   | <b>402</b>   | <b>549</b>   | <b>451</b>   | <b>534</b>   | <b>627</b>   | <b>661</b>   | <b>1,771</b>  | <b>2,274</b>  |
| Tax                          | 125          | 91           | 104          | 138          | 114          | 134          | 158          | 166          | 458           | 572           |
| Rate (%)                     | 27.2         | 25.3         | 25.9         | 25.1         | 25.2         | 25.2         | 25.2         | 25.1         | 25.8          | 25.2          |
| <b>Reported PAT</b>          | <b>336</b>   | <b>269</b>   | <b>298</b>   | <b>411</b>   | <b>337</b>   | <b>400</b>   | <b>469</b>   | <b>495</b>   | <b>1,314</b>  | <b>1,701</b>  |
| <b>Adj PAT</b>               | <b>336</b>   | <b>269</b>   | <b>298</b>   | <b>411</b>   | <b>337</b>   | <b>400</b>   | <b>469</b>   | <b>495</b>   | <b>1,314</b>  | <b>1,701</b>  |
| YoY Change (%)               | -48.8        | -25.2        | 58.7         | 44.9         | 0.4          | 48.7         | 57.6         | 20.4         | -11.7         | 29.5          |
| Margin (%)                   | 8.5          | 7.7          | 8.7          | 11.5         | 9.0          | 9.9          | 10.8         | 11.1         | 9.1           | 10.2          |

## PI Industries

Buy

CMP INR3,757 | TP: INR4,400 (+17%)

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

- The CSM business is likely to grow ~13% YoY.
- Demand scenario and product launches in the domestic and CSM segments will be a key focus area.
- EBITDA margin is likely to expand to ~25.5% in 1QFY25 from 24.5% in 1QFY24 led by better gross margin.
- Update on the Pharma Intermediate segment will be a key monitorable.

## Quarterly Earning Model

(INR m)

| Y/E March                      | FY24   |        |        |        | FY25   |        |        |        | FY24   | FY25E  |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                                | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Net Sales                      | 19,104 | 21,169 | 18,975 | 17,410 | 21,970 | 24,439 | 22,244 | 21,284 | 76,658 | 89,937 |
| YoY Change (%)                 | 23.8   | 19.6   | 17.6   | 11.2   | 15.0   | 15.4   | 17.2   | 22.3   | 18.1   | 17.3   |
| Total Expenditure              | 14,426 | 15,655 | 13,439 | 12,992 | 16,368 | 17,792 | 16,307 | 15,637 | 56,512 | 66,103 |
| EBITDA                         | 4,678  | 5,514  | 5,536  | 4,418  | 5,602  | 6,647  | 5,937  | 5,647  | 20,146 | 23,833 |
| Margins (%)                    | 24.5   | 26.0   | 29.2   | 25.4   | 25.5   | 27.2   | 26.7   | 26.5   | 26.3   | 26.5   |
| Depreciation                   | 697    | 803    | 783    | 799    | 850    | 890    | 950    | 1,083  | 3,082  | 3,773  |
| Interest                       | 43     | 78     | 70     | 109    | 80     | 70     | 51     | 49     | 300    | 250    |
| Other Income                   | 469    | 469    | 561    | 579    | 549    | 549    | 656    | 674    | 2,078  | 2,428  |
| PBT before EO expense          | 4,407  | 5,102  | 5,244  | 4,089  | 5,221  | 6,236  | 5,592  | 5,189  | 18,842 | 22,238 |
| PBT                            | 4,407  | 5,102  | 5,244  | 4,089  | 5,221  | 6,236  | 5,592  | 5,189  | 18,842 | 22,238 |
| Tax                            | 625    | 317    | 772    | 418    | 1,253  | 1,497  | 1,342  | 1,245  | 2,132  | 5,337  |
| Rate (%)                       | 14.2   | 6.2    | 14.7   | 10.2   | 24.0   | 24.0   | 24.0   | 24.0   | 11.3   | 24.0   |
| MI & Profit/Loss of Asso. Cos. | -47    | -20    | -14    | -24    | -21    | -34    | -24    | -31    | -105   | -110   |
| Reported PAT                   | 3,829  | 4,805  | 4,486  | 3,695  | 3,989  | 4,774  | 4,274  | 3,975  | 16,815 | 17,011 |
| Adj PAT                        | 3,829  | 4,805  | 4,486  | 3,695  | 3,989  | 4,774  | 4,274  | 3,975  | 16,815 | 17,011 |
| YoY Change (%)                 | 45.9   | 43.5   | 27.5   | 31.7   | 4.2    | -0.7   | -4.7   | 7.6    | 36.8   | 1.2    |
| Margins (%)                    | 20.0   | 22.7   | 23.6   | 21.2   | 18.2   | 19.5   | 19.2   | 18.7   | 21.9   | 18.9   |

## SRF

Neutral

CMP INR2,395 | TP: INR2,100 (-12%)

EPS CHANGE (%): FY25|26: -5|-2

- Expect the Chemicals/Packaging/Technical Textiles segments to decline 13%/grow 10%/grow 9% YoY
- Commissioning and ramp-up of Specialty Chemicals and Fluorochemicals plants will be in focus.
- Demand scenario and realizations for key chemicals will be the key monitorable.
- Update on the demand-supply scenario of Technical Textile and Packaging businesses will be keenly watched.

## Consolidated - Quarterly Earning Model

(INR m)

| Y/E March              | FY24   |        |        |        | FY25   |        |        |        | FY24     | FY25E    |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                        | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| Net Sales              | 33,384 | 31,774 | 30,530 | 35,697 | 32,860 | 35,423 | 37,494 | 44,350 | 1,31,385 | 1,50,127 |
| YoY Change (%)         | -14.3  | -14.8  | -12.0  | -5.5   | -1.6   | 11.5   | 22.8   | 24.2   | -11.6    | 14.3     |
| Total Expenditure      | 26,184 | 25,320 | 24,691 | 28,581 | 26,389 | 28,234 | 29,596 | 34,724 | 1,04,777 | 1,18,943 |
| EBITDA                 | 7,200  | 6,453  | 5,839  | 7,116  | 6,471  | 7,189  | 7,898  | 9,627  | 26,608   | 31,184   |
| Margins (%)            | 21.6   | 20.3   | 19.1   | 19.9   | 19.7   | 20.3   | 21.1   | 21.7   | 20.3     | 20.8     |
| Depreciation           | 1,566  | 1,612  | 1,689  | 1,859  | 1,900  | 1,950  | 1,950  | 2,180  | 6,726    | 7,980    |
| Interest               | 656    | 793    | 674    | 900    | 700    | 750    | 760    | 832    | 3,023    | 3,042    |
| Other Income           | 118    | 291    | 188    | 234    | 200    | 280    | 220    | 296    | 830      | 996      |
| PBT before EO expense  | 5,095  | 4,339  | 3,664  | 4,591  | 4,071  | 4,769  | 5,408  | 6,911  | 17,689   | 21,158   |
| Extra-Ord expense & DO | 237    | 191    | 181    | 158    | 0      | 0      | 0      | 0      | 767      | 0        |
| PBT                    | 4,858  | 4,148  | 3,483  | 4,433  | 4,071  | 4,769  | 5,408  | 6,911  | 16,922   | 21,158   |
| Tax                    | 1,265  | 1,140  | 949    | 211    | 997    | 1,168  | 1,325  | 1,694  | 3,565    | 5,184    |
| Rate (%)               | 24.8   | 26.3   | 25.9   | 4.6    | 24.5   | 24.5   | 24.5   | 24.5   | 20.2     | 24.5     |
| Reported PAT           | 3,593  | 3,008  | 2,534  | 4,222  | 3,074  | 3,600  | 4,083  | 5,217  | 13,357   | 15,974   |
| Adj PAT                | 3,830  | 3,199  | 2,715  | 4,380  | 3,074  | 3,600  | 4,083  | 5,217  | 14,124   | 15,974   |
| YoY Change (%)         | -39.5  | -38.1  | -48.4  | -25.8  | -19.8  | 12.5   | 50.4   | 19.1   | -37.7    | 13.1     |
| Margins (%)            | 11.5   | 10.1   | 8.9    | 12.3   | 9.4    | 10.2   | 10.9   | 11.8   | 10.8     | 10.6     |

**Tata Chemicals****Neutral****CMP INR1,095 | TP: INR1,000 (-9%)****EPS CHANGE (%): FY25|26: -4|2**

- Revenue is likely to decline 6% YoY due to ~23%/17%/11% decline in North America/Kenya/Europe.
- The current demand scenario in Soda Ash in TTCH's key markets is a focus area.
- EBITDA margin is likely to contract to ~16.5%, due to lower gross profit and higher employee costs.
- Pricing outlook on Soda Ash will be the key monitorables.

**Consolidated - Quarterly Earning Model**

(INR m)

| Y/E March                      | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>               | <b>42,180</b> | <b>39,980</b> | <b>37,300</b> | <b>34,750</b> | <b>39,462</b> | <b>41,160</b> | <b>39,695</b> | <b>39,696</b> | <b>1,54,210</b> | <b>1,60,012</b> |
| YoY Change (%)                 | 5.6           | -5.7          | -10.1         | -21.1         | -6.4          | 3.0           | 6.4           | 14.2          | -8.1            | 3.8             |
| Total Expenditure              | 31,750        | 31,790        | 31,880        | 30,320        | 32,956        | 34,181        | 33,035        | 32,534        | 1,25,740        | 1,32,707        |
| <b>EBITDA</b>                  | <b>10,430</b> | <b>8,190</b>  | <b>5,420</b>  | <b>4,430</b>  | <b>6,505</b>  | <b>6,979</b>  | <b>6,660</b>  | <b>7,162</b>  | <b>28,470</b>   | <b>27,305</b>   |
| Margins (%)                    | 24.7          | 20.5          | 14.5          | 12.7          | 16.5          | 17.0          | 16.8          | 18.0          | 18.5            | 17.1            |
| Depreciation                   | 2,290         | 2,340         | 2,460         | 2,710         | 2,720         | 2,730         | 2,730         | 2,735         | 9,800           | 10,915          |
| Interest                       | 1,230         | 1,450         | 1,320         | 1,300         | 1,200         | 1,150         | 1,100         | 911           | 5,300           | 4,361           |
| Other Income                   | 490           | 850           | 380           | 1,140         | 539           | 935           | 418           | 348           | 2,860           | 2,240           |
| <b>PBT before EO expense</b>   | <b>7,400</b>  | <b>5,250</b>  | <b>2,020</b>  | <b>1,560</b>  | <b>3,124</b>  | <b>4,034</b>  | <b>3,248</b>  | <b>3,864</b>  | <b>16,230</b>   | <b>14,270</b>   |
| Extra-Ord expense              | -90           | -1,020        | 0             | 9,630         | 0             | 0             | 0             | 0             | 8,520           | 0               |
| <b>PBT</b>                     | <b>7,490</b>  | <b>6,270</b>  | <b>2,020</b>  | <b>-8,070</b> | <b>3,124</b>  | <b>4,034</b>  | <b>3,248</b>  | <b>3,864</b>  | <b>7,710</b>    | <b>14,270</b>   |
| Tax                            | 1,710         | 1,200         | 680           | 220           | 765           | 988           | 796           | 947           | 3,810           | 3,496           |
| Rate (%)                       | 22.8          | 19.1          | 33.7          | -2.7          | 24.5          | 24.5          | 24.5          | 24.5          | 49.4            | 24.5            |
| MI & Profit/Loss of Asso. Cos. | 550           | 790           | -240          | -20           | 564           | 554           | 549           | 570           | 1,080           | 2,237           |
| <b>Reported PAT</b>            | <b>5,230</b>  | <b>4,280</b>  | <b>1,580</b>  | <b>-8,270</b> | <b>1,795</b>  | <b>2,492</b>  | <b>1,903</b>  | <b>2,347</b>  | <b>2,820</b>    | <b>8,537</b>    |
| <b>Adj PAT</b>                 | <b>5,163</b>  | <b>3,515</b>  | <b>1,580</b>  | <b>-1,048</b> | <b>1,795</b>  | <b>2,492</b>  | <b>1,903</b>  | <b>2,347</b>  | <b>9,210</b>    | <b>8,537</b>    |
| YoY Change (%)                 | -12.8         | -44.4         | -60.1         | -114.7        | -65.2         | -29.1         | 20.4          | -324.1        | -60.5           | -7.3            |
| Margins (%)                    | 12.2          | 8.8           | 4.2           | -3.0          | 4.5           | 6.1           | 4.8           | 5.9           | 6.0             | 5.3             |

**Vinati Organics****Buy****CMP: INR1,942 | TP: INR2,340 (+20%)****EPS CHANGE (%): FY25|26: +1|0**

- Expect revenue to increase 30% YoY to INR5.6b due to better than expected performance in ATBS, IBB and AOs
- Key driver: ramp-up of Antioxidants (AOs) plant to aid sales growth in FY25E
- EBITDA margin expected to be at 26.8% with gross margin at 46.9% in 1QFY25
- Watch out for capex updates (mainly on Veeral Organics) and other new product announcements.

**Standalone - Quarterly Earning Model**

(INR m)

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>4,310</b> | <b>4,629</b> | <b>4,480</b> | <b>5,503</b> | <b>5,605</b> | <b>6,141</b> | <b>6,613</b> | <b>6,834</b> | <b>19,000</b> | <b>25,193</b> |
| YoY Change (%)               | -14.9        | -18.3        | -13.3        | 6.0          | 30.0         | 32.7         | 47.6         | 24.2         | -8.3          | 32.6          |
| Gross Margin (%)             | 47.6%        | 45.8%        | 47.2%        | 46.6%        | 46.9%        | 47.5%        | 50.0%        | 45.6%        | 46.8%         | 47.5%         |
| <b>EBITDA</b>                | <b>1,090</b> | <b>1,048</b> | <b>1,147</b> | <b>1,502</b> | <b>1,502</b> | <b>1,620</b> | <b>1,680</b> | <b>1,515</b> | <b>4,701</b>  | <b>6,317</b>  |
| Margin (%)                   | 25.3         | 22.6         | 25.6         | 27.3         | 26.8         | 26.4         | 25.4         | 22.2         | 24.7          | 25.1          |
| Depreciation                 | 132          | 173          | 193          | 194          | 212          | 215          | 219          | 223          | 728           | 869           |
| Interest                     | 3            | 9            | 10           | 9            | 10           | 9            | 10           | 11           | 36            | 40            |
| Other Income                 | 153          | 106          | 88           | 96           | 139          | 126          | 123          | 117          | 388           | 504           |
| <b>PBT before EO expense</b> | <b>1,109</b> | <b>972</b>   | <b>1,032</b> | <b>1,396</b> | <b>1,419</b> | <b>1,522</b> | <b>1,573</b> | <b>1,398</b> | <b>4,325</b>  | <b>5,912</b>  |
| <b>PBT</b>                   | <b>1,109</b> | <b>972</b>   | <b>1,032</b> | <b>1,396</b> | <b>1,419</b> | <b>1,522</b> | <b>1,573</b> | <b>1,398</b> | <b>4,325</b>  | <b>5,912</b>  |
| Tax                          | 276          | 247          | 262          | 351          | 357          | 383          | 396          | 352          | 1,091         | 1,488         |
| Rate (%)                     | 24.9         | 25.4         | 25.4         | 25.1         | 25.2         | 25.2         | 25.2         | 25.1         | 25.2          | 25.2          |
| <b>Reported PAT</b>          | <b>832</b>   | <b>725</b>   | <b>770</b>   | <b>1,045</b> | <b>1,061</b> | <b>1,139</b> | <b>1,177</b> | <b>1,046</b> | <b>3,234</b>  | <b>4,424</b>  |
| <b>Adj PAT</b>               | <b>832</b>   | <b>725</b>   | <b>770</b>   | <b>1,045</b> | <b>1,061</b> | <b>1,139</b> | <b>1,177</b> | <b>1,046</b> | <b>3,234</b>  | <b>4,424</b>  |
| YoY Change (%)               | -17.7        | -37.5        | -28.0        | -0.2         | 27.5         | 57.1         | 52.9         | 0.1          | -22.8         | 36.8          |
| Margin (%)                   | 19.3         | 15.7         | 17.2         | 19.0         | 18.9         | 18.5         | 17.8         | 15.3         | 17.0          | 17.6          |

# Consumer

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

## Steady demand; gradual volume improvement

### MOFSL coverage universe to clock 7.8%/9.2% YoY growth in revenue/EBITDA

Demand trends were steady in 1QFY25, with the summer portfolio likely to outperform. Rural markets have seen a gradual recovery (rural growth was better than urban) during the quarter. Most company managements remain positive about volume recovery in FY25. All eyes are on the govt's initiatives to boost rural income in the upcoming budget. Companies have been focusing on driving their core portfolios through various initiatives, like distribution expansion, product relaunches, step-up in marketing budgets, etc.

We expect marginal improvements in volume growth QoQ in 1QFY25. Considering steady macro, price cuts and consumer offers by companies, we expect that our FMCG universe is likely to post mid to high single-digit volume growth in FY25. Paints and adhesive companies are expected to report high single-digit to double-digit volume growth. The cigarette segment is seeing a slight improvement in demand and is expected to deliver ~2-3% volume growth. Alcohol beverages were affected by election-related restrictions and there are some supply-side constraints limiting the sales. We expect volume growth of 4% in UNSP and 11% in UBBL. We are seeing select price hikes (HPC categories); hence, we believe that revenue growth could be slightly higher than volume growth for a few companies.

Gross margin is expected to see some improvement, albeit at a slower pace than witnessed over the last 3-4 quarters. Overhead expenses related to distribution and marketing are expected to remain elevated. Still, we expect some improvement in EBITDA margin for most companies in our universe. The 19 companies under our coverage are expected to deliver revenue growth of 7.8%, EBITDA growth of 9.2%, and PAT growth of 9.7% in 1QFY25.

## Stable price trends in commodities with gold continuing to rise

**Overall commodity cost basket:** The overall commodity cost basket has stabilized during the quarter, up 1.7% YoY and 1.5% QoQ. The agricultural basket increased by 3.6% YoY/3.1% QoQ. There was a decrease in prices of mentha and milk powder, whereas prices of palm oil, sugar, wheat, tea, coffee and maize increased. The non-agricultural commodity basket declined 2.0% YoY/1.7% QoQ, offsetting the rise in agri commodity prices.

- **In the agricultural basket,** maize prices went up by 17% YoY and currently trade at INR24/kg. Coffee prices continued to rise by 15% YoY (2% QoQ) due to labor shortages and higher demand. Tea prices increased sharply during the quarter after a moderation in 4QFY24 and went up by 31% QoQ/4% YoY due to geopolitical issues, climate change and changing consumer preferences. Wheat prices rose 10% YoY to INR26/kg, aided by government support to farmers. Barley prices remained flat YoY at INR21/kg. Sugar prices increased by 8% YoY to INR39/kg. Mentha oil prices dropped 14% YoY to INR975/kg. Malaysian palm oil prices increased by 5% YoY to MYR4,097/MT. Palm fatty acid prices rose 6% YoY; now trading at USD840/MT.
- **In the non-agricultural basket,** crude oil prices went up by 8% YoY and 2% QoQ in 1QFY25. Currently, spot price is ~USD89/bbl. VAM prices declined 2% YoY and 15% QoQ and reached to USD850/MT. Domestic gold prices increased by 20% YoY and 14% QoQ in 1QFY25, and currently trade at INR71,850 per 10gm. Titanium dioxide (TiO2) prices declined by 13% YoY and 1% QoQ; now trading at INR343/kg.

**1QFY25 – Expected key outliers and underperformers**

- Outliers: Emami, GCPL, Britannia, UBBL
- Underperformers: Asian Paints, HUL

**Top picks**

- **HUL:** We believe that volume growth has bottomed out and that a gradual volume recovery is expected in FY25. HUL's wide product range and presence across price segments should help the company achieve steady growth during the recovery period. Parts of the BPC and F&R have a turnaround scope; we will see how the new CEO addresses the gaps. The valuation at 47x FY26E EPS is reasonable given its last five-year average P/E of 60x on one-year forward earnings.
- **GCPL:** GCPL is consistently working to expand the total addressable market for its India business through product innovations to drive frequency. Besides, there has been a consistent effort to address the gaps in profitability and growth in its international business. We see margin headroom from the RCCL and Indonesia businesses. The valuation is expensive, but earnings are expected to outperform peers'.
- **DABUR:** Recovery in rural markets should support its portfolio, as it is heavily skewed toward rural areas. In the domestic business, we expect healthcare, oral care, and food business to grow faster than others. The distribution drive will further contribute to rural growth. EBITDA margin has remained in the range of 19-20% for the past several years. The margin is expected to improve in the coming years due to a better mix of products (such as higher healthcare offerings) and increased pricing in high market-share brands.

**Exhibit 1: Summary of 1QFY25 earnings estimates**

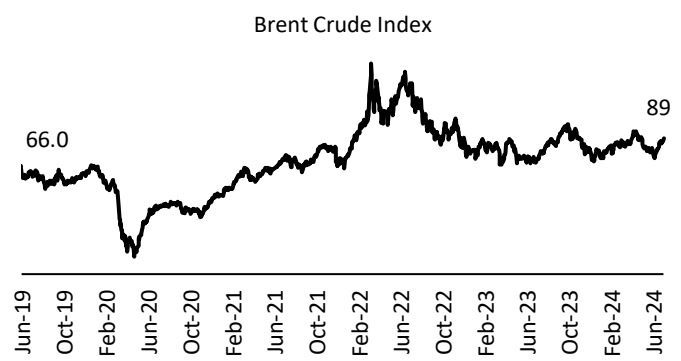
| Sector           | CMP (INR) | RECO    | SALES (INR M)   |            |            | EBDITA (INR M)  |            |             | NET PROFIT (INR M) |            |             |
|------------------|-----------|---------|-----------------|------------|------------|-----------------|------------|-------------|--------------------|------------|-------------|
|                  |           |         | Jun-24          | Var % YoY  | Var % QoQ  | Jun-24          | Var % YoY  | Var % QoQ   | Jun-24             | Var % YoY  | Var % QoQ   |
| Asian Paints     | 2926      | Neutral | 91,823          | 0.0        | 5.2        | 19,916          | -6.1       | 17.8        | 14,330             | -9.0       | 12.4        |
| Britannia        | 5403      | Neutral | 42,283          | 5.4        | 3.9        | 7,847           | 13.9       | -0.3        | 5,307              | 16.5       | -1.1        |
| Colgate          | 2870      | Neutral | 14,433          | 9.0        | -3.1       | 4,698           | 12.4       | -11.7       | 3,336              | 15.7       | -12.2       |
| Dabur            | 603       | Buy     | 33,653          | 7.5        | 19.6       | 6,596           | 9.1        | 41.3        | 4,942              | 4.7        | 38.1        |
| Emami            | 723       | Buy     | 8,914           | 8.0        | 0.0        | 2,135           | 12.4       | 1.2         | 1,770              | 25.3       | 6.1         |
| Godrej Consumer  | 1370      | Buy     | 36,216          | 5.0        | 7.0        | 7,845           | 15.1       | 3.2         | 5,019              | 34.5       | -12.7       |
| Hind. Unilever   | 2485      | Buy     | 1,55,530        | 0.4        | 2.3        | 37,113          | 1.3        | 5.0         | 26,432             | 2.4        | 5.7         |
| Indigo Paints    | 1390      | Buy     | 3,259           | 13.0       | -15.3      | 600             | 22.2       | -29.0       | 358                | 15.3       | -34.3       |
| ITC              | 425       | Buy     | 1,83,622        | 7.0        | 2.5        | 70,667          | 5.9        | 6.6         | 54,263             | 6.3        | 5.9         |
| Jyothy Labs      | 477       | Neutral | 7,524           | 9.5        | 14.0       | 1,317           | 12.1       | 21.5        | 977                | 12.0       | 25.0        |
| Marico           | 603       | Buy     | 26,719          | 7.9        | 17.3       | 6,341           | 10.5       | 43.5        | 4,615              | 8.1        | 45.1        |
| Nestle           | 2545      | Neutral | 50,600          | 8.6        | -3.9       | 12,067          | 13.2       | -10.1       | 7,985              | 13.8       | -12.6       |
| P&G Hygiene      | 16547     | Neutral | 9,576           | 12.8       | -4.5       | 2,652           | 25.4       | 3.1         | 1,894              | 28.2       | 2.2         |
| Page Industries  | 38790     | Neutral | 13,187          | 7.0        | 32.5       | 2,625           | 8.5        | 57.0        | 1,767              | 11.6       | 63.3        |
| Pidilite Inds.   | 3085      | Neutral | 35,044          | 7.0        | 20.8       | 8,117           | 14.8       | 40.7        | 5,651              | 19.1       | 49.5        |
| Tata Consumer    | 1106      | Buy     | 44,347          | 18.5       | 12.9       | 6,776           | 24.3       | 7.6         | 3,854              | 20.3       | 1.8         |
| United Breweries | 2032      | Sell    | 26,187          | 15.2       | 22.9       | 3,087           | 38.6       | 117.5       | 2,025              | 48.8       | 150.5       |
| United Spirits   | 1276      | Neutral | 23,550          | 8.4        | -11.7      | 4,117           | 6.9        | 13.7        | 2,620              | 9.3        | -35.7       |
| Varun Beverages  | 1578      | Buy     | 75,944          | 35.3       | 75.9       | 21,142          | 39.9       | 113.8       | 14,226             | 43.2       | 164.7       |
| <b>Consumer</b>  |           |         | <b>8,82,410</b> | <b>7.8</b> | <b>8.9</b> | <b>2,25,659</b> | <b>9.2</b> | <b>14.5</b> | <b>1,61,373</b>    | <b>9.7</b> | <b>12.5</b> |

**Exhibit 2: Expect most of the companies to post mid to high single-digit volume growth in 1QFY25**

| Volume growth (%) | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Asian Paints      | 37.0   | 10.0   | 0.0    | 16.0   | 10.0   | 6.0    | 12.0   | 10.0   | 12.0    |
| Britannia         | -2.0   | 5.0    | 3.0    | 3.0    | 0.0    | 0.0    | 3.0    | 3.5    | 5.0     |
| Colgate           | -2.5   | -2.5   | -4.5   | 0.5    | 3.0    | -1.0   | -1.0   | 1.0    | 2.5     |
| Dabur             | 5.0    | 1.0    | -3.0   | 1.0    | 3.0    | 3.0    | 4.0    | 3.0    | 6.0     |
| Emami             | 9.6    | -1.0   | -3.9   | 2.0    | 3.0    | 2.0    | -1.0   | 6.4    | 7.0     |
| Godrej Consumer   | -6.0   | -5.0   | 3.0    | 13.0   | 10.0   | 4.0    | 5.0    | 9.0    | 8.0     |
| HUL               | 6.0    | 4.0    | 5.0    | 4.0    | 3.0    | 2.0    | 2.0    | 2.0    | 3.0     |
| ITC               | 26.0   | 20.0   | 15.0   | 11.5   | 8.0    | 5.0    | -1.0   | 2      | 2.5     |
| Marico            | -5.0   | 3.0    | 4.0    | 5.0    | 3.0    | 3.0    | 2.0    | 3.0    | 4.3     |
| Nestle            | 7.0    | 8.8    | -2.3   | 5.1    | 5.4    | 5.4    | 4.0    | 4.0    | 5.0     |
| Page Industries   | 150.0  | 1.0    | -11.0  | -15.0  | -11.5  | -8.8   | 4.6    | 6.1    | 9.0     |
| UBBL              | 121.0  | 23.0   | 4.0    | 3.1    | -12.4  | 7.0    | 8.0    | 10.9   | 11.0    |
| United spirits    | 17.9   | 8.3    | -25.0  | -27.3  | 5.8    | 1.0    | -1.8   | 3.7    | 4.2     |

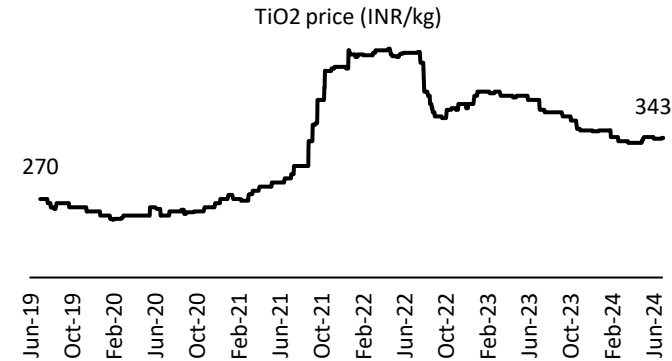
Source: Company, MOFSL

**Exhibit 3: Crude prices rose 9% YoY/ 2% QoQ in Jun'24**



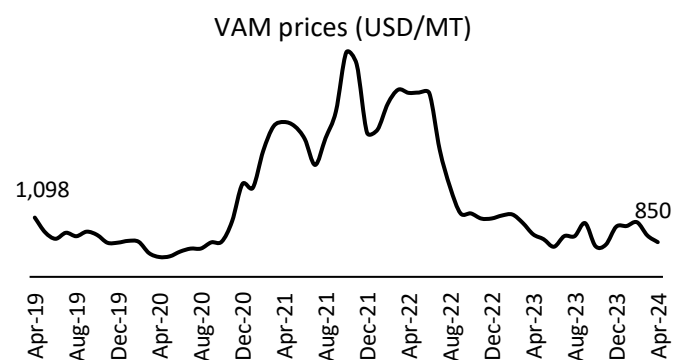
Source: Bloomberg, MOFSL

**Exhibit 4: TiO2 prices fell 13% YoY/1% QoQ in Jun'24**



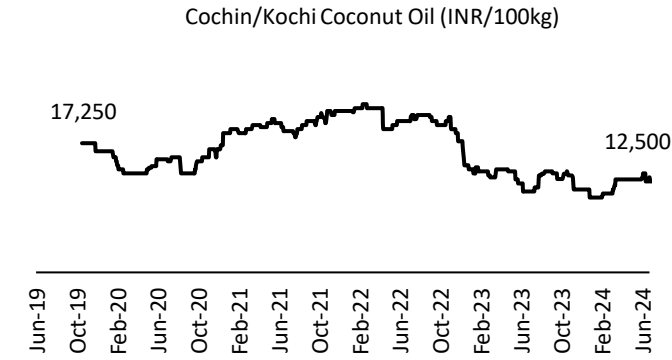
Source: Bloomberg, MOFSL

**Exhibit 5: VAM prices down 2% YoY/ 15% QoQ in Apr'24**



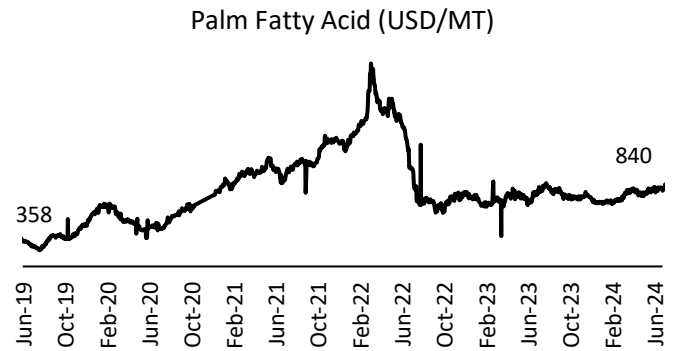
Source: Bloomberg, MOFSL

**Exhibit 6: Copra prices flat YoY while rose 14% QoQ in Jun'24**



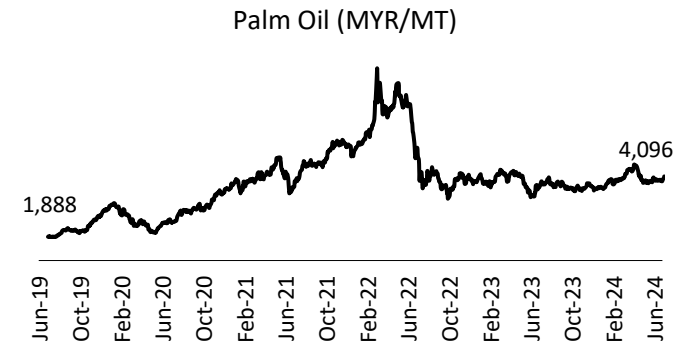
Source: Company, MOFSL

**Exhibit 7: PFAD prices rose 6% YoY/ 9% QoQ in Jun'24**



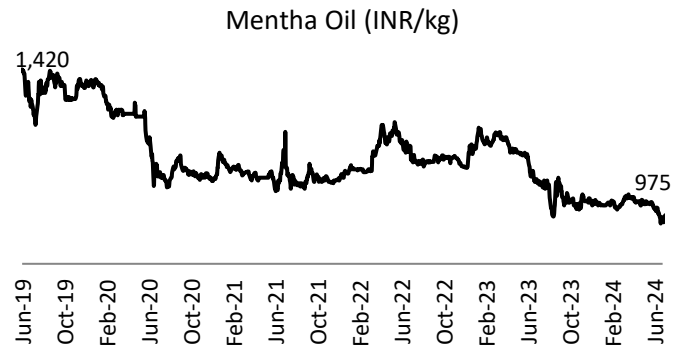
Source: Bloomberg, MOFSL

**Exhibit 8: Malaysian palm oil prices rose 5% YoY while flat QoQ in Jun'24**



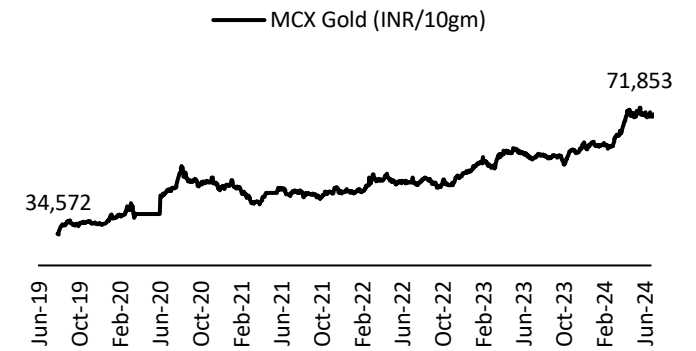
Source: Bloomberg, MOFSL

**Exhibit 9: Mentha oil prices fell 14% YoY/1% QoQ in Jun'24**



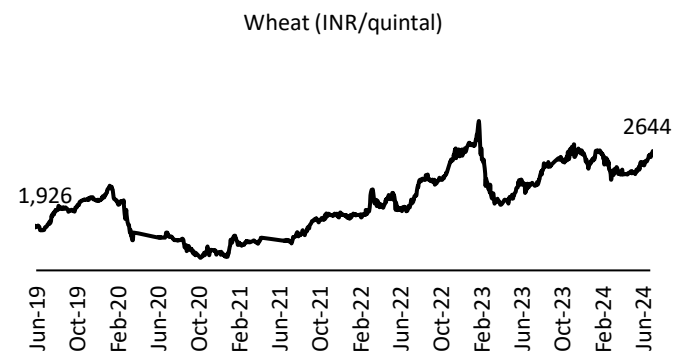
Source: Bloomberg, MOFSL

**Exhibit 10: Gold prices rose 20% YoY/ 14% QoQ in Jun'24**



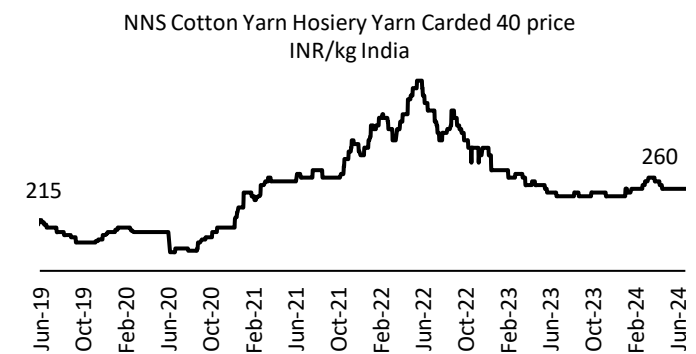
Source: Bloomberg, MOFSL

**Exhibit 11: Wheat prices rose 10%YoY while decline 1% QoQ in Jun'24**



Source: Bloomberg, MOFSL

**Exhibit 12: Yarn prices flat YoY and QoQ in Jun'24**

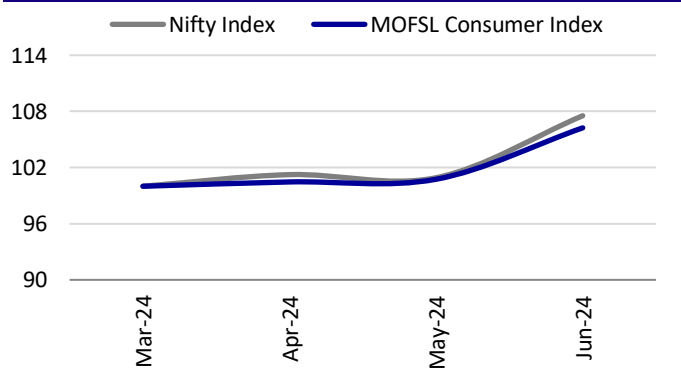


Source: Bloomberg, MOFSL

**Exhibit 13: Comparative valuation**

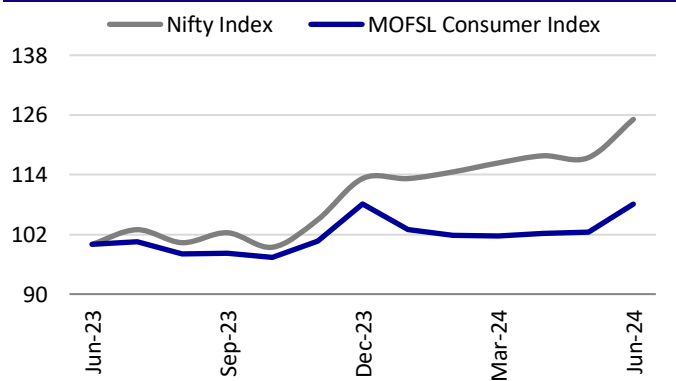
| Company Name     | CMP<br>INR | Reco    | EPS (INR) |       |       | PE (x)      |             |             | PB (x)      |             |             | ROE (%)     |             |             |
|------------------|------------|---------|-----------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                  |            |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       |
| <b>Consumer</b>  |            |         |           |       |       | <b>47.2</b> | <b>45.8</b> | <b>41.1</b> | <b>12.0</b> | <b>11.6</b> | <b>10.7</b> | <b>25.5</b> | <b>25.4</b> | <b>26.0</b> |
| Asian Paints     | 2,926      | Neutral | 57.9      | 59.0  | 65.7  | 49.1        | 49.6        | 44.5        | 14.6        | 13.8        | 12.4        | 32.0        | 29.0        | 29.3        |
| Britannia        | 5,403      | Neutral | 88.7      | 102.6 | 115.0 | 55.4        | 52.7        | 47.0        | 30.0        | 28.4        | 23.8        | 57.2        | 58.0        | 55.2        |
| Colgate          | 2,870      | Neutral | 49.2      | 54.1  | 58.4  | 55.1        | 53.0        | 49.2        | 39.3        | 35.0        | 29.2        | 74.5        | 71.7        | 64.7        |
| Dabur            | 603        | Buy     | 10.6      | 12.1  | 13.3  | 49.4        | 49.9        | 45.5        | 9.4         | 10.0        | 9.3         | 19.9        | 20.8        | 21.1        |
| Emami            | 723        | Buy     | 18.0      | 21.1  | 23.2  | 23.8        | 34.3        | 31.1        | 7.7         | 11.3        | 9.9         | 33.2        | 35.0        | 33.9        |
| Godrej Consumer  | 1,370      | Buy     | 19.3      | 22.5  | 26.7  | 64.8        | 60.9        | 51.4        | 10.2        | 9.9         | 8.9         | 15.0        | 17.2        | 18.2        |
| Hind. Unilever   | 2,485      | Buy     | 43.7      | 47.4  | 52.4  | 51.9        | 52.5        | 47.4        | 10.4        | 11.2        | 10.9        | 20.2        | 21.5        | 23.3        |
| Indigo Paints    | 1,390      | Buy     | 31.3      | 34.8  | 38.0  | 40.1        | 39.9        | 36.6        | 6.6         | 6.4         | 5.6         | 17.7        | 17.1        | 16.3        |
| ITC              | 425        | Buy     | 16.4      | 17.4  | 18.9  | 26.2        | 24.4        | 22.5        | 7.2         | 6.8         | 6.4         | 28.5        | 28.4        | 29.2        |
| Jyothy Labs      | 477        | Neutral | 9.8       | 10.9  | 12.2  | 44.8        | 43.8        | 39.0        | 8.9         | 9.2         | 8.3         | 21.5        | 21.5        | 22.3        |
| Marico           | 603        | Buy     | 11.5      | 12.7  | 14.1  | 43.3        | 47.3        | 42.8        | 16.7        | 19.5        | 18.5        | 38.8        | 42.0        | 44.4        |
| Nestle           | 2,545      | Neutral | 41.0      | 36.8  | 41.1  | 63.9        | 69.1        | 61.9        | 75.7        | 61.0        | 51.2        | 136.5       | 96.4        | 90.0        |
| P&G Hygiene      | 16,547     | Neutral | 250.6     | 284.7 | 314.7 | 67.4        | 58.1        | 52.6        | 55.0        | 45.5        | 38.8        | 83.9        | 85.0        | 79.7        |
| Page Industries  | 38,790     | Neutral | 510.3     | 597.6 | 722.8 | 67.5        | 64.9        | 53.7        | 24.0        | 23.2        | 19.8        | 35.6        | 35.7        | 36.8        |
| Pidilite Inds.   | 3,085      | Neutral | 35.9      | 42.5  | 48.6  | 84.1        | 72.5        | 63.5        | 18.2        | 16.4        | 14.8        | 23.3        | 24.1        | 24.5        |
| Tata Consumer    | 1,106      | Buy     | 14.6      | 17.7  | 20.1  | 74.8        | 62.6        | 55.1        | 6.5         | 4.9         | 4.7         | 8.6         | 9.6         | 9.4         |
| United Breweries | 2,032      | Sell    | 15.5      | 25.7  | 34.2  | 111         | 79          | 59.4        | 11.0        | 11.8        | 10.7        | 10.1        | 15.6        | 18.9        |
| United Spirits   | 1,276      | Neutral | 18.1      | 18.7  | 21.1  | 63          | 68          | 60.5        | 11.8        | 11.1        | 9.4         | 18.9        | 16.3        | 15.6        |
| Varun Beverages  | 1,578      | Buy     | 15.8      | 21.7  | 26.6  | 88.4        | 72.7        | 59.4        | 26.2        | 21.7        | 16.3        | 34.2        | 34.5        | 31.4        |

**Exhibit 14: Relative performance – three months (%)**



Source: MOFSL, Company

**Exhibit 15: 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: INR2,926 | TP: INR3,150 (+8%)**

**EPS CHANGE (%): FY25|FY26: 0.7|1.7**

- We expect 12% YoY domestic volume growth in 1QFY25.
- We expect gross margin to expand marginally 60bp YoY to 43.5%.
- TiO2 to decline 13% YoY/1% QoQ in 1QFY25.
- Key monitorable: competition from new players.

### Quarterly Performance (Consol.)

| Y/E March                       | FY24          |               |               |               | FY25E         |               |                 |               | FY24            | FY25E           |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|-----------------|-----------------|
|                                 | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE             | 4QE           |                 |                 |
| Est. Dom. Deco. Vol. growth (%) | 10.0          | 6.0           | 12.0          | 10.0          | 12.0          | 8.0           | 14.0            | 15.0          | 9.5             | 12.3            |
| <b>Net Sales</b>                | <b>91,823</b> | <b>84,786</b> | <b>91,031</b> | <b>87,308</b> | <b>91,823</b> | <b>87,329</b> | <b>1,00,134</b> | <b>97,255</b> | <b>3,54,947</b> | <b>3,76,542</b> |
| Change (%)                      | 6.7           | 0.2           | 5.4           | -0.6          | 0.0           | 3.0           | 10.0            | 11.4          | 2.9             | 6.1             |
| <b>Gross Profit</b>             | <b>39,419</b> | <b>36,771</b> | <b>39,695</b> | <b>38,160</b> | <b>39,943</b> | <b>37,988</b> | <b>43,558</b>   | <b>43,566</b> | <b>1,54,045</b> | <b>1,65,055</b> |
| Gross Margin (%)                | 42.9          | 43.4          | 43.6          | 43.7          | 43.5          | 43.5          | 43.5            | 44.8          | 43.4            | 43.8            |
| <b>EBITDA</b>                   | <b>21,213</b> | <b>17,162</b> | <b>20,561</b> | <b>16,914</b> | <b>19,916</b> | <b>16,555</b> | <b>22,511</b>   | <b>20,458</b> | <b>75,850</b>   | <b>79,441</b>   |
| Margin (%)                      | 23.1          | 20.2          | 22.6          | 19.4          | 21.7          | 19.0          | 22.5            | 21.0          | 21.4            | 21.1            |
| Change (%)                      | 36.3          | 39.8          | 27.6          | -9.3          | -6.1          | -3.5          | 9.5             | 21.0          | 21.2            | 4.7             |
| Interest                        | 458           | 509           | 544           | 541           | 503           | 560           | 571             | 555           | 2,052           | 2,189           |
| Depreciation                    | 1,983         | 2,087         | 2,204         | 2,256         | 2,280         | 2,338         | 2,468           | 2,612         | 8,530           | 9,698           |
| Other Income                    | 1,971         | 1,652         | 1,386         | 1,871         | 1,774         | 1,817         | 1,663           | 1,763         | 6,880           | 7,017           |
| <b>PBT</b>                      | <b>20,743</b> | <b>16,218</b> | <b>19,199</b> | <b>15,988</b> | <b>18,906</b> | <b>15,475</b> | <b>21,135</b>   | <b>19,055</b> | <b>72,148</b>   | <b>74,571</b>   |
| Tax                             | 5,301         | 4,186         | 4,926         | 3,488         | 4,821         | 3,946         | 5,389           | 4,859         | 17,901          | 19,016          |
| Effective Tax Rate (%)          | 25.6          | 25.8          | 25.7          | 21.8          | 25.5          | 25.5          | 25.5            | 25.5          | 24.8            | 25.5            |
| <b>Adjusted PAT</b>             | <b>15,749</b> | <b>12,324</b> | <b>14,752</b> | <b>12,753</b> | <b>14,330</b> | <b>11,820</b> | <b>15,985</b>   | <b>14,480</b> | <b>55,577</b>   | <b>56,615</b>   |
| Change (%)                      | 48.5          | 53.3          | 34.5          | -0.6          | -9.0          | -4.1          | 8.4             | 13.5          | 30.9            | 1.9             |

E: MOFSL Estimates

## Britannia Industries Neutral

**CMP: INR5,403 | TP: INR 5,400 (0%)**

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

- We expect ~5% volume growth (pack growth) in 1QFY25.
- We expect gross margin to expand 160bp YoY to 43.5%.
- EBITDA margin expected to expand by 140bp YoY to 18.6% in 1QFY25.
- Look out for pack growth, likely to implement grammage addition to remain competitive.

### Consol. Quarterly Performance

| Y/E March                       | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                 | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| Base business volume growth (%) | 0.0           | 0.0           | 3.0           | 3.5           | 5.0           | 7.0           | 7.0           | 9.0           | 1.6             | 7.0             |
| <b>Total Revenue</b>            | <b>40,107</b> | <b>44,329</b> | <b>42,563</b> | <b>40,694</b> | <b>42,283</b> | <b>48,700</b> | <b>46,735</b> | <b>45,738</b> | <b>1,67,693</b> | <b>1,83,457</b> |
| YoY change (%)                  | 8.4           | 1.2           | 1.4           | 1.1           | 5.4           | 9.9           | 9.8           | 12.4          | 2.9             | 9.4             |
| <b>Gross Profit</b>             | <b>16,820</b> | <b>19,011</b> | <b>18,673</b> | <b>18,269</b> | <b>18,393</b> | <b>20,941</b> | <b>20,657</b> | <b>20,730</b> | <b>72,772</b>   | <b>80,721</b>   |
| Margins (%)                     | 41.9          | 42.9          | 43.9          | 44.9          | 43.5          | 43.0          | 44.2          | 45.3          | 43.4            | 44.0            |
| <b>EBITDA</b>                   | <b>6,889</b>  | <b>8,724</b>  | <b>8,211</b>  | <b>7,874</b>  | <b>7,847</b>  | <b>9,639</b>  | <b>9,045</b>  | <b>8,968</b>  | <b>31,698</b>   | <b>35,499</b>   |
| Margins (%)                     | 17.2          | 19.7          | 19.3          | 19.4          | 18.6          | 19.8          | 19.4          | 19.6          | 18.9            | 19.4            |
| YoY growth (%)                  | 37.6          | 22.6          | 0.4           | -1.7          | 8.1           | 0.6           | 0.3           | 1.3           | 12.0            | 12.0            |
| Depreciation                    | 708           | 717           | 781           | 799           | 800           | 825           | 825           | 864           | 3,005           | 3,314           |
| Interest                        | 531           | 534           | 311           | 264           | 350           | 400           | 375           | 368           | 1,640           | 1,493           |
| Other Income                    | 539           | 524           | 506           | 573           | 575           | 575           | 575           | 602           | 2,142           | 2,327           |
| <b>PBT</b>                      | <b>6,190</b>  | <b>7,997</b>  | <b>7,625</b>  | <b>7,384</b>  | <b>7,272</b>  | <b>8,989</b>  | <b>8,420</b>  | <b>8,337</b>  | <b>29,196</b>   | <b>33,018</b>   |
| Tax                             | 1,665         | 2,121         | 2,026         | 1,980         | 1,927         | 2,247         | 2,105         | 2,031         | 7,793           | 8,311           |
| Rate (%)                        | 26.9          | 26.5          | 26.6          | 26.8          | 26.5          | 25.0          | 25.0          | 24.4          | 26.7            | 25.2            |
| <b>Adjusted PAT</b>             | <b>4,555</b>  | <b>5,865</b>  | <b>5,586</b>  | <b>5,366</b>  | <b>5,307</b>  | <b>6,704</b>  | <b>6,277</b>  | <b>6,267</b>  | <b>21,371</b>   | <b>24,555</b>   |
| YoY change (%)                  | 35.7          | 19.5          | 0.3           | -3.8          | 16.5          | 14.3          | 12.4          | 16.8          | 10.1            | 14.9            |

E: MOFSL Estimates

**Colgate****Neutral****CMP: INR2,870 | TP: INR2,700 (-6%)****EPS CHANGE (%): FY25 | FY26: 3.6 | 3.6**

- We expect 9% revenue growth, led by the price hike taken by the company.
- Expecting ~2-3% volume growth in 1QFY25.
- Key monitorables: Volume growth, RM costs, A&P spending, and performance of new launch category.
- Expect gross margin expansion of 60bp YoY to 69%.

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

| Y/E March                      | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Volume Gr %</b>             | <b>3.0</b>    | <b>-1.0</b>   | <b>-1.0</b>   | <b>1.0</b>    | <b>2.5</b>    | <b>3.5</b>    | <b>4.5</b>    | <b>5.0</b>    | <b>0.5</b>    | <b>3.9</b>    |
| <b>Net Sales (inclgd. OOI)</b> | <b>13,237</b> | <b>14,711</b> | <b>13,957</b> | <b>14,900</b> | <b>14,433</b> | <b>16,036</b> | <b>15,214</b> | <b>16,066</b> | <b>56,804</b> | <b>61,755</b> |
| YoY change (%)                 | 10.6          | 6.0           | 8.1           | 10.3          | 9.0           | 9.0           | 9.0           | 7.8           | 8.7           | 8.7           |
| <b>Gross Profit</b>            | <b>9,058</b>  | <b>10,117</b> | <b>10,073</b> | <b>10,327</b> | <b>9,959</b>  | <b>11,065</b> | <b>10,802</b> | <b>11,090</b> | <b>39,574</b> | <b>42,922</b> |
| Gross margin (%)               | 68.4          | 68.8          | 72.2          | 69.3          | 69.0          | 69.0          | 71.0          | 69.0          | 69.7          | 69.5          |
| <b>EBITDA</b>                  | <b>4,181</b>  | <b>4,821</b>  | <b>4,684</b>  | <b>5,322</b>  | <b>4,698</b>  | <b>5,305</b>  | <b>4,963</b>  | <b>5,752</b>  | <b>19,008</b> | <b>20,718</b> |
| Margins (%)                    | 31.6          | 32.8          | 33.6          | 35.7          | 32.6          | 33.1          | 32.6          | 35.8          | 33.5          | 33.5          |
| YoY growth (%)                 | 28.4          | 18.2          | 29.6          | 17.8          | 12.4          | 10.0          | 6.0           | 8.1           | 22.9          | 9.0           |
| Depreciation                   | 438           | 443           | 414           | 421           | 445           | 445           | 445           | 475           | 1,715         | 1,810         |
| Interest                       | 11            | 11            | 15            | 14            | 14            | 14            | 14            | 13            | 50            | 55            |
| Financial other Income         | 150           | 210           | 179           | 227           | 215           | 215           | 215           | 177           | 765           | 822           |
| <b>PBT</b>                     | <b>3,883</b>  | <b>4,578</b>  | <b>4,434</b>  | <b>5,114</b>  | <b>4,454</b>  | <b>5,061</b>  | <b>4,719</b>  | <b>5,442</b>  | <b>18,008</b> | <b>19,676</b> |
| Tax                            | 951           | 1,178         | 1,133         | 1,315         | 1,118         | 1,270         | 1,184         | 1,380         | 4,577         | 4,952         |
| Rate (%)                       | 24.5          | 25.7          | 25.6          | 25.7          | 25.1          | 25.1          | 25.1          | 25.4          | 25.4          | 25.2          |
| <b>Adj PAT</b>                 | <b>2,883</b>  | <b>3,401</b>  | <b>3,301</b>  | <b>3,798</b>  | <b>3,336</b>  | <b>3,791</b>  | <b>3,534</b>  | <b>4,062</b>  | <b>13,383</b> | <b>14,723</b> |
| YoY change (%)                 | 33.1          | 22.3          | 35.7          | 19.6          | 15.7          | 11.5          | 7.1           | 6.9           | 26.8          | 10.0          |

E: MOFSL Estimates

**Dabur****Buy****CMP: INR603 | TP: INR700 (+16%)****EPS CHANGE (%): FY25 | FY26: -0.7 | -0.9**

- We expect 7.5% revenue growth mainly driven by 6% domestic volume growth.
- Recovery in rural market, with rural growth outpacing the urban markets.
- We expect gross margin to improve 100bp YoY to 47.6% in 1QFY25.
- EBITDA is expected to grow marginally ahead of revenue.

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

| Y/E March                            | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                      | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Domestic FMCG vol. growth (%)</b> | <b>3.0</b>    | <b>3.0</b>    | <b>4.0</b>    | <b>3.0</b>    | <b>6.0</b>    | <b>6.0</b>    | <b>7.0</b>    | <b>7.0</b>    | <b>3.3</b>      | <b>6.5</b>      |
| <b>Net sales</b>                     | <b>31,305</b> | <b>32,038</b> | <b>32,551</b> | <b>28,146</b> | <b>33,653</b> | <b>35,029</b> | <b>35,724</b> | <b>31,197</b> | <b>1,24,040</b> | <b>1,35,603</b> |
| YoY change (%)                       | 10.9          | 7.3           | 6.7           | 5.1           | 7.5           | 9.3           | 9.7           | 10.8          | 7.5             | 9.3             |
| <b>Gross profit</b>                  | <b>14,588</b> | <b>15,482</b> | <b>15,823</b> | <b>13,679</b> | <b>16,019</b> | <b>16,989</b> | <b>17,433</b> | <b>15,326</b> | <b>59,571</b>   | <b>65,768</b>   |
| Margin (%)                           | 46.6          | 48.3          | 48.6          | 48.6          | 47.6          | 48.5          | 48.8          | 49.1          | 48.0            | 48.5            |
| <b>EBITDA</b>                        | <b>6,047</b>  | <b>6,609</b>  | <b>6,678</b>  | <b>4,668</b>  | <b>6,596</b>  | <b>7,426</b>  | <b>7,645</b>  | <b>5,867</b>  | <b>24,002</b>   | <b>27,534</b>   |
| Margins (%)                          | 19.3          | 20.6          | 20.5          | 16.6          | 19.6          | 21.2          | 21.4          | 18.8          | 19.4            | 20.3            |
| YoY growth (%)                       | 11.2          | 10.0          | 8.1           | 13.9          | 9.1           | 12.4          | 14.5          | 25.7          | 10.5            | 14.7            |
| Depreciation                         | 966           | 983           | 969           | 1,074         | 1,001         | 1,018         | 1,003         | 1,321         | 3,992           | 4,343           |
| Interest                             | 243           | 281           | 365           | 352           | 300           | 300           | 200           | 150           | 1,242           | 950             |
| Other income                         | 1,098         | 1,164         | 1,274         | 1,289         | 1,208         | 1,281         | 1,401         | 1,973         | 4,824           | 5,863           |
| <b>PBT</b>                           | <b>5,936</b>  | <b>6,508</b>  | <b>6,618</b>  | <b>4,531</b>  | <b>6,503</b>  | <b>7,389</b>  | <b>7,843</b>  | <b>6,369</b>  | <b>23,593</b>   | <b>28,104</b>   |
| Tax                                  | 1,368         | 1,443         | 1,550         | 1,114         | 1,561         | 1,773         | 1,882         | 1,501         | 5,474           | 6,717           |
| Rate (%)                             | 23.0          | 22.2          | 23.4          | 24.6          | 24.0          | 24.0          | 24.0          | 23.6          | 23.2            | 23.9            |
| <b>Adjusted PAT</b>                  | <b>4,721</b>  | <b>5,233</b>  | <b>5,225</b>  | <b>3,578</b>  | <b>4,942</b>  | <b>5,615</b>  | <b>5,960</b>  | <b>4,900</b>  | <b>18,757</b>   | <b>21,418</b>   |
| YoY change (%)                       | 7.2           | 6.7           | 7.8           | 10.8          | 4.7           | 7.3           | 14.1          | 37.0          | 9.3             | 14.2            |
| <b>Reported PAT</b>                  | <b>4,639</b>  | <b>5,151</b>  | <b>5,142</b>  | <b>3,495</b>  | <b>4,859</b>  | <b>5,533</b>  | <b>5,878</b>  | <b>4,818</b>  | <b>18,427</b>   | <b>21,089</b>   |

E: MOFSL Estimates

**Emami****Buy****CMP: INR723 | TP: INR850 (+18%)****EPS CHANGE (%): FY25|FY26: 0.0|0.0**

- We expect 8% YoY revenue growth led by 7% volume growth in 1QFY25.
- Summer portfolio (Navratna and Dermicool range) has benefitted from a severe summer season
- We expect gross margin to improve 110bp YoY and EBITDA margin by 90bp YoY in 1QFY25.
- D2C brands like The Man Company and Brillare are performing well.

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

| Y/E MARCH                  | FY24         |              |              |              | FY25E        |              |               |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE           | 4QE          |               |               |
| Domestic volume growth (%) | 3.0          | 2.0          | -1.0         | 6.4          | 7.0          | 7.0          | 8.0           | 8.0          | 2.6           | 7.5           |
| <b>Net Sales</b>           | <b>8,257</b> | <b>8,649</b> | <b>9,963</b> | <b>8,912</b> | <b>8,914</b> | <b>9,348</b> | <b>10,978</b> | <b>9,851</b> | <b>35,781</b> | <b>39,091</b> |
| YoY change (%)             | 6.8          | 6.3          | 1.4          | 6.6          | 8.0          | 8.1          | 10.2          | 10.5         | 5.1           | 9.3           |
| <b>Gross Profit</b>        | <b>5,401</b> | <b>6,061</b> | <b>6,851</b> | <b>5,863</b> | <b>5,928</b> | <b>6,590</b> | <b>7,630</b>  | <b>6,629</b> | <b>24,176</b> | <b>26,777</b> |
| Gross margin (%)           | 65.4         | 70.1         | 68.8         | 65.8         | 66.5         | 70.5         | 69.5          | 67.3         | 67.6          | 68.5          |
| <b>EBITDA</b>              | <b>1,900</b> | <b>2,337</b> | <b>3,149</b> | <b>2,110</b> | <b>2,135</b> | <b>2,630</b> | <b>3,606</b>  | <b>2,391</b> | <b>9,495</b>  | <b>10,762</b> |
| Margins (%)                | 23.0         | 27.0         | 31.6         | 23.7         | 23.9         | 28.1         | 32.8          | 24.3         | 26.5          | 27.5          |
| YoY change                 | 9.6          | 19.6         | 7.0          | 5.6          | 12.4         | 12.6         | 14.5          | 13.3         | 10.1          | 13.3          |
| Depreciation               | 460          | 461          | 458          | 480          | 483          | 483          | 483           | 490          | 1,859         | 1,939         |
| Interest                   | 21           | 23           | 27           | 29           | 25           | 25           | 25            | 25           | 100           | 100           |
| Other Income               | 83           | 111          | 167          | 107          | 135          | 145          | 175           | 148          | 468           | 603           |
| <b>PBT</b>                 | <b>1,502</b> | <b>1,964</b> | <b>2,831</b> | <b>1,708</b> | <b>1,762</b> | <b>2,267</b> | <b>3,273</b>  | <b>2,024</b> | <b>8,005</b>  | <b>9,326</b>  |
| Tax                        | 129          | 158          | 155          | 225          | 194          | 204          | 295           | 240          | 667           | 933           |
| Rate (%)                   | 8.6          | 8.1          | 5.5          | 13.2         | 11.0         | 9.0          | 9.0           | 11.9         | 8.3           | 10.0          |
| <b>Adj. PAT</b>            | <b>1,413</b> | <b>1,967</b> | <b>2,828</b> | <b>1,669</b> | <b>1,770</b> | <b>2,269</b> | <b>3,180</b>  | <b>1,974</b> | <b>7,876</b>  | <b>9,195</b>  |
| YoY change (%)             | 36.9         | 12.5         | 11.0         | 13.0         | 25.3         | 15.3         | 12.5          | 18.3         | 15.7          | 16.7          |
| <b>Reported PAT</b>        | <b>1,368</b> | <b>1,800</b> | <b>2,607</b> | <b>1,468</b> | <b>1,563</b> | <b>2,057</b> | <b>2,968</b>  | <b>1,768</b> | <b>7,241</b>  | <b>8,356</b>  |
| YoY change (%)             | 88.1         | -0.1         | 11.9         | 3.6          | 14.3         | 14.3         | 13.9          | 20.5         | 15.4          | 15.4          |

E: MOFSL Estimates

**Godrej Consumer****Buy****CMP: INR1,370 | TP: INR1,600 (+17%)****EPS CHANGE (%): FY25|FY26: -0.6|-2.6**

- We expect 5% consolidated sales growth YoY in 1QFY25. There is also the effect of East Africa business sale.
- We expect ~8% domestic organic volume growth in 1QFY25.
- EBITDA margin expected to increase by 190bp YoY benefitting from operating leverage.
- Commentaries on restructuring of the international businesses are key monitorables

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

| Y/E March                        | FY24          |               |               |                | FY25E         |               |               |               | FY24            | FY25E           |
|----------------------------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                  | 1Q            | 2Q            | 3Q            | 4Q             | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales (including OOI)</b> | <b>34,489</b> | <b>36,020</b> | <b>36,596</b> | <b>33,856</b>  | <b>36,216</b> | <b>37,498</b> | <b>40,406</b> | <b>37,835</b> | <b>1,40,961</b> | <b>1,51,955</b> |
| YoY change (%)                   | 10.4          | 6.2           | 1.7           | 5.8            | 5.0           | 4.1           | 10.4          | 11.8          | 5.9             | 7.8             |
| <b>Gross Profit</b>              | <b>18,534</b> | <b>19,771</b> | <b>20,454</b> | <b>18,999</b>  | <b>19,773</b> | <b>20,707</b> | <b>22,820</b> | <b>20,456</b> | <b>77,758</b>   | <b>83,757</b>   |
| Margin (%)                       | 53.7          | 54.9          | 55.9          | 56.1           | 54.6          | 55.2          | 56.5          | 54.1          | 55.2            | 55.1            |
| <b>EBITDA</b>                    | <b>6,818</b>  | <b>7,234</b>  | <b>9,048</b>  | <b>7,604</b>   | <b>7,845</b>  | <b>8,218</b>  | <b>9,905</b>  | <b>8,462</b>  | <b>30,704</b>   | <b>34,431</b>   |
| Margins (%)                      | 19.8          | 20.1          | 24.7          | 22.5           | 21.7          | 21.9          | 24.5          | 22.4          | 21.8            | 22.7            |
| YoY growth (%)                   | 28.0          | 26.0          | 17.9          | 14.4           | 15.1          | 13.6          | 9.5           | 11.3          | 20.9            | 12.1            |
| Depreciation                     | 763           | 609           | 539           | 499            | 675           | 675           | 675           | 713           | 2,410           | 2,738           |
| Interest                         | 740           | 773           | 666           | 785            | 700           | 700           | 700           | 500           | 2,964           | 2,600           |
| Other Income                     | 691           | 659           | 701           | 638            | 700           | 710           | 725           | 719           | 2,690           | 2,854           |
| <b>PBT</b>                       | <b>5,617</b>  | <b>6,319</b>  | <b>7,904</b>  | <b>6,912</b>   | <b>7,170</b>  | <b>7,553</b>  | <b>9,255</b>  | <b>7,969</b>  | <b>26,751</b>   | <b>31,947</b>   |
| Tax                              | 1,611         | 1,866         | 2,024         | 2,087          | 2,151         | 2,266         | 2,777         | 1,752         | 7,588           | 8,945           |
| Rate (%)                         | 28.7          | 29.5          | 25.6          | 30.2           | 30.0          | 30.0          | 30.0          | 22.0          | 28.4            | 28.0            |
| <b>Adj PAT</b>                   | <b>3,732</b>  | <b>4,415</b>  | <b>5,862</b>  | <b>5,749</b>   | <b>5,019</b>  | <b>5,287</b>  | <b>6,479</b>  | <b>6,217</b>  | <b>19,758</b>   | <b>23,002</b>   |
| YoY change (%)                   | 7.7           | 17.2          | 6.0           | 22.6           | 34.5          | 19.8          | 10.5          | 8.1           | 13.2            | 16.4            |
| <b>Reported PAT</b>              | <b>3,188</b>  | <b>4,328</b>  | <b>5,811</b>  | <b>-18,932</b> | <b>5,019</b>  | <b>5,287</b>  | <b>6,479</b>  | <b>6,217</b>  | <b>-5,605</b>   | <b>23,002</b>   |

E: MOFSL Estimate

**Hindustan Unilever****Buy****CMP: INR2,485 | TP: INR2,950 (+19%)****EPS CHANGE (%): FY25 | FY26: -1.0 | -0.6**

- Demand trends stable QoQ. We expect 3% YoY domestic volume growth in 1QFY25.
- Revenue growth likely to be flat YoY in 1QFY25. Price cut taken in the personal care portfolio.
- We expect gross margin to expand 160bp YoY due to lower RM costs.
- Expect EBITDA growth marginally due to increase in royalty rates and the termination of the distribution agreement for OTC and oral care products of GSK.

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

| Y/E March                         | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Domestic volume growth (%)</b> | <b>3.0</b>   | <b>2.0</b>   | <b>2.0</b>   | <b>2.0</b>   | <b>3.0</b>   | <b>4.0</b>   | <b>5.0</b>   | <b>5.5</b>   | <b>2.3</b>   | <b>4.4</b>   |
| <b>Net sales</b>                  | <b>155.0</b> | <b>156.2</b> | <b>155.7</b> | <b>152.1</b> | <b>155.5</b> | <b>164.1</b> | <b>167.5</b> | <b>165.2</b> | <b>619.0</b> | <b>652.3</b> |
| YoY change (%)                    | 6.0          | 3.2          | -0.2         | 0.0          | 0.4          | 5.0          | 7.6          | 8.6          | 2.2          | 5.4          |
| COGS                              | 76.8         | 73.5         | 74.8         | 72.6         | 74.7         | 78.7         | 80.4         | 79.3         | 298          | 313          |
| <b>Gross Profit</b>               | <b>78.2</b>  | <b>82.8</b>  | <b>80.9</b>  | <b>79.5</b>  | <b>80.9</b>  | <b>85.3</b>  | <b>87.1</b>  | <b>85.9</b>  | <b>321.4</b> | <b>339.2</b> |
| Margin %                          | 50.4         | 53.0         | 52.0         | 52.3         | 52.0         | 52.0         | 52.0         | 52.0         | 51.9         | 52.0         |
| <b>EBITDA</b>                     | <b>36.7</b>  | <b>38.0</b>  | <b>36.7</b>  | <b>35.4</b>  | <b>37.1</b>  | <b>39.4</b>  | <b>40.2</b>  | <b>39.1</b>  | <b>146.6</b> | <b>155.8</b> |
| YoY change (%)                    | 7.7          | 9.1          | -0.8         | -1.1         | 1.3          | 3.8          | 9.6          | 10.7         | 3.6          | 6.3          |
| Margins (%)                       | 23.7         | 24.3         | 23.5         | 23.2         | 23.9         | 24.0         | 24.0         | 23.7         | 23.7         | 23.9         |
| Depreciation                      | 2.9          | 3.0          | 3.1          | 3.2          | 3.2          | 3.2          | 3.1          | 3.4          | 12.2         | 12.8         |
| Interest                          | 0.5          | 0.9          | 0.9          | 1.1          | 0.9          | 0.9          | 0.9          | 0.9          | 3.3          | 3.5          |
| Other income                      | 1.8          | 1.8          | 2.1          | 2.3          | 2.3          | 2.3          | 2.4          | 2.4          | 8.1          | 9.3          |
| <b>PBT</b>                        | <b>35.1</b>  | <b>36.0</b>  | <b>34.8</b>  | <b>33.4</b>  | <b>35.4</b>  | <b>37.7</b>  | <b>38.6</b>  | <b>37.3</b>  | <b>139.2</b> | <b>148.9</b> |
| Tax                               | 9.2          | 9.3          | 9.4          | 8.6          | 8.9          | 9.5          | 9.7          | 9.4          | 36.4         | 37.5         |
| Rate (%)                          | 26.1         | 25.9         | 27.0         | 25.7         | 25.2         | 25.2         | 25.2         | 25.2         | 26.2         | 25.2         |
| <b>PAT bei</b>                    | <b>25.8</b>  | <b>26.6</b>  | <b>25.3</b>  | <b>25.0</b>  | <b>26.4</b>  | <b>28.1</b>  | <b>28.8</b>  | <b>27.9</b>  | <b>102.7</b> | <b>111.3</b> |
| YoY change (%)                    | 8.0          | -1.1         | -2.0         | -1.6         | 2.4          | 5.8          | 13.9         | 11.5         | 0.7          | 8.3          |
| <b>Reported Profit</b>            | <b>25.5</b>  | <b>26.6</b>  | <b>25.1</b>  | <b>25.6</b>  | <b>26.4</b>  | <b>28.1</b>  | <b>28.8</b>  | <b>27.9</b>  | <b>102.8</b> | <b>111.3</b> |

E: MOFSL Estimates

**Indigo Paints****Buy****CMP: INR1,390 | TP: INR1,650 (+19%)****EPS CHANGE (%): FY25 | FY26: 2.0 | -3.5**

- We expect ~13% YoY sales growth in 1QFY25.
- We estimate gross margin and EBITDA margin expanded by 100bp and 140bp YoY in 1QFY25.
- Watch out for commentaries on demand trends of the waterproofing business and expansion to larger cities.
- Expect strong competition and pressure on profits in the near future, as new competitors enter the market.

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

| Y/E March              | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                        | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>       | <b>2,884</b> | <b>2,790</b> | <b>3,538</b> | <b>3,849</b> | <b>3,259</b> | <b>3,181</b> | <b>4,210</b> | <b>4,240</b> | <b>13,061</b> | <b>14,889</b> |
| Change (%)             | 28.8         | 15.0         | 25.8         | 18.3         | 13.0         | 14.0         | 19.0         | 10.2         | 21.7          | 14.0          |
| Raw Material/PM        | 1,519        | 1,519        | 1,833        | 1,968        | 1,685        | 1,749        | 2,189        | 2,149        | 6,839         | 7,772         |
| <b>Gross Profit</b>    | <b>1,365</b> | <b>1,271</b> | <b>1,705</b> | <b>1,881</b> | <b>1,574</b> | <b>1,431</b> | <b>2,021</b> | <b>2,091</b> | <b>6,222</b>  | <b>7,117</b>  |
| Gross Margin (%)       | 47.3         | 45.6         | 48.2         | 48.9         | 48.3         | 45.0         | 48.0         | 49.3         | 47.6          | 47.8          |
| <b>EBITDA</b>          | <b>491</b>   | <b>421</b>   | <b>622</b>   | <b>846</b>   | <b>600</b>   | <b>484</b>   | <b>727</b>   | <b>950</b>   | <b>2,381</b>  | <b>2,761</b>  |
| Margin (%)             | 17.0         | 15.1         | 17.6         | 22.0         | 18.4         | 15.2         | 17.3         | 22.4         | 18.2          | 18.5          |
| Change (%)             | 39.2         | 24.8         | 53.5         | 17.9         | 22.2         | 14.8         | 16.8         | 12.3         | 31.2          | 16.0          |
| Interest               | 5            | 6            | 6            | 5            | 5            | 6            | 6            | 6            | 21            | 23            |
| Depreciation           | 101          | 113          | 146          | 156          | 160          | 170          | 180          | 180          | 516           | 690           |
| Other Income           | 38           | 32           | 31           | 42           | 42           | 40           | 40           | 42           | 142           | 163           |
| <b>PBT</b>             | <b>423</b>   | <b>335</b>   | <b>501</b>   | <b>727</b>   | <b>477</b>   | <b>348</b>   | <b>580</b>   | <b>805</b>   | <b>1,986</b>  | <b>2,210</b>  |
| Tax                    | 108          | 81           | 125          | 183          | 119          | 86           | 145          | 203          | 497           | 553           |
| Effective Tax Rate (%) | 25.6         | 24.3         | 25.0         | 25.1         | 25.0         | 24.8         | 25.0         | 25.2         | 25.0          | 25.0          |
| <b>Adjusted PAT</b>    | <b>310</b>   | <b>253</b>   | <b>376</b>   | <b>544</b>   | <b>358</b>   | <b>261</b>   | <b>435</b>   | <b>602</b>   | <b>1,489</b>  | <b>1,657</b>  |
| Change (%)             | 55.9         | 22.1         | 43.0         | 11.8         | 15.3         | 3.1          | 15.9         | 10.7         | 28.8          | 11.3          |

E: MOFSL Estimates

**ITC****Buy****CMP: INR427 | TP: INR500 (+18%)****EPS CHANGE (%): FY25|FY26: -|-**

- We expect ~3% YoY volume growth in Cigarettes business in 1QFY25.
- Rural recovery not much visible in 1QFY25 but expectation of government initiatives to drive consumption.
- We expect marginal improvement in gross margin of 70bp YoY in 1QFY25.
- Outlook on the agri and paper & packaging businesses a key monitorable.

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

| Y/E March                          | FY24E        |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Est. cigarette vol. gr. (%)</b> | <b>8.0</b>   | <b>5.0</b>   | <b>-1.0</b>  | <b>2.0</b>   | <b>2.5</b>   | <b>3.0</b>   | <b>3.5</b>   | <b>3.0</b>   | <b>3.0</b>   | <b>3.0</b>   |
| <b>Net Sales</b>                   | <b>171.6</b> | <b>177.7</b> | <b>180.2</b> | <b>179.2</b> | <b>183.6</b> | <b>189.3</b> | <b>194.5</b> | <b>193.8</b> | <b>708.8</b> | <b>761.3</b> |
| YoY change (%)                     | -7.2         | 3.9          | 1.8          | 1.6          | 7.0          | 6.5          | 8.0          | 8.1          | -0.1         | 7.4          |
| <b>Gross Profit</b>                | <b>106.1</b> | <b>107.1</b> | <b>109.8</b> | <b>113.4</b> | <b>114.8</b> | <b>117.4</b> | <b>120.6</b> | <b>120.0</b> | <b>436.3</b> | <b>472.8</b> |
| Margin (%)                         | 61.8         | 60.2         | 60.9         | 63.2         | 62.5         | 62.0         | 62.0         | 61.9         | 61.6         | 62.1         |
| <b>EBITDA</b>                      | <b>66.7</b>  | <b>64.5</b>  | <b>65.0</b>  | <b>66.3</b>  | <b>70.7</b>  | <b>70.2</b>  | <b>72.4</b>  | <b>71.5</b>  | <b>262.5</b> | <b>284.9</b> |
| Growth (%)                         | 9.8          | 3.1          | -3.0         | 0.0          | 5.9          | 8.8          | 11.3         | 8.0          | 2.3          | 8.5          |
| Margins (%)                        | 38.9         | 36.3         | 36.1         | 37.0         | 38.5         | 37.1         | 37.2         | 36.9         | 37.0         | 37.4         |
| Depreciation                       | 4.4          | 4.5          | 4.6          | 4.6          | 4.7          | 4.8          | 4.9          | 4.9          | 18.2         | 19.2         |
| Interest                           | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          | 0.5          | 0.5          |
| Other Income                       | 7.2          | 6.6          | 6.6          | 6.8          | 7.7          | 7.2          | 7.2          | 7.4          | 27.3         | 29.5         |
| <b>PBT</b>                         | <b>69.4</b>  | <b>66.6</b>  | <b>66.9</b>  | <b>68.4</b>  | <b>73.5</b>  | <b>72.6</b>  | <b>74.6</b>  | <b>73.9</b>  | <b>271.2</b> | <b>294.6</b> |
| Tax                                | 17.6         | 17.0         | 12.8         | 16.5         | 18.5         | 18.9         | 17.8         | 19.0         | 63.9         | 74.2         |
| Rate (%)                           | 25.4         | 25.5         | 19.2         | 24.1         | 25.2         | 26.0         | 23.8         | 25.7         | 23.6         | 25.2         |
| <b>Adj PAT</b>                     | <b>51.0</b>  | <b>49.0</b>  | <b>53.4</b>  | <b>51.2</b>  | <b>54.3</b>  | <b>52.9</b>  | <b>56.1</b>  | <b>54.1</b>  | <b>204.6</b> | <b>217.4</b> |
| YoY change (%)                     | 16.3         | 6.0          | 6.7          | 0.0          | 6.3          | 8.1          | 5.1          | 5.6          | 6.9          | 6.2          |

E: MOFSL estimate;

**Jyothy Labs.****Neutral****CMP: INR477 | TP: INR500 (+5%)****EPS CHANGE (%): FY25|FY26: 0.0|0.4**

- We expect consolidated net sales to grow 9.5% YoY in 1QFY25.
- We expect gross margin expansion of ~60bp YoY to 48.5%.
- EBITDA margin to expand 40bp YoY to 17.5% in 1QFY25.
- Watch out for expansion in personal care category and performance of Health and Wellness (HI) segment.

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

| Y/E March           | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>    | <b>6,871</b> | <b>7,323</b> | <b>6,775</b> | <b>6,600</b> | <b>7,524</b> | <b>8,056</b> | <b>7,453</b> | <b>7,287</b> | <b>27,569</b> | <b>30,319</b> |
| YoY change (%)      | 15.1         | 11.1         | 10.6         | 7.0          | 9.5          | 10.0         | 10.0         | 10.4         | 10.9          | 10.0          |
| <b>Gross Profit</b> | <b>3,289</b> | <b>3,604</b> | <b>3,371</b> | <b>3,267</b> | <b>3,649</b> | <b>3,947</b> | <b>3,614</b> | <b>3,645</b> | <b>13,531</b> | <b>14,856</b> |
| Margins (%)         | 47.9         | 49.2         | 49.8         | 49.5         | 48.5         | 49.0         | 48.5         | 50.0         | 49.1          | 49.0          |
| <b>EBITDA</b>       | <b>1,174</b> | <b>1,354</b> | <b>1,186</b> | <b>1,084</b> | <b>1,317</b> | <b>1,536</b> | <b>1,282</b> | <b>1,189</b> | <b>4,798</b>  | <b>5,323</b>  |
| EBITDA growth %     | 96.2         | 68.3         | 40.6         | 18.7         | 12.1         | 13.4         | 8.1          | 9.7          | 51.9          | 10.9          |
| Margins (%)         | 17.1         | 18.5         | 17.5         | 16.4         | 17.5         | 19.1         | 17.2         | 16.3         | 17.4          | 17.6          |
| Depreciation        | 120          | 123          | 128          | 129          | 132          | 130          | 136          | 137          | 500           | 535           |
| Interest            | 11           | 12           | 12           | 13           | 12           | 13           | 13           | 15           | 47            | 52            |
| Other Income        | 79           | 132          | 106          | 130          | 95           | 135          | 122          | 127          | 447           | 479           |
| <b>PBT</b>          | <b>1,123</b> | <b>1,351</b> | <b>1,152</b> | <b>1,072</b> | <b>1,269</b> | <b>1,527</b> | <b>1,255</b> | <b>1,164</b> | <b>4,698</b>  | <b>5,215</b>  |
| Tax                 | 250          | 311          | 243          | 291          | 292          | 357          | 282          | 284          | 1,095         | 1,216         |
| Rate (%)            | 22.3         | 23.0         | 21.1         | 27.1         | 23.0         | 23.4         | 22.5         | 24.4         | 23.3          | 23.3          |
| <b>Adjusted PAT</b> | <b>873</b>   | <b>1,040</b> | <b>909</b>   | <b>781</b>   | <b>977</b>   | <b>1,170</b> | <b>972</b>   | <b>880</b>   | <b>3,603</b>  | <b>3,999</b>  |
| YoY change (%)      | 124.1        | 78.2         | 34.9         | 31.9         | 12.0         | 12.5         | 7.0          | 12.6         | 54.8          | 11.0          |

E: MOFSL Estimates

**Marico****Buy****CMP: INR603 | TP: INR700 (+16%)****EPS CHANGE (%): FY25|FY26: 2.1|1.4**

- We expect 4% YoY domestic volumes growth in 1QFY25.
- We expect 8% revenue growth in 1QFY25 on a softer base (price correction in 1QFY24).
- We expect a 100bp YoY expansion in gross margin and 600bp YoY in EBITDA.
- Improvement in rural market will drive the domestic performance.

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

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| Domestic volume growth (%) | 3.0           | 3.0           | 2.0           | 3.0           | 4.3           | 7.7           | 8.0           | 9.4           | 2.8           | 7.4             |
| <b>Net Sales</b>           | <b>24,770</b> | <b>24,760</b> | <b>24,220</b> | <b>22,780</b> | <b>26,719</b> | <b>27,471</b> | <b>27,039</b> | <b>25,204</b> | <b>96,530</b> | <b>1,06,433</b> |
| YoY Change (%)             | -3.2          | -0.8          | -1.9          | 1.7           | 7.9           | 10.9          | 11.6          | 10.6          | -1.1          | 10.3            |
| <b>Gross Profit</b>        | <b>12,380</b> | <b>12,500</b> | <b>12,420</b> | <b>11,750</b> | <b>13,626</b> | <b>13,941</b> | <b>13,722</b> | <b>12,991</b> | <b>49,050</b> | <b>54,281</b>   |
| Gross margin (%)           | 50.0          | 50.5          | 51.3          | 51.6          | 51.0          | 50.8          | 50.8          | 51.5          | 50.8          | 51.0            |
| <b>EBITDA</b>              | <b>5,740</b>  | <b>4,970</b>  | <b>5,130</b>  | <b>4,420</b>  | <b>6,341</b>  | <b>5,658</b>  | <b>5,800</b>  | <b>5,006</b>  | <b>20,260</b> | <b>22,804</b>   |
| Margins (%)                | 23.2          | 20.1          | 21.2          | 19.4          | 23.7          | 20.6          | 21.5          | 19.9          | 21.0          | 21.4            |
| YoY Change (%)             | 8.7           | 14.8          | 12.5          | 12.5          | 10.5          | 13.9          | 13.1          | 13.2          | 11.9          | 12.6            |
| Depreciation               | 360           | 390           | 420           | 410           | 425           | 450           | 450           | 491           | 1,580         | 1,816           |
| Interest                   | 170           | 200           | 190           | 170           | 165           | 165           | 120           | 200           | 730           | 650             |
| Other Income               | 460           | 380           | 430           | 150           | 400           | 375           | 375           | 400           | 1,420         | 1,550           |
| <b>PBT</b>                 | <b>5,670</b>  | <b>4,760</b>  | <b>4,950</b>  | <b>3,990</b>  | <b>6,151</b>  | <b>5,418</b>  | <b>5,605</b>  | <b>4,714</b>  | <b>19,370</b> | <b>21,888</b>   |
| Tax                        | 1,310         | 1,160         | 1,090         | 790           | 1,445         | 1,300         | 1,356         | 1,151         | 4,350         | 5,253           |
| Rate (%)                   | 23.1          | 24.4          | 22.0          | 19.8          | 23.5          | 24.0          | 24.2          | 24.4          | 22.5          | 24.0            |
| <b>Adjusted PAT</b>        | <b>4,270</b>  | <b>3,530</b>  | <b>3,830</b>  | <b>3,180</b>  | <b>4,615</b>  | <b>4,048</b>  | <b>4,218</b>  | <b>3,564</b>  | <b>14,810</b> | <b>16,446</b>   |
| YoY Change (%)             | 15.1          | 17.3          | 16.8          | 5.3           | 8.1           | 14.7          | 10.1          | 12.1          | 13.7          | 11.0            |

E: MOFSL Estimates

**Nestlé India****Neutral****CMP: INR2,545 | TP: INR2,500 (-2%)****EPS CHANGE (%): FY25|FY26: 2.8|0.6**

- We expect sales growth of 8.6% YoY; growth momentum will continue.
- Expect gross margin expansion of 70bp YoY and EBITDA margin expansion of 90bp.
- We expect a higher contribution from out-of-home consumption
- Watch out for commentaries on demand and material costs

**Quarterly performance****(INR m)**

| Y/E March           | FY24          |               |               |               |               | FY25E         |               |               |               | FY24E*          | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 5Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>    | <b>48,305</b> | <b>46,585</b> | <b>50,368</b> | <b>46,004</b> | <b>52,676</b> | <b>50,600</b> | <b>54,695</b> | <b>49,950</b> | <b>56,484</b> | <b>2,43,939</b> | <b>2,11,729</b> |
| YoY Change (%)      | 21.0          | 15.1          | 9.5           | 8.1           | 9.0           | 8.6           | 8.6           | 8.6           | 7.2           | 15.5            | 12.1            |
| COGS                | 22,315        | 21,050        | 21,916        | 19,046        | 22,759        | 22,517        | 23,792        | 21,229        | 24,564        | 1,07,086        | 92,102          |
| <b>Gross Profit</b> | <b>25,990</b> | <b>25,535</b> | <b>28,452</b> | <b>26,959</b> | <b>29,917</b> | <b>28,083</b> | <b>30,903</b> | <b>28,721</b> | <b>31,920</b> | <b>1,36,853</b> | <b>1,19,627</b> |
| Margin (%)          | 53.8          | 54.8          | 56.5          | 58.6          | 56.8          | 55.5          | 56.5          | 57.5          | 56.5          | 56.1            | 56.5            |
| <b>EBITDA</b>       | <b>11,242</b> | <b>10,663</b> | <b>12,468</b> | <b>11,289</b> | <b>13,426</b> | <b>12,067</b> | <b>14,007</b> | <b>12,600</b> | <b>14,047</b> | <b>59,088</b>   | <b>52,721</b>   |
| Margins (%)         | 23.3          | 22.9          | 24.8          | 24.5          | 25.5          | 23.8          | 25.6          | 25.2          | 24.9          | 24.2            | 24.9            |
| YoY Growth (%)      | 19.8          | 24.5          | 21.6          | 13.5          | 19.4          | 13.2          | 12.3          | 11.6          | 4.6           | 23.9            | -10.8           |
| Depreciation        | 1,017         | 1,074         | 1,112         | 1,087         | 1,089         | 1,150         | 1,200         | 1,250         | 1,250         | 5,378           | 4,850           |
| Interest            | 370           | 328           | 314           | 230           | 262           | 275           | 275           | 275           | 266           | 1,455           | 1,091           |
| Other income        | 337           | 240           | 333           | 303           | 268           | 270           | 270           | 270           | 296           | 1,480           | 1,106           |
| <b>PBT</b>          | <b>10,192</b> | <b>9,501</b>  | <b>11,375</b> | <b>10,275</b> | <b>12,343</b> | <b>10,912</b> | <b>12,802</b> | <b>11,345</b> | <b>12,826</b> | <b>53,735</b>   | <b>47,886</b>   |
| Tax                 | 2,538         | 2,410         | 3,139         | 2,309         | 3,164         | 2,745         | 3,249         | 2,876         | 2,953         | 13,560          | 11,823          |
| Rate (%)            | 24.9          | 25.4          | 27.6          | 22.5          | 25.6          | 25.2          | 25.4          | 25.4          | 23.0          | 25.2            | 24.7            |
| <b>Adjusted PAT</b> | <b>7,511</b>  | <b>7,017</b>  | <b>8,055</b>  | <b>7,808</b>  | <b>9,138</b>  | <b>7,985</b>  | <b>9,450</b>  | <b>8,367</b>  | <b>9,697</b>  | <b>39,577</b>   | <b>35,499</b>   |
| YoY Change (%)      | 25.8          | 30.0          | 20.7          | 23.5          | 21.7          | 13.8          | 17.3          | 7.2           | 6.1           | 30.0            | -10.3           |

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

## Page Industries

Neutral

CMP: INR38,790 | TP: INR37,500 (-3%)

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

- We expect ~7% YoY increase in revenue on the back of seasonality and base effect.
- Watch out for athleisure demand momentum.
- We expect gross margin expansion of 190bp YoY to 55.4% in 1QFY25.
- Watch out for commentaries on recovery in rural demand and in kids and women athleisure.

## Quarterly Statement

(INR m)

| Y/E March           | FY24          |               |               |              | FY25E         |               |               |               | FY24          | FY25E         |
|---------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q           | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>    | <b>12,324</b> | <b>11,251</b> | <b>12,288</b> | <b>9,954</b> | <b>13,187</b> | <b>12,354</b> | <b>13,861</b> | <b>11,273</b> | <b>45,817</b> | <b>50,674</b> |
| YoY change (%)      | -8.1          | -8.4          | 2.4           | 3.2          | 7.0           | 9.8           | 12.8          | 13.3          | -2.8          | 10.6          |
| <b>Gross Profit</b> | <b>6,596</b>  | <b>6,262</b>  | <b>6,522</b>  | <b>5,590</b> | <b>7,305</b>  | <b>7,042</b>  | <b>7,485</b>  | <b>6,292</b>  | <b>24,971</b> | <b>28,124</b> |
| Gross margin (%)    | 53.5          | 55.7          | 53.1          | 56.2         | 55.4          | 57.0          | 54.0          | 55.8          | 54.5          | 55.5          |
| <b>EBITDA</b>       | <b>2,419</b>  | <b>2,335</b>  | <b>2,297</b>  | <b>1,672</b> | <b>2,625</b>  | <b>2,619</b>  | <b>2,788</b>  | <b>1,990</b>  | <b>8,723</b>  | <b>10,021</b> |
| Margins (%)         | 19.6          | 20.8          | 18.7          | 16.8         | 19.9          | 21.2          | 20.1          | 17.7          | 19.0          | 19.8          |
| YoY change          | -18.8         | -1.8          | 19.1          | 24.5         | 8.5           | 12.1          | 21.4          | 19.0          | 1.1           | 14.9          |
| Depreciation        | 210           | 246           | 226           | 226          | 235           | 250           | 265           | 287           | 908           | 1,037         |
| Interest            | 127           | 112           | 105           | 105          | 105           | 105           | 105           | 110           | 449           | 425           |
| Other Income        | 19            | 17            | 55            | 109          | 65            | 70            | 80            | 85            | 200           | 300           |
| <b>PBT</b>          | <b>2,100</b>  | <b>1,994</b>  | <b>2,021</b>  | <b>1,450</b> | <b>2,350</b>  | <b>2,334</b>  | <b>2,498</b>  | <b>1,679</b>  | <b>7,565</b>  | <b>8,860</b>  |
| Tax                 | 517           | 491           | 497           | 368          | 583           | 579           | 619           | 413           | 1,873         | 2,194         |
| Rate (%)            | 24.6          | 24.6          | 24.6          | 25.4         | 24.8          | 24.8          | 24.8          | 24.6          | 24.8          | 24.8          |
| <b>PAT</b>          | <b>1,584</b>  | <b>1,503</b>  | <b>1,524</b>  | <b>1,082</b> | <b>1,767</b>  | <b>1,755</b>  | <b>1,878</b>  | <b>1,266</b>  | <b>5,692</b>  | <b>6,666</b>  |
| YoY change (%)      | -23.5         | -7.3          | 23.1          | 38.1         | 11.6          | 16.8          | 23.3          | 17.0          | -0.4          | 17.1          |

E: MOFSL Estimates

## P&amp;G Hygiene

Neutral

CMP: INR16,547 | TP: INR17,000 (+3%)

EPS CHANGE (%): FY24 | 25: 0.4 | 0.0

- Sales to grow ~13% YoY in 4QFY24 (June year-end).
- We expect gross margin and EBITDA margin increase of 250bp/460bp YoY in 3QFY24 (June year-end).
- Gross margin expected to increase by 770bp YoY to 65.3%.
- A&P spending and demand outlook are key monitorables.

## Standalone - Quarterly Earnings

(INR m)

| Y/E June            | FY23          |               |              |              | FY24          |               |               |              | FY23          | FY24E         |
|---------------------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|
|                     | 1Q            | 2Q            | 3Q           | 4Q           | 1Q            | 2Q            | 3Q            | 4QE          |               |               |
| <b>Net Sales</b>    | <b>10,428</b> | <b>11,374</b> | <b>8,831</b> | <b>8,491</b> | <b>11,384</b> | <b>11,334</b> | <b>10,022</b> | <b>9,576</b> | <b>39,123</b> | <b>42,315</b> |
| YoY Change (%)      | -1.5          | 4.1           | -0.9         | 12.1         | 9.2           | -0.3          | 13.5          | 12.8         | 3.0           | 8.2           |
| <b>Gross profit</b> | <b>6,116</b>  | <b>6,513</b>  | <b>4,992</b> | <b>4,893</b> | <b>6,932</b>  | <b>6,825</b>  | <b>6,644</b>  | <b>6,257</b> | <b>22,549</b> | <b>26,659</b> |
| Margin (%)          | 58.6          | 57.3          | 56.5         | 57.6         | 60.9          | 60.2          | 66.3          | 65.3         | 57.6          | 63.0          |
| <b>EBITDA</b>       | <b>2,140</b>  | <b>2,905</b>  | <b>1,493</b> | <b>2,114</b> | <b>2,849</b>  | <b>3,097</b>  | <b>2,573</b>  | <b>2,652</b> | <b>8,686</b>  | <b>11,171</b> |
| Growth              | -29.0         | -2.0          | -9.5         | 215.1        | 33.1          | 6.6           | 72.4          | 25.4         | 4.7           | 28.6          |
| Margins (%)         | 20.5          | 25.5          | 16.9         | 24.9         | 25.0          | 27.3          | 25.7          | 27.7         | 22.2          | 26.4          |
| Depreciation        | 140           | 144           | 146          | 154          | 143           | 143           | 145           | 158          | 584           | 589           |
| Interest            | 10            | 39            | 36           | 30           | 19            | 26            | 224           | 44           | 114           | 313           |
| Other Income        | 67            | 93            | 144          | 101          | 158           | 156           | 136           | 146          | 406           | 595           |
| <b>PBT</b>          | <b>2,058</b>  | <b>2,815</b>  | <b>1,456</b> | <b>2,031</b> | <b>2,845</b>  | <b>3,085</b>  | <b>2,339</b>  | <b>2,595</b> | <b>8,395</b>  | <b>10,864</b> |
| Tax                 | 514           | 737           | 380          | 553          | 738           | 796           | 796           | 701          | 2,184         | 3,030         |
| Rate (%)            | 25.0          | 26.2          | 18.7         | 27.2         | 25.9          | 25.8          | 34.0          | 27.0         | 24.4          | 27.9          |
| <b>Reported PAT</b> | <b>1,544</b>  | <b>2,075</b>  | <b>1,650</b> | <b>1,478</b> | <b>2,107</b>  | <b>2,289</b>  | <b>1,544</b>  | <b>1,894</b> | <b>6,781</b>  | <b>7,834</b>  |
| <b>Adj PAT</b>      | <b>1,544</b>  | <b>2,079</b>  | <b>1,075</b> | <b>1,478</b> | <b>2,107</b>  | <b>2,289</b>  | <b>1,854</b>  | <b>1,894</b> | <b>6,210</b>  | <b>8,145</b>  |
| YoY Change (%)      | -29.3         | -2.0          | -4.9         | 247.2        | 36.4          | 10.1          | 72.5          | 28.2         | 6.0           | 31.2          |
| Margins (%)         | 14.8          | 18.3          | 12.2         | 17.4         | 18.5          | 20.2          | 18.5          | 19.8         | 15.9          | 19.2          |

E: MOFSL Estimates

**Pidilite Industries****Neutral****CMP: INR3,085 | TP: INR2,850 (-8%)****EPS CHANGE (%): FY25|FY26: -0.3|-1.6**

- We expect consolidated revenue to grow 7% YoY in 1QFY25.
- We expect gross margin expand 380bp YoY to 52.8% on decrease in VAM prices.
- The surge in real estate is positive for demand.
- Outlook on domestic and international demand is a key monitorable.

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

| Y/E March           | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>    | <b>32,751</b> | <b>30,760</b> | <b>31,300</b> | <b>29,019</b> | <b>35,044</b> | <b>34,452</b> | <b>35,682</b> | <b>33,559</b> | <b>1,23,830</b> | <b>1,38,736</b> |
| YoY change (%)      | 5.6           | 2.2           | 4.4           | 7.9           | 7.0           | 12.0          | 14.0          | 15.6          | 4.9             | 12.0            |
| <b>Gross Profit</b> | <b>16,054</b> | <b>15,783</b> | <b>16,551</b> | <b>15,503</b> | <b>18,503</b> | <b>17,674</b> | <b>18,555</b> | <b>17,454</b> | <b>63,890</b>   | <b>72,185</b>   |
| Margin (%)          | 49.0          | 51.3          | 52.9          | 53.4          | 52.8          | 51.3          | 52.0          | 52.0          | 51.6            | 52.0            |
| <b>EBITDA</b>       | <b>7,070</b>  | <b>6,797</b>  | <b>7,425</b>  | <b>5,769</b>  | <b>8,117</b>  | <b>7,755</b>  | <b>8,516</b>  | <b>6,561</b>  | <b>27,073</b>   | <b>30,949</b>   |
| YoY change (%)      | 33.5          | 36.0          | 49.7          | 25.6          | 14.8          | 14.1          | 14.7          | 13.7          | 36.4            | 14.3            |
| Margins (%)         | 21.6          | 22.1          | 23.7          | 19.9          | 23.2          | 22.5          | 23.9          | 19.6          | 21.9            | 22.3            |
| Depreciation        | 734           | 752           | 795           | 1,125         | 837           | 805           | 843           | 862           | 3,407           | 3,346           |
| Interest            | 119           | 131           | 128           | 134           | 120           | 118           | 121           | 107           | 512             | 466             |
| Other Income        | 234           | 316           | 370           | 489           | 375           | 411           | 451           | 461           | 1,397           | 1,698           |
| <b>PBT</b>          | <b>6,451</b>  | <b>6,230</b>  | <b>6,872</b>  | <b>4,999</b>  | <b>7,534</b>  | <b>7,243</b>  | <b>8,003</b>  | <b>6,054</b>  | <b>24,551</b>   | <b>28,835</b>   |
| Tax                 | 1,704         | 1,631         | 1,765         | 1,219         | 1,884         | 1,825         | 2,001         | 1,499         | 6,319           | 7,209           |
| Rate (%)            | 26.4          | 26.2          | 25.7          | 24.4          | 25.0          | 25.2          | 25.0          | 24.8          | 26.5            | 25.0            |
| <b>Adj PAT</b>      | <b>4,746</b>  | <b>4,599</b>  | <b>5,107</b>  | <b>3,779</b>  | <b>5,651</b>  | <b>5,418</b>  | <b>6,002</b>  | <b>4,555</b>  | <b>18,231</b>   | <b>21,626</b>   |
| YoY change (%)      | 34.0          | 37.4          | 66.8          | 31.5          | 19.1          | 17.8          | 17.5          | 20.5          | 42.2            | 18.6            |
| Margins (%)         | 14.5          | 15.0          | 16.3          | 13.0          | 16.1          | 15.7          | 16.8          | 13.6          | 14.7            | 15.6            |

E: MOFSL Estimates

**Tata Consumer Products****Buy****CMP: INR1,106 | TP: INR1,350 (+22%)****EPS CHANGE (%): FY25|FY26: -4|-2**

- We expect revenue for the India-branded tea business to grow 3% YoY, led by volume growth of 3% YoY
- Nourishco is likely to continue its strong performance
- EBITDA margin is likely to improve to ~15.3% in 1QFY25 vs. 14.6% in 1QFY24, led by better gross margins.
- Tea and coffee prices are the key monitorables

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

| Y/E March                    | FY24E         |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Gross Sales</b>           | <b>37,412</b> | <b>37,338</b> | <b>38,039</b> | <b>39,269</b> | <b>44,347</b> | <b>43,333</b> | <b>43,864</b> | <b>46,119</b> | <b>1,52,059</b> | <b>1,77,663</b> |
| YoY Change (%)               | 12.5          | 11.0          | 9.5           | 8.5           | 18.5          | 16.1          | 15.3          | 17.4          | 10.3            | 16.8            |
| Total Expenditure            | 31,962        | 31,967        | 32,315        | 32,974        | 37,571        | 36,720        | 36,885        | 38,479        | 1,29,218        | 1,49,656        |
| <b>EBITDA</b>                | <b>5,450</b>  | <b>5,371</b>  | <b>5,724</b>  | <b>6,296</b>  | <b>6,776</b>  | <b>6,612</b>  | <b>6,979</b>  | <b>7,640</b>  | <b>22,841</b>   | <b>28,007</b>   |
| Margins (%)                  | 14.6          | 14.4          | 15.0          | 16.0          | 15.3          | 15.3          | 15.9          | 16.6          | 15.0            | 15.8            |
| Depreciation                 | 820           | 939           | 855           | 1,158         | 1,108         | 1,120         | 1,125         | 1,130         | 3,772           | 4,483           |
| Interest                     | 262           | 276           | 332           | 428           | 475           | 520           | 575           | 645           | 1,298           | 2,215           |
| Other Income                 | 578           | 898           | 596           | 385           | 405           | 900           | 700           | 697           | 2,456           | 2,702           |
| <b>PBT before EO expense</b> | <b>4,946</b>  | <b>5,054</b>  | <b>5,133</b>  | <b>5,095</b>  | <b>5,598</b>  | <b>5,872</b>  | <b>5,979</b>  | <b>6,562</b>  | <b>20,228</b>   | <b>24,010</b>   |
| Extra-Ord expense            | -52           | -146          | -915          | -2,158        | 0             | 0             | 0             | 0             | -3,270          | 0               |
| <b>PBT</b>                   | <b>4,894</b>  | <b>4,909</b>  | <b>4,217</b>  | <b>2,937</b>  | <b>5,598</b>  | <b>5,872</b>  | <b>5,979</b>  | <b>6,562</b>  | <b>16,957</b>   | <b>24,010</b>   |
| Tax                          | 1,309         | 1,317         | 1,062         | 260           | 1,511         | 1,585         | 1,614         | 1,772         | 3,947           | 6,483           |
| Rate (%)                     | 26.7          | 26.8          | 25.2          | 8.8           | 27.0          | 27.0          | 27.0          | 27.0          | 23.3            | 27.0            |
| Minority Interest            | 211           | 257           | 226           | -44           | 22            | 40            | 67            | 70            | 651             | 199             |
| Profit/Loss of Asso. Cos.    | -209          | 47            | -140          | -555          | -210          | 30            | -180          | -326          | -856            | -686            |
| <b>Reported PAT</b>          | <b>3,166</b>  | <b>3,382</b>  | <b>2,789</b>  | <b>2,166</b>  | <b>3,854</b>  | <b>4,277</b>  | <b>4,118</b>  | <b>4,393</b>  | <b>11,503</b>   | <b>16,642</b>   |
| <b>Adj PAT</b>               | <b>3,205</b>  | <b>3,492</b>  | <b>3,475</b>  | <b>3,785</b>  | <b>3,854</b>  | <b>4,277</b>  | <b>4,118</b>  | <b>4,393</b>  | <b>13,956</b>   | <b>16,642</b>   |
| YoY Change (%)               | 17.2          | 42.8          | 18.7          | 38.4          | 20.3          | 22.5          | 18.5          | 16.1          | 28.7            | 19.2            |
| Margins (%)                  | 8.6           | 9.4           | 9.1           | 9.6           | 8.7           | 9.9           | 9.4           | 9.5           | 9.2             | 9.4             |

## United Breweries

**Sell**
**CMP: INR2,032 | TP: INR1,800 (-11%)**
**EPS CHANGE (%): FY25|FY26: 0.9|5.7**

- We expect revenue to grow ~15% YoY in 1QFY25
- We expect gross margin increase of 290bp to 43.5%
- Expect EBITDA margin expansion of 200bp YoY to 11.8%.
- Outlook on state mix and realization growth a key monitorable.

### Standalone Quarterly Performance

| Y/E March           | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>    | <b>22,732</b> | <b>18,880</b> | <b>18,227</b> | <b>21,315</b> | <b>26,187</b> | <b>21,354</b> | <b>20,432</b> | <b>24,236</b> | <b>81,227</b> | <b>92,209</b> |
| YoY Change (%)      | -6.7          | 12.4          | 13.1          | 20.8          | 15.2          | 13.1          | 12.1          | 13.7          | 8.3           | 13.5          |
| <b>Gross Profit</b> | <b>9,221</b>  | <b>8,408</b>  | <b>8,018</b>  | <b>8,894</b>  | <b>11,391</b> | <b>9,481</b>  | <b>9,174</b>  | <b>10,987</b> | <b>34,703</b> | <b>41,033</b> |
| Margin (%)          | 40.6          | 44.5          | 44.0          | 41.7          | 43.5          | 44.4          | 44.9          | 45.3          | 42.7          | 44.5          |
| <b>EBITDA</b>       | <b>2,228</b>  | <b>1,846</b>  | <b>1,456</b>  | <b>1,420</b>  | <b>3,087</b>  | <b>2,336</b>  | <b>2,136</b>  | <b>2,968</b>  | <b>6,962</b>  | <b>10,528</b> |
| YoY Change (%)      | -15.9         | -15.8         | 89.9          | 165.6         | 38.6          | 26.6          | 46.7          | 109.0         | 13.0          | 51.2          |
| Margins (%)         | 9.8           | 9.8           | 8.0           | 6.7           | 11.8          | 10.9          | 10.5          | 12.2          | 8.6           | 11.4          |
| Depreciation        | 513           | 508           | 518           | 577           | 518           | 521           | 523           | 533           | 2,119         | 2,095         |
| Interest            | 17            | 14            | 21            | 18            | 28            | 25            | 25            | 28            | 69            | 105           |
| Other Income        | 103           | 122           | 241           | 263           | 188           | 190           | 217           | 232           | 737           | 826           |
| <b>PBT</b>          | <b>1,801</b>  | <b>1,446</b>  | <b>1,158</b>  | <b>1,088</b>  | <b>2,729</b>  | <b>1,980</b>  | <b>1,805</b>  | <b>2,639</b>  | <b>5,511</b>  | <b>9,154</b>  |
| Tax                 | 440           | 369           | 310           | 280           | 704           | 511           | 466           | 681           | 1,403         | 2,362         |
| Rate (%)            | 24.5          | 25.5          | 26.7          | 25.7          | 25.8          | 25.8          | 25.8          | 25.8          | 25.5          | 25.8          |
| <b>Reported PAT</b> | <b>1,361</b>  | <b>1,076</b>  | <b>849</b>    | <b>808</b>    | <b>2,025</b>  | <b>1,469</b>  | <b>1,340</b>  | <b>1,958</b>  | <b>4,109</b>  | <b>6,792</b>  |
| <b>Adj PAT</b>      | <b>1,361</b>  | <b>1,076</b>  | <b>849</b>    | <b>808</b>    | <b>2,025</b>  | <b>1,469</b>  | <b>1,340</b>  | <b>1,958</b>  | <b>4,109</b>  | <b>6,792</b>  |
| YoY Change (%)      | -15.8         | -19.8         | 274.9         | 730.8         | 48.8          | 36.5          | 57.9          | 142.3         | 24.7          | 65.3          |
| Margins (%)         | 6.0           | 5.7           | 4.7           | 3.8           | 7.7           | 6.9           | 6.6           | 8.1           | 5.1           | 7.4           |

E: MOFSL Estimates

## United Spirits

**Neutral**
**CMP: INR1,276 | TP: INR1,250 (-2%)**
**EPS CHANGE (%): FY25|FY26: -2.1|-1.4**

- We expect ~4% volume growth. Demand was low due to heat waves reducing social activities and fewer weddings.
- The demand for the popular category is still lagging.
- Gross margin likely to remain flat YoY at 43.2%. ENA prices remained inflationary, and glass bottle prices were stable.
- Decline in A&P spending due to seasonal effects and dry days during elections.

### Quarterly Performance

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Volume growth %</b> | <b>5.8</b>    | <b>1.0</b>    | <b>-1.8</b>   | <b>3.7</b>    | <b>4.2</b>    | <b>6.5</b>    | <b>7.6</b>    | <b>5.1</b>    | <b>1.9</b>      | <b>5.9</b>      |
| <b>Total revenues</b>  | <b>21,719</b> | <b>28,647</b> | <b>29,893</b> | <b>26,660</b> | <b>23,550</b> | <b>31,425</b> | <b>33,032</b> | <b>28,822</b> | <b>1,06,920</b> | <b>1,16,828</b> |
| YoY change (%)         | -1.0          | -1.4          | 7.5           | 6.9           | 8.4           | 9.7           | 10.5          | 8.1           | 3.1             | 9.3             |
| <b>Gross Profit</b>    | <b>9,474</b>  | <b>12,437</b> | <b>12,979</b> | <b>11,550</b> | <b>10,173</b> | <b>13,670</b> | <b>14,402</b> | <b>12,575</b> | <b>46,440</b>   | <b>50,820</b>   |
| Margin (%)             | 43.6          | 43.4          | 43.4          | 43.3          | 43.2          | 43.5          | 43.6          | 43.6          | 43.4            | 43.5            |
| <b>EBITDA</b>          | <b>3,851</b>  | <b>4,701</b>  | <b>4,914</b>  | <b>3,620</b>  | <b>4,117</b>  | <b>5,208</b>  | <b>5,628</b>  | <b>4,032</b>  | <b>17,080</b>   | <b>18,984</b>   |
| Margins (%)            | 17.7          | 16.4          | 16.4          | 13.6          | 17.5          | 16.6          | 17.0          | 14.0          | 16.0            | 16.3            |
| EBITDA growth (%)      | 42.4          | 6.3           | 33.6          | 7.1           | 6.9           | 10.8          | 14.5          | 11.4          | 20.4            | 11.2            |
| Depreciation           | 650           | 653           | 628           | 710           | 663           | 666           | 641           | 780           | 2,640           | 2,750           |
| Interest               | 193           | 262           | 164           | 290           | 232           | 209           | 198           | 211           | 910             | 850             |
| Other income           | 209           | 388           | 461           | 2,290         | 280           | 290           | 300           | 1,833         | 3,350           | 2,703           |
| <b>PBT</b>             | <b>3,217</b>  | <b>4,174</b>  | <b>4,583</b>  | <b>4,910</b>  | <b>3,502</b>  | <b>4,623</b>  | <b>5,089</b>  | <b>4,873</b>  | <b>16,880</b>   | <b>18,087</b>   |
| Tax                    | 814           | 1,068         | 1,102         | 760           | 881           | 1,164         | 1,281         | 1,227         | 3,740           | 4,522           |
| Rate (%)               | 25.3          | 25.6          | 24.0          | 15.5          | 25.2          | 25.2          | 25.2          | 25.2          | 22.2            | 25.0            |
| <b>Adj. PAT</b>        | <b>2,397</b>  | <b>3,183</b>  | <b>3,481</b>  | <b>4,073</b>  | <b>2,620</b>  | <b>3,460</b>  | <b>3,808</b>  | <b>3,647</b>  | <b>13,140</b>   | <b>13,565</b>   |
| YoY change (%)         | 8.1           | 20.7          | 61.0          | 91.7          | 9.3           | 8.7           | 9.4           | -10.5         | 49.2            | 3.2             |

E: MOFSL Estimate

## Varun Beverages

**Buy**
**CMP: INR1,578 | TP: INR1,830 (+16%)**
**EPS CHANGE (%): CY24|25: 0|0**

- We expect overall sales volume to grow 35% YoY in 2QCY24
- Integration and ramp-up of BevCo will be in focus
- We expect EBITDA margin to improve to ~27.8% in 2QCY24 vs. 26.9% in 2QCY23
- Scale-up in international geographies and further capex update are the key monitorables

### Consolidated - Quarterly Earning Model

| Y/E December                                  | (INR m)       |               |               |               |               |               |               |               |                 |                 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|   | CY23          |               |               |               | CY24          |               |               |               | CY23            | CY24E           |
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Gross Sales</b>                            | <b>38,930</b> | <b>56,114</b> | <b>38,705</b> | <b>26,677</b> | <b>43,173</b> | <b>75,944</b> | <b>49,543</b> | <b>37,777</b> | <b>1,60,425</b> | <b>2,06,437</b> |
| YoY Change (%)                                | 37.7          | 13.3          | 21.8          | 20.5          | 10.9          | 35.3          | 28.0          | 41.6          | 21.8            | 28.7            |
| Total Expenditure                             | 30,949        | 41,004        | 29,884        | 22,494        | 33,286        | 54,802        | 38,197        | 31,806        | 1,24,331        | 1,58,091        |
| <b>EBITDA</b>                                 | <b>7,980</b>  | <b>15,110</b> | <b>8,821</b>  | <b>4,183</b>  | <b>9,888</b>  | <b>21,142</b> | <b>11,345</b> | <b>5,971</b>  | <b>36,095</b>   | <b>48,346</b>   |
| Margins (%)                                   | 20.5          | 26.9          | 22.8          | 15.7          | 22.9          | 27.8          | 22.9          | 15.8          | 22.5            | 23.4            |
| Depreciation                                  | 1,722         | 1,719         | 1,708         | 1,660         | 1,875         | 2,250         | 2,300         | 2,333         | 6,809           | 8,758           |
| Interest                                      | 626           | 694           | 625           | 737           | 937           | 950           | 970           | 980           | 2,681           | 3,837           |
| Other Income                                  | 101           | 416           | 185           | 91            | 84            | 470           | 350           | 292           | 794             | 1,196           |
| <b>PBT before EO expense</b>                  | <b>5,734</b>  | <b>13,113</b> | <b>6,673</b>  | <b>1,878</b>  | <b>7,159</b>  | <b>18,412</b> | <b>8,425</b>  | <b>2,950</b>  | <b>27,398</b>   | <b>36,946</b>   |
| Extra-Ord expense                             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>PBT</b>                                    | <b>5,734</b>  | <b>13,113</b> | <b>6,673</b>  | <b>1,878</b>  | <b>7,159</b>  | <b>18,412</b> | <b>8,425</b>  | <b>2,950</b>  | <b>27,398</b>   | <b>36,946</b>   |
| Tax   | 1,348         | 3,057         | 1,529         | 442           | 1,678         | 4,052         | 1,854         | 649           | 6,375           | 8,234           |
| Rate (%)                                      | 23.5          | 23.3          | 22.9          | 23.5          | 23.4          | 22.0          | 22.0          | 22.0          | 23.3            | 22.3            |
| Minority Interest & Profit/Loss of Asso. Cos. | 95            | 118           | 130           | 118           | 107           | 134           | 129           | 136           | 461             | 505             |
| <b>Reported PAT</b>                           | <b>4,291</b>  | <b>9,938</b>  | <b>5,015</b>  | <b>1,318</b>  | <b>5,374</b>  | <b>14,226</b> | <b>6,443</b>  | <b>2,165</b>  | <b>20,561</b>   | <b>28,208</b>   |
| <b>Adj PAT</b>                                | <b>4,291</b>  | <b>9,938</b>  | <b>5,015</b>  | <b>1,318</b>  | <b>5,374</b>  | <b>14,226</b> | <b>6,443</b>  | <b>2,165</b>  | <b>20,561</b>   | <b>28,208</b>   |
| YoY Change (%)                                | 68.8          | 26.2          | 31.6          | 76.3          | 25.2          | 43.2          | 28.5          | 64.3          | 37.3            | 37.2            |
| Margins (%)                                   | 11.0          | 17.7          | 13.0          | 4.9           | 12.4          | 18.7          | 13.0          | 5.7           | 12.8            | 13.7            |

### Company

Barbeque Nation

Devyani Intl.

Jubilant Foodworks

Restaurant Brands

Sapphire Foods

Westlife Foodworld

## QSR – Looks weak scorecard; delivery better than dine-in

### Near-term outlook remains cautious

The performance of QSR companies is expected to remain sluggish as growth metrics (SSSG, ADS) remained weak during the quarter due to competition from local players and weak dine-in demand. Oversupply of store network during the last two years affected SSSG/ADS. Overall growth deceleration is expected to continue. Delivery business may continue to outperform dine-in business. Companies have initiated several consumer offers and waived off delivery charges to drive demand. Value segment has been seeing better traffic growth than other segments. Our coverage universe is expected to deliver 10% YoY revenue growth (organic growth) in 1QFY25 vs. 7% in 4QFY24. SSSG/ADS continued to decline, barring Restaurant Brand Asia (BK), Jubilant and Barbeque, which reported SSSG of 2%/3%/3%. Most companies have maintained aggressive store addition momentum in FY25. We maintain a cautious outlook on the QSR sector in the near term due to the ongoing demand challenges that are expected to hurt operating margins. We have BUY ratings on Devyani, Sapphire and RBA.

**Outliers:** Jubilant

**Underperformers:** Devyani, Sapphire, Westlife

## Exhibit 16: QSR quarterly trends

| Particulars           | 1QFY23     | 2QFY23     | 3QFY23     | 4QFY23     | 1QFY24     | 2QFY24    | 3QFY24    | 4QFY24    | 1QFY25E    |
|-----------------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|------------|
| <b>Revenue Growth</b> |            |            |            |            |            |           |           |           |            |
| Barbeque Nation       | 209%       | 41%        | 14%        | 12%        | 3%         | -3%       | 1%        | 6%        | 10%        |
| Devyani (organic)     | 100%       | 45%        | 27%        | 28%        | 20%        | 10%       | 7%        | 5%        | 10%        |
| Jubilant              | 41%        | 17%        | 10%        | 8%         | 6%         | 5%        | 3%        | 6%        | 9%         |
| Sapphire              | 80%        | 36%        | 17%        | 13%        | 20%        | 14%       | 12%       | 13%       | 12%        |
| Restaurant Brands     | 64%        | 47%        | 21%        | 29%        | 25%        | 19%       | 15%       | 16%       | 17%        |
| Westlife              | 108%       | 49%        | 28%        | 22%        | 14%        | 7%        | -2%       | 1%        | 4%         |
| <b>Total</b>          | <b>75%</b> | <b>34%</b> | <b>18%</b> | <b>17%</b> | <b>14%</b> | <b>9%</b> | <b>6%</b> | <b>7%</b> | <b>10%</b> |
| <b>SSSG</b>           |            |            |            |            |            |           |           |           |            |
| Barbeque Nation       | 182%       | 23%        | -1%        | -3%        | -8%        | -11%      | -5%       | 1%        | 3%         |
| Devyani - KFC         | 64%        | 13%        | 3%         | 2%         | -1%        | -4%       | -5%       | -7%       | -6%        |
| Devyani - PH          | 32%        | 3%         | -6%        | -3%        | -5%        | -10%      | -13%      | -14%      | -9%        |
| Jubilant (LFL)        | 28%        | 8%         | 0%         | -1%        | -1%        | -1%       | -3%       | 0%        | 3%         |
| Sapphire - KFC        | 65%        | 15%        | 3%         | 2%         | 0%         | 0%        | -2%       | -3%       | -5%        |
| Sapphire - PH         | 47%        | 23%        | -4%        | -4%        | -9%        | -20%      | -19%      | -15%      | -8%        |
| Restaurant Brands     | 66%        | 27%        | 9%         | 8%         | 4%         | 4%        | 3%        | 2%        | 2%         |
| Westlife              | 97%        | 40%        | 20%        | 14%        | 7%         | 1%        | -9%       | -5%       | -5%        |
| <b>Store (India)</b>  |            |            |            |            |            |           |           |           |            |
| Barbeque Nation       | 195        | 205        | 212        | 216        | 212        | 212       | 216       | 217       | 223        |
| Devyani               | 961        | 1,047      | 1,120      | 1,184      | 1,230      | 1,298     | 1,387     | 1,429     | 1,429      |
| Jubilant              | 1,676      | 1,753      | 1,814      | 1,863      | 1,891      | 1,949     | 2,007     | 2,096     | 2,040      |
| Sapphire              | 516        | 550        | 599        | 627        | 660        | 692       | 725       | 748       | 769        |
| Restaurant Brands     | 328        | 334        | 379        | 391        | 396        | 404       | 441       | 455       | 470        |
| Westlife              | 331        | 337        | 341        | 357        | 361        | 370       | 380       | 397       | 405        |
| <b>PBT (INR M)</b>    |            |            |            |            |            |           |           |           |            |
| Barbeque Nation       | 208        | 69         | 67         | (125)      | (55)       | (151)     | 75        | (9)       | (18)       |
| Devyani               | 771        | 700        | 736        | 412        | 603        | 330       | 97        | 44        | 224        |
| Jubilant              | 1,642      | 1,619      | 1,194      | 930        | 1,014      | 963       | 819       | 508       | 774        |
| Sapphire              | 356        | 269        | 336        | 123        | 336        | 214       | 140       | 8         | 229        |
| Restaurant Brands     | -227       | -133       | -112       | -246       | -222       | -93       | -64       | -310      | -147       |
| Westlife              | 318        | 420        | 480        | 277        | 406        | 302       | 231       | 20        | 128        |
| <b>PBT Margins</b>    |            |            |            |            |            |           |           |           |            |
| Barbeque Nation       | 7%         | 2%         | 2%         | -4%        | -2%        | -5%       | 2%        | 0%        | 0%         |
| Devyani               | 11%        | 9%         | 9%         | 5%         | 7%         | 4%        | 1%        | 0%        | 2%         |
| Jubilant              | 13%        | 13%        | 9%         | 7%         | 8%         | 7%        | 6%        | 4%        | 5%         |
| Sapphire              | 7%         | 5%         | 6%         | 2%         | 5%         | 3%        | 2%        | 0%        | 3%         |
| Restaurant Brands     | -7%        | -4%        | -3%        | -7%        | -5%        | -2%       | -1%       | -7%       | -3%        |
| Westlife              | 6%         | 7%         | 8%         | 5%         | 7%         | 5%        | 4%        | 0%        | 2%         |

**Barbeque Nation Hospitality****Neutral****CMP: INR570 | TP: INR600 (+5%)****EPS CHANGE (%): FY25|FY26: -|-**

- We expect 10.4% YoY revenue growth in 1QFY25.
- Expect to add 6 stores in 1QFY25, while SSSG is expected to grow 3% on softer base.
- Gross margin expected to increase by 220bp YoY to 66.2% in 1QFY24.
- EBITDA margins increase by 250bp YoY to 17% on operations efficiency.

**Quarterly Performance**

| Y/E March       | FY24  |       |       |       | FY25E |       |       |       | FY24   | FY25E  |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                 | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| SSSG (%)        | -7.7  | -10.7 | -4.9  | 1.4   | 3.0   | 4.0   | 6.0   | 7.0   | -6.5   | 5.0    |
| No. of stores   | 212   | 212   | 216   | 217   | 223   | 229   | 235   | 242   | 217    | 242    |
| Net Sales       | 3,239 | 3,017 | 3,309 | 2,981 | 3,576 | 3,378 | 3,747 | 3,471 | 12,545 | 14,172 |
| YoY change (%)  | 2.9   | -2.8  | 0.8   | 6.4   | 10.4  | 12.0  | 13.3  | 16.5  | 1.7    | 13.0   |
| Gross Profit    | 2,073 | 1,990 | 2,245 | 2,053 | 2,367 | 2,256 | 2,518 | 2,354 | 8,361  | 9,495  |
| Margin (%)      | 64.0  | 65.9  | 67.9  | 68.9  | 66.2  | 66.8  | 67.2  | 67.8  | 66.6   | 67.0   |
| EBITDA          | 468   | 444   | 663   | 547   | 606   | 583   | 704   | 615   | 2,122  | 2,508  |
| EBITDA growth % | -33.6 | -23.9 | 7.0   | 37.3  | 29.6  | 31.3  | 6.3   | 12.4  | -8.0   | 18.2   |
| Margin (%)      | 14.4  | 14.7  | 20.0  | 18.4  | 17.0  | 17.3  | 18.8  | 17.7  | 16.9   | 17.7   |
| Depreciation    | 375   | 443   | 414   | 447   | 450   | 456   | 466   | 474   | 1,679  | 1,846  |
| Interest        | 187   | 195   | 190   | 186   | 210   | 211   | 209   | 210   | 759    | 840    |
| Other Income    | 40    | 43    | 16    | 77    | 36    | 38    | 33    | 42    | 176    | 150    |
| PBT             | -55   | -151  | 75    | -9    | -18   | -46   | 62    | -26   | -140   | -27    |
| Tax             | -14   | -32   | 27    | -9    | -4    | -12   | 16    | -7    | -28    | -7     |
| Rate (%)        | 26.1  | 21.3  | 35.5  | 95.9  | 25.2  | 25.2  | 25.2  | 25.2  | 20.3   | 25.2   |
| Adjusted PAT    | -41   | -119  | 48    | 0     | -13   | -34   | 46    | -20   | -112   | -21    |
| 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: INR168 | TP: INR200 (+19%)****EPS CHANGE (%): FY25|FY26: -6.1|-1.3**

- Expect KFC/PH store adds of 30/5 for 1QFY25.
- Revenue likely to grow ~41% on acquisition of Thailand business. Organic revenue growth is ~10%.
- Margins may see pressure due to lower demand.
- Same-store sales expected to decline by 9% for Pizza Hut and 6% for KFC.

**Quarterly Performance**

| Y/E March           | FY24  |       |       |        | FY25E  |        |        |         | FY24   | FY25E  |
|---------------------|-------|-------|-------|--------|--------|--------|--------|---------|--------|--------|
|                     | 1Q    | 2Q    | 3Q    | 4Q     | 1QE    | 2QE    | 3QE    | 4QE     |        |        |
| KFC - No. of stores | 510   | 540   | 590   | 596    | 626    | 656    | 686    | 721     | 596    | 721    |
| PH - No. of stores  | 521   | 535   | 565   | 567    | 572    | 576    | 580    | 587     | 567    | 587    |
| KFC - SSSG (%)      | -0.9  | -3.9  | -4.7  | -7.1   | -6.0   | 3.0    | 7.0    | 6.0     | -4.6   | 2.5    |
| PH - SSSG (%)       | -5.3  | -10.4 | -12.6 | -14.0  | -9.0   | -2.0   | 11.0   | 12.0    | -10.9  | 3.0    |
| Net Sales           | 8,466 | 8,195 | 8,431 | 10,471 | 11,936 | 12,443 | 12,985 | 12,210  | 35,563 | 49,574 |
| YoY change (%)      | 20.1  | 9.6   | 6.6   | 38.7   | 41.0   | 51.8   | 54.0   | 16.6    | 18.6   | 39.4   |
| Gross Profit        | 5,998 | 5,802 | 5,954 | 7,244  | 8,236  | 8,610  | 8,999  | 8,476   | 24,997 | 34,321 |
| Margin (%)          | 70.8  | 70.8  | 70.6  | 69.2   | 69.0   | 69.2   | 69.3   | 69.4    | 70.3   | 69.2   |
| EBITDA              | 1,734 | 1,588 | 1,463 | 1,739  | 2,008  | 2,093  | 2,402  | 2,633   | 6,524  | 9,136  |
| EBITDA growth %     | 5.6   | -4.1  | -15.9 | 14.9   | 15.8   | 31.9   | 64.2   | 51.4    | -0.4   | 40.0   |
| Margin (%)          | 20.5  | 19.4  | 17.4  | 16.6   | 16.8   | 16.8   | 18.5   | 21.6    | 18.3   | 18.4   |
| Depreciation        | 796   | 907   | 930   | 1,275  | 1,297  | 1,323  | 1,362  | 1,392   | 3,907  | 5,374  |
| Interest            | 404   | 417   | 482   | 567    | 565    | 575    | 579    | 588     | 1,869  | 2,307  |
| Other Income        | 68    | 66    | 46    | 146    | 78     | 76     | 88     | 108     | 326    | 350    |
| PBT                 | 603   | 330   | 97    | 44     | 224    | 271    | 549    | 761     | 1,074  | 1,805  |
| Tax                 | 146   | -168  | 46    | 110    | 45     | 54     | 110    | 152     | 133    | 361    |
| Rate (%)            | 24.1  | -50.9 | 47.6  | 249.9  | 20.0   | 20.0   | 20.0   | 20.0    | 12.4   | 20.0   |
| Adjusted PAT        | 339   | 506   | 51    | 33     | 179    | 217    | 439    | 609     | 929    | 1,444  |
| Margin (%)          | 4.0   | 6.2   | 0.6   | 0.3    | 1.5    | 1.7    | 3.4    | 5.0     | 2.6    | 2.9    |
| YoY change (%)      | -54.4 | -21.4 | -93.5 | -94.6  | -47.1  | -57.2  | 765.7  | 1,750.3 | -66.5  | 55.5   |

E: MOFSL Estimates

**Jubilant FoodWorks****Neutral**

CMP: INR575 | TP: INR525 (-9%)

EPS CHANGE (%): FY25|FY26: -3.9|-2.5

- LFL for 1QFY25 is expected to improve by 2.5%.
- Expect net store additions of 45 for Domino's
- We expect ~8.5% revenue growth led by the store addition.
- EBITDA growth is expected to remain flat at 19.5%

**Quarterly Standalone Perf.**

(INR m)

| Y/E March              | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E  |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                        | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| No of stores (Dominos) | 1,838  | 1,888  | 1,928  | 1,995  | 2,040  | 2,085  | 2,130  | 2,175  | 1,995  | 2,175  |
| LFL growth (%)         | -1.3   | -1.3   | -2.9   | 0.1    | 2.5    | 3.0    | 4.5    | 4.0    | -1.4   | 3.5    |
| Net Sales              | 13,097 | 13,448 | 13,551 | 13,313 | 14,210 | 14,793 | 15,109 | 14,905 | 53,409 | 59,016 |
| YoY change (%)         | 5.6    | 4.5    | 2.9    | 6.3    | 8.5    | 10.0   | 11.5   | 12.0   | 4.8    | 10.5   |
| Gross Profit           | 9,956  | 10,275 | 10,387 | 10,200 | 10,871 | 11,361 | 11,604 | 11,430 | 40,817 | 45,266 |
| Gross margin (%)       | 76.0   | 76.4   | 76.7   | 76.6   | 76.5   | 76.8   | 76.8   | 76.7   | 76.4   | 76.7   |
| EBITDA                 | 2,764  | 2,807  | 2,827  | 2,543  | 2,775  | 2,872  | 2,976  | 3,012  | 10,941 | 11,634 |
| EBITDA growth %        | -9.2   | -10.2  | -2.5   | 0.8    | 0.4    | 2.3    | 5.2    | 18.4   | -5.6   | 6.3    |
| Margins (%)            | 21.1   | 20.9   | 20.9   | 19.1   | 19.5   | 19.4   | 19.7   | 20.2   | 20.5   | 19.7   |
| Depreciation           | 1,328  | 1,379  | 1,465  | 1,511  | 1,528  | 1,592  | 1,591  | 1,680  | 5,684  | 6,391  |
| Interest               | 513    | 534    | 583    | 609    | 564    | 587    | 612    | 622    | 2,239  | 2,385  |
| Other Income           | 91     | 69     | 40     | 86     | 91     | 82     | 79     | 89     | 285    | 342    |
| PBT                    | 1,014  | 963    | 819    | 508    | 774    | 775    | 852    | 798    | 3,303  | 3,200  |
| YoY Change (%)         | -38.2  | -40.5  | -31.4  | -45.3  | -23.6  | -19.5  | 4.0    | 57.1   | -38.6  | -3.1   |
| Tax                    | 262    | 241    | 209    | 132    | 195    | 195    | 214    | 196    | 844    | 800    |
| Rate (%)               | 25.8   | 25.1   | 25.6   | 26.0   | 25.2   | 25.2   | 25.2   | 24.5   | 25.6   | 25.0   |
| Adjusted PAT           | 752    | 721    | 610    | 345    | 579    | 580    | 637    | 603    | 2,428  | 2,400  |
| YoY change (%)         | -38.2  | -39.5  | -31.16 | -44.38 | -22.9  | -19.6  | 4.54   | 74.70  | -38.0  | -1.2   |

E: MOFSL Estimates

**Restaurants Brand Asia****Buy**

CMP: INR108 | TP: INR140 (37%)

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

- Expect SSSG to grow 2% YoY in 1QFY24 and 15 store add during the quarter.
- EBITDA margins expected to expand by 140bp YoY to 12.9%.
- Revenue growth is expected at 20% YoY to INR5.1b
- Expect net losses to narrow down to INR147m.

**Quarterly Standalone Performance**

(INR m)

| Y/E March       | FY24  |       |       |       | FY25E |       |       |       | FY24   | FY25E   |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|---------|
|                 | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |         |
| SSSG (%)        | 3.6   | 3.5   | 2.6   | 1.9   | 2.0   | 5.5   | 6.5   | 10.0  | 2.9    | 6.0     |
| No. of stores   | 396   | 404   | 441   | 455   | 470   | 485   | 500   | 520   | 455    | 520     |
| Net Sales       | 4,221 | 4,535 | 4,454 | 4,391 | 5,061 | 5,540 | 5,416 | 5,439 | 17,601 | 21,455  |
| YoY change (%)  | 25.3  | 23.2  | 20.5  | 20.3  | 19.9  | 22.2  | 21.6  | 23.9  | 22.3   | 21.9    |
| Gross Profit    | 2,806 | 3,031 | 2,990 | 2,971 | 3,416 | 3,706 | 3,645 | 3,672 | 11,798 | 14,439  |
| Margin (%)      | 66.5  | 66.8  | 67.1  | 67.7  | 67.5  | 66.9  | 67.3  | 67.5  | 67.0   | 67.3    |
| EBITDA          | 485   | 634   | 708   | 551   | 653   | 859   | 845   | 927   | 2,377  | 3,284   |
| EBITDA growth % | 45.9  | 50.7  | 47.9  | 30.3  | 34.7  | 35.4  | 19.4  | 68.3  | 128.6  | 1,216.2 |
| Margin (%)      | 11.5  | 14.0  | 15.9  | 12.5  | 12.9  | 15.5  | 15.6  | 17.1  | 13.5   | 15.3    |
| Depreciation    | 507   | 494   | 522   | 586   | 570   | 570   | 570   | 540   | 2,110  | 2,250   |
| Interest        | 264   | 273   | 281   | 324   | 285   | 292   | 300   | 307   | 1,141  | 1,185   |
| Other Income    | 65    | 40    | 32    | 48    | 55    | 50    | 54    | 54    | 185    | 213     |
| PBT             | -222  | -93   | -64   | -310  | -147  | 46    | 28    | 134   | -689   | 62      |
| Tax             | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      | 6       |
| Rate (%)        | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   | 0.0    | 10.0    |
| Adjusted PAT    | -222  | -93   | -64   | -310  | -147  | 46    | 28    | 134   | -689   | 55      |
| YoY change (%)  | NM    | NM    | NM    | NM    | NM    | NM    | NM    | NM    | NM     | NM      |

E: MOFSL Estimates

## Sapphire Foods

Buy

CMP: INR1,561 | TP: INR1,800 (15%)

EPS CHANGE (%): FY25 | FY26: -8.1 | -3.7

- KFC is expected to see a decline of ~4-5% in same-store sales, along with 20 store additions.
- Revenue growth expected at 12% to INR7.3b.
- PH's same-store sales expected to fall 8%; store addition muted, expected to add only 1 new outlet.
- There will be slight pressure on margin due to lower demand.

## Quarterly Performance

(INR m)

| Y/E March           | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| KFC - No. of stores | 358          | 381          | 406          | 429          | 449          | 469          | 489          | 509          | 429           | 509           |
| PH - No. of stores  | 302          | 311          | 319          | 319          | 320          | 321          | 322          | 324          | 319           | 324           |
| KFC - SSSG (%)      | 0.0          | 0.0          | -2.0         | -3.0         | -4.5         | 3.0          | 5.5          | 6.0          | -1.0          | 2.5           |
| PH - SSSG (%)       | -9.0         | -20.0        | -19.0        | -15.0        | -8.0         | -2.0         | 8.0          | 12.0         | -16.0         | 2.5           |
| <b>Net Sales</b>    | <b>6,544</b> | <b>6,426</b> | <b>6,656</b> | <b>6,317</b> | <b>7,332</b> | <b>7,483</b> | <b>7,882</b> | <b>7,502</b> | <b>25,943</b> | <b>30,199</b> |
| YoY change (%)      | 19.8         | 14.2         | 11.6         | 12.7         | 12.0         | 16.4         | 18.4         | 18.8         | 14.5          | 16.4          |
| <b>Gross Profit</b> | <b>4,483</b> | <b>4,417</b> | <b>4,583</b> | <b>4,351</b> | <b>5,013</b> | <b>5,119</b> | <b>5,404</b> | <b>5,206</b> | <b>17,834</b> | <b>20,742</b> |
| Margin (%)          | 68.5         | 68.7         | 68.9         | 68.9         | 68.4         | 68.4         | 68.6         | 69.4         | 68.7          | 68.7          |
| <b>EBITDA</b>       | <b>1,214</b> | <b>1,151</b> | <b>1,217</b> | <b>1,029</b> | <b>1,269</b> | <b>1,311</b> | <b>1,496</b> | <b>1,394</b> | <b>4,613</b>  | <b>5,470</b>  |
| EBITDA growth %     | 10.0         | 11.6         | 4.3          | 4.9          | 4.5          | 13.9         | 22.9         | 35.4         | 7.7           | 18.6          |
| Margin (%)          | 18.6         | 17.9         | 18.3         | 16.3         | 17.3         | 17.5         | 19.0         | 18.6         | 17.8          | 18.1          |
| Depreciation        | 727          | 768          | 874          | 870          | 880          | 906          | 918          | 938          | 3,239         | 3,641         |
| Interest            | 226          | 245          | 263          | 275          | 260          | 257          | 276          | 243          | 1,009         | 1,037         |
| Other Income        | 75           | 75           | 60           | 124          | 100          | 100          | 100          | 101          | 334           | 401           |
| <b>PBT</b>          | <b>336</b>   | <b>214</b>   | <b>140</b>   | <b>8</b>     | <b>229</b>   | <b>248</b>   | <b>402</b>   | <b>314</b>   | <b>699</b>    | <b>1,193</b>  |
| Tax                 | 88           | 62           | 42           | -12          | 58           | 62           | 101          | 79           | 180           | 300           |
| Rate (%)            | 26.0         | 28.9         | 30.0         | -143.0       | 25.2         | 25.2         | 25.2         | 25.2         | 25.7          | 25.2          |
| <b>Adjusted PAT</b> | <b>249</b>   | <b>152</b>   | <b>98</b>    | <b>20</b>    | <b>172</b>   | <b>186</b>   | <b>301</b>   | <b>235</b>   | <b>520</b>    | <b>893</b>    |
| YoY change (%)      | -34.8        | -43.4        | -69.9        | -82.2        | -31.0        | 22.0         | 206.0        | 1,053.2      | -52.4         | 71.9          |

E: MOFSL Estimates

## Westlife Development

Neutral

CMP: INR829 | TP: INR775 (-7%)

EPS CHANGE (%): FY25 | FY26: -6.8 | -2.4

- Same-store sales to decline 5% YoY in 1QFY25
- Expect to add 8 new stores in 1QFY25.
- Expect revenue to grow 4% YoY to INR6.4b
- EBITDA margin to decline by 370bp YoY to 13.5% YoY led by weak same-store sales.

## Consolidated quarterly performance

(INR m)

| Y/E March                     | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                               | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| SSSG %                        | 7.0          | 1.0          | (9.0)        | (5.0)        | (5.0)        | 3.0          | 7.0          | 9.0          | -1.5          | 3.5           |
| No. of McDonald's restaurants | 361          | 370          | 380          | 397          | 405          | 415          | 430          | 442          | 397           | 442           |
| <b>Net Sales</b>              | <b>6,145</b> | <b>6,147</b> | <b>6,003</b> | <b>5,623</b> | <b>6,400</b> | <b>6,930</b> | <b>7,055</b> | <b>6,682</b> | <b>23,918</b> | <b>27,066</b> |
| YoY Change (%)                | 14.2         | 7.4          | -1.8         | 1.1          | 4.1          | 12.7         | 17.5         | 18.8         | 5.0           | 13.2          |
| <b>Gross profit</b>           | <b>4,337</b> | <b>4,310</b> | <b>4,219</b> | <b>3,945</b> | <b>4,512</b> | <b>4,899</b> | <b>4,995</b> | <b>4,757</b> | <b>16,811</b> | <b>19,163</b> |
| Margin (%)                    | 70.6         | 70.1         | 70.3         | 70.2         | 70.5         | 70.7         | 70.8         | 71.2         | 70.3          | 70.8          |
| <b>EBITDA</b>                 | <b>1,053</b> | <b>997</b>   | <b>960</b>   | <b>771</b>   | <b>863</b>   | <b>1,187</b> | <b>1,257</b> | <b>1,159</b> | <b>3,780</b>  | <b>4,465</b>  |
| YoY Change (%)                | 14.3         | 0.9          | -12.9        | -16.1        | -18.1        | 12.7         | 26.1         | 20.7         | -3.8          | 18.1          |
| Margins (%)                   | 17.1         | 16.2         | 16.0         | 13.7         | 13.5         | 17.1         | 17.8         | 17.3         | 15.8          | 16.5          |
| Depreciation                  | 439          | 453          | 491          | 503          | 517          | 519          | 523          | 500          | 1,886         | 2,059         |
| Interest                      | 260          | 274          | 282          | 283          | 263          | 279          | 285          | 276          | 1,099         | 1,103         |
| Other Income                  | 52           | 32           | 44           | 35           | 45           | 45           | 45           | 60           | 162           | 195           |
| <b>PBT</b>                    | <b>406</b>   | <b>302</b>   | <b>231</b>   | <b>20</b>    | <b>128</b>   | <b>434</b>   | <b>493</b>   | <b>444</b>   | <b>958</b>    | <b>1,499</b>  |
| Tax                           | 118          | 78           | 59           | 12           | 32           | 108          | 123          | 111          | 266           | 375           |
| Rate (%)                      | 29.0         | 26.0         | 25.3         | 60.6         | 25.0         | 25.0         | 25.0         | 25.0         | 27.8          | 25.0          |
| <b>Adj PAT</b>                | <b>288</b>   | <b>224</b>   | <b>172</b>   | <b>8</b>     | <b>96</b>    | <b>325</b>   | <b>370</b>   | <b>333</b>   | <b>692</b>    | <b>1,124</b>  |
| YoY Change (%)                | 22.0         | -29.2        | -52.6        | -96.1        | -66.7        | 45.6         | 114.6        | 4,195.0      | L/P           | L/P           |
| Margins (%)                   | 4.7          | 3.6          | 2.9          | 0.1          | 1.5          | 4.7          | 5.2          | 5.0          | 2.9           | 4.2           |

# Consumer Durables

## Company

Havells India

KEI Industries

Polycab India

RR Kabel

Voltas

## RAC strong; cables & wires growth to moderate on a high base

### Revenue/EBITDA to grow ~16%/25% YoY in 1QFY25E

- We expect 1QFY25 revenue for our consumer durable universe to increase 16% YoY, driven by strong demand for Room Air Conditioners (RAC) due to strong heat waves across the country. We believe that secondary sales for RAC have risen 35%+ in 1QFY25. Revenue growth for the cables & wires (C&W) segment would moderate to 12.4% YoY on a high base of last year (32% YoY revenue growth in 1QFY24). We estimate the gross profit margin to improve 70bp YoY to 33.1%. Aggregate EBITDA is estimated to grow 25% YoY, and the EBITDA margin is likely to improve 55bp YoY to 10.8%. Adjusted PAT is expected to increase ~21% YoY.
- Revenue growth for HAVL/VOLT is estimated at 18%/17% YoY, led by strong growth in the UCP segment. Revenue growth for Polycab/KEI/RRAKBEL is estimated at 18%/12%/11% YoY, supported by healthy growth in the C&W segment. We expect 8-10% revenue growth for HAVL/RRAKBEL and 13-15% revenue growth for KEI/Polycab.
- HAVL is estimated to report the highest EBITDA growth of ~46% YoY, followed by VOLT at +40%, KEI and RRKABEL at +15-17%, and Polycab at ~8% YoY. EBITDA margin for HAVL is estimated to improve 2.0pp YoY to 10.3%, followed by 1.1pp expansion for VOLT. KEI and RRKABEL's EBITDA margins are likely to improve 30-40bp YoY to ~10% and 7%, respectively. However, we estimate Polycab's EBITDA margin to contract 1.13pp YoY to ~13%.

### HAVL to report the highest revenue/EBITDA growth

- **HAVL:** We expect a revenue growth of 18.3% YoY in 1QFY25, led by robust growth in the Lloyd business (up ~41% YoY) and ECD (up ~13% YoY). The other segments (switchgear/C&W/Lighting) are estimated to grow ~6-9% YoY. We estimate Lloyd to report an EBIT of INR371m vs. a loss of INR616m in 1QFY24. Ex-Lloyd, revenue growth is estimated to be 13% YoY; while EBIT is projected to increase 8% YoY. EBIT margin, ex-Lloyd, to be 12.9% vs. 13.5% in 1QFY24.
- **VOLT:** We project a revenue growth of ~17% YoY in 1QFY25, led by robust growth in the UCP segment (up ~22% YoY). EMPS and PES' revenue is estimated to grow 5-7% YoY. We expect the UCP segment's margin to improve 55bp YoY to 8.8%. We estimate the EMPS segment's losses to decline sequentially (EBIT loss of INR436m vs. INR1.1b in 4QFY24).
- **Polycab:** We expect a revenue growth of 17.8% YoY in 1QFY25. Its C&W segment's revenue is estimated to grow ~15% YoY (down 16.5% QoQ), while the EBIT margin should contract 60bp YoY to 14.2%. We expect the ECD segment's revenue to grow 8% YoY and EBIT loss to be at INR340m vs. INR57m in 1QFY24.
- **KEI Industries:** We project a revenue growth of ~12% YoY in 1QFY25. Its C&W/EPC revenue is estimated to grow ~13%/10%. We estimate C&W's EBIT margin to improve 1.7pp YoY to 10.5%.
- **RRKABEL:** We estimate a revenue growth of 11% YoY in 1QFY25. Its C&W revenue is estimated to grow 9% YoY, and FMEG revenue growth should be at ~18% YoY. The C&W EBIT margin is estimated to contract 15bp YoY to 8.6%. Loss for the FMEG segment is estimated at INR109m vs. INR170m in 1QFY24.

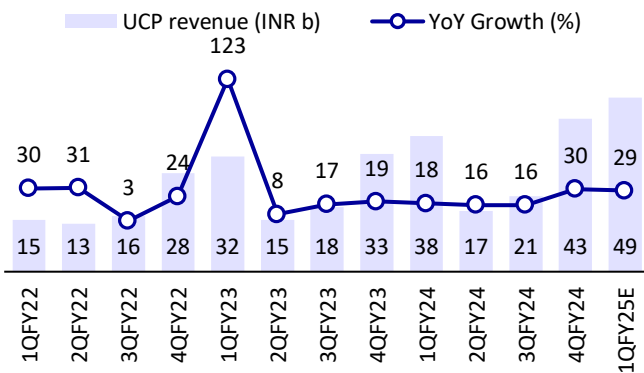
**Exhibit 1: Summary of 1QFY25 estimates (need formatting)**

| Sector                   | CMP (INR) | RECO    | SALES (INR M)   |             |             | EBDITA (INR M) |             |             | NET PROFIT (INR M) |             |             |
|--------------------------|-----------|---------|-----------------|-------------|-------------|----------------|-------------|-------------|--------------------|-------------|-------------|
|                          |           |         | Jun-24          | Var % YoY   | Var % QoQ   | Jun-24         | Var % YoY   | Var % QoQ   | Jun-24             | Var % YoY   | Var % QoQ   |
| Havells India            | 1811      | Neutral | 57,196          | 18.3        | 5.1         | 5,873          | 46.1        | -7.4        | 3,898              | 35.8        | -12.7       |
| KEI Industries           | 4552      | Buy     | 19,966          | 12.0        | -13.9       | 2,079          | 16.6        | -15.0       | 1,364              | 12.4        | -19.2       |
| Polycab India            | 6629      | Buy     | 45,835          | 17.8        | -18.0       | 5,945          | 8.4         | -21.9       | 4,213              | 5.4         | -22.8       |
| R R Kabel                | 1755      | Buy     | 17,671          | 10.6        | 0.7         | 1,303          | 15.4        | 13.1        | 881                | 18.5        | 11.9        |
| Voltas                   | 1450      | Buy     | 39,430          | 17.4        | -6.2        | 2,590          | 39.7        | 35.9        | 1,900              | 46.9        | 83.0        |
| <b>Consumer Durables</b> |           |         | <b>1,80,098</b> | <b>16.5</b> | <b>-6.7</b> | <b>17,792</b>  | <b>24.7</b> | <b>-8.6</b> | <b>12,255</b>      | <b>21.1</b> | <b>-8.8</b> |

**Exhibit 2: Comparative valuations (need to update)**

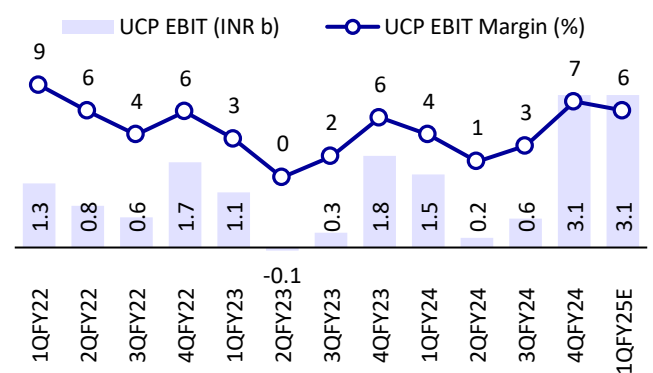
| Company Name             | CMP INR | Reco    | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |             |            | ROE (%)     |             |             |
|--------------------------|---------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|-------------|------------|-------------|-------------|-------------|
|                          |         |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E       | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Consumer Durables</b> |         |         |           |       |       | <b>61.4</b> | <b>59.4</b> | <b>46.7</b> | <b>9.7</b> | <b>10.5</b> | <b>8.9</b> | <b>15.8</b> | <b>17.7</b> | <b>19.1</b> |
| Havells India            | 1,811   | Neutral | 20.3      | 25.4  | 31.6  | 74.7        | 71.2        | 57.3        | 12.7       | 13.4        | 11.6       | 17.1        | 18.8        | 20.3        |
| KEI Industries           | 4,552   | Buy     | 64.4      | 79.9  | 99.1  | 53.7        | 57.0        | 45.9        | 9.9        | 10.7        | 8.8        | 18.5        | 18.8        | 19.2        |
| Polycab India            | 6,629   | Buy     | 118.8     | 130.9 | 157.1 | 42.7        | 50.6        | 42.2        | 9.3        | 10.3        | 8.6        | 21.8        | 20.3        | 20.5        |
| R R Kabel                | 1,755   | Buy     | 26.4      | 38.6  | 52.4  | 58.2        | 45.5        | 33.5        | 9.5        | 9.1         | 7.4        | 18.4        | 21.7        | 24.3        |
| Voltas                   | 1,450   | Buy     | 7.2       | 21.0  | 31.8  | 152.5       | 68.9        | 45.6        | 6.3        | 7.4         | 6.5        | 4.1         | 10.8        | 14.4        |

**Exhibit 3: Aggregate\* UCP – revenue and growth**



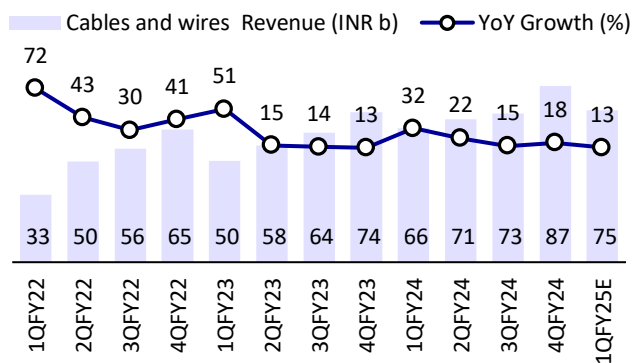
Source: MOFSL; E: MOFSL estimate; Note: \*UCP revenue of VOLT and HAVL

**Exhibit 4: Aggregate\* UCP – EBIT and margin**



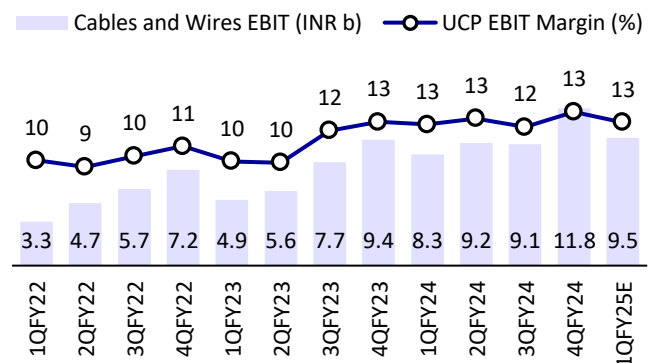
Source: MOFSL; E: MOFSL estimate; Note: \*UCP EBIT of VOLT and HAVL

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



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

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



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

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

## Havells India

**Neutral**

**CMP: INR1,810 | TP: INR1,840 (+2%)**

**EPS CHANGE (%): FY25|26: -3.1|-2.3**

- Estimate revenue to grow 18% YoY in 1QFY25.
- Revenue from C&W/Switchgear is estimated to grow 9%/8% YoY. Lloyd's revenue should grow 41% YoY.
- EBITDA is estimated to grow 46% YoY to INR5.9b, driven by higher volume.
- Expect EBITDA margin to improve 2.0pp YoY to 10.3%.

### Consolidated quarterly performance (INR m)

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Sales</b>           | <b>48,338</b> | <b>39,003</b> | <b>44,139</b> | <b>54,420</b> | <b>57,196</b> | <b>43,981</b> | <b>49,288</b> | <b>60,064</b> | <b>1,85,900</b> | <b>2,10,529</b> |
| Change (%)             | 13.9          | 6.3           | 7.1           | 12.0          | 18.3          | 12.8          | 11.7          | 10.4          | 10.1            | 13.2            |
| <b>Adj EBITDA</b>      | <b>4,020</b>  | <b>3,734</b>  | <b>4,327</b>  | <b>6,346</b>  | <b>5,873</b>  | <b>4,848</b>  | <b>5,087</b>  | <b>6,664</b>  | <b>18,426</b>   | <b>22,471</b>   |
| Change (%)             | 11.2          | 30.1          | 2.1           | 20.4          | 46.1          | 29.8          | 17.6          | 5.0           | 15.2            | 22.0            |
| Adj EBITDA margin (%)  | 8.3           | 9.6           | 9.8           | 11.7          | 10.3          | 11.0          | 10.3          | 11.1          | 9.9             | 10.7            |
| Depreciation           | 763           | 812           | 877           | 934           | 1,156         | 1,041         | 963           | 694           | 3,385           | 3,854           |
| Interest               | 85            | 93            | 102           | 177           | 120           | 110           | 90            | 80            | 457             | 400             |
| Other Income           | 648           | 525           | 559           | 758           | 664           | 691           | 619           | 1,218         | 2,490           | 3,190           |
| Extra-ordinary items   | -             | -             | -             | -             | -             | -             | -             | -             | -               | -               |
| <b>PBT</b>             | <b>3,821</b>  | <b>3,353</b>  | <b>3,907</b>  | <b>5,993</b>  | <b>5,261</b>  | <b>4,388</b>  | <b>4,652</b>  | <b>7,107</b>  | <b>17,074</b>   | <b>21,407</b>   |
| Tax                    | 950           | 862           | 1,028         | 1,526         | 1,363         | 1,136         | 1,205         | 1,771         | 4,366           | 5,474           |
| Effective Tax Rate (%) | 24.9          | 25.7          | 26.3          | 25.5          | 25.9          | 25.9          | 25.9          | 24.9          | 25.6            | 25.6            |
| <b>Reported PAT</b>    | <b>2,871</b>  | <b>2,491</b>  | <b>2,879</b>  | <b>4,467</b>  | <b>3,898</b>  | <b>3,251</b>  | <b>3,447</b>  | <b>5,337</b>  | <b>12,708</b>   | <b>15,933</b>   |
| Change (%)             | 18.1          | 33.3          | 1.4           | 24.8          | 35.8          | 30.5          | 19.7          | 19.5          | 18.5            | 25.4            |
| <b>Adj PAT</b>         | <b>2,871</b>  | <b>2,491</b>  | <b>2,879</b>  | <b>4,467</b>  | <b>3,898</b>  | <b>3,251</b>  | <b>3,447</b>  | <b>5,337</b>  | <b>12,708</b>   | <b>15,933</b>   |
| Change (%)             | 18.1          | 33.3          | 1.4           | 24.8          | 35.8          | 30.5          | 19.7          | 19.5          | 18.5            | 25.4            |

## KEI Industries

**Buy**

**CMP: INR4,552 | TP: INR5,230 (+15%)**

**EPS CHANGE (%): FY25|26: -3.8|-0.8**

- Estimate revenue to grow 12% YoY in 1QFY25.
- Revenue from C&W/SSW/EPC is estimated to increase 13%/5%/10% YoY.
- EBITDA is estimated to grow 17% YoY to INR2.1b. OPM is estimated to improve 40bp YoY to 10.4%.
- Adj. PAT is estimated to rise 12% YoY to INR1.4b.

### Consolidated quarterly performance

(INR m)

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Sales</b>           | <b>17,826</b> | <b>19,466</b> | <b>20,594</b> | <b>23,193</b> | <b>19,966</b> | <b>23,086</b> | <b>24,468</b> | <b>26,929</b> | <b>81,041</b> | <b>94,449</b> |
| Change (%)             | 13.9          | 21.1          | 15.4          | 18.8          | 12.0          | 18.6          | 18.8          | 16.1          | 17.3          | 16.5          |
| <b>Adj EBITDA</b>      | <b>1,783</b>  | <b>2,039</b>  | <b>2,146</b>  | <b>2,446</b>  | <b>2,079</b>  | <b>2,534</b>  | <b>2,819</b>  | <b>3,082</b>  | <b>8,375</b>  | <b>10,514</b> |
| Change (%)             | 11.7          | 27.0          | 17.8          | 20.9          | 16.6          | 24.3          | 31.4          | 26.0          | 19.3          | 25.5          |
| Adj EBITDA margin (%)  | 10.0          | 10.5          | 10.4          | 10.5          | 10.4          | 11.0          | 11.5          | 11.4          | 10.3          | 11.1          |
| Depreciation           | 147           | 156           | 154           | 158           | 164           | 166           | 167           | 172           | 614           | 668           |
| Interest               | 89            | 75            | 109           | 165           | 170           | 160           | 180           | 207           | 439           | 717           |
| Other Income           | 83            | 77            | 142           | 152           | 90            | 85            | 160           | 225           | 490           | 560           |
| Extra-ordinary Items   | -             | -             | -             | (2)           | -             | -             | -             | -             | (2)           | -             |
| <b>PBT</b>             | <b>1,630</b>  | <b>1,884</b>  | <b>2,024</b>  | <b>2,274</b>  | <b>1,836</b>  | <b>2,293</b>  | <b>2,632</b>  | <b>2,928</b>  | <b>7,813</b>  | <b>9,690</b>  |
| Tax                    | 416           | 482           | 518           | 587           | 472           | 589           | 676           | 746           | 1,993         | 2,483         |
| Effective Tax Rate (%) | 25.5          | 25.6          | 25.6          | 25.8          | 25.7          | 25.7          | 25.7          | 25.5          | 25.5          | 25.6          |
| <b>Reported PAT</b>    | <b>1,214</b>  | <b>1,402</b>  | <b>1,507</b>  | <b>1,686</b>  | <b>1,364</b>  | <b>1,704</b>  | <b>1,956</b>  | <b>2,183</b>  | <b>5,818</b>  | <b>7,206</b>  |
| Change (%)             | 17.0          | 31.2          | 17.2          | 22.1          | 12.4          | 21.5          | 29.8          | 29.5          | 22.4          | 23.9          |
| <b>Adj PAT</b>         | <b>1,214</b>  | <b>1,402</b>  | <b>1,507</b>  | <b>1,688</b>  | <b>1,364</b>  | <b>1,704</b>  | <b>1,956</b>  | <b>2,183</b>  | <b>5,820</b>  | <b>7,206</b>  |
| Change (%)             | 17.0          | 31.2          | 17.2          | 22.2          | 12.4          | 21.5          | 29.8          | 29.3          | 22.5          | 23.8          |

**Polycab India****Buy****CMP: INR6,629 | TP: INR8,200 (+24%)****EPS CHANGE (%): FY25|26: --|--**

- Estimate revenue to grow 18% YoY in 1QFY25.
- Revenue from C&W/ECD is estimated to increase 15%/8% YoY. EPC and Others' revenue to surge 4.4x YoY.
- EBITDA is estimated to increase 8% YoY while, OPM to contract 1.1pp YoY to 13%.
- Adj. PAT is estimated to grow ~5% YoY to INR4.2b.

**Consolidated performance****(INR m)**

| Y/E March           | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Sales</b>        | <b>38,894</b> | <b>42,177</b> | <b>43,405</b> | <b>55,919</b> | <b>45,835</b> | <b>48,602</b> | <b>50,101</b> | <b>62,900</b> | <b>1,80,394</b> | <b>2,07,438</b> |
| Change (%)          | 42.1          | 26.6          | 16.8          | 29.3          | 17.8          | 15.2          | 15.4          | 12.5          | 27.9            | 15.0            |
| <b>EBITDA</b>       | <b>5,486</b>  | <b>6,089</b>  | <b>5,695</b>  | <b>7,615</b>  | <b>5,945</b>  | <b>6,465</b>  | <b>6,726</b>  | <b>8,237</b>  | <b>24,918</b>   | <b>27,373</b>   |
| Change (%)          | 76.3          | 42.4          | 13.0          | 24.9          | 8.4           | 6.2           | 18.1          | 8.2           | 34.5            | 9.9             |
| EBITDA margin (%)   | 14.1          | 14.4          | 13.1          | 13.6          | 13.0          | 13.3          | 13.4          | 13.1          | 13.8            | 13.2            |
| Depreciation        | 571           | 603           | 619           | 657           | 644           | 651           | 638           | 658           | 2,450           | 2,590           |
| Interest            | 249           | 268           | 322           | 244           | 325           | 330           | 360           | 376           | 1,083           | 1,391           |
| Other Income        | 640           | 353           | 710           | 538           | 650           | 550           | 790           | 910           | 2,209           | 2,900           |
| Share of JV's loss  | -             | -             | -             | -             | -             | -             | -             | -             | -               | -               |
| <b>PBT</b>          | <b>5,305</b>  | <b>5,572</b>  | <b>5,464</b>  | <b>7,253</b>  | <b>5,626</b>  | <b>6,034</b>  | <b>6,519</b>  | <b>8,113</b>  | <b>23,593</b>   | <b>26,292</b>   |
| Tax                 | 1,273         | 1,274         | 1,299         | 1,718         | 1,378         | 1,478         | 1,597         | 1,988         | 5,564           | 6,442           |
| Tax Rate (%)        | 24.0          | 22.9          | 23.8          | 23.7          | 24.5          | 24.5          | 24.5          | 24.5          | 23.6            | 24.5            |
| MI                  | 35            | 42            | 37            | 75            | 35            | 45            | 55            | 54            | 189             | 189             |
| Exceptional items   | -             | -             | -             | -             | -             | -             | -             | -             | 0               | 0               |
| <b>Reported PAT</b> | <b>3,996</b>  | <b>4,256</b>  | <b>4,129</b>  | <b>5,460</b>  | <b>4,213</b>  | <b>4,511</b>  | <b>4,867</b>  | <b>6,072</b>  | <b>17,841</b>   | <b>19,662</b>   |
| Change (%)          | 81.8          | 58.9          | 15.4          | 28.6          | 5.4           | 6.0           | 17.9          | 11.2          | 40.4            | 10.2            |
| <b>Adj. PAT</b>     | <b>3,996</b>  | <b>4,256</b>  | <b>4,129</b>  | <b>5,460</b>  | <b>4,213</b>  | <b>4,511</b>  | <b>4,867</b>  | <b>6,072</b>  | <b>17,841</b>   | <b>19,662</b>   |
| Change (%)          | 81.8          | 58.9          | 15.4          | 28.6          | 5.4           | 6.0           | 17.9          | 11.2          | 40.4            | 10.2            |

**RR KABEL****Buy****CMP: INR1,755 | TP: INR2,210 (+26%)****EPS CHANGE (%): FY25|26: -5.5|-4.5**

- Estimate revenue to grow 11% YoY in 1QFY25.
- Revenue from C&W/FMEG is estimated to increase 9%/18% YoY.
- EBITDA is estimated to grow 15% YoY to INR1.3b. OPM is estimated to improve 30bp YoY to 7.4%.
- Adj. PAT is estimated to grow 18% YoY to INR881m.

**Consolidated quarterly performance****(INR m)**

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Sales</b>           | <b>15,973</b> | <b>16,097</b> | <b>16,335</b> | <b>17,541</b> | <b>17,671</b> | <b>18,367</b> | <b>19,832</b> | <b>22,325</b> | <b>65,946</b> | <b>78,196</b> |
| <b>EBITDA</b>          | <b>1,129</b>  | <b>1,209</b>  | <b>1,126</b>  | <b>1,153</b>  | <b>1,303</b>  | <b>1,434</b>  | <b>1,595</b>  | <b>2,079</b>  | <b>4,617</b>  | <b>6,412</b>  |
| EBITDA margin (%)      | 7.1           | 7.5           | 6.9           | 6.6           | 7.4           | 7.8           | 8.0           | 9.3           | 7.0           | 8.2           |
| Depreciation           | 161           | 166           | 165           | 163           | 171           | 180           | 189           | 194           | 655           | 734           |
| Interest               | 144           | 142           | 124           | 128           | 110           | 115           | 120           | 101           | 539           | 446           |
| Other Income           | 163           | 148           | 122           | 193           | 160           | 140           | 162           | 177           | 626           | 639           |
| <b>PBT</b>             | <b>987</b>    | <b>1,049</b>  | <b>959</b>    | <b>1,055</b>  | <b>1,182</b>  | <b>1,279</b>  | <b>1,448</b>  | <b>1,960</b>  | <b>4,050</b>  | <b>5,870</b>  |
| Tax                    | 250           | 310           | 250           | 270           | 307           | 333           | 371           | 516           | 1,080         | 1,526         |
| Effective Tax Rate (%) | 25.4          | 29.5          | 26.0          | 25.6          | 26.0          | 26.0          | 25.6          | 26.3          | 26.7          | 26.0          |
| JV share               | 7             | 2             | 0             | 2             | 6             | 3             | 1             | -             | 11            | 10            |
| <b>Reported PAT</b>    | <b>743</b>    | <b>741</b>    | <b>710</b>    | <b>787</b>    | <b>881</b>    | <b>949</b>    | <b>1,079</b>  | <b>1,445</b>  | <b>2,981</b>  | <b>4,354</b>  |
| <b>Adj. PAT</b>        | <b>743</b>    | <b>741</b>    | <b>710</b>    | <b>787</b>    | <b>881</b>    | <b>949</b>    | <b>1,079</b>  | <b>1,445</b>  | <b>2,981</b>  | <b>4,354</b>  |

**Volta****Buy****CMP: INR1,450 | TP: INR1,670 (+15%)****EPS CHANGE (%): FY25|26: -0.8|-0.6**

- Estimate revenue to grow 17% YoY in 1QFY25.
- Revenue from UCP/EMPS/PES is estimated to increase 22%/7%/5% YoY.
- EBITDA is estimated to grow 40% YoY to INR2.6b. OPM is estimated to improve 20bp YoY to 6.6%.
- Adj. PAT is estimated to rise 47% YoY to INR1.9b.

**Consolidated quarterly performance****(INR m)**

| Y/E March                          | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                    | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Sales</b>                       | <b>33,599</b> | <b>22,928</b> | <b>26,257</b> | <b>42,029</b> | <b>39,430</b> | <b>26,287</b> | <b>29,141</b> | <b>45,765</b> | <b>1,24,812</b> | <b>1,40,624</b> |
| Change (%)                         | 21.4          | 29.7          | 30.9          | 42.1          | 17.4          | 14.7          | 11.0          | 8.9           | 31.4            | 12.7            |
| <b>EBITDA</b>                      | <b>1,854</b>  | <b>703</b>    | <b>284</b>    | <b>1,906</b>  | <b>2,590</b>  | <b>1,018</b>  | <b>1,559</b>  | <b>3,844</b>  | <b>4,746</b>    | <b>9,012</b>    |
| Change (%)                         | 4.7           | (30.3)        | (62.8)        | (12.6)        | 39.7          | 44.9          | 448.7         | 101.7         | (17.1)          | 89.9            |
| As of % Sales                      | 5.5           | 3.1           | 1.1           | 4.5           | 6.6           | 3.9           | 5.4           | 8.4           | 3.8             | 6.4             |
| Depreciation                       | 113           | 117           | 128           | 118           | 169           | 151           | 181           | 103           | 476             | 605             |
| Interest                           | 101           | 115           | 135           | 208           | 150           | 130           | 110           | 140           | 559             | 530             |
| Other Income                       | 700           | 710           | 579           | 544           | 700           | 734           | 600           | 816           | 2,533           | 2,850           |
| Extra-ordinary Items               | 0             | -             | -             | -             | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>PBT</b>                         | <b>2,339</b>  | <b>1,181</b>  | <b>599</b>    | <b>2,124</b>  | <b>2,971</b>  | <b>1,471</b>  | <b>1,868</b>  | <b>4,417</b>  | <b>6,244</b>    | <b>10,726</b>   |
| Tax                                | 735           | 493           | 515           | 634           | 796           | 394           | 501           | 1,189         | 2,377           | 2,880           |
| Effective Tax Rate (%)             | 31.4          | 41.7          | 85.9          | 29.9          | 26.8          | 26.8          | 26.8          | 26.9          | 38.1            | 26.8            |
| Share of profit of associates/JV's | (312)         | (321)         | (389)         | (325)         | (270)         | (240)         | (220)         | (200)         | (1,347)         | (930)           |
| <b>Reported PAT</b>                | <b>1,293</b>  | <b>367</b>    | <b>(304)</b>  | <b>1,164</b>  | <b>1,905</b>  | <b>837</b>    | <b>1,147</b>  | <b>3,028</b>  | <b>2,520</b>    | <b>6,917</b>    |
| Change (%)                         | 18.7          | NM            | NM            | (19.1)        | 47.3          | 128.2         | NA            | 160.1         | 86.7            | 174.5           |
| Minority Interest                  | 1             | (10)          | 28            | (58)          | 5             | (10)          | 20            | (54)          | (39)            | (39)            |
| <b>Adj PAT</b>                     | <b>1,293</b>  | <b>367</b>    | <b>(304)</b>  | <b>1,038</b>  | <b>1,900</b>  | <b>847</b>    | <b>1,127</b>  | <b>3,082</b>  | <b>2,394</b>    | <b>6,956</b>    |
| Change (%)                         | 18.7          | (62.9)        | NM            | (27.9)        | 46.9          | 130.9         | (470.6)       | 196.9         | -36.8           | 190.6           |

## Company

Avalon Technologies

Cyient DLM

Data Patterns

Kaynes Technologies

Syrma SGS

## Revenue uptrend set to continue

## Revenue/EBITDA to grow ~44%/35% YoY in 1QFY25

- EMS companies, under our coverage universe, are likely to continue their strong growth momentum. Aggregate Revenue of our coverage is likely to grow 44% YoY in 1QFY25 (down 18% QoQ due to seasonality), aided by customer additions, growing orderbook, and strong execution.
- Orderbook is anticipated to grow YoY across the EMS space propelled by healthy customer additions over the year across emerging sectors; however, we can expect a flattish orderbook sequentially as some companies may witness strong order flows in 2HFY25.
- Syrma is likely to report the highest revenue growth of ~67% YoY, followed by Kaynes, Data Patterns, and CyientDL at +62%, +28%, and +20% YoY, respectively. Avalon's pace of revenue decline is projected to reduce with an expected YoY decline of ~7% on a large base (recovery in the US operations has just begun).
- EBITDA margin for our EMS coverage universe can see some contraction, majorly dragged down by a 210bp YoY margin contraction in CyientDL (due to adverse operating leverage). We expect our coverage universe to witness ~60bp YoY contraction in margin, primarily due to 210bp/60bp/50bp margin contractions in CYIENTDLM/SYRMA/KAYNES. Conversely, DATAPATT and AVALON are likely to witness a margin expansion of 300bp and 30bp YoY, respectively. Due to the seasonally weaker quarter, margins will experience contraction in 1QFY25 on a sequential basis.

## KAYNES leading the growth in the EMS basket

- **KAYNES:** We are expecting a strong revenue growth of 62% YoY this quarter, driven by the company's consistent addition of new clients over the last few quarters, which are now translating into revenue. Railways and smart meters' orders to ramp up from 2QFY25. Margins are expected to contract slightly aided by some portion of prototyping work to be done in this quarter. OSAT and PCB's capacity additions are on track; however, subsidy approval from the govt. will remain a key monitorable.
- **Avalon:** Revenue/EBITDA decline to moderate to 7%/3% YoY, fueled by some visibility of a recovery in the US operations as well as a pick-up in the India business going forward. Margins are expected to witness slight expansion of 30bp YoY. The company anticipates strong growth in 2HFY25 from three main areas: 1) expansion of new businesses in the US market; 2) recovery of the existing US business; and 3) acquisition of the new business from Indian clients.
- **SYRMA:** We are expecting a strong revenue/EBITDA growth of 67%/50% YoY in 1QFY25, backed by execution of high-volume products in the consumer and auto segments. Margin, however, is anticipated to contract ~60bp YoY due to a lower mix of high-margin products (likely to pick up in 2HFY25). The company has maintained its full-year revenue guidance of INR45b with ~7% margin. The exports business (mostly Germany and US) is projected to accrue from 2HFY25.

- **CYIENTDL:** We anticipate the company to report 20% YoY revenue growth in 1QFY25, while margin is expected to contract 210bp YoY largely due to the elevated SG&A and ESOP expenses, which were not present in 1QFY24. The orderbook is expected to remain muted with a pickup expected from 2HFY25.
- **DATAPATT:** We expect its revenue/EBITDA to grow 28%/40% YoY, with margin likely to expand 300bp YoY due to a better business mix.

**Exhibit 1: Summary of 1QFY25 estimates**

| Sector          | CMP (INR) | RECO    | SALES (INR M) |             |              | EBDITA (INR M) |             |              | NET PROFIT (INR M) |             |              |
|-----------------|-----------|---------|---------------|-------------|--------------|----------------|-------------|--------------|--------------------|-------------|--------------|
|                 |           |         | Jun-24        | Var % YoY   | Var % QoQ    | Jun-24         | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY   | Var % QoQ    |
| Avalon Tech     | 541       | Buy     | 2,186         | -7.0        | 0.8          | 157            | -3.0        | -8.6         | 63                 | -11.3       | -11.2        |
| Cyient DLM      | 753       | Buy     | 2,606         | 20.0        | -28.0        | 184            | -7.9        | -51.7        | 93                 | 74.5        | -58.9        |
| Data Pattern    | 3092      | Neutral | 1,148         | 28.0        | -37.0        | 390            | 40.3        | -58.0        | 316                | 22.2        | -55.6        |
| Kaynes Tech     | 3962      | Buy     | 4,814         | 62.0        | -24.5        | 627            | 55.8        | -34.1        | 443                | 79.7        | -45.5        |
| Syrma SGS Tech. | 486       | Buy     | 10,042        | 67.0        | -11.5        | 554            | 50.1        | -24.8        | 266                | -6.7        | -23.8        |
| <b>EMS</b>      |           |         | <b>20,796</b> | <b>44.4</b> | <b>-17.9</b> | <b>1,913</b>   | <b>35.5</b> | <b>-39.7</b> | <b>1,181</b>       | <b>29.2</b> | <b>-45.6</b> |

**Exhibit 2: Valuation Summary**

| Company Name    | CMP INR | Reco    | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)    |             |             |
|-----------------|---------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|------------|-------------|-------------|
|                 |         |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24       | FY25E       | FY26E       |
| <b>EMS</b>      |         |         |           |       |       | <b>87.2</b> | <b>65.4</b> | <b>42.4</b> | <b>7.1</b> | <b>7.6</b> | <b>6.4</b> | <b>8.2</b> | <b>11.5</b> | <b>15.2</b> |
| Avalon Tech     | 541     | Buy     | 4.3       | 9.3   | 15.9  | 115.9       | 58.2        | 34.0        | 5.9        | 5.8        | 5.0        | 5.2        | 10.6        | 15.8        |
| Cyient DLM      | 753     | Buy     | 7.7       | 14.6  | 21.9  | 93.3        | 51.4        | 34.5        | 6.3        | 5.8        | 5.0        | 11.1       | 12.0        | 15.6        |
| Data Pattern    | 3,092   | Neutral | 32.4      | 39.7  | 54.0  | 74.7        | 77.9        | 57.2        | 10.2       | 11.2       | 9.4        | 14.6       | 15.5        | 17.9        |
| Kaynes Tech     | 3,962   | Buy     | 28.7      | 50.3  | 82.5  | 100.0       | 78.8        | 48.0        | 7.4        | 9.0        | 7.6        | 10.6       | 12.1        | 17.2        |
| Syrma SGS Tech. | 486     | Buy     | 6.1       | 9.7   | 15.3  | 75.9        | 49.9        | 31.8        | 5.1        | 4.9        | 4.3        | 6.9        | 10.2        | 14.4        |

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.

## Avalon Technologies

Buy

CMP INR541 | TP: INR640 (+18%)

EPS CHANGE (%): FY25|26: -4|+1

- Revenue is expected to decline 7% YoY and EBITDA margin is likely to be ~7.2% in 1QFY25.
- The domestic revenue growth is likely to drive sales for the company.
- The international business is likely to report a decline, coupled with operational losses in 1QFY25.
- The recovery in the US business and the ramp up of India business would be the key monitorables.

### Consolidated - Quarterly Earnings Model

(INRm)

| Y/E March                                     | FY24  |       |       |       | FY25E |       |       |       | FY24  | FY25E  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
|   | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |       |        |
| Gross Sales                                   | 2,351 | 2,010 | 2,143 | 2,168 | 2,186 | 2,211 | 2,893 | 3,203 | 8,672 | 10,493 |
| YoY Change (%)                                | 19.9  | -17.9 | -7.9  | -20.2 | -7.0  | 10.0  | 35.0  | 47.7  | -8.2  | 21.0   |
| Total Expenditure                             | 2,189 | 1,884 | 1,977 | 1,996 | 2,029 | 2,017 | 2,589 | 2,809 | 8,046 | 9,443  |
| EBITDA  | 162   | 126   | 165   | 172   | 157   | 194   | 304   | 394   | 626   | 1,049  |
| Margins (%)                                   | 6.9   | 6.3   | 7.7   | 7.9   | 7.2   | 8.8   | 10.5  | 12.3  | 7.2   | 10.0   |
| Depreciation                                  | 53    | 55    | 60    | 61    | 62    | 66    | 70    | 73    | 229   | 271    |
| Interest                                      | 56    | 32    | 36    | 39    | 35    | 30    | 28    | 25    | 164   | 118    |
| Other Income                                  | 51    | 47    | 22    | 28    | 26    | 40    | 54    | 62    | 148   | 183    |
| PBT before EO expense                         | 105   | 86    | 91    | 99    | 86    | 138   | 260   | 358   | 381   | 843    |
| Extra-Ord expense                             | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| PBT   | 105   | 86    | 91    | 99    | 86    | 138   | 260   | 358   | 381   | 843    |
| Tax   | 34    | 13    | 25    | 29    | 24    | 38    | 71    | 99    | 101   | 232    |
| Rate (%)                                      | 32.4  | 15.2  | 27.5  | 29.0  | 27.5  | 27.5  | 27.5  | 27.5  | 26.5  | 27.5   |
| Minority Interest & Profit/Loss of Asso. Cos. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      |
| Reported PAT                                  | 71    | 73    | 66    | 71    | 63    | 100   | 188   | 260   | 280   | 611    |
| Adj PAT                                       | 71    | 73    | 66    | 71    | 63    | 100   | 188   | 260   | 280   | 611    |
| YoY Change (%)                                | -23.9 | -50.7 | 14.7  | -68.9 | -11.3 | 37.8  | 186.4 | 267.8 | -46.7 | 118.3  |
| Margins (%)                                   | 3.0   | 3.6   | 3.1   | 3.3   | 2.9   | 4.5   | 6.5   | 8.1   | 3.2   | 5.8    |

## Cyient DLM

Buy

CMP INR753 | TP: INR880 (+17%)

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

- Revenue is expected to grow 20% YoY, while EBITDA to decline by 8%.
- Efficient execution of large order books will be the key focus area for the company.
- Margin is likely to contract to ~210bp due to lower 'SG&A expenses' in the base quarter.
- New client additions and order inflows will be the key monitorables.

### Consolidated - Quarterly Earnings Model

(INRm)

| Y/E March                                     | FY24  |       |       |       | FY25E |       |       |       | FY24   | FY25E  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|   | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| Gross Sales                                   | 2,171 | 2,918 | 3,210 | 3,618 | 2,606 | 3,837 | 4,366 | 5,162 | 11,919 | 15,971 |
| YoY Change (%)                                | 27.6  | 71.5  | 49.7  | 30.5  | 20.0  | 31.5  | 36.0  | 42.7  | 43.2   | 34.0   |
| Total Expenditure                             | 1,972 | 2,683 | 2,916 | 3,238 | 2,422 | 3,476 | 3,867 | 4,513 | 10,809 | 14,278 |
| EBITDA  | 200   | 235   | 294   | 380   | 184   | 361   | 499   | 649   | 1,110  | 1,693  |
| Margins (%)                                   | 9.2   | 8.1   | 9.2   | 10.5  | 7.1   | 9.4   | 11.4  | 12.6  | 9.3    | 10.6   |
| Depreciation                                  | 48    | 55    | 58    | 62    | 64    | 66    | 69    | 71    | 223    | 270    |
| Interest                                      | 91    | 76    | 83    | 94    | 30    | 15    | 10    | 5     | 344    | 60     |
| Other Income                                  | 9     | 93    | 93    | 83    | 35    | 39    | 44    | 71    | 278    | 189    |
| PBT before EO expense                         | 70    | 198   | 247   | 307   | 125   | 319   | 464   | 644   | 821    | 1,552  |
| Extra-Ord expense                             | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      | 0      |
| PBT   | 70    | 198   | 247   | 307   | 125   | 319   | 464   | 644   | 821    | 1,552  |
| Tax   | 16    | 51    | 63    | 80    | 31    | 80    | 117   | 162   | 209    | 391    |
| Rate (%)                                      | 23.3  | 25.9  | 25.3  | 25.9  | 25.2  | 25.2  | 25.2  | 25.2  | 25.5   | 25.2   |
| Minority Interest & Profit/Loss of Asso. Cos. | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0     | 0      | 0      |
| Reported PAT                                  | 54    | 147   | 184   | 227   | 93    | 239   | 347   | 482   | 612    | 1,161  |
| Adj PAT                                       | 54    | 147   | 184   | 227   | 93    | 239   | 347   | 482   | 612    | 1,161  |
| YoY Change (%)                                | -15.2 | 106.4 | 222.9 | 80.7  | 74.5  | 62.9  | 88.3  | 111.9 | 92.9   | 89.8   |
| Margins (%)                                   | 2.5   | 5.0   | 5.7   | 6.3   | 3.6   | 6.2   | 8.0   | 9.3   | 5.1    | 7.3    |

**Data Pattern****Neutral****CMP INR3,092 | TP: INR2,720 (-12%)****EPS CHANGE (%): FY25 | 26: -2 | -2**

- Revenue is expected to grow 28% YoY with an EBITDA margin of ~34%.
- Movement in working capital requirements will be the key monitorable.
- New product development will be the key focus area for the company.

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

| Y/E March                                     | FY24       |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|---|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 1Q         | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Gross Sales</b>                            | <b>897</b> | <b>1,083</b> | <b>1,395</b> | <b>1,823</b> | <b>1,148</b> | <b>1,332</b> | <b>1,744</b> | <b>2,295</b> | <b>5,198</b> | <b>6,519</b> |
| YoY Change (%)                                | 31.2       | 22.9         | 24.8         | -1.5         | 28.0         | 23.0         | 25.0         | 25.9         | 14.6         | 25.4         |
| Total Expenditure                             | 619        | 676          | 795          | 893          | 758          | 809          | 988          | 1,220        | 2,982        | 3,775        |
| <b>EBITDA</b>                                 | <b>278</b> | <b>408</b>   | <b>600</b>   | <b>930</b>   | <b>390</b>   | <b>524</b>   | <b>756</b>   | <b>1,075</b> | <b>2,217</b> | <b>2,745</b> |
| Margins (%)                                   | 31.0       | 37.6         | 43.0         | 51.0         | 34.0         | 39.3         | 43.3         | 46.8         | 42.6         | 42.1         |
| Depreciation                                  | 28         | 31           | 33           | 70           | 68           | 60           | 40           | 36           | 162          | 204          |
| Interest                                      | 17         | 23           | 23           | 30           | 28           | 25           | 23           | 17           | 93           | 93           |
| Other Income                                  | 116        | 108          | 113          | 123          | 127          | 130          | 132          | 132          | 460          | 522          |
| <b>PBT before EO expense</b>                  | <b>349</b> | <b>463</b>   | <b>657</b>   | <b>953</b>   | <b>422</b>   | <b>569</b>   | <b>825</b>   | <b>1,153</b> | <b>2,422</b> | <b>2,969</b> |
| Extra-Ord expense                             | 0          | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>PBT</b>                                    | <b>349</b> | <b>463</b>   | <b>657</b>   | <b>953</b>   | <b>422</b>   | <b>569</b>   | <b>825</b>   | <b>1,153</b> | <b>2,422</b> | <b>2,969</b> |
| Tax   | 91         | 125          | 148          | 242          | 106          | 143          | 208          | 290          | 605          | 747          |
| Rate (%)                                      | 25.9       | 27.0         | 22.4         | 25.4         | 25.2         | 25.2         | 25.2         | 25.2         | 25.0         | 25.2         |
| Minority Interest & Profit/Loss of Asso. Cos. | 0          | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Reported PAT</b>                           | <b>258</b> | <b>338</b>   | <b>510</b>   | <b>711</b>   | <b>316</b>   | <b>426</b>   | <b>617</b>   | <b>863</b>   | <b>1,817</b> | <b>2,221</b> |
| <b>Adj PAT</b>                                | <b>258</b> | <b>338</b>   | <b>510</b>   | <b>711</b>   | <b>316</b>   | <b>426</b>   | <b>617</b>   | <b>863</b>   | <b>1,817</b> | <b>2,221</b> |
| YoY Change (%)                                | 81.4       | 60.5         | 53.0         | 28.4         | 22.2         | 25.9         | 21.1         | 21.4         | 46.6         | 22.3         |
| Margins (%)                                   | 28.8       | 31.2         | 36.5         | 39.0         | 27.5         | 31.9         | 35.4         | 37.6         | 35.0         | 34.1         |

**Kaynes Technologies****Buy****CMP INR3,962 | TP: INR4,560 (+15%)****EPS CHANGE (%): FY25 | 26: +2 | 12**

- Revenue is expected to grow 62% YoY and EBITDA margin is anticipated to be ~14.3% in 1QFY25.
- Orderbook inflow and new client additions will be the key monitorables.
- OSAT/PCB approval to remain in focus.

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

| Y/E March                                     | FY24         |              |              |              | FY25E        |              |              |               | FY24          | FY25E         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
|   | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE           |               |               |
| <b>Gross Sales</b>                            | <b>2,972</b> | <b>3,608</b> | <b>5,093</b> | <b>6,373</b> | <b>4,814</b> | <b>5,593</b> | <b>8,403</b> | <b>10,059</b> | <b>18,046</b> | <b>28,870</b> |
| YoY Change (%)                                | 49.1         | 32.1         | 76.2         | 74.8         | 62.0         | 55.0         | 65.0         | 57.8          | 60.3          | 60.0          |
| Total Expenditure                             | 2,569        | 3,121        | 4,394        | 5,421        | 4,187        | 4,794        | 7,126        | 8,462         | 15,505        | 24,568        |
| <b>EBITDA</b>                                 | <b>403</b>   | <b>488</b>   | <b>699</b>   | <b>952</b>   | <b>627</b>   | <b>800</b>   | <b>1,277</b> | <b>1,597</b>  | <b>2,542</b>  | <b>4,302</b>  |
| Margins (%)                                   | 13.5         | 13.5         | 13.7         | 14.9         | 13.0         | 14.3         | 15.2         | 15.9          | 14.1          | 14.9          |
| Depreciation                                  | 53           | 65           | 60           | 74           | 85           | 97           | 113          | 124           | 251           | 419           |
| Interest                                      | 113          | 118          | 148          | 153          | 105          | 115          | 120          | 166           | 533           | 506           |
| Other Income                                  | 81           | 90           | 94           | 294          | 120          | 150          | 160          | 234           | 559           | 664           |
| <b>PBT before EO expense</b>                  | <b>319</b>   | <b>394</b>   | <b>585</b>   | <b>1,019</b> | <b>557</b>   | <b>738</b>   | <b>1,204</b> | <b>1,541</b>  | <b>2,317</b>  | <b>4,041</b>  |
| Extra-Ord expense                             | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             |
| <b>PBT</b>                                    | <b>319</b>   | <b>394</b>   | <b>585</b>   | <b>1,019</b> | <b>557</b>   | <b>738</b>   | <b>1,204</b> | <b>1,541</b>  | <b>2,317</b>  | <b>4,041</b>  |
| Tax   | 72           | 71           | 133          | 207          | 114          | 151          | 247          | 316           | 483           | 828           |
| Rate (%)                                      | 22.6         | 18.0         | 22.7         | 20.3         | 20.5         | 20.5         | 20.5         | 20.5          | 20.8          | 20.5          |
| Minority Interest & Profit/Loss of Asso. Cos. | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             |
| <b>Reported PAT</b>                           | <b>246</b>   | <b>323</b>   | <b>452</b>   | <b>813</b>   | <b>443</b>   | <b>586</b>   | <b>958</b>   | <b>1,225</b>  | <b>1,834</b>  | <b>3,212</b>  |
| <b>Adj PAT</b>                                | <b>246</b>   | <b>323</b>   | <b>452</b>   | <b>813</b>   | <b>443</b>   | <b>586</b>   | <b>958</b>   | <b>1,225</b>  | <b>1,834</b>  | <b>3,212</b>  |
| YoY Change (%)                                | 149.0        | 52.8         | 97.7         | 97.3         | 79.7         | 81.5         | 111.9        | 50.8          | 92.9          | 75.1          |
| Margins (%)                                   | 8.3          | 9.0          | 8.9          | 12.8         | 9.2          | 10.5         | 11.4         | 12.2          | 10.2          | 11.1          |

**Syrma SGS****Buy**

CMP INR486 | TP: INR565 (+16%)

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

- Revenue and EBITDA are likely to grow 67% and 50% YoY, respectively, while EBITDA margin is anticipated to contract to ~5.5%.
- Business mix will remain a focus area for the company's margin trajectory.
- Orderbook growth to be a key monitorable.

**Consolidated - Quarterly Earnings Model**

(INRm)

| Y/E March                                     | FY24         |              |              |               | FY25E         |               |               |               | FY24          | FY25E         |
|---|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 1Q           | 2Q           | 3Q           | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>                            | <b>6,013</b> | <b>7,117</b> | <b>7,067</b> | <b>11,341</b> | <b>10,042</b> | <b>10,178</b> | <b>10,247</b> | <b>14,317</b> | <b>31,538</b> | <b>44,784</b> |
| YoY Change (%)                                | 54.4         | 52.4         | 37.9         | 66.9          | 67.0          | 43.0          | 45.0          | 26.2          | 54.0          | 42.0          |
| Total Expenditure                             | 5,644        | 6,627        | 6,679        | 10,604        | 9,488         | 9,564         | 9,507         | 13,169        | 29,554        | 41,727        |
| <b>EBITDA</b>                                 | <b>369</b>   | <b>490</b>   | <b>388</b>   | <b>737</b>    | <b>554</b>    | <b>614</b>    | <b>740</b>    | <b>1,148</b>  | <b>1,984</b>  | <b>3,057</b>  |
| Margins (%)                                   | 6.1          | 6.9          | 5.5          | 6.5           | 5.5           | 6.0           | 7.2           | 8.0           | 6.3           | 6.8           |
| Depreciation                                  | 101          | 116          | 139          | 158           | 160           | 163           | 166           | 174           | 515           | 663           |
| Interest                                      | 75           | 80           | 100          | 123           | 115           | 105           | 95            | 86            | 378           | 401           |
| Other Income                                  | 221          | 89           | 121          | 156           | 150           | 165           | 180           | 177           | 587           | 672           |
| <b>PBT before EO expense</b>                  | <b>413</b>   | <b>383</b>   | <b>270</b>   | <b>612</b>    | <b>429</b>    | <b>511</b>    | <b>659</b>    | <b>1,064</b>  | <b>1,678</b>  | <b>2,664</b>  |
| Extra-Ord expense                             | 0            | 14           | 0            | 0             | 0             | 0             | 0             | 0             | 14            | 0             |
| <b>PBT</b>                                    | <b>413</b>   | <b>370</b>   | <b>270</b>   | <b>612</b>    | <b>429</b>    | <b>511</b>    | <b>659</b>    | <b>1,064</b>  | <b>1,664</b>  | <b>2,664</b>  |
| Tax   | 130          | 64           | 67           | 160           | 108           | 129           | 166           | 268           | 421           | 671           |
| Rate (%)                                      | 31.5         | 17.4         | 24.8         | 26.1          | 25.2          | 25.2          | 25.2          | 25.2          | 25.3          | 25.2          |
| Minority Interest & Profit/Loss of Asso. Cos. | -2           | 22           | 48           | 103           | 55            | 70            | 85            | 56            | 170           | 266           |
| <b>Reported PAT</b>                           | <b>285</b>   | <b>283</b>   | <b>155</b>   | <b>349</b>    | <b>266</b>    | <b>312</b>    | <b>408</b>    | <b>740</b>    | <b>1,073</b>  | <b>1,727</b>  |
| <b>Adj PAT</b>                                | <b>285</b>   | <b>297</b>   | <b>155</b>   | <b>349</b>    | <b>266</b>    | <b>312</b>    | <b>408</b>    | <b>740</b>    | <b>1,087</b>  | <b>1,727</b>  |
| YoY Change (%)                                | 84.0         | 4.8          | -53.2        | -17.4         | -6.7          | 5.2           | 163.2         | 111.9         | -8.9          | 58.9          |
| Margins (%)                                   | 4.7          | 4.2          | 2.2          | 3.1           | 2.7           | 3.1           | 4.0           | 5.2           | 3.4           | 3.9           |

# Financials: Banks

## 1QFY25 earnings estimates (INR b)

| PAT (INR b)          | 1Q<br>FY25E  | YoY<br>(%)  | QoQ<br>(%)  |
|----------------------|--------------|-------------|-------------|
| <b>Private Banks</b> |              |             |             |
| AUBANK               | 4.2          | 9.3         | 14.1        |
| AXSB                 | 64.1         | 10.6        | -10.1       |
| BANDHAN              | 8.1          | 12.9        | 1,390       |
| DCBB                 | 1.4          | 11.4        | -9.2        |
| EQUITAS              | 1.7          | -8.7        | -16.0       |
| FB                   | 9.7          | 13.8        | 7.2         |
| HDFCB                | 154.6        | 29.3        | -6.4        |
| ICICIBC              | 106.3        | 10.2        | -0.7        |
| IDFCFB               | 6.8          | -11.0       | -5.9        |
| IIB                  | 23.4         | 10.1        | -0.5        |
| KMB                  | 35.9         | 4.0         | -13.2       |
| RBK                  | 3.4          | 18.6        | -3.1        |
| <b>Private Total</b> | <b>419.8</b> | <b>15.6</b> | <b>-3.7</b> |
| <b>PSU Banks</b>     |              |             |             |
| BOB                  | 46.0         | 13.1        | -5.8        |
| CBK                  | 39.6         | 12.0        | 5.3         |
| INBK                 | 22.1         | 29.1        | -1.8        |
| PNB                  | 30.1         | 139.7       | -0.1        |
| SBIN                 | 168.6        | -0.2        | -18.6       |
| UNBK                 | 35.8         | 10.6        | 8.1         |
| <b>PSU Total</b>     | <b>342.1</b> | <b>11.5</b> | <b>-9.7</b> |
| <b>Banks Total</b>   | <b>761.9</b> | <b>13.7</b> | <b>-6.5</b> |
| SBICARD              | 6.4          | 8.7         | -2.7        |
| Paytm                | -8.4         | NA          | NA          |

## Earnings growth to moderate; margins bias slightly negative

### Asset quality outlook healthy; credit cost a key monitorable in FY25

- Credit growth to remain healthy; estimate 14% growth in systemic loans over FY25-26:** The systemic credit growth remained healthy at 15.5% for the fortnight ended 14<sup>th</sup> Jun'24. The growth was fueled by sustained momentum in retail and business banking, while the corporate segment experienced a moderate recovery. The home, vehicle, real estate, and small business segments continued to do well, while CV demand remained healthy. Inflation has been showing a downward trend, and we continue to monitor the potential turn in the rate cycle. We estimate systemic loans to clock a 14% growth over FY25-26.
- Deposit growth sustains at 12.6% YoY; margins bias slightly negative:** The FY25 credit growth has started on a good note, and while deposit accretion remains a challenge, the gap between deposit and credit growth has narrowed to ~3.5% in Jun'24 due to a push for deposits, and competitive TD rates offered by banks. The CD ratio, however, has remained elevated at 79.9%, with most of the banks reporting an increase over the past year. Among the banks under our coverage, we will monitor deposit growth for HDFCB and AXSB. While sector margins have compressed over the past year, select banks have further revised their rates upwards, mainly for short-term deposits amid tight liquidity conditions. This, coupled with a slight moderation in Weighted Average Lending Rate for the system (mainly PSU banks), points to the continued pressure on sector margins in the near term, albeit, at a more calibrated pace.
- Asset quality outlook healthy; farm loan waivers raise concern on the medium-term performance:** Credit quality for most banks has been robust, leading to controlled provisioning expenses. However, the recent developments related to farm loan waivers could potentially upset the credit culture and would result in an uptick in credit costs, particularly in the agri and unsecured segments (like MFI). We would thus closely monitor the asset quality outlook over the medium term. Nevertheless, we factor in a modest rise in provisioning expenses as: 1) the recovery from the existing NPA/TWO pools moderates, 2) the first quarter is a seasonally weak quarter and is characterized by some rise in agri NPAs, and 3) credit costs normalize gradually after being extremely benign over the recent period.
- Estimate earnings for our banking coverage universe to clock ~16% CAGR over FY24-26:** We estimate NII for our banking coverage universe to grow ~12.6% YoY in 1QFY25, while PPOP is likely to increase at a modest rate of 9.2% YoY (-5.7% QoQ). For 1QFY25, we thus estimate Private/PSU banks to report earnings growth of 15.6%/11.5% YoY. **We also estimate the earnings of the MOFSL Banking Universe to grow 13.7% (~10.3% ex-HDFCB)/16.3%/16.6% YoY over 1QFY25/FY25/26.** Consequently, we estimate the **Banking sector's earnings to post a >16% CAGR over FY24-26.** Interestingly, we believe that **FY25 is going to be an inflection year as earnings growth after some period of moderation (~27% YoY growth in FY23-24) bottoms out in second half and thereafter begins to accelerate from 2HFY25.**

**Private banks: 1QFY25 PAT to grow ~15.0% YoY (+8.3% YoY ex-HDFCB)**

- **For our private bank coverage universe (ex-HDFCB)**, we estimate a PPOP growth of 10% YoY/flat QoQ and a PAT growth of 8.9% YoY/decline of 2.1% QoQ in 1QFY25. We also estimate earnings to record a 16% CAGR over FY24-26.
- **We estimate 1QFY25 NII growth** of 16.6% YoY (+13.0% YoY ex-HDFCB), with IDFCFB at ~25.0%, HDFCB at ~24.0%, FB at ~19.0%, Bandhan and RBK at ~17% each, IIB at ~15%, and KMB at ~14% YoY.
- Opex is likely to follow a normalized trend as the banks continue with their investments in branches and technology, while the pace of employee hiring has moderated. The moderation in bond yields is likely to aid other income.
- **Slippages broadly remain under control**, which should drive stability/further improvement in asset quality ratios. However, we remain cautious about the ongoing developments around farm loan waivers, which could result in some rise in credit costs in the unsecured segments, mainly MFI.

**PSBs: Earnings growth to moderate due to margin compression**

- We estimate PSBs to report moderate earnings growth of 11.5% YoY in 1QFY25. NII growth is also likely to moderate to 8.8% YoY as margins maintain a downward bias. Accordingly, we estimate PSBs' earnings to clock a 17% CAGR over FY24-26.
- **Opex intensity will begin to ease** as wage-related provisions were largely accounted for in 3Q and 4QFY24. **Treasury performance is likely to remain healthy**, underpinned by a decline in bond yields and buoyant capital markets. We also expect an improvement in CET-1 for select PSBs, backed by the revised investment regulations.
- Asset quality is anticipated to remain stable due to an improving borrower profile and a low SMA pool, keeping slippages under control. However, with the ongoing developments about **farm loan waivers**, the **outlook for asset quality** will be closely monitored over the coming quarters. Besides, the ECL provisioning requirement for the next fiscal may also act as an overhang on sector performance.

**SFBs: Mixed performance; asset quality to be keenly monitored**

- We estimate **AUBANK's 1QFY25 PAT** to grow 9.3% YoY to INR4.2b (+14% QoQ), as the bank reports its first quarter post-merger with Fincare SFB. Its NII is likely to grow 54% YoY, as NIMs improve sharply post-merger. We, however, will keep a close watch on its asset quality, given the adverse impact of the recent farm loan waivers on the MFI segment, and the performance of its card business.
- **EQUITASB** is likely to report a modest quarter, with PAT expected to dip 8.7% YoY amid lower other income and an elevated opex. Business growth is likely to be soft, and we estimate advances to grow at ~15% YoY (+~2.6% QoQ), though AUM growth will be faster. We further estimate NIMs to moderate 7bp QoQ to 8.10%.

**Payments/Fintech: Earnings growth to remain modest**

- **SBICARDS:** Credit card spending is likely to recover slightly following a dip in 4QFY24, amid lower corporate spending. NIM is anticipated to be broadly stable, while credit costs would remain elevated due to continued asset quality pressure. We, thus, estimate earnings to grow 8.7% YoY (down 2.7% QoQ).
- **PAYTM:** We estimate a 7% YoY decline in GMV in 1QFY25, amounting to INR4.3t. Revenue from its operations is projected to decrease 36% YoY to INR14.9b, while contribution profit is estimated to decline 51% YoY to INR6.4b for 1QFY25. The contribution margin is likely to be ~43%. Adj. operating loss is estimated to be INR4.9b in 1QFY25.

## Top picks – ICICIBC, HDFCB, FB, and SBIN

### ICICIBC: Financial snapshot (INR b)

| Y/E March         | FY24 | FY25E | FY26E |
|-------------------|------|-------|-------|
| NII               | 743  | 841   | 981   |
| OP                | 581  | 664   | 790   |
| NP                | 409  | 460   | 524   |
| NIM (%)           | 4.7  | 4.5   | 4.5   |
| EPS (INR)         | 58.4 | 65.6  | 74.7  |
| EPS Gr (%)        | 27.5 | 12.3  | 13.9  |
| ABV/Sh (INR)      | 320  | 376   | 442   |
| Cons. BV/Sh (INR) | 363  | 433   | 503   |
| <b>Ratios</b>     |      |       |       |
| RoE (%)           | 18.9 | 18.0  | 17.6  |
| RoA (%)           | 2.4  | 2.3   | 2.2   |
| <b>Valuations</b> |      |       |       |
| P/BV (x) (Cons)   | 3.3  | 2.8   | 2.4   |
| P/ABV (x)         | 3.1  | 2.6   | 2.2   |
| P/E (x)           | 20.7 | 18.4  | 16.2  |

### HDFCB: Financial snapshot (INR b)

| Y/E March         | FY24  | FY25E | FY26E |
|-------------------|-------|-------|-------|
| NII               | 1,085 | 1,259 | 1,476 |
| OP                | 944   | 1,052 | 1,247 |
| NP                | 608   | 702   | 819   |
| NIM (%)           | 3.4   | 3.5   | 3.6   |
| EPS (INR)         | 80.0  | 92.4  | 107.7 |
| EPS Gr. (%)       | 1.0   | 15.4  | 16.7  |
| BV/Sh. (INR)      | 580   | 652   | 739   |
| ABV/Sh. (INR)     | 565   | 636   | 720   |
| <b>Ratios</b>     |       |       |       |
| RoE (%)           | 14.6  | 15.0  | 15.5  |
| RoA (%)           | 1.8   | 1.8   | 1.9   |
| <b>Valuations</b> |       |       |       |
| P/E(X)            | 21.3  | 18.5  | 15.8  |
| P/E(X)*           | 18.1  | 15.7  | 13.5  |
| P/BV (X)          | 2.9   | 2.6   | 2.3   |
| P/ABV (X)         | 2.6   | 2.3   | 2.0   |

### ICICIBC (BUY)

- ICICIBC has consistently demonstrated a strong growth and profitability over the past few years. The bank boasts a healthy PCR of 81% as of 4QFY24. Moreover, it has set aside Covid-related provisions of INR131b (1.1% of total loans).
- Slippages have been effectively managed and have been decreasing for the past few quarters, which is expected to continue. ICICIBC is well-prepared with ample provisions on its balance sheet and does not foresee an immediate need to utilize these provisions.
- Over the past year, its margin has corrected 50bp to 4.4%; however, the pace of NIM compression has moderated sharply. Management expects margin to remain range-bound with a slight downward bias in the near term due to elevated TD rates (recently raised rates by 10bp), and residual repricing of its TD portfolio.
- ICICIBC is consistently outpacing system credit growth, driven by higher growth in retail and SME segments. With a focus on building a diversified and granular portfolio, ICICIBC reported a ~17% CAGR in loans over FY22-24.
- The bank is well positioned to deliver superior performance characterized by healthy loan growth, strong asset quality, and industry-leading return ratios. We estimate its RoA/RoE at 2.2%/17.6% in FY26. Adjusted for its subsidiaries, the standalone bank currently trades at 2.2x FY26E ABV.

### HDFCB (BUY)

- HDFCB is confident of sustaining the steady growth momentum and has highlighted that it has been able to maintain its incremental market share of ~16-20% despite an increase in its size.
- A strong growth in the mortgage business and its focus on cross-selling other secured/unsecured retail products will enable healthy growth, and the bank expects to double its balance sheet in the next ~4-5 years.
- Granular and a high-quality liability franchise remains a key priority for the bank, even as it does not want to compete on rates in the market. The improving vintage of the branch network will enable a steady rise in deposit productivity over time. We estimate a ~18% CAGR in the bank's deposit base over FY24-26.
- Margins are expected to remain under pressure in the near term, as deposit mobilization may take some time before the funding cost normalizes and borrowings are replaced by low-cost deposits.
- We expect margins to recover to 3.6% by FY26E and expect improvements in cost ratios, which should enable ~15% CAGR in PPop over FY24-26E, leading to an RoA/RoE of ~1.9%/15.5% by FY26E. The stock currently trades at an attractive valuation of 2.0x FY26E ABV.

**FB: Financial snapshot (INR b)**

| Y/E Mar           | FY24 | FY25E | FY26E |
|-------------------|------|-------|-------|
| NII               | 82.9 | 97.9  | 116.9 |
| OP                | 51.7 | 65.0  | 80.2  |
| NP                | 37.2 | 42.7  | 51.1  |
| NIM (%)           | 3.3  | 3.2   | 3.3   |
| EPS (INR)         | 16.3 | 17.5  | 21.0  |
| EPS Gr. (%)       | 14.5 | 7.3   | 19.6  |
| BV/Sh. (INR)      | 119  | 135   | 153   |
| ABV/Sh. (INR)     | 112  | 127   | 144   |
| <b>Ratios</b>     |      |       |       |
| ROE (%)           | 14.7 | 13.8  | 14.6  |
| ROA (%)           | 1.3  | 1.3   | 1.3   |
| <b>Valuations</b> |      |       |       |
| P/E(X)            | 10.8 | 10.1  | 8.4   |
| P/BV (X)          | 1.5  | 1.3   | 1.2   |
| P/ABV (X)         | 1.6  | 1.4   | 1.2   |

**SBI: Financial snapshot (INR b)**

| Y/E March         | FY24  | FY25E | FY26E |
|-------------------|-------|-------|-------|
| NII               | 1,599 | 1,737 | 1,983 |
| OP                | 867   | 1,084 | 1,274 |
| NP                | 611   | 706   | 811   |
| NIM (%)           | 3.1   | 3.0   | 3.1   |
| EPS (INR)         | 68.4  | 79.1  | 90.8  |
| EPS Gr. (%)       | 21.6  | 15.5  | 14.9  |
| ABV (INR)         | 365   | 431   | 505   |
| Cons. BV (INR)    | 448   | 522   | 622   |
| <b>Ratios</b>     |       |       |       |
| RoE (%)           | 18.8  | 18.6  | 18.4  |
| RoA (%)           | 1.0   | 1.1   | 1.1   |
| <b>Valuations</b> |       |       |       |
| P/BV (x) (Cons.)  | 1.9   | 1.6   | 1.4   |
| P/ABV (x)         | 1.7   | 1.4   | 1.2   |
| P/E (x)           | 11.2  | 9.5   | 8.1   |
| P/E (x)*          | 8.9   | 7.7   | 6.7   |

**FB (BUY)**

- Federal Bank remains focused on delivering sustainable loan growth by leveraging data analytics, enhancing distribution through alternate channels and partnerships, and adopting a digital-first approach.
- The bank has been focusing on building a diversified loan book, with Retail and SME books witnessing healthy growth of 24.4% and 22.4% YoY, respectively. FB posted a 14% CAGR in advances over FY19-24, and the advances are likely to clock an 18% CAGR over FY24-26.
- FB clocked a 13% CAGR in deposits over FY19-24, and deposits are anticipated to record an 18% CAGR over FY24-26. Despite stagnation in CASA ratio over the past few quarters, growth in TD has led to an overall deposit growth.
- At an overall level, there has been a sustained improvement in asset quality. The GNPA ratio contracted to 2.1% in FY24 from 2.4% in FY23. GNPA ratios have significantly improved in the Agri and SME sectors. Slippages have been under control, with the bank expecting higher recoveries.
- We believe that FB is well placed to deliver RoA expansion, led by controlled credit costs and a rise in the mix of high-yielding segments. We estimate FY26 RoA/RoE of 1.3%/14.6%. The stock currently trades at a valuation of 1.2x FY26E ABV.

**SBI (BUY)**

- SBIN has delivered a strong all-round performance for the past few years and has achieved new milestones in profitability (PAT surpassed INR600b in FY24).
- SBIN delivered robust credit growth of an average ~16.4% during FY22-24. The retail business has remained the key growth driver, as it accounted for ~36% of the total loan book (vs. ~34% in FY21). On the wholesale front, SBIN is witnessing a healthy pick-up in corporate loan growth, led by improved demand and utilization, even as the bank focuses on building a high-quality portfolio.
- Asset quality has remained well under control, with constant moderations in GNPA/NNPA ratios and the overall stress pool. The bank witnessed an 18bp/7bp YoY decline in GNPA/NNPA to 2.24%/0.57% in 4QFY24.
- SBIN in FY24 witnessed high opex due to additional provisions for a 17% wage hike settlement and one-off pension provisions, resulting in a C/I ratio of ~59%. With the full impact of wage revision and pension already factored in, the overall wage bill is likely to moderate significantly, leading to an anticipated reduction in cost ratios to 51% from 59% in FY24.
- Additionally, the rationalization of branches and increased usage of digital channels, such as YONO, should boost operating efficiency, facilitating a gradual moderation in cost ratios.
- We estimate its FY26 RoA/RoE at 1.1%/18.4%. The stock currently trades at a decent valuation of 1.2x FY26E ABV.

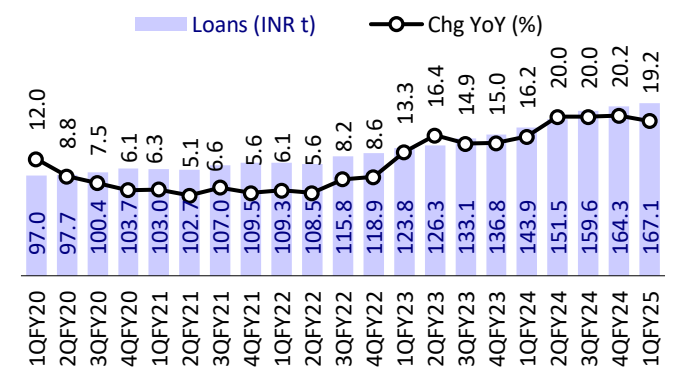
## Exhibit 1: Earnings estimates – 1QFY25

|                                      | Rating  | NII (INR m)      |             |            | Operating profit (INR m) |             |             | Net profit (INR m) |             |             |
|--------------------------------------|---------|------------------|-------------|------------|--------------------------|-------------|-------------|--------------------|-------------|-------------|
|                                      |         | Jun'24           | YoY (%)     | QoQ (%)    | Jun'24                   | YoY (%)     | QoQ (%)     | Jun'24             | YoY (%)     | QoQ (%)     |
| <b>Financials</b>                    |         |                  |             |            |                          |             |             |                    |             |             |
| AU Small Finance                     | Buy     | 19,244           | 54.4        | 43.9       | 8,116                    | 48.6        | 22.2        | 4,230              | 9.3         | 14.1        |
| Axis Bank                            | Neutral | 1,33,198         | 11.4        | 1.8        | 97,882                   | 11.0        | -7.1        | 64,099             | 10.6        | -10.1       |
| Bandhan Bank                         | Neutral | 29,216           | 17.3        | 1.9        | 17,066                   | 9.2         | -7.2        | 8,142              | 12.9        | 1,390.6     |
| DCB Bank                             | Buy     | 5,262            | 11.8        | 3.7        | 2,347                    | 12.5        | 0.4         | 1,414              | 11.4        | -9.2        |
| Equitas Small Finance                | Buy     | 8,092            | 8.9         | 3.0        | 3,355                    | 7.5         | -10.5       | 1,745              | -8.7        | -16.0       |
| Federal Bank                         | Buy     | 22,897           | 19.3        | 4.3        | 14,508                   | 11.4        | 30.7        | 9,716              | 13.8        | 7.2         |
| HDFC Bank                            | Buy     | 2,93,436         | 24.3        | 0.9        | 2,35,043                 | 25.2        | -19.7       | 1,54,587           | 29.3        | -6.4        |
| ICICI Bank                           | Buy     | 1,95,292         | 7.1         | 2.3        | 1,53,108                 | 8.3         | 1.8         | 1,06,323           | 10.2        | -0.7        |
| IDFC First Bank                      | Neutral | 46,970           | 25.4        | 5.1        | 17,425                   | 16.1        | 4.7         | 6,813              | -11.0       | -5.9        |
| IndusInd Bank                        | Buy     | 55,806           | 14.7        | 3.8        | 41,914                   | 9.4         | 2.7         | 23,381             | 10.1        | -0.5        |
| Kotak Mahindra Bank                  | Neutral | 71,240           | 14.3        | 3.1        | 52,433                   | 5.9         | -4.0        | 35,889             | 4.0         | -13.2       |
| RBL Bank                             | Neutral | 16,607           | 16.8        | 3.8        | 8,926                    | 37.9        | 0.6         | 3,416              | 18.6        | -3.1        |
| <b>Banks – Private</b>               |         | <b>8,97,260</b>  | <b>16.6</b> | <b>2.8</b> | <b>6,52,124</b>          | <b>15.2</b> | <b>-8.4</b> | <b>4,19,757</b>    | <b>15.6</b> | <b>-3.7</b> |
| <b>Banks – Private (Ex of HDFCB)</b> |         | <b>6,03,824</b>  | <b>13.2</b> | <b>3.7</b> | <b>4,17,081</b>          | <b>10.3</b> | <b>-0.4</b> | <b>2,65,170</b>    | <b>8.9</b>  | <b>-2.1</b> |
| Bank of Baroda                       | Buy     | 1,16,177         | 5.6         | -1.5       | 77,707                   | -0.7        | -4.1        | 46,031             | 13.1        | -5.8        |
| Canara Bank                          | Buy     | 96,596           | 11.5        | 0.8        | 79,306                   | 4.3         | 7.4         | 39,577             | 12.0        | 5.3         |
| Indian Bank                          | Buy     | 61,467           | 7.8         | 2.2        | 44,088                   | 6.6         | 2.4         | 22,061             | 29.1        | -1.8        |
| Punjab National Bank                 | Neutral | 1,03,522         | 8.9         | -0.1       | 69,142                   | 15.9        | 7.8         | 30,087             | 139.7       | -0.1        |
| State Bank of India                  | Buy     | 4,27,193         | 9.8         | 2.6        | 2,57,924                 | 2.0         | -10.3       | 1,68,584           | -0.2        | -18.6       |
| Union Bank                           | Buy     | 93,840           | 6.2         | -0.6       | 70,684                   | -1.5        | 8.2         | 35,797             | 10.6        | 8.1         |
| <b>Banks – PSU</b>                   |         | <b>8,98,795</b>  | <b>8.8</b>  | <b>1.2</b> | <b>5,98,850</b>          | <b>3.2</b>  | <b>-2.6</b> | <b>3,42,137</b>    | <b>11.5</b> | <b>-9.7</b> |
| <b>Total Banks</b>                   |         | <b>17,96,054</b> | <b>12.6</b> | <b>2.0</b> | <b>12,50,974</b>         | <b>9.2</b>  | <b>-5.7</b> | <b>7,61,894</b>    | <b>13.7</b> | <b>-6.5</b> |
| <b>Total Banks (Ex of HDFCB)</b>     |         | <b>15,02,619</b> | <b>10.5</b> | <b>2.2</b> | <b>10,15,932</b>         | <b>6.0</b>  | <b>-1.7</b> | <b>6,07,307</b>    | <b>10.3</b> | <b>-6.6</b> |
| SBI Cards                            | Neutral | 14,479           | 17.4        | 2.3        | 18,764                   | 23.8        | 2.4         | 6,447              | 8.7         | -2.7        |
| Paytm                                | Neutral | 14,911           | -36.3       | -34.2      | -4,897                   | LP          | -583.4      | -8,431             | NA          | NA          |

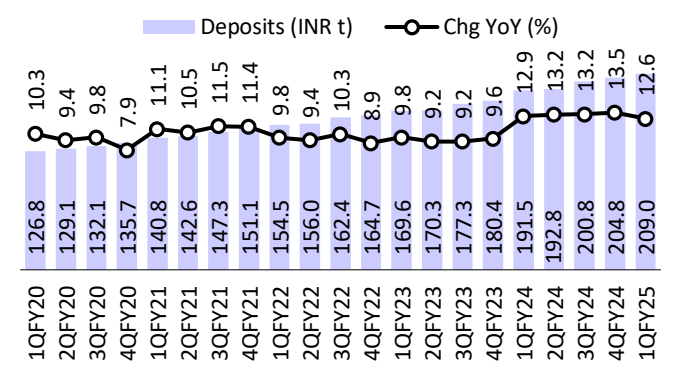
**Exhibit 2: Our sector earnings estimates remain broadly unchanged; estimate average growth of 16% over FY25/26**

| INRb                              | Old Estimates  |                | Revised Estimates |                | % Change    |             |
|-----------------------------------|----------------|----------------|-------------------|----------------|-------------|-------------|
|                                   | FY25E          | FY26E          | FY25E             | FY26E          | FY25E       | FY26E       |
| <b>Private Banks</b>              |                |                |                   |                |             |             |
| AXSB                              | 277.4          | 322.0          | 279.9             | 328.9          | 0.9         | 2.1         |
| BANDHAN                           | 36.2           | 43.3           | 38.5              | 44.0           | 6.4         | 1.7         |
| DCBB                              | 6.4            | 7.9            | 6.4               | 7.8            | -0.5        | -1.4        |
| HDFCB                             | 702.0          | 818.2          | 701.6             | 818.6          | -0.1        | 0.0         |
| ICICIBC                           | 454.0          | 528.0          | 460.4             | 524.4          | 1.4         | -0.7        |
| IDFCFB                            | 37.9           | 51.3           | 35.6              | 47.6           | -6.1        | -7.2        |
| IIB                               | 106.9          | 131.7          | 103.2             | 127.8          | -3.5        | -3.0        |
| KMB                               | 146.6          | 168.6          | 148.4             | 167.1          | 1.2         | -0.9        |
| FB                                | 44.4           | 53.2           | 42.7              | 51.1           | -3.8        | -4.0        |
| RBK                               | 15.2           | 20.5           | 14.9              | 19.5           | -2.1        | -4.8        |
| AUBANK                            | 21.5           | 29.4           | 22.0              | 29.4           | 2.4         | -0.1        |
| EQUITASB                          | 9.7            | 12.7           | 9.2               | 12.5           | -6.1        | -1.6        |
| <b>Total Pvt</b>                  | <b>1,858.3</b> | <b>2,186.9</b> | <b>1,862.7</b>    | <b>2,178.7</b> | <b>0.2</b>  | <b>-0.4</b> |
| <b>YoY growth</b>                 | <b>14.5%</b>   | <b>17.7%</b>   | <b>14.8%</b>      | <b>17.0%</b>   |             |             |
| <b>Total Pvt ( Ex of HDFCB)</b>   | <b>1,156.3</b> | <b>1,368.7</b> | <b>1,161.1</b>    | <b>1,360.1</b> | <b>0.4</b>  | <b>-0.6</b> |
| <b>YoY growth</b>                 | <b>14.0%</b>   | <b>18.4%</b>   | <b>14.4%</b>      | <b>17.1%</b>   |             |             |
| <b>PSU Banks</b>                  |                |                |                   |                |             |             |
| BOB                               | 204.0          | 233.0          | 197.8             | 228.2          | -3.0        | -2.1        |
| CBK                               | 168.8          | 192.5          | 167.4             | 192.3          | -0.8        | -0.1        |
| INBK                              | 101.9          | 119.2          | 97.7              | 116.2          | -4.1        | -2.6        |
| PNB                               | 132.3          | 171.9          | 133.5             | 167.8          | 0.9         | -2.4        |
| SBIN                              | 713.4          | 816.5          | 705.6             | 810.7          | -1.1        | -0.7        |
| UNBK                              | 158.6          | 180.5          | 157.3             | 180.0          | -0.8        | -0.3        |
| <b>Total PSU</b>                  | <b>1,479.0</b> | <b>1,713.6</b> | <b>1,459.2</b>    | <b>1,695.1</b> | <b>-1.3</b> | <b>-1.1</b> |
| <b>YoY growth</b>                 | <b>19.9%</b>   | <b>15.9%</b>   | <b>18.3%</b>      | <b>16.2%</b>   |             |             |
| <b>Total Banks</b>                | <b>3,337.4</b> | <b>3,900.5</b> | <b>3,322.0</b>    | <b>3,873.8</b> | <b>-0.5</b> | <b>-0.7</b> |
| <b>YoY growth</b>                 | <b>16.8%</b>   | <b>16.9%</b>   | <b>16.3%</b>      | <b>16.6%</b>   |             |             |
| <b>Total Banks ( Ex of HDFCB)</b> | <b>2,635.4</b> | <b>3,082.3</b> | <b>2,620.3</b>    | <b>3,055.2</b> | <b>-0.6</b> | <b>-0.9</b> |
| <b>YoY growth</b>                 | <b>17.2%</b>   | <b>17.0%</b>   | <b>16.5%</b>      | <b>16.6%</b>   |             |             |
| SBI Cards                         | 30.1           | 40.0           | 29.1              | 39.6           | -3.4        | -1.1        |
| Paytm                             | -11.4          | -1.2           | -17.3             | -7.2           | NA          |             |

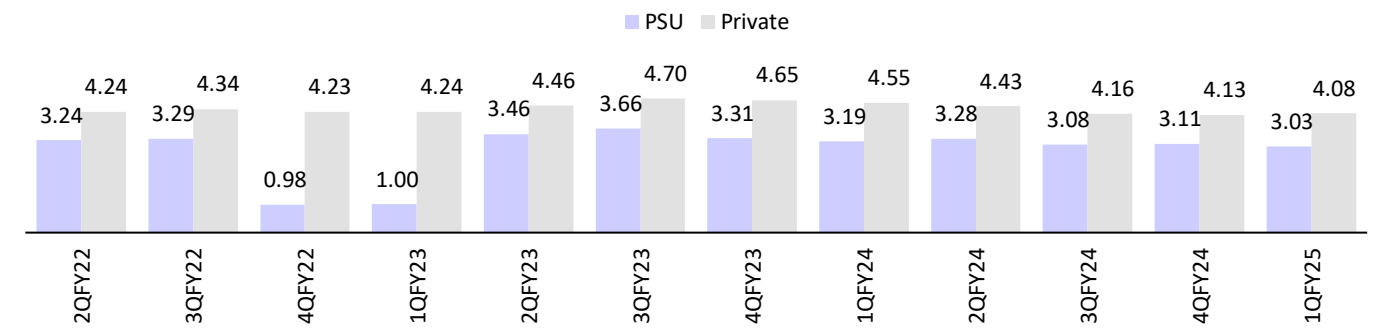
**Exhibit 3: Loan growth healthy at 19.2% (including HDFC)**



**Exhibit 4: Deposit growth moderated to 12.6%**



**Exhibit 5: Estimate NIMs to exhibit a slight downward bias**



Large banks continue to carry additional provision buffers

**Exhibit 6: Snapshot of the additional provision buffers as of 4QFY24**

| As on 4QFY24 | Loans (INR b) | COVID/contingent provisions | Floating/additional provisions | Total provisions | As a percentage of loans (%) |
|--------------|---------------|-----------------------------|--------------------------------|------------------|------------------------------|
| AXSB*        | 9,651         | 50.1                        | 71.2                           | 121              | 1.3                          |
| HDFCB        | 24,849        | 149                         | 124                            | 273              | 1.1                          |
| ICICIBC      | 11,844        | 131                         | -                              | 131              | 1.1                          |
| IIB          | 3,433         | 10                          | -                              | 10               | 0.3                          |
| AUBANK       | 732           | -                           | 0.4                            | 0.4              | 0.1                          |

\*AXSB holds total provisions of INR121b, including standard and additional, other than NPA

Source: MOFSL, Company

Restructured books remain under control for private banks, but they are relatively higher for PSBs

**Exhibit 7: Snapshot of restructured books across banks**

| INR b   | Restructured book |        |        |        |        |        |        |        |        |        |
|---------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|         | Absolute          | Mar'22 | Jun'22 | Sep'22 | Dec'22 | Mar'23 | Jun'23 | Sep'23 | Dec'23 | Mar'24 |
| AXSB    | 16.41             | 0.52   | 0.45   | 0.38   | 0.3    | 0.22   | 0.21   | 0.2    | 0.18   | 0.16   |
| BANDHAN | NA                | 5.2    | 2.35   | 0.2    | NA     | NA     | NA     | NA     | NA     | NA     |
| DCBB    | 11.59             | 6.42   | 6.1    | 5.45   | 4.94   | 4.51   | 3.97   | 3.4    | 3      | 2.62   |
| HDFCB   | 51.287            | 1.14   | 0.76   | 0.53   | 0.42   | 0.31   | NA     | 0.22   | NA     | NA     |
| ICICIBC | 33.18             | 1      | 0.8    | 0.7    | 0.5    | 0.4    | NA     | 0.32   | 0.29   | 0.26   |
| IIB     | 15.699            | 2.6    | 2.1    | 1.5    | 1.25   | 0.84   | 0.66   | 0.54   | 0.48   | 0.40   |
| KMB     | 4.59              | 0.44   | 0.39   | 0.34   | 0.25   | 0.22   | 0.19   | 0.15   | 0.13   | 0.10   |
| FB      | 22                | 2.44   | 2.22   | 2.03   | 1.81   | 1.62   | 1.4    | 1.3    | 1.1    | 0.97   |
| RBK     | 5.037             | 3.27   | 2.9    | 2.21   | 1.67   | 1.21   | 1.05   | 0.89   | 0.63   | 0.51   |
| AUBANK  | 4.672             | 2.5    | 2.1    | 1.7    | 1.4    | 1.2    | 1      | 0.8    | 0.7    | 0.60   |
| BOB     | 99                | 2.44   | 2.46   | 2.12   | 1.87   | 1.5    | 1.31   | NA     | 1      | NA     |
| SBIN    | 188.8             | 1.13   | 1      | 0.93   | 0.85   | 0.8    | 0.69   | 0.62   | 0.54   | 0.47   |
| INBK    | 94.36             | 4.73   | 4.2    | 3.9    | 3.37   | 2.51   | 2.19   | 2.12   | 1.93   | 1.67   |
| PNB     | 97.2              | 2.36   | 2      | 1.8    | 1.54   | 1.32   | NA     | NA     | 1.06   | NA     |
| UNBK    | 140.71            | 2.99   | 2.92   | 2.6    | 2.38   | 2.2    | 2      | 1.71   | 1.57   | 1.48   |
| CBK     | NA                | 2.77   | 2.41   | 2.09   | 1.75   | NA     | NA     | NA     | NA     | NA     |

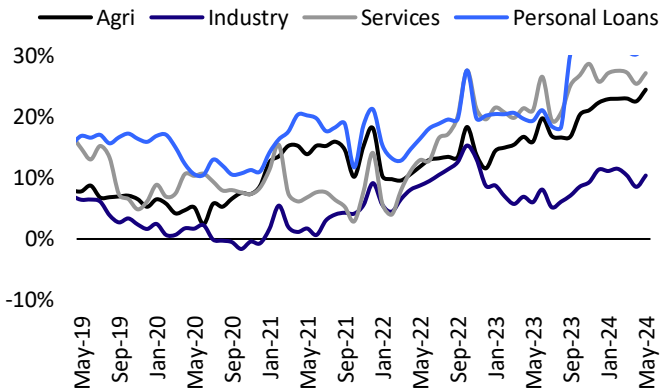
Source: MOFSL, Company

**Exhibit 8: SMA book across banks as of 4QFY24**

| SMA (bp of loans) | SMA 0 | SMA 1 | SMA 2 |
|-------------------|-------|-------|-------|
| BOB               |       | NA    | 15bp  |
| BOI               | 106bp | 9bp   | 13bp  |
| CBK               | 16bp  | 13bp  | 40bp  |
| INBK              | NA    | 37bp  | 10bp  |
| PNB               | NA    | NA    | 15bp  |
| SBIN              | NA    | 3bp   | 6bp   |
| UNBK              | 12bp  | 14bp  | 12bp  |
| BANDHAN           | 60bp  | 60bp  | 80bp  |
| KMB               | NA    | NA    | 5bp   |

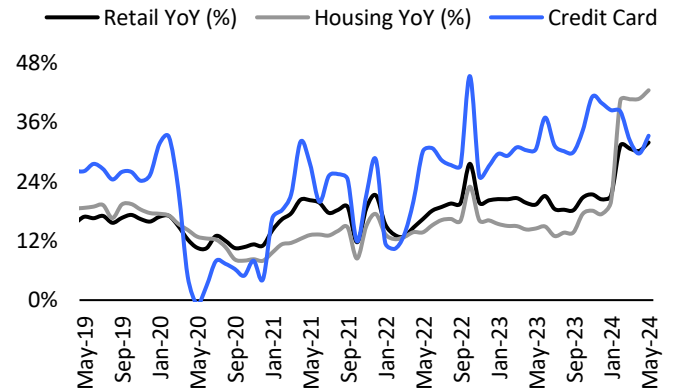
Source: MOFSL, Company

**Exhibit 9: Personal loan growth healthy at 20.7% YoY; personal loan mix at 32.4% in May'24 (ex-HDFC Ltd)**



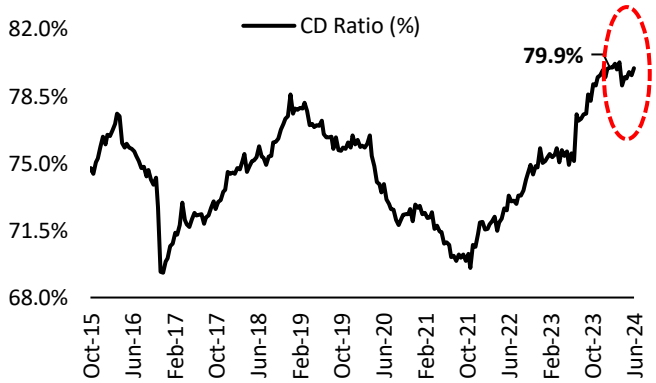
Source: MOFSL, RBI

**Exhibit 10: Credit card grew ~33.2% YoY; Housing/Retail loan growth at ~20%/20.7% YoY (ex-HDFC Ltd) in May'24**



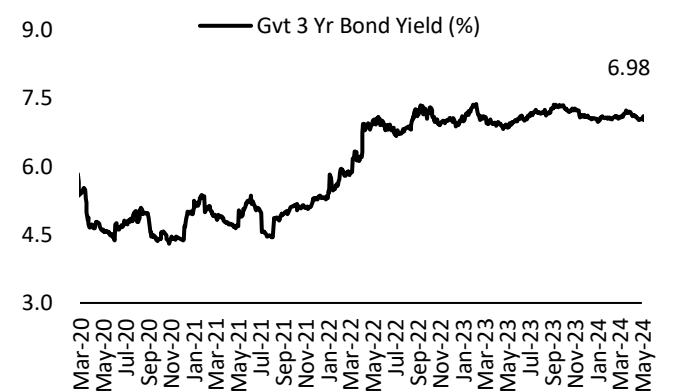
Source: MOFSL, RBI

**Exhibit 11: CD ratio stood at 79.9% as of Jun'24**



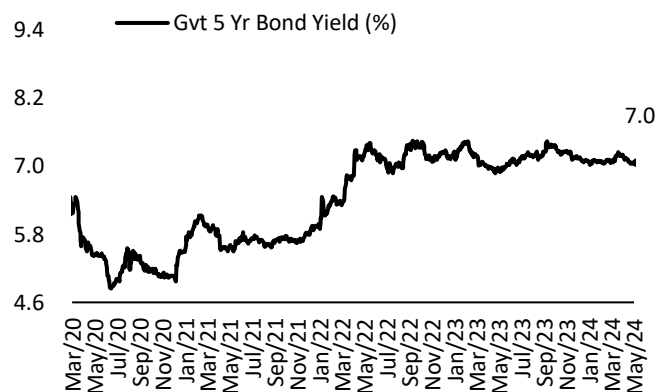
Source: MOFSL, RBI

**Exhibit 12: Three-year G-Sec yield remained in a narrow range**



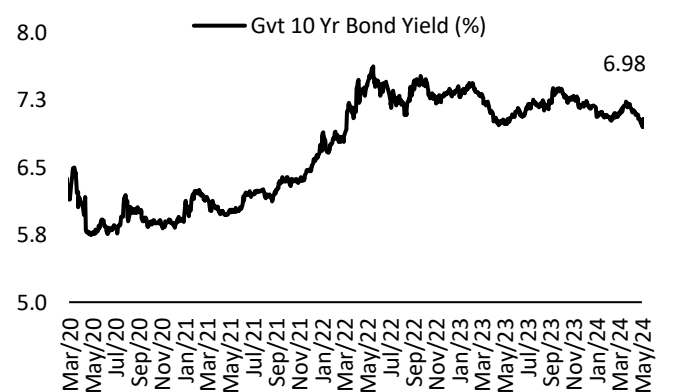
Source: MOFSL, BBG

**Exhibit 13: Five-year G-Sec yield declined 5bp in May'24**



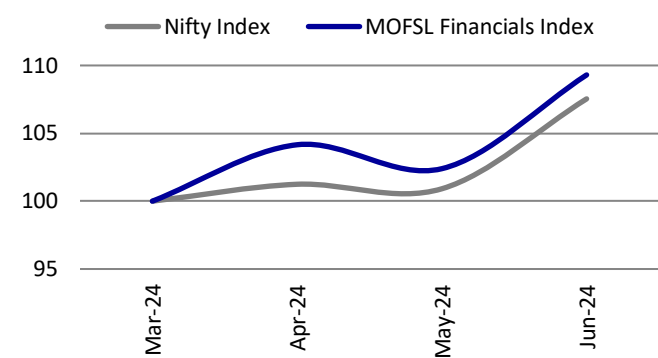
Source: MOFSL, BBG

**Exhibit 14: 10-year G-Sec yield stood at 6.98% in May'24**



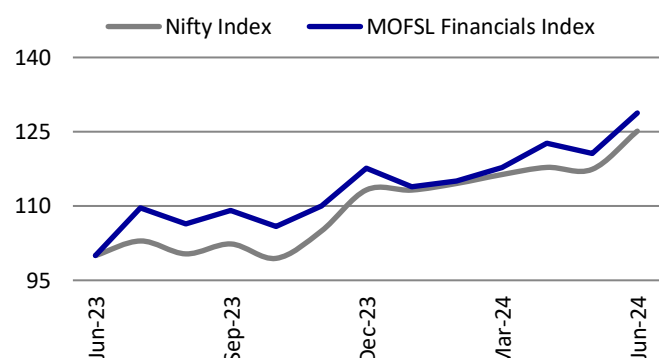
Source: MOFSL, BBG

Exhibit 15: Relative performance – three months (%)



Source: MOFSL, Company

Exhibit 16: One-year relative performance (%)



Source: MOFSL, Company

Exhibit 17: 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 |
| <b>Financials</b>           |           |         |           |       |       |         |       |        |         |       |       |         |       |       |
| <b>Banks-Private</b>        |           |         |           |       |       |         |       |        |         |       |       |         |       |       |
| ICICIBC                     | 1,208     | Buy     | 58.4      | 64.6  | 75.2  | 16.9    | 15.2  | 13.1   | 2.9     | 2.5   | 2.1   | 18.9    | 17.8  | 17.7  |
| HDFCB                       | 1,704     | Buy     | 80.0      | 92.4  | 107.7 | 18.1    | 15.7  | 13.5   | 2.5     | 2.2   | 2.0   | 14.6    | 15.0  | 15.5  |
| AXSB                        | 1,260     | Neutral | 80.7      | 90.7  | 106.5 | 14.4    | 12.8  | 10.9   | 2.4     | 2.0   | 1.7   | 18.0    | 17.1  | 17.1  |
| BANDHAN                     | 206       | Neutral | 13.8      | 23.9  | 27.3  | 14.9    | 8.6   | 7.5    | 1.5     | 1.4   | 1.2   | 1.3     | 2.0   | 2.0   |
| KMB                         | 1,804     | Neutral | 69.4      | 73.8  | 84.8  | 17.9    | 16.8  | 14.6   | 2.5     | 2.2   | 1.9   | 15.3    | 14.1  | 14.1  |
| IIB                         | 1,455     | Buy     | 115.5     | 137.4 | 169.3 | 12.6    | 10.6  | 8.6    | 1.8     | 1.6   | 1.3   | 15.3    | 15.8  | 16.8  |
| FB                          | 178       | Buy     | 16.3      | 18.2  | 21.9  | 10.9    | 9.8   | 8.1    | 1.5     | 1.3   | 1.2   | 14.7    | 14.3  | 15.1  |
| DCBB                        | 140       | Buy     | 17.1      | 20.3  | 24.9  | 8.2     | 6.9   | 5.6    | 0.9     | 0.8   | 0.7   | 11.9    | 12.6  | 13.7  |
| IDFCFB                      | 81        | Neutral | 4.3       | 5.4   | 7.3   | 18.8    | 15.1  | 11.2   | 1.8     | 1.6   | 1.4   | 10.2    | 11.1  | 13.3  |
| EQUITASB                    | 97        | Buy     | 7.1       | 8.6   | 11.2  | 13.6    | 11.2  | 8.6    | 1.8     | 1.6   | 1.4   | 14.4    | 15.3  | 17.4  |
| AUBANK                      | 678       | Buy     | 23.0      | 31.2  | 39.5  | 29.5    | 21.8  | 17.2   | 3.6     | 2.9   | 2.5   | 13.1    | 14.8  | 15.7  |
| RBK                         | 263       | Neutral | 19.3      | 25.2  | 33.9  | 13.6    | 10.5  | 7.8    | 1.1     | 1.0   | 0.9   | 8.2     | 10.0  | 12.7  |
| <b>Banks-PSU</b>            |           |         |           |       |       |         |       |        |         |       |       |         |       |       |
| SBIN                        | 842       | Buy     | 68.4      | 79.9  | 91.5  | 8.9     | 7.6   | 6.6    | 1.5     | 1.3   | 1.1   | 18.8    | 18.8  | 18.5  |
| PNB                         | 122       | Neutral | 7.5       | 12.0  | 15.6  | 16.3    | 10.2  | 7.8    | 1.3     | 1.2   | 1.1   | 8.7     | 12.8  | 14.9  |
| BOB                         | 272       | Buy     | 34.4      | 39.4  | 45.1  | 7.9     | 6.9   | 6.0    | 1.3     | 1.1   | 1.0   | 17.9    | 17.7  | 17.6  |
| CBK                         | 119       | Buy     | 16.0      | 18.5  | 21.2  | 7.4     | 6.4   | 5.6    | 1.3     | 1.1   | 1.0   | 20.2    | 19.8  | 19.6  |
| UNBK                        | 136       | Buy     | 18.9      | 20.8  | 23.7  | 7.2     | 6.5   | 5.7    | 1.1     | 1.0   | 0.9   | 16.7    | 16.3  | 16.3  |
| INBK                        | 541       | Buy     | 62.2      | 75.6  | 88.7  | 8.7     | 7.2   | 6.1    | 1.3     | 1.1   | 1.0   | 17.1    | 17.8  | 18.3  |
| <b>Fintech and payments</b> |           |         |           |       |       |         |       |        |         |       |       |         |       |       |
| Paytm                       | 412       | Neutral | -22.4     | -17.6 | -1.8  | -18.4   | -23.4 | -229.5 | 2.0     | 2.1   | 2.1   | -13.1   | -10.8 | -8.8  |
| SBICARD                     | 725       | Neutral | 25.4      | 31.7  | 42.1  | 28.5    | 22.9  | 17.2   | 5.7     | 4.6   | 3.7   | 22.0    | 22.4  | 24.0  |

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.

## AU Small Finance Bank

**Buy**
**CMP: INR674 | TP: INR735 (+9%)**
**EPS CHANGE (%): FY25|FY26: 3.9|-1.2**

- Expect margins to remain stable
- Expect business growth to remain healthy post-merger
- CoF and C/I ratios are expected to remain elevated
- Asset quality ratios will be a key monitorable

### Quarterly Performance

**(INR b)**

|                             | FY24        |             |             |             | FY25E       |             |             |             | FY24        | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |             |              |
| <b>Net Interest Income</b>  | <b>12.5</b> | <b>12.5</b> | <b>13.2</b> | <b>13.4</b> | <b>19.2</b> | <b>20.4</b> | <b>21.6</b> | <b>23.1</b> | <b>51.6</b> | <b>84.4</b>  |
| % Change (YoY)              | 27.7        | 15.3        | 14.9        | 10.2        | 54.4        | 63.5        | 63.1        | 73.0        | 16.5        | 63.7         |
| Other Income                | 3.2         | 4.3         | 4.5         | 5.6         | 5.8         | 6.2         | 6.5         | 7.2         | 17.5        | 25.7         |
| <b>Total Income</b>         | <b>15.6</b> | <b>16.7</b> | <b>17.7</b> | <b>18.9</b> | <b>25.1</b> | <b>26.6</b> | <b>28.1</b> | <b>30.3</b> | <b>69.0</b> | <b>110.1</b> |
| Operating Expenses          | 10.2        | 10.3        | 11.2        | 12.3        | 17.0        | 17.3        | 17.7        | 17.9        | 43.9        | 69.8         |
| <b>Operating Profit</b>     | <b>5.5</b>  | <b>6.5</b>  | <b>6.6</b>  | <b>6.6</b>  | <b>8.1</b>  | <b>9.3</b>  | <b>10.5</b> | <b>12.4</b> | <b>25.1</b> | <b>40.3</b>  |
| % Change (YoY)              | 38.6        | 29.9        | 18.2        | 16.3        | 48.6        | 43.3        | 59.4        | 87.1        | 24.5        | 60.2         |
| Provisions                  | 0.3         | 1.1         | 1.6         | 1.3         | 2.5         | 2.9         | 2.7         | 3.0         | 5.2         | 11.2         |
| Exceptional item            | -           | -           | -           | 0.8         | -           | -           | -           | -           | -           | -            |
| <b>Profit before Tax</b>    | <b>5.1</b>  | <b>5.3</b>  | <b>5.0</b>  | <b>4.5</b>  | <b>5.7</b>  | <b>6.4</b>  | <b>7.7</b>  | <b>9.4</b>  | <b>20.0</b> | <b>29.1</b>  |
| Tax                         | 1.3         | 1.3         | 1.2         | 0.8         | 1.4         | 1.6         | 2.0         | 2.1         | 4.6         | 7.1          |
| <b>Net Profit</b>           | <b>3.9</b>  | <b>4.0</b>  | <b>3.8</b>  | <b>3.7</b>  | <b>4.2</b>  | <b>4.8</b>  | <b>5.8</b>  | <b>7.2</b>  | <b>15.3</b> | <b>22.0</b>  |
| % Change (YoY)              | 44.4        | 17.3        | (4.5)       | (12.7)      | 9.3         | 18.2        | 54.1        | 95.3        | 7.5         | 43.4         |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |             |              |
| Deposit (INR b)             | 693.2       | 757.4       | 801.2       | 871.8       | 1,021.2     | 1,080.9     | 1,127.4     | 1,203.7     | 871.8       | 1,203.7      |
| Loan (INR b)                | 628.6       | 641.7       | 667.4       | 731.6       | 880.0       | 918.5       | 960.0       | 1,028.3     | 731.6       | 1,028.3      |
| Deposit Growth (%)          | 26.9        | 29.8        | 31.1        | 25.7        | 47.3        | 42.7        | 40.7        | 38.1        | 25.7        | 38.1         |
| Loan Growth (%)             | 29.2        | 24.0        | 20.0        | 25.2        | 40.0        | 43.1        | 43.8        | 40.5        | 25.2        | 40.5         |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |             |              |
| GNPA (%)                    | 1.8         | 1.9         | 2.0         | 1.7         | 1.7         | 1.7         | 1.8         | 1.7         | 1.7         | 1.7          |
| NNPA (%)                    | 0.6         | 0.6         | 0.7         | 0.6         | 0.5         | 0.6         | 0.6         | 0.6         | 0.5         | 0.6          |
| PCR (%)                     | 69.0        | 69.1        | 66.0        | 67.6        | 68.2        | 67.6        | 67.8        | 67.1        | 67.6        | 67.1         |

## Axis Bank

**Neutral**
**CMP: INR1262 | TP: INR1,200 (-5%)**
**EPS CHANGE (%): FY25|FY26: 0.9|2.1**

- Expect CD ratio to remain elevated
- Expect margin to moderate in 1Q
- Cost ratios to remain elevated
- Asset quality ratios to be keenly monitored

### Quarterly Performance

**(INR b)**

|                             | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Interest Income</b>  | <b>119.6</b> | <b>123.1</b> | <b>125.3</b> | <b>130.9</b> | <b>133.2</b> | <b>136.8</b> | <b>141.0</b> | <b>145.4</b> | <b>498.9</b> | <b>556.5</b> |
| % Change (YoY)              | 27.4         | 18.9         | 9.4          | 11.5         | 11.4         | 11.1         | 12.5         | 11.1         | 16.2         | 11.5         |
| Other Income                | 50.9         | 50.3         | 55.5         | 67.7         | 60.1         | 62.7         | 65.9         | 71.6         | 224.4        | 260.3        |
| <b>Total Income</b>         | <b>170.5</b> | <b>173.5</b> | <b>180.9</b> | <b>198.5</b> | <b>193.3</b> | <b>199.6</b> | <b>206.8</b> | <b>217.0</b> | <b>723.4</b> | <b>816.8</b> |
| Operating Expenses          | 82.3         | 87.2         | 89.5         | 93.2         | 95.5         | 95.9         | 98.9         | 101.2        | 352.1        | 391.3        |
| <b>Operating Profit</b>     | <b>88.1</b>  | <b>86.3</b>  | <b>91.4</b>  | <b>105.4</b> | <b>97.9</b>  | <b>103.7</b> | <b>108.0</b> | <b>115.9</b> | <b>371.2</b> | <b>425.4</b> |
| % Change (YoY)              | 49.7         | 11.9         | -1.5         | 14.9         | 11.0         | 20.2         | 18.1         | 10.0         | 15.5         | 14.6         |
| Provisions                  | 10.3         | 8.1          | 10.3         | 11.9         | 12.2         | 12.8         | 13.4         | 13.9         | 40.6         | 52.3         |
| <b>Profit before Tax</b>    | <b>77.8</b>  | <b>78.2</b>  | <b>81.1</b>  | <b>93.5</b>  | <b>85.7</b>  | <b>90.9</b>  | <b>94.6</b>  | <b>102.0</b> | <b>330.6</b> | <b>373.1</b> |
| Tax                         | 19.8         | 19.5         | 20.4         | 22.2         | 21.6         | 22.9         | 23.8         | 24.9         | 82.0         | 93.3         |
| <b>Net Profits</b>          | <b>58.0</b>  | <b>58.6</b>  | <b>60.7</b>  | <b>71.3</b>  | <b>64.1</b>  | <b>68.0</b>  | <b>70.7</b>  | <b>77.0</b>  | <b>248.6</b> | <b>279.9</b> |
| % Change (YoY)              | 40.5         | 10.0         | 3.7          | 7.6          | 10.6         | 16.0         | 16.5         | 8.0          | 13.3         | 12.6         |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |              |              |
| Deposit (INR t)             | 9.4          | 9.6          | 10.0         | 10.7         | 11.0         | 11.4         | 11.9         | 12.4         | 10.7         | 12.4         |
| Loan (INR t)                | 8.6          | 9.0          | 9.3          | 9.7          | 9.9          | 10.2         | 10.6         | 11.1         | 9.7          | 11.1         |
| Deposit Growth (%)          | 17.2         | 17.9         | 18.5         | 12.9         | 16.9         | 19.2         | 18.6         | 16.5         | 12.9         | 16.5         |
| Loan Growth (%)             | 22.4         | 22.8         | 22.3         | 14.2         | 15.8         | 14.0         | 13.6         | 15.0         | 14.2         | 15.0         |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |              |              |
| Gross NPA (%)               | 2.0          | 1.7          | 1.6          | 1.4          | 1.5          | 1.5          | 1.5          | 1.4          | 1.5          | 1.4          |
| Net NPA (%)                 | 0.4          | 0.4          | 0.4          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          |
| PCR (%)                     | 79.6         | 79.5         | 77.8         | 78.5         | 78.7         | 78.5         | 78.7         | 79.7         | 78.5         | 79.7         |

**Bandhan Bank****Neutral**

CMP: INR206 | TP: INR210 (+2%)

EPS CHANGE (%): FY25 | FY26: 6.4 | 1.7

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

**Quarterly Performance**

(INR b)

| Y/E March                  | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                            | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Interest Income</b> | 24.9        | 24.4        | 25.3        | 28.7        | 29.2        | 29.8        | 30.2        | 31.0        | 103.3        | 120.2        |
| % Change (YoY)             | -0.9        | 11.4        | 21.4        | 16.0        | 17.3        | 22.0        | 19.5        | 8.2         | 11.5         | 16.4         |
| Other Income               | 3.9         | 5.4         | 5.5         | 6.9         | 5.1         | 5.9         | 6.5         | 8.0         | 21.6         | 25.5         |
| <b>Total Income</b>        | <b>28.8</b> | <b>29.8</b> | <b>30.7</b> | <b>35.6</b> | <b>34.3</b> | <b>35.7</b> | <b>36.7</b> | <b>39.1</b> | <b>124.9</b> | <b>145.8</b> |
| Operating Expenses         | 13.1        | 14.0        | 14.2        | 17.2        | 17.3        | 17.4        | 17.5        | 16.8        | 58.5         | 69.0         |
| <b>Operating Profit</b>    | <b>15.6</b> | <b>15.8</b> | <b>16.6</b> | <b>18.4</b> | <b>17.1</b> | <b>18.3</b> | <b>19.2</b> | <b>22.2</b> | <b>66.4</b>  | <b>76.7</b>  |
| % Change (YoY)             | -14.2       | 2.0         | -13.9       | 2.4         | 9.2         | 15.5        | 15.7        | 20.9        | -6.4         | 15.6         |
| Provisions                 | 6.0         | 6.4         | 6.8         | 17.7        | 6.2         | 6.4         | 6.5         | 6.7         | 37.0         | 25.8         |
| <b>Profit Before Tax</b>   | <b>9.6</b>  | <b>9.5</b>  | <b>9.7</b>  | <b>0.6</b>  | <b>10.9</b> | <b>11.9</b> | <b>12.7</b> | <b>15.5</b> | <b>29.4</b>  | <b>51.0</b>  |
| Tax                        | 2.4         | 2.3         | 2.4         | 0.1         | 2.7         | 3.0         | 3.2         | 3.6         | 7.1          | 12.5         |
| <b>Net Profit</b>          | <b>7.2</b>  | <b>7.2</b>  | <b>7.3</b>  | <b>0.5</b>  | <b>8.1</b>  | <b>8.9</b>  | <b>9.5</b>  | <b>12.0</b> | <b>22.3</b>  | <b>38.5</b>  |
| % Change (YoY)             | -18.7       | 244.6       | 152.2       | -93.2       | 12.9        | 23.5        | 29.3        | 2,091.3     | 1.6          | 72.7         |

**Operating Parameters**

|                    |       |       |       |       |       |       |       |       |       |       |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Deposits (INR b)   | 1,085 | 1,121 | 1,174 | 1,352 | 1,364 | 1,401 | 1,498 | 1,595 | 1,352 | 1,595 |
| Loans (INR b)      | 982   | 1,020 | 1,102 | 1,211 | 1,178 | 1,242 | 1,308 | 1,405 | 1,211 | 1,405 |
| Deposit Growth (%) | 16.6  | 12.8  | 14.8  | 25.1  | 25.8  | 25.0  | 27.6  | 18.0  | 25.1  | 18.0  |
| Loan Growth (%)    | 8.0   | 13.1  | 19.6  | 15.6  | 20.0  | 21.8  | 18.7  | 16.0  | 15.6  | 16.0  |

**Asset Quality**

|               |      |      |      |      |      |      |      |      |      |      |
|---------------|------|------|------|------|------|------|------|------|------|------|
| Gross NPA (%) | 6.8  | 7.3  | 7.0  | 3.8  | 4.0  | 3.8  | 3.6  | 3.4  | 3.8  | 3.4  |
| Net NPA (%)   | 2.2  | 2.3  | 2.2  | 1.1  | 1.1  | 1.0  | 1.0  | 0.9  | 1.1  | 0.9  |
| PCR (%)       | 69.2 | 70.0 | 70.0 | 71.8 | 72.7 | 73.1 | 73.5 | 73.8 | 71.8 | 73.8 |

**Bank of Baroda****Buy**

CMP: INR272 | TP: INR300 (+10%)

EPS CHANGE (%): FY25 | FY26: -2.4 | -2.3

- Expect earnings growth to moderate
- Expect asset quality to improve further; credit costs are likely to remain in control
- Margins likely to moderate slightly
- Loan growth and opex to be the key monitorables

**Quarterly Performance**

(INR b)

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Interest Income</b> | <b>110.0</b> | <b>108.3</b> | <b>111.0</b> | <b>117.9</b> | <b>116.2</b> | <b>119.7</b> | <b>122.5</b> | <b>123.8</b> | <b>447.2</b> | <b>482.3</b> |
| % Change (YoY)             | 24.4         | 6.4          | 2.6          | 2.3          | 5.6          | 10.5         | 10.4         | 5.0          | 8.1          | 7.8          |
| Other Income               | 33.2         | 41.7         | 28.1         | 41.9         | 35.4         | 39.8         | 37.9         | 44.9         | 145.0        | 158.0        |
| <b>Total Income</b>        | <b>143.2</b> | <b>150.0</b> | <b>139.1</b> | <b>159.8</b> | <b>151.6</b> | <b>159.5</b> | <b>160.5</b> | <b>168.7</b> | <b>592.2</b> | <b>640.3</b> |
| Operating Expenses         | 64.9         | 69.8         | 69.0         | 78.8         | 73.9         | 75.1         | 76.3         | 82.5         | 282.5        | 307.8        |
| <b>Operating Profit</b>    | <b>78.2</b>  | <b>80.2</b>  | <b>70.2</b>  | <b>81.1</b>  | <b>77.7</b>  | <b>84.4</b>  | <b>84.1</b>  | <b>86.2</b>  | <b>309.7</b> | <b>332.5</b> |
| % Change (YoY)             | 72.8         | 33.0         | -14.8        | 0.4          | -0.7         | 5.3          | 19.9         | 6.4          | 15.3         | 7.4          |
| Provisions                 | 19.5         | 21.6         | 6.7          | 13.0         | 16.2         | 19.5         | 16.7         | 15.0         | 60.8         | 67.4         |
| <b>Profit before Tax</b>   | <b>58.8</b>  | <b>58.6</b>  | <b>63.5</b>  | <b>68.0</b>  | <b>61.5</b>  | <b>64.9</b>  | <b>67.4</b>  | <b>71.3</b>  | <b>248.9</b> | <b>265.1</b> |
| Tax                        | 18.1         | 16.1         | 17.7         | 19.2         | 15.5         | 16.4         | 17.0         | 18.5         | 71.0         | 67.3         |
| <b>Net Profit</b>          | <b>40.7</b>  | <b>42.5</b>  | <b>45.8</b>  | <b>48.9</b>  | <b>46.0</b>  | <b>48.5</b>  | <b>50.4</b>  | <b>52.8</b>  | <b>177.9</b> | <b>197.8</b> |
| % Change (YoY)             | 87.7         | 28.4         | 18.9         | 2.3          | 13.1         | 14.1         | 10.1         | 8.0          | 26.1         | 11.2         |

**Operating Parameters**

|                    |        |        |        |        |        |        |        |        |        |        |
|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Deposit (INR b)    | 11,999 | 12,496 | 12,453 | 13,270 | 13,498 | 14,033 | 14,338 | 14,796 | 13,270 | 14,796 |
| Loan (INR b)       | 9,635  | 9,980  | 10,241 | 10,658 | 10,870 | 11,367 | 11,650 | 12,075 | 10,658 | 12,075 |
| Deposit Growth (%) | 16.2   | 14.6   | 8.3    | 10.2   | 12.5   | 12.3   | 15.1   | 11.5   | 10.2   | 11.5   |
| Loan Growth (%)    | 20.5   | 19.3   | 15.0   | 13.3   | 12.8   | 13.9   | 13.8   | 13.3   | 13.3   | 13.3   |

**Asset Quality**

|               |      |      |      |      |      |      |      |      |      |      |
|---------------|------|------|------|------|------|------|------|------|------|------|
| Gross NPA (%) | 3.5  | 3.3  | 3.1  | 2.9  | 2.9  | 2.7  | 2.6  | 2.5  | 2.9  | 2.5  |
| Net NPA (%)   | 0.8  | 0.8  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.6  | 0.7  | 0.6  |
| PCR (%)       | 78.5 | 77.6 | 77.7 | 77.3 | 77.5 | 77.8 | 78.0 | 77.6 | 76.2 | 77.6 |

**Canara Bank****Buy****CMP: INR118 | TP: INR140 (+18%)****EPS CHANGE (%): FY25|FY26: 0.5|0**

- Expect margins to see slight compression
- Asset quality anticipated to improve
- Advances and deposit growth to be the key monitorables

**Quarterly Performance****(INR b)**

|                             | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |              |              |
| <b>Net Interest Income</b>  | <b>86.7</b>  | <b>89.0</b>  | <b>94.2</b>  | <b>95.8</b>  | <b>96.6</b>  | <b>98.6</b>  | <b>99.4</b>  | <b>100.6</b> | <b>365.7</b> | <b>395.1</b> |
| % Change (YoY)              | 27.7         | 19.8         | 9.5          | 11.2         | 11.5         | 10.7         | 5.5          | 5.0          | 16.3         | 8.1          |
| Other Income                | 48.2         | 46.3         | 43.0         | 52.2         | 51.2         | 51.8         | 51.6         | 56.9         | 189.7        | 211.5        |
| <b>Total Income</b>         | <b>134.8</b> | <b>135.4</b> | <b>137.1</b> | <b>148.0</b> | <b>147.8</b> | <b>150.4</b> | <b>151.0</b> | <b>157.5</b> | <b>555.3</b> | <b>606.6</b> |
| Operating Expenses          | 58.8         | 59.2         | 69.1         | 74.1         | 68.5         | 69.3         | 69.9         | 71.8         | 261.2        | 279.5        |
| <b>Operating Profit</b>     | <b>76.0</b>  | <b>76.2</b>  | <b>68.1</b>  | <b>73.9</b>  | <b>79.3</b>  | <b>81.1</b>  | <b>81.1</b>  | <b>85.6</b>  | <b>294.1</b> | <b>327.1</b> |
| % Change (YoY)              | 15.1         | 10.3         | -2.1         | 1.9          | 4.3          | 6.5          | 19.2         | 15.9         | 6.1          | 11.2         |
| Other Provisions            | 27.2         | 26.1         | 19.0         | 24.8         | 26.2         | 26.1         | 23.6         | 26.8         | 97.1         | 102.7        |
| <b>Profit before Tax</b>    | <b>48.9</b>  | <b>50.1</b>  | <b>49.1</b>  | <b>49.1</b>  | <b>53.1</b>  | <b>55.0</b>  | <b>57.5</b>  | <b>58.8</b>  | <b>197.0</b> | <b>224.4</b> |
| Tax                         | 13.5         | 14.0         | 12.5         | 11.5         | 13.5         | 14.0         | 14.7         | 14.8         | 51.5         | 57.0         |
| <b>Net Profit</b>           | <b>35.3</b>  | <b>36.1</b>  | <b>36.6</b>  | <b>37.6</b>  | <b>39.6</b>  | <b>41.0</b>  | <b>42.8</b>  | <b>44.1</b>  | <b>145.5</b> | <b>167.4</b> |
| % Change (YoY)              | 74.8         | 42.8         | 26.9         | 18.3         | 12.0         | 13.6         | 17.1         | 17.3         | 37.3         | 15.0         |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |              |              |
| Deposit (INR b)             | 11,925       | 12,322       | 12,629       | 13,124       | 13,348       | 13,710       | 14,084       | 14,370       | 13,124       | 14,370       |
| Loan (INR b)                | 8,551        | 8,923        | 9,206        | 9,316        | 9,506        | 9,819        | 10,177       | 10,434       | 9,316        | 10,434       |
| Deposit Growth (%)          | 6.6          | 8.7          | 8.5          | 11.3         | 11.9         | 11.3         | 11.5         | 9.5          | 11.3         | 9.5          |
| Loan Growth (%)             | 14.5         | 13.2         | 12.8         | 12.2         | 11.2         | 10.0         | 10.5         | 12.0         | 12.2         | 12.0         |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |              |              |
| Gross NPA (%)               | 5.2          | 4.8          | 4.4          | 4.2          | 4.1          | 3.9          | 3.7          | 3.5          | 4.2          | 3.5          |
| Net NPA (%)                 | 1.6          | 1.4          | 1.3          | 1.3          | 1.2          | 1.1          | 1.0          | 1.0          | 1.3          | 1.0          |
| PCR (%)                     | 70.6         | 71.4         | 70.8         | 70.9         | 71.4         | 71.8         | 72.3         | 72.8         | 70.8         | 72.8         |

**DCB Bank****Buy****CMP: INR140 | TP: INR175 (25%)****EPS CHANGE (%): FY25|FY26: -0.5|-1.4**

- Expect business growth to be healthy
- Expect cost ratios to remain elevated
- Asset quality likely to remain broadly stable
- Margin trajectory to be closely monitored

**Quarterly Performance****(INR b)**

|                             | FY24       |            |            |            | FY25E      |            |            |            | FY24        | FY25E       |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
|                             | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |             |             |
| <b>Net Interest Income</b>  | <b>4.7</b> | <b>4.8</b> | <b>4.7</b> | <b>5.1</b> | <b>5.3</b> | <b>5.5</b> | <b>5.8</b> | <b>6.2</b> | <b>19.3</b> | <b>22.7</b> |
| % Change (YoY)              | 25.9       | 15.7       | 6.3        | 4.4        | 11.8       | 15.5       | 21.7       | 21.9       | 12.3        | 17.8        |
| Other Income                | 1.1        | 1.1        | 1.2        | 1.4        | 1.3        | 1.4        | 1.4        | 1.5        | 4.7         | 5.6         |
| <b>Total Income</b>         | <b>5.8</b> | <b>5.8</b> | <b>6.0</b> | <b>6.4</b> | <b>6.5</b> | <b>6.9</b> | <b>7.2</b> | <b>7.7</b> | <b>24.0</b> | <b>28.3</b> |
| Operating Expenses          | 3.7        | 3.7        | 3.9        | 4.1        | 4.2        | 4.3        | 4.5        | 4.6        | 15.4        | 17.5        |
| <b>Operating Profit</b>     | <b>2.1</b> | <b>2.1</b> | <b>2.1</b> | <b>2.3</b> | <b>2.3</b> | <b>2.5</b> | <b>2.8</b> | <b>3.1</b> | <b>8.6</b>  | <b>10.8</b> |
| % Change (YoY)              | 25.6       | 15.3       | 9.0        | (4.2)      | 12.5       | 20.8       | 30.2       | 33.9       | 9.9         | 24.6        |
| Provisions                  | 0.4        | 0.4        | 0.4        | 0.2        | 0.4        | 0.5        | 0.6        | 0.7        | 1.4         | 2.2         |
| <b>Profit before Tax</b>    | <b>1.7</b> | <b>1.7</b> | <b>1.7</b> | <b>2.1</b> | <b>1.9</b> | <b>2.0</b> | <b>2.2</b> | <b>2.5</b> | <b>7.2</b>  | <b>8.6</b>  |
| Tax                         | 0.4        | 0.4        | 0.4        | 0.5        | 0.5        | 0.5        | 0.6        | 0.6        | 1.9         | 2.2         |
| <b>Net Profit</b>           | <b>1.3</b> | <b>1.3</b> | <b>1.3</b> | <b>1.6</b> | <b>1.4</b> | <b>1.5</b> | <b>1.6</b> | <b>1.8</b> | <b>5.4</b>  | <b>6.4</b>  |
| % Change (YoY)              | 30.7       | 12.9       | 11.2       | 9.5        | 11.4       | 17.8       | 28.0       | 17.4       | 15.1        | 18.6        |
| <b>Operating Parameters</b> |            |            |            |            |            |            |            |            |             |             |
| Deposit (INR b)             | 430.1      | 455.0      | 471.2      | 493.5      | 512.9      | 541.9      | 566.1      | 590.3      | 493.5       | 590.3       |
| Loan (INR b)                | 354.7      | 372.8      | 389.5      | 409.2      | 424.6      | 447.7      | 466.9      | 486.2      | 409.2       | 486.2       |
| Deposit Growth (%)          | 22.6       | 23.1       | 19.3       | 19.7       | 19.2       | 19.1       | 20.1       | 19.6       | 19.7        | 19.6        |
| Loan Growth (%)             | 19.0       | 19.1       | 18.2       | 19.0       | 19.7       | 20.1       | 19.9       | 18.8       | 19.0        | 18.8        |
| <b>Asset Quality</b>        |            |            |            |            |            |            |            |            |             |             |
| Gross NPA (%)               | 3.3        | 3.4        | 3.4        | 3.2        | 3.2        | 3.0        | 2.9        | 2.7        | 3.2         | 2.7         |
| Net NPA (%)                 | 1.2        | 1.3        | 1.2        | 1.1        | 1.1        | 1.0        | 1.0        | 0.9        | 1.1         | 0.9         |
| PCR (%)                     | 64.1       | 62.8       | 65.1       | 66.4       | 66.3       | 67.0       | 67.7       | 67.9       | 66.4        | 67.9        |

**Equitas Small Finance Bank****Buy**

CMP: INR96 | TP: INR125 (+30%)

EPS CHANGE (%): FY25 | FY26: -6.1 | -1.6

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

**Quarterly Performance**

(INR b)

| Y/E March                   | FY24       |            |            |             | FY25E       |             |             |             | FY24        | FY25E       |
|-----------------------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                             | 1Q         | 2Q         | 3Q         | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |             |             |
| Interest Income             | 12.5       | 13.6       | 14.3       | 14.4        | 15.3        | 16.1        | 17.6        | 18.7        | 54.9        | 67.7        |
| Interest Expense            | 5.1        | 5.9        | 6.4        | 6.6         | 7.2         | 7.6         | 8.3         | 8.5         | 24.1        | 31.6        |
| <b>Net Interest Income</b>  | <b>7.4</b> | <b>7.7</b> | <b>7.9</b> | <b>7.9</b>  | <b>8.1</b>  | <b>8.5</b>  | <b>9.3</b>  | <b>10.2</b> | <b>30.8</b> | <b>36.1</b> |
| % Change (YoY)              | 28.0       | 25.6       | 21.3       | 11.2        | 8.9         | 11.3        | 18.6        | 29.8        | 21.0        | 17.3        |
| Other Income                | 1.7        | 1.8        | 2.1        | 2.4         | 2.2         | 2.3         | 2.5         | 2.7         | 8.0         | 9.7         |
| <b>Total Income</b>         | <b>9.1</b> | <b>9.5</b> | <b>9.9</b> | <b>10.3</b> | <b>10.3</b> | <b>10.9</b> | <b>11.8</b> | <b>12.9</b> | <b>38.8</b> | <b>45.9</b> |
| Operating Expenses          | 6.0        | 6.2        | 6.3        | 6.5         | 6.9         | 7.2         | 7.4         | 7.7         | 25.0        | 29.2        |
| <b>Operating Profit</b>     | <b>3.1</b> | <b>3.3</b> | <b>3.6</b> | <b>3.7</b>  | <b>3.4</b>  | <b>3.7</b>  | <b>4.4</b>  | <b>5.2</b>  | <b>13.8</b> | <b>16.7</b> |
| % Change (YoY)              | 16.4       | 36.3       | 29.1       | -3.0        | 7.5         | 11.4        | 22.3        | 39.6        | 17.1        | 21.1        |
| Provisions                  | 0.6        | 0.6        | 0.8        | 1.1         | 1.0         | 1.0         | 1.1         | 1.3         | 3.1         | 4.4         |
| <b>Profit before Tax</b>    | <b>2.5</b> | <b>2.7</b> | <b>2.8</b> | <b>2.7</b>  | <b>2.3</b>  | <b>2.7</b>  | <b>3.3</b>  | <b>3.9</b>  | <b>10.6</b> | <b>12.2</b> |
| Tax                         | 0.6        | 0.7        | 0.7        | 0.6         | 0.6         | 0.7         | 0.8         | 1.0         | 2.6         | 3.1         |
| <b>Net Profit</b>           | <b>1.9</b> | <b>2.0</b> | <b>2.0</b> | <b>2.1</b>  | <b>1.7</b>  | <b>2.0</b>  | <b>2.5</b>  | <b>2.9</b>  | <b>8.0</b>  | <b>9.2</b>  |
| % Change (YoY)              | 97.1       | 70.2       | 18.7       | 9.3         | -8.7        | 1.9         | 21.9        | 40.9        | 39.3        | 14.5        |
| <b>Operating Parameters</b> |            |            |            |             |             |             |             |             |             |             |
| AUM                         | 296        | 312        | 328        | 337         | 346         | 369         | 394         | 416         | 337         | 416         |
| Deposits                    | 277        | 308        | 324        | 361         | 376         | 397         | 425         | 452         | 361         | 452         |
| Loans                       | 275        | 288        | 292        | 310         | 318         | 339         | 362         | 382         | 310         | 382         |
| AUM Growth (%)              | 36         | 37         | 32         | 21          | 17          | 18          | 20          | 24          | 21          | 24          |
| Deposit Growth (%)          | 36         | 42         | 38         | 42          | 36          | 29          | 31          | 25          | 42          | 25          |
| Loan Growth (%)             | 34         | 32         | 25         | 20          | 15          | 18          | 24          | 24          | 20          | 24          |
| <b>Asset Quality</b>        |            |            |            |             |             |             |             |             |             |             |
| Gross NPA (%)               | 2.8        | 2.3        | 2.5        | 2.6         | 2.7         | 2.7         | 2.7         | 2.7         | 2.6         | 2.7         |
| Net NPA (%)                 | 1.2        | 1.0        | 1.1        | 1.2         | 1.2         | 1.1         | 1.1         | 1.1         | 1.2         | 1.1         |
| PCR (%)                     | 57.8       | 57.7       | 56.0       | 56.1        | 57.4        | 58.6        | 59.7        | 60.6        | 56.1        | 60.6        |

**Federal Bank****Buy**

CMP: INR178 | TP: INR210 (+18%)

EPS CHANGE (%): FY25 | FY26: -3.8 | -4.0

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

**Quarterly Performance**

(INR b)

| Y/E March                   | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Interest Income</b>  | <b>19.2</b> | <b>20.6</b> | <b>21.2</b> | <b>22.0</b> | <b>22.9</b> | <b>23.9</b> | <b>24.9</b> | <b>26.2</b> | <b>82.9</b>  | <b>97.9</b>  |
| % Change (YoY)              | 19.6        | 16.7        | 8.5         | 15.0        | 19.3        | 16.1        | 17.1        | 19.5        | 14.7         | 18.0         |
| Other Income                | 7.3         | 7.3         | 8.6         | 7.5         | 8.2         | 8.7         | 9.2         | 9.6         | 30.8         | 35.7         |
| <b>Total Income</b>         | <b>26.5</b> | <b>27.9</b> | <b>29.9</b> | <b>29.5</b> | <b>31.1</b> | <b>32.6</b> | <b>34.1</b> | <b>35.8</b> | <b>113.7</b> | <b>133.6</b> |
| Operating Expenses          | 13.5        | 14.6        | 15.5        | 18.4        | 16.6        | 17.0        | 17.3        | 17.7        | 62.0         | 68.6         |
| <b>Operating Profit</b>     | <b>13.0</b> | <b>13.2</b> | <b>14.4</b> | <b>11.1</b> | <b>14.5</b> | <b>15.6</b> | <b>16.8</b> | <b>18.1</b> | <b>51.7</b>  | <b>65.0</b>  |
| % Change (YoY)              | 33.8        | 9.3         | 12.8        | -16.8       | 11.4        | 17.6        | 16.7        | 63.0        | 7.9          | 25.5         |
| Provisions                  | 1.6         | 0.4         | 0.9         | -0.9        | 1.5         | 1.9         | 1.9         | 2.3         | 2.0          | 7.6          |
| <b>Profit before Tax</b>    | <b>11.5</b> | <b>12.8</b> | <b>13.5</b> | <b>12.0</b> | <b>13.0</b> | <b>13.7</b> | <b>14.8</b> | <b>15.8</b> | <b>49.8</b>  | <b>57.4</b>  |
| Tax                         | 2.9         | 3.3         | 3.4         | 3.0         | 3.3         | 3.5         | 3.7         | 4.2         | 12.6         | 14.6         |
| <b>Net Profit</b>           | <b>8.5</b>  | <b>9.5</b>  | <b>10.1</b> | <b>9.1</b>  | <b>9.7</b>  | <b>10.3</b> | <b>11.1</b> | <b>11.7</b> | <b>37.2</b>  | <b>42.7</b>  |
| % Change (YoY)              | 42.1        | 35.5        | 25.3        | 0.4         | 13.8        | 7.6         | 10.3        | 28.6        | 23.6         | 14.9         |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |              |              |
| Deposit (INR b)             | 2,225       | 2,329       | 2,396       | 2,525       | 2,612       | 2,725       | 2,857       | 2,980       | 2,525        | 2,980        |
| Loan (INR b)                | 1,835       | 1,928       | 1,992       | 2,094       | 2,165       | 2,258       | 2,366       | 2,467       | 2,094        | 2,467        |
| Deposit Growth (%)          | 21.3        | 23.1        | 19.0        | 18.3        | 17.4        | 17.0        | 19.3        | 18.0        | 18.3         | 18.0         |
| Loan Growth (%)             | 21.0        | 19.6        | 18.4        | 20.0        | 18.0        | 17.1        | 18.8        | 17.8        | 20.0         | 17.8         |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |              |              |
| Gross NPA (%)               | 2.4         | 2.3         | 2.3         | 2.1         | 2.1         | 2.1         | 2.0         | 2.0         | 2.1          | 2.0          |
| Net NPA (%)                 | 0.7         | 0.6         | 0.6         | 0.6         | 0.6         | 0.6         | 0.6         | 0.5         | 0.6          | 0.5          |
| PCR (%)                     | 71.3        | 72.3        | 72.3        | 72.3        | 72.0        | 72.2        | 72.5        | 72.6        | 72.3         | 72.6         |

**HDFC Bank****Buy**

CMP: INR1,705 | TP: INR1,950 (+14%)

EPS CHANGE (%): FY25|FY26: -0.1|0

- Operating expenses to remain under control
- Asset quality is likely to remain broadly stable
- Margins to remain broadly stable
- Guidance for business growth and earnings trajectory to be the key monitorables

**Quarterly Performance**

(INR b)

|                             | FY24         |              |              |              | FY25E        |              |              |              | FY24           | FY25E          |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |                |                |
| Net Interest Income         | 236.0        | 273.9        | 284.7        | 290.8        | 293.4        | 306.0        | 322.4        | 337.5        | 1,085.3        | 1,259.4        |
| % Change (YoY)              | 21.1         | 30.3         | 23.9         | 24.5         | 24.3         | 11.7         | 13.2         | 16.1         | 25.0           | 16.0           |
| Other Income                | 92.3         | 107.1        | 111.4        | 181.7        | 111.6        | 121.7        | 130.3        | 143.5        | 492.4          | 507.2          |
| <b>Total Income</b>         | <b>328.3</b> | <b>380.9</b> | <b>396.1</b> | <b>472.4</b> | <b>405.0</b> | <b>427.8</b> | <b>452.7</b> | <b>481.0</b> | <b>1,577.7</b> | <b>1,766.6</b> |
| Operating Expenses          | 140.6        | 154.0        | 159.6        | 179.7        | 170.0        | 175.0        | 181.4        | 187.8        | 633.9          | 714.2          |
| <b>Operating Profit</b>     | <b>187.7</b> | <b>226.9</b> | <b>236.5</b> | <b>292.7</b> | <b>235.0</b> | <b>252.8</b> | <b>271.3</b> | <b>293.2</b> | <b>943.9</b>   | <b>1,052.4</b> |
| % Change (YoY)              | 22.2         | 30.5         | 24.3         | 57.2         | 25.2         | 11.4         | 14.7         | 0.2          | 34.1           | 11.5           |
| Provisions                  | 28.6         | 29.0         | 42.2         | 135.1        | 28.9         | 29.8         | 30.8         | 33.6         | 234.9          | 123.1          |
| <b>Profit before Tax</b>    | <b>159.1</b> | <b>197.9</b> | <b>194.3</b> | <b>157.6</b> | <b>206.1</b> | <b>223.0</b> | <b>240.6</b> | <b>259.6</b> | <b>709.0</b>   | <b>929.3</b>   |
| Tax                         | 39.6         | 38.1         | 30.6         | -7.5         | 51.5         | 55.7         | 59.2         | 61.2         | 100.8          | 227.7          |
| <b>Net Profit</b>           | <b>119.5</b> | <b>159.8</b> | <b>163.7</b> | <b>165.1</b> | <b>154.6</b> | <b>167.2</b> | <b>181.4</b> | <b>198.4</b> | <b>608.1</b>   | <b>701.6</b>   |
| % Change (YoY)              | 30.0         | 50.6         | 33.5         | 37.1         | 29.3         | 4.7          | 10.8         | 20.2         | 37.9           | 15.4           |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |                |                |
| Deposit                     | 19,131       | 21,729       | 22,140       | 23,798       | 24,398       | 25,169       | 26,240       | 28,081       | 23,798         | 28,081         |
| Loan                        | 16,157       | 23,312       | 24,461       | 24,849       | 25,287       | 25,944       | 26,821       | 27,980       | 24,849         | 27,980         |
| Deposit Growth (%)          | 19.2         | 29.8         | 27.7         | 26.4         | 27.5         | 15.8         | 18.5         | 18.0         | 26.4           | 18.0           |
| Loan Growth (%)             | 15.8         | 57.5         | 62.3         | 55.2         | 56.5         | 11.3         | 9.6          | 12.6         | 55.2           | 12.6           |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |                |                |
| Gross NPA (%)               | 1.2          | 1.3          | 1.3          | 1.2          | 1.2          | 1.2          | 1.2          | 1.1          | 1.2            | 1.1            |
| Net NPA (%)                 | 0.3          | 0.4          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3            | 0.3            |
| PCR (%)                     | 74.9         | 74.4         | 75.3         | 74.0         | 73.8         | 74.0         | 73.5         | 73.2         | 74.0           | 73.2           |

**ICICI Bank****Buy**

CMP: INR1212 | TP: INR1,350 (+11%)

EPS CHANGE (%): FY25|FY26: 1.4|-0.7

- Expect loan growth to remain healthy, led by Retail and SME segments
- Margins expected to moderate slightly
- Expect cost ratios to remain elevated
- Asset quality to be the key monitorable

**Quarterly performance**

(INR b)

|                             | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E          |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |                |
| Net Interest Income         | 182.3        | 183.1        | 186.8        | 190.9        | 195.3        | 205.3        | 217.1        | 223.7        | 743.1        | 841.4          |
| % Change (YoY)              | 38.0         | 23.8         | 13.4         | 8.1          | 7.1          | 12.1         | 16.2         | 17.2         | 19.6         | 13.2           |
| Other Income                | 54.4         | 57.8         | 61.0         | 56.5         | 61.1         | 64.8         | 68.0         | 71.7         | 229.6        | 265.6          |
| <b>Total Income</b>         | <b>236.6</b> | <b>240.8</b> | <b>247.8</b> | <b>247.4</b> | <b>256.4</b> | <b>270.1</b> | <b>285.1</b> | <b>295.5</b> | <b>972.6</b> | <b>1,107.1</b> |
| Operating Expenses          | 95.2         | 98.6         | 100.5        | 97.0         | 103.3        | 108.6        | 113.5        | 117.9        | 391.3        | 443.2          |
| <b>Operating Profit</b>     | <b>141.4</b> | <b>142.3</b> | <b>147.2</b> | <b>150.4</b> | <b>153.1</b> | <b>161.5</b> | <b>171.6</b> | <b>177.6</b> | <b>581.3</b> | <b>663.8</b>   |
| % Change (YoY)              | 37.2         | 21.8         | 10.9         | 8.8          | 8.3          | 13.5         | 16.6         | 18.1         | 18.4         | 14.2           |
| Provisions                  | 12.9         | 5.8          | 10.5         | 7.2          | 11.9         | 11.4         | 14.2         | 14.0         | 36.4         | 51.6           |
| <b>Profit before Tax</b>    | <b>128.5</b> | <b>136.5</b> | <b>136.7</b> | <b>143.2</b> | <b>141.2</b> | <b>150.1</b> | <b>157.4</b> | <b>163.6</b> | <b>544.9</b> | <b>612.3</b>   |
| Tax                         | 32.0         | 33.9         | 34.0         | 36.1         | 34.9         | 37.1         | 38.9         | 41.0         | 136.0        | 151.8          |
| <b>Net Profit</b>           | <b>96.5</b>  | <b>102.6</b> | <b>102.7</b> | <b>107.1</b> | <b>106.3</b> | <b>113.0</b> | <b>118.5</b> | <b>122.6</b> | <b>408.9</b> | <b>460.4</b>   |
| % Change (YoY)              | 39.7         | 35.8         | 23.6         | 17.4         | 10.2         | 10.1         | 15.4         | 14.5         | 28.2         | 12.6           |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |              |                |
| Deposit                     | 12,387       | 12,947       | 13,323       | 14,128       | 14,594       | 15,340       | 15,877       | 16,459       | 14,128       | 16,459         |
| Loan                        | 10,576       | 11,105       | 11,538       | 11,844       | 12,259       | 12,880       | 13,440       | 13,917       | 11,844       | 13,917         |
| Deposit Growth (%)          | 17.9         | 18.8         | 18.7         | 19.6         | 17.8         | 18.5         | 19.2         | 16.5         | 19.6         | 16.5           |
| Loan Growth (%)             | 18.1         | 18.3         | 18.5         | 16.2         | 15.9         | 16.0         | 16.5         | 17.5         | 16.2         | 17.5           |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |              |                |
| Gross NPA (%)               | 2.8          | 2.5          | 2.3          | 2.2          | 2.3          | 2.2          | 2.1          | 2.1          | 2.3          | 2.1            |
| 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         | 80.5         | 80.3         | 80.5         | 79.5         | 80.8         | 79.5           |

**IDFC First Bank****Neutral****CMP: INR81 | TP: INR88 (8%)****EPS CHANGE (%): FY25 | FY26: -3.9 | -4.5**

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

- Asset quality to remain broadly stable
- Traction in deposit growth and margins to be in focus

**Quarterly Performance****(INR b)**

|                             | FY24E       |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Interest Income</b>  | <b>37.5</b> | <b>39.5</b> | <b>42.9</b> | <b>44.7</b> | <b>47.0</b> | <b>49.6</b> | <b>52.3</b> | <b>55.3</b> | <b>164.5</b> | <b>204.2</b> |
| % Change (YoY)              | 36.1        | 31.6        | 30.5        | 24.2        | 25.4        | 25.6        | 22.0        | 23.8        | 30.2         | 24.1         |
| Other Income                | 14.1        | 14.3        | 15.2        | 16.4        | 16.9        | 17.7        | 18.6        | 20.0        | 60.0         | 73.2         |
| <b>Total Income</b>         | <b>51.6</b> | <b>53.8</b> | <b>58.0</b> | <b>61.1</b> | <b>63.9</b> | <b>67.3</b> | <b>70.9</b> | <b>75.3</b> | <b>224.5</b> | <b>277.4</b> |
| Operating Expenses          | 36.6        | 38.7        | 42.4        | 44.5        | 46.5        | 47.6        | 49.0        | 50.5        | 162.2        | 193.6        |
| <b>Operating Profit</b>     | <b>15.0</b> | <b>15.1</b> | <b>15.6</b> | <b>16.6</b> | <b>17.4</b> | <b>19.7</b> | <b>21.9</b> | <b>24.8</b> | <b>62.4</b>  | <b>83.9</b>  |
| % Change (YoY)              | 59.0        | 29.2        | 23.9        | 6.8         | 16.1        | 30.6        | 40.2        | 49.1        | 26.5         | 34.5         |
| Provisions                  | 4.8         | 5.3         | 6.5         | 7.2         | 8.3         | 9.3         | 9.3         | 9.5         | 23.8         | 36.4         |
| <b>Profit before Tax</b>    | <b>10.2</b> | <b>9.8</b>  | <b>9.1</b>  | <b>9.4</b>  | <b>9.1</b>  | <b>10.4</b> | <b>12.6</b> | <b>15.3</b> | <b>38.6</b>  | <b>47.5</b>  |
| Tax                         | 2.6         | 2.3         | 1.9         | 2.2         | 2.3         | 2.6         | 3.2         | 3.7         | 9.0          | 11.9         |
| <b>Net Profit</b>           | <b>7.7</b>  | <b>7.5</b>  | <b>7.2</b>  | <b>7.2</b>  | <b>6.8</b>  | <b>7.8</b>  | <b>9.4</b>  | <b>11.6</b> | <b>29.6</b>  | <b>35.6</b>  |
| % Change (YoY)              | 61.3        | 35.2        | 18.4        | -9.8        | -11.0       | 3.4         | 31.7        | 59.7        | 21.3         | 20.3         |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |              |              |
| Deposit (INR b)             | 1,544       | 1,712       | 1,825       | 2,006       | 2,120       | 2,307       | 2,469       | 2,607       | 2,006        | 2,607        |
| Deposit Growth (%)          | 36.2        | 38.7        | 37.2        | 38.7        | 37.3        | 34.7        | 35.3        | 30.0        | 38.7         | 30.0         |
| Loan (INR b)                | 1,674       | 1,781       | 1,855       | 1,946       | 2,034       | 2,152       | 2,275       | 2,437       | 1,946        | 2,393        |
| Loan Growth (%)             | 26.3        | 27.0        | 27.3        | 24.4        | 21.5        | 20.8        | 22.7        | 25.3        | 28.2         | 23.0         |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |              |              |
| Gross NPA (%)               | 2.2         | 2.1         | 2.0         | 1.9         | 1.9         | 1.9         | 1.9         | 1.8         | 1.9          | 1.9          |
| Net NPA (%)                 | 0.7         | 0.7         | 0.7         | 0.6         | 0.6         | 0.6         | 0.6         | 0.5         | 0.6          | 0.5          |
| PCR (%)                     | 68.1        | 68.2        | 66.9        | 68.8        | 68.2        | 68.0        | 68.4        | 72.7        | 68.8         | 72.7         |

**IndusInd Bank****Buy****CMP: INR1,457 | TP: INR1,800 (+24%).****EPS CHANGE (%): FY25 | FY26: -2.7 | -3.0**

- Expect business growth to remain healthy
- Expect margins to remain broadly stable

- Expect asset quality to remain broadly stable
- Credit costs to remain under control

**Quarterly Performance****(INR b)**

|                             | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Interest Income</b>  | <b>48.7</b> | <b>50.8</b> | <b>53.0</b> | <b>53.8</b> | <b>55.8</b> | <b>58.1</b> | <b>60.9</b> | <b>64.2</b> | <b>206.2</b> | <b>238.9</b> |
| % Change (YoY)              | 18.0        | 18.0        | 17.8        | 15.1        | 14.7        | 14.4        | 14.9        | 19.4        | 17.2         | 15.9         |
| Other Income                | 22.1        | 22.8        | 24.0        | 25.1        | 25.6        | 26.3        | 27.3        | 28.8        | 94.0         | 108.1        |
| <b>Total Income</b>         | <b>70.8</b> | <b>73.6</b> | <b>76.9</b> | <b>78.8</b> | <b>81.4</b> | <b>84.3</b> | <b>88.2</b> | <b>93.0</b> | <b>300.1</b> | <b>347.0</b> |
| Operating Expenses          | 32.5        | 34.5        | 36.5        | 38.0        | 39.5        | 40.7        | 41.5        | 43.0        | 141.5        | 164.6        |
| <b>Operating Profit</b>     | <b>38.3</b> | <b>39.1</b> | <b>40.4</b> | <b>40.8</b> | <b>41.9</b> | <b>43.7</b> | <b>46.7</b> | <b>50.1</b> | <b>158.6</b> | <b>182.4</b> |
| % Change (YoY)              | 11.7        | 10.3        | 9.7         | 8.6         | 9.4         | 11.7        | 15.6        | 22.7        | 10.0         | 15.0         |
| Provisions                  | 9.9         | 9.7         | 9.7         | 9.5         | 10.7        | 11.1        | 11.3        | 11.5        | 38.8         | 44.6         |
| <b>Profit before Tax</b>    | <b>28.4</b> | <b>29.3</b> | <b>30.7</b> | <b>31.3</b> | <b>31.3</b> | <b>32.5</b> | <b>35.4</b> | <b>38.6</b> | <b>119.8</b> | <b>137.8</b> |
| Tax                         | 7.2         | 7.3         | 7.7         | 7.8         | 7.9         | 8.2         | 8.9         | 9.6         | 30.0         | 34.6         |
| <b>Net Profit</b>           | <b>21.2</b> | <b>22.0</b> | <b>23.0</b> | <b>23.5</b> | <b>23.4</b> | <b>24.3</b> | <b>26.5</b> | <b>29.0</b> | <b>89.8</b>  | <b>103.2</b> |
| % Change (YoY)              | 30.3        | 22.0        | 17.2        | 15.0        | 10.1        | 10.5        | 15.1        | 23.6        | 20.6         | 15.0         |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |              |              |
| Deposit (INR b)             | 3,470       | 3,595       | 3,688       | 3,846       | 3,979       | 4,125       | 4,309       | 4,480       | 3,846        | 4,480        |
| Loan (INR b)                | 3,013       | 3,155       | 3,271       | 3,433       | 3,550       | 3,690       | 3,859       | 4,017       | 3,433        | 4,017        |
| Deposit Growth (%)          | 14.5        | 13.9        | 13.4        | 14.4        | 14.7        | 14.7        | 16.8        | 16.5        | 14.4         | 16.5         |
| Loan Growth (%)             | 21.5        | 21.3        | 19.9        | 18.4        | 17.8        | 17.0        | 18.0        | 17.0        | 18.4         | 17.0         |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |              |              |
| Gross NPA (%)               | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9         | 1.9          | 1.9          |
| Net NPA (%)                 | 0.6         | 0.6         | 0.6         | 0.6         | 0.6         | 0.6         | 0.5         | 0.5         | 0.6          | 0.5          |
| PCR (%)                     | 70.6        | 70.6        | 70.6        | 70.6        | 70.2        | 70.5        | 71.2        | 75.8        | 70.6         | 75.8         |

## Indian Bank

Buy

CMP: INR545 | TP: INR625 (+15%)

EPS CHANGE (%): FY25 | FY26: -4.3 | -2.7

- Expect cost ratios to moderate
- Margin to moderate slightly
- 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    | 3Q    | 4Q    |       |       |
| Net Interest Income         | 57.0  | 57.4  | 58.1  | 60.2  | 61.5  | 63.8  | 66.2  | 67.3  | 232.7 | 258.8 |
| % Change (YoY)              | 25.8  | 22.5  | 5.7   | 9.2   | 7.8   | 11.2  | 13.8  | 11.9  | 15.1  | 11.2  |
| Other Income                | 17.1  | 19.9  | 19.0  | 22.6  | 19.4  | 21.3  | 22.1  | 23.8  | 78.7  | 86.5  |
| Total Income                | 74.1  | 77.3  | 77.2  | 82.8  | 80.9  | 85.1  | 88.2  | 91.1  | 311.4 | 345.3 |
| Operating Expenses          | 32.8  | 34.3  | 36.2  | 39.7  | 36.8  | 37.6  | 38.9  | 42.0  | 143.0 | 155.4 |
| Operating Profit            | 41.3  | 43.0  | 41.0  | 43.0  | 44.1  | 47.5  | 49.3  | 49.1  | 168.4 | 189.9 |
| % Change (YoY)              | 16.0  | 18.6  | 0.9   | 7.2   | 6.6   | 10.3  | 20.3  | 14.0  | 10.3  | 12.8  |
| Provisions                  | 17.4  | 15.5  | 13.5  | 12.5  | 14.6  | 15.0  | 15.3  | 14.5  | 58.9  | 59.3  |
| Profit before Tax           | 23.9  | 27.5  | 27.5  | 30.6  | 29.5  | 32.5  | 34.0  | 34.6  | 109.5 | 130.6 |
| Tax                         | 6.9   | 7.6   | 6.3   | 8.1   | 7.4   | 8.2   | 8.6   | 8.7   | 28.9  | 32.9  |
| Net Profit                  | 17.1  | 19.9  | 21.2  | 22.5  | 22.1  | 24.3  | 25.4  | 25.9  | 80.6  | 97.7  |
| % Change (YoY)              | 40.8  | 62.2  | 51.8  | 55.3  | 29.1  | 22.4  | 20.0  | 15.1  | 52.7  | 21.1  |
| <b>Operating Parameters</b> |       |       |       |       |       |       |       |       |       |       |
| Deposits (INR b)            | 6,312 | 6,408 | 6,542 | 6,880 | 7,009 | 7,183 | 7,372 | 7,637 | 6,880 | 7,637 |
| Loans (INR b)               | 4,591 | 4,706 | 4,896 | 5,149 | 5,256 | 5,400 | 5,557 | 5,777 | 5,149 | 5,777 |
| Deposit Growth (%)          | 8.0   | 8.8   | 9.6   | 10.8  | 11.0  | 12.1  | 12.7  | 11.0  | 10.8  | 11.0  |
| Loan Growth (%)             | 14.3  | 14.2  | 12.3  | 14.6  | 14.5  | 14.7  | 13.5  | 12.2  | 14.6  | 12.2  |
| <b>Asset Quality</b>        |       |       |       |       |       |       |       |       |       |       |
| Gross NPA (%)               | 5.5   | 5.0   | 4.5   | 4.0   | 3.8   | 3.6   | 3.5   | 3.1   | 4.0   | 3.1   |
| Net NPA (%)                 | 0.7   | 0.6   | 0.5   | 0.4   | 0.4   | 0.4   | 0.4   | 0.3   | 0.4   | 0.3   |
| PCR (%)                     | 87.8  | 88.5  | 88.7  | 89.5  | 89.5  | 89.6  | 89.8  | 89.3  | 89.5  | 89.3  |

## Kotak Mahindra Bank

Neutral

CMP: INR1,809 | TP: INR1,800 (0%)

EPS CHANGE (%): FY25 | FY26: 0.9 | -0.7

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

## Quarterly Performance

(INR b)

| Y/E March            | FY24  |       |       |       | FY25E |       |       |       | FY24  | FY25E |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                      | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |       |       |
| Net Interest Income  | 62.3  | 63.0  | 65.5  | 69.1  | 71.2  | 73.3  | 75.7  | 76.6  | 259.9 | 296.8 |
| % Change (YoY)       | 32.7  | 23.5  | 15.9  | 13.2  | 14.3  | 16.4  | 15.5  | 10.8  | 20.6  | 14.2  |
| Other Income         | 26.8  | 23.1  | 23.0  | 29.8  | 28.2  | 29.7  | 30.5  | 31.7  | 102.7 | 120.2 |
| Total Income         | 89.2  | 86.1  | 88.5  | 98.9  | 99.5  | 103.0 | 106.2 | 108.3 | 362.7 | 417.0 |
| Operating Expenses   | 39.7  | 40.0  | 42.8  | 44.3  | 47.1  | 48.7  | 50.7  | 53.9  | 166.8 | 200.2 |
| Operating Profit     | 49.5  | 46.1  | 45.7  | 54.6  | 52.4  | 54.4  | 55.6  | 54.5  | 195.9 | 216.8 |
| % Change (YoY)       | 77.8  | 29.2  | 18.6  | 17.5  | 5.9   | 17.9  | 21.7  | -0.3  | 31.9  | 10.7  |
| Provisions           | 3.6   | 3.7   | 5.8   | 2.6   | 4.8   | 5.0   | 5.1   | 5.1   | 15.7  | 20.0  |
| Profit before Tax    | 45.9  | 42.4  | 39.9  | 52.0  | 47.6  | 49.4  | 50.5  | 49.4  | 180.1 | 196.8 |
| Tax                  | 11.3  | 10.5  | 9.8   | 10.6  | 11.7  | 12.1  | 12.4  | 12.2  | 42.3  | 48.4  |
| Net Profit           | 34.5  | 31.9  | 30.1  | 41.3  | 35.9  | 37.2  | 38.0  | 37.2  | 137.8 | 148.4 |
| % Change (YoY)       | 66.7  | 23.6  | 7.6   | 18.2  | 4.0   | 16.7  | 26.6  | -9.9  | 26.0  | 7.7   |
| Deposits (INRb)      | 3,863 | 4,010 | 4,086 | 4,490 | 4,606 | 4,817 | 5,042 | 5,217 | 4,490 | 5,217 |
| Loans (INRb)         | 3,286 | 3,483 | 3,596 | 3,761 | 3,881 | 4,038 | 4,218 | 4,362 | 3,761 | 4,362 |
| Deposit growth (%)   | 22.0  | 23.3  | 18.6  | 23.6  | 19.2  | 20.1  | 23.4  | 16.2  | 23.6  | 16.2  |
| Loan growth (%)      | 17.3  | 18.5  | 15.7  | 17.6  | 18.1  | 15.9  | 17.3  | 16.0  | 17.6  | 16.0  |
| <b>Asset Quality</b> |       |       |       |       |       |       |       |       |       |       |
| Gross NPA (%)        | 1.77  | 1.72  | 1.73  | 1.39  | 1.37  | 1.34  | 1.31  | 0.00  | 1.39  | 1.29  |
| Net NPA (%)          | 0.40  | 0.37  | 0.34  | 0.34  | 0.34  | 0.34  | 0.33  | 0.00  | 0.34  | 0.33  |
| PCR (%)              | 78.0  | 79.1  | 80.6  | 75.9  | 75.4  | 75.1  | 75.0  | 74.7  | 75.9  | 74.7  |

**Punjab National Bank****Neutral**

CMP: INR122 | TP: INR130 (+6%)

EPS CHANGE (%): FY25 | FY26: -1.2 | -3.3

- Expect margins to compress further
- Expect asset quality to improve
- Opex to remain under control as wage provisions already made
- Business growth/RoA trajectory to remain the key monitorables

**Quarterly Performance****(INR b)**

| Y/E March                   | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |              |              |
| <b>Net Interest Income</b>  | 95.0         | 99.2         | 102.9        | 103.6        | 103.5        | 106.4        | 109.0        | 108.5        | 400.8        | 427.4        |
| % Change (YoY)              | 26.0         | 20.0         | 12.1         | 9.1          | 8.9          | 7.2          | 5.9          | 4.7          | 16.2         | 6.6          |
| Other Income                | 34.3         | 30.3         | 26.7         | 42.5         | 36.0         | 33.6         | 37.5         | 42.9         | 133.8        | 149.9        |
| <b>Total Income</b>         | <b>129.4</b> | <b>129.5</b> | <b>129.7</b> | <b>146.1</b> | <b>139.5</b> | <b>140.0</b> | <b>146.5</b> | <b>151.3</b> | <b>534.7</b> | <b>577.3</b> |
| Operating Expenses          | 69.7         | 67.3         | 66.4         | 82.0         | 70.4         | 72.6         | 73.2         | 77.8         | 285.4        | 294.0        |
| <b>Operating Profit</b>     | <b>59.7</b>  | <b>62.2</b>  | <b>63.3</b>  | <b>64.2</b>  | <b>69.1</b>  | <b>67.4</b>  | <b>73.2</b>  | <b>73.5</b>  | <b>249.3</b> | <b>283.2</b> |
| % Change (YoY)              | 10.9         | 11.7         | 10.8         | 9.4          | 15.9         | 8.4          | 15.7         | 14.5         | 10.7         | 13.6         |
| Provisions                  | 39.7         | 34.4         | 27.4         | 15.9         | 22.9         | 20.4         | 23.3         | 28.7         | 117.4        | 95.2         |
| <b>Profit before Tax</b>    | <b>20.0</b>  | <b>27.7</b>  | <b>35.9</b>  | <b>48.3</b>  | <b>46.3</b>  | <b>47.0</b>  | <b>49.9</b>  | <b>44.8</b>  | <b>131.9</b> | <b>188.0</b> |
| Tax                         | 7.5          | 10.2         | 13.7         | 18.2         | 16.2         | 16.4         | 17.5         | 4.4          | 49.5         | 54.5         |
| <b>Net Profit</b>           | <b>12.6</b>  | <b>17.6</b>  | <b>22.2</b>  | <b>30.1</b>  | <b>30.1</b>  | <b>30.5</b>  | <b>32.4</b>  | <b>40.4</b>  | <b>82.4</b>  | <b>133.5</b> |
| % Change (YoY)              | 307.0        | 327.0        | 253.5        | 159.8        | 139.7        | 73.9         | 45.9         | 34.3         | 228.8        | 61.9         |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |              |              |
| Deposits                    | 12,979       | 13,099       | 13,235       | 13,697       | 13,919       | 14,221       | 14,594       | 14,861       | 13,697       | 14,861       |
| Loans                       | 8,637        | 8,899        | 9,164        | 9,344        | 9,546        | 9,849        | 10,208       | 10,466       | 9,344        | 10,466       |
| Deposit Growth (%)          | 14.2         | 9.8          | 9.3          | 6.9          | 7.2          | 8.6          | 10.3         | 8.5          | 6.9          | 8.5          |
| Loan Growth (%)             | 16.3         | 15.1         | 14.5         | 12.5         | 10.5         | 10.7         | 11.4         | 12.0         | 12.5         | 12.0         |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |              |              |
| Gross NPA (%)               | 7.7          | 7.0          | 6.2          | 5.7          | 5.4          | 4.9          | 4.5          | 4.2          | 5.7          | 4.2          |
| Net NPA (%)                 | 2.0          | 1.5          | 1.0          | 0.7          | 0.7          | 0.6          | 0.6          | 0.5          | 0.7          | 0.5          |
| PCR (%)                     | 75.8         | 80.0         | 85.4         | 87.9         | 88.1         | 88.5         | 88.3         | 87.5         | 87.9         | 87.5         |

**RBL Bank****Neutral**

CMP: INR264 | TP: INR280 (6%)

EPS CHANGE (%): FY25 | FY26: -2.1 | -4.8

- Expect earnings to moderate, driven by higher provisions
- Expect asset quality ratios to remain broadly stable
- Loan growth is likely to remain healthy
- Margin and credit cost outlook to be the key monitorables

**Quarterly Performance**

|                             | FY24        |             |             |             | 1QE         | FY25E       |             |             |             | FY24         | FY25E |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          |             | 2QE         | 3QE         | 4QE         |             |              |       |
| <b>Net Interest Income</b>  | 14.2        | 14.7        | 15.5        | 16.0        | 16.6        | 17.3        | 18.2        | 19.2        | 60.4        | 71.3         |       |
| % Change (YoY)              | 19.6        | 25.6        | 21.1        | 17.9        | 16.8        | 17.4        | 17.6        | 19.8        | 20.9        | 17.9         |       |
| Other Income                | 6.9         | 7.0         | 7.8         | 8.8         | 8.7         | 9.0         | 9.3         | 9.9         | 30.4        | 36.8         |       |
| <b>Total Income</b>         | <b>21.1</b> | <b>21.8</b> | <b>23.2</b> | <b>24.8</b> | <b>25.3</b> | <b>26.3</b> | <b>27.5</b> | <b>29.0</b> | <b>90.9</b> | <b>108.1</b> |       |
| Operating Expenses          | 14.6        | 14.5        | 15.6        | 15.9        | 16.3        | 16.7        | 17.5        | 18.4        | 60.6        | 68.9         |       |
| <b>Operating Profit</b>     | <b>6.5</b>  | <b>7.3</b>  | <b>7.7</b>  | <b>8.9</b>  | <b>8.9</b>  | <b>9.7</b>  | <b>9.9</b>  | <b>10.6</b> | <b>30.3</b> | <b>39.2</b>  |       |
| % Change (YoY)              | 22.4        | 42.7        | 34.9        | 49.4        | 37.9        | 32.2        | 30.0        | 19.9        | 37.6        | 29.3         |       |
| Provisions                  | 2.7         | 6.4         | 4.6         | 4.1         | 4.4         | 4.8         | 4.9         | 5.3         | 17.8        | 19.4         |       |
| <b>Profit before Tax</b>    | <b>3.8</b>  | <b>0.9</b>  | <b>3.1</b>  | <b>4.7</b>  | <b>4.6</b>  | <b>4.8</b>  | <b>5.0</b>  | <b>5.4</b>  | <b>12.5</b> | <b>19.8</b>  |       |
| Tax                         | 0.9         | -2.0        | 0.7         | 1.2         | 1.2         | 1.2         | 1.3         | 1.3         | 0.8         | 4.9          |       |
| <b>Net Profit</b>           | <b>2.9</b>  | <b>2.9</b>  | <b>2.3</b>  | <b>3.5</b>  | <b>3.4</b>  | <b>3.6</b>  | <b>3.8</b>  | <b>4.1</b>  | <b>11.7</b> | <b>14.9</b>  |       |
| % Change (YoY)              | 43.2        | 45.9        | 11.5        | 30.1        | 18.6        | 23.1        | 61.3        | 16.7        | 32.3        | 27.7         |       |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |             |              |       |
| Deposit                     | 856.4       | 897.8       | 927.5       | 1,034.9     | 1,075.0     | 1,115.0     | 1,155.1     | 1,212.9     | 1,034.9     | 1,212.9      |       |
| Loan                        | 730.9       | 763.2       | 799.5       | 839.9       | 876.5       | 921.3       | 962.1       | 1,002.8     | 839.9       | 1,002.8      |       |
| Deposit Growth (%)          | 8.1         | 13.1        | 13.5        | 21.9        | 25.5        | 24.2        | 24.5        | 17.2        | 21.9        | 17.2         |       |
| Loan Growth (%)             | 21.3        | 21.3        | 19.9        | 19.6        | 19.9        | 20.7        | 20.3        | 19.4        | 19.6        | 19.4         |       |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |             |              |       |
| Gross NPA (%)               | 3.2         | 3.1         | 3.1         | 2.7         | 2.7         | 2.6         | 2.7         | 2.7         | 2.7         | 2.7          |       |
| Net NPA (%)                 | 1.0         | 0.8         | 0.8         | 0.7         | 0.7         | 0.7         | 0.7         | 0.6         | 0.7         | 0.6          |       |
| PCR (%)                     | 69.6        | 75.6        | 75.1        | 72.7        | 73.2        | 73.4        | 73.5        | 76.4        | 72.7        | 76.4         |       |

## State Bank of India

Buy

CMP: INR842 | TP: INR1015 (+21%)

EPS CHANGE (%): FY25 | FY26: -1.1 | -0.7

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

## Quarterly Performance

| Y/E March                   | (INR b) |       |       |       |       |       |       |       | FY24    | FY25E   |
|-----------------------------|---------|-------|-------|-------|-------|-------|-------|-------|---------|---------|
|                             | FY24    |       |       |       | FY25E |       |       |       |         |         |
|                             | 1Q      | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |         |         |
| Net Interest Income         | 389.0   | 395.0 | 398.2 | 416.6 | 427.2 | 435.9 | 439.3 | 434.1 | 1,598.8 | 1,736.6 |
| % Change (YoY)              | 24.7    | 12.3  | 4.6   | 3.1   | 9.8   | 10.3  | 10.3  | 4.2   | 10.4    | 8.6     |
| Other Income                | 120.6   | 107.9 | 114.6 | 173.7 | 114.0 | 122.6 | 127.5 | 178.5 | 516.8   | 542.7   |
| Total Income                | 509.7   | 502.9 | 512.7 | 590.2 | 541.2 | 558.5 | 566.9 | 612.7 | 2,115.6 | 2,279.2 |
| Operating Expenses          | 256.7   | 308.7 | 309.4 | 302.8 | 283.2 | 288.0 | 297.6 | 326.3 | 1,248.6 | 1,195.1 |
| Operating Profit            | 253.0   | 194.2 | 203.4 | 287.5 | 257.9 | 270.5 | 269.3 | 286.4 | 867.0   | 1,084.2 |
| % Change (YoY)              | 98.4    | -8.1  | -19.4 | 16.8  | 2.0   | 39.3  | 32.4  | -0.4  | 3.6     | 25.1    |
| Provisions                  | 25.0    | 1.2   | 6.9   | 16.1  | 30.7  | 36.6  | 35.2  | 37.1  | 49.1    | 139.6   |
| 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 | 227.2 | 233.9 | 234.1 | 249.3 | 746.8   | 944.5   |
| Tax Provisions              | 59.1    | 49.7  | 33.8  | 64.4  | 58.6  | 60.4  | 60.4  | 59.6  | 207.1   | 239.0   |
| Net Profit                  | 168.8   | 143.3 | 91.6  | 207.0 | 168.6 | 173.6 | 173.7 | 189.7 | 539.8   | 705.6   |
| % Change (YoY)              | 178.2   | 8.0   | -35.5 | 24.0  | -0.2  | 21.1  | 89.6  | -8.4  | 7.5     | 30.7    |
| Adj. Net profit             | 168.8   | 143.3 | 144.0 | 207.0 | 168.6 | 173.6 | 144.0 | 189.7 | 610.8   |         |
| <b>Operating Parameters</b> |         |       |       |       |       |       |       |       |         |         |
| Deposits (INR t)            | 45.3    | 46.9  | 47.6  | 49.2  | 50.1  | 51.2  | 52.7  | 54.4  | 49.2    | 54.4    |
| Loans (INR t)               | 32.4    | 33.5  | 35.2  | 37.0  | 37.9  | 39.0  | 40.5  | 42.3  | 37.0    | 42.3    |
| Deposit Growth (%)          | 12.0    | 11.9  | 13.0  | 11.1  | 10.5  | 9.1   | 10.6  | 10.7  | 11.1    | 10.7    |
| Loan Growth (%)             | 14.9    | 13.3  | 15.1  | 15.8  | 17.2  | 16.7  | 15.2  | 14.1  | 15.8    | 14.1    |
| <b>Asset Quality</b>        |         |       |       |       |       |       |       |       |         |         |
| Gross NPA (%)               | 2.8     | 2.6   | 2.4   | 2.2   | 2.2   | 2.1   | 2.1   | 2.0   | 2.2     | 2.0     |
| Net NPA (%)                 | 0.7     | 0.6   | 0.6   | 0.6   | 0.5   | 0.5   | 0.5   | 0.5   | 0.6     | 0.5     |
| PCR (%)                     | 74.8    | 75.4  | 74.2  | 75.0  | 75.4  | 75.7  | 76.0  | 75.9  | 74.8    | 75.9    |

## Union Bank of India

Buy

CMP: INR135 | TP: INR165 (+22%)

EPS CHANGE (%): FY25 | FY26: -0.8 | -0.3

- Expect healthy earnings, driven by lower opex and higher other income
- Margins anticipated to compress slightly
- SMA and restructuring books are the key monitorables
- Expect steady improvement in asset quality

## Quarterly Performance

| Y/E March                   | (INR b) |        |        |        |        |        |        |        | FY24   | FY25E  |
|-----------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                             | FY24    |        |        |        | FY25E  |        |        |        |        |        |
|                             | 1Q      | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3Q     | 4Q     |        |        |
| Net Interest Income         | 88.4    | 91.3   | 91.7   | 94.4   | 93.8   | 95.8   | 98.9   | 99.4   | 365.7  | 388.0  |
| % Change (YoY)              | 16.6    | 9.9    | 6.3    | 14.4   | 6.2    | 5.0    | 7.9    | 5.4    | 11.6   | 6.1    |
| Other Income                | 39.0    | 37.0   | 37.7   | 47.1   | 39.6   | 39.9   | 42.2   | 50.4   | 160.8  | 172.1  |
| Total Income                | 127.4   | 128.2  | 129.4  | 141.4  | 133.4  | 135.7  | 141.1  | 149.9  | 526.5  | 560.0  |
| Operating Expenses          | 55.6    | 56.0   | 56.6   | 76.1   | 62.7   | 63.8   | 64.8   | 71.1   | 244.4  | 262.5  |
| Operating Profit            | 71.8    | 72.2   | 72.8   | 65.3   | 70.7   | 71.9   | 76.2   | 78.7   | 282.1  | 297.6  |
| % Change (YoY)              | 31.8    | 9.8    | 9.9    | -4.3   | -1.5   | -0.4   | 4.7    | 20.5   | 10.8   | 5.5    |
| Provisions                  | 20.1    | 17.7   | 17.5   | 12.6   | 19.5   | 18.9   | 18.1   | 25.6   | 67.8   | 82.1   |
| Profit before Tax           | 51.7    | 54.5   | 55.3   | 52.7   | 51.1   | 53.0   | 58.2   | 53.1   | 214.3  | 215.4  |
| Tax                         | 19.4    | 19.4   | 19.4   | 19.6   | 15.3   | 15.9   | 17.4   | 9.5    | 77.8   | 58.2   |
| Net Profit                  | 32.4    | 35.1   | 35.9   | 33.1   | 35.8   | 37.1   | 40.7   | 43.6   | 136.5  | 157.3  |
| % Change (YoY)              | 107.7   | 90.0   | 59.9   | 19.0   | 10.6   | 5.7    | 13.4   | 31.8   | 61.8   | 15.2   |
| <b>Operating Parameters</b> |         |        |        |        |        |        |        |        |        |        |
| Deposit (INR b)             | 11,281  | 11,376 | 11,725 | 12,215 | 12,404 | 12,715 | 12,993 | 13,327 | 12,215 | 13,327 |
| Loan (INR b)                | 7,705   | 8,036  | 8,621  | 8,708  | 8,885  | 9,178  | 9,439  | 9,753  | 8,708  | 9,753  |
| Deposit Growth (%)          | 13.6    | 9.0    | 10.1   | 9.3    | 10.0   | 11.8   | 10.8   | 9.1    | 9.3    | 9.1    |
| Loan Growth (%)             | 13.9    | 10.5   | 14.0   | 14.3   | 15.3   | 14.2   | 9.5    | 12.0   | 14.3   | 12.0   |
| <b>Asset Quality</b>        |         |        |        |        |        |        |        |        |        |        |
| Gross NPA (%)               | 7.3     | 6.4    | 4.8    | 4.8    | 4.5    | 3.8    | 3.5    | 3.7    | 4.8    | 3.7    |
| Net NPA (%)                 | 1.6     | 1.3    | 1.1    | 1.0    | 1.0    | 0.8    | 0.7    | 0.8    | 1.1    | 0.8    |
| PCR (%)                     | 79.8    | 80.7   | 78.4   | 79.1   | 79.3   | 79.6   | 80.1   | 79.5   | 78.4   | 79.5   |

**SBI Cards and Payment Services****Neutral**

CMP: INR723 | TP: INR850 (+18%)

EPS CHANGE (%): FY25 | FY26: -3.4 | -1.1

- Cost ratios expected to remain elevated
- Asset quality ratios likely to deteriorate further
- Spending growth to remain in control after a dip in 4Q
- Revolver mix/margin outlook remain the key monitorables

## Quarterly Performance

|                             | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                             | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Net Interest Income         | 12.3        | 13.0        | 13.9        | 14.1        | 14.5        | 15.1        | 16.4        | 17.6        | 53.3         | 63.5         |
| % Change (YoY)              | 14.3        | 16.1        | 21.2        | 21.4        | 17.4        | 16.2        | 18.1        | 24.1        | 21.1         | 19.1         |
| Other Income                | 22.4        | 23.2        | 26.6        | 23.4        | 26.2        | 27.0        | 28.8        | 30.1        | 95.6         | 112.1        |
| <b>Total Income</b>         | <b>34.8</b> | <b>36.2</b> | <b>40.5</b> | <b>37.5</b> | <b>40.7</b> | <b>42.0</b> | <b>45.1</b> | <b>47.7</b> | <b>148.9</b> | <b>175.6</b> |
| Operating Expenses          | 19.6        | 20.7        | 24.3        | 19.2        | 21.9        | 22.7        | 25.8        | 25.8        | 83.7         | 96.2         |
| <b>Operating Profit</b>     | <b>15.2</b> | <b>15.5</b> | <b>16.2</b> | <b>18.3</b> | <b>18.8</b> | <b>19.4</b> | <b>19.3</b> | <b>21.9</b> | <b>65.2</b>  | <b>79.4</b>  |
| % Change (YoY)              | 17.3        | 23.9        | 33.1        | 28.2        | 23.8        | 24.9        | 19.3        | 19.5        | 25.6         | 21.7         |
| Provisions                  | 7.2         | 7.4         | 8.8         | 9.4         | 10.1        | 10.2        | 9.4         | 10.6        | 32.9         | 40.3         |
| <b>Profit before Tax</b>    | <b>8.0</b>  | <b>8.1</b>  | <b>7.4</b>  | <b>8.9</b>  | <b>8.7</b>  | <b>9.1</b>  | <b>10.0</b> | <b>11.3</b> | <b>32.3</b>  | <b>39.1</b>  |
| Tax                         | 2.0         | 2.1         | 1.9         | 2.3         | 2.2         | 2.3         | 2.5         | 2.9         | 8.2          | 10.0         |
| <b>Net Profit</b>           | <b>5.9</b>  | <b>6.0</b>  | <b>5.5</b>  | <b>6.6</b>  | <b>6.4</b>  | <b>6.8</b>  | <b>7.4</b>  | <b>8.4</b>  | <b>24.1</b>  | <b>29.1</b>  |
| % Change (YoY)              | -5.4        | 14.7        | 7.8         | 11.0        | 8.7         | 12.9        | 35.4        | 27.0        | 6.7          | 20.8         |
| <b>Operating Parameters</b> |             |             |             |             |             |             |             |             |              |              |
| Loan (INRb)                 | 418.1       | 435.6       | 471.6       | 490.8       | 512.4       | 538.3       | 570.7       | 598.8       | 490.8        | 598.8        |
| Loan Growth (%)             | 30.3        | 19.3        | 26.3        | 24.7        | 22.5        | 23.6        | 21.0        | 22.0        | 24.7         | 22.0         |
| Borrowings (INRb)           | 329.6       | 340.8       | 380.1       | 398.9       | 416.3       | 437.1       | 463.2       | 485.8       | 398.9        | 485.8        |
| Borrowing Growth (%)        | 32.9        | 20.9        | 29.3        | 28.2        | 26.3        | 28.3        | 21.9        | 21.8        | 28.2         | 21.8         |
| <b>Asset Quality</b>        |             |             |             |             |             |             |             |             |              |              |
| Gross NPA (%)               | 2.4         | 2.4         | 2.6         | 2.8         | 2.9         | 2.9         | 2.8         | 2.8         | 2.8          | 2.7          |
| Net NPA (%)                 | 0.9         | 0.9         | 1.0         | 1.0         | 1.0         | 1.0         | 1.0         | 0.9         | 1.0          | 0.9          |
| PCR (%)                     | 63.8        | 64.1        | 64.1        | 64.9        | 65.0        | 65.3        | 65.6        | 69.1        | 64.8         | 69.1         |

E: MOFSL Estimates; \* Reported on total assets; # Cal. on interest earning assets

**Paytm****Neutral**

CMP: INR418 | TP: INR400 (-4%)

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

- Expect operating profitability to decline
- Any further impact of the RBI notification to be a key monitorable
- Expect disbursements and GMV to decrease

## Quarterly Performance

|                                       | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                                       | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| Payment Services to Consumers         | 5.5         | 5.8         | 6.0         | 4.4         | 2.3         | 3.1         | 3.4         | 4.4         | 21.7         | 13.2         |
| Payment Services to Merchants         | 8.4         | 9.2         | 10.8        | 11.2        | 5.8         | 7.7         | 8.5         | 11.1        | 39.6         | 33.1         |
| Financial Services and Others         | 5.2         | 5.7         | 6.1         | 3.0         | 2.4         | 3.2         | 3.5         | 3.9         | 20.0         | 12.9         |
| <b>Payment and Financial Services</b> | <b>19.2</b> | <b>20.7</b> | <b>22.9</b> | <b>18.6</b> | <b>10.4</b> | <b>14.0</b> | <b>15.4</b> | <b>22.4</b> | <b>81.3</b>  | <b>62.3</b>  |
| % Change (YoY)                        | 42.4        | 36.1        | 43.0        | -3.0        | -45.7       | -32.3       | -32.7       | 20.7        | 27.4         | -23.4        |
| <b>Commerce and Cloud Services</b>    | <b>4.1</b>  | <b>4.2</b>  | <b>5.1</b>  | <b>4.0</b>  | <b>4.2</b>  | <b>4.8</b>  | <b>5.4</b>  | <b>5.3</b>  | <b>17.4</b>  | <b>19.7</b>  |
| <b>Revenue from Operations</b>        | <b>23.4</b> | <b>25.2</b> | <b>28.5</b> | <b>22.7</b> | <b>14.9</b> | <b>19.2</b> | <b>21.2</b> | <b>28.0</b> | <b>99.8</b>  | <b>83.3</b>  |
| % Change (YoY)                        | 39.3        | 31.6        | 38.2        | -2.9        | -36.3       | -23.9       | -25.6       | 23.4        | 24.9         | -16.5        |
| Direct Expenses                       | 10.4        | 10.9        | 13.3        | 9.8         | 8.5         | 9.3         | 10.6        | 11.4        | 44.4         | 39.7         |
| <b>Contribution Profit</b>            | <b>13.0</b> | <b>14.3</b> | <b>15.2</b> | <b>12.9</b> | <b>6.4</b>  | <b>9.8</b>  | <b>10.6</b> | <b>16.6</b> | <b>55.4</b>  | <b>43.5</b>  |
| % Change (YoY)                        | 79.3        | 69.2        | 45.1        | 0.3         | -50.6       | -31.1       | -30.1       | 29.2        | 42.0         | -21.4        |
| Indirect Expenses                     | 12.2        | 12.7        | 13.0        | 11.9        | 11.3        | 11.4        | 11.5        | 12.3        | 49.8         | 46.5         |
| <b>Adjusted EBITDA</b>                | <b>0.8</b>  | <b>1.5</b>  | <b>2.2</b>  | <b>1.0</b>  | <b>-4.9</b> | <b>-1.6</b> | <b>-0.9</b> | <b>4.3</b>  | <b>5.6</b>   | <b>-3.0</b>  |
| <b>EBITDA</b>                         | <b>-2.9</b> | <b>-2.3</b> | <b>-1.6</b> | <b>-2.2</b> | <b>-7.7</b> | <b>-4.3</b> | <b>-3.6</b> | <b>1.5</b>  | <b>-9.1</b>  | <b>-14.1</b> |
| <b>PAT</b>                            | <b>-3.6</b> | <b>-2.9</b> | <b>-2.2</b> | <b>-5.5</b> | <b>-8.4</b> | <b>-5.4</b> | <b>-4.8</b> | <b>1.3</b>  | <b>-14.2</b> | <b>-17.3</b> |
| % Change (YoY)                        | -44.5       | -49.9       | -43.9       | 227.6       | 135.5       | 88.1        | 119.5       | -124.2      | -19.9        | 21.6         |
| <b>Operating Parameters</b>           |             |             |             |             |             |             |             |             |              |              |
| GMV (INRt)                            | 4.1         | 4.5         | 5.1         | 4.7         | 4.3         | 4.6         | 5.0         | 4.9         | 18.3         | 18.8         |
| Disbursements (INR b)                 | 148.5       | 162.1       | 155.4       | 58.0        | 68.3        | 81.9        | 106.5       | 83.8        | 523.9        | 340.5        |
| GMV Growth (%)                        | 36.8        | 41.5        | 47.4        | 29.6        | 7.0         | 3.0         | -2.7        | 4.8         | 38.4         | 3.0          |
| Disbursements Growth (%)              | 167.3       | 121.7       | 56.0        | -53.8       | -54.0       | -49.5       | -31.4       | 44.5        | 48.1         | -35.0        |
| <b>Asset Quality</b>                  |             |             |             |             |             |             |             |             |              |              |
| Contribution Margin (%)               | 55.7        | 56.6        | 53.3        | 56.8        | 43.2        | 51.3        | 50.1        | 59.4        | 55.5         | 52.3         |
| Adjusted EBITDA Margin (%)            | 3.6         | 6.1         | 7.7         | 4.5         | -32.8       | -8.1        | -4.0        | 15.4        | 5.6          | -3.6         |
| EBITDA Margin (%)                     | -12.5       | -9.2        | -5.5        | -9.9        | -51.5       | -22.7       | -17.1       | 5.4         | -9.1         | -17.0        |

# Financials - NBFCs

## Company

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

## Seasonally weak quarter; loan growth still reasonably healthy

### Rising CoF leading to NIM moderation; credit costs relatively elevated

- AUM growth reasonably healthy despite disruptions due to elections:** We expect ~7% YoY growth in AUM for our coverage HFCs. Vehicle financiers are projected to report ~25% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~20% YoY growth. NBFC-MFIs are estimated to post ~25% YoY growth, while diversified lenders are also expected to deliver ~25% YoY growth in AUM. For our coverage universe, we estimate loan growth of ~20% YoY/~4% QoQ in 1QFY25. While loan growth was broad-based, a) gold financiers are expected to report strong gold loan growth, b) micro-financiers are expected to report muted loan growth, and b) select HFCs (impacted by RBI guidelines on interest income recognition only on cheque encashment) might report weaker disbursement momentum.
- NIM to stay flat or decline due to rising CoB:** The increase in MCLR of banks has kept CoB elevated for NBFCs and hence, prevented NIM expansion. Selectively, fixed-rate lenders like vehicle financiers, who increased lending rates in the prior quarter, have started seeing some NIM expansion. At the sectoral level, we expect NIM to remain flat for vehicle financiers and anticipate NIM compression for HFCs (except PNBHF) and MFIs.
- Seasonal deterioration in asset quality, but most pronounced in MFIs:** Typical of the first quarter of a fiscal year, we expect a sequential deterioration in asset quality for most lenders. MFIs were affected by elections and heat waves and are expected to exhibit higher forward flows, leading to elevated credit costs. It is yet to be seen whether this is temporary or structural pain for MFIs.
- PAT growth of ~16% YoY for our coverage universe; loan growth and asset quality likely to recover in subsequent quarters:** We estimate ~22%/20%/16% YoY growth in NII/PPoP/PAT in 1QFY25 for our NBFC – Lending Financials coverage universe. Structurally, we believe that fixed-rate lenders such as vehicle financiers and micro-LAP lenders will benefit from any interest rate cuts whenever they occur. Our top picks in the sector are SHTF, LTFH and PNBHF.

### Relatively modest quarter for mortgages; NIM compression to sustain

- April is typically the weakest month for all mortgage lenders. The RBI circular (on interest income recognition only on cheque realization) sent mortgage lenders back to the drawing board to re-strategize their sourcing models. Momentum improved in Jun'24 and is expected to further improve in the coming quarters.
- We anticipate credit costs for LICHF to be at ~50bp (vs. ~60bp in 4QFY24) as we do not expect any further deterioration in asset quality. Margin could contract ~15bp QoQ due to a moderation in yields and a rise in CoF.
- We forecast HomeFirst to report a healthy QoQ improvement in disbursements, leading to a healthy AUM growth. While we expect NIM to remain stable for Aavas (aided by an increase in PLR effective Mar'24), we anticipate it to moderate for HomeFirst because of the ongoing rise in its CoB. Asset quality might exhibit seasonal deterioration but credit costs are likely to remain benign.

- We estimate PNBHF to deliver ~11% YoY growth in loan book as of Jun'24. We estimate ~15bp QoQ NIM expansion. Asset quality will continue to improve in both retail and corporate loan portfolios.
- For Five Star, we expect disbursements to be flat QoQ, which should translate into ~7% QoQ growth in AUM. NIM moderation will continue but we expect credit costs to remain benign.

#### **Vehicle finance – Loan growth modest but NIM expansion likely now**

- MMFS reported disbursements of ~INR127b in 1QFY25 (up 5% YoY), while business assets grew ~22% YoY. We now estimate ~18% YoY growth in business assets for MMFS in FY25. We expect credit costs for MMFS to be at ~2.1% in 1QFY25 (vs. credit costs of 2.5% in 1QFY24). We estimate disbursements to remain healthy for CIFC and SHTF, which should translate into ~35%/21% YoY growth in AUM for CIFC/SHTF as of Jun'24.
- We estimate NIM expansion for vehicle financiers in FY25, driven by a rise in yields and stability in CoB. MMFS has already reported a deterioration in its asset quality, resulting in higher levels of Stage 2 and 3. Even for CIFC/SHFL, we expect a minor deterioration in asset quality of vehicle finance, with correspondingly higher credit costs.

#### **Gold finance – Strong growth in gold loans with some compression in NIM**

- We expect gold loan financiers to deliver stronger gold loan growth in 1QFY25. We also estimate a modest tonnage growth in the quarter.
- We expect ~7%/6% sequential growth in the gold loan portfolio of MUTH/MGFL. Gold loan NIM could exhibit QoQ compression because of the rise in CoF.

#### **Microfinance – Weak quarter; AUM growth muted and slippages continue**

- Disbursements as well as collections were impacted for NBFC-MFIs because of elections and severe heat waves. This could result in muted sequential GLP growth for all three NBFC-MFIs – CREDAG, Fusion, and Spandana – in our coverage universe. We expect AUM to remain flat QoQ for CREDAG and Spandana, while we expect ~2-3% QoQ AUM growth for Fusion in 1QFY25.
- We estimate ~25bp/~10bp QoQ NIM compression for CREDAG/Spandana, we estimate a margin compression of ~20bp for Fusion.
- Flows into forward asset quality buckets have continued for the last three quarters. In addition to the seasonal deterioration in asset quality (typical of 1Q of the fiscal year), there might not be additional slippages because of internal transformation projects or geography-specific issues in NBFC-MFIs such as Fusion or Spandana. We estimate credit costs of ~2.5%/~4.5%/5.5% for CREDAG/Fusion/Spandana in 1QFY25.

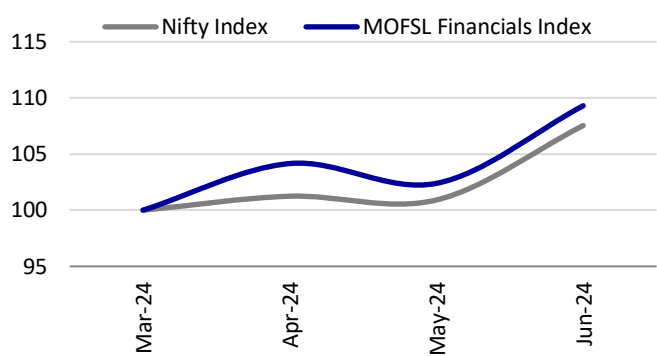
### Diversified financiers: With stress in personal loans somewhat receding, expect better loan growth

- LTFH reported strong 31% YoY/6% QoQ growth in retail loans. Since the wholesale segment (such as real estate and infrastructure) will continue to moderate, the consolidated loan book could grow ~3% QoQ in 1QFY25. In last quarter, LTFH had one-offs on SR provisions. In the absence of any such one-offs, we estimate credit costs to moderate for LTFH, leading to a sequential improvement in profitability.
- BAF reported ~31% YoY/7% QoQ growth in its AUM. We estimate a ~10bp QoQ contraction in NIM for BAF, with credit costs at ~1.65% (up ~5bp QoQ).
- We expect Poonawalla to report ~55% YoY growth in AUM, driven by ~4% QoQ growth in disbursements. We estimate this to translate into ~60% YoY PAT growth for the company.
- For IIFL Finance, we estimate gold loan AUM to decline to ~INR150b as of Jun'24. Along with muted growth in the MFI business, this could result in a consolidated AUM decline of ~9% QoQ. We estimate a PAT of INR3.5b in 1QFY25 (vs. INR3.7b in 4QFY24).

#### Exhibit 1: Quarterly performance

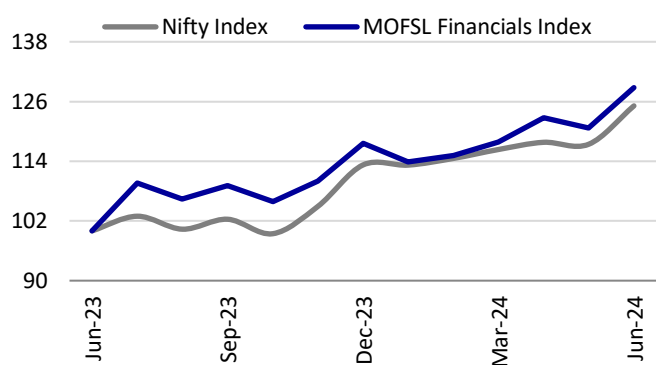
| Sector              | CMP (INR) | Rating  | NII (INR m)     |                  |                  | Operating profit (INR m) |                  |                  | Net profit (INR m) |                  |                  |
|---------------------|-----------|---------|-----------------|------------------|------------------|--------------------------|------------------|------------------|--------------------|------------------|------------------|
|                     |           |         | Jun-24          | Variance YoY (%) | Variance QoQ (%) | Jun-24                   | Variance YoY (%) | Variance QoQ (%) | Jun-24             | Variance YoY (%) | Variance QoQ (%) |
| AAVAS Financiers    | 1,860     | Neutral | 2,525           | 11.6             | 6.5              | 1,788                    | 22.2             | -1.6             | 1,346              | 22.7             | -5.6             |
| Bajaj Finance       | 7,163     | Neutral | 84,587          | 25.9             | 5.6              | 67,648                   | 22.0             | 5.5              | 39,536             | 15.0             | 3.4              |
| Can Fin Homes       | 890       | Neutral | 3,355           | 17.7             | 2.4              | 2,882                    | 16.4             | 6.0              | 2,140              | 16.7             | 2.4              |
| Chola. Inv & Fin.   | 1,400     | Buy     | 25,519          | 38.5             | 8.4              | 17,184                   | 28.3             | 5.6              | 9,263              | 27.6             | -12.5            |
| CreditAccess        | 1,342     | Buy     | 9,208           | 27.8             | 4.5              | 7,100                    | 30.6             | 4.0              | 4,061              | 16.5             | 2.3              |
| Five Star Business  | 829       | Buy     | 4,827           | 31.3             | 4.6              | 3,557                    | 36.2             | 6.9              | 2,483              | 35.1             | 5.2              |
| Fusion Micro        | 460       | Buy     | 3,684           | 24.7             | 2.0              | 2,815                    | 19.6             | -3.2             | 1,246              | 3.4              | -6.1             |
| Home First Fin.     | 1,096     | Buy     | 1,460           | 17.2             | 6.7              | 1,149                    | 17.6             | 1.3              | 860                | 24.4             | 3.0              |
| IIFL Finance        | 521       | Buy     | 14,037          | 7.1              | -14.7            | 7,159                    | -11.5            | -9.3             | 3,478              | -18.2            | -6.8             |
| L&T Fin. Holdings   | 187       | Buy     | 23,824          | 28.1             | 2.0              | 14,942                   | 21.0             | 9.7              | 6,768              | 27.6             | 22.4             |
| LIC Housing Fin     | 795       | Buy     | 21,506          | -2.7             | -3.9             | 19,159                   | -4.7             | 0.6              | 12,450             | -5.9             | 14.1             |
| M & M Financial     | 302       | Buy     | 18,854          | 19.0             | 4.0              | 12,605                   | 26.1             | 7.5              | 5,279              | 49.7             | -14.7            |
| Manappuram Finance  | 206       | Buy     | 15,459          | 20.0             | 3.5              | 9,618                    | 19.9             | 3.0              | 5,757              | 15.6             | 2.2              |
| MAS Financial       | 293       | Buy     | 1,211           | 29.6             | 6.1              | 1,215                    | 28.4             | 8.0              | 730                | 27.5             | 7.3              |
| Muthoot Finance     | 1,797     | Neutral | 22,439          | 18.5             | 5.1              | 16,514                   | 17.9             | 9.4              | 11,749             | 20.5             | 11.2             |
| PNB Housing         | 796       | Buy     | 6,735           | 8.7              | 8.1              | 5,854                    | 15.4             | 3.3              | 4,354              | 25.4             | -0.9             |
| Poonawalla Fincorp  | 419       | Buy     | 6,075           | 44.2             | 8.0              | 4,728                    | 60.8             | 15.5             | 3,211              | 60.4             | -3.2             |
| Repco Home Fin      | 551       | Neutral | 1,768           | 7.8              | -0.1             | 1,309                    | 5.0              | 1.7              | 960                | 7.7              | -11.2            |
| Shriram Finance Ltd | 2,824     | Buy     | 52,420          | 24.8             | 3.0              | 40,352                   | 29.1             | 3.3              | 20,108             | 20.0             | 3.3              |
| Spandana Sphoorty   | 737       | Buy     | 4,130           | 40.8             | 7.0              | 2,630                    | 39.1             | -1.1             | 831                | -30.4            | -35.4            |
| <b>NBFC</b>         |           |         | <b>3,23,624</b> | <b>22.0</b>      | <b>3.1</b>       | <b>2,40,207</b>          | <b>20.1</b>      | <b>4.6</b>       | <b>1,36,198</b>    | <b>16.0</b>      | <b>2.2</b>       |

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



Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

**Exhibit 4: EPS estimate changes for FY25-26**

| Company            | Old Estimates |       | New Estimates |       | Change |      |
|--------------------|---------------|-------|---------------|-------|--------|------|
|                    | FY25          | FY26  | FY25          | FY26  | FY25   | FY26 |
| AAVAS              | 76.0          | 95.3  | 74.3          | 93.2  | -2.2   | -2.1 |
| BAF                | 282.7         | 364.3 | 278.4         | 371.4 | -1.5   | 2.0  |
| CANF               | 64.3          | 73.3  | 66.4          | 73.9  | 3.2    | 0.8  |
| CIFC               | 56.0          | 72.0  | 52.9          | 69.9  | -5.5   | -2.9 |
| CRE DAG            | 105.7         | 129.7 | 105.0         | 126.0 | -0.6   | -2.8 |
| Five Star Business | 35.2          | 43.3  | 35.5          | 43.1  | 0.9    | -0.5 |
| FUSION             | 66.3          | 82.8  | 63.4          | 78.0  | -4.3   | -5.8 |
| HomeFirst          | 41.4          | 51.6  | 42.2          | 53.4  | 2.0    | 3.4  |
| IIFL Fin           | 41.1          | 55.5  | 37.4          | 55.8  | -9.1   | 0.6  |
| LTFH               | 11.7          | 15.6  | 11.4          | 15.4  | -2.4   | -1.5 |
| LICHF              | 90.8          | 94.0  | 90.5          | 93.0  | -0.3   | -1.0 |
| MMFSL              | 22.5          | 27.9  | 22.7          | 28.3  | 0.7    | 1.4  |
| MASFIN             | 19.7          | 24.4  | 17.8          | 22.1  | -9.6   | -9.6 |
| Muthoot            | 121.1         | 137.6 | 124.8         | 141.0 | 3.1    | 2.5  |
| MGFL               | 28.8          | 34.4  | 30.0          | 35.3  | 4.0    | 2.6  |
| PNBHF              | 71.3          | 87.7  | 71.5          | 87.9  | 0.2    | 0.2  |
| PFL                | 18.8          | 25.6  | 18.8          | 25.6  | -      | -    |
| REPCO              | 69.7          | 73.8  | 66.0          | 72.0  | -5.4   | -2.4 |
| SHFL               | 224.6         | 275.9 | 227.2         | 279.9 | 1.2    | 1.4  |
| SPANDANA           | 92.5          | 112.8 | 84.0          | 110.4 | -9.2   | -2.1 |

Source: MOFSL, Company

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

## Aavas Financiers Neutral

**CMP: INR1,860 | TP: INR1,740 (-6%)**

**EPS CHANGE (%): FY25 | 26: -2.2 | -2.1**

- AUM/disbursements are likely to grow 22% YoY each
- We expect NIM to expand ~5bp QoQ. Upfront assignment income is estimated at ~INR420m.
- Opex is likely to moderate due to economies of scale
- Commentaries on loan growth, margin trajectory, and employee attrition are the key monitorables.

### Quarterly performance

| Y/E March                | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                          | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income          | 4,128        | 4,259        | 4,373        | 4,586        | 4,884        | 5,109        | 5,390        | 5,755        | 17,347        | 21,138        |
| Interest Expenses        | 1,866        | 2,036        | 2,166        | 2,216        | 2,360        | 2,478        | 2,602        | 2,993        | 8,284         | 10,432        |
| <b>Net Income</b>        | <b>2,262</b> | <b>2,223</b> | <b>2,208</b> | <b>2,371</b> | <b>2,525</b> | <b>2,631</b> | <b>2,788</b> | <b>2,761</b> | <b>9,063</b>  | <b>10,706</b> |
| YoY Growth (%)           | 26           | 18           | 6            | 7            | 12           | 18           | 26           | 16           | 14            | 18            |
| Other income             | 540          | 716          | 719          | 882          | 664          | 746          | 834          | 1,153        | 2,856         | 3,397         |
| <b>Total Income</b>      | <b>2,802</b> | <b>2,938</b> | <b>2,926</b> | <b>3,252</b> | <b>3,189</b> | <b>3,378</b> | <b>3,622</b> | <b>3,914</b> | <b>11,919</b> | <b>14,103</b> |
| YoY Growth (%)           | 28           | 16           | 12           | 14           | 14           | 15           | 24           | 20           | 17            | 18            |
| Operating Expenses       | 1,339        | 1,308        | 1,349        | 1,434        | 1,401        | 1,531        | 1,612        | 1,763        | 5,430         | 6,307         |
| YoY Growth (%)           | 30           | 14           | 12           | 19           | 5            | 17           | 19           | 23           | 19            | 16            |
| <b>Operating Profits</b> | <b>1,464</b> | <b>1,631</b> | <b>1,577</b> | <b>1,818</b> | <b>1,788</b> | <b>1,846</b> | <b>2,010</b> | <b>2,151</b> | <b>6,489</b>  | <b>7,795</b>  |
| YoY Growth (%)           | 27           | 17           | 11           | 10           | 22           | 13           | 27           | 18           | 15.6          | 20.1          |
| Provisions               | 57           | 65           | 80           | 43           | 62           | 72           | 93           | 88           | 245           | 315           |
| <b>Profit before Tax</b> | <b>1,407</b> | <b>1,565</b> | <b>1,497</b> | <b>1,775</b> | <b>1,726</b> | <b>1,775</b> | <b>1,917</b> | <b>2,063</b> | <b>6,244</b>  | <b>7,480</b>  |
| Tax Provisions           | 310          | 348          | 331          | 349          | 380          | 390          | 422          | 410          | 1,338         | 1,602         |
| <b>Profit after tax</b>  | <b>1,097</b> | <b>1,217</b> | <b>1,166</b> | <b>1,426</b> | <b>1,346</b> | <b>1,384</b> | <b>1,495</b> | <b>1,652</b> | <b>4,907</b>  | <b>5,878</b>  |
| YoY Growth (%)           | 23           | 14           | 9            | 13           | 23           | 14           | 28           | 16           | 14.1          |               |

## Bajaj Finance Neutral

**CMP INR7,163 | TP: INR7,810 (+9%)**

**EPS CHANGE (%): FY25 | 26: -1.6 | 1.9**

- BAF is likely to report AUM growth of 30% YoY/ 7% QoQ
- Margin is likely to contract ~10bp QoQ
- Opex is likely to remain stable with CIR at 34%
- Credit costs are expected to increase ~5bp QoQ to ~1.7%

### Quarterly Performance

| Y/E March                  | FY24          |               |               |               | FY25E           |                 |                 |                 | FY24            | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE             | 2QE             | 3QE             | 4QE             |                 |                 |
| Interest Income            | 1,08,211      | 1,17,340      | 1,25,233      | 1,32,301      | 1,41,165        | 1,50,482        | 1,61,317        | 1,70,074        | 4,83,066        | 6,23,038        |
| Interest expenses          | 41,025        | 45,371        | 48,680        | 52,171        | 56,710          | 61,076          | 65,657          | 70,175          | 1,87,247        | 2,53,618        |
| <b>Net Interest Income</b> | <b>67,186</b> | <b>71,970</b> | <b>76,553</b> | <b>80,130</b> | <b>84,455</b>   | <b>89,405</b>   | <b>95,659</b>   | <b>99,899</b>   | <b>2,95,819</b> | <b>3,69,419</b> |
| YoY Growth (%)             | 27.4          | 30.0          | 29.3          | 28.1          | 25.7            | 24.2            | 25.0            | 24.7            | 28.7            | 24.9            |
| Other Operating Income     | 16,795        | 16,477        | 16,436        | 17,019        | 17,740          | 17,999          | 18,358          | 18,949          | 66,759          | 73,046          |
| <b>Net Income</b>          | <b>83,980</b> | <b>88,447</b> | <b>92,989</b> | <b>97,149</b> | <b>1,02,195</b> | <b>1,07,404</b> | <b>1,14,018</b> | <b>1,18,848</b> | <b>3,62,578</b> | <b>4,42,465</b> |
| YoY Growth (%)             | 33.3          | 26.3          | 25.1          | 25.0          | 27.9            | 21.4            | 22.6            | 22.3            | 25.7            | 22.0            |
| Operating Expenses         | 28,544        | 30,100        | 31,567        | 33,028        | 34,680          | 36,275          | 38,270          | 40,467          | 1,23,252        | 1,49,691        |
| <b>Operating Profit</b>    | <b>55,437</b> | <b>58,347</b> | <b>61,422</b> | <b>64,121</b> | <b>67,516</b>   | <b>71,129</b>   | <b>75,748</b>   | <b>78,381</b>   | <b>2,39,326</b> | <b>2,92,773</b> |
| YoY Growth (%)             | 37.0          | 30.0          | 26.6          | 25.3          | 28.3            | 21.9            | 23.3            | 22.2            | 27.9            | 22.3            |
| Provisions and Cont.       | 9,953         | 10,771        | 12,484        | 13,100        | 14,252          | 15,663          | 16,257          | 16,059          | 46,307          | 62,231          |
| <b>Profit before Tax</b>   | <b>45,484</b> | <b>47,576</b> | <b>48,939</b> | <b>51,037</b> | <b>53,264</b>   | <b>55,466</b>   | <b>59,491</b>   | <b>62,338</b>   | <b>1,93,036</b> | <b>2,30,559</b> |
| Tax Provisions             | 11,143        | 12,070        | 12,566        | 12,806        | 13,795          | 14,366          | 15,408          | 14,527          | 48,584          | 58,097          |
| <b>Net Profit</b>          | <b>34,341</b> | <b>35,507</b> | <b>36,373</b> | <b>38,232</b> | <b>39,469</b>   | <b>41,101</b>   | <b>44,083</b>   | <b>47,810</b>   | <b>1,44,452</b> | <b>1,72,463</b> |
| YoY Growth (%)             | 36.8          | 27.7          | 22.3          | 21.1          | 19.7            | 15.8            | 21.2            | 25.1            | 25.5            | 19.4            |

**Can Fin Homes****Neutral****CMP INR890 | TP: INR890 (+0%)****EPS CHANGE (%): FY25|26: 3.2|0.8**

- Estimate loan book to grow ~10% YoY
- Spreads are expected to decline 5bp QoQ to ~3.1%
- Margin is expected to remain stable at 3.8%
- Commentaries on loan growth and expected timelines for recovery in disbursements are the key monitorables

**Quarterly performance**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income            | 8,181        | 8,652        | 8,948        | 9,117        | 9,373        | 9,654        | 9,943        | 10,236       | 34,899        | 39,205        |
| Interest Expenses          | 5,330        | 5,484        | 5,660        | 5,839        | 6,017        | 6,210        | 6,390        | 6,669        | 22,314        | 25,286        |
| <b>Net Interest Income</b> | <b>2,851</b> | <b>3,168</b> | <b>3,288</b> | <b>3,278</b> | <b>3,355</b> | <b>3,444</b> | <b>3,553</b> | <b>3,567</b> | <b>12,585</b> | <b>13,919</b> |
| YoY Growth (%)             | 13.9         | 26.1         | 30.6         | 25.5         | 17.7         | 8.7          | 8.1          | 8.8          | 24.0          | 10.6          |
| Other income               | 60           | 58           | 71           | 159          | 84           | 81           | 99           | 150          | 348           | 414           |
| <b>Total Income</b>        | <b>2,911</b> | <b>3,226</b> | <b>3,359</b> | <b>3,437</b> | <b>3,439</b> | <b>3,525</b> | <b>3,653</b> | <b>3,716</b> | <b>12,933</b> | <b>14,334</b> |
| YoY Growth (%)             | 13.9         | 25.7         | 30.8         | 25.7         | 18.2         | 9.3          | 8.7          | 8.1          | 24.1          | 10.8          |
| Operating Expenses         | 435          | 524          | 494          | 720          | 558          | 600          | 661          | 736          | 2,173         | 2,555         |
| YoY Growth (%)             | 7.4          | 29.5         | 12.7         | 39.3         | 28.2         | 14.5         | 33.8         | 2.3          | 23.1          | 17.6          |
| <b>Operating Profits</b>   | <b>2,476</b> | <b>2,702</b> | <b>2,865</b> | <b>2,717</b> | <b>2,882</b> | <b>2,925</b> | <b>2,991</b> | <b>2,980</b> | <b>10,760</b> | <b>11,779</b> |
| YoY Growth (%)             | 15.2         | 25.0         | 34.6         | 22.5         | 16.4         | 8.3          | 4.4          | 9.7          | 24.3          | 9.5           |
| Provisions                 | 137          | 722          | 308          | 18           | 155          | 165          | 145          | 43           | 1,185         | 508           |
| <b>Profit before Tax</b>   | <b>2,339</b> | <b>1,980</b> | <b>2,557</b> | <b>2,700</b> | <b>2,727</b> | <b>2,760</b> | <b>2,846</b> | <b>2,937</b> | <b>9,575</b>  | <b>11,271</b> |
| Tax Provisions             | 504          | 399          | 556          | 609          | 586          | 591          | 615          | 643          | 2,068         | 2,434         |
| <b>Profit after tax</b>    | <b>1,835</b> | <b>1,581</b> | <b>2,001</b> | <b>2,090</b> | <b>2,140</b> | <b>2,170</b> | <b>2,232</b> | <b>2,295</b> | <b>7,507</b>  | <b>8,836</b>  |
| YoY Growth (%)             | 13.1         | 11.5         | 32.1         | 26.1         | 16.7         | 37.3         | 11.5         | 9.8          | 20.8          | 17.7          |

**Cholamandalam Inv. & Fin.****Buy****CMP INR1,400 | TP: INR1,660 (+19%)****EPS CHANGE (%): FY25|26: -5.5|-2.9**

- Estimate business AUM to grow ~35% YoY
- Margin is likely to expand ~5bp QoQ to 6.8%
- Credit costs are projected to increase QoQ to ~1.3%
- Guidance on margins, loan growth, and asset quality of new businesses to be closely monitored

**Quarterly Performance**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| Interest Income            | 38,492        | 42,205        | 46,099        | 49,341        | 53,634        | 57,656        | 61,865        | 66,468        | 1,76,137      | 2,39,622        |
| Interest Expenses          | 20,071        | 22,052        | 24,390        | 25,793        | 28,115        | 30,280        | 32,460        | 34,814        | 92,306        | 1,25,668        |
| <b>Net Interest Income</b> | <b>18,421</b> | <b>20,153</b> | <b>21,709</b> | <b>23,548</b> | <b>25,519</b> | <b>27,376</b> | <b>29,405</b> | <b>31,654</b> | <b>83,831</b> | <b>1,13,954</b> |
| YoY Growth (%)             | 24.3          | 35.4          | 35.8          | 33.4          | 38.5          | 35.8          | 35.5          | 34.4          | 32.4          | 35.9            |
| Other Income               | 2,845         | 3,514         | 4,088         | 5,580         | 4,331         | 4,970         | 4,379         | 6,775         | 16,026        | 20,455          |
| <b>Total Income</b>        | <b>21,265</b> | <b>23,667</b> | <b>25,797</b> | <b>29,127</b> | <b>29,849</b> | <b>32,347</b> | <b>33,784</b> | <b>38,429</b> | <b>99,857</b> | <b>1,34,409</b> |
| YoY Growth (%)             | 29.7          | 39.4          | 40.8          | 41.4          | 40.4          | 36.7          | 31.0          | 31.9          | 38.1          | 34.6            |
| Operating Expenses         | 7,867         | 9,461         | 10,640        | 12,850        | 12,665        | 13,435        | 14,364        | 16,427        | 40,818        | 56,891          |
| <b>Operating Profit</b>    | <b>13,399</b> | <b>14,206</b> | <b>15,157</b> | <b>16,278</b> | <b>17,184</b> | <b>18,912</b> | <b>19,420</b> | <b>22,002</b> | <b>59,039</b> | <b>77,518</b>   |
| YoY Growth (%)             | 26.4          | 37.1          | 40.4          | 27.9          | 28.3          | 33.1          | 28.1          | 35.2          | 32.7          | 31.3            |
| Provisions & Loan Losses   | 3,723         | 3,998         | 3,588         | 1,908         | 4,800         | 5,300         | 4,600         | 2,957         | 13,218        | 17,657          |
| <b>Profit before Tax</b>   | <b>9,675</b>  | <b>10,208</b> | <b>11,569</b> | <b>14,369</b> | <b>12,384</b> | <b>13,612</b> | <b>14,820</b> | <b>19,046</b> | <b>45,821</b> | <b>59,861</b>   |
| Tax Provisions             | 2,415         | 2,583         | 2,807         | 3,788         | 3,121         | 3,430         | 3,705         | 5,128         | 11,593        | 15,384          |
| <b>Net Profit</b>          | <b>7,260</b>  | <b>7,625</b>  | <b>8,762</b>  | <b>10,581</b> | <b>9,263</b>  | <b>10,181</b> | <b>11,115</b> | <b>13,917</b> | <b>34,228</b> | <b>44,477</b>   |
| YoY Growth (%)             | 28.3          | 35.3          | 28.0          | 24.1          | 27.6          | 33.5          | 26.9          | 31.5          | 28.4          | 29.9            |

**CreditAccess Grameen****Buy**

CMP INR1,342 | | TP: INR1,600 (+19%)

EPS CHANGE (%): FY24|25|26: -0.6|-2.8

- Estimate GLP growth of ~22% YoY
- Margin is likely to contract ~25bp QoQ to 13.8%
- Credit costs are projected to rise ~5bp QoQ to ~2.6%
- Guidance on NIM and cost-income ratio to be closely monitored

**CRETAG: Quarterly Performance**

| Y/E March                  | FY24         |              |              |              | FY25E        |               |               |               | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE           | 3QE           | 4QE           |               |               |
| Interest Income            | 11,052       | 11,874       | 12,444       | 13,632       | 14,367       | 14,619        | 15,234        | 16,686        | 49,001        | 60,907        |
| Interest Expenses          | 3,849        | 4,239        | 4,415        | 4,822        | 5,159        | 5,262         | 5,536         | 5,980         | 17,324        | 21,937        |
| <b>Net Interest Income</b> | <b>7,203</b> | <b>7,635</b> | <b>8,029</b> | <b>8,810</b> | <b>9,208</b> | <b>9,356</b>  | <b>9,699</b>  | <b>10,706</b> | <b>31,677</b> | <b>38,969</b> |
| YoY Growth (%)             | 57.8         | 53.3         | 48.5         | 42.3         | 27.8         | 22.5          | 20.8          | 21.5          | 49.8          | 23.0          |
| Other Income               | 656          | 602          | 509          | 959          | 745          | 743           | 631           | 909           | 2,725         | 3,028         |
| <b>Total Income</b>        | <b>7,858</b> | <b>8,237</b> | <b>8,537</b> | <b>9,770</b> | <b>9,954</b> | <b>10,099</b> | <b>10,330</b> | <b>11,615</b> | <b>34,402</b> | <b>41,997</b> |
| YoY Growth (%)             | 63.8         | 52.1         | 43.6         | 35.6         | 26.7         | 22.6          | 21.0          | 18.9          | 47.1          | 22.1          |
| Operating Expenses         | 2,420        | 2,611        | 2,520        | 2,942        | 2,854        | 3,034         | 3,154         | 3,724         | 10,493        | 12,765        |
| <b>Operating Profit</b>    | <b>5,438</b> | <b>5,626</b> | <b>6,018</b> | <b>6,828</b> | <b>7,100</b> | <b>7,066</b>  | <b>7,176</b>  | <b>7,891</b>  | <b>23,910</b> | <b>29,232</b> |
| YoY Growth (%)             | 88           | 68           | 59           | 36           | 31           | 26            | 19            | 16            | 59            | 22            |
| Provisions & Loan Losses   | 764          | 959          | 1,262        | 1,533        | 1,656        | 1,573         | 1,589         | 1,948         | 4,518         | 6,766         |
| <b>Profit before Tax</b>   | <b>4,674</b> | <b>4,668</b> | <b>4,756</b> | <b>5,295</b> | <b>5,444</b> | <b>5,493</b>  | <b>5,587</b>  | <b>5,943</b>  | <b>19,392</b> | <b>22,466</b> |
| Tax Provisions             | 1,189        | 1,197        | 1,222        | 1,324        | 1,383        | 1,395         | 1,419         | 1,532         | 4,933         | 5,729         |
| <b>Net Profit</b>          | <b>3,485</b> | <b>3,470</b> | <b>3,533</b> | <b>3,971</b> | <b>4,061</b> | <b>4,097</b>  | <b>4,168</b>  | <b>4,411</b>  | <b>14,459</b> | <b>16,737</b> |
| YoY Growth (%)             | 151.3        | 96.6         | 63.7         | 33.9         | 16.5         | 18.1          | 18.0          | 11.1          | 75.0          | 15.8          |

**Five Star Business Finance****Buy**

CMP INR829 | | TP: INR950 (+15%)

EPS CHANGE (%): FY25|26: 0.9|-0.5

- Estimate AUM growth of ~36% YoY
- Margin is likely to contract ~50bp QoQ to 19.4%
- Credit costs are projected to rise ~10bp QoQ to ~1.0%
- Guidance on NIM and loan growth to be closely monitored

**FIVE STAR BUSINESS: Quarterly Performance**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income            | 4,637        | 5,041        | 5,495        | 5,992        | 6,370        | 6,848        | 7,327        | 7,774        | 21,166        | 28,319        |
| Interest Expenses          | 962          | 1,059        | 1,287        | 1,377        | 1,543        | 1,697        | 1,900        | 2,074        | 4,685         | 7,214         |
| <b>Net Interest Income</b> | <b>3,676</b> | <b>3,982</b> | <b>4,208</b> | <b>4,615</b> | <b>4,827</b> | <b>5,151</b> | <b>5,427</b> | <b>5,700</b> | <b>16,481</b> | <b>21,105</b> |
| YoY Growth (%)             | 35.9         | 34.3         | 31.6         | 33.4         | 31.3         | 29.4         | 29.0         | 23.5         | 33.7          | 28.1          |
| Other Income               | 198          | 183          | 205          | 199          | 226          | 208          | 232          | 320          | 785           | 986           |
| <b>Total Income</b>        | <b>3,874</b> | <b>4,165</b> | <b>4,413</b> | <b>4,814</b> | <b>5,053</b> | <b>5,359</b> | <b>5,658</b> | <b>6,020</b> | <b>17,266</b> | <b>22,091</b> |
| YoY Growth (%)             | 41.3         | 38.4         | 35.5         | 33.0         | 30.4         | 28.7         | 28.2         | 25.1         | 36.7          | 27.9          |
| Operating Expenses         | 1,263        | 1,389        | 1,412        | 1,488        | 1,496        | 1,691        | 1,907        | 2,146        | 5,553         | 7,242         |
| <b>Operating Profit</b>    | <b>2,611</b> | <b>2,775</b> | <b>3,001</b> | <b>3,326</b> | <b>3,557</b> | <b>3,668</b> | <b>3,751</b> | <b>3,874</b> | <b>11,713</b> | <b>14,849</b> |
| YoY Growth (%)             | 40.5         | 37.9         | 45.5         | 43.6         | 36.2         | 32.2         | 25.0         | 16.5         | 42.0          | 26.8          |
| Provisions & Loan Losses   | 152          | 106          | 102          | 194          | 233          | 240          | 204          | 316          | 554           | 993           |
| <b>Profit before Tax</b>   | <b>2,459</b> | <b>2,670</b> | <b>2,899</b> | <b>3,132</b> | <b>3,324</b> | <b>3,428</b> | <b>3,547</b> | <b>3,558</b> | <b>11,160</b> | <b>13,856</b> |
| Tax Provisions             | 622          | 676          | 731          | 771          | 841          | 867          | 897          | 859          | 2,800         | 3,464         |
| <b>Net Profit</b>          | <b>1,837</b> | <b>1,994</b> | <b>2,168</b> | <b>2,361</b> | <b>2,483</b> | <b>2,561</b> | <b>2,650</b> | <b>2,699</b> | <b>8,359</b>  | <b>10,392</b> |
| YoY Growth (%)             | 32           | 38           | 44           | 40           | 35           | 28           | 22           | 14           | 38.5          | 24.3          |

## Fusion Microfinance

**Buy**
**CMP INR460 | TP: INR550 (+20%)**
**EPS CHANGE (%): FY25|26: -4.3|-5.8**

- Estimate AUM to grow ~21% YoY
- Annualized credit costs projected at ~4.5% in 1QFY25
- Margin is likely to contract ~20bp QoQ to ~14.3%
- Guidance on credit costs, margins, and disbursement trajectory to be closely monitored

### Fusion: Quarterly Performance

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income            | 4,790        | 4,968        | 5,400        | 5,761        | 5,962        | 6,141        | 6,479        | 6,859        | 20,919        | 25,441        |
| Interest Expenses          | 1,835        | 1,910        | 2,015        | 2,149        | 2,278        | 2,380        | 2,475        | 2,425        | 7,908         | 9,558         |
| <b>Net Interest Income</b> | <b>2,955</b> | <b>3,058</b> | <b>3,386</b> | <b>3,612</b> | <b>3,684</b> | <b>3,761</b> | <b>4,003</b> | <b>4,434</b> | <b>13,011</b> | <b>15,883</b> |
| YoY Growth (%)             | 58.7         | 26.1         | 34.2         | 30.6         | 24.7         | 23.0         | 18.2         | 22.8         | 35.9          | 22.1          |
| Other Income               | 738          | 745          | 732          | 991          | 856          | 916          | 975          | 741          | 3,205         | 3,488         |
| <b>Total Income</b>        | <b>3,693</b> | <b>3,803</b> | <b>4,118</b> | <b>4,603</b> | <b>4,540</b> | <b>4,677</b> | <b>4,978</b> | <b>5,174</b> | <b>16,216</b> | <b>19,370</b> |
| YoY Growth (%)             | 70.0         | 28.9         | 38.0         | 32.8         | 22.9         | 23.0         | 20.9         | 12.4         | 40.1          | 19.5          |
| Operating Expenses         | 1,339        | 1,385        | 1,515        | 1,696        | 1,725        | 1,806        | 1,862        | 1,962        | 5,935         | 7,355         |
| <b>Operating Profit</b>    | <b>2,354</b> | <b>2,418</b> | <b>2,603</b> | <b>2,907</b> | <b>2,815</b> | <b>2,871</b> | <b>3,117</b> | <b>3,212</b> | <b>10,281</b> | <b>12,015</b> |
| YoY Growth (%)             | 95.8         | 29.1         | 41.6         | 31.5         | 19.6         | 18.7         | 19.7         | 10.5         | 44.3          | 16.9          |
| Provisions & Loan Losses   | 759          | 762          | 938          | 1,190        | 1,154        | 923          | 785          | 712          | 3,649         | 3,574         |
| <b>Profit before Tax</b>   | <b>1,595</b> | <b>1,656</b> | <b>1,665</b> | <b>1,717</b> | <b>1,661</b> | <b>1,948</b> | <b>2,332</b> | <b>2,501</b> | <b>6,633</b>  | <b>8,441</b>  |
| Tax Provisions             | 390          | 399          | 401          | 390          | 415          | 487          | 583          | 575          | 1,580         | 2,060         |
| <b>Net Profit</b>          | <b>1,205</b> | <b>1,257</b> | <b>1,265</b> | <b>1,327</b> | <b>1,246</b> | <b>1,461</b> | <b>1,749</b> | <b>1,926</b> | <b>5,053</b>  | <b>6,382</b>  |
| YoY Growth (%)             | 60           | 32           | 23           | 16           | 3            | 16           | 38           | 45           | 31            | 26.3          |

## Home First Finance Company

**Buy**
**CMP INR1,096 | TP: INR1,205 (+10%)**
**EPS CHANGE (%): FY24|25|26: 2.0|3.4**

- Estimate a robust AUM growth of ~34% YoY/8% QoQ
- Cost/income ratio expected to remain stable at ~36%
- Margin is projected to contract ~10bp in 1QFY25
- Outlook on loan growth, margins, and delinquencies are the key monitorables

### Quarterly Performance

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| Interest Income            | 2,313        | 2,491        | 2,646        | 2,827        | 3,026        | 3,238        | 3,474        | 3,740        | 10,277       | 13,477       |
| Interest expenses          | 1,068        | 1,170        | 1,302        | 1,459        | 1,567        | 1,679        | 1,805        | 1,930        | 4,999        | 6,981        |
| <b>Net Interest Income</b> | <b>1,246</b> | <b>1,321</b> | <b>1,344</b> | <b>1,368</b> | <b>1,460</b> | <b>1,558</b> | <b>1,668</b> | <b>1,810</b> | <b>5,278</b> | <b>6,496</b> |
| YoY Growth (%)             | 32.6         | 30.1         | 21.4         | 22.4         | 17.2         | 18.0         | 24.2         | 32.3         | 26.3         | 23.1         |
| Other Income               | 285          | 289          | 364          | 351          | 333          | 341          | 443          | 585          | 1,289        | 1,702        |
| <b>Net Income</b>          | <b>1,530</b> | <b>1,610</b> | <b>1,708</b> | <b>1,719</b> | <b>1,793</b> | <b>1,899</b> | <b>2,111</b> | <b>2,395</b> | <b>6,567</b> | <b>8,198</b> |
| YoY Growth (%)             | 40.9         | 36.1         | 35.7         | 24.2         | 17.1         | 18.0         | 23.6         | 39.3         | 33.7         | 24.8         |
| Operating Expenses         | 553          | 565          | 611          | 584          | 643          | 690          | 745          | 923          | 2,313        | 3,001        |
| <b>Operating Profit</b>    | <b>977</b>   | <b>1,044</b> | <b>1,097</b> | <b>1,135</b> | <b>1,149</b> | <b>1,209</b> | <b>1,366</b> | <b>1,472</b> | <b>4,254</b> | <b>5,197</b> |
| YoY Growth (%)             | 39.8         | 40.9         | 34.5         | 24.8         | 17.6         | 15.8         | 24.5         | 29.7         | 34.3         | 22.2         |
| Provisions and Cont.       | 77           | 80           | 70           | 27           | 40           | 50           | 110          | 152          | 254          | 352          |
| <b>Profit before Tax</b>   | <b>900</b>   | <b>964</b>   | <b>1,027</b> | <b>1,107</b> | <b>1,109</b> | <b>1,159</b> | <b>1,256</b> | <b>1,320</b> | <b>4,000</b> | <b>4,845</b> |
| Tax Provisions             | 209          | 221          | 239          | 273          | 250          | 261          | 289          | 300          | 942          | 1,100        |
| <b>Net Profit</b>          | <b>691</b>   | <b>743</b>   | <b>788</b>   | <b>835</b>   | <b>860</b>   | <b>898</b>   | <b>967</b>   | <b>1,020</b> | <b>3,057</b> | <b>3,745</b> |
| YoY Growth (%)             | 34.9         | 36.9         | 34.5         | 30.4         | 24.4         | 20.9         | 22.7         | 22.2         | 33.9         | 22.5         |

**IIFL Finance****Buy****CMP INR521 | TP: INR605 (+16%)****EPS CHANGE (%): FY25|26: -23.6|0.6**

- Estimate AUM growth of ~5% YoY
- Estimate PAT of INR3.0b in 1QFY25 (PQ: INR3.7b)
- Cost ratios are expected to remain elevated QoQ
- Outlook on gold loan business, loan growth and margins key monitorable

**IIFL Finance (Consolidated): Quarterly Performance**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| Interest Income            | 21,989        | 23,576        | 25,630        | 27,200        | 25,840        | 24,548        | 25,039        | 29,485        | 98,386        | 1,04,913      |
| Interest Expenses          | 8,878         | 9,321         | 9,885         | 10,744        | 10,905        | 11,014        | 11,124        | 11,208        | 38,829        | 44,252        |
| <b>Net Interest Income</b> | <b>13,111</b> | <b>14,255</b> | <b>15,745</b> | <b>16,456</b> | <b>14,935</b> | <b>13,534</b> | <b>13,915</b> | <b>18,277</b> | <b>59,557</b> | <b>60,661</b> |
| YoY Growth (%)             | 48.9          | 44.7          | 44.7          | 38.9          | 13.9          | -5.1          | -11.6         | 11.1          | 43.6          | 1.9           |
| Other Income               | 1,306         | 1,878         | 1,120         | -873          | 550           | 1,978         | 1,908         | 2,801         | 3,342         | 7,237         |
| <b>Total Income</b>        | <b>14,417</b> | <b>16,134</b> | <b>16,865</b> | <b>15,584</b> | <b>15,485</b> | <b>15,512</b> | <b>15,823</b> | <b>21,078</b> | <b>62,899</b> | <b>67,898</b> |
| YoY Growth (%)             | 20            | 26            | 26            | 10            | 7             | -4            | -6            | 35            | 20.4          | 7.9           |
| Operating Expenses         | 6,332         | 6,772         | 7,272         | 7,691         | 7,428         | 7,759         | 8,351         | 8,471         | 28,067        | 32,009        |
| <b>Operating Profit</b>    | <b>8,085</b>  | <b>9,361</b>  | <b>9,593</b>  | <b>7,893</b>  | <b>8,057</b>  | <b>7,753</b>  | <b>7,472</b>  | <b>12,607</b> | <b>34,832</b> | <b>35,888</b> |
| YoY Growth (%)             | 18.4          | 29.0          | 24.9          | -1.6          | -0.3          | -17.2         | -22.1         | 59.7          | 16.9          | 3.0           |
| Provisions & Loan Losses   | 1,901         | 2,526         | 2,430         | 2,356         | 1,885         | 2,639         | 2,507         | 4,714         | 9,113         | 11,744        |
| <b>Profit before Tax</b>   | <b>6,184</b>  | <b>6,835</b>  | <b>7,163</b>  | <b>5,537</b>  | <b>6,173</b>  | <b>5,114</b>  | <b>4,965</b>  | <b>7,893</b>  | <b>25,719</b> | <b>24,144</b> |
| Tax Provisions             | 1,455         | 1,580         | 1,711         | 1,231         | 1,224         | 1,371         | 1,431         | 1,756         | 5,977         | 5,782         |
| <b>PAT (Pre NCI)</b>       | <b>4,729</b>  | <b>5,255</b>  | <b>5,452</b>  | <b>4,306</b>  | <b>4,949</b>  | <b>3,742</b>  | <b>3,534</b>  | <b>6,137</b>  | <b>19,742</b> | <b>18,362</b> |
| NCI                        | 475           | 513           | 548           | 572           | 572           | 601           | 649           | 678           | 2,107         | 2,500         |
| <b>PAT (Post NCI)</b>      | <b>4,254</b>  | <b>4,743</b>  | <b>4,904</b>  | <b>3,734</b>  | <b>4,377</b>  | <b>3,142</b>  | <b>2,885</b>  | <b>5,459</b>  | <b>17,635</b> | <b>15,862</b> |
| YoY Growth (%)             | 29            | 25            | 30            | -10           | 3             | -34           | -41           | 46            | 18            | -10           |

**L&T Finance Holdings****Buy****CMP INR187 | TP: INR230 (+23%)****EPS CHANGE (%): FY25|26: -2.4|-1.5**

- Reported retail loan book growth of 31%YoY
- Anticipate credit costs to decline to ~2.8% (annualized) in 1QFY25 (vs. ~3.2% in 4QFY24)
- NIM is expected to decline ~20bp to ~10.9% QoQ
- Opex to moderate to ~39% due to economies of scale

**Quarterly performance**

| Y/E March                   | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| Interest Income             | 31,165        | 31,685        | 33,063        | 33,226        | 34,887        | 36,981        | 39,199        | 42,155        | 1,29,139      | 1,53,222        |
| Interest Expenses           | 13,638        | 13,249        | 13,534        | 13,351        | 13,885        | 14,996        | 16,345        | 17,557        | 53,772        | 62,783          |
| <b>Net Interest Income</b>  | <b>17,527</b> | <b>18,436</b> | <b>19,529</b> | <b>19,875</b> | <b>21,002</b> | <b>21,985</b> | <b>22,854</b> | <b>24,598</b> | <b>75,367</b> | <b>90,439</b>   |
| Change YoY (%)              | 14.3          | 11.9          | 7.2           | 12.6          | 19.8          | 19.2          | 17.0          | 23.8          | 11.4          | 20.0            |
| Other Operating Income      | 1,068         | 453           | 2,277         | 3,492         | 2,822         | 1,747         | 573           | 2,683         | 6,667         | 7,825           |
| <b>Net Operating Income</b> | <b>18,596</b> | <b>18,889</b> | <b>21,805</b> | <b>23,367</b> | <b>23,824</b> | <b>23,731</b> | <b>23,428</b> | <b>27,281</b> | <b>82,034</b> | <b>98,264</b>   |
| Change YoY (%)              | 11.7          | 7.5           | 12.9          | 31.9          | 28.1          | 25.6          | 7.4           | 16.7          | 15.1          | 19.8            |
| Other income                | 1,535         | 2,682         | 473           | 56            | 767           | 1,878         | 1,561         | 540           | 4,745         | 4,745           |
| <b>Total Income</b>         | <b>20,130</b> | <b>21,572</b> | <b>22,278</b> | <b>23,422</b> | <b>24,591</b> | <b>25,609</b> | <b>24,988</b> | <b>27,820</b> | <b>86,779</b> | <b>1,03,009</b> |
| Change YoY (%)              | 11.1          | 15.0          | 11.9          | 18.7          | 22.2          | 18.7          | 12.2          | 18.8          | 13.4          | 18.7            |
| Operating Expenses          | 7,782         | 8,598         | 8,896         | 9,803         | 9,650         | 9,801         | 9,964         | 10,855        | 35,079        | 40,270          |
| Change YoY (%)              | 18.3          | 25.2          | 19.9          | 24.6          | 24.0          | 14.0          | 12.0          | 10.7          | 22.1          | 14.8            |
| <b>Operating Profits</b>    | <b>12,348</b> | <b>12,974</b> | <b>13,382</b> | <b>13,619</b> | <b>14,942</b> | <b>15,808</b> | <b>15,025</b> | <b>16,965</b> | <b>51,701</b> | <b>62,740</b>   |
| Change YoY (%)              | 6.9           | 9.1           | 7.2           | 7.3           | 21.0          | 21.8          | 12.3          | 24.6          | 6.3           | 21.4            |
| Provisions                  | 5,212         | 5,000         | 5,142         | 6,679         | 6,094         | 6,354         | 5,290         | 7,034         | 21,410        | 24,772          |
| <b>Profit before Tax</b>    | <b>7,136</b>  | <b>7,974</b>  | <b>8,240</b>  | <b>6,940</b>  | <b>8,847</b>  | <b>9,454</b>  | <b>9,735</b>  | <b>9,931</b>  | <b>30,290</b> | <b>37,967</b>   |
| Tax Provisions              | 1,831         | 2,032         | 1,847         | 1,410         | 2,079         | 2,411         | 2,482         | 2,519         | 7,119         | 9,492           |
| <b>Profit after tax</b>     | <b>5,305</b>  | <b>5,942</b>  | <b>6,394</b>  | <b>5,530</b>  | <b>6,768</b>  | <b>7,043</b>  | <b>7,253</b>  | <b>7,411</b>  | <b>23,171</b> | <b>28,475</b>   |
| Change YoY (%)              | 103           | 47            | 41            | 10            | 28            | 19            | 13            | 34            | 43            | 23              |

**LIC Housing Finance****Buy****CMP INR795 | TP: INR930 (+17%)****EPS CHANGE (%):FY25|26: -0.3|-1.0**

- Expect loan growth of ~5% YoY with a fairly stable mix
- Estimate annualized credit costs of ~50bp in 1QFY25 vs. ~60bp in 4QFY24
- Yields are expected to decline on a sequential basis, leading to ~15bp compression in NIM
- Commentaries on slippages from restructured pool, mortgage demand, and guidance on margins are the key monitorables

**Quarterly Performance**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| Interest Income            | 67,037        | 67,066        | 67,437        | 68,875        | 69,633        | 70,468        | 71,384        | 72,383        | 2,70,416      | 2,83,868      |
| Interest Expenses          | 44,942        | 46,000        | 46,465        | 46,499        | 48,127        | 49,185        | 50,366        | 51,787        | 1,83,907      | 1,99,465      |
| <b>Net Interest Income</b> | <b>22,094</b> | <b>21,066</b> | <b>20,972</b> | <b>22,376</b> | <b>21,506</b> | <b>21,283</b> | <b>21,019</b> | <b>20,596</b> | <b>86,509</b> | <b>84,404</b> |
| YoY Growth (%)             | 37.2          | 81.2          | 30.6          | 12.4          | -2.7          | 1.0           | 0.2           | -8.0          | 36.7          | -2.4          |
| Fees and other income      | 429           | 521           | 488           | 493           | 515           | 625           | 585           | 527           | 1,931         | 2,252         |
| <b>Net Income</b>          | <b>22,523</b> | <b>21,587</b> | <b>21,460</b> | <b>22,869</b> | <b>22,021</b> | <b>21,908</b> | <b>21,604</b> | <b>21,123</b> | <b>88,440</b> | <b>86,656</b> |
| YoY Growth (%)             | 36.4          | 79.1          | 30.6          | 12.8          | -2.2          | 1.5           | 0.7           | -7.6          | 36.3          | -2.0          |
| Operating Expenses         | 2,425         | 2,595         | 2,615         | 3,829         | 2,862         | 2,948         | 3,036         | 3,138         | 11,463        | 11,983        |
| <b>Operating Profit</b>    | <b>20,098</b> | <b>18,993</b> | <b>18,845</b> | <b>19,041</b> | <b>19,159</b> | <b>18,961</b> | <b>18,568</b> | <b>17,985</b> | <b>76,976</b> | <b>74,672</b> |
| YoY Growth (%)             | 38.8          | 101.1         | 39.0          | 8.7           | -4.7          | -0.2          | -1.5          | -5.5          | 40.0          | -3.0          |
| Provisions and Cont.       | 3,608         | 4,192         | 4,358         | 4,279         | 3,789         | 3,713         | 3,341         | 2,334         | 16,437        | 13,177        |
| <b>Profit before Tax</b>   | <b>16,490</b> | <b>14,801</b> | <b>14,487</b> | <b>14,762</b> | <b>15,370</b> | <b>15,248</b> | <b>15,226</b> | <b>15,651</b> | <b>60,539</b> | <b>61,496</b> |
| Tax Provisions             | 3,253         | 2,920         | 2,858         | 3,854         | 2,920         | 2,897         | 2,893         | 2,974         | 12,885        | 11,684        |
| <b>Net Profit</b>          | <b>13,237</b> | <b>11,881</b> | <b>11,629</b> | <b>10,908</b> | <b>12,450</b> | <b>12,351</b> | <b>12,333</b> | <b>12,677</b> | <b>47,654</b> | <b>49,811</b> |
| YoY Growth (%)             | 43            | 290           | 142           | -8            | -6            | 4             | 6             | 16            | 65            | 5             |

**Mahindra Financial Services****Buy****CMP INR302 | TP: INR355 (+18%)****EPS CHANGE (%): FY25|26: 0.7 | 1.4**

- Reported 1QFY25 disbursement growth of ~5% YoY
- We expect ~5bp QoQ contraction in margin
- Estimate credit costs of ~2.1% in 1QFY25 (vs. ~1.4% 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            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| Interest income          | 30,349        | 31,535        | 33,733        | 35,471        | 37,280        | 39,256        | 41,494        | 43,148        | 1,31,088      | 1,61,178      |
| Interest Expenses        | 14,505        | 15,665        | 16,750        | 17,351        | 18,426        | 19,569        | 20,645        | 21,441        | 64,269        | 80,082        |
| <b>NII</b>               | <b>15,844</b> | <b>15,870</b> | <b>16,983</b> | <b>18,121</b> | <b>18,854</b> | <b>19,687</b> | <b>20,849</b> | <b>21,707</b> | <b>66,818</b> | <b>81,096</b> |
| YoY Growth (%)           | 5.3           | 9.6           | 9.4           | 13.2          | 19.0          | 24.1          | 22.8          | 19.8          | 9.4           | 21.4          |
| Other income             | 905           | 870           | 1,172         | 1,590         | 1,041         | 1,000         | 1,347         | 2,213         | 4,537         | 5,602         |
| <b>Net Total Income</b>  | <b>16,750</b> | <b>16,740</b> | <b>18,155</b> | <b>19,710</b> | <b>19,895</b> | <b>20,688</b> | <b>22,196</b> | <b>23,920</b> | <b>71,355</b> | <b>86,699</b> |
| YoY Growth (%)           | 6.9           | 8.7           | 10.1          | 14.4          | 18.8          | 23.6          | 22.3          | 21.4          | 10.1          | 21.5          |
| Operating Expenses       | 6,750         | 7,312         | 7,530         | 7,980         | 7,290         | 8,043         | 8,509         | 9,027         | 29,572        | 32,869        |
| <b>Operating Profit</b>  | <b>10,000</b> | <b>9,428</b>  | <b>10,625</b> | <b>11,730</b> | <b>12,605</b> | <b>12,644</b> | <b>13,687</b> | <b>14,893</b> | <b>41,783</b> | <b>53,829</b> |
| YoY Growth (%)           | 5.7           | 9.2           | 6.4           | 24.2          | 26.1          | 34.1          | 28.8          | 27.0          | 11.4          | 28.8          |
| Provisions               | 5,264         | 6,266         | 3,284         | 3,415         | 5,519         | 4,923         | 2,857         | 2,911         | 18,228        | 16,210        |
| <b>Profit before Tax</b> | <b>4,735</b>  | <b>3,163</b>  | <b>7,341</b>  | <b>8,315</b>  | <b>7,086</b>  | <b>7,721</b>  | <b>10,830</b> | <b>11,982</b> | <b>23,555</b> | <b>37,619</b> |
| Tax Provisions           | 1,209         | 811           | 1,813         | 2,126         | 1,807         | 1,969         | 2,762         | 3,055         | 5,959         | 9,593         |
| <b>Net Profit</b>        | <b>3,527</b>  | <b>2,352</b>  | <b>5,528</b>  | <b>6,190</b>  | <b>5,279</b>  | <b>5,752</b>  | <b>8,068</b>  | <b>8,926</b>  | <b>17,596</b> | <b>28,026</b> |
| YoY Growth (%)           | 58.2          | -47.5         | -12.1         | -9.5          | 49.7          | 144.6         | 46.0          | 44.2          | -11.3         | 59.3          |

**Manappuram Finance****Buy****CMP INR206 | TP: INR245 (+19%)****EPS CHANGE (%): FY25|26: 4.0|2.6**

- Expect gold AUM/consolidated AUM to grow 6% each on a sequential basis
- Factored in a margin and spread decline of ~30bp each QoQ in the consolidated loan book
- Expect credit costs to decline 10bp to ~1.7%
- Commentaries on gold loan growth and asset quality in the MFI and Vehicle segments are the key monitorables

**MGFL - Quarterly Performance (Consolidated)**

| Y/E March                  | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E         |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| Interest Income            | 19,363        | 20,438        | 22,011        | 22,734        | 23,757        | 24,826        | 26,068        | 26,827        | 84,546        | 1,01,478      |
| Interest Expenses          | 6,484         | 6,894         | 7,487         | 7,792         | 8,298         | 8,713         | 9,149         | 9,521         | 28,657        | 35,681        |
| <b>Net Interest Income</b> | <b>12,879</b> | <b>13,543</b> | <b>14,524</b> | <b>14,943</b> | <b>15,459</b> | <b>16,113</b> | <b>16,919</b> | <b>17,306</b> | <b>55,889</b> | <b>65,797</b> |
| YoY Growth (%)             | 34.6          | 25.5          | 33.0          | 32.8          | 20.0          | 19.0          | 16.5          | 15.8          | 31.4          | 17.7          |
| Other income               | 1,209         | 1,303         | 1,256         | 888           | 1,015         | 1,169         | 1,298         | 1,155         | 4,655         | 4,636         |
| <b>Net Income</b>          | <b>14,088</b> | <b>14,846</b> | <b>15,780</b> | <b>15,831</b> | <b>16,474</b> | <b>17,282</b> | <b>18,217</b> | <b>18,461</b> | <b>60,544</b> | <b>70,434</b> |
| Operating Expenses         | 6,068         | 6,182         | 6,419         | 6,497         | 6,856         | 7,109         | 7,510         | 8,093         | 25,165        | 29,568        |
| <b>Operating Profits</b>   | <b>8,020</b>  | <b>8,664</b>  | <b>9,361</b>  | <b>9,333</b>  | <b>9,618</b>  | <b>10,173</b> | <b>10,706</b> | <b>10,368</b> | <b>35,379</b> | <b>40,865</b> |
| YoY Growth (%)             | 57.5          | 36.8          | 58.1          | 52.0          | 19.9          | 17.4          | 14.4          | 11.1          | 50.7          | 15.5          |
| Provisions                 | 1,212         | 1,197         | 1,496         | 1,878         | 1,839         | 1,707         | 1,665         | 1,284         | 5,783         | 6,495         |
| <b>PBT</b>                 | <b>6,808</b>  | <b>7,467</b>  | <b>7,864</b>  | <b>7,455</b>  | <b>7,779</b>  | <b>8,466</b>  | <b>9,041</b>  | <b>9,085</b>  | <b>29,595</b> | <b>34,371</b> |
| Tax Provisions             | 1,828         | 1,861         | 2,111         | 1,820         | 2,023         | 2,201         | 2,351         | 2,431         | 7,621         | 9,005         |
| <b>PAT</b>                 | <b>4,980</b>  | <b>5,607</b>  | <b>5,753</b>  | <b>5,635</b>  | <b>5,757</b>  | <b>6,265</b>  | <b>6,690</b>  | <b>6,654</b>  | <b>21,974</b> | <b>25,366</b> |
| YoY Growth (%)             | 77            | 37            | 46            | 36            | 16            | 12            | 16            | 18            | 46            | 15            |

**MAS Financial****Buy****CMP INR293 | TP: INR365 (+25%)****EPS CHANGE (%): FY25|26: -9.6|-9.6**

- Standalone AUM is likely to grow ~4% QoQ/~25% YoY
- We expect stable credit costs of ~90bp
- Margin is expected to expand ~15bp QoQ to ~6.9%
- 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           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Revenue from Operations</b> | <b>2,801</b> | <b>2,982</b> | <b>3,206</b> | <b>3,295</b> | <b>3,545</b> | <b>3,807</b> | <b>4,088</b> | <b>4,355</b> | <b>12,246</b> | <b>15,795</b> |
| Interest Income                | 2,362        | 2,490        | 2,651        | 2,757        | 2,972        | 3,195        | 3,434        | 3,637        | 10,223        | 13,238        |
| Gain on assignments            | 242          | 272          | 319          | 336          | 354          | 372          | 391          | 404          | 1,170         | 1,521         |
| Other operating Income         | 196          | 219          | 236          | 202          | 219          | 240          | 262          | 315          | 853           | 1,037         |
| Interest expenses              | 1,428        | 1,461        | 1,638        | 1,615        | 1,761        | 1,901        | 2,054        | 2,210        | 6,142         | 7,926         |
| <b>Total income</b>            | <b>1,373</b> | <b>1,520</b> | <b>1,569</b> | <b>1,680</b> | <b>1,784</b> | <b>1,906</b> | <b>2,034</b> | <b>2,145</b> | <b>6,104</b>  | <b>7,869</b>  |
| Growth Y-o-Y (%)               | 30           | 28           | 27           | 33           | 30           | 25           | 30           | 28           | 29            | 29            |
| Operating Expenses             | 427          | 484          | 467          | 555          | 569          | 583          | 598          | 614          | 1,894         | 2,364         |
| <b>Operating Profits</b>       | <b>946</b>   | <b>1,036</b> | <b>1,102</b> | <b>1,125</b> | <b>1,215</b> | <b>1,323</b> | <b>1,436</b> | <b>1,531</b> | <b>4,210</b>  | <b>5,506</b>  |
| Growth Y-o-Y (%)               | 34           | 34           | 35           | 27           | 28           | 28           | 30           | 36           | 33            | 31            |
| Provisions                     | 188          | 236          | 257          | 214          | 242          | 274          | 309          | 367          | 896           | 1,192         |
| <b>Profit before tax</b>       | <b>758</b>   | <b>800</b>   | <b>845</b>   | <b>911</b>   | <b>973</b>   | <b>1,049</b> | <b>1,127</b> | <b>1,164</b> | <b>3,314</b>  | <b>4,313</b>  |
| Growth Y-o-Y (%)               | 22           | 22           | 25           | 29           | 28           | 31           | 33           | 28           | 25            | 30            |
| Tax Provisions                 | 186          | 200          | 221          | 230          | 243          | 262          | 282          | 300          | 837           | 1,087         |
| <b>Net Profit</b>              | <b>573</b>   | <b>600</b>   | <b>624</b>   | <b>681</b>   | <b>730</b>   | <b>787</b>   | <b>846</b>   | <b>864</b>   | <b>2,478</b>  | <b>3,226</b>  |
| Growth Y-o-Y (%)               | 23           | 22           | 24           | 23           | 28           | 31           | 35           | 27           | 23            | 30            |

**Muthoot Finance****Neutral**

CMP INR 1,797 | TP: INR1,630 (-9%)

EPS CHANGE (%): FY25|26: 3.1|2.5

- Estimate gold AUM growth of ~7% QoQ
- Margin is likely to decline 25bp to ~11.7%.
- Cost ratios are expected to decline due to economies of scale
- 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            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| Interest Income               | 29,577        | 30,147        | 31,176        | 33,575        | 35,523        | 36,943        | 38,236        | 39,381        | 1,24,476        | 1,50,084        |
| Other operating income        | 410           | 450           | 501           | 514           | 471           | 517           | 576           | 591           | 1,874           | 2,156           |
| <b>Total Operating income</b> | <b>29,987</b> | <b>30,597</b> | <b>31,677</b> | <b>34,089</b> | <b>35,994</b> | <b>37,461</b> | <b>38,812</b> | <b>39,972</b> | <b>1,26,350</b> | <b>1,52,239</b> |
| YoY Growth (%)                | 19.8          | 22.5          | 19.1          | 19.5          | 20.0          | 22.4          | 22.5          | 17.3          | 20.2            | 20.5            |
| Other income                  | 276           | 139           | 80            | 95            | 121           | 155           | 199           | 224           | 590             | 700             |
| <b>Total Income</b>           | <b>30,263</b> | <b>30,736</b> | <b>31,757</b> | <b>34,184</b> | <b>36,115</b> | <b>37,616</b> | <b>39,011</b> | <b>40,196</b> | <b>1,26,940</b> | <b>1,52,939</b> |
| YoY Growth (%)                | 20.6          | 22.8          | 19.1          | 19.4          | 19.3          | 22.4          | 22.8          | 17.6          | 20.4            | 20.5            |
| Interest Expenses             | 10,638        | 11,563        | 12,119        | 12,228        | 13,083        | 13,764        | 14,383        | 15,260        | 46,548          | 56,491          |
| <b>Net Income</b>             | <b>19,625</b> | <b>19,173</b> | <b>19,638</b> | <b>21,956</b> | <b>23,032</b> | <b>23,852</b> | <b>24,628</b> | <b>24,936</b> | <b>80,393</b>   | <b>96,449</b>   |
| Operating Expenses            | 5,620         | 5,751         | 5,696         | 6,861         | 6,518         | 6,844         | 7,049         | 7,206         | 23,927          | 27,618          |
| <b>Operating Profit</b>       | <b>14,006</b> | <b>13,422</b> | <b>13,942</b> | <b>15,095</b> | <b>16,514</b> | <b>17,008</b> | <b>17,579</b> | <b>17,730</b> | <b>56,466</b>   | <b>68,831</b>   |
| YoY Growth (%)                | 36.8          | 16.9          | 10.4          | 16.9          | 17.9          | 26.7          | 26.1          | 17.5          | 19.5            | 21.9            |
| Provisions                    | 860           | 120           | 137           | 860           | 700           | 350           | 250           | 104           | 1,978           | 1,404           |
| <b>Profit before Tax</b>      | <b>13,145</b> | <b>13,302</b> | <b>13,805</b> | <b>14,236</b> | <b>15,814</b> | <b>16,658</b> | <b>17,329</b> | <b>17,626</b> | <b>54,488</b>   | <b>67,427</b>   |
| Tax Provisions                | 3,394         | 3,392         | 3,532         | 3,673         | 4,064         | 4,281         | 4,454         | 4,515         | 13,991          | 17,314          |
| <b>Net Profit</b>             | <b>9,751</b>  | <b>9,910</b>  | <b>10,273</b> | <b>10,563</b> | <b>11,749</b> | <b>12,377</b> | <b>12,875</b> | <b>13,111</b> | <b>40,497</b>   | <b>50,113</b>   |
| YoY Growth (%)                | 21.6          | 14.3          | 13.9          | 17.0          | 20.5          | 24.9          | 25.3          | 24.1          | 16.6            | 23.7            |

**PNB Housing Finance****Buy**

CMP INR796 | TP: INR1,015 (27%)

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

- Total AUM growth is expected to be ~11% YoY
- Expect credit costs of ~10bp in 1QFY25
- Cost ratios are expected to decline due to economies of scale
- Commentaries on the asset quality of the retail loan book, NIM, and disbursement trajectory are the key monitorables

**Quarterly performance**

|                            | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income            | 16,669       | 17,029       | 16,795       | 16,929       | 17,860       | 18,753       | 19,691       | 20,928       | 67,422        | 77,232        |
| Interest Expenses          | 10,475       | 10,573       | 10,866       | 10,697       | 11,125       | 11,625       | 12,091       | 12,705       | 42,611        | 47,546        |
| <b>Net Interest Income</b> | <b>6,194</b> | <b>6,456</b> | <b>5,929</b> | <b>6,232</b> | <b>6,735</b> | <b>7,128</b> | <b>7,600</b> | <b>8,223</b> | <b>24,811</b> | <b>29,686</b> |
| YoY Growth (%)             | 68.1         | 1.9          | -17.3        | 7.2          | 8.7          | 10.4         | 28.2         | 31.9         | 7.8           | 19.6          |
| Other income               | 408          | 765          | 765          | 1,211        | 950          | 998          | 1,047        | 1,024        | 3,149         | 4,019         |
| <b>Total Income</b>        | <b>6,602</b> | <b>7,221</b> | <b>6,694</b> | <b>7,443</b> | <b>7,685</b> | <b>8,125</b> | <b>8,648</b> | <b>9,247</b> | <b>27,960</b> | <b>33,705</b> |
| YoY Growth (%)             | 37.3         | 0.2          | -16.3        | 18.2         | 16.4         | 12.5         | 29.2         | 24.2         | 6.3           | 20.5          |
| Operating Expenses         | 1,530        | 1,702        | 1,700        | 1,778        | 1,832        | 1,905        | 2,000        | 2,204        | 6,710         | 7,941         |
| YoY Growth (%)             | 26.0         | 24.4         | 34.7         | 21.1         | 19.7         | 11.9         | 17.7         | 24.0         | 26.3          | 18.4          |
| <b>Operating Profits</b>   | <b>5,072</b> | <b>5,519</b> | <b>4,994</b> | <b>5,665</b> | <b>5,854</b> | <b>6,220</b> | <b>6,648</b> | <b>7,043</b> | <b>21,250</b> | <b>25,764</b> |
| YoY Growth (%)             | 41.1         | -5.4         | -25.9        | 17.3         | 15.4         | 12.7         | 33.1         | 24.3         | 1.2           | 21.2          |
| Provisions                 | 606          | 448          | 591          | 66           | 199          | 398          | 598          | 774          | 1,711         | 1,969         |
| <b>Profit before Tax</b>   | <b>4,467</b> | <b>5,071</b> | <b>4,403</b> | <b>5,598</b> | <b>5,654</b> | <b>5,822</b> | <b>6,050</b> | <b>6,269</b> | <b>19,539</b> | <b>23,795</b> |
| Tax Provisions             | 994          | 1,241        | 1,019        | 1,206        | 1,301        | 1,339        | 1,391        | 1,204        | 4,459         | 5,235         |
| <b>Profit after tax</b>    | <b>3,473</b> | <b>3,830</b> | <b>3,384</b> | <b>4,393</b> | <b>4,354</b> | <b>4,483</b> | <b>4,658</b> | <b>5,065</b> | <b>15,080</b> | <b>18,560</b> |
| YoY Growth (%)             | 47.8         | 45.8         | 25.8         | 57.3         | 25.4         | 17.0         | 37.6         | 15.3         | 44.2          | 23.1          |

**Poonawalla Fincorp****Buy****CMP INR419 | TP: INR500 (+19%)****EPS CHANGE (%): FY25|26: 0.0|0.0**

- Expect AUM/Disbursement growth of ~55%/43% YoY
- Expect cost ratios to improve on a sequential basis
- Expect margin to contract ~45bp QoQ to ~10.4%
- 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           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income                | 6,560        | 6,901        | 7,144        | 8,436        | 9,279        | 10,207       | 11,330       | 12,459       | 28,996        | 43,275        |
| Interest Expenses              | 2,348        | 2,155        | 2,237        | 2,811        | 3,204        | 3,653        | 4,164        | 4,731        | 9,503         | 15,752        |
| <b>Net Interest Income</b>     | <b>4,212</b> | <b>4,746</b> | <b>4,907</b> | <b>5,625</b> | <b>6,075</b> | <b>6,555</b> | <b>7,166</b> | <b>7,728</b> | <b>19,493</b> | <b>27,524</b> |
| YoY Growth (%)                 | 77.8         | 73.3         | 62.9         | 48.1         | 55.6         | 38.1         | 46.0         | 37.4         | 58.3          | 41.2          |
| Other Income                   | 563          | 539          | 594          | 782          | 781          | 804          | 830          | 896          | 2,478         | 3,311         |
| <b>Total Income</b>            | <b>4,775</b> | <b>5,285</b> | <b>5,501</b> | <b>6,407</b> | <b>6,856</b> | <b>7,358</b> | <b>7,996</b> | <b>8,624</b> | <b>21,970</b> | <b>30,835</b> |
| YoY Growth (%)                 | 70.3         | 57.1         | 52.8         | 57.0         | 54.1         | 39.2         | 45.4         | 34.6         | 54.3          | 40.3          |
| Operating Expenses             | 1,834        | 1,929        | 1,998        | 2,313        | 2,128        | 2,213        | 2,301        | 2,618        | 8,074         | 9,259         |
| <b>Operating Profit</b>        | <b>2,941</b> | <b>3,356</b> | <b>3,502</b> | <b>4,094</b> | <b>4,728</b> | <b>5,146</b> | <b>5,695</b> | <b>6,006</b> | <b>13,897</b> | <b>21,576</b> |
| YoY Growth (%)                 | 185.0        | 167.0        | 124.8        | 103.1        | 74.9         | 53.3         | 62.6         | 46.7         | 127.7         | 55.3          |
| Provisions & Loan Losses       | 266          | 281          | -65          | 239          | 503          | 830          | 871          | 470          | 720           | 2,673         |
| <b>Profit before Tax</b>       | <b>2,676</b> | <b>3,075</b> | <b>3,568</b> | <b>3,855</b> | <b>4,226</b> | <b>4,316</b> | <b>4,824</b> | <b>5,536</b> | <b>13,177</b> | <b>18,902</b> |
| Exceptional items              |              | 6,560        |              |              |              | 0            |              |              | 6,560         | 0             |
| Tax Provisions                 | 674          | 775          | 916          | 538          | 1,014        | 993          | 1,110        | 1,326        | 2,907         | 4,442         |
| <b>PAT (excl. exceptional)</b> | <b>2,002</b> | <b>2,300</b> | <b>2,651</b> | <b>3,317</b> | <b>3,211</b> | <b>3,324</b> | <b>3,715</b> | <b>4,211</b> | <b>10,270</b> | <b>14,460</b> |
| <b>PAT (incl. exceptional)</b> | <b>2,002</b> | <b>8,861</b> | <b>2,651</b> | <b>3,317</b> | <b>3,211</b> | <b>3,324</b> | <b>3,715</b> | <b>4,211</b> | <b>16,830</b> | <b>14,460</b> |
| YoY Growth (%)                 | 86.0         | 76.7         | 76.3         | 83.6         | 66.0         | 44.5         | 40.1         | 26.9         | 72.8          | 40.8          |

**Repco Home Finance****Neutral****CMP INR551 | TP: INR595 (8%)****EPS CHANGE (%): FY24|25|26: -5.4|-2.4**

- Disbursements/AUM expected to grow ~5%/9% YoY
- Estimate benign credit costs of ~5bp
- Margin are likely to contract ~10bp QoQ
- 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           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| Interest Income          | 3,572        | 3,770        | 3,787        | 3,831        | 3,916        | 4,050        | 4,131        | 4,099        | 14,960       | 16,196       |
| Interest Expenses        | 2,026        | 2,075        | 2,153        | 2,203        | 2,269        | 2,337        | 2,383        | 2,383        | 8,456        | 9,372        |
| <b>Net Income</b>        | <b>1,546</b> | <b>1,695</b> | <b>1,635</b> | <b>1,628</b> | <b>1,648</b> | <b>1,714</b> | <b>1,748</b> | <b>1,715</b> | <b>6,504</b> | <b>6,824</b> |
| YoY Growth (%)           | 16.5         | 23.6         | 17.8         | 10.5         | 6.6          | 1.1          | 6.9          | 5.3          | 17.0         | 4.9          |
| Other income             | 93           | 69           | 145          | 141          | 120          | 100          | 150          | 145          | 448          | 515          |
| <b>Total Income</b>      | <b>1,639</b> | <b>1,765</b> | <b>1,779</b> | <b>1,769</b> | <b>1,768</b> | <b>1,814</b> | <b>1,898</b> | <b>1,861</b> | <b>6,952</b> | <b>7,340</b> |
| YoY Growth (%)           | 15.7         | 18.9         | 18.7         | 11.9         | 7.8          | 2.8          | 6.7          | 5.2          | 16.2         | 5.6          |
| Operating Expenses       | 392          | 426          | 410          | 483          | 458          | 472          | 486          | 509          | 1,710        | 1,926        |
| YoY Growth (%)           | 15.7         | 24.4         | 2.9          | 27.6         | 17.0         | 10.7         | 18.8         | 5.5          | 17.3         | 12.6         |
| <b>Operating Profits</b> | <b>1,247</b> | <b>1,338</b> | <b>1,370</b> | <b>1,287</b> | <b>1,309</b> | <b>1,341</b> | <b>1,412</b> | <b>1,351</b> | <b>5,242</b> | <b>5,414</b> |
| YoY Growth (%)           | 15.7         | 17.3         | 24.5         | 6.9          | 5.0          | 0.2          | 3.0          | 5.0          | 15.9         | 3.3          |
| Provisions               | 50           | 16           | 29           | -100         | 7            | 17           | 36           | -162         | -5           | -102         |
| <b>Profit before Tax</b> | <b>1,198</b> | <b>1,322</b> | <b>1,341</b> | <b>1,387</b> | <b>1,302</b> | <b>1,324</b> | <b>1,376</b> | <b>1,514</b> | <b>5,247</b> | <b>5,516</b> |
| Tax Provisions           | 307          | 341          | 346          | 306          | 343          | 348          | 362          | 337          | 1,300        | 1,390        |
| <b>Profit after tax</b>  | <b>891</b>   | <b>981</b>   | <b>994</b>   | <b>1,081</b> | <b>960</b>   | <b>976</b>   | <b>1,014</b> | <b>1,176</b> | <b>3,947</b> | <b>4,126</b> |
| YoY Growth (%)           | 43.5         | 37.9         | 23.1         | 31.6         | 7.7          | -0.5         | 2.0          | 8.8          | 33.3         | 4.5          |

**Shriram Finance****Buy****CMP INR2,824 | TP: INR3,400 (+20%)****EPS CHANGE (%): FY25|26: |1.2|1.4**

- Estimate disbursements of ~INR365b, leading to an AUM of ~INR2.33t (up 21% YoY/ ~4% QoQ)
- Margin is expected to contract ~10bp QoQ to 9.1%
- Credit cost is likely to remain stable QoQ at 2.3%
- 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            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| Interest Income            | 76,880        | 82,166        | 86,179        | 90,773        | 94,313        | 98,557        | 1,03,485      | 1,08,377      | 3,35,997        | 4,04,731        |
| Interest Expenses          | 34,875        | 36,219        | 37,069        | 39,898        | 41,893        | 43,988        | 46,363        | 48,755        | 1,48,061        | 1,80,999        |
| <b>Net Interest Income</b> | <b>42,004</b> | <b>45,947</b> | <b>49,110</b> | <b>50,874</b> | <b>52,420</b> | <b>54,569</b> | <b>57,122</b> | <b>59,622</b> | <b>1,87,935</b> | <b>2,23,732</b> |
| YoY Growth (%)             | 20.0          | 21.6          | 17.1          | 21.7          | 29.9          | 18.8          | 16.3          | 17.2          | 17.0            | 19.0            |
| Other Income               | 3,167         | 3,479         | 3,094         | 4,206         | 3,857         | 3,657         | 3,251         | 4,108         | 13,980          | 14,874          |
| <b>Total Income</b>        | <b>45,171</b> | <b>49,426</b> | <b>52,204</b> | <b>55,080</b> | <b>56,277</b> | <b>58,226</b> | <b>60,373</b> | <b>63,730</b> | <b>2,01,915</b> | <b>2,38,606</b> |
| YoY Growth (%)             | 22.0          | 17.9          | 16.2          | 21.7          | 28.9          | 17.8          | 15.6          | 15.7          | 17.0            | 18.2            |
| Operating Expenses         | 13,908        | 14,618        | 15,311        | 16,024        | 15,925        | 16,445        | 17,378        | 18,327        | 59,895          | 68,074          |
| <b>Operating Profit</b>    | <b>31,262</b> | <b>34,808</b> | <b>36,893</b> | <b>39,056</b> | <b>40,352</b> | <b>41,782</b> | <b>42,995</b> | <b>45,404</b> | <b>1,42,020</b> | <b>1,70,532</b> |
| YoY Growth (%)             | 17.3          | 16.3          | 11.7          | 26.8          | 33.6          | 20.0          | 16.5          | 16.3          | 15.1            | 20.1            |
| Provisions & Loan Losses   | 8,786         | 11,286        | 12,497        | 12,615        | 13,178        | 13,742        | 14,097        | 14,910        | 45,183          | 55,927          |
| <b>Profit before Tax</b>   | <b>22,476</b> | <b>23,523</b> | <b>24,396</b> | <b>26,441</b> | <b>27,173</b> | <b>28,040</b> | <b>28,898</b> | <b>30,494</b> | <b>96,836</b>   | <b>1,14,604</b> |
| Tax Provisions             | 5,722         | 6,014         | 6,213         | 6,983         | 7,065         | 7,290         | 7,658         | 7,211         | 24,932          | 29,224          |
| <b>Net Profit</b>          | <b>16,754</b> | <b>17,508</b> | <b>18,183</b> | <b>19,459</b> | <b>20,108</b> | <b>20,749</b> | <b>21,240</b> | <b>23,283</b> | <b>71,905</b>   | <b>85,380</b>   |
| YoY Growth (%)             | 30.8          | 12.6          | 2.3           | 48.7          | 23.8          | 18.5          | 16.8          | 19.7          | 20.3            | 18.7            |

**Spandana Sphoorty****Buy****CMP INR737 | TP: INR915 (+24%)****EPS CHANGE (%): FY25|26: -9.2|-2.1**

- Estimate disbursements of ~INR23b, leading to AUM of ~INR120b (~AUM growth of 36% YoY)
- Margin is likely to contract ~10bp QoQ to ~15%
- Annualized credit costs to increase to 5.5% (PQ: 3.7%)
- Guidance on credit costs, margins, and AUM growth to be closely monitored

**Quarterly Performance**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| Interest Income            | 4,929        | 5,436        | 5,663        | 6,352        | 6,848        | 7,122        | 7,549        | 8,163        | 22,381        | 29,682        |
| Interest Expenses          | 1,995        | 2,277        | 2,502        | 2,493        | 2,717        | 2,935        | 3,082        | 3,857        | 9,268         | 12,591        |
| <b>Net Interest Income</b> | <b>2,934</b> | <b>3,159</b> | <b>3,161</b> | <b>3,859</b> | <b>4,130</b> | <b>4,187</b> | <b>4,467</b> | <b>4,306</b> | <b>13,113</b> | <b>17,091</b> |
| YoY Growth (%)             | 99.3         | 70.6         | 45.7         | 42.8         | 40.8         | 32.5         | 41.3         | 11.6         | 60.0          | 30.3          |
| Other Income               | 344          | 966          | 905          | 744          | 478          | 1,104        | 1,037        | 751          | 2,959         | 3,370         |
| <b>Total Income</b>        | <b>3,277</b> | <b>4,125</b> | <b>4,067</b> | <b>4,603</b> | <b>4,609</b> | <b>5,291</b> | <b>5,505</b> | <b>5,057</b> | <b>16,072</b> | <b>20,461</b> |
| YoY Growth (%)             | 102.2        | 88.5         | 59.9         | 19.9         | 40.6         | 28.3         | 35.4         | 9.9          | 57.7          | 27.3          |
| Operating Expenses         | 1,386        | 1,549        | 1,662        | 1,943        | 1,979        | 2,064        | 2,199        | 2,373        | 6,540         | 8,614         |
| <b>Operating Profit</b>    | <b>1,891</b> | <b>2,576</b> | <b>2,405</b> | <b>2,660</b> | <b>2,630</b> | <b>3,227</b> | <b>3,306</b> | <b>2,684</b> | <b>9,532</b>  | <b>11,847</b> |
| YoY Growth (%)             | 273.5        | 134.1        | 71.0         | 2.0          | 39.1         | 25.3         | 37.5         | 0.9          | 69.6          | 24.3          |
| Provisions & Loan Losses   | 286          | 901          | 701          | 938          | 1,515        | 1,060        | 954          | 257          | 2,826         | 3,787         |
| <b>Profit before Tax</b>   | <b>1,605</b> | <b>1,675</b> | <b>1,703</b> | <b>1,722</b> | <b>1,115</b> | <b>2,167</b> | <b>2,352</b> | <b>2,427</b> | <b>6,706</b>  | <b>8,061</b>  |
| Tax Provisions             | 411          | 423          | 429          | 435          | 284          | 553          | 600          | 635          | 1,699         | 2,072         |
| <b>Net Profit</b>          | <b>1,195</b> | <b>1,252</b> | <b>1,274</b> | <b>1,287</b> | <b>831</b>   | <b>1,614</b> | <b>1,752</b> | <b>1,792</b> | <b>5,007</b>  | <b>5,989</b>  |
| YoY Growth (%)             | -154.4       | 126.9        | 78.5         | 21.9         | -30.4        | 28.9         | 37.5         | 39.3         | 3,940.0       | 19.6          |

# Financials – Non Lending

## Company

Angel One

BSE

CAMS

ICICI Lombard

360ONE WAM

MCX

Star Health

HDFC Life

IPRU Life

SBI Life

Max Financials

## Capital markets-linked companies to deliver decent performance

### GI players expected to report strong growth in motor and health segments; VNB margins to remain steady

- Despite volatility during the election period, equity indices continued their upward journey and surged to new all-time highs (Nifty 24,000+, Sensex 79,000+) in 1QFY25. This translated into healthy trends in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. Angel One and BSE would benefit from these trends.
- In the AMC sector, net equity inflows were buoyant in Apr'24 and May'24. Growth in equity AUM was primarily backed by strong SIP flows (all-time high in May'24 at ~INR210b). Total MF AUM grew 6.5% (over Mar'24-May'24) owing to strong growth in equity and money market AUM. The increase in equity AUM should boost the performance of CAMS and 360ONE.
- Private life insurance companies saw 16%/18% growth in APE in Apr'24/May'24. In Jun'24, we expect steady growth for the industry. In VNB margins, we expect steady or improving trends QoQ as the rising share of ULIPs could be offset by scale benefits.
- Excluding crop, the general insurance sector witnessed steady GWP growth of 16% and 14% in Apr'24 and May'24, respectively. Growth in the health segment was steady at 17% YoY in Apr/May'24 (16.5% in 4QFY24). The motor segment too saw strong growth of 18%/13% YoY in Apr/May'24 (10% in 4QFY24). The health segment's loss ratios are expected to decline on the back of price hikes. We expect STARHEAL and ICICIGI to report improvement in profitability.
- We remain positive on the long-term growth potential of non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are SBILIFE and STARHEAL. While we continue to like the capital market sector, uncertainty around regulations will keep stock performances in check.

### Steady demat account additions; Growth momentum in cash volumes and F&O volumes picked up in second half of 1QFY25

- The retail segment's cash ADTO increased by 13%/5% MoM in Apr'24/May'24. In terms of F&O ADTO, while the momentum in futures remained strong, options volumes bounced back in May'24 and Jun'24 after a sequential decline in Apr'24.
- BSE continued to gain market share in the options segment, reaching 22%/8.7% market share in notional/premium turnover vs. 17.5%/7.2% in Mar'24.
- Incremental demat account additions moderated to 3.1m in Apr'24 and 3.6m in May'24 (average 4.0m per month in 4QFY24).
- MCX is in the process of getting re-validation approval from SEBI for many new products, which were in the pipeline. MCX has witnessed strong traction in F&O volumes in 1QFY25. Futures ADTO increased from INR175b in 4QFY24 to INR259b in 1QFY25 (up 48% QoQ). Options ADTO increased from INR1.14t in 4QFY24 to INR1.47t in 1QFY25 (up 30% QoQ).
- The SEBI issued a circular on 1st Jul'24 to change the way market intermediaries (MIIs) charge brokers and customers. This might affect earnings for brokers from 3QFY25.

Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Nemin Doshi (Nemin.Doshi@MotilalOswal.com) | Muskan Chopra (Muskan.Chopra@MotilalOswal.com)

**Life Insurers: Expect strong APE growth; VNB margins to be steady**

- Private life insurance companies saw 16%/18% growth in APE in Apr'24/May'24. In Jun'24, we expect steady growth for the industry. SBILIFE/HDFCLIFE/IPRU/MAXLIFE registered APE growth of 19%/18%/37%/29% in Apr-May'24.
- In VNB margins, we expect steady or improving trends QoQ. While the share of ULIPs continues to increase, demand for annuity, non-par (QoQ) and protection remains strong, especially with the launch of a slew of new products. Scale benefits and a higher share of protection/annuities can offset the impact of a higher share of ULIPs, keeping VNB margins steady.
- For FY25, the impact of changes in product and commission constructs from Oct'24 (post implementation of new surrender regulations) will be a key monitorable.

**Steady premium growth for general insurance sector (excluding crop); strong growth in motor segment**

- Excluding crop, the general insurance sector witnessed steady GWP growth of 16% and 14% in Apr'24 and May'24, respectively. Growth in the health segment was steady at 17% YoY over Apr/May'24 (16.5% in 4QFY24). The motor segment too saw strong growth of 18%/13% YoY in Apr/May'24 (10% in 4QFY24).
- For ICICIGI, premium growth in Apr/May'24 stood at 23%/22% YoY. GWP growth for ICICIGI was led by an increase in market share of the motor segment and a strong expansion in the health segment.
- For Apr/May'24, STARHEAL saw premium growth of 23%/17% YoY, driven by retail growth of 20%/15% and group health growth of 65%/37% (on lower base).
- Opex ratios would benefit from operating leverage. The health segment's loss ratios are expected to improve YoY, due to the implemented price hikes.

**Strong SIP flows, positive net inflows to drive mutual fund AUM growth**

- Mutual fund AUM grew 37%/36% YoY, led by strong 56%/55% growth in equity AUM for Apr'24/May'24. Net equity inflows remained buoyant in Apr'24 and May'24. The growth in equity AUM was primarily backed by strong SIP flows.
- The share of equity AUM improved ~30bp in Apr'24 and ~40bp in May'24, reaching 56.6%. SIP flows were strong in Apr'24 and May'24 (SIP flows reached all-time high in May'24).
- This would translate into a healthy operating performance for CAMS and 360 ONE in 1QFY25.

**Exhibit 1: Quarterly Performance**

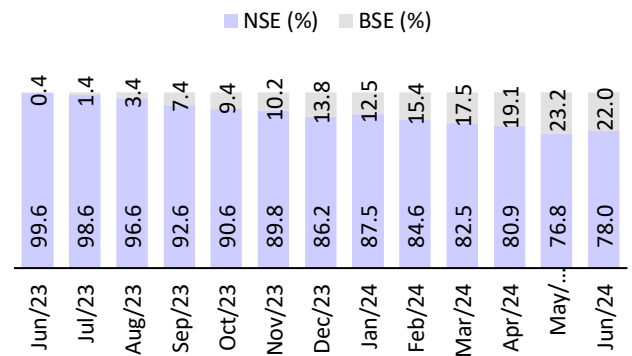
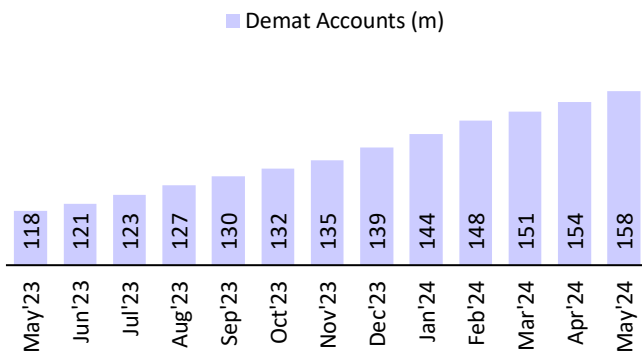
| Sector             | CMP (INR) | Rating  | Revenue/NEP/ Gross Prem (INR m) |                  |                  | EBITDA/PBT/UP/VNB (INR m) |                  |                  | Net profit (INR m) |                  |                  |
|--------------------|-----------|---------|---------------------------------|------------------|------------------|---------------------------|------------------|------------------|--------------------|------------------|------------------|
|                    |           |         | Jun-24                          | Variance YoY (%) | Variance QoQ (%) | Jun-24                    | Variance YoY (%) | Variance QoQ (%) | Jun-24             | Variance YoY (%) | Variance QoQ (%) |
| Angel One          | 2,354     | BUY     | 8,931                           | 71.8             | 2.2              | 3,258                     | 9.8              | -29.0            | 2,414              | 9.3              | -29.0            |
| 360 One            | 954       | BUY     | 5,143                           | 26.7             | -10.4            | 2,606                     | 32.3             | -4.9             | 2,228              | 20.0             | -8.6             |
| CAMS               | 3,761     | BUY     | 3,290                           | 25.9             | 6.0              | 1,530                     | 39.0             | 6.7              | 1,073              | 41.8             | 4.2              |
| BSE                | 2,487     | Neutral | 5,905                           | 174.3            | 20.9             | 2,715                     | 386.4            | 182.3            | 2,480              | 201.3            | 133.0            |
| MCX                | 3,873     | BUY     | 2,248                           | 54.2             | 24.1             | 1,382                     | 1,192.4          | 35.5             | 1,166              | 492.9            | 32.7             |
| Star Health        | 569       | BUY     | 34,794                          | 18.0             | -30.0            | 2,563                     | 76.3             | NA               | 4,113              | 42.9             | 189.0            |
| ICICI Lombard      | 1,809     | BUY     | 80,127                          | 21.0             | 27.9             | -2,433                    | NA               | NA               | 5,759              | 47.5             | 10.9             |
| HDFC Life          | 590       | BUY     | 1,37,328                        | 17.6             | -34.4            | 7,160                     | 17.4             | -42.0            | 5,205              | 25.3             | 26.6             |
| ICICI Prudential   | 620       | BUY     | 95,880                          | 30.0             | -36.7            | 5,001                     | 14.2             | -35.6            | 2,397              | 15.9             | 38.0             |
| SBI Life           | 1,494     | BUY     | 1,55,657                        | 14.8             | -38.3            | 9,935                     | 14.2             | -34.2            | 3,980              | 4.5              | -50.9            |
| Max Financial      | 980       | Neutral | 58,655                          | 20.4             | -45.4            | 3,254                     | 31.8             | -60.4            | 2,089              | 102.8            | NA               |
| <b>Non-Lending</b> |           |         | <b>5,87,958</b>                 |                  |                  | <b>36,971</b>             |                  |                  | <b>32,903</b>      |                  |                  |

**Exhibit 2: Changes to our EPS estimates (\*For life insurance companies - absolute VNB in INR b)**

| Company       | Old estimates (INR) |       | New estimates (INR) |       | Change (%) |       |
|---------------|---------------------|-------|---------------------|-------|------------|-------|
|               | FY25E               | FY26E | FY25E               | FY26E | FY25E      | FY26E |
| Angel One     | 173.6               | 214.7 | 181.3               | 212.1 | 4.4        | -1.2  |
| 360 One       | 25.3                | 30.5  | 26.7                | 32.4  | 5.6        | 6.3   |
| CAMS          | 86.2                | 103.4 | 88.9                | 106.6 | 3.1        | 3.1   |
| BSE           | 81.6                | 98.9  | 86.3                | 112.5 | 5.9        | 13.8  |
| MCX           | 92.8                | 115.6 | 106.9               | 118.5 | 15.2       | 2.5   |
| Star Health   | 19.2                | 24.2  | 18.4                | 24.4  | -4.4       | 0.8   |
| ICICI Lombard | 51.4                | 60.5  | 51.7                | 62.1  | 0.6        | 2.7   |
| HDFC Life*    | 40.1                | 47.1  | 40.1                | 47.1  | 0.0        | 0.0   |
| ICICI Pru*    | 25.8                | 30.1  | 25.8                | 30.1  | 0.0        | 0.0   |
| SBI Life*     | 62.9                | 75.4  | 63.5                | 76.1  | 0.9        | 1.0   |
| Max Fin*      | 22.2                | 26.1  | 22.2                | 26.1  | 0.0        | 0.0   |

**Exhibit 3: Total demat accounts surpass 158m**

**Exhibit 4: BSE's market share rising in notional turnover**

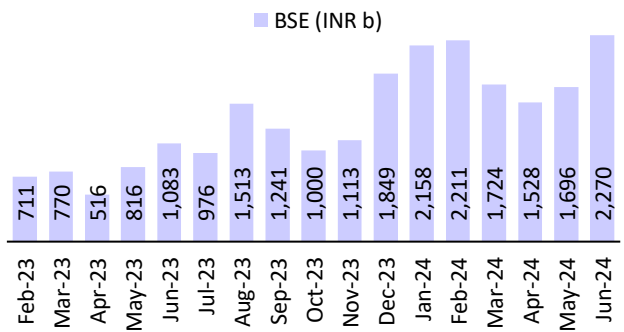
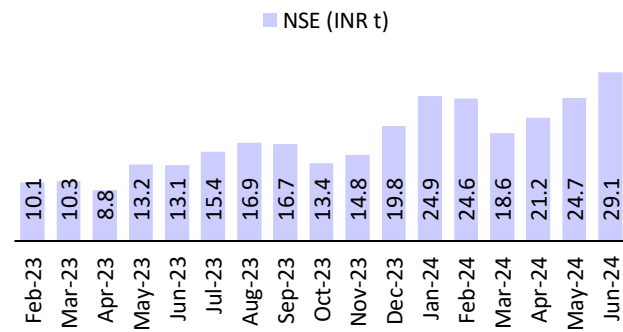


Source: NSDL, CDSL MOFSL

Source: NSE, MOFSL

**Exhibit 5: Momentum in NSE cash volumes picks up in Jun'24**

**Exhibit 6: BSE witnessed surge in Jun'24 in cash volumes**

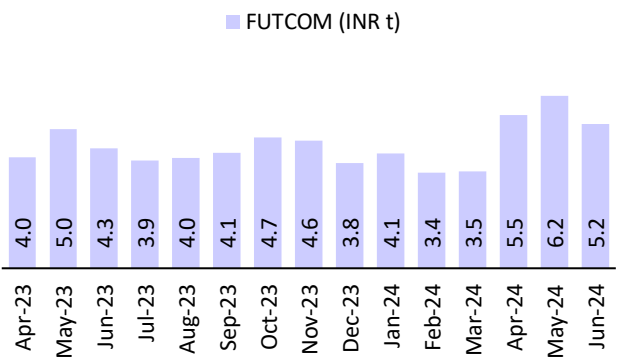
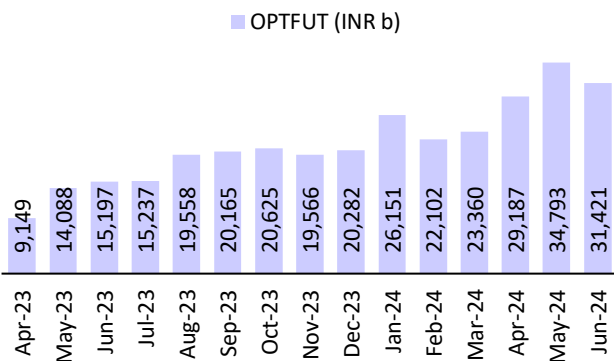


Source: NSE, MOFSL

Source: BSE, MOFSL

**Exhibit 7: Increase in MCX Options volumes**

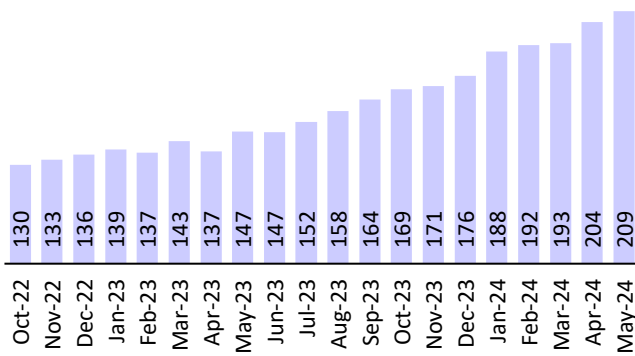
**Exhibit 8: MCX Futures volumes surge**



Source: MCX, MOFSL

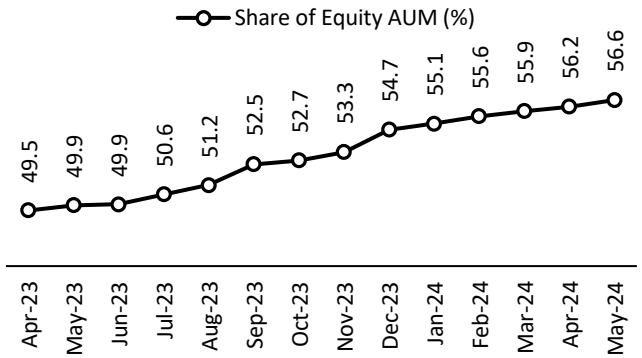
Source: MCX, MOFSL

**Exhibit 9: SIP flows remain strong (INR b)**



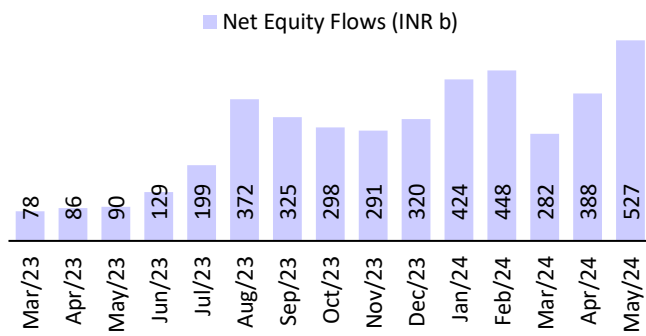
Source: AMFI, MOFSL

**Exhibit 10: Share of equity AUM improved**



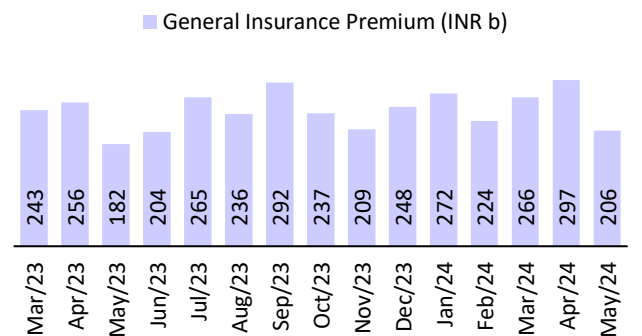
Source: AMFI, MOFSL

**Exhibit 11: Net equity flows remained healthy**



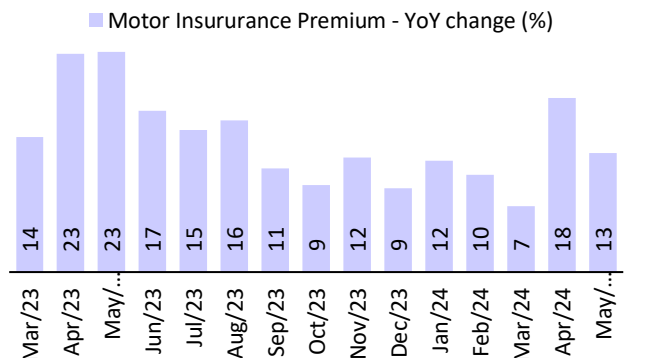
Source: AMFI, MOFSL

**Exhibit 12: Steady trend in general insurance premium**



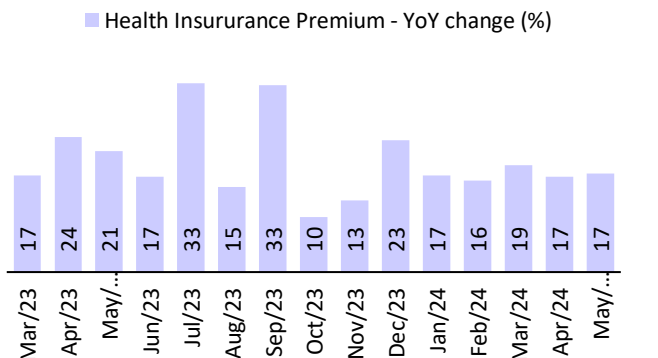
Source: GIC, MOFSL

**Exhibit 13: Motor premium growth picks up momentum**



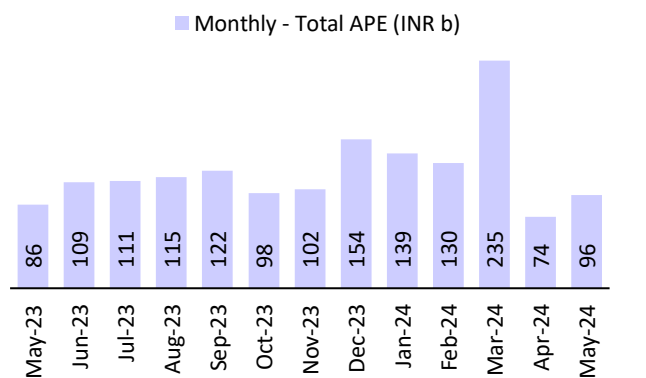
Source: GIC, MOFSL

**Exhibit 14: Steady Health segment growth**



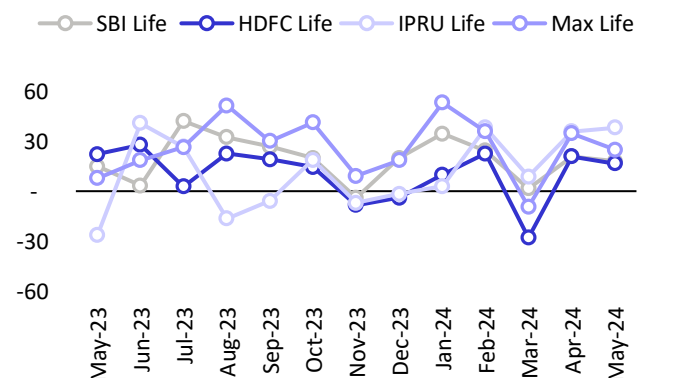
Source: GIC, MOFSL

**Exhibit 15: Monthly APE for life insurance industry (INR b)**



Source: Life insurance council, MOFSL

**Exhibit 16: Total APE YoY growth for private listed players**



Source: Life insurance council, 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.

## Angel One

Buy

CMP INR2,354 | TP: INR3,400 (+44%)

EPS CHANGE (%): FY25 | 26: +4.4 | -1.2

- Gross client additions moderated in Apr'24 and May'24.
- The number of orders per day improved during the quarter; F&O and cash volumes continue to trend higher
- With increase in cash volumes, MTF book is expected to grow at faster pace
- Cost-to-income ratio is likely to increase on account of IPL advertisement during the quarter

### Quarterly Performance

| Y/E March               | FY24         |              |              |               | FY25E         |               |               |               | FY24          | FY25E         |
|-------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                         | 1Q           | 2Q           | 3Q           | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| Revenue from Operations | 5,198        | 6,747        | 6,874        | 8,742         | 8,931         | 9,500         | 10,575        | 11,671        | 27,562        | 40,677        |
| Other Income            | 1,088        | 1,411        | 1,401        | 1,869         | 1,958         | 2,117         | 2,102         | 2,125         | 5,769         | 8,301         |
| <b>Total Income</b>     | <b>6,286</b> | <b>8,158</b> | <b>8,275</b> | <b>10,611</b> | <b>10,890</b> | <b>11,616</b> | <b>12,677</b> | <b>13,796</b> | <b>33,331</b> | <b>48,979</b> |
| Change YoY (%)          | 22.0         | 46.0         | 43.9         | 64.7          | 73.2          | 42.4          | 53.2          | 30.0          | 45.3          | 46.9          |
| Operating Expenses      | 3,230        | 3,974        | 4,635        | 5,856         | 7,392         | 6,483         | 6,779         | 7,089         | 17,695        | 27,743        |
| Change YoY (%)          | 21.4         | 49.3         | 75.1         | 114.0         | 128.9         | 63.1          | 46.3          | 21.1          | 65.3          | 56.8          |
| Depreciation            | 89           | 112          | 131          | 167           | 240           | 240           | 240           | 248           | 498           | 968           |
| <b>PBT</b>              | <b>2,967</b> | <b>4,072</b> | <b>3,509</b> | <b>4,588</b>  | <b>3,258</b>  | <b>4,893</b>  | <b>5,657</b>  | <b>6,459</b>  | <b>15,137</b> | <b>20,268</b> |
| Change YoY (%)          | 22.3         | 42.5         | 16.1         | 26.9          | 9.8           | 20.2          | 61.2          | 40.8          | 26.9          | 33.9          |
| Tax Provisions          | 759          | 1,027        | 907          | 1,188         | 844           | 1,267         | 1,465         | 1,673         | 3,881         | 5,249         |
| <b>Net Profit</b>       | <b>2,208</b> | <b>3,045</b> | <b>2,602</b> | <b>3,400</b>  | <b>2,414</b>  | <b>3,626</b>  | <b>4,192</b>  | <b>4,786</b>  | <b>11,255</b> | <b>15,018</b> |
| Change YoY (%)          | 21.6         | 42.5         | 13.9         | 27.3          | 9.3           | 19.1          | 61.1          | 40.8          | 26.4          | 33.4          |

## CAMS

Buy

CMP INR3,761 | TP: INR4,310 (+15%)

EPS CHANGE (%): FY25 | 26: +3 | +3

- Overall equity flows remained buoyant during Apr/May'24, which shall drive revenue growth.
- Operating leverage to improve profitability.
- The share of equities continued to improve, which would be favorable for yields.
- Growth in non-MF businesses will be keenly tracked, especially AIF/PMS RTA and Insurance Repository

### Quarterly Performance

| Y/E March                | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                          | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| Revenue from Operations  | 2,613        | 2,751        | 2,897        | 3,105        | 3,290        | 3,323        | 3,356        | 3,350        | 11,365       | 13,318       |
| Change YoY (%)           | 10.4         | 13.5         | 18.9         | 24.6         | 25.9         | 20.8         | 15.9         | 7.9          | 16.9         | 17.2         |
| Employee expenses        | 950          | 977          | 997          | 1,048        | 1,089        | 1,097        | 1,107        | 1,115        | 3,972        | 4,408        |
| Total Operating Expenses | 1,512        | 1,530        | 1,603        | 1,671        | 1,760        | 1,771        | 1,789        | 1,799        | 6,316        | 7,119        |
| Change YoY (%)           | 9.0          | 12.2         | 18.4         | 19.2         | 16.4         | 15.8         | 11.6         | 7.6          | 14.7         | 12.7         |
| <b>EBITDA</b>            | <b>1,101</b> | <b>1,221</b> | <b>1,294</b> | <b>1,433</b> | <b>1,530</b> | <b>1,552</b> | <b>1,567</b> | <b>1,551</b> | <b>5,049</b> | <b>6,200</b> |
| Other Income             | 97           | 96           | 99           | 114          | 110          | 110          | 110          | 115          | 406          | 445          |
| Depreciation             | 165          | 174          | 185          | 181          | 185          | 185          | 185          | 186          | 705          | 741          |
| Finance Cost             | 20           | 20           | 21           | 21           | 20           | 20           | 20           | 22           | 82           | 82           |
| <b>PBT</b>               | <b>1,012</b> | <b>1,124</b> | <b>1,187</b> | <b>1,346</b> | <b>1,435</b> | <b>1,457</b> | <b>1,472</b> | <b>1,458</b> | <b>4,668</b> | <b>5,822</b> |
| Change YoY (%)           | 16.4         | 15.9         | 21.4         | 36.6         | 41.8         | 29.7         | 24.0         | 8.3          | 22.8         | 24.7         |
| Tax Provisions           | 255          | 286          | 302          | 316          | 362          | 367          | 371          | 367          | 1,159        | 1,467        |
| <b>Net Profit</b>        | <b>757</b>   | <b>838</b>   | <b>885</b>   | <b>1,030</b> | <b>1,073</b> | <b>1,090</b> | <b>1,101</b> | <b>1,090</b> | <b>3,510</b> | <b>4,355</b> |
| Change YoY (%)           | 17.1         | 16.2         | 20.3         | 38.5         | 41.8         | 30.1         | 24.4         | 5.9          | 23.3         | 24.1         |

**360ONE WAM****Buy****CMP INR954 | TP: INR1100 (+15%)****EPS CHANGE (%): FY25|26: +6.2|+4.3**

- Improvement in revenue trajectory led by growth in ARR AUM and TBR income
- Overall yields likely to decline as yields on TBR assets decline
- Cost-to-income ratio is likely to remain elevated given investments in mid-market proposition & global platform
- Outlook on new business ventures and entry into new geographies will be keenly monitored

**Quarterly performance**

| Y/E March                 | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                           | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Revenues</b>       | <b>4,060</b> | <b>4,270</b> | <b>4,400</b> | <b>5,740</b> | <b>5,143</b> | <b>5,350</b> | <b>5,631</b> | <b>5,841</b> | <b>18,470</b> | <b>21,965</b> |
| Change (%)                | 8.4          | 11.6         | 6.0          | 46.1         | 26.7         | 25.3         | 28.0         | 1.8          | 18.0          | 18.9          |
| ARR Assets Income         | 3,240        | 3,110        | 3,390        | 3,580        | 3,888        | 4,083        | 4,287        | 4,487        | 13,320        | 16,744        |
| TBR Assets Income         | 820          | 1,160        | 1,010        | 2,160        | 1,255        | 1,267        | 1,344        | 1,354        | 5,150         | 5,220         |
| <b>Operating Expenses</b> | <b>2,090</b> | <b>2,140</b> | <b>2,310</b> | <b>3,000</b> | <b>2,537</b> | <b>2,620</b> | <b>2,713</b> | <b>2,793</b> | <b>9,540</b>  | <b>10,663</b> |
| Change (%)                | 25.1         | 19.3         | 24.0         | 62.1         | 21.4         | 22.4         | 17.4         | -6.9         | 32.9          | 11.8          |
| Cost to Income Ratio (%)  | 51.5         | 50.1         | 52.5         | 52.3         | 49.3         | 49.0         | 48.2         | 47.8         | 51.7          | 48.5          |
| <b>Operating Profits</b>  | <b>1,970</b> | <b>2,130</b> | <b>2,090</b> | <b>2,740</b> | <b>2,606</b> | <b>2,730</b> | <b>2,918</b> | <b>3,048</b> | <b>8,930</b>  | <b>11,302</b> |
| Change (%)                | -5.1         | 4.9          | -8.6         | 31.8         | 32.3         | 28.2         | 39.6         | 11.2         | 5.4           | 26.6          |
| Other Income              | 290          | 140          | 270          | 500          | 250          | 250          | 250          | 250          | 1,200         | 1,000         |
| <b>Profit Before Tax</b>  | <b>2,260</b> | <b>2,270</b> | <b>2,360</b> | <b>3,240</b> | <b>2,856</b> | <b>2,980</b> | <b>3,168</b> | <b>3,298</b> | <b>10,130</b> | <b>12,302</b> |
| Change (%)                | 12.1         | 0.7          | 5.7          | 61.9         | 26.4         | 31.3         | 34.2         | 1.8          | 19.1          | 21.4          |
| Tax                       | 403          | 408          | 429          | 803          | 628          | 656          | 697          | 726          | 2,043         | 2,706         |
| Tax Rate (%)              | 17.8         | 18.0         | 18.2         | 24.8         | 22.0         | 22.0         | 22.0         | 22.0         | 20.2          | 22.0          |
| <b>PAT</b>                | <b>1,857</b> | <b>1,862</b> | <b>1,931</b> | <b>2,437</b> | <b>2,228</b> | <b>2,324</b> | <b>2,471</b> | <b>2,572</b> | <b>8,087</b>  | <b>9,595</b>  |
| Change (%)                | 18.4         | 6.8          | 12.6         | 56.8         | 20.0         | 24.9         | 28.0         | 5.5          | 22.9          | 18.7          |
| PAT Margins (%)           | 45.7         | 43.6         | 43.9         | 42.5         | 43.3         | 43.4         | 43.9         | 44.0         | 43.8          | 43.7          |

**ICICI Lombard****Buy****CMP INR1,809 | TP: INR2100 (+16%)****EPS CHANGE (%) FY25|26: +1|+3**

- Premium growth to be strong, driven by the health and motor segments
- Claim ratios and expense ratios are expected to decline YoY
- Management change and further traction with ICICI Bank will be vital
- Combined ratio declined QoQ

**Quarterly Performance (INR m)**

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| Net earned premium         | 38,873        | 43,061        | 43,048        | 43,683        | 48,652        | 48,617        | 50,491        | 51,533        | 1,68,665        | 1,99,293        |
| <b>Total Income</b>        | <b>45,380</b> | <b>50,492</b> | <b>50,031</b> | <b>51,617</b> | <b>56,733</b> | <b>56,933</b> | <b>59,051</b> | <b>60,627</b> | <b>1,97,521</b> | <b>2,33,345</b> |
| Change YoY (%)             | 14.1          | 12.2          | 14.7          | -1.8          | 25.0          | 12.8          | 18.0          | 17.5          | 9.2             | 18.1            |
| Incurred claims            | 28,815        | 30,451        | 30,141        | 29,987        | 34,057        | 34,275        | 35,344        | 35,505        | 1,19,395        | 1,39,180        |
| Total Operating Expenses   | 42,068        | 44,521        | 45,871        | 46,002        | 51,085        | 50,050        | 52,906        | 54,076        | 1,78,462        | 2,08,117        |
| Change YoY (%)             | 14.9          | 11.6          | 12.3          | 15.7          | 21.4          | 12.4          | 15.3          | 17.6          | 13.6            | 16.6            |
| <b>Underwriting profit</b> | <b>-3,195</b> | <b>-1,460</b> | <b>-2,823</b> | <b>-2,319</b> | <b>-2,433</b> | <b>-1,434</b> | <b>-2,415</b> | <b>-2,543</b> | <b>-9,797</b>   | <b>-8,824</b>   |
| <b>Rep Net Profit</b>      | <b>3,904</b>  | <b>5,773</b>  | <b>4,315</b>  | <b>5,195</b>  | <b>5,759</b>  | <b>6,751</b>  | <b>6,274</b>  | <b>6,704</b>  | <b>20,466</b>   | <b>25,487</b>   |
| Claims ratio               | 74.1          | 70.7          | 70.0          | 68.6          | 70.0          | 70.5          | 70.0          | 68.9          | 70.8            | 69.8            |
| Commission ratio           | 12.5          | 17.4          | 18.0          | 19.9          | 16.5          | 16.8          | 17.0          | 17.3          | 17.0            | 16.9            |
| Expense ratio              | 17.2          | 15.8          | 15.5          | 13.7          | 15.0          | 15.0          | 15.0          | 15.7          | 15.5            | 15.2            |
| Combined ratio             | 103.8         | 103.9         | 103.6         | 102.2         | 101.5         | 102.3         | 102.0         | 101.8         | 103.3           | 101.9           |

## Star Health

Buy

CMP INR569 | TP: INR730 (28%)

EPS CHANGE (%): FY25 | 26: -4.4 | +0.8

- Retail health premium growth likely to be strong at 15%+ YoY
- Expense ratio is expected to remain elevated as Star would invest in other distribution channels
- The claims ratio is expected to remain flat on a sequential basis.
- Combined ratio to increase as expense ratio increases.

## Quarterly Performance

| Y/E March                  | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| Net earned premium         | 30,438        | 32,056        | 32,936        | 33,953        | 35,308        | 37,345        | 38,371        | 40,726        | 1,29,383        | 1,51,749        |
| <b>Total Income</b>        | <b>31,898</b> | <b>33,566</b> | <b>34,563</b> | <b>35,764</b> | <b>37,158</b> | <b>39,345</b> | <b>40,471</b> | <b>42,889</b> | <b>1,35,790</b> | <b>1,59,862</b> |
| Change YoY (%)             | 13.6          | 15.0          | 15.9          | 17.1          | 16.5          | 17.2          | 17.1          | 19.9          | 15.4            | 17.7            |
| Incurred claims            | 19,909        | 22,022        | 22,295        | 21,774        | 22,597        | 25,395        | 25,325        | 25,748        | 85,999          | 99,064          |
| Total Operating Expenses   | 28,983        | 32,839        | 31,794        | 34,864        | 32,744        | 37,836        | 37,347        | 42,409        | 1,28,480        | 1,50,336        |
| Change YoY (%)             | 14.5          | 17.0          | 16.0          | 17.1          | 13.0          | 15.2          | 17.5          | 21.6          | 16.2            | 17.0            |
| <b>Underwriting profit</b> | <b>1,454</b>  | <b>-784</b>   | <b>1,142</b>  | <b>-911</b>   | <b>2,563</b>  | <b>-491</b>   | <b>1,024</b>  | <b>-1,683</b> | <b>903</b>      | <b>1,413</b>    |
| <b>Net Profit</b>          | <b>2,879</b>  | <b>1,253</b>  | <b>2,896</b>  | <b>1,423</b>  | <b>4,113</b>  | <b>2,009</b>  | <b>3,295</b>  | <b>1,335</b>  | <b>8,450</b>    | <b>10,752</b>   |
| Claims ratio               | 65.4          | 68.7          | 67.7          | 64.1          | 64.0          | 68.0          | 66.0          | 63.2          | 66.5            | 65.3            |
| Commission ratio           | 13.1          | 13.7          | 11.1          | 14.3          | 14.0          | 14.0          | 14.0          | 14.0          | 13.2            | 14.0            |
| Expense ratio              | 19.3          | 16.8          | 19.0          | 14.4          | 17.7          | 16.2          | 16.2          | 16.0          | 17.0            | 16.4            |
| Combined ratio             | 97.8          | 99.2          | 97.8          | 92.8          | 95.7          | 98.2          | 96.2          | 93.2          | 96.7            | 95.7            |

## BSE

Neutral

CMP INR 2,487 | TP: INR 3,000 (21%)

EPS CHANGE (%) FY25 | 26: +5.9 | +13.8

- Transaction revenue likely to improve as volumes in cash segment improved in second half of 1QFY25.
- Traction in the derivative segment visible, which will increase options volumes for BSE.
- MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions.
- Increase in contribution to core SGF would impact profitability.

## Cons. Quarterly perf.

| Y/E March                    | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |               |
| Revenue from operations      | 2,153        | 3,144        | 3,717        | 4,885        | 5,905        | 6,640        | 7,029        | 7,270        | 13,899       | 26,844        |
| YoY Change (%)               | 15.2         | 59.0         | 82.2         | 115.2        | 174.3        | 111.2        | 89.1         | 48.8         | 70.5         | 93.1          |
| Total Expenditure            | 1,595        | 1,729        | 2,796        | 3,923        | 3,190        | 3,360        | 3,487        | 3,645        | 10,043       | 13,682        |
| <b>EBITDA</b>                | <b>558</b>   | <b>1,415</b> | <b>921</b>   | <b>962</b>   | <b>2,715</b> | <b>3,280</b> | <b>3,542</b> | <b>3,625</b> | <b>3,856</b> | <b>13,162</b> |
| Margins (%)                  | 25.9         | 45.0         | 24.8         | 19.7         | 46.0         | 49.4         | 50.4         | 49.9         | 27.7         | 49.0          |
| Depreciation                 | 214          | 227          | 249          | 265          | 270          | 275          | 285          | 292          | 954          | 1,122         |
| Interest                     | 65           | 85           | 0            | 0            | 38           | 38           | 38           | 37           | 151          | 151           |
| Investment income            | 556          | 525          | 598          | 600          | 600          | 610          | 620          | 632          | 2,279        | 2,462         |
| <b>PBT before EO expense</b> | <b>835</b>   | <b>1,628</b> | <b>1,271</b> | <b>1,297</b> | <b>3,007</b> | <b>3,577</b> | <b>3,839</b> | <b>3,928</b> | <b>5,030</b> | <b>14,351</b> |
| Exceptional items            | 4,048        | -13          | -16          | -17          | -16          | -16          | -16          | -16          | 4,002        | -64           |
| <b>PBT</b>                   | <b>4,883</b> | <b>1,615</b> | <b>1,255</b> | <b>1,280</b> | <b>2,991</b> | <b>3,561</b> | <b>3,823</b> | <b>3,912</b> | <b>9,032</b> | <b>14,287</b> |
| Tax                          | 762          | 636          | 371          | 470          | 748          | 890          | 956          | 978          | 2,239        | 3,572         |
| Rate (%)                     | 16           | 39           | 30           | 37           | 25           | 25           | 25           | 25           | 25           | 25            |
| P/L of Asso. Cos.            | 119          | 190          | 165          | 244          | 225          | 235          | 245          | 265          | 719          | 970           |
| <b>Reported PAT</b>          | <b>4,240</b> | <b>1,170</b> | <b>1,049</b> | <b>1,054</b> | <b>2,468</b> | <b>2,906</b> | <b>3,112</b> | <b>3,199</b> | <b>7,512</b> | <b>11,685</b> |
| <b>Adj PAT</b>               | <b>823</b>   | <b>1,177</b> | <b>1,060</b> | <b>1,064</b> | <b>2,480</b> | <b>2,918</b> | <b>3,124</b> | <b>3,211</b> | <b>4,125</b> | <b>11,733</b> |
| YoY Change (%)               | 960          | 298          | 379          | 19           | -42          | 148          | 197          | 204          | 266          | 56            |
| Margins (%)                  | 38.2         | 37.4         | 28.5         | 21.8         | 42.0         | 43.9         | 44.4         | 44.2         | 54.0         | 43.5          |

**MCX****Buy****CMP INR3873 | TP: INR 4,400(+15%)****EPS CHANGE (%): FY25 | 26: +15.2 | +2.5**

- Futures ADTO surged in 1QFY25, which led to growth in overall volumes.
- Options volumes continued to surge, led by high volatility in commodity prices.
- Management change will be key monitorable
- The company is in the process of getting re-validation approval from SEBI for many new products, which were in the pipeline.

**Quarterly Performance**

|                              | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Sales</b>                 | <b>1,458</b> | <b>1,651</b> | <b>1,915</b> | <b>1,811</b> | <b>2,248</b> | <b>2,259</b> | <b>2,455</b> | <b>2,673</b> | 6,835        | 9,636        |
| Y-o-Y Gr. (%)                | 34.0         | 29.6         | 33.4         | 35.4         | 54.2         | 36.8         | 28.2         | 47.6         | 33.1         | 41.0         |
| <b>EBITDA</b>                | <b>107</b>   | <b>-287</b>  | <b>-197</b>  | <b>1,020</b> | <b>1,382</b> | <b>1,370</b> | <b>1,516</b> | <b>1,688</b> | 643          | 5,955        |
| Tax                          | 58           | 16           | -91          | 205          | 287          | 286          | 317          | 467          | 189          | 1,358        |
| Rate (%)                     | 21.6         | -9.9         | 68.3         | 19.3         | 20.0         | 20.0         | 20.0         | 26.5         | 18.2         | 21.9         |
| Profit from associate        | -13          | -10          | -11          | 19           | 19           | 0            | 0            | 0            | -15          | 19           |
| <b>PAT</b>                   | <b>197</b>   | <b>-191</b>  | <b>-54</b>   | <b>878</b>   | <b>1,166</b> | <b>1,145</b> | <b>1,270</b> | <b>1,294</b> | <b>831</b>   | <b>4,875</b> |
| Y-o-Y Gr. (%)                | -53          | -130         | -114         | 1,512        | 493          | -701         | -2,473       | 47           | -44          | 487          |
| <b>EPS (INR)</b>             | <b>3.9</b>   | <b>-3.7</b>  | <b>-1.1</b>  | <b>17.3</b>  | <b>22.9</b>  | <b>22.5</b>  | <b>25.0</b>  | <b>25.4</b>  | <b>16.3</b>  | <b>95.6</b>  |
| <b>Total volumes (INR t)</b> | <b>51.8</b>  | <b>67.0</b>  | <b>73.6</b>  | <b>82.7</b>  | <b>112.3</b> | <b>122.4</b> | <b>134.0</b> | <b>143.7</b> | <b>275.0</b> | <b>512.3</b> |
| Y-o-Y Gr. (%)                | 80.7         | 86.3         | 80.6         | 97.1         | 116.8        | 82.7         | 82.1         | 73.8         | 86.7         | 86.3         |

**HDFC Life****Buy****CMP: INR590 | TP: INR700(18%)****VNB CHANGE (%): FY25 | 26: 0 | 0**

- New business premium to see steady growth, driven by Annuity/Non-PAR segments and retail protection
- Credit life to see healthy traction as disbursement momentum remains strong across lending institutions
- Expect VNB growth to remain healthy, while margins to remain flat QoQ.
- Improvement in persistency ratio and commentary on growth outlook are key monitorables

**Quarterly performance (INR b)**

| Policy holder's A/c (INR b) | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| First year premium          | 18.5         | 25.7         | 26.8         | 40.1         | 23.4         | 31.8         | 30.5         | 45.8         | 111.1        | 131.6        |
| Growth (%)                  | 8.4%         | 5.9%         | -1.7%        | -10.1%       | 26.5%        | 24.1%        | 13.9%        | 14.1%        | -1.9%        | 18.4%        |
| Renewal premium             | 58.0         | 78.4         | 84.0         | 114.1        | 72.7         | 97.3         | 105.7        | 147.2        | 334.5        | 422.9        |
| Growth (%)                  | 13.8%        | 13.5%        | 16.8%        | 23.3%        | 25.3%        | 24.1%        | 25.9%        | 29.0%        | 17.6%        | 26.5%        |
| Single premium              | 40.2         | 45.4         | 44.5         | 55.2         | 41.2         | 53.5         | 45.3         | 65.9         | 185.2        | 205.8        |
| Growth (%)                  | 24.0%        | 14.7%        | -4.6%        | -6.6%        | 2.5%         | 18.0%        | 1.7%         | 19.4%        | 4.3%         | 11.1%        |
| <b>Gross premium inc.</b>   | <b>116.7</b> | <b>149.4</b> | <b>155.3</b> | <b>209.4</b> | <b>137.3</b> | <b>182.6</b> | <b>181.5</b> | <b>258.8</b> | <b>630.8</b> | <b>760.3</b> |
| Growth (%)                  | 16.2%        | 12.5%        | 6.5%         | 6.7%         | 17.6%        | 22.2%        | 16.9%        | 23.6%        | 9.6%         | 20.5%        |
| <b>PAT</b>                  | <b>4.2</b>   | <b>3.8</b>   | <b>3.7</b>   | <b>4.1</b>   | <b>5.2</b>   | <b>4.8</b>   | <b>5.0</b>   | <b>6.7</b>   | <b>15.7</b>  | <b>21.7</b>  |
| Growth (%)                  | 15.4%        | 15.5%        | 15.8%        | 14.6%        | 25.3%        | 26.6%        | 36.6%        | 63.5%        | 15.3%        | 38.2%        |
| <b>Key metrics (INRb)</b>   |              |              |              |              |              |              |              |              |              |              |
| New business APE            | 23.3         | 30.5         | 31.9         | 47.3         | 27.5         | 37.2         | 35.1         | 52.4         | 129.9        | 152.2        |
| Growth (%)                  | 12.8         | 6.8          | -2.1         | -8.4         | 18.3         | 22.1         | 9.9          | 10.8         | -0.9         | 17.2         |
| VNB                         | 6.1          | 8.0          | 8.6          | 12.3         | 7.2          | 9.9          | 9.2          | 13.9         | 35.0         | 40.1         |
| Growth (%)                  | 17.8         | 4.0          | -2.2         | -18.3        | 17.4         | 23.1         | 7.3          | 12.9         | -4.7         | 14.6         |
| AUM (INR b)                 | 2,533        | 2,649        | 2,797        | 2,922        | 3,090        | 3,200        | 3,346        | 3,429        | 2,922        | 3,429        |
| Growth (%)                  | 18.7         | 17.8         | 19.6         | 22.4         | 22.0         | 20.8         | 19.6         | 17.3         | 22.4         | 17.3         |
| <b>Key Ratios (%)</b>       |              |              |              |              |              |              |              |              |              |              |
| VNB Margins (%)             | 26.2         | 26.2         | 26.8         | 26.1         | 26.0         | 26.5         | 26.2         | 26.6         | 26.3         | 26.4         |

**ICICI Prudential Life****Buy****CMP: INR620 | TP: INR730 (18%)****VNB CHANGE (%): FY25|26: +0|+0**

- Expect new business premium to see healthy growth.
- Expect VNB growth to remain healthy and margins to expand QoQ.
- Expense ratio outlook to be the key monitorable
- Expect growth in the Non-Linked Savings business to remain healthy and a recovery in the Protection business

**Quarterly Performance (INR b)**

| Policy holder's A/c (INR b) | FY24        |              |              |              | FY25E       |              |              |              | FY24         | FY25E        |
|-----------------------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q          | 2Q           | 3Q           | 4Q           | 1QE         | 2QE          | 3QE          | 4QE          |              |              |
| First year premium          | 10.2        | 15.3         | 15.3         | 29.5         | 14.3        | 16.7         | 17.1         | 31.4         | 70.3         | 79.5         |
| Growth (%)                  | -1.5%       | 5.9%         | 11.3%        | 11.9%        | 39.9%       | 9.2%         | 11.5%        | 6.6%         | 8.3%         | 13.1%        |
| Renewal premium             | 41.6        | 58.9         | 60.8         | 84.3         | 54.3        | 65.2         | 65.2         | 86.9         | 245.6        | 271.7        |
| Growth (%)                  | 6.8%        | 4.4%         | 5.7%         | 16.6%        | 30.7%       | 10.7%        | 7.2%         | 3.1%         | 9.0%         | 10.6%        |
| Single premium              | 21.9        | 30.1         | 26.7         | 37.8         | 27.2        | 35.0         | 28.5         | 38.9         | 116.5        | 129.7        |
| Growth (%)                  | -5.9%       | 7.0%         | 0.9%         | 20.7%        | 24.1%       | 16.5%        | 6.8%         | 3.1%         | 6.7%         | 11.4%        |
| <b>Gross premium income</b> | <b>73.7</b> | <b>104.3</b> | <b>102.8</b> | <b>151.5</b> | <b>95.9</b> | <b>116.9</b> | <b>110.8</b> | <b>157.2</b> | <b>432.4</b> | <b>480.9</b> |
| Growth (%)                  | 1.5%        | 5.4%         | 5.2%         | 16.6%        | 30.0%       | 12.1%        | 7.8%         | 3.8%         | 8.3%         | 11.2%        |
| <b>PAT</b>                  | <b>2.1</b>  | <b>2.4</b>   | <b>2.3</b>   | <b>1.7</b>   | <b>2.4</b>  | <b>3.2</b>   | <b>3.0</b>   | <b>3.4</b>   | <b>8.5</b>   | <b>12.0</b>  |
| Growth (%)                  | 32.9%       | 22.4%        | 3.1%         | -26.0%       | 15.9%       | 32.5%        | 31.7%        | 93.1%        | 5.1%         | 40.6%        |
| <b>Key metrics (INRb)</b>   |             |              |              |              |             |              |              |              |              |              |
| New Business APE            | 14.6        | 20.6         | 19.1         | 36.2         | 20.4        | 27.6         | 20.4         | 33.7         | 90.5         | 102.1        |
| Growth (%)                  | -3.9        | 3.2          | 4.7          | 9.6          | 39.7        | 33.6         | 7.0          | -6.9         | 4.7          | 12.8         |
| VNB                         | 4.4         | 5.8          | 4.4          | 7.8          | 5.0         | 7.0          | 5.2          | 8.6          | 22.3         | 25.8         |
| Growth (%)                  | -7.0        | -7.1         | -29.4        | -26.4        | 14.2        | 21.8         | 19.4         | 11.0         | -19.5        | 16.0         |
| AUM                         | 2,664       | 2,719        | 2,867        | 2,942        | 3,019       | 3,112        | 3,201        | 3,468        | 2,942        | 3,468        |
| Growth (%)                  | 15.8        | 11.3         | 13.8         | 17.1         | 13.3        | 14.5         | 11.7         | 17.9         | 17.1         | 17.9         |
| <b>Key Ratios (%)</b>       |             |              |              |              |             |              |              |              |              |              |
| VNB Margins (%)             | 30.0        | 28.0         | 22.9         | 21.5         | 24.5        | 25.5         | 25.5         | 25.6         | 24.6         | 25.3         |

**SBI Life****Buy****CMP: INR1,495 | TP: INR1,700 (+15%)****VNB CHANGE (%): FY25|26: +0.9|+1**

- Growth in New business premium to remain healthy.
- Expect VNB growth to remain healthy, while margins to moderate in 1QFY25.
- Cost leadership to continue
- Expect protection mix to improve and Non-PAR to remain healthy; growth commentary to be key

**Quarterly Performance (INR b)**

| Policy holder's A/c (INRb)  | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| First year premium          | 26.4         | 46.3         | 56.8         | 45.3         | 32.4         | 53.4         | 65.7         | 53.8         | 174.8        | 205.3        |
| Growth (%)                  | 3%           | 33%          | 12%          | 11%          | 23%          | 15%          | 16%          | 19%          | 15%          | 17%          |
| Renewal premium             | 73.5         | 101.2        | 127.2        | 130.0        | 86.3         | 121.9        | 147.3        | 152.4        | 431.9        | 507.8        |
| Growth (%)                  | 28%          | 11%          | 17%          | 9%           | 17%          | 20%          | 16%          | 17%          | 14%          | 18%          |
| Single premium              | 35.7         | 54.2         | 40.6         | 77.1         | 36.9         | 63.9         | 49.2         | 95.9         | 207.6        | 245.9        |
| Growth (%)                  | 18%          | 35%          | 21%          | 93%          | 3%           | 18%          | 21%          | 24%          | 44%          | 18%          |
| <b>Gross premium income</b> | <b>135.6</b> | <b>201.8</b> | <b>224.6</b> | <b>252.4</b> | <b>155.7</b> | <b>239.2</b> | <b>262.2</b> | <b>302.0</b> | <b>814.3</b> | <b>959.1</b> |
| Growth (%)                  | 19%          | 21%          | 16%          | 26%          | 15%          | 19%          | 17%          | 20%          | 21%          | 18%          |
| <b>PAT</b>                  | <b>3.8</b>   | <b>3.8</b>   | <b>3.2</b>   | <b>8.1</b>   | <b>4.0</b>   | <b>4.0</b>   | <b>3.6</b>   | <b>8.4</b>   | <b>18.9</b>  | <b>19.9</b>  |
| Growth (%)                  | 45%          | 1%           | 6%           | 4%           | 4%           | 5%           | 11%          | 3%           | 10%          | 5%           |
| <b>Key metrics (INRb)</b>   |              |              |              |              |              |              |              |              |              |              |
| New Business APE            | 30.3         | 51.8         | 61.3         | 53.3         | 36.1         | 59.8         | 70.6         | 63.4         | 195.5        | 229.9        |
| Growth (%)                  | 4.5          | 31.7         | 12.9         | 17.1         | 19.2         | 15.5         | 15.2         | 18.9         | 17.5         | 17.6         |
| VNB                         | 8.7          | 14.9         | 16.8         | 15.1         | 9.9          | 16.5         | 19.4         | 17.7         | 55.5         | 63.5         |
| Growth (%)                  | -1.1         | 20.2         | 11.3         | 4.9          | 14.2         | 10.7         | 15.2         | 17.1         | 9.5          | 14.3         |
| AUM                         | 3,283        | 3,452        | 3,714        | 3,889        | 4,014        | 4,205        | 4,415        | 4,558        | 3,889        | 4,558        |
| Growth (%)                  | 25.1         | 22.1         | 23.8         | 26.5         | 22.3         | 21.8         | 18.9         | 17.2         | 26.5         | 17.2         |
| <b>Key Ratios (%)</b>       |              |              |              |              |              |              |              |              |              |              |
| VNB margins (%)             | 28.7         | 28.5         | 27.4         | 28.3         | 27.5         | 27.6         | 27.4         | 27.9         | 28.1         | 27.6         |

**Max Financial****Neutral****CMP: INR980 | TP: INR1030 (5%)****VNB CHANGE (%): FY25 |26: +0|+0**

- Premium growth continues to be ahead of the industry
- Expect the proprietary channel to exhibit healthy trends;
- Expect VNB growth to remain healthy and margins to expand
- Commentary on Axis Bank strategy will be vital

| Policy holder's A/c<br>(INR b) | FY24        |             |             |              | FY25E       |             |             |              | FY24         | FY25E        |
|--------------------------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|--------------|--------------|--------------|
|                                | 1Q          | 2Q          | 3Q          | 4Q           | 1QE         | 2QE         | 3QE         | 4QE          |              |              |
| First Year premium             | 9.9         | 15.3        | 17.6        | 25.4         | 13.1        | 19.0        | 19.8        | 27.4         | 68.2         | 79.3         |
| Growth (%)                     | 8.0%        | 37.7%       | 20.7%       | 5.3%         | 31.9%       | 24.1%       | 12.6%       | 7.8%         | 15.7%        | 16.2%        |
| Renewal premium                | 30.1        | 42.0        | 46.1        | 66.8         | 34.9        | 48.0        | 54.5        | 80.7         | 185.1        | 218.0        |
| Growth (%)                     | 15.1%       | 7.5%        | 14.6%       | 14.6%        | 15.7%       | 14.2%       | 18.3%       | 20.7%        | 13.0%        | 17.8%        |
| Single premium                 | 8.7         | 8.9         | 9.3         | 15.2         | 10.7        | 10.2        | 10.7        | 17.0         | 42.0         | 48.6         |
| Growth (%)                     | 52.8%       | 14.2%       | 15.5%       | 66.5%        | 23.6%       | 14.5%       | 15.1%       | 12.3%        | 37.3%        | 15.7%        |
| <b>Gross premium income</b>    | <b>48.7</b> | <b>66.3</b> | <b>73.0</b> | <b>107.4</b> | <b>58.7</b> | <b>77.2</b> | <b>85.0</b> | <b>125.0</b> | <b>295.3</b> | <b>345.9</b> |
| Growth (%)                     | 18.7%       | 14.2%       | 16.1%       | 17.3%        | 20.4%       | 16.5%       | 16.5%       | 16.5%        | 16.5%        | 17.1%        |
| <b>PAT</b>                     | <b>1.0</b>  | <b>1.6</b>  | <b>1.5</b>  | <b>-0.5</b>  | <b>2.1</b>  | <b>2.5</b>  | <b>2.7</b>  | <b>3.1</b>   | <b>3.6</b>   | <b>10.4</b>  |
| Growth (%)                     | 13.2%       | 196.2%      | -34.9%      | N.A          | 102.8%      | 59.6%       | 79.8%       | N.A          | -17.7%       | 190.1%       |
| <b>Key metrics (INRb)</b>      |             |             |             |              |             |             |             |              |              | 84           |
| New Business APE               | 11.1        | 16.5        | 18.0        | 28.7         | 14.1        | 20.0        | 20.9        | 29.1         | 74.3         | 84.1         |
| Growth (%)                     | 10.3        | 38.8        | 18.9        | 13.2         | 27.1        | 21.3        | 16.4        | 1.2          | 19.8         | 13.2         |
| VNB                            | 2.5         | 4.2         | 4.9         | 8.2          | 3.3         | 5.2         | 5.4         | 8.3          | 19.7         | 22.2         |
| Growth (%)                     | 16.0        | 11.5        | -17.5       | 6.6          | 31.8        | 25.3        | 11.1        | 1.2          | 1.2          | 12.6         |
| AUM (INRb)                     | 1,291       | 1,342       | 1,426       | 1,508        | 1,555       | 1,617       | 1,685       | 1,832        | 1,508        | 1,832        |
| Growth (%)                     | 20.5        | 18.4        | 20.5        | 22.8         | 20.4        | 20.5        | 18.1        | 21.5         | 22.8         | 21.5         |
| <b>Key Ratios (%)</b>          |             |             |             |              |             |             |             |              |              |              |
| VNB Margins (%)                | 22.2        | 25.2        | 27.2        | 28.6         | 23.0        | 26.0        | 26.0        | 28.6         | 26.5         | 26.4         |

# Healthcare

## Company

|                     |
|---------------------|
| Alembic Pharma.     |
| Alkem Lab.          |
| Ajanta Pharma       |
| Apollo Hospitals    |
| Aurobindo Pharma    |
| Biocon              |
| Zydus Lifesciences. |
| Cipla               |
| Divi's Lab.         |
| Dr. Reddy's Lab.    |
| Eris Lifesciences   |
| Gland Pharma        |
| Glenmark Pharma.    |
| Global Health       |
| Granules India      |
| GSK Pharma.         |
| IPCA Lab.           |
| Laurus Labs         |
| Lupin               |
| Mankind Pharma      |
| Max Healthcare      |
| Piramal Pharma      |
| Sun Pharma.         |
| Torrent Pharma.     |

## Earnings on healthy growth path in 1QFY25 as well

### Niche products in US, superior execution in DF to support earnings growth

Pharma companies under our coverage are expected to report healthy YoY earnings growth of 21% in 1QFY25. We expect aggregate sales to grow by 11% YoY to INR763b, aided by strong traction in domestic formulation (DF) sales and a healthy performance in the US segment. EBITDA is expected to grow 15% YoY to INR179b, led by a higher share of niche launches in US generics. PAT is expected to grow 21% YoY to INR111b. For hospitals, we expect profitability to improve due to the addition of beds, increase in occupancy and optimization of case mix/payer mix.

### DF: On a steady growth path

In 1QFY25, we expect aggregate DF sales to grow 10% YoY to INR194b for companies under our coverage. Sales growth will be led by healthy growth in Cardiac, Gastro and Derma therapies that outperformed IPM for the quarter. However, to some extent, this is likely to be offset by moderate growth or a decline in Respiratory therapy. Chronic therapies (38% of IPM) grew 10% YoY, while acute grew 6% (62% of IPM) for 12M ending May'24. In the largecap space, we expect TRP/SUNP to deliver sales growth of 12.5%/12.4% YoY, backed by new launches, increased focus on OTC business and improving MR productivity. We expect DRRD/GNP/AJP to report 11% YoY growth each in DF revenue, led by steady traction in existing therapies. We estimate ERIS to deliver 50% YoY growth in DF sales, largely due to the integration of acquired brands.

### US generics: Base effects kick in; YoY growth trend to moderate in 1QFY25

For our coverage companies, we expect 7.6% YoY growth in US sales to USD2.4b for the quarter. Reducing pricing pressure and increased traction in limited competition products such as g-Revlimid, g-Spiriva and g-Vascepa should strengthen the YoY growth uptrend in US generics. With catch-up of g-Revlimid-related high base in 1QFY24, the YoY growth trend is expected to moderate to some extent in 1QFY25. Particularly, LPC/ARBP/ALPM are expected to deliver 20%/12%/9% YoY growth for the quarter. Growth for these companies will be led by niche launches (g-Spiriva and other key products for LPC/g-Revlimid and other launches for DRRD/new launches for ALPM). SUNP's US sales could grow 10% YoY, led by its specialty portfolio. US sales of TRP/GNP may decline 7.6%/7.1% YoY due to the lack of new approvals/launches and regulatory issues at their facilities (GNP). During the quarter, 15 facilities were inspected by the USFDA for our coverage companies. There were 68 approvals during 1QFY25 for companies under our coverage vs. the two-year average of 53 approvals.

### Hospitals: Improved occupancy/bed addition to drive sales/profitability

For hospitals under our coverage, we expect 13% revenue growth to INR77b in 1QFY25. We expect ARPOB to remain flat YoY and occupancy at 65-72% for hospitals under our coverage. We expect 23%/32% YoY growth in EBITDA/PAT on an aggregate basis for the quarter. We expect APHS to deliver 13%/33%/79% YoY

growth in sales/EBITDA/PAT for 1QFY25. MEDANTA is expected to deliver healthy performance, with sales/EBITDA/PAT likely to grow by 6%/8%/14% YoY. MAXHEALT is also expected to sustain healthy performance, with sales/EBITDA/PAT likely to see 17%/20%/16% YoY growth.

#### LAURUS/ARBP/LPC to outperform in the healthcare pack

In 1QFY25, we expect DIVI/LPC to deliver 44%/77% earnings growth YoY, led by improved business in CS segment (DIVI) and increased sales of niche products like g-Spiriva (LPC). We project DRRD to report an earnings decline of 6% YoY.

We expect LAURUS to register earnings growth of ~2.6x YoY, outperforming the rest of our coverage companies. Additionally, GLXO is expected to grow earnings by ~48% for the quarter.

We expect APHS/MEDANTA/MAXHEALTH to post earnings growth of 79%/14%/12% due to a) operational profit of Healthco (APHS), b) increase in ARPOB (MEDANTA), and c) optimizing payor mix/case mix (MAXHEALTH).

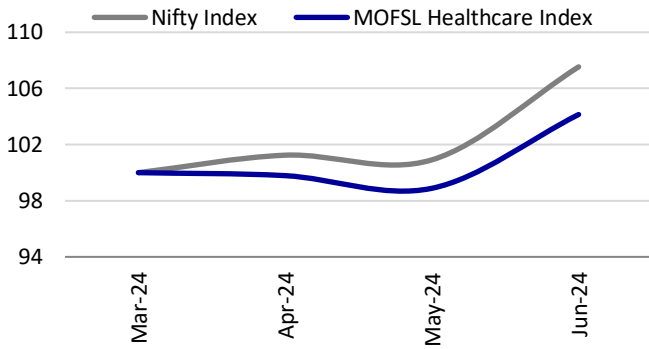
**Top Ideas:** Sun Pharma (specialty/branded generics led play), Mankind Pharma (differentiator in DF), Max Healthcare (strong executor in hospital space).

**Exhibit 1: Summary of quarterly earnings estimates**

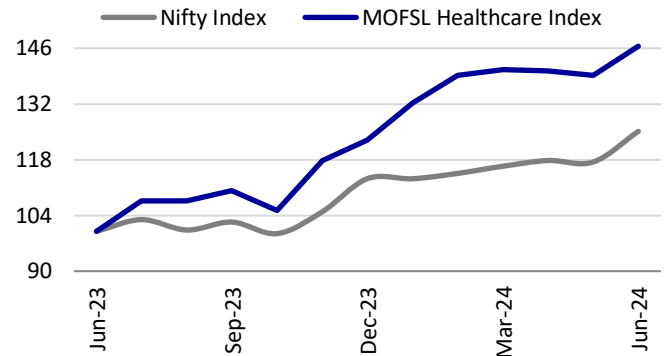
| Sector             | CMP (INR) | RECO    | SALES (INR M)   |             |            | EBDITA (INR M)  |             |            | NET PROFIT (INR M) |             |            |
|--------------------|-----------|---------|-----------------|-------------|------------|-----------------|-------------|------------|--------------------|-------------|------------|
|                    |           |         | Jun-24          | Var % YoY   | Var % QoQ  | Jun-24          | Var % YoY   | Var % QoQ  | Jun-24             | Var % YoY   | Var % QoQ  |
| Ajanta Pharma      | 2240      | Buy     | 11,022          | 8.0         | 4.6        | 2,855           | 1.5         | 2.6        | 1,969              | -1.9        | 4.5        |
| Alembic Pharma     | 976       | Neutral | 15,671          | 5.4         | 3.3        | 2,648           | 33.3        | 1.8        | 1,666              | 38.0        | -6.9       |
| Alkem Lab          | 4921      | Neutral | 30,793          | 3.8         | 4.9        | 4,988           | 28.2        | 24.1       | 3,898              | 35.9        | 28.2       |
| Apollo Hospitals   | 6101      | Buy     | 50,133          | 13.5        | 1.4        | 6,768           | 33.0        | 5.7        | 2,982              | 79.0        | 17.5       |
| Aurobindo Pharma   | 1213      | Neutral | 76,598          | 11.8        | 1.1        | 16,928          | 47.0        | 0.3        | 9,704              | 63.6        | -3.9       |
| Biocon             | 356       | Neutral | 39,592          | 15.7        | 1.1        | 9,067           | 27.2        | -1.0       | 1,760              | 76.0        | -5.8       |
| Cipla              | 1488      | Buy     | 67,562          | 6.8         | 9.6        | 17,363          | 16.2        | 32.0       | 11,346             | 13.9        | 30.6       |
| Divis Labs         | 4570      | Neutral | 21,994          | 23.7        | -4.5       | 6,818           | 35.3        | -6.7       | 5,127              | 43.7        | -4.4       |
| Dr Reddy's Labs    | 6372      | Neutral | 73,961          | 9.8         | 4.4        | 19,748          | -3.4        | 11.8       | 12,866             | -5.8        | 6.2        |
| Eris Lifescience   | 1039      | Neutral | 6,999           | 50.0        | 27.0       | 2,436           | 43.5        | 43.4       | 892                | -5.9        | 9.5        |
| Gland Pharma       | 1812      | Buy     | 15,138          | 25.2        | -1.5       | 3,573           | 21.5        | -0.4       | 2,120              | 9.2         | 10.5       |
| Glenmark Pharma    | 1248      | Neutral | 32,950          | 8.5         | 7.6        | 6,129           | 40.1        | 21.5       | 2,917              | 162.6       | 73.7       |
| Global Health      | 1275      | Buy     | 8,216           | 6.3         | 1.6        | 1,997           | 8.3         | 4.5        | 1,166              | 14.3        | -8.5       |
| Granules India     | 491       | Buy     | 11,806          | 19.8        | 0.4        | 2,456           | 55.5        | -4.0       | 1,230              | 94.3        | -5.1       |
| GSK Pharma         | 2621      | Neutral | 8,096           | 6.3         | -12.9      | 2,113           | 46.8        | -17.9      | 1,699              | 47.8        | -11.5      |
| IPCA Labs.         | 1132      | Neutral | 21,578          | 35.9        | 6.1        | 3,668           | 24.7        | 14.0       | 1,723              | 11.9        | 85.3       |
| Laurus Labs        | 437       | Buy     | 14,301          | 21.0        | -0.7       | 2,231           | 33.8        | -7.6       | 692                | 158.4       | -8.4       |
| Lupin              | 1633      | Neutral | 50,311          | 9.2         | 1.4        | 9,660           | 48.3        | -3.1       | 5,061              | 77.3        | -0.4       |
| Mankind Pharma     | 2129      | Buy     | 28,256          | 9.6         | 15.8       | 7,120           | 8.7         | 20.5       | 5,393              | 10.8        | 14.4       |
| Max Healthcare     | 912       | Buy     | 18,977          | 17.0        | 6.0        | 5,143           | 19.9        | 4.1        | 3,537              | 15.8        | 6.3        |
| Piramal Pharma     | 161       | Buy     | 19,610          | 12.1        | -23.2      | 1,608           | 21.5        | -69.7      | -664               | Loss        | PL         |
| Sun Pharma         | 1524      | Buy     | 1,31,835        | 11.9        | 11.6       | 32,695          | 3.0         | 11.9       | 26,483             | 16.0        | -5.6       |
| Torrent Pharma     | 2821      | Neutral | 29,778          | 14.9        | 8.5        | 9,410           | 19.0        | 6.6        | 4,881              | 29.1        | 8.7        |
| Zydus Lifesciences | 1074      | Neutral | 55,308          | 7.6         | -0.1       | 15,320          | 0.0         | -5.7       | 10,368             | -7.6        | -11.8      |
| <b>Healthcare</b>  |           |         | <b>8,40,485</b> | <b>11.9</b> | <b>3.9</b> | <b>1,92,741</b> | <b>16.8</b> | <b>5.1</b> | <b>1,18,817</b>    | <b>21.1</b> | <b>2.0</b> |

Source: Company, MOFSL

**Exhibit 2: Relative performance – three months (%)**

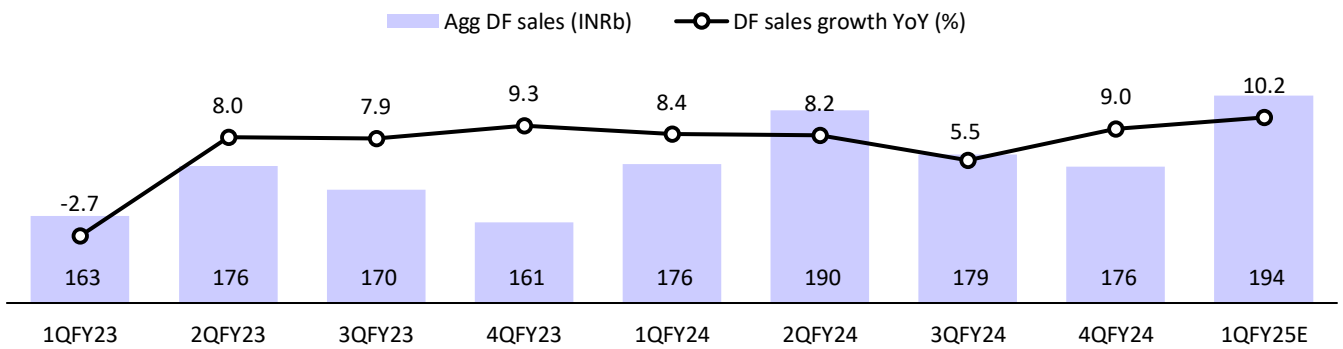


**Exhibit 3: Relative performance – one-year (%)**



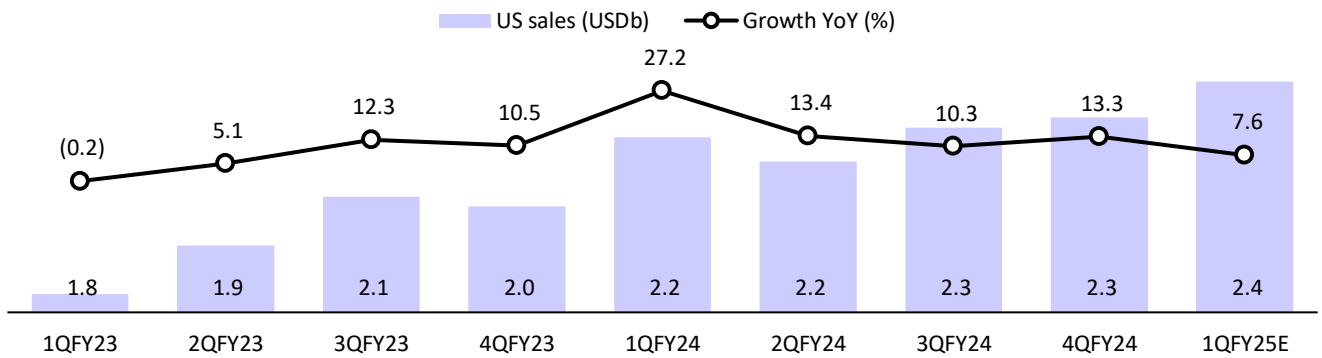
Source: Bloomberg, MOFSL

**Exhibit 4: DF sales to witness 10.2% YoY growth in 1QFY25**



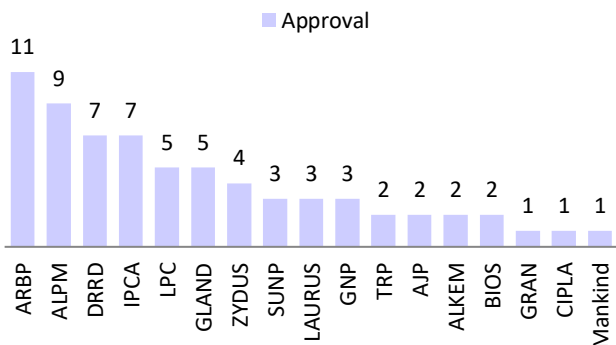
Note: Growth is ex-Mankind, Source: MOFSL, Company

**Exhibit 5: US sales is expected to grow at 7.6% YoY in 1QFY25**



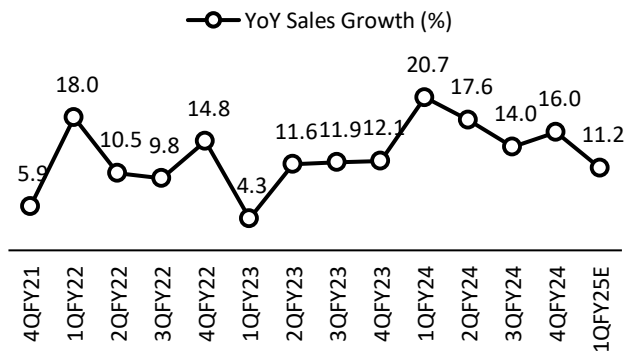
Source: MOFSL, Company

**Exhibit 6: 68 ANDAs approved on an aggregate basis for our coverage universe in 1QFY25**



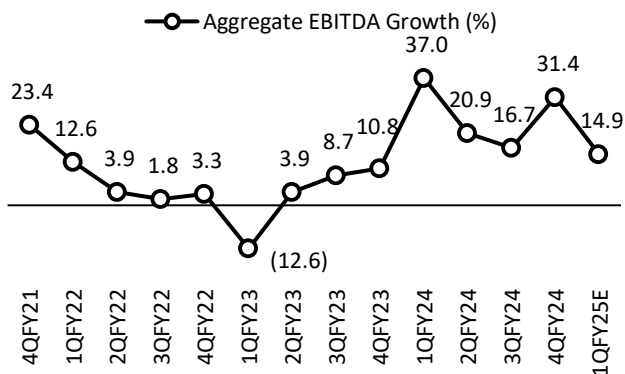
Source: MOFSL, Company

**Exhibit 7: Expect sales to grow 11% YoY in 1QFY25E**

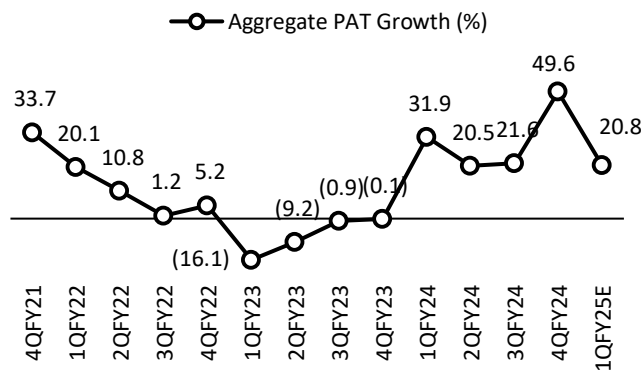


Source: MOFSL, Company

**Exhibit 1: EBITDA to grow 15% YoY in 1QFY25E**



**Exhibit 2: PAT to witness 21% YoY growth for 1QFY25E**



Source: MOFSL, Company

Source: MOFSL, Company

\*Sales, EBITDA, PAT YoY growth figures exclude JUBLPHRM due to limited historical data. It also excludes SOLARA, APHS, MEDANTA and MAXHEALT data.

**Exhibit 3: Comparative valuation**

| Company Name       | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|--------------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                    | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Healthcare</b>  |       |         |           |       |       | <b>38.4</b> | <b>33.1</b> | <b>27.8</b> | <b>5.3</b> | <b>4.8</b> | <b>4.2</b> | <b>13.8</b> | <b>14.4</b> | <b>15.0</b> |
| Ajanta Pharma      | 2,240 | Buy     | 62.3      | 70.3  | 83.9  | 35.9        | 31.9        | 26.7        | 7.9        | 6.7        | 5.6        | 22.7        | 22.8        | 22.9        |
| Alembic Pharma     | 976   | Neutral | 31.5      | 37.9  | 42.1  | 31.2        | 25.7        | 23.2        | 4.0        | 3.5        | 3.1        | 13.5        | 14.4        | 14.1        |
| Alkem Lab          | 4,921 | Neutral | 159.7     | 169.1 | 195.2 | 30.9        | 29.1        | 25.2        | 5.7        | 5.0        | 4.3        | 19.7        | 18.2        | 18.3        |
| Apollo Hospitals   | 6,101 | Buy     | 62.4      | 88.5  | 125.9 | 101.8       | 68.9        | 48.5        | 12.7       | 10.4       | 8.6        | 13.7        | 16.9        | 20.1        |
| Aurobindo Pharma   | 1,213 | Neutral | 56.0      | 67.0  | 75.7  | 19.4        | 18.1        | 16.0        | 2.1        | 2.1        | 1.9        | 11.6        | 12.4        | 12.5        |
| Biocon             | 356   | Neutral | 2.2       | 6.2   | 12.1  | 121.4       | 57.7        | 29.3        | 1.6        | 2.1        | 2.0        | 1.4         | 3.7         | 7.0         |
| Cipla              | 1,488 | Buy     | 52.5      | 58.9  | 65.8  | 28.5        | 25.3        | 22.6        | 4.5        | 3.9        | 3.4        | 15.9        | 15.4        | 14.9        |
| Divis Labs         | 4,570 | Neutral | 60.0      | 79.3  | 96.5  | 57.3        | 57.6        | 47.4        | 6.7        | 8.1        | 7.2        | 12.1        | 14.7        | 16.1        |
| Dr Reddy's Labs    | 6,372 | Neutral | 317.1     | 331.6 | 361.6 | 19.4        | 19.2        | 17.6        | 3.7        | 3.2        | 2.7        | 20.7        | 18.1        | 16.8        |
| Eris Lifescience   | 1,039 | Neutral | 29.2      | 30.9  | 42.5  | 28.8        | 33.6        | 24.4        | 4.5        | 4.9        | 4.1        | 16.8        | 15.4        | 18.3        |
| Gland Pharma       | 1,812 | Buy     | 47.6      | 59.4  | 69.4  | 38.7        | 30.5        | 26.1        | 3.5        | 3.1        | 2.8        | 9.4         | 10.6        | 11.1        |
| Glenmark Pharma    | 1,248 | Neutral | 2.5       | 42.7  | 50.5  | 385.4       | 29.2        | 24.7        | 3.4        | 3.9        | 3.4        | 0.8         | 14.4        | 14.8        |
| Global Health      | 1,275 | Buy     | 17.8      | 19.6  | 25.2  | 74.4        | 65.1        | 50.5        | 12.2       | 10.3       | 8.8        | 17.9        | 16.8        | 18.7        |
| Granules India     | 491   | Buy     | 17.4      | 23.5  | 31.8  | 24.8        | 20.9        | 15.4        | 3.2        | 3.2        | 2.6        | 13.9        | 16.3        | 18.6        |
| GSK Pharma         | 2,621 | Neutral | 43.3      | 45.8  | 50.8  | 44.9        | 57.3        | 51.6        | 18.5       | 21.3       | 17.9       | 41.3        | 37.2        | 34.7        |
| IPCA Labs.         | 1,132 | Neutral | 20.8      | 30.5  | 40.6  | 59.6        | 37.1        | 27.9        | 5.0        | 4.1        | 3.7        | 8.7         | 11.6        | 13.9        |
| Laurus Labs        | 437   | Buy     | 3.0       | 7.9   | 14.1  | 129.9       | 55.3        | 31.1        | 5.1        | 5.3        | 4.6        | 4.0         | 9.9         | 15.8        |
| Lupin              | 1,633 | Neutral | 41.5      | 50.7  | 59.6  | 39.0        | 32.2        | 27.4        | 5.1        | 4.5        | 3.9        | 14.1        | 15.0        | 15.3        |
| Mankind Pharma     | 2,129 | Buy     | 47.8      | 54.1  | 62.4  | 48.1        | 39.3        | 34.1        | 9.8        | 7.7        | 6.6        | 22.8        | 21.3        | 20.9        |
| Max Healthcare     | 912   | Buy     | 13.7      | 16.2  | 19.9  | 59.7        | 56.3        | 45.8        | 8.6        | 8.1        | 6.9        | 15.3        | 15.6        | 16.3        |
| Piramal Pharma     | 161   | Buy     | 0.4       | 2.5   | 5.1   | 304.4       | 63.5        | 31.3        | 1.9        | 2.3        | 2.1        | 0.8         | 4.1         | 7.9         |
| Sun Pharma         | 1,524 | Buy     | 41.4      | 48.1  | 57.6  | 39.1        | 31.7        | 26.5        | 6.1        | 5.0        | 4.3        | 16.7        | 16.9        | 17.4        |
| Torrent Pharma     | 2,821 | Neutral | 47.1      | 64.5  | 79.4  | 55.2        | 43.7        | 35.5        | 12.8       | 5.8        | 5.8        | 24.4        | 28.9        | 32.5        |
| Zydus Lifesciences | 1,074 | Neutral | 37.6      | 39.0  | 41.4  | 26.7        | 27.5        | 26.0        | 5.1        | 4.4        | 3.8        | 20.3        | 17.6        | 15.7        |

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.

## Ajanta Pharma

Buy

CMP: INR2,240 | TP: INR2,700 (21%)

EPS CHANGE (%): FY25|26: (5.5)|(1.8)

- Expects DF sales to grow by 11% YoY to INR3.5b, led by healthy traction in Cardiac/Derma/Respiratory.
- Lower price erosion and pick-up in launches should drive 15% YoY growth in US generics.
- Africa business to witness 6.8% decline YoY to INR2.1b for the quarter due to slow offtake of institutional business.
- Asia segment to witness a growth of 10% YoY, led by new launches and strong growth in chronic category.
- Watch out for increase in logistic costs due to geopolitical issue and impact on supply chain.

### Consol. - Quarterly perf.

(INR m)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>10,210</b> | <b>10,284</b> | <b>11,052</b> | <b>10,541</b> | <b>11,022</b> | <b>11,421</b> | <b>12,030</b> | <b>11,825</b> | <b>42,087</b> | <b>46,298</b> |
| YoY Change (%)               | 7.4           | 9.6           | 13.7          | 19.5          | 8.0           | 11.1          | 8.8           | 12.2          | 12.5          | 10.0          |
| <b>EBITDA</b>                | <b>2,813</b>  | <b>2,907</b>  | <b>3,217</b>  | <b>2,783</b>  | <b>2,855</b>  | <b>3,187</b>  | <b>3,549</b>  | <b>3,420</b>  | <b>11,719</b> | <b>13,010</b> |
| YoY Change (%)               | 11.7          | 40.9          | 48.7          | 62.7          | 1.5           | 9.6           | 10.3          | 22.9          | 38.6          | 11.0          |
| Margins (%)                  | 27.6          | 28.3          | 29.1          | 26.4          | 25.9          | 27.9          | 29.5          | 28.9          | 27.8          | 28.1          |
| Depreciation                 | 332           | 337           | 343           | 343           | 340           | 342           | 347           | 354           | 1,354         | 1,383         |
| <b>EBIT</b>                  | <b>2,482</b>  | <b>2,570</b>  | <b>2,874</b>  | <b>2,441</b>  | <b>2,515</b>  | <b>2,845</b>  | <b>3,202</b>  | <b>3,066</b>  | <b>10,365</b> | <b>11,627</b> |
| Interest                     | 9             | 23            | 25            | 15            | 14            | 14            | 14            | 30            | 72            | 72            |
| Other Income                 | 121           | 85            | 95            | 158           | 125           | 110           | 110           | 118           | 459           | 463           |
| <b>PBT before EO expense</b> | <b>2,594</b>  | <b>2,631</b>  | <b>2,944</b>  | <b>2,584</b>  | <b>2,626</b>  | <b>2,941</b>  | <b>3,298</b>  | <b>3,154</b>  | <b>10,752</b> | <b>12,018</b> |
| Extra-Ord expense            | 97            | 128           | -35           | 197           | 0             | 0             | 0             | 0             | 387           | 0             |
| <b>PBT</b>                   | <b>2,691</b>  | <b>2,759</b>  | <b>2,909</b>  | <b>2,780</b>  | <b>2,626</b>  | <b>2,941</b>  | <b>3,298</b>  | <b>3,154</b>  | <b>11,139</b> | <b>12,018</b> |
| Tax                          | 609           | 806           | 809           | 753           | 656           | 750           | 857           | 861           | 2,978         | 3,125         |
| Effective Rate (%)           | 22.6          | 29.2          | 27.8          | 27.1          | 25.0          | 25.5          | 26.0          | 27.3          | 26.7          | 26.0          |
| <b>Reported PAT</b>          | <b>2,082</b>  | <b>1,953</b>  | <b>2,100</b>  | <b>2,027</b>  | <b>1,969</b>  | <b>2,191</b>  | <b>2,440</b>  | <b>2,293</b>  | <b>8,162</b>  | <b>8,893</b>  |
| <b>Adj PAT</b>               | <b>2,007</b>  | <b>1,862</b>  | <b>2,125</b>  | <b>1,884</b>  | <b>1,969</b>  | <b>2,191</b>  | <b>2,440</b>  | <b>2,293</b>  | <b>7,878</b>  | <b>8,893</b>  |
| YoY Change (%)               | 13.9          | 13.9          | 30.4          | 57.1          | -1.9          | 17.6          | 14.8          | 21.7          | 26.5          | 12.9          |
| Margins (%)                  | 19.4          | 18.0          | 19.1          | 17.6          | 17.7          | 19.0          | 20.1          | 19.2          | 18.5          | 19.0          |

E: MOFSL Estimates

## Alembic Pharma

Neutral

CMP: INR976 | TP: INR930 (-5%)

EPS CHANGE (%): FY25|26: 6.1|4.6

- Expect 9% YoY growth in US sales to (USD52m) due to robust traction in new launches.
- Expect animal health to witness volume growth and regional expansion, driving 34% YoY growth in sales.
- Expects DF sales to grow by 7% YoY to INR5.6b, led by healthy traction in Anti-infective/Gyane/Anti-diabetic.
- Outlook on potential approvals/launches for US generics market.

### Quarterly perf. (Consol.)

(INR m)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>14,862</b> | <b>15,949</b> | <b>16,309</b> | <b>15,170</b> | <b>15,671</b> | <b>16,739</b> | <b>17,526</b> | <b>17,101</b> | <b>62,290</b> | <b>67,037</b> |
| YoY Change (%)               | 17.7          | 8.1           | 8.1           | 7.9           | 5.4           | 5.0           | 7.5           | 12.7          | 10.2          | 7.6           |
| <b>EBITDA</b>                | <b>1,987</b>  | <b>2,083</b>  | <b>2,667</b>  | <b>2,601</b>  | <b>2,648</b>  | <b>2,929</b>  | <b>3,120</b>  | <b>3,101</b>  | <b>9,337</b>  | <b>11,799</b> |
| YoY Change (%)               | 73.3          | -10.5         | 7.2           | 16.5          | 33.3          | 40.7          | 17.0          | 19.2          | 14.0          | 26.4          |
| Margins (%)                  | 13.4          | 13.1          | 16.4          | 17.1          | 16.9          | 17.5          | 17.8          | 18.1          | 15.0          | 17.6          |
| Depreciation                 | 662           | 676           | 695           | 695           | 690           | 695           | 705           | 717           | 2,727         | 2,807         |
| <b>EBIT</b>                  | <b>1,325</b>  | <b>1,407</b>  | <b>1,973</b>  | <b>1,906</b>  | <b>1,958</b>  | <b>2,234</b>  | <b>2,415</b>  | <b>2,384</b>  | <b>12,064</b> | <b>14,606</b> |
| Interest                     | 144           | 157           | 152           | 109           | 110           | 115           | 105           | 101           | 562           | 431           |
| Other Income                 | 117           | 102           | 29            | 36            | 40            | 42            | 50            | 58            | 283           | 190           |
| <b>PBT before EO expense</b> | <b>1,298</b>  | <b>1,352</b>  | <b>1,850</b>  | <b>1,832</b>  | <b>1,888</b>  | <b>2,161</b>  | <b>2,360</b>  | <b>2,341</b>  | <b>6,332</b>  | <b>8,751</b>  |
| <b>PBT</b>                   | <b>1,298</b>  | <b>1,352</b>  | <b>1,850</b>  | <b>1,832</b>  | <b>1,888</b>  | <b>2,161</b>  | <b>2,360</b>  | <b>2,341</b>  | <b>6,332</b>  | <b>8,751</b>  |
| Tax                          | 92            | -19           | 41            | 46            | 227           | 281           | 330           | 387           | 160           | 1,225         |
| Rate (%)                     | 7.0           | -1.4          | 2.2           | 2.5           | 12.0          | 13.0          | 14.0          | 16.5          | 2.5           | 14.0          |
| MI & P/L of Asso. Cos.       | 0             | -5            | -1            | -4            | -4            | -4            | -4            | 81            | -10           | 69            |
| <b>Reported PAT</b>          | <b>1,207</b>  | <b>1,376</b>  | <b>1,809</b>  | <b>1,790</b>  | <b>1,666</b>  | <b>1,884</b>  | <b>2,033</b>  | <b>1,873</b>  | <b>6,182</b>  | <b>7,456</b>  |
| <b>Adj PAT</b>               | <b>1,207</b>  | <b>1,376</b>  | <b>1,809</b>  | <b>1,790</b>  | <b>1,666</b>  | <b>1,884</b>  | <b>2,033</b>  | <b>1,873</b>  | <b>6,182</b>  | <b>7,456</b>  |
| YoY Change (%)               | 160.9         | -6.7          | 36.6          | 73.1          | 38.0          | 37.0          | 12.4          | 4.7           | 43.9          | 20.6          |
| Margins (%)                  | 8.1           | 8.6           | 11.1          | 11.8          | 10.6          | 11.3          | 11.6          | 11.0          | 9.9           | 11.1          |

**Alkem Labs****Neutral**

CMP: INR4,921 | TP: INR5,430 (10%)

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

- Expect DF sales to grow 8% YoY, led by strong traction in VMN/gastrointestinal portfolio and improved MR productivity.
- Progress on the bio-CDMO Capex.
- Expect US sales to decline 2% YoY to USD83m, slower offtake of new launches and price erosion.
- Progress on biosimilar portfolio for regulated as well as emerging market.

**Quarterly Perf. (Consolidated)**

(INR b)

| Y/E March         | FY24 |       |      |      | FY25E |       |       |      | FY24  | FY25E |
|-------------------|------|-------|------|------|-------|-------|-------|------|-------|-------|
|                   | 1Q   | 2Q    | 3Q   | 4Q   | 1QE   | 2QE   | 3QE   | 4QE  |       |       |
| Net Revenues      | 29.7 | 34.4  | 33.2 | 29.4 | 30.8  | 35.6  | 35.0  | 32.9 | 126.7 | 134.4 |
| YoY Change (%)    | 15.2 | 11.7  | 9.3  | 1.1  | 3.8   | 3.6   | 5.4   | 12.2 | 9.2   | 6.1   |
| EBITDA            | 3.9  | 7.5   | 7.1  | 4.0  | 5.0   | 7.4   | 6.8   | 5.9  | 22.5  | 25.1  |
| YoY Change (%)    | 42.4 | 64.5  | 18.1 | 13.8 | 28.2  | -0.7  | -3.9  | 47.7 | 33.7  | 11.9  |
| Margins (%)       | 13.1 | 21.7  | 21.3 | 13.7 | 16.2  | 20.8  | 19.4  | 18.0 | 17.7  | 18.7  |
| Depreciation      | 0.7  | 0.7   | 0.7  | 0.8  | 0.8   | 0.8   | 0.8   | 0.8  | 3.0   | 3.3   |
| EBIT              | 3.2  | 6.7   | 6.4  | 3.2  | 4.1   | 6.6   | 6.0   | 5.1  | 19.5  | 21.8  |
| Interest          | 0.3  | 0.3   | 0.3  | 0.3  | 0.3   | 0.3   | 0.2   | 0.2  | 1.1   | 1.0   |
| Other Income      | 0.7  | 0.6   | 0.9  | 0.9  | 0.8   | 0.8   | 0.8   | 0.8  | 3.1   | 3.1   |
| PBT before EO Exp | 3.5  | 7.1   | 7.1  | 3.8  | 4.6   | 7.1   | 6.5   | 5.8  | 21.4  | 24.0  |
| PBT after EO Exp  | 3.5  | 6.5   | 6.5  | 3.7  | 4.6   | 7.1   | 6.5   | 5.8  | 20.2  | 24.0  |
| Tax               | 0.7  | 0.3   | 0.5  | 0.6  | 0.7   | 1.1   | 1.0   | 0.8  | 2.1   | 3.6   |
| Rate (%)          | 18.4 | 5.1   | 7.7  | 17.1 | 15.0  | 15.2  | 15.5  | 14.2 | 9.9   | 15.0  |
| Reported PAT      | 2.9  | 6.2   | 5.9  | 2.9  | 3.9   | 6.0   | 5.5   | 4.9  | 18.0  | 20.2  |
| Adj Net Profit    | 2.9  | 6.8   | 6.4  | 3.0  | 3.9   | 6.0   | 5.5   | 4.9  | 19.1  | 20.2  |
| YoY Change (%)    | 52.3 | 104.1 | 41.3 | 3.4  | 35.9  | -11.8 | -14.6 | 60.5 | 50.5  | 6.0   |

**Apollo Hospitals****Buy**

CMP: INR6,101 | TP: INR7,070 (+16%)

EPS CHANGE (%): FY25|26: (4.5)|(3.8)

- Sales and EBITDA expected to grow 13.5/33% YoY to INR50b/INR6.8b due to increased occupancy and Healthco operations.
- Watch out for GMV outlook in Apollo 24/7.
- With enhanced footfalls in primary care/Diagnostics and improved operational efficiencies AHLL is expected to register 10% YoY growth in Revenue and 2x growth in EBITDA.
- Update on capacity expansion at Pune, Hyderabad, Kolkata, Delhi and Gurugaon.

**Consolidated - Quarterly Earning Model**

| Y/E March                             | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E    |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                                       | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| Gross Sales                           | 44,178 | 48,469 | 48,506 | 49,439 | 50,133 | 54,278 | 55,559 | 51,907 | 1,90,592 | 2,11,877 |
| YoY Change (%)                        | 16.4   | 14.0   | 13.8   | 14.9   | 13.5   | 12.0   | 14.5   | 5.0    | 14.7     | 11.2     |
| EBITDA                                | 5,090  | 6,275  | 6,137  | 6,405  | 6,768  | 7,246  | 7,334  | 6,196  | 23,907   | 27,544   |
| YoY Change (%)                        | 3.7    | 11.0   | 21.4   | 31.2   | 33.0   | 15.5   | 19.5   | -3.3   | 16.6     | 15.2     |
| Margins (%)                           | 11.5   | 12.9   | 12.7   | 13.0   | 13.5   | 13.4   | 13.2   | 11.9   | 12.5     | 13.0     |
| Depreciation                          | 1,669  | 1,634  | 1,670  | 1,897  | 1,750  | 1,800  | 1,850  | 1,516  | 6,870    | 6,916    |
| Interest                              | 1,062  | 1,113  | 1,126  | 1,193  | 1,080  | 1,025  | 980    | 834    | 4,494    | 3,919    |
| Other Income                          | 282    | 222    | 278    | 281    | 292    | 286    | 312    | 339    | 1,063    | 1,229    |
| PBT before EO expense                 | 2,641  | 3,750  | 3,619  | 3,596  | 4,230  | 4,707  | 4,816  | 4,186  | 13,606   | 17,938   |
| Extra-Ord expense/(Income)            | 0      | -19    | 0      | 0      | 0      | 0      | 0      | 0      | -19      | 0        |
| PBT                                   | 2,641  | 3,769  | 3,619  | 3,596  | 4,230  | 4,707  | 4,816  | 4,186  | 13,625   | 17,938   |
| Tax                                   | 966    | 1,300  | 1,089  | 1,098  | 1,248  | 1,294  | 1,372  | 1,108  | 4,453    | 5,023    |
| Rate (%)                              | 36.6   | 34.5   | 30.1   | 30.5   | 29.5   | 27.5   | 28.5   | 26.5   | 32.7     | 28.0     |
| Minority Interest & P/L of Asso. Cos. | 9      | 140    | 77     | -40    | 0      | 50     | 68     | 75     | 186      | 193      |
| Reported PAT                          | 1,666  | 2,329  | 2,453  | 2,538  | 2,982  | 3,363  | 3,375  | 3,002  | 8,986    | 12,722   |
| Adj PAT                               | 1,666  | 2,317  | 2,453  | 2,538  | 2,982  | 3,363  | 3,375  | 3,002  | 8,973    | 12,722   |
| YoY Change (%)                        | 2.6    | 3.0    | 59.8   | 47.1   | 79.0   | 3.0    | 37.6   | 18.3   | 29.6     | 41.8     |
| Margins (%)                           | 3.8    | 4.8    | 5.1    | 5.1    | 5.9    | 6.2    | 6.1    | 5.8    | 4.7      | 6.0      |

E: MOFSL Estimates

**Aurobindo Pharma****Neutral****CMP: INR1,213 | TP: INR1,320 (9%)****EPS CHANGE (%): FY25|26: 2.1|2.6**

- Expect US sales to grow 12% YoY to USD451m, led by key launches, offset by temporary shutdown of Eugia's unit-3.
- Expect EU sales growth of 7.5% YoY to INR19.7b on expanding into newer markets and differentiated product offering.
- Progress on optimizing the yield of Pen-g plant
- Outlook on reducing the operational cost and filing/approval status of biosimilar products in key markets.
- Progress on resolving USFDA OAI classification at Eugia.

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

| Y/E March                     | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                               | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Sales</b>              | <b>68.5</b> | <b>72.2</b> | <b>73.5</b> | <b>75.8</b> | <b>76.6</b> | <b>79.3</b> | <b>79.9</b> | <b>80.1</b> | <b>290.0</b> | <b>315.8</b> |
| YoY Change (%)                | 9.9         | 25.8        | 14.7        | 17.1        | 11.8        | 9.8         | 8.6         | 5.6         | 16.7         | 8.9          |
| <b>EBITDA</b>                 | <b>11.5</b> | <b>14.0</b> | <b>16.0</b> | <b>16.9</b> | <b>16.9</b> | <b>17.8</b> | <b>17.7</b> | <b>18.0</b> | <b>58.4</b>  | <b>70.4</b>  |
| YoY Change (%)                | 12.4        | 33.4        | 67.8        | 68.3        | 47.0        | 26.6        | 10.7        | 6.7         | 44.9         | 20.5         |
| Margins (%)                   | 16.8        | 19.4        | 21.8        | 22.3        | 22.1        | 22.4        | 22.2        | 22.5        | 20.1         | 22.3         |
| Depreciation                  | 3.3         | 4.2         | 4.2         | 3.5         | 3.6         | 3.7         | 4.5         | 5.8         | 15.2         | 17.6         |
| <b>EBIT</b>                   | <b>8.2</b>  | <b>9.9</b>  | <b>11.8</b> | <b>13.3</b> | <b>13.3</b> | <b>14.1</b> | <b>13.2</b> | <b>12.2</b> | <b>43.2</b>  | <b>52.9</b>  |
| Interest                      | 0.6         | 0.7         | 0.8         | 0.9         | 0.9         | 0.8         | 0.7         | 0.7         | 2.9          | 3.0          |
| Other Income                  | 0.8         | 1.9         | 1.2         | 1.4         | 1.0         | 1.1         | 1.1         | 1.4         | 5.2          | 4.5          |
| <b>PBT before EO expense</b>  | <b>8.5</b>  | <b>11.0</b> | <b>12.2</b> | <b>13.8</b> | <b>13.4</b> | <b>14.3</b> | <b>13.6</b> | <b>12.9</b> | <b>45.5</b>  | <b>54.3</b>  |
| Exceptional (expenses)/income | -0.7        | 0.0         | 0.0         | -1.2        | 0.0         | 0.0         | 0.0         | 0.0         | -1.9         | 0.0          |
| <b>PBT</b>                    | <b>8.1</b>  | <b>10.7</b> | <b>12.7</b> | <b>12.4</b> | <b>13.4</b> | <b>14.3</b> | <b>13.6</b> | <b>12.9</b> | <b>44.0</b>  | <b>54.3</b>  |
| Tax                           | 2.4         | 3.2         | 3.2         | 3.2         | 3.6         | 3.9         | 3.8         | 3.6         | 12.1         | 20.1         |
| Rate (%)                      | 29.7        | 30.1        | 25.5        | 26.0        | 27.0        | 27.5        | 27.7        | 27.8        | 27.5         | 37.0         |
| <b>Reported PAT</b>           | <b>5.7</b>  | <b>7.6</b>  | <b>9.4</b>  | <b>9.1</b>  | <b>9.7</b>  | <b>10.3</b> | <b>9.7</b>  | <b>9.6</b>  | <b>31.7</b>  | <b>34.1</b>  |
| <b>Adj PAT</b>                | <b>5.9</b>  | <b>7.8</b>  | <b>9.0</b>  | <b>10.1</b> | <b>9.7</b>  | <b>10.3</b> | <b>9.7</b>  | <b>9.6</b>  | <b>32.8</b>  | <b>39.3</b>  |
| YoY Change (%)                | 0.9         | 17.2        | 87.4        | 96.3        | 63.6        | 31.9        | 7.9         | -5.4        | 46.1         | 19.6         |
| Margins (%)                   | 8.7         | 10.8        | 12.3        | 13.3        | 12.7        | 12.9        | 12.2        | 11.9        | 11.3         | 12.4         |

E: MOFSL Estimates

**Biocon****Neutral****CMP: INR356 | TP: INR340 (-5%)****EPS CHANGE (%): FY25|26: (11)|1**

- Expect biologics sales to grow 40% YoY to INR23.7b, led by market share gain in existing products and launching products in new markets.
- Expect generics business to remain flat due to pricing erosion.
- Expect Syngene sales to grow by 14% YoY to INR9.2b due to some revival in spending by the customers.
- Update on launch of bAflibercept in Canada and commercialization of complex generic product in emerging markets

**Quarterly performance (Consolidated)****(INRb)**

| Y/E March            | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                      | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Sales</b>     | <b>34.2</b> | <b>34.6</b> | <b>36.0</b> | <b>39.2</b> | <b>39.6</b> | <b>40.3</b> | <b>40.8</b> | <b>42.0</b> | <b>144.1</b> | <b>162.8</b> |
| YoY Change (%)       | 57.9        | 49.2        | 22.5        | 7.4         | 15.7        | 16.5        | 13.3        | 7.3         | 30.0         | 13.0         |
| <b>EBITDA</b>        | <b>7.1</b>  | <b>7.4</b>  | <b>5.8</b>  | <b>9.2</b>  | <b>9.1</b>  | <b>9.0</b>  | <b>9.1</b>  | <b>9.6</b>  | <b>29.5</b>  | <b>36.8</b>  |
| YoY Change (%)       | 53.5        | 57.4        | -16.3       | 5.1         | 27.2        | 21.3        | 58.6        | 5.2         | 18.1         | 25.0         |
| Margins (%)          | 20.8        | 21.4        | 16.0        | 23.4        | 22.9        | 22.3        | 22.4        | 22.9        | 20.5         | 22.6         |
| Depreciation         | 3.6         | 3.9         | 4.2         | 4.1         | 4.0         | 4.2         | 4.2         | 4.2         | 15.7         | 16.6         |
| <b>EBIT</b>          | <b>3.6</b>  | <b>3.5</b>  | <b>1.6</b>  | <b>5.1</b>  | <b>5.1</b>  | <b>4.8</b>  | <b>5.0</b>  | <b>5.4</b>  | <b>13.8</b>  | <b>20.3</b>  |
| Interest             | 2.3         | 2.5         | 2.7         | 2.3         | 2.3         | 2.2         | 2.1         | 2.2         | 9.8          | 8.7          |
| Other Income         | 0.9         | 1.6         | 1.1         | 0.5         | 0.6         | 0.6         | 0.6         | 0.5         | 4.1          | 2.1          |
| Extraordinary Income | 0.0         | -0.2        | 8.3         | -0.1        | 0.0         | 0.0         | 0.0         | 0.0         | 7.9          | 0.0          |
| <b>PBT</b>           | <b>1.8</b>  | <b>2.1</b>  | <b>8.1</b>  | <b>3.2</b>  | <b>3.3</b>  | <b>3.2</b>  | <b>3.4</b>  | <b>3.6</b>  | <b>15.2</b>  | <b>13.6</b>  |
| Tax                  | 0.4         | 0.4         | 0.6         | 1.0         | 0.7         | 0.7         | 0.8         | 0.7         | 2.3          | 2.9          |
| Rate (%)             | 19.1        | 19.6        | 6.8         | 30.1        | 22.0        | 22.0        | 22.0        | 20.1        | 15.0         | 21.5         |
| Minority Interest    | 0.5         | 0.5         | 0.9         | 0.9         | 0.9         | 0.9         | 1.1         | 0.5         | 2.8          | 3.3          |
| <b>PAT</b>           | <b>1.0</b>  | <b>1.3</b>  | <b>6.6</b>  | <b>1.4</b>  | <b>1.8</b>  | <b>1.6</b>  | <b>1.6</b>  | <b>2.5</b>  | <b>10.2</b>  | <b>7.4</b>   |
| <b>Adj PAT</b>       | <b>1.0</b>  | <b>1.4</b>  | <b>-1.7</b> | <b>1.9</b>  | <b>1.8</b>  | <b>1.6</b>  | <b>1.6</b>  | <b>2.5</b>  | <b>2.6</b>   | <b>7.4</b>   |
| YoY Change (%)       | -51.1       | -16.2       | -176.5      | 24.8        | 76.0        | 12.6        | -192.0      | 31.2        | -65.1        | 183.7        |
| Margins (%)          | 2.9         | 3.6         | 18.3        | 3.5         | 4.4         | 4.0         | 3.8         | 5.8         | 7.1          | 4.6          |

## Cipla

Buy

CMP: INR1488 | TP: INR1,720 (16%)

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

- US sales to clock 3.6% YoY growth to USD230m for 1QFY25, led by market share gain of existing products and launch of new complex products.
- Update on USFDA remediation measures at Goa/Pithampur facility.
- Expect DF sales to grow by 7% YoY, driven stronger uptake of all key therapies, as well as gains in market share and in-licensing opportunities.
- Progress on g-Advair/g-Abraxane and other assets like peptides. Progress on commencement of manufacturing of respules at China plant.

## Quarterly Performance (Consolidated)

(INR b)

| Y/E March                 | FY24 |      |      |      | FY25E |      |      |      | FY24  | FY25E |
|---------------------------|------|------|------|------|-------|------|------|------|-------|-------|
|                           | 1Q   | 2Q   | 3Q   | 4Q   | 1QE   | 2QE  | 3QE  | 4QE  |       |       |
| Net Revenues              | 63.3 | 66.8 | 66.0 | 61.6 | 67.6  | 72.2 | 71.6 | 66.9 | 257.7 | 278.3 |
| YoY Change (%)            | 17.7 | 14.6 | 13.7 | 7.4  | 6.8   | 8.2  | 8.4  | 8.5  | 13.3  | 8.0   |
| EBITDA                    | 14.9 | 17.3 | 17.5 | 13.2 | 17.4  | 18.8 | 18.2 | 16.1 | 62.9  | 70.4  |
| YoY Change (%)            | 30.7 | 24.8 | 24.2 | 12.1 | 16.2  | 8.3  | 4.1  | 22.2 | 23.0  | 11.9  |
| Margins (%)               | 23.6 | 26.0 | 26.5 | 21.4 | 25.7  | 26.0 | 25.4 | 24.0 | 24.4  | 25.3  |
| Depreciation              | 2.4  | 2.5  | 2.3  | 2.9  | 2.7   | 2.7  | 2.6  | 2.7  | 10.1  | 10.5  |
| EBIT                      | 12.5 | 14.9 | 15.1 | 10.3 | 14.7  | 16.1 | 15.6 | 13.4 | 52.8  | 59.9  |
| Interest                  | 0.2  | 0.3  | 0.3  | 0.2  | 0.1   | 0.1  | 0.1  | 0.1  | 0.9   | 0.4   |
| Other Income              | 1.4  | 1.8  | 1.3  | 1.8  | 1.1   | 1.3  | 1.4  | 1.6  | 6.2   | 5.3   |
| Profit before Tax         | 13.7 | 16.4 | 16.1 | 11.9 | 15.8  | 17.3 | 16.9 | 14.8 | 58.2  | 64.8  |
| 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 | 15.8  | 17.3 | 16.9 | 14.8 | 57.0  | 64.8  |
| Tax                       | 3.8  | 4.4  | 4.1  | 3.2  | 4.5   | 4.9  | 4.8  | 3.3  | 15.5  | 17.5  |
| Rate (%)                  | 27.5 | 26.8 | 25.1 | 27.3 | 28.5  | 28.5 | 28.5 | 21.9 | 26.6  | 27.0  |
| Reported PAT              | 10.0 | 11.3 | 10.6 | 9.4  | 11.3  | 12.5 | 12.1 | 11.6 | 41.2  | 47.6  |
| Adj PAT                   | 10.0 | 11.7 | 12.0 | 8.7  | 11.3  | 12.5 | 12.1 | 11.6 | 42.4  | 47.6  |
| YoY Change (%)            | 45.1 | 37.7 | 49.4 | 22.7 | 13.9  | 6.1  | 1.4  | 34.0 | 39.0  | 12.3  |

E: MOFSL Estimates;

## Divis Labs

Neutral

CMP: INR4,570 | TP: INR4,300 (-6%)

EPS CHANGE (%): FY25|26: (0.9)|0

- DIVI is expected to deliver 23.7% YoY growth in sales for the quarter due to good traction in CS, supported by growth in Nutraceutical and generics business.
- Impact on freight cost due to recent global geopolitical issues.
- Update on pricing of generic API portfolio.
- Update on the Kakinada capex and the capex of the new CS order received.
- Update on the launch of new molecules.

## Quarterly Performance

(INRm)

| Y/E March            | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E  |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                      | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Net Sales            | 17,780 | 19,090 | 18,550 | 23,030 | 21,994 | 22,668 | 23,343 | 23,351 | 78,450 | 91,355 |
| YoY Change (%)       | -21.1  | 2.9    | 8.6    | 18.1   | 23.7   | 18.7   | 25.8   | 1.4    | 1.0    | 16.5   |
| EBITDA               | 5,040  | 4,990  | 4,890  | 7,310  | 6,818  | 6,959  | 7,120  | 6,967  | 22,230 | 27,863 |
| YoY Change (%)       | -40.5  | -19.7  | 19.8   | 48.6   | 35.3   | 39.5   | 45.6   | -4.7   | -6.1   | 25.3   |
| Margins (%)          | 28.3   | 26.1   | 26.4   | 31.7   | 31.0   | 30.7   | 30.5   | 29.8   | 28.3   | 30.5   |
| Depreciation         | 930    | 950    | 950    | 950    | 960    | 975    | 980    | 985    | 3,780  | 3,900  |
| EBIT                 | 4,110  | 4,040  | 3,940  | 6,360  | 5,858  | 5,984  | 6,140  | 5,982  | 18,450 | 23,963 |
| Interest             | 0      | 10     | 0      | 20     | 0      | 0      | 0      | 0      | 30     | 0      |
| Other Income         | 810    | 750    | 770    | 770    | 800    | 810    | 870    | 900    | 3,100  | 3,380  |
| PBT before EO Income | 4,920  | 4,780  | 4,710  | 7,110  | 6,658  | 6,794  | 7,010  | 6,882  | 21,520 | 27,343 |
| Forex gain/(Loss)    | 30     | -90    | 180    | 20     | 0      | 0      | 0      | 0      | 140    | 0      |
| PBT                  | 4,950  | 4,690  | 4,890  | 7,130  | 6,658  | 6,794  | 7,010  | 6,882  | 21,660 | 27,343 |
| Tax                  | 1,360  | 1,210  | 1,310  | 1,750  | 1,531  | 1,597  | 1,612  | 1,549  | 5,630  | 6,289  |
| Rate (%)             | 27.5   | 25.8   | 26.8   | 24.5   | 23.0   | 23.5   | 23.0   | 22.5   | 26.0   | 23.0   |
| PAT                  | 3,590  | 3,480  | 3,580  | 5,380  | 5,127  | 5,197  | 5,397  | 5,333  | 16,030 | 21,054 |
| Adj. PAT             | 3,568  | 3,547  | 3,448  | 5,365  | 5,127  | 5,197  | 5,397  | 5,333  | 15,928 | 21,054 |
| YoY Change (%)       | -45.6  | -24.4  | 25.9   | 65.7   | 43.7   | 46.5   | 56.5   | -0.6   | -7.5   | 32.2   |
| Margins (%)          | 20.2   | 18.2   | 19.3   | 23.4   | 23.3   | 22.9   | 23.1   | 22.8   | 20.4   | 23.0   |
| Adj. EPS             | 13.4   | 13.4   | 13.0   | 20.2   | 19.3   | 19.6   | 20.3   | 20.1   | 60.0   | 79.3   |

**Dr Reddy's Labs****Neutral****CMP: INR6,372 | TP: INR6,430 (1%)****EPS CHANGE (%): FY25|26: 2.4|6.6**

- Expect US sales to grow 5.2% YoY to USD410m, led by niche launches, volume offtake in differentiated portfolio, and reduced intensity of price erosion.
- India revenue to grow by 10.5% YoY. Strong traction in Pain/Derma, new launches and in-licensing opportunities.
- Expect Russia/other CIS countries' sales to grow 1.6% YoY to INR7.7b, led by new launches offset by unfavorable currency.
- Update on filings, approvals and launches in China.
- Update on the approval of Rituximab in UK and launches in Consumer healthcare.

**Quarterly Performance - IFRS**

| Y/E March                     | FY24        |             |             |             | FY25E       |             |             |             | FY24E        | (INRb)       |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                               | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         | FY24E        |              |
| <b>Sales</b>                  | <b>67.4</b> | <b>68.8</b> | <b>72.1</b> | <b>70.8</b> | <b>74.0</b> | <b>77.5</b> | <b>79.1</b> | <b>88.0</b> | <b>279.2</b> | <b>318.5</b> |
| YoY Change (%)                | 35.2        | 9.1         | 6.6         | 17.4        | 9.8         | 12.6        | 9.6         | 24.3        | 15.9         | 14.1         |
| <b>EBITDA</b>                 | <b>20.5</b> | <b>20.0</b> | <b>20.3</b> | <b>17.7</b> | <b>19.7</b> | <b>21.0</b> | <b>20.8</b> | <b>22.9</b> | <b>78.4</b>  | <b>84.4</b>  |
| YoY Change (%)                | 97.8        | 10.7        | -1.3        | 34.0        | -3.4        | 5.1         | 2.5         | 29.4        | 26.2         | 7.7          |
| Margins (%)                   | 30.3        | 29.0        | 28.1        | 24.9        | 26.7        | 27.1        | 26.3        | 26.0        | 28.1         | 26.5         |
| Amortization                  | 3.6         | 3.8         | 3.9         | 3.5         | 3.6         | 3.7         | 3.7         | 4.0         | 14.8         | 15.0         |
| <b>EBIT</b>                   | <b>16.9</b> | <b>16.1</b> | <b>16.4</b> | <b>14.1</b> | <b>16.1</b> | <b>17.3</b> | <b>17.1</b> | <b>18.8</b> | <b>63.5</b>  | <b>69.4</b>  |
| Other Income                  | 1.1         | 1.6         | 2.0         | 1.7         | 0.7         | 0.7         | 0.8         | 0.9         | 6.4          | 3.1          |
| <b>PBT before EO expenses</b> | <b>18.0</b> | <b>17.7</b> | <b>18.4</b> | <b>15.8</b> | <b>16.8</b> | <b>18.0</b> | <b>17.9</b> | <b>19.7</b> | <b>69.9</b>  | <b>72.5</b>  |
| One-off income/(expense)      | 0.5         | 1.4         | -0.1        | 0.2         | 0.0         | 0.0         | 0.0         | 0.0         | 2.0          | 0.0          |
| <b>Profit before Tax</b>      | <b>18.5</b> | <b>19.1</b> | <b>18.3</b> | <b>16.0</b> | <b>16.8</b> | <b>18.0</b> | <b>17.9</b> | <b>19.7</b> | <b>71.9</b>  | <b>72.5</b>  |
| <b>PBT after EO Expenses</b>  | <b>18.5</b> | <b>19.1</b> | <b>18.3</b> | <b>16.0</b> | <b>16.8</b> | <b>18.0</b> | <b>17.9</b> | <b>19.7</b> | <b>71.9</b>  | <b>72.5</b>  |
| Tax                           | 4.4         | 4.3         | 4.5         | 2.9         | 4.0         | 4.3         | 4.3         | 4.7         | 16.2         | 17.3         |
| Rate (%)                      | 24.0        | 22.7        | 24.5        | 18.4        | 23.5        | 23.7        | 23.9        | 24.1        | 22.5         | 23.8         |
| <b>Reported Profit</b>        | <b>14.0</b> | <b>14.8</b> | <b>13.8</b> | <b>13.1</b> | <b>12.9</b> | <b>13.7</b> | <b>13.6</b> | <b>15.0</b> | <b>55.7</b>  | <b>55.2</b>  |
| <b>Adjusted PAT</b>           | <b>13.7</b> | <b>13.3</b> | <b>13.8</b> | <b>12.1</b> | <b>12.9</b> | <b>13.7</b> | <b>13.6</b> | <b>15.0</b> | <b>52.8</b>  | <b>55.2</b>  |
| YoY Change (%)                | 66.6        | 16.5        | 5.1         | 50.1        | -5.8        | 3.5         | -0.9        | 23.7        | 29.6         | 4.6          |
| Margins (%)                   | 20.3        | 19.3        | 19.1        | 17.1        | 17.4        | 17.7        | 17.3        | 17.0        | 18.9         | 17.3         |

E: MOFSL Estimates

**Eris Lifesciences****Neutral****CMP: INR1039 | TP: INR980 (-6%)****EPS CHANGE (%): FY25|26: (6.6)|(4.2)**

- Expect 50% YoY growth in sales on strong show in Oaknet and synergy from key acquisitions in recent past.
- Update on integration of the brands acquired from Biocon and Swiss Parenterals.
- Update on the launch of Glargine and Liraglutide and other first to launch products.
- Strategy and outlook for promotional costs for injectable portfolio.

**Consolidated - Quarterly Earning Model**

| Y/E March                                     | FY24         |              |              |              | FY25E        |              |              |              | FY24          | (INR m)       |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|   | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          | FY24          |               |
| <b>Gross Sales</b>                            | <b>4,666</b> | <b>5,053</b> | <b>4,863</b> | <b>5,509</b> | <b>6,999</b> | <b>7,579</b> | <b>8,024</b> | <b>8,444</b> | <b>20,091</b> | <b>31,047</b> |
| YoY Change (%)                                | 17.1         | 9.7          | 14.9         | 36.8         | 50.0         | 50.0         | 65.0         | 53.3         | 19.2          | 54.5          |
| <b>EBITDA</b>                                 | <b>1,697</b> | <b>1,811</b> | <b>1,755</b> | <b>1,698</b> | <b>2,436</b> | <b>2,660</b> | <b>2,808</b> | <b>2,931</b> | <b>6,962</b>  | <b>10,835</b> |
| Margins (%)                                   | 36.4         | 35.8         | 36.1         | 30.8         | 34.8         | 35.1         | 35.0         | 34.7         | 34.7          | 34.9          |
| Depreciation                                  | 409          | 421          | 457          | 539          | 690          | 700          | 705          | 701          | 1,830         | 2,796         |
| Interest                                      | 174          | 163          | 181          | 330          | 650          | 630          | 610          | 538          | 848           | 2,428         |
| Other Income                                  | 10           | 35           | 42           | 151          | 40           | 50           | 65           | 93           | 238           | 248           |
| <b>PBT before EO expense</b>                  | <b>1,125</b> | <b>1,262</b> | <b>1,159</b> | <b>980</b>   | <b>1,136</b> | <b>1,380</b> | <b>1,558</b> | <b>1,785</b> | <b>4,522</b>  | <b>5,859</b>  |
| Extra-Ord expense                             | 0            | 0            | 0            | 214          | 0            | 0            | 0            | 0            | 214           | 0             |
| <b>PBT</b>                                    | <b>1,125</b> | <b>1,262</b> | <b>1,159</b> | <b>766</b>   | <b>1,136</b> | <b>1,380</b> | <b>1,558</b> | <b>1,785</b> | <b>4,308</b>  | <b>5,859</b>  |
| Tax   | 188          | 39           | 144          | -30          | 278          | 348          | 390          | 449          | 342           | 1,465         |
| Rate (%)                                      | 16.7         | 3.1          | 12.4         | -3.9         | 24.5         | 25.2         | 25.0         | 25.2         | 7.9           | 25.0          |
| Minority Interest & Profit/Loss of Asso. Cos. | 12           | 11           | 13           | -87          | 35           | 31           | 37           | 44           | -51           | 147           |
| <b>Reported PAT</b>                           | <b>948</b>   | <b>1,234</b> | <b>1,027</b> | <b>710</b>   | <b>892</b>   | <b>1,064</b> | <b>1,206</b> | <b>1,380</b> | <b>3,916</b>  | <b>4,541</b>  |
| <b>Adj PAT</b>                                | <b>948</b>   | <b>1,234</b> | <b>1,027</b> | <b>815</b>   | <b>892</b>   | <b>1,064</b> | <b>1,206</b> | <b>1,380</b> | <b>4,021</b>  | <b>4,541</b>  |
| YoY Change (%)                                | 0.3          | 2.3          | 1.2          | 24.6         | -5.9         | -13.8        | 17.4         | 69.2         | 5.2           | 12.9          |
| Margins (%)                                   | 20.3         | 24.4         | 21.1         | 14.8         | 12.8         | 14.0         | 15.0         | 16.3         | 20.0          | 14.6          |

E: MOFSL Estimates

**GSK Pharma****Neutral**

CMP: INR2,621 | TP: INR2,380 (-9%)

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

- Expect mid-single digit YoY growth in 1QFY25 due to strong traction in innovative products, relaunch of products and strong offtake of volume.
- Update on any new launches from parent portfolio.
- Expect 6.3% YoY growth in sales to INR8.1b due to revival of growth in vaccine business and enhanced efforts in innovative products.
- Progress on steps taken to mitigate impact of NLEM led price revision.

**Qtr Perf. (Consol.)**

(INRm)

| Y/E March                                | FY24         |              |              |              | FY25E        |               |              |               | FY24          | FY25E         |
|--|--------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|
|  | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE           | 3QE          | 4QE           |               |               |
| <b>Net Sales</b>                         | <b>7,617</b> | <b>9,570</b> | <b>8,053</b> | <b>9,298</b> | <b>8,096</b> | <b>10,079</b> | <b>8,470</b> | <b>10,686</b> | <b>34,537</b> | <b>37,331</b> |
| YoY Change (%)                           | 2.2          | 4.4          | 0.4          | 18.1         | 6.3          | 5.3           | 5.2          | 14.9          | 6.2           | 8.1           |
| <b>EBITDA</b>                            | <b>1,439</b> | <b>2,895</b> | <b>2,181</b> | <b>2,573</b> | <b>2,113</b> | <b>2,631</b>  | <b>2,211</b> | <b>2,978</b>  | <b>9,087</b>  | <b>9,932</b>  |
| YoY Change (%)                           | -3.4         | 12.7         | -4.7         | 51.6         | 46.8         | -9.1          | 1.4          | 15.8          | 13.0          | 9.3           |
| Margins (%)                              | 18.9         | 30.3         | 27.1         | 27.7         | 26.1         | 26.1          | 26.1         | 27.9          | 26.3          | 26.6          |
| Depreciation                             | 164          | 181          | 171          | 181          | 163          | 163           | 163          | 223           | 697           | 712           |
| <b>EBIT</b>                              | <b>1,276</b> | <b>2,714</b> | <b>2,010</b> | <b>2,392</b> | <b>1,950</b> | <b>2,468</b>  | <b>2,048</b> | <b>2,754</b>  | <b>8,390</b>  | <b>9,220</b>  |
| Interest                                 | 3            | 4            | 3            | 8            | 18           | 18            | 18           | -42           | 18            | 12            |
| Other Income                             | 364          | 282          | 281          | 298          | 364          | 364           | 364          | 208           | 1,226         | 1,300         |
| <b>PBT before EO Expense</b>             | <b>1,637</b> | <b>2,992</b> | <b>2,287</b> | <b>2,682</b> | <b>2,296</b> | <b>2,814</b>  | <b>2,394</b> | <b>3,004</b>  | <b>9,598</b>  | <b>10,508</b> |
| Tax                                      | 487          | 817          | 197          | 761          | 597          | 732           | 622          | 802           | 2,262         | 2,753         |
| Rate (%)                                 | 29.8         | 27.3         | 8.6          | 28.4         | 26.0         | 26.0          | 26.0         | 26.7          | 22.4          | 26.2          |
| <b>Adjusted PAT</b>                      | <b>1,150</b> | <b>2,175</b> | <b>2,090</b> | <b>1,921</b> | <b>1,699</b> | <b>2,082</b>  | <b>1,771</b> | <b>2,202</b>  | <b>7,336</b>  | <b>7,755</b>  |
| YoY Change (%)                           | -1.1         | 12.5         | 18.8         | 56.1         | 47.8         | -4.3          | -15.3        | 14.7          | 20.5          | 5.7           |
| Margins (%)                              | 15.1         | 22.7         | 26.0         | 20.7         | 21.0         | 20.7          | 20.9         | 20.6          | 21.2          | 20.8          |
| One-off Expense/(Income)                 | -173         | 0            | 1,633        | -24          | 0            | 0             | 0            | 0             | 1,436         | 0             |
| <b>Reported PAT</b>                      | <b>1,323</b> | <b>2,175</b> | <b>457</b>   | <b>1,945</b> | <b>1,699</b> | <b>2,082</b>  | <b>1,771</b> | <b>2,202</b>  | <b>5,900</b>  | <b>7,755</b>  |
| <b>Reported PAT incl disc operations</b> | <b>6,076</b> | <b>1,323</b> | <b>2,175</b> | <b>457</b>   | <b>1,699</b> | <b>2,082</b>  | <b>1,771</b> | <b>2,202</b>  | <b>5,900</b>  | <b>7,755</b>  |

**Gland Pharma****Buy**

CMP: INR1812 | TP: INR2110 (16%)

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

- Expect sales to grow 25% YoY to INR15b due to strong growth in core markets, supported by Cenexi.
- Update on the new biologics opportunities. Update on complex approvals for core markets.
- Update on new approvals/launches and expansion plans in China.
- Watch for progress on turnaround of Cenexi business over next 12-18 months.

**Consol. - Quarterly perf.**

(INR m)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>12,087</b> | <b>13,734</b> | <b>15,452</b> | <b>15,375</b> | <b>15,138</b> | <b>15,871</b> | <b>16,368</b> | <b>17,477</b> | <b>56,647</b> | <b>64,854</b> |
| YoY Change (%)               | 41.1          | 31.5          | 64.7          | 95.9          | 25.2          | 15.6          | 5.9           | 13.7          | 56.3          | 14.5          |
| <b>EBITDA</b>                | <b>2,940</b>  | <b>3,241</b>  | <b>3,742</b>  | <b>3,587</b>  | <b>3,573</b>  | <b>3,888</b>  | <b>4,174</b>  | <b>4,643</b>  | <b>13,509</b> | <b>16,278</b> |
| YoY Change (%)               | 8.9           | 5.3           | 29.2          | 113.0         | 21.5          | 20.0          | 11.6          | 29.5          | 30.4          | 20.5          |
| Margins (%)                  | 24.3          | 23.6          | 24.2          | 23.3          | 23.6          | 24.5          | 25.5          | 26.6          | 23.8          | 25.1          |
| Depreciation                 | 653           | 813           | 1,053         | 926           | 930           | 960           | 990           | 1,103         | 3,446         | 3,983         |
| Interest                     | 49            | 60            | 53            | 100           | 20            | 19            | 18            | 17            | 262           | 74            |
| Other Income                 | 375           | 532           | 374           | 421           | 450           | 490           | 500           | 506           | 1,702         | 1,946         |
| <b>PBT before EO expense</b> | <b>2,613</b>  | <b>2,899</b>  | <b>3,009</b>  | <b>2,982</b>  | <b>3,073</b>  | <b>3,399</b>  | <b>3,666</b>  | <b>4,029</b>  | <b>11,503</b> | <b>14,167</b> |
| One-off income/(expense)     | 0             | 0             | 178           | 0             | 0             | 0             | 0             | 0             | 178           | 0             |
| <b>PBT</b>                   | <b>2,613</b>  | <b>2,899</b>  | <b>2,832</b>  | <b>2,982</b>  | <b>3,073</b>  | <b>3,399</b>  | <b>3,666</b>  | <b>4,029</b>  | <b>11,325</b> | <b>14,167</b> |
| Tax                          | 672           | 958           | 913           | 1,058         | 953           | 1,061         | 1,151         | 1,227         | 3,601         | 4,392         |
| Rate (%)                     | 25.7          | 33.0          | 32.2          | 35.5          | 31.0          | 31.2          | 31.4          | 30.5          | 31.8          | 31.0          |
| <b>Reported PAT</b>          | <b>1,941</b>  | <b>1,941</b>  | <b>1,919</b>  | <b>1,924</b>  | <b>2,120</b>  | <b>2,339</b>  | <b>2,515</b>  | <b>2,801</b>  | <b>7,724</b>  | <b>9,775</b>  |
| <b>Adj PAT</b>               | <b>1,941</b>  | <b>1,941</b>  | <b>2,039</b>  | <b>1,918</b>  | <b>2,120</b>  | <b>2,339</b>  | <b>2,515</b>  | <b>2,801</b>  | <b>7,839</b>  | <b>9,775</b>  |
| YoY Change (%)               | -15.3         | -22.7         | -12.1         | 61.7          | 9.2           | 20.5          | 23.3          | 46.1          | -5.6          | 24.7          |

E: MOFSL Estimates

**Glenmark Pharma****Neutral**

CMP: INR1248 | TP: INR1,200 (-4%)

EPS CHANGE (%): FY25|26: (3)|0.2

- Expect DF sales to grow 11% YoY, led by cardiac/Anti-infective/Derma therapy, rationalization of inventory and in-licensing limited competition complex products.
- Update on ramp-up of Winlevi in EU market and Ryaltris at global level.
- Expect GNP US sales to decline by 7% YoY to USD91m partly due to lack of approvals and price erosion.
- Watch for remediation timeline to resolve USFDA issues.

**Quarterly performance**

(INRm)

| Y/E March                                    | FY24          |               |                |                | FY25E         |               |               |               | FY24            | FY25E           |
|--|---------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|  | 1Q            | 2Q            | 3Q             | 4Q             | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Revenues (Core)</b>                   | <b>30,361</b> | <b>32,074</b> | <b>25,067</b>  | <b>30,630</b>  | <b>32,950</b> | <b>33,975</b> | <b>33,215</b> | <b>32,339</b> | <b>1,18,131</b> | <b>1,32,480</b> |
| YoY Change (%)                               | 9.3           | 6.3           | -19.1          | 2.1            | 8.5           | 5.9           | 32.5          | 5.6           | 2.0             | 12.1            |
| <b>EBITDA</b>                                | <b>4,374</b>  | <b>5,053</b>  | <b>-1,444</b>  | <b>5,043</b>   | <b>6,129</b>  | <b>6,251</b>  | <b>6,244</b>  | <b>5,950</b>  | <b>13,025</b>   | <b>24,575</b>   |
| YoY Change (%)                               | -7.5          | -3.2          | PTL            | 26.7           | 40.1          | 23.7          | -532.3        | 18.0          | -20.3           | 88.7            |
| Margins (%)                                  | 14.4          | 15.8          | -5.8           | 16.5           | 18.6          | 18.4          | 18.8          | 18.4          | 11.0            | 18.5            |
| Depreciation                                 | 1,420         | 1,415         | 1,471          | 1,513          | 1,525         | 1,530         | 1,510         | 1,535         | 5,819           | 6,100           |
| <b>EBIT</b>                                  | <b>2,953</b>  | <b>3,638</b>  | <b>-2,915</b>  | <b>3,530</b>   | <b>4,604</b>  | <b>4,721</b>  | <b>4,734</b>  | <b>4,416</b>  | <b>7,206</b>    | <b>18,475</b>   |
| Interest                                     | 1,116         | 1,215         | 1,343          | 1,486          | 300           | 200           | 100           | 66            | 5,160           | 666             |
| Other Income                                 | 197           | 17            | 454            | 7,732          | 80            | 100           | 90            | 80            | 8,400           | 350             |
| <b>PBT before EO Expense</b>                 | <b>2,034</b>  | <b>2,441</b>  | <b>-3,805</b>  | <b>9,776</b>   | <b>4,384</b>  | <b>4,621</b>  | <b>4,724</b>  | <b>4,429</b>  | <b>10,447</b>   | <b>18,159</b>   |
| One-off loss/(gain)                          | 520           | 3,684         | 1,409          | 4,468          | 0             | 0             | 0             | 0             | 10,082          | 0               |
| <b>PBT after EO Expense</b>                  | <b>1,514</b>  | <b>-1,244</b> | <b>-5,214</b>  | <b>5,308</b>   | <b>4,384</b>  | <b>4,621</b>  | <b>4,724</b>  | <b>4,429</b>  | <b>364</b>      | <b>18,159</b>   |
| Tax  | 1,137         | 559           | -718           | 17,695         | 1,447         | 1,530         | 1,569         | 1,484         | 18,673          | 6,029           |
| Rate (%)                                     | 75.1          | -45.0         | 13.8           | 333.3          | 33.0          | 33.1          | 33.2          | 33.5          | 5,123.0         | 33.2            |
| <b>Reported PAT</b>                          | <b>377</b>    | <b>-1,803</b> | <b>-4,496</b>  | <b>-12,386</b> | <b>2,937</b>  | <b>3,092</b>  | <b>3,156</b>  | <b>2,945</b>  | <b>-18,309</b>  | <b>12,130</b>   |
| Minority Interest                            | 232           | 204           | 206            | 40             | 20            | 10            | 15            | 30            | 681             | 75              |
| <b>Reported PAT after Minority Interest</b>  | <b>145</b>    | <b>-2,007</b> | <b>-4,701</b>  | <b>-12,427</b> | <b>2,917</b>  | <b>3,082</b>  | <b>3,141</b>  | <b>2,915</b>  | <b>-18,990</b>  | <b>12,055</b>   |
| <b>Adj PAT</b>                               | <b>1,111</b>  | <b>1,397</b>  | <b>-3,486</b>  | <b>1,680</b>   | <b>2,917</b>  | <b>3,082</b>  | <b>3,141</b>  | <b>2,915</b>  | <b>701</b>      | <b>12,055</b>   |
| YoY Change (%)                               | -34.0         | -39.9         | PTL            | 247.6          | 162.6         | 120.6         | -190.1        | 73.6          | -81.2           | 1,619.7         |
| Margins (%)                                  | 3.7           | 4.4           | -13.9          | 5.5            | 8.9           | 9.1           | 9.5           | 9.0           | 0.6             | 9.1             |
| <b>Adj. PAT from discontinued operations</b> | <b>1,355</b>  | <b>1,187</b>  | <b>1,188</b>   | <b>244</b>     | <b>0</b>      | <b>0</b>      | <b>0</b>      | <b>-</b>      | <b>3,973</b>    | <b>-</b>        |
| <b>Overall Adj. PAT</b>                      | <b>2,465</b>  | <b>2,584</b>  | <b>(2,299)</b> | <b>1,923</b>   | <b>2,917</b>  | <b>3,082</b>  | <b>3,141</b>  | <b>2,915</b>  | <b>4,674</b>    | <b>12,055</b>   |

**Global Health****Buy**

CMP: INR1,275 | TP: INR1,490 (17%)

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

- Expect ARPOB to grow 5% YoY to INR66.3k for the quarter. Expect revenue to grow 6.3% YoY to INR8.2b for the quarter.
- Expect occupancy to improve slightly to 61% due to improve IPD volumes. Outlook on bed addition in Lucknow/Patna markets.
- Construction progress on Noida/South Delhi/Indore projects Update on patient treatment of government agencies/Ayushman Bharat at Patna/Lucknow hospitals.

**Consolidated - Quarterly Earning Model**

(INRm)

| Y/E March           | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>  | <b>7,730</b> | <b>8,439</b> | <b>8,365</b> | <b>8,086</b> | <b>8,216</b> | <b>8,778</b> | <b>9,050</b> | <b>9,200</b> | <b>32,751</b> | <b>35,245</b> |
| YoY Change (%)      | 25.2         | 24.3         | 20.5         | 14.4         | 6.3          | 4.0          | 8.2          | 13.8         | 21.6          | 30.1          |
| <b>EBITDA</b>       | <b>1,843</b> | <b>2,185</b> | <b>2,215</b> | <b>1,911</b> | <b>1,997</b> | <b>2,177</b> | <b>2,217</b> | <b>2,314</b> | <b>8,284</b>  | <b>8,706</b>  |
| YoY Change (%)      | 38.7         | 38.3         | 36.1         | 12.7         | 8.3          | -0.3         | 0.1          | 21.1         | 33.7          | 37.0          |
| Margins (%)         | 23.8         | 25.9         | 26.5         | 23.6         | 24.3         | 24.8         | 24.5         | 25.2         | 25.3          | 24.7          |
| Depreciation        | 468          | 485          | 495          | 572          | 526          | 515          | 520          | 611          | 2,020         | 2,172         |
| Interest            | 179          | 201          | 177          | 182          | 145          | 130          | 128          | 123          | 739           | 526           |
| Other Income        | 215          | 208          | 181          | 274          | 280          | 295          | 310          | 349          | 747           | 1,234         |
| <b>PBT</b>          | <b>1,410</b> | <b>1,707</b> | <b>1,724</b> | <b>1,431</b> | <b>1,606</b> | <b>1,827</b> | <b>1,879</b> | <b>1,929</b> | <b>6,271</b>  | <b>7,241</b>  |
| Tax                 | 390          | 455          | 488          | 157          | 440          | 504          | 507          | 533          | 1,490         | 1,985         |
| Rate (%)            | 27.7         | 26.6         | 28.3         | 11.0         | 27.4         | 27.6         | 27.0         | 27.6         | 23.8          | 27.4          |
| <b>Reported PAT</b> | <b>1,020</b> | <b>1,252</b> | <b>1,235</b> | <b>1,273</b> | <b>1,166</b> | <b>1,323</b> | <b>1,372</b> | <b>1,395</b> | <b>4,781</b>  | <b>5,256</b>  |
| <b>Adj PAT</b>      | <b>1,020</b> | <b>1,252</b> | <b>1,235</b> | <b>1,273</b> | <b>1,166</b> | <b>1,323</b> | <b>1,372</b> | <b>1,395</b> | <b>4,781</b>  | <b>5,256</b>  |
| YoY Change (%)      | 73.8         | 46.1         | 53.3         | 26.0         | 14.3         | 5.7          | 11.0         | 9.6          | 46.6          | 75.2          |
| Margins (%)         | 13.2         | 14.8         | 14.8         | 15.7         | 14.2         | 15.1         | 15.2         | 15.2         | 14.6          | 14.9          |

E: MOFSL Estimates

**Granules India****Buy****CMP: INR491 | TP: INR570 (16%)****EPS CHANGE (%): FY25|26: 2.6|3.0**

- Expect overall sales to grow 19.8% due to strong growth in FD segment, offset by decline in API segment.
- Update on completion of phase-II of Genome Valley.
- Update on filings/launches in US and EU markets.
- Watch for increase in freight costs due to geopolitical issues.

**Quarterly Performance**

| Y/E March<br>(Consolidated)  | FY24         |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q           | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>9,855</b> | <b>11,895</b> | <b>11,556</b> | <b>11,758</b> | <b>11,806</b> | <b>12,008</b> | <b>12,356</b> | <b>13,368</b> | <b>45,063</b> | <b>49,538</b> |
| YoY Change (%)               | -3.3         | 3.4           | 0.8           | -1.6          | 19.8          | 1.0           | 6.9           | 13.7          | -0.1          | 9.9           |
| <b>EBITDA</b>                | <b>1,579</b> | <b>2,130</b>  | <b>2,505</b>  | <b>2,557</b>  | <b>2,456</b>  | <b>2,630</b>  | <b>2,755</b>  | <b>2,959</b>  | <b>8,770</b>  | <b>10,799</b> |
| YoY Change (%)               | -25.4        | -12.3         | 8.3           | 8.3           | 55.5          | 23.5          | 10.0          | 15.7          | -4.9          | 23.1          |
| Margins (%)                  | 16.0         | 17.9          | 21.7          | 21.7          | 20.8          | 21.9          | 22.3          | 22.1          | 19.5          | 21.8          |
| Depreciation                 | 492          | 525           | 524           | 532           | 550           | 555           | 560           | 559           | 2,073         | 2,224         |
| <b>EBIT</b>                  | <b>1,086</b> | <b>1,605</b>  | <b>1,981</b>  | <b>2,025</b>  | <b>1,906</b>  | <b>2,075</b>  | <b>2,195</b>  | <b>2,400</b>  | <b>6,697</b>  | <b>8,575</b>  |
| Interest                     | 225          | 260           | 286           | 288           | 270           | 265           | 260           | 225           | 1,058         | 1,020         |
| Other Income                 | 3            | 15            | 7             | 19            | 13            | 10            | 12            | 13            | 44            | 48            |
| <b>PBT before EO expense</b> | <b>865</b>   | <b>1,360</b>  | <b>1,701</b>  | <b>1,756</b>  | <b>1,649</b>  | <b>1,820</b>  | <b>1,947</b>  | <b>2,188</b>  | <b>5,683</b>  | <b>7,603</b>  |
| Extra-Ord expense            | 211          | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 211           | 0             |
| <b>PBT</b>                   | <b>654</b>   | <b>1,360</b>  | <b>1,701</b>  | <b>1,756</b>  | <b>1,649</b>  | <b>1,820</b>  | <b>1,947</b>  | <b>2,188</b>  | <b>5,472</b>  | <b>7,603</b>  |
| Tax                          | 176          | 339           | 444           | 460           | 419           | 460           | 483           | 539           | 1,419         | 1,901         |
| Rate (%)                     | 26.9         | 24.9          | 26.1          | 26.2          | 25.4          | 25.3          | 24.8          | 24.6          | 25.9          | 25.0          |
| <b>Reported PAT</b>          | <b>479</b>   | <b>1,021</b>  | <b>1,257</b>  | <b>1,296</b>  | <b>1,230</b>  | <b>1,359</b>  | <b>1,464</b>  | <b>1,649</b>  | <b>4,052</b>  | <b>5,703</b>  |
| <b>Adjusted PAT</b>          | <b>633</b>   | <b>1,021</b>  | <b>1,257</b>  | <b>1,296</b>  | <b>1,230</b>  | <b>1,359</b>  | <b>1,464</b>  | <b>1,649</b>  | <b>4,207</b>  | <b>5,703</b>  |
| YoY Change (%)               | -50.4        | -29.6         | 1.1           | 3.4           | 94.3          | 33.1          | 16.5          | 27.2          | -19.5         | 35.5          |
| Margins (%)                  | 6.4          | 8.6           | 10.9          | 11.0          | 10.4          | 11.3          | 11.9          | 12.3          | 9.3           | 11.5          |

E: MOFSL Estimates

**Ipsca Laboratories****Neutral****CMP: INR1,132 | TP: INR1,150 (2%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect formulations segment/Unichem to drive overall sales growth of 35.9% YoY for the quarter.
- Expect DF segment to grow 7% YoY, led by steady growth in key therapies.
- Expect API sales to grow 10% YoY for the quarter.
- Impact of geopolitical issue in Middle East on export business.

**Quarterly Performance**

| Y/E March                         | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Revenues (Core)</b>        | <b>15,876</b> | <b>20,340</b> | <b>20,529</b> | <b>20,330</b> | <b>21,578</b> | <b>22,916</b> | <b>23,053</b> | <b>21,833</b> | <b>77,074</b> | <b>89,380</b> |
| YoY Change (%)                    | 0.1           | 27.0          | 32.8          | 34.5          | 35.9          | 12.7          | 12.3          | 7.4           | 23.2          | 16.0          |
| <b>EBITDA</b>                     | <b>2,941</b>  | <b>3,606</b>  | <b>3,310</b>  | <b>3,219</b>  | <b>3,668</b>  | <b>4,194</b>  | <b>4,150</b>  | <b>3,541</b>  | <b>13,076</b> | <b>15,552</b> |
| YoY Change (%)                    | 3.8           | 32.4          | 42.7          | 77.9          | 24.7          | 16.3          | 25.4          | 10.0          | 33.3          | 18.9          |
| Margins (%)                       | 18.5          | 17.7          | 16.1          | 15.8          | 17.0          | 18.3          | 18.0          | 16.2          | 17.0          | 17.4          |
| Depreciation                      | 693           | 903           | 995           | 981           | 996           | 985           | 990           | 931           | 3,572         | 3,902         |
| <b>EBIT</b>                       | <b>2,249</b>  | <b>2,702</b>  | <b>2,315</b>  | <b>2,238</b>  | <b>2,672</b>  | <b>3,209</b>  | <b>3,160</b>  | <b>2,609</b>  | <b>9,503</b>  | <b>11,650</b> |
| Interest                          | 314           | 441           | 334           | 294           | 272           | 248           | 230           | 219           | 1,383         | 969           |
| Other Income                      | 449           | 386           | 225           | 16            | 220           | 190           | 235           | 255           | 1,075         | 900           |
| <b>PBT before EO Expense</b>      | <b>2,383</b>  | <b>2,647</b>  | <b>2,205</b>  | <b>1,960</b>  | <b>2,620</b>  | <b>3,151</b>  | <b>3,165</b>  | <b>2,646</b>  | <b>9,195</b>  | <b>11,581</b> |
| One-off (gain)/ Expense           | -135          | 393           | -684          | 1,194         | 0             | 0             | 0             | 0             | 769           | 0             |
| <b>PBT after EO Expense</b>       | <b>2,518</b>  | <b>2,254</b>  | <b>2,889</b>  | <b>766</b>    | <b>2,620</b>  | <b>3,151</b>  | <b>3,165</b>  | <b>2,646</b>  | <b>8,426</b>  | <b>11,581</b> |
| Tax                               | 856           | 879           | 662           | 737           | 760           | 911           | 902           | 728           | 3,135         | 3,301         |
| Rate (%)                          | 34.0          | 39.0          | 22.9          | 96.2          | 29.0          | 28.9          | 28.5          | 27.5          | 34.1          | 28.5          |
| <b>Reported PAT</b>               | <b>1,662</b>  | <b>1,374</b>  | <b>2,227</b>  | <b>29</b>     | <b>1,860</b>  | <b>2,240</b>  | <b>2,263</b>  | <b>1,917</b>  | <b>5,292</b>  | <b>8,280</b>  |
| Minority Interest                 | -34           | 76            | -428          | -598          | -138          | -138          | -138          | -138          | -984          | -550          |
| <b>Adj PAT after Minority Int</b> | <b>1,539</b>  | <b>1,690</b>  | <b>1,115</b>  | <b>930</b>    | <b>1,723</b>  | <b>2,103</b>  | <b>2,125</b>  | <b>1,780</b>  | <b>5,274</b>  | <b>7,730</b>  |
| YoY Change (%)                    | 0.9           | -9.2          | -6.1          | 32.7          | 11.9          | 24.4          | 90.6          | 91.4          | 0.0           | 46.6          |
| Margins (%)                       | 9.7           | 8.3           | 5.4           | 4.6           | 8.0           | 9.2           | 9.2           | 8.2           | 6.8           | 8.6           |

**Laurus Labs****Buy****CMP: INR437 | TP: INR510 (+17%)****EPS CHANGE (%): FY25|26: (8.1) | 2.6**

- Expect strong traction in Formulation segment supported by healthy growth in CS/API sales.
- Update on product pipeline in Non-ARV segment.
- Expect ARV sales to grow 2% YoY/1% QoQ
- Progress on validation of products for Animal health CDMO.
- Update the CAPEX at Hyderabad/Vizag/Mysore.

**Consolidated - Quarterly Earning Model**

| Y/E Mar (INRb)               | FY24        |             |             |             | FY25E       |             |             |             | FY24        | FY25E       |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                              | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |             |             |
| <b>Net Sales</b>             | <b>11.8</b> | <b>12.2</b> | <b>11.9</b> | <b>14.4</b> | <b>14.3</b> | <b>14.9</b> | <b>15.5</b> | <b>16.0</b> | <b>50.4</b> | <b>60.7</b> |
| YoY Change (%)               | -23.2       | -22.3       | -22.6       | 4.3         | 21.0        | 21.7        | 29.4        | 11.1        | -16.6       | 20.3        |
| <b>EBITDA</b>                | <b>1.7</b>  | <b>1.9</b>  | <b>1.8</b>  | <b>2.4</b>  | <b>2.2</b>  | <b>2.5</b>  | <b>2.9</b>  | <b>3.4</b>  | <b>7.8</b>  | <b>11.1</b> |
| YoY Change (%)               | -63.3       | -58.1       | -55.0       | -15.4       | 33.8        | 34.8        | 61.1        | 41.4        | -51.2       | 42.8        |
| Margins (%)                  | 14.1        | 15.3        | 15.2        | 16.8        | 15.6        | 17.0        | 18.9        | 21.3        | 15.4        | 18.3        |
| Depreciation                 | 0.9         | 0.9         | 1.0         | 1.0         | 0.9         | 0.9         | 0.9         | 1.0         | 3.8         | 3.7         |
| <b>EBIT</b>                  | <b>0.8</b>  | <b>0.9</b>  | <b>0.8</b>  | <b>1.4</b>  | <b>1.3</b>  | <b>1.6</b>  | <b>2.0</b>  | <b>2.5</b>  | <b>3.9</b>  | <b>7.4</b>  |
| Interest                     | 0.4         | 0.4         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 0.5         | 1.8         | 2.1         |
| Other Income                 | 0.0         | 0.0         | 0.0         | 0.2         | 0.1         | 0.1         | 0.1         | 0.1         | 0.3         | 0.4         |
| <b>PBT before EO expense</b> | <b>0.4</b>  | <b>0.5</b>  | <b>0.3</b>  | <b>1.1</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>1.6</b>  | <b>2.1</b>  | <b>2.4</b>  | <b>5.7</b>  |
| <b>PBT</b>                   | <b>0.4</b>  | <b>0.5</b>  | <b>0.3</b>  | <b>1.1</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>1.6</b>  | <b>2.1</b>  | <b>2.4</b>  | <b>5.7</b>  |
| Tax                          | 0.1         | 0.1         | 0.1         | 0.3         | 0.2         | 0.3         | 0.4         | 0.5         | 0.7         | 1.4         |
| Rate (%)                     | 30.0        | 27.0        | 27.3        | 29.8        | 24.0        | 24.6        | 24.8        | 25.4        | 28.8        | 24.8        |
| <b>Reported PAT</b>          | <b>0.3</b>  | <b>0.4</b>  | <b>0.2</b>  | <b>0.8</b>  | <b>0.7</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>1.5</b>  | <b>1.6</b>  | <b>4.3</b>  |
| <b>Adj PAT</b>               | <b>0.3</b>  | <b>0.4</b>  | <b>0.2</b>  | <b>0.8</b>  | <b>0.7</b>  | <b>0.9</b>  | <b>1.2</b>  | <b>1.5</b>  | <b>1.6</b>  | <b>4.3</b>  |
| YoY Change (%)               | -89.4       | -84.2       | -88.6       | -28.1       | 158.4       | 143.4       | 410.2       | 104.6       | -79.6       | 165.8       |
| Margins (%)                  | 2.3         | 3.0         | 1.9         | 5.3         | 4.8         | 6.0         | 7.6         | 9.7         | 3.2         | 7.1         |

E: MOFSL Estimates

**Lupin****Neutral****CMP: INR1,633 | TP: INR1,590 (-3%)****EPS CHANGE (%): FY25|26: 0.9 | 1.5**

- Expect US sales to witness 20% YoY growth to USD235m, led by strong traction in niche launches and new approvals, offset by competition in g-Suprep.
- EU sales to witness robust growth of 25% YoY, led by new launches
- DF segment to grow 5% YoY for the quarter due to superior growth in Cardiac/Gastrol therapy and complex launches.
- Update on niche approvals beyond g-Dulera/g-Respimat.
- Watch for increase in logistic costs due to geopolitical issues in the Middle East.

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

| Y/E March           | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>    | <b>46,087</b> | <b>50,385</b> | <b>51,974</b> | <b>49,608</b> | <b>50,311</b> | <b>52,910</b> | <b>54,211</b> | <b>56,343</b> | <b>1,98,054</b> | <b>2,13,774</b> |
| YoY Change (%)      | 23.1          | 21.5          | 20.2          | 12.0          | 9.2           | 5.0           | 4.3           | 13.6          | 19.0            | 7.9             |
| <b>EBITDA</b>       | <b>6,513</b>  | <b>9,232</b>  | <b>10,220</b> | <b>9,968</b>  | <b>9,660</b>  | <b>10,370</b> | <b>10,788</b> | <b>11,509</b> | <b>35,932</b>   | <b>42,327</b>   |
| YoY Change (%)      | 297.3         | 112.6         | 83.8          | 65.0          | 48.3          | 12.3          | 5.6           | 15.5          | 104.4           | 17.8            |
| Margins (%)         | 14.1          | 18.3          | 19.7          | 20.1          | 19.2          | 19.6          | 19.9          | 20.4          | 18.1            | 19.8            |
| Depreciation        | 2,347         | 2,479         | 2,572         | 2,559         | 2,562         | 2,570         | 2,575         | 2,535         | 9,956           | 10,242          |
| <b>EBIT</b>         | <b>4,166</b>  | <b>6,754</b>  | <b>7,648</b>  | <b>7,409</b>  | <b>7,098</b>  | <b>7,800</b>  | <b>8,213</b>  | <b>8,974</b>  | <b>25,977</b>   | <b>32,085</b>   |
| Interest            | 856           | 806           | 740           | 713           | 720           | 700           | 716           | 670           | 3,116           | 2,806           |
| Other Income        | 228           | 404           | 294           | 293           | 272           | 298           | 293           | 287           | 1,218           | 1,150           |
| EO Exp/(Inc)        | -2,053        | 54            | -160          | 2,012         | 0             | 0             | 0             | 0             | -147            | 0               |
| <b>PBT</b>          | <b>5,591</b>  | <b>6,298</b>  | <b>7,361</b>  | <b>4,977</b>  | <b>6,650</b>  | <b>7,398</b>  | <b>7,790</b>  | <b>8,591</b>  | <b>24,227</b>   | <b>30,430</b>   |
| Tax                 | 1,055         | 1,344         | 1,174         | 1,295         | 1,563         | 1,776         | 1,909         | 2,056         | 4,867           | 7,303           |
| Rate (%)            | 18.9          | 21.3          | 15.9          | 26.0          | 23.5          | 24.0          | 24.5          | 23.9          | 20.1            | 24.0            |
| Minority Interest   | -11           | -57           | -56           | -88           | -26           | -22           | -24           | -25           | -211            | -97             |
| <b>Reported PAT</b> | <b>4,525</b>  | <b>4,898</b>  | <b>6,131</b>  | <b>3,594</b>  | <b>5,061</b>  | <b>5,601</b>  | <b>5,857</b>  | <b>6,510</b>  | <b>19,149</b>   | <b>23,029</b>   |
| <b>Adj PAT</b>      | <b>2,855</b>  | <b>4,940</b>  | <b>5,997</b>  | <b>5,083</b>  | <b>5,061</b>  | <b>5,601</b>  | <b>5,857</b>  | <b>6,510</b>  | <b>18,875</b>   | <b>23,029</b>   |
| YoY Change (%)      | LP            | 319.9         | 256.1         | 95.0          | 77.3          | 13.4          | -2.3          | 28.1          | 382.1           | 22.0            |
| Margins (%)         | 6.2           | 9.8           | 11.5          | 10.2          | 10.1          | 10.6          | 10.8          | 11.6          | 9.5             | 10.8            |

E: MOFSL estimates

**Mankind****Buy****CMP: INR2,219 | TP: INR2,650 (+25%)****EPS CHANGE (%): FY25|26: 2.2|0.1**

- Expect Prescription sales to grow 7.2% YoY to INR23.7b, led by strong growth in Cardiac/Gastro/Anti-diabetic, new launches in chronic space and in-licensing opportunity.
- Exports to witness robust growth of 45% YoY, led by selective niche launches and market share gain in base business.
- Consumer health segment to grow 7% YoY for the quarter due to new launches and superior reach.
- Update on new launches in DF and Export markets.
- Watch for the new in-licensing deal/M&A.

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

| Y/E March                             | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                       | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Gross Sales</b>                    | <b>25,786</b> | <b>27,081</b> | <b>26,070</b> | <b>24,411</b> | <b>28,256</b> | <b>29,982</b> | <b>28,990</b> | <b>27,076</b> | <b>1,03,348</b> | <b>1,14,303</b> |
| YoY Change (%)                        | 18.3          | 11.6          | 24.7          | 18.9          | 9.6           | 10.7          | 11.2          | 10.9          | 18.1            | 10.6            |
| <b>EBITDA</b>                         | <b>6,548</b>  | <b>6,827</b>  | <b>6,065</b>  | <b>5,911</b>  | <b>7,120</b>  | <b>7,945</b>  | <b>7,624</b>  | <b>6,572</b>  | <b>25,351</b>   | <b>29,262</b>   |
| YoY growth %                          | 34.5          | 9.9           | 29.7          | 30.7          | 8.7           | 16.4          | 25.7          | 11.2          | 25              | 15              |
| Margins (%)                           | 25.4          | 25.2          | 23.3          | 24.2          | 25.2          | 26.5          | 26.3          | 24.3          | 24.5            | 25.6            |
| Depreciation                          | 874           | 965           | 1,097         | 1,047         | 1,065         | 1,075         | 1,085         | 1,077         | 3,983           | 4,302           |
| Interest                              | 63            | 86            | 92            | 94            | 90            | 78            | 70            | 67            | 335             | 305             |
| Other Income                          | 586           | 600           | 701           | 921           | 712           | 732           | 752           | 754           | 2,809           | 2,950           |
| <b>PBT before EO expense</b>          | <b>6,197</b>  | <b>6,375</b>  | <b>5,577</b>  | <b>5,692</b>  | <b>6,677</b>  | <b>7,524</b>  | <b>7,221</b>  | <b>6,181</b>  | <b>23,842</b>   | <b>27,604</b>   |
| <b>PBT</b>                            | <b>6,197</b>  | <b>6,375</b>  | <b>5,577</b>  | <b>5,692</b>  | <b>6,677</b>  | <b>7,524</b>  | <b>7,221</b>  | <b>6,181</b>  | <b>23,842</b>   | <b>27,604</b>   |
| Tax                                   | 1,303         | 1,298         | 1,025         | 950           | 1,215         | 1,422         | 1,386         | 1,773         | 4,576           | 5,797           |
| Rate (%)                              | 21.0          | 20.4          | 18.4          | 16.7          | 18.2          | 18.9          | 19.2          | 28.7          | 19.2            | 21.0            |
| Minority Interest & P/L of Asso. Cos. | 25.9          | 66.8          | 14.5          | 29.5          | 69.0          | 111.0         | 127.0         | 133.8         | 136.6           | 440.8           |
| <b>Reported PAT</b>                   | <b>4,869</b>  | <b>5,010</b>  | <b>4,538</b>  | <b>4,712</b>  | <b>5,393</b>  | <b>5,991</b>  | <b>5,708</b>  | <b>4,275</b>  | <b>19,129</b>   | <b>21,367</b>   |
| <b>Adj PAT</b>                        | <b>4,869</b>  | <b>5,010</b>  | <b>4,538</b>  | <b>4,712</b>  | <b>5,393</b>  | <b>5,991</b>  | <b>5,708</b>  | <b>4,275</b>  | <b>19,129</b>   | <b>21,367</b>   |
| YoY Change (%)                        | 53.9          | 12.8          | 47.3          | 50.5          | 10.8          | 19.6          | 25.8          | -9.3          | 38.4            | 11.7            |
| Margins (%)                           | 18.9          | 18.5          | 17.4          | 19.3          | 19.1          | 20.0          | 19.7          | 15.8          | 18.5            | 18.7            |

E: MOFSL Estimates

**Max Healthcare****Buy****CMP: INR912 | TP: INR1060 (16%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect ARPOB to grow 6% YoY to INR79.4k.
- Expect 19% YoY growth in Max Labs with EBITDA margin expansion due to superior execution and increasing reach.
- Expect overall sales to grow 15.4% YoY for the quarter
- Progress on bed addition/commercialization in FY25/FY26.

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

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>           | <b>16,220</b> | <b>17,190</b> | <b>16,820</b> | <b>17,910</b> | <b>18,977</b> | <b>20,181</b> | <b>20,100</b> | <b>20,727</b> | <b>68,150</b> | <b>79,985</b> |
| YoY Change (%)               | 16.7          | 16.8          | 14.9          | 15.6          | 17.0          | 17.4          | 19.5          | 15.7          | 16.0          | 17.4          |
| <b>EBITDA</b>                | <b>4,290</b>  | <b>4,840</b>  | <b>4,650</b>  | <b>4,940</b>  | <b>5,143</b>  | <b>5,610</b>  | <b>5,608</b>  | <b>5,875</b>  | <b>18,730</b> | <b>22,236</b> |
| Margins (%)                  | 26.4          | 28.2          | 27.6          | 27.6          | 27.1          | 27.8          | 27.9          | 28.3          | 27.5          | 27.8          |
| Depreciation                 | 640           | 660           | 700           | 840           | 940           | 990           | 1,080         | 1,107         | 2,840         | 4,117         |
| Interest                     | -30           | -170          | -140          | -40           | -120          | -110          | -130          | -125          | -380          | -485          |
| Other Income                 | 70            | 130           | 60            | 90            | 120           | 155           | 130           | 155           | 350           | 560           |
| <b>PBT before EO expense</b> | <b>3,750</b>  | <b>4,480</b>  | <b>4,150</b>  | <b>4,230</b>  | <b>4,443</b>  | <b>4,885</b>  | <b>4,788</b>  | <b>5,048</b>  | <b>16,620</b> | <b>19,164</b> |
| Extra-Ord expense            | 190           | 190           | 40            | 250           | 0             | 0             | 0             | 0             | 670           | 0             |
| <b>PBT</b>                   | <b>3,560</b>  | <b>4,290</b>  | <b>4,110</b>  | <b>3,980</b>  | <b>4,443</b>  | <b>4,885</b>  | <b>4,788</b>  | <b>5,048</b>  | <b>15,950</b> | <b>19,164</b> |
| Tax                          | 660           | 910           | 730           | 870           | 906           | 918           | 814           | 811           | 3,160         | 3,449         |
| Rate (%)                     | 18.5          | 21.2          | 17.8          | 21.9          | 20.4          | 18.8          | 17.0          | 16.1          | 19.8          | 18.0          |
| <b>Reported PAT</b>          | <b>2,900</b>  | <b>3,380</b>  | <b>3,380</b>  | <b>3,110</b>  | <b>3,537</b>  | <b>3,967</b>  | <b>3,974</b>  | <b>4,237</b>  | <b>12,790</b> | <b>15,714</b> |
| <b>Adj PAT</b>               | <b>3,055</b>  | <b>3,530</b>  | <b>3,413</b>  | <b>3,327</b>  | <b>3,537</b>  | <b>3,967</b>  | <b>3,974</b>  | <b>4,237</b>  | <b>13,324</b> | <b>15,714</b> |
| YoY Change (%)               | 28.3          | 24.5          | 20.3          | 4.9           | 15.8          | 12.4          | 16.4          | 27.4          | 18.7          | 17.9          |
| Margins (%)                  | 18.8          | 20.5          | 20.3          | 18.6          | 18.6          | 19.7          | 19.8          | 20.4          | 19.6          | 19.6          |

E: MOFSL Estimates

## Piramal Pharma

Buy

CMP: INR161 | TP: INR190 (18%)

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

- Expect sales to grow by 12% YoY to INR19b, led by strong growth in all the three segments.
- Progress on CDMO segment order book.
- Higher operating costs to drag down EBITDA margin QoQ.
- Watch for opportunities in GLP1 space.
- Update on the CAPEX at Bethlehem and Dahej.

## Consolidated - Quarterly

| PPL Income statement (INRm) | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E  |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                             | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Revenues                    | 17,489 | 19,114 | 19,586 | 25,524 | 19,610 | 22,119 | 22,639 | 28,753 | 81,712 | 93,120 |
| growth YoY(%)               | 18.0   | 11.1   | 14.1   | 18.0   | 12.1   | 15.7   | 15.6   | 12.7   | 15.4   | 14.0   |
| CDMO                        | 8,980  | 10,680 | 11,340 | 16,490 | 10,327 | 12,816 | 13,268 | 18,678 | 47,490 | 55,088 |
| CHG                         | 6,170  | 5,890  | 5,760  | 6,770  | 6,725  | 6,538  | 6,624  | 7,408  | 24,590 | 27,295 |
| ICP                         | 2,390  | 2,560  | 2,520  | 2,380  | 2,557  | 2,765  | 2,747  | 2,668  | 9,850  | 10,737 |
| EBITDA*                     | 1,323  | 2,657  | 2,684  | 5,299  | 1,608  | 2,964  | 3,962  | 7,535  | 11,963 | 14,977 |
| margin (%)                  | 7.6    | 13.9   | 13.7   | 20.8   | 8.2    | 13.4   | 17.5   | 26.2   | 14.6   | 16.1   |
| growth YoY(%)               | 55.5   | 54.0   | 124.1  | 50.9   | 21.5   | 11.6   | 47.6   | 42.2   | 64.2   | 25.2   |
| Depreciation                | 1,736  | 1,845  | 1,863  | 1,961  | 1,800  | 1,850  | 1,900  | 2,004  | 7,406  | 7,554  |
| EBIT                        | -413   | 812    | 821    | 3,338  | -192   | 1,114  | 2,062  | 5,531  | 4,557  | 7,423  |
| Other income                | 383    | 492    | 615    | 264    | 400    | 430    | 520    | 450    | 1,754  | 1,800  |
| Interest expense            | 1,185  | 1,099  | 1,059  | 1,142  | 1,028  | 962    | 925    | 846    | 4,485  | 3,761  |
| Share from Asso. Co         | 144    | 191    | 140    | 120    | 156    | 162    | 135    | 171    | 595    | 625    |
| PBT                         | -1,071 | 396    | 516    | 2,580  | -664   | 744    | 1,792  | 5,307  | 2,421  | 6,087  |
| EO Expenses/(gain)          | -      | -      | 323    | 310    | -      | -      | -      | -      | 633    | -      |
| Taxes                       | -85    | 345    | 93     | 1,262  | 0      | 245    | 591    | 1,902  | 1,615  | 2,739  |
| Tax Rate (%)                | 8.0    | 87.3   | 47.8   | 55.6   | 0.0    | 33.0   | 33.0   | 35.8   | 90.3   | 45.0   |
| Reported PAT                | -986   | 50     | 101    | 1,008  | -664   | 498    | 1,200  | 3,404  | 173    | 3,348  |
| Adj. PAT                    | -986   | 50     | 350    | 1,146  | -664   | 498    | 1,200  | 3,404  | 560    | 3,348  |
| Change (%)                  | NA     | LP     | LP     | 128.6  | NA     | LP     | LP     | 197.2  | NA     | 497.6  |

E: MOFSL Estimates

## Sun Pharma

Buy

CMP: INR1,524 | TP: INR1,810 (19%)

EPS CHANGE (%): FY25|26: 3.3 | 1.6

- US sales expected to grow by 10% YoY to USD518m on the back of steady traction in specialty portfolio and market share gain in base portfolio.
- Update on approval of Deuruxolitinib.
- Expect DF sales to grow 12% YoY for the quarter.
- Outlook on R&D spending for FY25, based on the projects undergoing different phases of clinical trials
- Update on remediation at Halol, Mohali and Dadra sites.

## Quarterly Performance (Consolidated)

(INR b)

| Y/E March                   | FY24  |       |       |       | FY25E |       |       |       | FY24  | FY25E |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                             | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |       |       |
| Net Revenues                | 117.9 | 120.0 | 121.6 | 118.1 | 131.8 | 133.5 | 135.6 | 131.6 | 477.6 | 532.6 |
| YoY Change (%)              | 10.7  | 11.0  | 10.5  | 10.7  | 11.9  | 11.2  | 11.6  | 11.4  | 10.8  | 11.5  |
| EBITDA                      | 31.7  | 30.2  | 31.3  | 29.2  | 32.7  | 34.2  | 36.8  | 35.5  | 122.5 | 139.1 |
| YoY Change (%)              | 21.1  | -1.0  | 13.2  | 13.8  | 3.0   | 13.0  | 17.5  | 21.5  | 11.3  | 13.6  |
| Margins (%)                 | 26.9  | 25.2  | 25.7  | 24.7  | 24.8  | 25.6  | 27.1  | 27.0  | 25.6  | 26.1  |
| Depreciation                | 6.5   | 6.3   | 6.2   | 6.5   | 6.6   | 6.6   | 6.7   | 5.9   | 25.6  | 25.7  |
| EBIT                        | 25.2  | 23.9  | 25.1  | 22.7  | 26.1  | 27.6  | 30.1  | 29.6  | 96.9  | 113.4 |
| Interest                    | 0.8   | 0.5   | 0.3   | 0.7   | 0.6   | 0.6   | 0.6   | 0.4   | 2.4   | 2.2   |
| Net Other Income            | 3.6   | 4.8   | 4.7   | 7.8   | 5.3   | 5.4   | 5.3   | 3.5   | 20.9  | 19.6  |
| PBT before EO Exp           | 28.0  | 28.2  | 29.5  | 29.7  | 30.8  | 32.4  | 34.8  | 32.8  | 115.5 | 130.8 |
| Less: EO Exp/(Inc)          | 3.2   | 0.3   | -0.5  | 1.6   | 0.0   | 0.0   | 0.0   | 0.0   | 4.6   | 0.0   |
| PBT                         | 24.8  | 27.9  | 30.0  | 28.2  | 30.8  | 32.4  | 34.8  | 32.8  | 110.9 | 130.8 |
| Tax                         | 4.7   | 3.9   | 4.3   | 1.5   | 4.6   | 3.9   | 4.5   | 3.3   | 14.4  | 16.3  |
| Rate (%)                    | 16.7  | 13.8  | 14.7  | 5.0   | 15.0  | 12.0  | 13.0  | 10.1  | 12.5  | 12.5  |
| PAT (pre Minority Interest) | 20.1  | 24.0  | 25.7  | 26.7  | 26.2  | 28.5  | 30.3  | 29.5  | 96.5  | 114.4 |
| Reported PAT                | 20.2  | 23.8  | 25.2  | 26.5  | 26.5  | 28.8  | 30.6  | 29.8  | 95.8  | 115.7 |
| Adj Net Profit*             | 22.8  | 24.0  | 24.8  | 28.0  | 26.5  | 28.8  | 30.6  | 29.8  | 99.7  | 115.7 |
| YoY Change (%)              | 18.5  | -3.4  | 19.2  | 32.7  | 16.0  | 19.7  | 23.5  | 6.3   | 15.8  | 16.0  |
| Margins (%)                 | 19.4  | 20.0  | 20.4  | 23.7  | 20.1  | 21.6  | 22.6  | 22.6  | 20.1  | 21.7  |

**Torrent Pharmaceuticals****Neutral****CMP: INR2,821 | TP: INR2,800 (-1%)****EPS CHANGE (%): FY25|26: 0.9|(0.2)**

- Expect US sales to decline 5.6% YoY to USD34m due to slower ramp-up of Dahej facility and lack of new approvals.
- Progress on OTC portfolio expansion and further investment to aid growth
- DF sales to grow 12.5% YoY to INR16b strong growth in Cardiac and Anti-diabetic.
- Update on tender wins/new launches in Germany and Brazil.

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

| Y/E March                   | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| INRb                        | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Revenues</b>         | <b>25.9</b> | <b>26.6</b> | <b>27.3</b> | <b>27.5</b> | <b>29.8</b> | <b>30.8</b> | <b>31.4</b> | <b>31.6</b> | <b>107.3</b> | <b>123.6</b> |
| YoY Change (%)              | 12.2        | 16.1        | 9.7         | 10.2        | 14.9        | 15.8        | 14.9        | 15.1        | 12.0         | 15.2         |
| <b>EBITDA</b>               | <b>7.9</b>  | <b>8.3</b>  | <b>8.7</b>  | <b>8.8</b>  | <b>9.4</b>  | <b>9.9</b>  | <b>10.4</b> | <b>10.6</b> | <b>33.7</b>  | <b>40.3</b>  |
| YoY Change (%)              | 17.4        | 21.5        | 17.6        | 19.8        | 19.0        | 20.6        | 19.2        | 19.6        | 19.1         | 19.6         |
| Margins (%)                 | 30.5        | 31.0        | 31.8        | 32.2        | 31.6        | 32.3        | 33.0        | 33.4        | 31.4         | 32.6         |
| Depreciation                | 1.9         | 2.0         | 2.1         | 2.0         | 2.1         | 2.1         | 2.2         | 2.2         | 8.1          | 8.5          |
| <b>EBIT</b>                 | <b>6.0</b>  | <b>6.2</b>  | <b>6.6</b>  | <b>6.8</b>  | <b>7.3</b>  | <b>7.8</b>  | <b>8.2</b>  | <b>8.4</b>  | <b>25.6</b>  | <b>31.8</b>  |
| Interest                    | 1.0         | 0.9         | 0.8         | 0.8         | 0.8         | 0.7         | 0.6         | 0.5         | 3.5          | 2.5          |
| Other Income                | 0.3         | 0.3         | -0.3        | 0.3         | 0.2         | 0.2         | 0.2         | 0.2         | 0.6          | 0.8          |
| <b>PBT after EO Expense</b> | <b>5.3</b>  | <b>5.6</b>  | <b>6.3</b>  | <b>6.3</b>  | <b>6.8</b>  | <b>7.3</b>  | <b>7.8</b>  | <b>8.1</b>  | <b>23.5</b>  | <b>30.0</b>  |
| Tax                         | 1.5         | 1.7         | 1.9         | 1.8         | 1.9         | 2.0         | 2.1         | 2.2         | 7.0          | 8.2          |
| Rate (%)                    | 28.8        | 30.9        | 34.6        | 28.8        | 27.8        | 27.4        | 26.5        | 27.2        | 30.7         | 27.2         |
| <b>Reported PAT</b>         | <b>3.8</b>  | <b>3.9</b>  | <b>4.4</b>  | <b>4.5</b>  | <b>4.9</b>  | <b>5.3</b>  | <b>5.7</b>  | <b>5.9</b>  | <b>16.6</b>  | <b>21.8</b>  |
| <b>Adj PAT</b>              | <b>3.8</b>  | <b>3.9</b>  | <b>3.8</b>  | <b>4.5</b>  | <b>4.9</b>  | <b>5.3</b>  | <b>5.7</b>  | <b>5.9</b>  | <b>15.9</b>  | <b>21.8</b>  |
| YoY Change (%)              | 15.0        | 23.7        | 19.1        | 51.0        | 29.1        | 38.0        | 50.2        | 31.6        | 26.7         | 37.0         |
| Margins (%)                 | 14.6        | 14.5        | 14.0        | 16.4        | 16.4        | 17.3        | 18.2        | 18.7        | 14.9         | 17.7         |

E: MOFSL Estimates

**Zydus Lifesciences****Neutral****CMP: INR1,074 | TP: INR1030 (-4%)****EPS CHANGE (%): FY25|26: (5.5)|(3.3)**

- US sales expected to grow 5% YoY due to gradual ramp-up of niche launches supported by Revlimid.
- Progress on scaling up Liqmeds business
- Progress on launching limited competition products in US market, including g-Vascepa, Mirabegron.
- Expect DF sales to grow by 9% YoY for the quarter due to growth in cardiac/anti-infective, supported by in-licensing deals.
- Update on the progress of development of NCE pipeline.
- Update on scale-up of the 505b2 product in US.

**Quarterly Performance (Consolidated)****(INR b)**

| Y/E March                   | FY24        |             |             |             | FY25E       |             |             |             | FY24         | FY25E        |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| INRb                        | 1Q          | 2Q          | 3Q          | 4Q          | 1QE         | 2QE         | 3QE         | 4QE         |              |              |
| <b>Net Revenues</b>         | <b>51.4</b> | <b>43.7</b> | <b>45.1</b> | <b>55.3</b> | <b>55.3</b> | <b>50.4</b> | <b>52.7</b> | <b>58.0</b> | <b>195.5</b> | <b>216.4</b> |
| YoY Change (%)              | 29.6        | 9.1         | 5.8         | 10.4        | 7.6         | 15.4        | 17.1        | 4.8         | 13.4         | 10.7         |
| <b>EBITDA</b>               | <b>15.3</b> | <b>10.6</b> | <b>10.8</b> | <b>16.3</b> | <b>15.3</b> | <b>12.3</b> | <b>12.6</b> | <b>17.5</b> | <b>53.0</b>  | <b>57.8</b>  |
| YoY Change (%)              | 111.5       | 32.6        | 20.3        | 23.7        | 0.0         | 16.1        | 16.0        | 7.9         | 41.8         | 8.9          |
| Margins (%)                 | 29.8        | 24.4        | 24.0        | 29.4        | 27.7        | 24.5        | 23.8        | 30.2        | 27.1         | 26.7         |
| Depreciation                | 1.8         | 1.8         | 1.9         | 2.1         | 2.1         | 1.9         | 1.9         | 2.1         | 7.6          | 7.9          |
| <b>EBIT</b>                 | <b>13.5</b> | <b>8.8</b>  | <b>8.9</b>  | <b>14.2</b> | <b>13.3</b> | <b>10.5</b> | <b>10.7</b> | <b>15.4</b> | <b>45.4</b>  | <b>49.8</b>  |
| Interest                    | 0.2         | 0.1         | 0.2         | 0.3         | 0.3         | 0.2         | 0.2         | 0.1         | 0.8          | 0.7          |
| Other Income                | 0.4         | 0.5         | 0.4         | 1.6         | 0.6         | 0.5         | 0.5         | 0.5         | 2.8          | 2.0          |
| <b>PBT before EO Income</b> | <b>13.7</b> | <b>9.3</b>  | <b>9.0</b>  | <b>15.4</b> | <b>13.5</b> | <b>10.8</b> | <b>11.0</b> | <b>15.8</b> | <b>47.4</b>  | <b>51.1</b>  |
| <b>PBT after EO Income</b>  | <b>13.3</b> | <b>10.1</b> | <b>9.3</b>  | <b>15.5</b> | <b>13.5</b> | <b>10.8</b> | <b>11.0</b> | <b>15.8</b> | <b>48.1</b>  | <b>51.1</b>  |
| Tax                         | 2.2         | 2.3         | 2.1         | 3.2         | 3.1         | 2.4         | 2.4         | 3.8         | 9.8          | 11.8         |
| Rate (%)                    | 16.3        | 22.5        | 23.1        | 20.8        | 23.0        | 22.5        | 22.0        | 24.0        | 20.3         | 23.0         |
| <b>Reported PAT</b>         | <b>10.9</b> | <b>8.0</b>  | <b>7.7</b>  | <b>11.8</b> | <b>10.4</b> | <b>8.3</b>  | <b>8.6</b>  | <b>12.0</b> | <b>38.4</b>  | <b>39.2</b>  |
| <b>Adj PAT</b>              | <b>11.2</b> | <b>7.4</b>  | <b>7.5</b>  | <b>11.7</b> | <b>10.4</b> | <b>8.3</b>  | <b>8.6</b>  | <b>12.0</b> | <b>37.9</b>  | <b>39.2</b>  |
| YoY Change (%)              | 155.4       | 45.7        | 29.6        | 52.1        | -7.6        | 12.7        | 14.3        | 1.8         | 65.0         | 3.6          |
| Margins (%)                 | 21.8        | 16.9        | 16.7        | 21.2        | 18.7        | 16.5        | 16.3        | 20.6        | 19.4         | 18.1         |

E: MOFSL Estimates

# Infrastructure

## Company

G R Infraprojects

IRB Infrastructure Developers

KNR Constructions

## Order inflows hit amid elections; tender pipeline robust

### Project awarding to pick up from 2QFY25

- The project awarding by NHAI totaled ~2,500km, while construction reached 6,644km in FY24. Amid general elections in Jun'24, the awarding activity has remained muted in 1QFY25 and is likely to pick up from 2Q. NHAI targets to award ~5,000kms in FY25. The order pipeline continues to remain robust though.
- During 1QFY25, construction stood at ~917km, which is likely to accelerate only in 2HFY25. In FY24, NHAI completed construction of 6,644km of roads (+20% YoY), surpassing the target of 6,500km.
- A higher budgetary outlay for roads in the upcoming Union Budget should support project awarding going forward. The government's thrust on infrastructure development and improved credit availability from banks would support execution.

### FASTag toll collections remain muted QoQ; asset monetization in focus

- FASTag toll collections (in volume terms) improved ~6% YoY during 1QFY25, while collections in value terms increased ~10% YoY. Higher toll collections play a crucial role in expediting the monetization of road assets by the Ministry. Additionally, it benefits companies seeking to monetize their existing toll assets.
- NHAI's primary focus is on asset monetization as a means to generate funds beyond budgetary allocations.
- In Apr'24, NHAI released an indicative list of 33 road assets that it plans to monetize in FY25 through a mix of TOT and sale to NHAI's InvIT. These assets are spread across 12 states, cumulatively spanning nearly 2,750km, with annual toll collections of ~INR50b.

### Execution to be muted for our coverage universe on a YoY basis

- For our coverage universe, we expect revenue to remain flattish YoY and decline 13% QoQ. In line with execution, we expect operating profit for our coverage to be flat YoY (-9% QoQ).
- Due to weak operating performance, the aggregate net profit for our coverage universe is expected to decline 7% YoY and 23% QoQ during 1QFY25.

### Softening input prices to support margins for contractors

- The steel and aluminum prices have decreased ~30% each since Apr'22. Cement prices have declined ~4% from their highs in Oct'23.
- With higher construction activities and moderating commodity prices, road contractors expect some improvements in profitability and margins in 1QFY25 and beyond.

### Players with strong order book, balance sheet, and diversified operations well placed

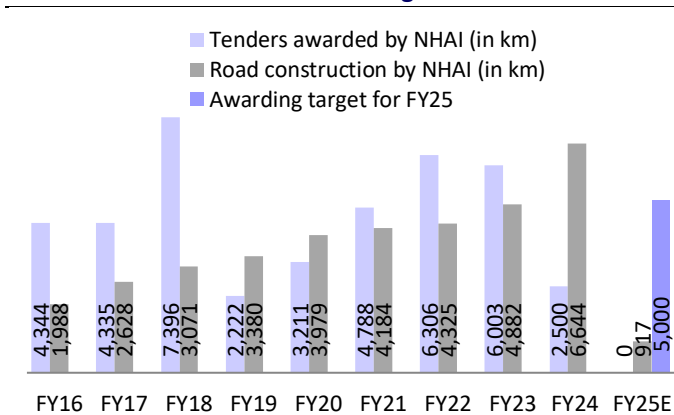
- Despite sluggishness in project awarding in FY24 and 1QFY25, there is a robust pipeline of tenders in place. Entities with substantial order backlogs, strong financial standings, and engagement across various sectors are well positioned to capitalize on NHAI's proactive approach to project allocation.

- Players with decent order books, strong balance sheets, and presence in two or more segments are well primed to capitalize on the opportunity.
- **KNRC is our preferred pick within 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 solid order book, c) impressive execution abilities, and d) a strong margin profile.

**Exhibit 1: Summary of the expected quarterly performance**

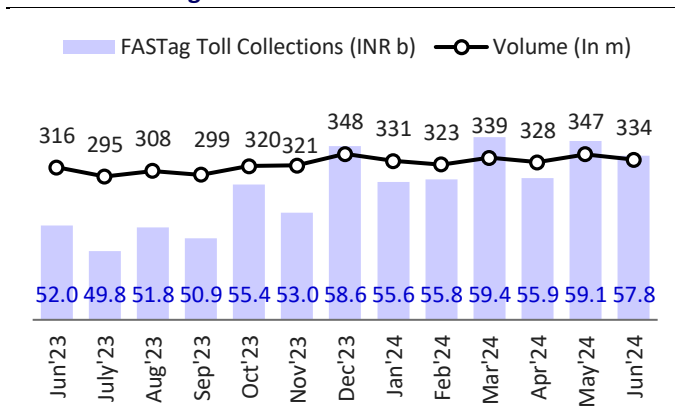
| Sector                | CMP (INR) | RECO    | SALES (INR M) |             |              | EBDITA (INR M) |             |             | NET PROFIT (INR M) |             |              |
|-----------------------|-----------|---------|---------------|-------------|--------------|----------------|-------------|-------------|--------------------|-------------|--------------|
|                       |           |         | Jun-24        | Var % YoY   | Var % QoQ    | Jun-24         | Var % YoY   | Var % QoQ   | Jun-24             | Var % YoY   | Var % QoQ    |
| G R Infraproject      | 1721      | Buy     | 19,542        | -9.2        | -9.3         | 2,677          | -14.9       | -10.5       | 1,846              | -11.3       | -17.9        |
| IRB Infra             | 65        | Neutral | 18,273        | 11.8        | -11.3        | 8,348          | 7.3         | -6.2        | 1,402              | 4.8         | -25.8        |
| KNR Constructions     | 341       | Buy     | 9,277         | -0.2        | -21.3        | 1,614          | -6.8        | -20.6       | 946                | -14.2       | -28.8        |
| <b>Infrastructure</b> |           |         | <b>47,093</b> | <b>-0.1</b> | <b>-12.7</b> | <b>12,639</b>  | <b>-0.1</b> | <b>-9.2</b> | <b>4,193</b>       | <b>-7.3</b> | <b>-23.3</b> |

**Exhibit 2: Trends in NHAI's awarding and construction**



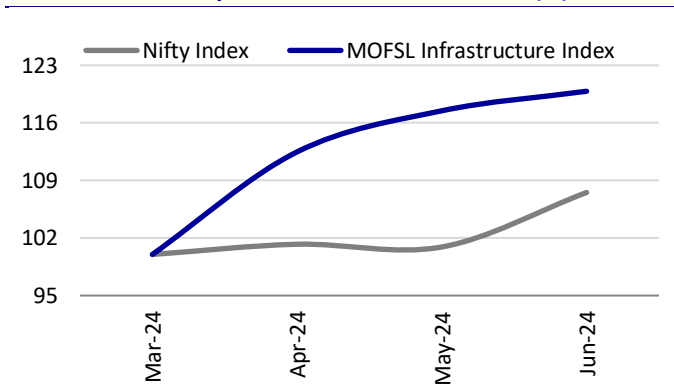
Source: NHAI, MOFSL

**Exhibit 3: FASTag toll collections**



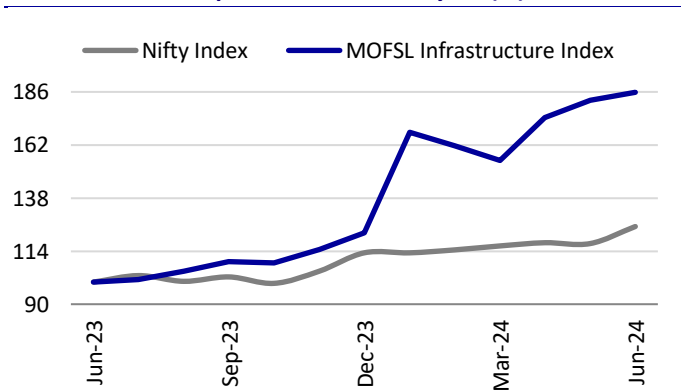
Source: NPCI, MOFSL

**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 (%)    |            |            |
|-----------------------|---------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
|                       |         |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24       | FY25E      | FY26E      |
| <b>Infrastructure</b> |         |         |           |       |       | <b>31.6</b> | <b>30.1</b> | <b>23.4</b> | <b>2.3</b> | <b>2.5</b> | <b>2.3</b> | <b>7.2</b> | <b>8.3</b> | <b>9.7</b> |
| G R Infraproject      | 1,721   | Buy     | 73.0      | 78.7  | 101.3 | 17.9        | 21.9        | 17.0        | 1.8        | 2.1        | 1.9        | 11.4       | 10.0       | 11.6       |
| IRB Infra             | 65      | Neutral | 1.0       | 1.6   | 2.1   | 58.3        | 40.0        | 31.4        | 2.6        | 2.7        | 2.5        | 4.5        | 6.9        | 8.3        |
| KNR Constructions     | 341     | Buy     | 15.2      | 15.3  | 20.1  | 16.2        | 22.3        | 17.0        | 2.1        | 2.6        | 2.3        | 14.4       | 12.5       | 14.4       |

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: INR1,721 | TP: INR1,980 (+15%)**
**EPS CHANGE (%): FY24|25: +5|-**

- Expect revenue to decline ~9% YoY to INR19.5b in 1QFY25.
- Adjusted PAT to dip ~11% YoY to INR1.8b. Profitability will be affected by muted execution and low margins YoY.
- Expect EBITDA to be ~INR2.7b and EBITDA margin at 13.7%. 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            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>21,524</b> | <b>15,738</b> | <b>18,064</b> | <b>21,554</b> | <b>19,542</b> | <b>17,197</b> | <b>18,761</b> | <b>22,669</b> | <b>76,880</b> | <b>78,169</b> |
| YoY Change (%)               | (13.1)        | (11.4)        | (4.9)         | 8.0           | (9.2)         | 9.3           | 3.9           | 5.2           | (5.6)         | 1.7           |
| <b>EBITDA</b>                | <b>3,147</b>  | <b>1,937</b>  | <b>2,280</b>  | <b>2,990</b>  | <b>2,677</b>  | <b>2,339</b>  | <b>2,570</b>  | <b>3,123</b>  | <b>10,354</b> | <b>10,709</b> |
| Margins (%)                  | 14.6          | 12.3          | 12.6          | 13.9          | 13.7          | 13.6          | 13.7          | 13.8          | 13.5          | 13.7          |
| Depreciation                 | 602           | 617           | 610           | 612           | 620           | 625           | 627           | 625           | 2,442         | 2,497         |
| Interest                     | 266           | 277           | 245           | 250           | 240           | 220           | 210           | 213           | 1,038         | 883           |
| Other Income                 | 511           | 614           | 578           | 550           | 650           | 720           | 740           | 732           | 2,253         | 2,842         |
| <b>PBT before EO expense</b> | <b>2,790</b>  | <b>1,656</b>  | <b>2,003</b>  | <b>2,678</b>  | <b>2,467</b>  | <b>2,214</b>  | <b>2,473</b>  | <b>3,017</b>  | <b>9,127</b>  | <b>10,171</b> |
| Extra-Ord expense            | -             | -             | 83            | 14,720        | -             | -             | -             | -             | 14,803        | -             |
| <b>PBT</b>                   | <b>2,790</b>  | <b>1,656</b>  | <b>2,086</b>  | <b>17,398</b> | <b>2,467</b>  | <b>2,214</b>  | <b>2,473</b>  | <b>3,017</b>  | <b>23,930</b> | <b>10,171</b> |
| Tax                          | 710           | 423           | 532           | 2,490         | 622           | 557           | 622           | 759           | 4,155         | 2,560         |
| Rate (%)                     | 25.4          | 25.6          | 25.5          | 14.3          | 25.2          | 25.2          | 25.2          | 25.2          | 17.4          | 25.2          |
| <b>Reported PAT</b>          | <b>2,080</b>  | <b>1,233</b>  | <b>1,554</b>  | <b>14,908</b> | <b>1,846</b>  | <b>1,657</b>  | <b>1,851</b>  | <b>2,258</b>  | <b>19,774</b> | <b>7,611</b>  |
| <b>Adj PAT</b>               | <b>2,080</b>  | <b>1,233</b>  | <b>1,492</b>  | <b>2,249</b>  | <b>1,846</b>  | <b>1,657</b>  | <b>1,851</b>  | <b>2,258</b>  | <b>7,054</b>  | <b>7,611</b>  |
| YoY Change (%)               | (35.2)        | (25.0)        | (14.4)        | 17.0          | (11.3)        | 34.4          | 24.1          | 0.4           | (17.2)        | 7.9           |
| Margins (%)                  | 9.7           | 7.8           | 8.3           | 10.4          | 9.4           | 9.6           | 9.9           | 10.0          | 9.2           | 9.7           |

## IRB Infrastructure Developers

**Neutral**
**CMP: INR65 | TP: INR61 (-6%)**
**EPS CHANGE (%): FY25|26: -|-**

- Expect ~16% YoY growth in construction revenue.
- Adjusted PAT to be INR1.4b (+5% YoY); higher construction revenue and toll to support APAT
- Expect operating margin at 45.7% (+250bp QoQ).
- New order win in the construction segment is a key monitorable.

### Quarterly performance

| Y/E March                     | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>              | <b>16,342</b> | <b>17,450</b> | <b>19,685</b> | <b>20,612</b> | <b>18,273</b> | <b>19,829</b> | <b>22,063</b> | <b>22,665</b> | <b>74,090</b> | <b>82,830</b> |
| YoY Change (%)                | (15.1)        | 29.9          | 30.0          | 27.2          | 11.8          | 13.6          | 12.1          | 10.0          | 15.7          | 11.8          |
| <b>EBITDA</b>                 | <b>7,778</b>  | <b>7,946</b>  | <b>8,695</b>  | <b>8,899</b>  | <b>8,348</b>  | <b>8,735</b>  | <b>9,661</b>  | <b>10,989</b> | <b>33,318</b> | <b>37,733</b> |
| Margins (%)                   | 47.6          | 45.5          | 44.2          | 43.2          | 45.7          | 44.1          | 43.8          | 48.5          | 45.0          | 45.6          |
| Depreciation                  | 2,367         | 2,327         | 2,513         | 2,742         | 2,400         | 2,450         | 2,555         | 2,601         | 9,949         | 10,006        |
| Interest                      | 3,815         | 4,346         | 4,327         | 6,145         | 4,300         | 4,200         | 4,000         | 4,280         | 18,633        | 16,780        |
| Other Income                  | 1,112         | 1,295         | 1,088         | 4,433         | 1,200         | 1,000         | 1,150         | 1,288         | 7,928         | 4,638         |
| <b>PBT</b>                    | <b>2,709</b>  | <b>2,569</b>  | <b>2,942</b>  | <b>4,443</b>  | <b>2,848</b>  | <b>3,085</b>  | <b>4,256</b>  | <b>5,396</b>  | <b>12,663</b> | <b>15,586</b> |
| Tax                           | 836           | 858           | 561           | 1,201         | 746           | 808           | 1,183         | 1,505         | 3,456         | 4,243         |
| Rate (%)                      | 30.9          | 33.4          | 19.1          | 27.0          | 26.2          | 26.2          | 27.8          | 27.9          | 27.3          | 27.2          |
| Share of profit in Associates | (535)         | (753)         | (507)         | (1,353)       | (700)         | (350)         | (280)         | (244)         | (3,148)       | (1,574)       |
| <b>Reported PAT</b>           | <b>1,338</b>  | <b>958</b>    | <b>1,874</b>  | <b>1,889</b>  | <b>1,402</b>  | <b>1,927</b>  | <b>2,793</b>  | <b>3,647</b>  | <b>6,058</b>  | <b>9,769</b>  |
| <b>Adj PAT</b>                | <b>1,338</b>  | <b>958</b>    | <b>1,874</b>  | <b>1,889</b>  | <b>1,402</b>  | <b>1,927</b>  | <b>2,793</b>  | <b>3,647</b>  | <b>6,058</b>  | <b>9,769</b>  |
| YoY Change (%)                | (63.2)        | 12.2          | 32.6          | 45.0          | 4.8           | 101.2         | 49.0          | 93.1          | (15.9)        | 61.2          |
| Margins (%)                   | 8.2           | 5.5           | 9.5           | 9.2           | 7.7           | 9.7           | 12.7          | 16.1          | 8.2           | 11.8          |

**KNR Constructions****Buy****CMP: INR341 | TP: INR400 (+17%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue of INR9.3b (flat YoY) during the quarter.
- Expect adjusted PAT of INR946m (-14% YoY).
- Expect EBITDA of INR1.6b in 1Q; anticipate operating margin to contract 120bp YoY due to muted execution and high operating costs.
- 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            | 1QE          | 2QE          | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>9,296</b> | <b>9,415</b> | <b>9,054</b> | <b>11,793</b> | <b>9,277</b> | <b>9,681</b> | <b>10,084</b> | <b>11,294</b> | <b>39,558</b> | <b>40,336</b> |
| YoY Change (%)               | 4.4          | 11.1         | 9.1          | 0.3           | -0.2         | 2.8          | 11.4          | -4.2          | 5.7           | 2.0           |
| <b>EBITDA</b>                | <b>1,733</b> | <b>1,663</b> | <b>1,473</b> | <b>2,033</b>  | <b>1,614</b> | <b>1,713</b> | <b>1,795</b>  | <b>2,017</b>  | <b>6,902</b>  | <b>7,580</b>  |
| Margins (%)                  | 18.6         | 17.7         | 16.3         | 17.2          | 17.4         | 17.7         | 17.8          | 17.9          | 17.4          | 18.8          |
| Depreciation                 | 283          | 311          | 325          | 326           | 330          | 338          | 340           | 355           | 1,245         | 1,363         |
| Interest                     | 50           | 58           | 72           | 113           | 80           | 65           | 70            | 67            | 293           | 282           |
| Other Income                 | 71           | 50           | 60           | 147           | 60           | 65           | 55            | 62            | 328           | 242           |
| <b>PBT before EO expense</b> | <b>1,470</b> | <b>1,344</b> | <b>1,136</b> | <b>1,741</b>  | <b>1,264</b> | <b>1,375</b> | <b>1,440</b>  | <b>1,656</b>  | <b>5,692</b>  | <b>5,736</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 654           | 0            | 0            | 0             | 0             | 654           | 0             |
| Tax                          | 367          | 346          | 281          | 414           | 319          | 346          | 362           | 417           | 1,407         | 1,444         |
| Rate (%)                     | 25.0         | 25.7         | 24.7         | 23.8          | 25.2         | 25.2         | 25.2          | 25.2          | 24.7          | 23.4          |
| <b>Reported PAT</b>          | <b>1,103</b> | <b>999</b>   | <b>855</b>   | <b>1,982</b>  | <b>946</b>   | <b>1,029</b> | <b>1,078</b>  | <b>1,239</b>  | <b>4,938</b>  | <b>4,292</b>  |
| <b>Adj PAT</b>               | <b>1,103</b> | <b>999</b>   | <b>855</b>   | <b>1,328</b>  | <b>946</b>   | <b>1,029</b> | <b>1,078</b>  | <b>1,239</b>  | <b>4,284</b>  | <b>4,292</b>  |
| YoY Change (%)               | 9.4          | -7.2         | 10.1         | 3.2           | -14.2        | 3.1          | 26.0          | -6.7          | 3.3           | 0.2           |
| Margins (%)                  | 11.9         | 10.6         | 9.4          | 11.3          | 10.2         | 10.6         | 10.7          | 11.0          | 10.8          | 10.6          |

# Logistics

## Company

|                                |
|--------------------------------|
| Adani Ports & SEZ              |
| Blue Dart Express              |
| Container Corporation of India |
| JSW Infrastructure             |
| Mahindra Logistics             |
| TCI Express                    |
| Transport Corporation of India |
| VRL Logistics                  |

## Logistics activity remains muted in 1QFY25 amid elections

### Margins to be flat YoY

#### Daily average e-way bill generation rises; port volumes remain muted YoY

- Logistics activity remained subdued in the 1QFY25, primarily due to the general elections. Further, high operating expenses, such as high fuel prices and increased toll charges, kept transportation costs elevated.
- The daily average e-way bill generation increased ~16% YoY during Apr-May'24. Fleet utilization stood at 80-85%. The daily average FASTag toll collections rose ~10% YoY during 1QFY25.
- Port volumes grew 4% YoY to 139.3MT during Apr-May'24.

#### Freight rates remain elevated amid high cost of operations and higher 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 marginal increase in volumes and stable diesel prices, organized players are likely to experience flattish margins sequentially.

#### Road logistics activity remains muted amid general election; ports activity remains flattish sequentially

- We expect our coverage universe (excluding APSEZ and JSWINFRA) to report a sales growth of 11% YoY (-2% QoQ), EBITDA growth of 18% YoY (+3% QoQ), and PAT growth of 24% YoY (+7% QoQ) in 1QFY25.
- In 1QFY25, APSEZ posted a volume of 109MMT (+7% YoY). Due to a strike at the Gangavaram port during Apr-May'24, cargo volumes were hit. However, volumes returned to normal levels in Jun'24. With the ramp-up of existing and newly acquired ports, APSEZ would achieve 470MMT (+12% YoY) of volumes in FY25.
- Container Corporation of India Ltd (CONCOR) is expected to report ~10% volume growth driven by a 15% YoY growth in domestic volumes. On the contrary, EXIM volumes are likely to grow at a slower pace of ~8% YoY in 1QFY25. Margins are also expected to improve YoY and QoQ, as management has guided for lower LLF expenses of ~INR1b in FY25 (under the Gati Shakti scheme).
- Amid general elections in 1Q, the general economic activity was relatively slow, and we expect freight/supply chain/seaways segments of Transport Corporation of India Ltd (TRPC) to clock revenue growth of 7%/10%/5% in 1QFY25. We estimate TRPC to report ~9% YoY sales growth during the quarter.

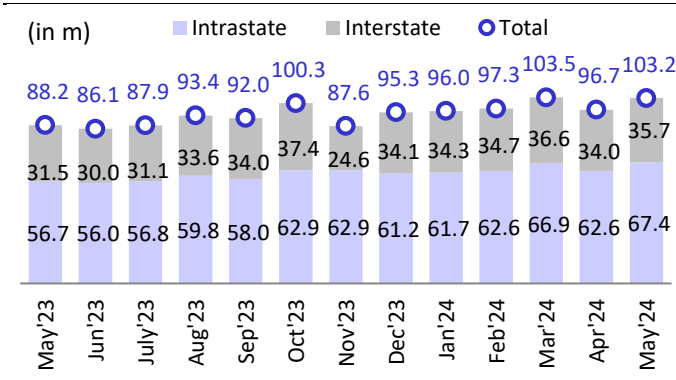
#### Organized and integrated service providers likely to gain market share

- The industry trend is shifting towards integrated supply-chain services and sophisticated solutions (such as inventory optimization and data analytics) from standalone offerings such as transportation and warehousing.
- The logistics sector's outlook remains robust, propelled by government-driven reforms, changing industry preferences, and the rise of new business sectors such as e-commerce and network services.

**Exhibit 1: Summary of the expected quarterly performance**

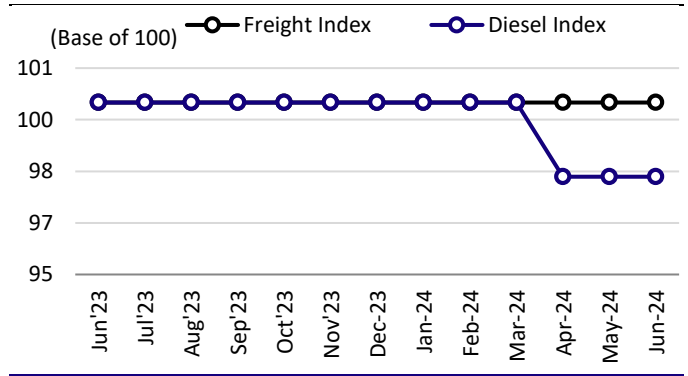
| Sector             | CMP (INR) | RECO    | SALES (INR M)   |             |            | EBDITA (INR M) |             |            | NET PROFIT (INR M) |             |            |
|--------------------|-----------|---------|-----------------|-------------|------------|----------------|-------------|------------|--------------------|-------------|------------|
|                    |           |         | Jun-24          | Var % YoY   | Var % QoQ  | Jun-24         | Var % YoY   | Var % QoQ  | Jun-24             | Var % YoY   | Var % QoQ  |
| Adani Ports        | 1474      | Buy     | 71,624          | 14.6        | 3.9        | 42,043         | 12.0        | 4.0        | 23,305             | 13.8        | 1.7        |
| Blue Dart Express  | 8222      | Buy     | 13,633          | 10.2        | 3.1        | 1,505          | 32.8        | 7.9        | 837                | 40.0        | 10.0       |
| Concor             | 1026      | Buy     | 22,197          | 15.6        | -4.2       | 5,127          | 30.9        | 4.9        | 3,256              | 33.4        | 10.5       |
| JSW Infra          | 350       | Buy     | 10,360          | 18.0        | -5.5       | 5,574          | 23.5        | -4.1       | 3,310              | 29.5        | -11.5      |
| Mahindra Logistics | 545       | Neutral | 14,436          | 11.6        | -0.5       | 650            | -2.5        | 14.8       | 19                 | LP          | LP         |
| TCl Express        | 1257      | Buy     | 3,140           | 3.0         | -1.0       | 447            | -3.6        | -0.3       | 310                | -4.2        | -1.9       |
| Transport Corp.    | 944       | Buy     | 10,331          | 8.8         | -4.2       | 1,068          | 6.0         | -2.4       | 880                | 6.9         | -15.8      |
| VRL Logistics      | 575       | Buy     | 7,114           | 5.5         | -7.4       | 925            | -9.2        | -12.2      | 202                | -40.4       | -6.2       |
| <b>Logistics</b>   |           |         | <b>1,52,836</b> | <b>13.2</b> | <b>0.2</b> | <b>57,339</b>  | <b>14.1</b> | <b>3.0</b> | <b>32,118</b>      | <b>16.9</b> | <b>0.9</b> |

**Exhibit 2: E-way bill generation trend**



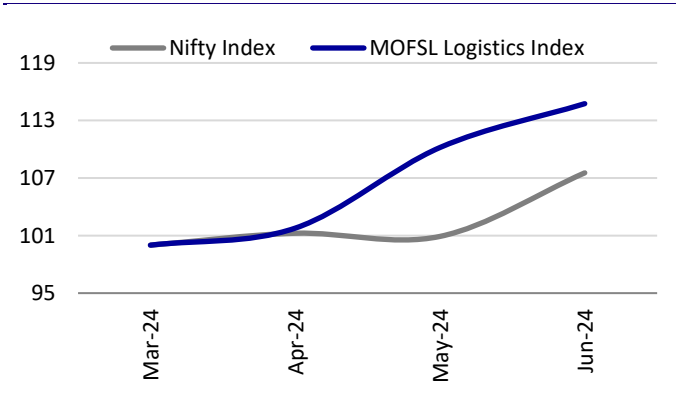
Source: GSTN, MOFSL

**Exhibit 3: Movement in freight rates vs. diesel prices**



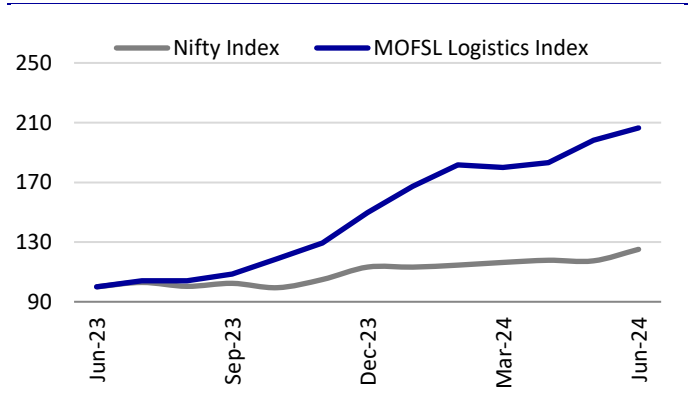
Source: IFTRT, MOFSL

**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 (%)     |             |             |
|--------------------|---------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                    |         |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Logistics</b>   |         |         |           |       |       | <b>35.2</b> | <b>33.5</b> | <b>27.0</b> | <b>5.5</b> | <b>5.5</b> | <b>4.7</b> | <b>15.5</b> | <b>16.3</b> | <b>17.4</b> |
| Adani Ports        | 1,474   | Buy     | 41.3      | 49.1  | 58.5  | 32.5        | 30.0        | 25.2        | 5.5        | 5.1        | 4.4        | 18.1        | 18.5        | 18.8        |
| Blue Dart Express  | 8,222   | Buy     | 121.6     | 167.7 | 233.3 | 50.8        | 49.0        | 35.2        | 10.2       | 11.5       | 9.3        | 21.4        | 25.4        | 29.1        |
| Concor             | 1,026   | Buy     | 20.3      | 25.8  | 33.9  | 43.4        | 39.8        | 30.3        | 4.6        | 4.9        | 4.5        | 10.7        | 12.8        | 15.6        |
| JSW Infra          | 350     | Buy     | 5.8       | 6.7   | 9.5   | 42.4        | 51.8        | 36.7        | 6.3        | 8.1        | 6.9        | 19.8        | 16.5        | 20.3        |
| Mahindra Logistics | 545     | Neutral | -8.2      | 6.3   | 16.8  | -50.0       | 87.0        | 32.5        | 5.9        | 7.5        | 6.3        | -11.0       | 8.7         | 20.6        |
| TCl Express        | 1,257   | Buy     | 34.4      | 38.3  | 44.6  | 29.8        | 32.8        | 28.2        | 5.6        | 5.9        | 5.0        | 20.3        | 19.3        | 19.2        |
| Transport Corp.    | 944     | Buy     | 45.8      | 50.9  | 62.9  | 17.6        | 18.5        | 15.0        | 3.1        | 3.1        | 2.6        | 18.7        | 17.7        | 18.4        |
| VRL Logistics      | 575     | Buy     | 10.1      | 15.4  | 23.1  | 53.9        | 37.4        | 24.9        | 5.1        | 5.1        | 4.6        | 9.2         | 13.9        | 19.4        |

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: INR1,474 | TP: INR1,750 (+19%)**

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

- Expect revenue to jump ~15% YoY to INR71.6b, driven by 7% YoY growth in port volumes.
- Expect adjusted PAT to be at INR23.3b (+14% YoY)
- Expect EBITDA at INR42b; EBITDA margin to remain flat QoQ.
- Improvements 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            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>             | <b>62,476</b> | <b>66,464</b> | <b>69,201</b> | <b>68,965</b> | <b>71,624</b> | <b>76,265</b> | <b>79,956</b> | <b>79,901</b> | <b>2,67,106</b> | <b>3,07,745</b> |
| YoY Change (%)               | 23.5          | 27.6          | 44.6          | 19.0          | 14.6          | 14.7          | 15.5          | 15.9          | 28.1            | 15.2            |
| <b>EBITDA</b>                | <b>37,537</b> | <b>38,805</b> | <b>41,860</b> | <b>40,439</b> | <b>42,043</b> | <b>44,996</b> | <b>47,494</b> | <b>47,979</b> | <b>1,58,639</b> | <b>1,82,513</b> |
| Margins (%)                  | 60.1          | 58.4          | 60.5          | 58.6          | 58.7          | 59.0          | 59.4          | 60.0          | 59.4            | 59.3            |
| Depreciation                 | 9,496         | 9,745         | 9,853         | 9,791         | 9,800         | 9,900         | 10,000        | 10,230        | 38,885          | 39,930          |
| Interest                     | 7,061         | 7,153         | 6,864         | 6,766         | 6,800         | 6,750         | 6,550         | 6,574         | 27,844          | 26,674          |
| Other Income                 | 3,837         | 3,055         | 5,069         | 3,034         | 3,700         | 3,900         | 4,000         | 4,144         | 14,994          | 15,744          |
| <b>PBT before EO expense</b> | <b>24,816</b> | <b>24,962</b> | <b>30,211</b> | <b>26,916</b> | <b>29,143</b> | <b>32,246</b> | <b>34,944</b> | <b>35,320</b> | <b>1,06,905</b> | <b>1,31,653</b> |
| Extra-Ord expense            | -844          | 213           | 1,822         | 3,159         | 0             | 0             | 0             | 0             | 4,351           | 0               |
| <b>PBT</b>                   | <b>25,660</b> | <b>24,749</b> | <b>28,389</b> | <b>23,757</b> | <b>29,143</b> | <b>32,246</b> | <b>34,944</b> | <b>35,320</b> | <b>1,02,554</b> | <b>1,31,653</b> |
| Tax                          | 3,714         | 7,591         | 5,331         | 3,262         | 5,829         | 6,127         | 6,814         | 6,774         | 19,897          | 25,543          |
| Rate (%)                     | 14.5          | 30.7          | 18.8          | 13.7          | 20.0          | 19.0          | 19.5          | 19.2          | 19.4            | 19.4            |
| MI and Associates            | 799           | -320          | 973           | 99            | 10            | -11           | -18           | -14           | 1,550           | -33             |
| <b>Reported PAT</b>          | <b>21,147</b> | <b>17,479</b> | <b>22,084</b> | <b>20,397</b> | <b>23,305</b> | <b>26,130</b> | <b>28,148</b> | <b>28,560</b> | <b>81,106</b>   | <b>1,06,143</b> |
| <b>Adj PAT</b>               | <b>20,472</b> | <b>22,200</b> | <b>23,542</b> | <b>22,924</b> | <b>23,305</b> | <b>26,130</b> | <b>28,148</b> | <b>28,560</b> | <b>89,138</b>   | <b>1,06,143</b> |
| YoY Change (%)               | -2.6          | 15.2          | 51.0          | 11.0          | 13.8          | 17.7          | 19.6          | 24.6          | 16.5            | 19.1            |

## Blue Dart Express

**Buy**

**CMP: INR8,222 | TP: INR9,500 (+15%)**

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

- Expect revenue to increase ~10% YoY to INR13.6b in 1QFY25.
- Expect adjusted PAT to rise ~40% YoY to INR837m.
- Expect EBITDA to be INR1.5b. EBITDA margin to improve 50bp QoQ due to better capacity utilization of the two newly added aircraft.
- Volume growth in the air and surface express segments and movement in ATF prices are the key monitorables.

### Quarterly snapshot - Standalone

| Y/E March (INR m)            | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>12,376</b> | <b>13,245</b> | <b>13,829</b> | <b>13,229</b> | <b>13,633</b> | <b>14,870</b> | <b>15,984</b> | <b>15,197</b> | <b>52,678</b> | <b>59,685</b> |
| YoY Change (%)               | -4.3          | -0.1          | 3.4           | 8.7           | 10.2          | 12.3          | 15.6          | 14.9          | 1.8           | 13.3          |
| <b>EBITDA</b>                | <b>1,133</b>  | <b>1,305</b>  | <b>1,343</b>  | <b>1,394</b>  | <b>1,505</b>  | <b>1,701</b>  | <b>1,892</b>  | <b>1,751</b>  | <b>5,175</b>  | <b>6,848</b>  |
| Margins (%)                  | 9.2           | 9.9           | 9.7           | 10.5          | 11.0          | 11.4          | 11.8          | 11.5          | 9.8           | 11.5          |
| YoY Change (%)               | -40.6         | -19.8         | -10.8         | 8.7           | 32.8          | 16.1          | 40.9          | 25.6          | -18.2         | 32.3          |
| Depreciation                 | 444           | 456           | 473           | 500           | 501           | 505           | 507           | 511           | 1,873         | 2,024         |
| Interest                     | 45            | 48            | 47            | 53            | 70            | 63            | 65            | 61            | 193           | 259           |
| Other Income                 | 157           | 151           | 228           | 183           | 185           | 184           | 192           | 193           | 718           | 754           |
| <b>PBT before EO expense</b> | <b>801</b>    | <b>952</b>    | <b>1,050</b>  | <b>1,024</b>  | <b>1,119</b>  | <b>1,317</b>  | <b>1,512</b>  | <b>1,372</b>  | <b>3,828</b>  | <b>5,320</b>  |
| Extra-Ord expense            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                   | <b>801</b>    | <b>952</b>    | <b>1,050</b>  | <b>1,024</b>  | <b>1,119</b>  | <b>1,317</b>  | <b>1,512</b>  | <b>1,372</b>  | <b>3,828</b>  | <b>5,320</b>  |
| Tax                          | 204           | 240           | 235           | 263           | 282           | 332           | 381           | 346           | 942           | 1,341         |
| Rate (%)                     | 25.4          | 25.2          | 22.4          | 25.7          | 25.2          | 25.2          | 25.2          | 25.2          | 24.6          | 25.2          |
| <b>Reported PAT</b>          | <b>598</b>    | <b>713</b>    | <b>816</b>    | <b>761</b>    | <b>837</b>    | <b>985</b>    | <b>1,131</b>  | <b>1,027</b>  | <b>2,886</b>  | <b>3,979</b>  |
| <b>Adj PAT</b>               | <b>598</b>    | <b>713</b>    | <b>816</b>    | <b>761</b>    | <b>837</b>    | <b>985</b>    | <b>1,131</b>  | <b>1,027</b>  | <b>2,886</b>  | <b>3,979</b>  |
| YoY Change (%)               | -49.0         | -22.5         | -6.2          | 8.1           | 40.0          | 38.1          | 38.7          | 35.0          | -21.2         | 37.9          |
| Margins (%)                  | 4.8           | 5.4           | 5.9           | 5.7           | 6.1           | 6.6           | 7.1           | 6.8           | 5.5           | 6.7           |

**Container Corp. of India (CONCOR)****Buy****CMP: INR1026 | TP: INR1,220 (+19%)****EPS CHANGE (%): FY24|25: -6| -3**

- Expect volumes to rise ~10% YoY.
- EBITDA margin to improve 270bp YoY to 23.1% supported by higher volumes.
- Adj. PAT to increase to ~INR3.3b (+33% YoY) aided by higher volumes and lower LLF growth.
- Expect EXIM/domestic volumes to grow ~8%/15% 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            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>19,193</b> | <b>21,904</b> | <b>22,051</b> | <b>23,176</b> | <b>22,197</b> | <b>25,500</b> | <b>25,779</b> | <b>26,521</b> | <b>86,325</b> | <b>99,997</b> |
| YoY Change (%)               | -3.0          | 11.1          | 10.9          | 7.0           | 15.6          | 16.4          | 16.9          | 14.4          | 6.5           | 15.8          |
| <b>EBITDA</b>                | <b>3,916</b>  | <b>5,373</b>  | <b>5,117</b>  | <b>4,890</b>  | <b>5,127</b>  | <b>6,051</b>  | <b>6,210</b>  | <b>6,686</b>  | <b>19,296</b> | <b>24,075</b> |
| Margins (%)                  | 20.4          | 24.5          | 23.2          | 21.1          | 23.1          | 23.7          | 24.1          | 25.2          | 22.4          | 24.1          |
| YoY Change (%)               | -17.1         | 7.7           | 20.0          | 10.0          | 30.9          | 12.6          | 21.4          | 36.7          | 4.8           | 24.8          |
| Depreciation                 | 1,378         | 1,486         | 1,543         | 1,603         | 1,580         | 1,600         | 1,620         | 1,633         | 6,009         | 6,433         |
| Interest                     | 141           | 147           | 175           | 190           | 145           | 150           | 160           | 145           | 653           | 600           |
| Other Income                 | 815           | 1,025         | 1,007         | 937           | 950           | 1,050         | 1,007         | 976           | 3,783         | 3,983         |
| <b>PBT before EO expense</b> | <b>3,212</b>  | <b>4,764</b>  | <b>4,406</b>  | <b>4,034</b>  | <b>4,352</b>  | <b>5,351</b>  | <b>5,437</b>  | <b>5,884</b>  | <b>16,416</b> | <b>21,025</b> |
| Extra-Ord expense            | 0             | 0             | 0             | 71            | 0             | 0             | 0             | 0             | -71           | 0             |
| <b>PBT</b>                   | <b>3,212</b>  | <b>4,764</b>  | <b>4,406</b>  | <b>3,963</b>  | <b>4,352</b>  | <b>5,351</b>  | <b>5,437</b>  | <b>5,884</b>  | <b>16,488</b> | <b>21,025</b> |
| Tax                          | 771           | 1,187         | 1,062         | 1,017         | 1,097         | 1,349         | 1,370         | 1,483         | 4,037         | 5,298         |
| Rate (%)                     | 24.0          | 24.9          | 24.1          | 25.7          | 25.2          | 25.2          | 25.2          | 25.2          | 24.5          | 25.2          |
| <b>Reported PAT</b>          | <b>2,441</b>  | <b>3,577</b>  | <b>3,344</b>  | <b>2,945</b>  | <b>3,256</b>  | <b>4,003</b>  | <b>4,067</b>  | <b>4,401</b>  | <b>12,451</b> | <b>15,726</b> |
| <b>Adj PAT</b>               | <b>2,441</b>  | <b>3,577</b>  | <b>3,344</b>  | <b>2,945</b>  | <b>3,256</b>  | <b>4,003</b>  | <b>4,067</b>  | <b>4,401</b>  | <b>12,379</b> | <b>15,726</b> |
| YoY Change (%)               | -16.2         | 18.1          | 12.8          | 5.8           | 33.4          | 11.9          | 21.6          | 49.4          | 5.8           | 27.0          |
| Margins (%)                  | 12.7          | 16.3          | 15.2          | 12.7          | 14.7          | 15.7          | 15.8          | 16.6          | 14.3          | 15.7          |

**JSW Infrastructure****Buy****CMP: INR350 | TP: INR410 (+17%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to increase ~18% YoY to INR10.4b driven by volume growth.
- Expect adjusted PAT to be INR3.3b (+27% YoY)
- Expect EBITDA at INR5.6b; EBITDA margin to improve 240bp YoY driven by strong volume growth
- Improvement in utilization at the existing and the recently acquired ports remains the key monitorable.

**Quarterly snapshot**

| Y/E March (INR m)            | FY24         |              |              |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>8,781</b> | <b>8,483</b> | <b>9,401</b> | <b>10,964</b> | <b>10,360</b> | <b>10,080</b> | <b>10,800</b> | <b>12,615</b> | <b>37,629</b> | <b>43,855</b> |
| YoY Change (%)               | 7.1          | 28.1         | 17.8         | 19.8          | 18.0          | 18.8          | 14.9          | 15.1          | 17.8          | 16.5          |
| <b>EBITDA</b>                | <b>4,513</b> | <b>4,522</b> | <b>4,799</b> | <b>5,812</b>  | <b>5,574</b>  | <b>5,448</b>  | <b>5,832</b>  | <b>6,745</b>  | <b>19,646</b> | <b>23,599</b> |
| Margins (%)                  | 51.4         | 53.3         | 51.0         | 53.0          | 53.8          | 54.1          | 54.0          | 53.5          | 52.2          | 53.8          |
| YoY Change (%)               | 4.7          | 32.6         | 27.5         | 23.2          | 23.5          | 20.5          | 21.5          | 16.1          | 21.3          | 20.1          |
| Depreciation                 | 947          | 1,005        | 1,076        | 1,337         | 1,370         | 1,420         | 1,425         | 1,419         | 4,365         | 5,634         |
| Interest                     | 714          | 752          | 672          | 754           | 750           | 730           | 715           | 709           | 2,892         | 2,904         |
| Other Income                 | 401          | 472          | 782          | 1,039         | 700           | 680           | 630           | 687           | 2,694         | 2,697         |
| <b>PBT before EO expense</b> | <b>3,253</b> | <b>3,237</b> | <b>3,834</b> | <b>4,760</b>  | <b>4,154</b>  | <b>3,978</b>  | <b>4,322</b>  | <b>5,303</b>  | <b>15,083</b> | <b>17,757</b> |
| Extra-Ord expense            | -872         | -45          | 763          | 587           | 0             | 0             | 0             | 0             | 433           | 0             |
| <b>PBT</b>                   | <b>4,125</b> | <b>3,282</b> | <b>3,071</b> | <b>4,174</b>  | <b>4,154</b>  | <b>3,978</b>  | <b>4,322</b>  | <b>5,303</b>  | <b>14,650</b> | <b>17,757</b> |
| Tax                          | 903          | 723          | 535          | 883           | 831           | 796           | 864           | 1,061         | 3,043         | 3,551         |
| Rate (%)                     | 21.9         | 22.0         | 17.4         | 21.2          | 20.0          | 20.0          | 20.0          | 20.0          | 20.8          | 20.0          |
| Minority Interest            | -13.1        | -14.7        | -29.1        | 9.3           | -13.1         | -14.7         | -29.1         | 9.1           | -47.8         | -47.8         |
| Profit/Loss of Asso. Cos     | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Reported PAT</b>          | <b>3,209</b> | <b>2,544</b> | <b>2,507</b> | <b>3,300</b>  | <b>3,310</b>  | <b>3,168</b>  | <b>3,429</b>  | <b>4,252</b>  | <b>11,559</b> | <b>14,158</b> |
| <b>Adj PAT</b>               | <b>2,555</b> | <b>2,510</b> | <b>3,079</b> | <b>3,740</b>  | <b>3,310</b>  | <b>3,168</b>  | <b>3,429</b>  | <b>4,252</b>  | <b>11,884</b> | <b>14,158</b> |
| Margins (%)                  | 29.1         | 29.6         | 32.7         | 34.1          | 31.9          | 31.4          | 31.7          | 33.7          | 31.6          | 32.3          |

**Mahindra Logistics****Neutral****CMP: INR545 | TP: INR510 (-6%)****EPS CHANGE (%): FY24|25: -1|-7**

- Expect revenue to rise ~12% YoY to INR14.4b.
- Expect Adj. PAT of INR19m, as express parcel B2B business volumes (Rivigo) pick up.
- Expect EBITDA to be INR650m (-2.5% YoY); however, we project a sequential margin improvement of 60bp.
- Operating profitability in the Rivigo business, and outlook on MM's auto segment sales to be the key monitorables.

**Quarterly snapshot****Y/E March (INR m)**

|  | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>                       | <b>12,932</b> | <b>13,648</b> | <b>13,972</b> | <b>14,508</b> | <b>14,436</b> | <b>15,652</b> | <b>16,174</b> | <b>16,793</b> | <b>55,060</b> | <b>63,056</b> |
| YoY Change (%)                         | 7.8           | 2.9           | 5.1           | 14.0          | 11.6          | 14.7          | 15.8          | 15.8          | 7.4           | 14.5          |
| <b>EBITDA</b>                          | <b>666</b>    | <b>536</b>    | <b>522</b>    | <b>566</b>    | <b>650</b>    | <b>783</b>    | <b>857</b>    | <b>887</b>    | <b>2,290</b>  | <b>3,177</b>  |
| Margins (%)                            | 5.2           | 3.9           | 3.7           | 3.9           | 4.5           | 5.0           | 5.3           | 5.3           | 4.2           | 5.0           |
| YoY Change (%)                         | 1.4           | -20.7         | -16.8         | -11.2         | -2.5          | 46.1          | 64.1          | 56.8          | -11.8         | 38.7          |
| Depreciation                           | 545           | 518           | 515           | 513           | 525           | 535           | 570           | 577           | 2,090         | 2,207         |
| Interest                               | 178           | 165           | 164           | 174           | 140           | 155           | 130           | 145           | 682           | 570           |
| Other Income                           | 62            | 66            | 23            | 29            | 38            | 40            | 60            | 54            | 179           | 192           |
| <b>PBT before EO Items</b>             | <b>6</b>      | <b>-82</b>    | <b>-134</b>   | <b>-92</b>    | <b>23</b>     | <b>133</b>    | <b>217</b>    | <b>219</b>    | <b>-302</b>   | <b>591</b>    |
| Extra-Ord expense                      | 0             | 0             | -38           | 0             | 0             | 0             | 0             | 0             | 38            | 0             |
| <b>PBT</b>                             | <b>6</b>      | <b>-82</b>    | <b>-96</b>    | <b>-92</b>    | <b>23</b>     | <b>133</b>    | <b>217</b>    | <b>219</b>    | <b>-340</b>   | <b>591</b>    |
| Tax                                    | 89            | 73            | 68            | 27            | 6             | 33            | 55            | 55            | 257           | 149           |
| Rate (%)                               | 1,556.1       | -89.2         | -71.4         | -29.2         | 25.2          | 25.2          | 25.2          | 25.1          | -75.5         | 25.2          |
| <b>PAT before MI, Associates</b>       | <b>-83</b>    | <b>-155</b>   | <b>-164</b>   | <b>-119</b>   | <b>17</b>     | <b>99</b>     | <b>162</b>    | <b>164</b>    | <b>-597</b>   | <b>442</b>    |
| Share of associates/ Minority Interest | -3            | -5            | -10           | -9            | 2             | 1             | 1             | 2             | -27           | 6             |
| <b>Reported PAT</b>                    | <b>-86</b>    | <b>-159</b>   | <b>-174</b>   | <b>-128</b>   | <b>19</b>     | <b>100</b>    | <b>163</b>    | <b>166</b>    | <b>-624</b>   | <b>448</b>    |
| <b>Adj PAT</b>                         | <b>-86</b>    | <b>-159</b>   | <b>-212</b>   | <b>-128</b>   | <b>19</b>     | <b>100</b>    | <b>163</b>    | <b>166</b>    | <b>-586</b>   | <b>448</b>    |
| YoY Change (%)                         | NA            | PL            | PL            | NA            | NA            | NA            | NA            | NA            | NA            | NA            |
| Margins (%)                            | -0.7          | -1.2          | -1.5          | -0.9          | 0.1           | 0.6           | 1.0           | 1.0           | -1.1          | 0.7           |

**Transport Corporation of India****Buy****CMP: INR944 | TP: INR1,090 (+15%)****EPS CHANGE (%): FY24|25: -|-**

- Expect revenue to improve ~9% YoY to INR10.3b propelled by 10% YoY growth in the supply chain segment.
- Expect adjusted PAT to be INR880m (+7% YoY) in 1QFY25.
- Expect EBITDA at INR1.1b (+6% YoY) and EBITDA margin at 10.3% (-30bp YoY) due to the muted freight and seaways activities amid elections.
- 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          | FY25          |
|------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>9,498</b> | <b>9,935</b> | <b>10,020</b> | <b>10,789</b> | <b>10,331</b> | <b>11,211</b> | <b>11,459</b> | <b>12,081</b> | <b>40,242</b> | <b>45,082</b> |
| YoY Change (%)               | 5.2          | 6.6          | 3.7           | 10.2          | 8.8           | 12.8          | 14.4          | 12.0          | 6.4           | 12.0          |
| <b>EBITDA</b>                | <b>1,008</b> | <b>1,004</b> | <b>999</b>    | <b>1,094</b>  | <b>1,068</b>  | <b>1,215</b>  | <b>1,265</b>  | <b>1,300</b>  | <b>4,105</b>  | <b>4,848</b>  |
| Margins (%)                  | 10.6         | 10.1         | 10.0          | 10.1          | 10.3          | 10.8          | 11.0          | 10.8          | 10.2          | 10.8          |
| YoY Change (%)               | -3.1         | 4.6          | -12.7         | 1.2           | 6.0           | 21.0          | 26.6          | 18.8          | -3.2          | 18.1          |
| Depreciation                 | 308          | 311          | 331           | 334           | 340           | 370           | 380           | 381           | 1,284         | 1,471         |
| Interest                     | 23           | 34           | 35            | 41            | 40            | 33            | 35            | 32            | 133           | 140           |
| Other Income                 | 85           | 113          | 95            | 165           | 120           | 130           | 125           | 129           | 458           | 504           |
| <b>PBT before EO expense</b> | <b>762</b>   | <b>772</b>   | <b>728</b>    | <b>884</b>    | <b>808</b>    | <b>942</b>    | <b>975</b>    | <b>1,015</b>  | <b>3,146</b>  | <b>3,741</b>  |
| Extra-Ord expense            | 0            | 0            | 0             | 24            | 0             | 0             | 0             | 0             | 24            | 0             |
| <b>PBT</b>                   | <b>762</b>   | <b>772</b>   | <b>728</b>    | <b>860</b>    | <b>808</b>    | <b>942</b>    | <b>975</b>    | <b>1,015</b>  | <b>3,122</b>  | <b>3,741</b>  |
| Tax                          | 104          | 96           | 108           | 28            | 109           | 132           | 132           | 151           | 336           | 524           |
| Rate (%)                     | 13.6         | 12.4         | 14.8          | 3.3           | 13.5          | 14.0          | 13.5          | 14.9          | 10.8          | 14.0          |
| Minority Interest            | -9.0         | -8.0         | -8.0          | -12.0         | -9.0          | -5.0          | -7.0          | -9.0          | -37.0         | -30.0         |
| Profit/Loss of Asso. Cos     | 174          | 202          | 182           | 201           | 190           | 200           | 180           | 170           | 759           | 740           |
| <b>Reported PAT</b>          | <b>823</b>   | <b>870</b>   | <b>794</b>    | <b>1,021</b>  | <b>880</b>    | <b>1,005</b>  | <b>1,016</b>  | <b>1,025</b>  | <b>3,508</b>  | <b>3,927</b>  |
| <b>Adj PAT</b>               | <b>823</b>   | <b>870</b>   | <b>794</b>    | <b>1,045</b>  | <b>880</b>    | <b>1,005</b>  | <b>1,016</b>  | <b>1,025</b>  | <b>3,532</b>  | <b>3,927</b>  |
| YoY Change (%)               | 5.8          | 20.3         | -7.4          | 23.2          | 6.9           | 15.6          | 28.0          | -1.9          | 10.1          | 11.2          |
| Margins (%)                  | 8.7          | 8.8          | 7.9           | 9.7           | 8.5           | 9.0           | 8.9           | 8.5           | 8.8           | 8.7           |

**TCI Express****Buy****CMP: INR1,257 | TP: INR1,450 (+15%)****EPS CHANGE (%): FY24|25: -2|-8**

- Expect revenue to increase 3% YoY to ~INR3.1b.
- Expect Adj. PAT to grow to INR310m (-4% YoY)
- Expect EBITDA at INR447m; margin to contract 100bp YoY due to weak volume growth amid general elections.
- Outlook on the B2B express segment and competitive scenario are the key monitorables.

**Quarterly snapshot**

|                              | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>             | <b>3,049</b> | <b>3,200</b> | <b>3,119</b> | <b>3,171</b> | <b>3,140</b> | <b>3,523</b> | <b>3,516</b> | <b>3,498</b> | <b>12,538</b> | <b>13,677</b> |
| YoY Change (%)               | 5.0          | 3.3          | -0.8         | -2.8         | 3.0          | 10.1         | 12.8         | 10.3         | 1.0           | 9.1           |
| <b>EBITDA</b>                | <b>464</b>   | <b>505</b>   | <b>456</b>   | <b>448</b>   | <b>447</b>   | <b>553</b>   | <b>559</b>   | <b>556</b>   | <b>1,872</b>  | <b>2,115</b>  |
| Margins (%)                  | 15.2         | 15.8         | 14.6         | 14.1         | 14.2         | 15.7         | 15.9         | 15.9         | 14.9          | 15.5          |
| YoY Change (%)               | 8.4          | -2.0         | -1.1         | -17.2        | -3.6         | 9.6          | 22.6         | 24.1         | -3.7          | 13.0          |
| Depreciation                 | 46           | 47           | 48           | 49           | 52           | 55           | 53           | 55           | 190           | 215           |
| Interest                     | 4            | 4            | 3            | 4            | 3            | 4            | 5            | 2            | 15            | 14            |
| Other Income                 | 15           | 18           | 20           | 19           | 22           | 15           | 19           | 21           | 72            | 77            |
| <b>PBT before EO expense</b> | <b>429</b>   | <b>472</b>   | <b>424</b>   | <b>415</b>   | <b>414</b>   | <b>509</b>   | <b>520</b>   | <b>520</b>   | <b>1,740</b>  | <b>1,963</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| <b>PBT</b>                   | <b>429</b>   | <b>472</b>   | <b>424</b>   | <b>415</b>   | <b>414</b>   | <b>509</b>   | <b>520</b>   | <b>520</b>   | <b>1,740</b>  | <b>1,963</b>  |
| Tax                          | 105          | 116          | 103          | 99           | 104          | 128          | 131          | 131          | 423           | 495           |
| Rate (%)                     | 24.6         | 24.5         | 24.2         | 23.9         | 25.2         | 25.2         | 25.2         | 25.2         | 24.3          | 25.2          |
| <b>Reported PAT</b>          | <b>323</b>   | <b>356</b>   | <b>322</b>   | <b>316</b>   | <b>310</b>   | <b>381</b>   | <b>389</b>   | <b>389</b>   | <b>1,317</b>  | <b>1,468</b>  |
| <b>Adj PAT</b>               | <b>323</b>   | <b>356</b>   | <b>322</b>   | <b>316</b>   | <b>310</b>   | <b>381</b>   | <b>389</b>   | <b>389</b>   | <b>1,317</b>  | <b>1,468</b>  |
| YoY Change (%)               | 4.3          | -5.8         | 0.5          | -17.8        | -4.2         | 6.9          | 20.8         | 23.1         | -5.4          | 11.5          |
| Margins (%)                  | 10.6         | 11.1         | 10.3         | 10.0         | 9.9          | 10.8         | 11.1         | 11.1         | 10.5          | 10.7          |

**VRL Logistics****Buy****CMP: INR575 | TP: INR670 (+17%)****EPS CHANGE (%): FY24|25: -5|-4**

- Expect revenue to increase ~6% YoY to INR7.1b driven by a 6% YoY growth in volumes
- Expect adjusted PAT to be INR202m (-40% YoY)
- Expect EBITDA to be ~INR925m; margin to contract 70bp QoQ due to low volumes amid general elections and high operational costs
- Addition of fleet, branch expansions, and volume growth are the key monitorables.

**Quarterly performance**

| Y/E March (INR m)            | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>             | <b>6,742</b> | <b>7,093</b> | <b>7,367</b> | <b>7,684</b> | <b>7,114</b> | <b>7,933</b> | <b>8,407</b> | <b>8,755</b> | <b>28,886</b> | <b>32,208</b> |
| YoY Change (%)               | 9.7          | 8.4          | 8.1          | 10.1         | 5.5          | 11.8         | 14.1         | 13.9         | 9.1           | 11.5          |
| <b>EBITDA</b>                | <b>1,019</b> | <b>918</b>   | <b>944</b>   | <b>1,053</b> | <b>925</b>   | <b>1,103</b> | <b>1,194</b> | <b>1,296</b> | <b>3,935</b>  | <b>4,518</b>  |
| Margins (%)                  | 15.1         | 12.9         | 12.8         | 13.7         | 13.0         | 13.9         | 14.2         | 14.8         | 13.6          | 14.0          |
| YoY Change (%)               | 11.7         | -1.3         | -8.6         | -7.7         | -9.2         | 20.1         | 26.5         | 23.0         | -2.0          | 14.8          |
| Depreciation                 | 489          | 522          | 568          | 583          | 550          | 575          | 570          | 567          | 2,162         | 2,262         |
| Interest                     | 163          | 185          | 213          | 218          | 170          | 180          | 175          | 188          | 779           | 713           |
| Other Income                 | 89           | 60           | 24           | 38           | 65           | 70           | 55           | 63           | 211           | 253           |
| <b>PBT before EO expense</b> | <b>456</b>   | <b>271</b>   | <b>187</b>   | <b>291</b>   | <b>270</b>   | <b>418</b>   | <b>504</b>   | <b>603</b>   | <b>1,205</b>  | <b>1,796</b>  |
| Extra-Ord expense            | 0            | -3           | 0            | 0            | 0            | 0            | 0            | 0            | -3            | 0             |
| <b>PBT</b>                   | <b>456</b>   | <b>274</b>   | <b>187</b>   | <b>291</b>   | <b>270</b>   | <b>418</b>   | <b>504</b>   | <b>603</b>   | <b>1,208</b>  | <b>1,796</b>  |
| Tax                          | 117          | 77           | 50           | 76           | 68           | 105          | 127          | 152          | 319           | 453           |
| Rate (%)                     | 25.6         | 28.0         | 26.9         | 26.0         | 25.2         | 25.2         | 25.2         | 25.2         | 26.4          | 25.2          |
| <b>Reported PAT</b>          | <b>339</b>   | <b>197</b>   | <b>137</b>   | <b>215</b>   | <b>202</b>   | <b>313</b>   | <b>377</b>   | <b>451</b>   | <b>889</b>    | <b>1,344</b>  |
| <b>Adj PAT</b>               | <b>339</b>   | <b>194</b>   | <b>137</b>   | <b>215</b>   | <b>202</b>   | <b>313</b>   | <b>377</b>   | <b>451</b>   | <b>886</b>    | <b>1,344</b>  |
| YoY Change (%)               | -7.5         | -36.7        | -63.7        | -64.7        | -40.4        | 60.9         | 175.4        | 109.5        | -46.7         | 51.7          |
| Margins (%)                  | 5.0          | 2.7          | 1.9          | 2.8          | 2.8          | 3.9          | 4.5          | 5.2          | 3.1           | 4.2           |

# Metals

## Company

Coal India

Hindalco Industries

Hindustan Zinc

Jindal Steel &amp; Power

JSW Steel

NMDC

National Aluminum Co.

Steel Authority of India

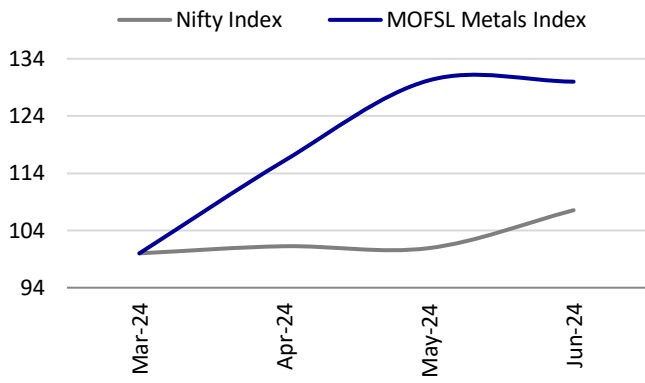
Tata Steel

Vedanta

## Steel prices range-bound; lower coal costs to support earnings performance

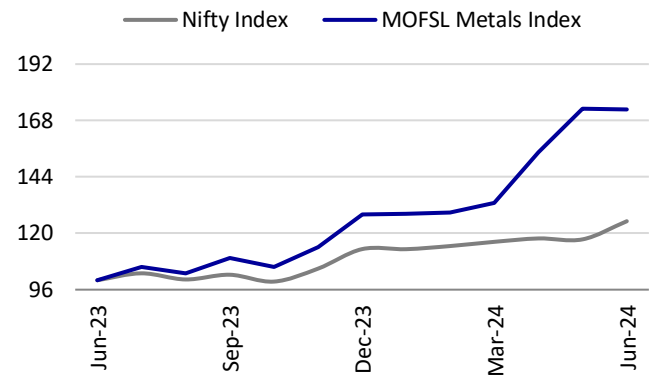
- Companies in our coverage universe are expected to post 3% growth in revenue, 11% growth in EBITDA, and 12% growth in APAT in 1QFY25 on a YoY basis. On a QoQ basis, we expect revenues to be flat and EBITDA/APAT growth of 3%/5%. The QoQ performance can be attributed to marginal improvement in realizations and lower coal costs, offset by softer volumes and high iron ore costs. We expect the ferrous and non-ferrous sectors to show QoQ earnings improvement. Mining companies are expected to report subdued growth due to weak volumes.
- In 1QFY25, average domestic HRC prices remained flat QoQ at INR53,630/t (down 7% YoY). Primary rebar prices increased 10% QoQ (flat YoY) to INR56,957/t. CRC prices remained flat QoQ and YoY at INR60,869/t. International iron ore prices declined 10% QoQ to USD112/t (flat YoY). Prices of NMDC fines were up 3% QoQ and 36% YoY. NMDC Lumps prices were up 7% QoQ and 54% YoY. NMDC cut prices by INR500/t in Jun'24 end, and its impact would be seen in 2QFY25.
- Premium HCC prices declined by ~USD70/t (down 21% QoQ) to USD260/t. As Tier-I mills carry nearly two months of coal inventory, they are likely to see the benefits of lower coking coal prices in 1QFY25.
- Tier-I mills continue to focus on the domestic market amid an expected uptick in construction activity. Exports have increased, which should support realizations.
- HRC and rebar prices, which are currently hovering below INR53,630/t and INR56,950/t, respectively, are expected to improve, driven by the resumption of exports and an expected uptick in domestic demand post elections.
- We reiterate our **BUY rating** on **HNDL, COAL, NMDC, and JSTL**.
- **Ferrous:** We expect the steel sector to report a marginally better performance due to lower costs resulting from a decline in coal prices, partially offset by elevated iron ore prices. Volumes are expected to be soft on a QoQ basis during the seasonally weak quarter. Prices of key input raw materials, especially coking coal, currently stand at USD275/t.
- **Non-ferrous:** Prices of non-ferrous commodities improved during the quarter. Copper/aluminum/zinc/nickel/lead were up by 15%/14%/15%/11% QoQ at USD9,745/USD2,517/USD2,830/USD18,454/USD2,164 per ton.
- Non-ferrous companies under our coverage are expected to post flat revenue growth on a QoQ basis. EBITDA/APAT are expected to increase 6%/16%, driven by better performances by HNDL and VEDL.
- **Mining:** The e-auction premium for COAL, which was 66% in 4QFY24, is expected to be around 60% in 1QFY25. The e-auction premium, which improved in 3QFY24, has since softened due to increased supplies through the e-auction route by COAL. In 1QFY25, COAL production rose 8% YoY, while dispatches grew 5.5% YoY.
- NMDC cut prices in the later part of 1QFY25 by ~INR500/t. It closed 1QFY25 with a production of 9.2mt (-14% YoY).

**Exhibit 1: Relative performance – three months (%)**



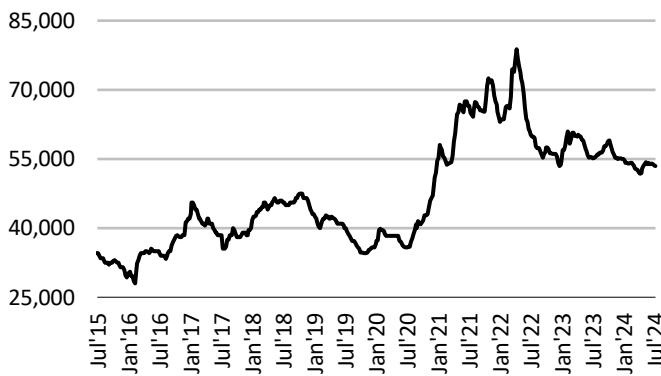
Sources: MOFSL, Bloomberg

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



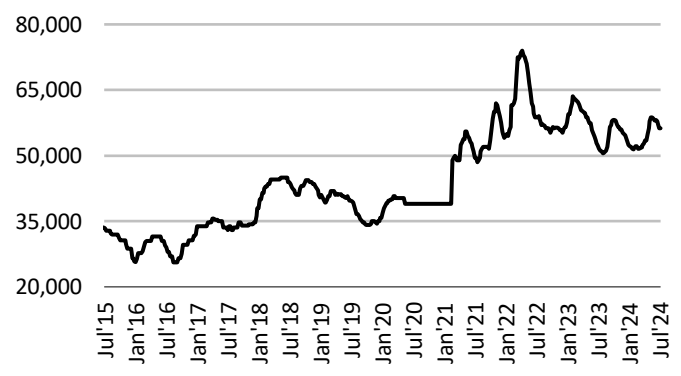
Sources: MOFSL, Bloomberg

**Exhibit 3: Domestic HRC prices flattish in 1Q**



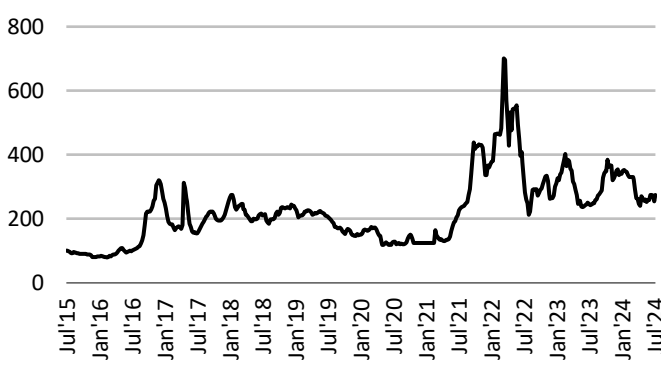
Source: MOFSL, Steelmint

**Exhibit 4: Primary Rebar prices rose 10% QoQ in 1Q**



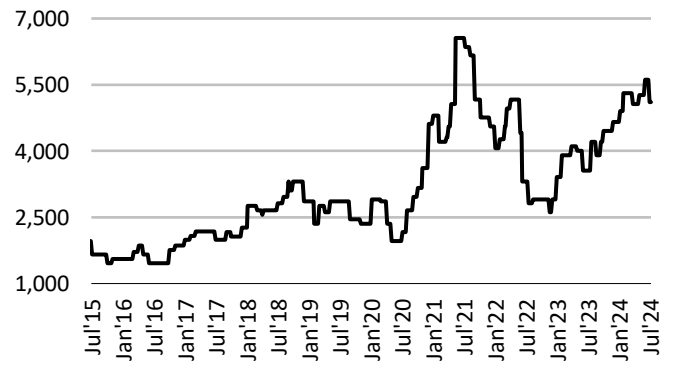
Source: MOFSL, Steelmint

**Exhibit 5: Coking coal prices remain range-bound at ~USD250/t during 1Q**



Source: MOFSL, Steelmint

**Exhibit 6: NMDC took consecutive price hike during Apr-May before the recent price cut in Jun'24**



Source: MOFSL, Steelmint

**Exhibit 7: Key assumptions (all amounts in INR b, except for volumes and per ton)**

|                            | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | QoQ   | YoY   |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|---------|-------|-------|
| <b>JSW Steel</b>           |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 5.7    | 5.7    | 6.5    | 5.7    | 6.4    | 6.0    | 6.7    | 6.1     | -9.1  | 7.1   |
| Realization/t              | 72,784 | 68,536 | 71,917 | 73,928 | 69,772 | 69,900 | 68,750 | 68,930  | 0.3   | -6.8  |
| EBITDA/t                   | 3,052  | 7,963  | 12,158 | 12,340 | 12,341 | 11,967 | 9,100  | 10,348  | 13.7  | -16.1 |
| Consol Revenue             | 418    | 391    | 470    | 422    | 446    | 419    | 463    | 422     | -8.9  | -0.1  |
| Consol EBITDA              | 18     | 45     | 79     | 70     | 79     | 72     | 61     | 63      | 3.3   | -10.2 |
| Consol PAT                 | -14    | 5      | 37     | 23     | 31     | 23     | 13     | 14      | 11.0  | -38.3 |
| <b>Tata Steel</b>          |        |        |        |        |        |        |        |         |       |       |
| <b>Standalone</b>          |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 4.9    | 4.6    | 5.2    | 4.8    | 4.8    | 4.9    | 5.4    | 4.9     | -9.0  | 3.0   |
| Realization/t              | 70,556 | 73,920 | 73,880 | 74,083 | 70,924 | 71,069 | 67,592 | 68,815  | 1.8   | -7.1  |
| EBITDA/t                   | 9,503  | 11,189 | 16,806 | 13,924 | 14,248 | 16,905 | 14,846 | 13,416  | -9.6  | -3.7  |
| Revenue                    | 346    | 339    | 380    | 355    | 342    | 347    | 366    | 340     | -7.3  | -4.3  |
| EBITDA                     | 47     | 51     | 87     | 67     | 69     | 82     | 80     | 66      | -17.7 | -0.8  |
| PAT                        | 22     | 24     | 49     | 46     | 45     | 46     | 47     | 36      | -22.9 | -21.9 |
| <b>Consolidated</b>        |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 7.2    | 7.2    | 7.8    | 7.2    | 7.1    | 7.2    | 8.0    | 7.8     | -2.3  | 8.3   |
| Realization/t              | 82,818 | 79,837 | 80,927 | 82,625 | 78,758 | 77,359 | 73,543 | 74,406  | 1.2   | -9.9  |
| EBITDA/t                   | 8,382  | 5,661  | 9,279  | 7,186  | 6,037  | 8,760  | 8,271  | 7,639   | -7.6  | 6.3   |
| Consol Revenue             | 599    | 571    | 630    | 595    | 557    | 553    | 587    | 580     | -1.1  | -2.5  |
| Consol EBITDA              | 61     | 40     | 72     | 52     | 43     | 63     | 66     | 60      | -9.7  | 15.1  |
| Consol PAT                 | 15     | -24    | 17     | 6      | 7      | 8      | 12     | 11      | -7.7  | 79.4  |
| <b>TSE</b>                 |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 1.9    | 2.0    | 2.2    | 2.0    | 2.0    | 1.9    | 2.1    | 2.2     | 3.8   | 10.6  |
| Revenue                    | 216    | 207    | 220    | 213    | 202    | 192    | 207    | 226     | 9.2   | 6.0   |
| EBITDA                     | 18     | -16    | -16    | -16    | -25    | -29    | -7     | -5      | NA    | NA    |
| EBITDA/t (USD)             | 123    | -95    | -91    | -98    | -155   | -175   | -38    | -26     | NA    | NA    |
| <b>SAIL</b>                |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 4.2    | 4.2    | 4.7    | 3.9    | 4.8    | 3.8    | 4.6    | 4.4     | -3.9  | 12.9  |
| Realization/t              | 62,328 | 60,328 | 62,232 | 62,717 | 58,256 | 61,444 | 57,554 | 58,554  | 1.7   | -6.6  |
| EBITDA/t                   | 1,746  | 5,007  | 6,247  | 4,245  | 4,429  | 5,638  | 3,879  | 5,608   | 44.6  | 32.1  |
| Consol Revenue             | 262    | 250    | 291    | 244    | 280    | 233    | 262    | 257     | -2.2  | 5.4   |
| Consol EBITDA              | 7      | 21     | 29     | 16     | 21     | 21     | 18     | 25      | 39.0  | 49.1  |
| Consol PAT                 | -3     | 2      | 12     | 2      | 3      | 4      | 2      | 6       | 256.2 | 202.7 |
| <b>JSP</b>                 |        |        |        |        |        |        |        |         |       |       |
| Sales (mt)                 | 2.0    | 1.9    | 2.0    | 1.8    | 2.0    | 1.8    | 2.0    | 2.0     | 0.7   | 10.0  |
| Realization/t              | 67,271 | 65,539 | 67,448 | 68,415 | 60,946 | 64,648 | 67,099 | 67,532  | 0.6   | -1.3  |
| EBITDA/t                   | 7,559  | 12,513 | 10,775 | 14,283 | 11,372 | 15,705 | 12,162 | 15,195  | 24.9  | 6.4   |
| Consol Revenue             | 135    | 125    | 137    | 126    | 123    | 117    | 135    | 137     | 1.3   | 8.6   |
| Consol EBITDA              | 15     | 24     | 22     | 26     | 23     | 28     | 24     | 31      | 25.8  | 17.0  |
| Consol PAT                 | 7      | 9      | 6      | 17     | 14     | 19     | 9      | 14      | 51.5  | -16.0 |
| <b>NMDC</b>                |        |        |        |        |        |        |        |         |       |       |
| Sales - mt                 | 8.4    | 9.6    | 12.4   | 11.0   | 9.6    | 11.4   | 12.5   | 10.1    | -19.7 | -8.2  |
| Realization/t              | 3,947  | 3,885  | 4,716  | 4,915  | 4,194  | 4,748  | 5,174  | 5,329   | 3.0   | 8.4   |
| EBITDA/t                   | 1,009  | 1,191  | 1,743  | 1,816  | 1,244  | 1,762  | 1,676  | 1,741   | 3.9   | -4.2  |
| Revenue                    | 33     | 37     | 59     | 54     | 40     | 54     | 65     | 54      | -17.3 | -0.5  |
| EBITDA                     | 9      | 11     | 22     | 20     | 12     | 20     | 21     | 18      | -16.6 | -12.1 |
| PAT                        | 10     | 9      | 16     | 17     | 10     | 17     | 14     | 15      | 4.3   | -9.7  |
| <b>HNDL</b>                |        |        |        |        |        |        |        |         |       |       |
| Aluminum sales - kt        | 341    | 349    | 323    | 341    | 334    | 333    | 337    | 334     | -0.8  | -2.0  |
| Copper sales - kt          | 112    | 109    | 117    | 118    | 134    | 119    | 135    | 119     | -11.7 | 1.0   |
| Novelis vol- kt            | 984    | 908    | 936    | 879    | 933    | 910    | 951    | 954     | 0.3   | 8.5   |
| Novelis adj EBITDA (USD m) | 506    | 341    | 403    | 421    | 484    | 454    | 514    | 501     | -2.6  | 18.9  |

|                       | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | QoQ   | YoY   |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|---------|-------|-------|
| Consol Revenue        | 562    | 532    | 559    | 530    | 542    | 528    | 560    | 583     | 4.2   | 10.1  |
| Consol EBITDA         | 54     | 35     | 53     | 57     | 56     | 59     | 67     | 70      | 5.2   | 23.0  |
| Consol PAT            | 22     | 14     | 24     | 25     | 22     | 23     | 32     | 35      | 10.7  | 42.4  |
| <b>HZL</b>            |        |        |        |        |        |        |        |         |       |       |
| Zinc vol (India) - kt | 189    | 210    | 216    | 208    | 185    | 203    | 221    | 204     | -7.9  | -2.1  |
| Lead vol (India) - kt | 57     | 46     | 54     | 50     | 57     | 56     | 53     | 49      | -7.1  | -1.6  |
| Silver vol- t         | 194    | 161    | 182    | 179    | 181    | 197    | 179    | 161     | -9.8  | -10.0 |
| Consol Revenue        | 83     | 79     | 85     | 73     | 68     | 73     | 75     | 79      | 4.1   | 7.9   |
| Consol EBITDA         | 44     | 37     | 43     | 33     | 31     | 35     | 36     | 38      | 3.4   | 12.8  |
| Consol PAT            | 27     | 22     | 26     | 20     | 17     | 20     | 20     | 22      | 6.1   | 10.1  |
| <b>VED</b>            |        |        |        |        |        |        |        |         |       |       |
| Consol Revenue        | 367    | 341    | 379    | 337    | 342    | 355    | 355    | 345     | -2.9  | 2.3   |
| Consol EBITDA         | 77     | 71     | 95     | 64     | 67     | 85     | 88     | 95      | 7.8   | 47.3  |
| Consol PAT            | 14     | 16     | 31     | 9      | 5      | 20     | 16     | 26      | 65.6  | 202.4 |
| <b>NACL</b>           |        |        |        |        |        |        |        |         |       |       |
| Consol Revenue        | 35     | 33     | 37     | 32     | 30     | 33     | 36     | 39      | 8.5   | 22.1  |
| Consol EBITDA         | 3      | 5      | 8      | 6      | 4      | 8      | 11     | 11      | 2.7   | 91.4  |
| Consol PAT            | 1      | 3      | 5      | 3      | 2      | 5      | 7      | 7       | 9.6   | 122.1 |
| <b>COAL</b>           |        |        |        |        |        |        |        |         |       |       |
| Sales - mt            | 155    | 176    | 187    | 187    | 174    | 191    | 202    | 197     | -2.6  | 5.1   |
| NSR - FSA INR/t       | 1,414  | 1,482  | 1,550  | 1,536  | 1,542  | 1,532  | 1,536  | 1,575   | 2.5   | 2.5   |
| E-auction premium     | 329    | 241    | 192    | 144    | 83     | 117    | 66     | 59      | -10.2 | -58.9 |
| EBITDA/t              | 519    | 639    | 461    | 597    | 512    | 624    | 488    | 497     | 1.8   | -16.7 |
| Consol Revenue        | 298    | 352    | 382    | 360    | 328    | 362    | 374    | 364     | -2.8  | 1.0   |
| Consol Adj EBITDA     | 80     | 112    | 86     | 112    | 89     | 119    | 98     | 98      | -0.7  | -12.4 |
| Consol PAT            | 60     | 78     | 69     | 80     | 68     | 101    | 87     | 74      | -15.2 | -7.6  |

**Exhibit 8: Domestic sales volumes (mt) expected to increase YoY**

| Sales Volume | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | QoQ  | YoY  |
|--------------|--------|--------|--------|--------|--------|--------|--------|---------|------|------|
| JSW Steel    | 5.7    | 5.7    | 6.5    | 5.7    | 6.4    | 6.0    | 6.7    | 6.1     | -9.1 | 7.1  |
| Tata Steel   | 7.2    | 7.2    | 7.8    | 7.2    | 7.1    | 7.2    | 8.0    | 7.8     | -2.3 | 8.3  |
| SAIL         | 4.2    | 4.2    | 4.7    | 3.9    | 4.8    | 3.8    | 4.6    | 4.4     | -3.9 | 12.9 |
| JSPL         | 2.0    | 1.9    | 2.0    | 1.8    | 2.0    | 1.8    | 2.0    | 2.0     | 0.7  | 10.0 |

**Exhibit 9: ASP to be flattish QoQ**

| ASP        | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | QoQ | YoY  |
|------------|--------|--------|--------|--------|--------|--------|--------|---------|-----|------|
| JSW Steel  | 72,784 | 68,536 | 71,917 | 73,928 | 69,772 | 69,900 | 68,750 | 68,930  | 0.3 | -6.8 |
| Tata Steel | 82,818 | 79,837 | 80,927 | 82,625 | 78,758 | 77,359 | 73,543 | 74,406  | 1.2 | -9.9 |
| SAIL       | 62,328 | 60,328 | 62,232 | 62,717 | 58,256 | 61,444 | 57,554 | 58,554  | 1.7 | -6.6 |
| JSPL       | 67,271 | 65,539 | 67,448 | 68,415 | 60,946 | 64,648 | 67,099 | 67,532  | 0.6 | -1.3 |

**Exhibit 10: EBITDA/t to improve QoQ for most companies**

| EBITDA/t   | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | QoQ  | YoY   |
|------------|--------|--------|--------|--------|--------|--------|--------|---------|------|-------|
| JSW Steel  | 3,052  | 7,963  | 12,158 | 12,340 | 12,341 | 11,967 | 9,100  | 10,348  | 13.7 | -16.1 |
| Tata Steel | 8,382  | 5,661  | 9,279  | 7,186  | 6,037  | 8,760  | 8,271  | 7,639   | -7.6 | 6.3   |
| SAIL       | 1,746  | 5,007  | 6,247  | 4,245  | 4,429  | 5,638  | 3,879  | 5,608   | 44.6 | 32.1  |
| JSPL       | 7,559  | 12,513 | 10,775 | 14,283 | 11,372 | 15,705 | 12,162 | 15,195  | 24.9 | 6.4   |

Sources: MOFSL, Company

**Exhibit 11: Currency movement**

| Currency | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E | Abs YoY | % YoY | Abs QoQ | % QoQ |
|----------|--------|--------|--------|--------|--------|--------|---------|---------|-------|---------|-------|
| EUR/USD  | 1.02   | 1.07   | 1.09   | 1.09   | 1.08   | 1.09   | 1.08    | -0.01   | -1%   | -0.01   | -1%   |
| USD/CNY  | 7.11   | 6.84   | 7.02   | 7.25   | 7.22   | 7.19   | 7.24    | 0.22    | 3%    | 0.05    | 1%    |
| USD/GBP  | 0.85   | 0.82   | 0.80   | 0.79   | 0.81   | 0.79   | 0.79    | -0.01   | -1%   | 0.00    | 0%    |
| USD/INR  | 82.22  | 82.25  | 82.19  | 82.68  | 83.26  | 83.05  | 83.41   | 1.23    | 1%    | 0.37    | 0%    |
| GBP/INR  | 96.50  | 99.96  | 102.92 | 104.63 | 103.37 | 105.32 | 105.28  | 2.37    | 2%    | -0.04   | 0%    |
| EUR/INR  | 84.03  | 88.27  | 89.49  | 89.95  | 89.63  | 90.18  | 89.81   | 0.32    | 0%    | -0.37   | 0%    |

Sources: MOFSL, Company

**Exhibit 12: Key commodity prices – Quarterly movement**

| Non-ferrous metal price       | UoM      | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25 | % YoY | % QoQ |
|-------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| Copper-LME                    | USD/t    | 8,010  | 8,919  | 8,472  | 8,356  | 8,169  | 8,445  | 9,745  | 15    | 15    |
| Aluminum-LME                  | USD/t    | 2,324  | 2,395  | 2,261  | 2,154  | 2,192  | 2,203  | 2,517  | 11    | 14    |
| Zinc-LME                      | USD/t    | 3,000  | 3,123  | 2,536  | 2,427  | 2,500  | 2,453  | 2,830  | 12    | 15    |
| Nickel-LME                    | USD/t    | 25,581 | 26,033 | 22,333 | 20,396 | 17,257 | 16,608 | 18,454 | -17   | 11    |
| Lead-LME                      | USD/t    | 2,104  | 2,143  | 2,117  | 2,170  | 2,121  | 2,075  | 2,164  | 2     | 4     |
| Alumina-Spot                  | USD/t    | 357    | 363    | 364    | 369    | 379    | 400    | 434    | 19    | 9     |
| Brent                         | USD/bbl  | 88     | 81     | 78     | 87     | 84     | 83     | 85     | 9     | 2     |
| <b>China Steel Prices</b>     |          |        |        |        |        |        |        |        |       |       |
| China TMT                     | RMB/t    | 3,969  | 4,289  | 3,842  | 3,822  | 4,023  | 4,066  | 3,828  | 0     | -6    |
| China HRC                     | RMB/t    | 3,941  | 4,291  | 3,947  | 3,937  | 3,946  | 3,991  | 3,793  | -4    | -5    |
| China Wire Rod                | RMB/t    | 4,424  | 4,666  | 4,231  | 4,189  | 4,331  | 4,299  | 4,101  | -3    | -5    |
| <b>India Domestic Prices</b>  |          |        |        |        |        |        |        |        |       |       |
| HRC India FoB                 | USD/t    | 557    | 676    | 629    | 572    | 580    | 593    | 561    | -11   | -6    |
| HRC Dom Mum                   | INR/t    | 55,607 | 59,189 | 57,544 | 56,663 | 56,350 | 53,594 | 53,630 | -7    | 0     |
| Billet Raigarh                | INR/t    | 44,218 | 46,076 | 44,102 | 42,348 | 40,676 | 39,084 | 42,896 | -3    | 10    |
| Wire Rod - Dom                | INR/t    | 54,992 | 57,309 | 54,076 | 51,669 | 54,393 | 50,163 | 54,453 | 1     | 9     |
| TMT Primary Mum               | INR/t    | 56,247 | 61,212 | 56,495 | 53,114 | 55,812 | 51,912 | 56,957 | 1     | 10    |
| TMT Secondary Mum             | INR/t    | 53,789 | 56,702 | 52,383 | 49,264 | 49,560 | 48,722 | 51,129 | -2    | 5     |
| Pig Iron SG Durgapur          | INR/t    | 41,908 | 43,585 | 42,282 | 40,665 | 38,076 | 38,308 | 40,760 | -4    | 6     |
| CRC Mum                       | INR/t    | 62,746 | 64,081 | 62,086 | 60,975 | 62,946 | 61,641 | 60,869 | -2    | -1    |
| Galvanized Plain              | INR/t    | 65,469 | 72,964 | 71,117 | 67,983 | 69,092 | 65,854 | 64,550 | -9    | -2    |
| Color Coated                  | INR/t    | 74,500 | 80,176 | 81,138 | 79,021 | 78,925 | 75,931 | 73,829 | -9    | -3    |
| <b>Coking Coal / Coke</b>     |          |        |        |        |        |        |        |        |       |       |
| HCC China                     | USD/t    | 275    | 276    | 199    | 213    | 263    | 242    | 233    | 17    | -4    |
| HCC Prem India CNF            | USD/t    | 294    | 357    | 260    | 276    | 349    | 329    | 260    | 0     | -21   |
| HCC Mid Vols India CNF        | USD/t    | 276    | 326    | 231    | 236    | 285    | 277    | 225    | -2    | -19   |
| PCI Coal CNF India            | USD/t    | 289    | 328    | 226    | 182    | 204    | 182    | 181    | -20   | -1    |
| <b>Iron Ore</b>               |          |        |        |        |        |        |        |        |       |       |
| 62% CNF China - Aus           | USD/t    | 99     | 125    | 111    | 114    | 128    | 124    | 112    | 1     | -10   |
| Odisha Fines - 62%            | INR/t    | 3,864  | 5,153  | 5,429  | 4,700  | 4,989  | 5,417  | 5,057  | -7    | -7    |
| K'taka Fines Fe 60%           | INR/t    | 2,050  | 2,644  | 3,000  | 2,706  | 3,579  | 4,157  | 4,025  | 34    | -3    |
| NMDC 64 %Fines (C'garh)       | INR/t    | 2,860  | 3,623  | 3,923  | 3,999  | 4,546  | 5,164  | 5,327  | 36    | 3     |
| NMDC 65%-Lumps                | INR/t    | 3,360  | 4,077  | 4,020  | 4,570  | 5,206  | 5,802  | 6,180  | 54    | 7     |
| Domestic Pellet               | INR/t    | 7,520  | 9,250  | 8,367  | 8,447  | 8,512  | 8,561  | 8,504  | 2     | -1    |
| Sponge Iron- Raigarh          | INR/t    | 29,820 | 31,016 | 28,190 | 27,930 | 27,029 | 25,790 | 27,868 | -1    | 8     |
| <b>Chrome Ore</b>             |          |        |        |        |        |        |        |        |       |       |
| China Chrome Ore (40-42%)     | USD/t    | 228    | 279    | 285    | 291    | 286    | 290    | 309    | 9     | 6     |
| Odisha Chrome Ore (E-Auction) | INR/t    | 18,423 | 20,392 | 21,037 | 26,577 | 30,110 | 30,574 | 28,948 | 38    | -5    |
| Global Mn Ore 38%             | USD/dmtu | 4.24   | 4.53   | 4.00   | 3.75   | 3.71   | 3.95   | 5.65   | 41    | 43    |
| Mn Ore India Mn 44% Fe 5%     | USD/dmtu | 4.72   | 5.84   | 4.92   | 4.58   | 4.38   | 4.40   | 6.93   | 41    | 57    |
| Balaghat Mn 37.5%, Fe 7%      | INR/t    | 12,810 | 13,513 | 12,529 | 11,871 | 12,084 | 12,947 | 18,157 | 45    | 40    |
| Silico manganese              | INR/t    | 75,175 | 76,884 | 73,401 | 68,067 | 64,202 | 66,167 | 82,190 | 12    | 24    |
| Ferro Manganese               | INR/t    | 75,328 | 78,772 | 75,075 | 69,132 | 64,738 | 66,548 | 85,507 | 14    | 28    |

Sources: MOFSL, Bloomberg, Steelmint

**Exhibit 13: Summary of quarterly earnings estimates**

| Sector         | CMP (INR) | RECO    | SALES (INR M)    |            |             | EBDITA (INR M)  |             |            | NET PROFIT (INR M) |             |            |
|----------------|-----------|---------|------------------|------------|-------------|-----------------|-------------|------------|--------------------|-------------|------------|
|                |           |         | Jun-24           | Var % YoY  | Var % QoQ   | Jun-24          | Var % YoY   | Var % QoQ  | Jun-24             | Var % YoY   | Var % QoQ  |
| Coal India     | 479       | Buy     | 3,63,557         | 1.0        | -2.8        | 97,718          | -12.4       | -0.7       | 73,653             | -7.6        | -15.2      |
| Hindalco       | 695       | Buy     | 5,83,275         | 10.1       | 4.2         | 70,274          | 23.0        | 5.2        | 35,126             | 42.4        | 10.7       |
| Hindustan Zinc | 652       | Neutral | 78,595           | 7.9        | 4.1         | 37,739          | 12.8        | 3.4        | 21,633             | 10.1        | 6.1        |
| JSPL           | 1045      | Buy     | 1,36,685         | 8.6        | 1.3         | 30,754          | 17.0        | 25.8       | 14,173             | -16.0       | 51.5       |
| JSW Steel      | 938       | Buy     | 4,21,504         | -0.1       | -8.9        | 63,279          | -10.2       | 3.3        | 14,423             | -38.3       | 11.0       |
| Nalco          | 193       | Neutral | 38,821           | 22.1       | 8.5         | 11,378          | 91.4        | 2.7        | 7,414              | 122.1       | 9.6        |
| NMDC           | 244       | Buy     | 53,666           | -0.5       | -17.3       | 17,532          | -12.1       | -16.6      | 14,925             | -9.7        | 4.3        |
| SAIL           | 147       | Neutral | 2,56,699         | 5.4        | -2.2        | 24,587          | 49.1        | 39.0       | 6,432              | 202.7       | 256.2      |
| Tata Steel     | 175       | Neutral | 5,80,269         | -2.5       | -1.1        | 59,575          | 15.1        | -9.7       | 11,130             | 79.4        | -7.7       |
| Vedanta        | 458       | Neutral | 3,44,958         | 2.3        | -2.9        | 94,548          | 47.3        | 7.8        | 26,006             | 202.4       | 65.6       |
| <b>Metals</b>  |           |         | <b>28,58,028</b> | <b>3.1</b> | <b>-1.9</b> | <b>5,07,382</b> | <b>11.0</b> | <b>3.4</b> | <b>2,24,916</b>    | <b>11.9</b> | <b>6.1</b> |

Source: MOFSL

**Exhibit 14: Valuation summary**

| Company Name   | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|----------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Metals</b>  |       |         |           |       |       | <b>14.3</b> | <b>13.7</b> | <b>11.1</b> | <b>2.3</b> | <b>2.6</b> | <b>2.3</b> | <b>15.9</b> | <b>19.1</b> | <b>20.6</b> |
| Coal India     | 479   | Buy     | 60.7      | 55.9  | 66.0  | 7.1         | 8.6         | 7.3         | 3.2        | 3.0        | 2.5        | 45.2        | 34.6        | 34.1        |
| Hindalco       | 695   | Buy     | 45.6      | 61.2  | 63.6  | 12.3        | 11.3        | 10.9        | 1.6        | 1.7        | 1.5        | 13.6        | 15.8        | 14.3        |
| Hindustan Zinc | 652   | Neutral | 18.4      | 23.0  | 29.9  | 15.9        | 28.3        | 21.8        | 8.1        | 13.9       | 10.0       | 55.2        | 55.6        | 53.5        |
| JSPL           | 1,045 | Buy     | 58.4      | 65.6  | 95.7  | 14.5        | 15.9        | 10.9        | 1.9        | 2.1        | 1.8        | 14.1        | 13.9        | 17.6        |
| JSW Steel      | 938   | Buy     | 36.7      | 60.9  | 78.9  | 22.6        | 15.4        | 11.9        | 2.6        | 2.5        | 2.2        | 12.4        | 17.6        | 19.6        |
| Nalco          | 193   | Neutral | 9.1       | 12.3  | 14.1  | 16.8        | 15.7        | 13.6        | 1.9        | 2.2        | 2.0        | 12.1        | 14.8        | 15.3        |
| NMDC           | 244   | Buy     | 19.7      | 25.5  | 28.5  | 10.2        | 9.6         | 8.6         | 2.3        | 2.3        | 1.9        | 23.9        | 26.5        | 24.7        |
| SAIL           | 147   | Neutral | 2.6       | 9.8   | 12.7  | 51.4        | 14.9        | 11.5        | 1.0        | 1.0        | 1.0        | 1.9         | 7.0         | 8.6         |
| Tata Steel     | 175   | Neutral | 2.7       | 9.5   | 13.3  | 57.6        | 18.3        | 13.1        | 2.3        | 2.4        | 2.2        | 3.6         | 13.4        | 17.3        |
| Vedanta        | 458   | Neutral | 13.3      | 33.9  | 44.7  | 20.5        | 13.5        | 10.2        | 3.3        | 4.9        | 3.9        | 14.1        | 38.4        | 42.6        |

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.

## Coal India

Buy

CMP: INR 479 | TP: INR 550 (+15%)

- COAL dispatches grew +5% YoY to 197mt in 1QFY25.
- Expect e-auction premium to be at ~59% in 1QFY25.
- Management guidance on FY25/26 volume and e-auction premium and share will be the key things to watch for.

### Quarterly Performance

(INR b)

| Y/E March                        | FY24       |            |            |            | FY25E      |            |            |            | FY24         | FY25E        |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                                  | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Sales</b>                     | <b>360</b> | <b>328</b> | <b>362</b> | <b>374</b> | <b>364</b> | <b>346</b> | <b>384</b> | <b>403</b> | <b>1,423</b> | <b>1,497</b> |
| Change YoY (%)                   | 2.5        | 9.8        | 2.8        | -1.9       | 1.0        | 5.4        | 6.3        | 7.7        | 2.9          | 5.2          |
| Change QoQ (%)                   | -5.7       | -8.9       | 10.3       | 3.5        | -2.8       | -5.0       | 11.3       | 4.8        |              |              |
| <b>Adj. EBITDA</b>               | <b>112</b> | <b>89</b>  | <b>119</b> | <b>98</b>  | <b>98</b>  | <b>101</b> | <b>115</b> | <b>131</b> | <b>418</b>   | <b>445</b>   |
| Change YoY (%)                   | -12.4      | 10.9       | 6.2        | 14.0       | -12.4      | 13.1       | -3.6       | 33.3       | 3.0          | 6.3          |
| Change QoQ (%)                   | 29.3       | -20.3      | 34.2       | -17.5      | -0.7       | 3.0        | 14.3       | 14.1       |              |              |
| <b>EBITDA per tonne</b>          | <b>597</b> | <b>512</b> | <b>624</b> | <b>488</b> | <b>497</b> | <b>533</b> | <b>545</b> | <b>596</b> | <b>555</b>   | <b>545</b>   |
| Depreciation                     | 11         | 12         | 16         | 20         | 20         | 20         | 20         | 20         | 67           | 81           |
| OBR                              | 6          | 8          | (11)       | (15)       | (7)        | (8)        | (8)        | (18)       | (61)         | (40)         |
| Interest                         | 2          | 2          | 2          | 2          | 3          | 3          | 3          | 3          | 8            | 10           |
| Other Income                     | 15         | 20         | 22         | 22         | 15         | 15         | 15         | 15         | 80           | 61           |
| <b>PBT after EO</b>              | <b>107</b> | <b>88</b>  | <b>133</b> | <b>114</b> | <b>97</b>  | <b>101</b> | <b>116</b> | <b>141</b> | <b>484</b>   | <b>454</b>   |
| Tax                              | 28         | 20         | 35         | 28         | 24         | 25         | 29         | 36         | 114          | 114          |
| Tax Rate (%)                     | 25.8       | 23.2       | 26.1       | 24.6       | 25.0       | 25.0       | 25.0       | 25.6       | 23.7         | 25.2         |
| <b>PAT before MI &amp; Asso.</b> | <b>80</b>  | <b>67</b>  | <b>99</b>  | <b>86</b>  | <b>73</b>  | <b>75</b>  | <b>87</b>  | <b>105</b> | <b>369</b>   | <b>340</b>   |
| MI                               | (0)        | 0          | 0          | (0)        | -          | -          | -          | -          | (0)          | -            |
| Sh. of Assoc.                    | (0)        | 1          | 3          | 1          | 1          | 1          | 1          | 1          | 4            | 5            |
| <b>PAT After MI &amp; Asso.</b>  | <b>80</b>  | <b>68</b>  | <b>101</b> | <b>87</b>  | <b>74</b>  | <b>77</b>  | <b>88</b>  | <b>106</b> | <b>374</b>   | <b>344</b>   |
| <b>Adjusted PAT</b>              | <b>80</b>  | <b>68</b>  | <b>101</b> | <b>87</b>  | <b>74</b>  | <b>77</b>  | <b>88</b>  | <b>106</b> | <b>374</b>   | <b>344</b>   |
| Change YoY (%)                   | -9.8       | 12.5       | 30.6       | 26.3       | -7.6       | 12.6       | -13.1      | 22.3       | 17.8         | -7.9         |
| Change QoQ (%)                   | 15.9       | -14.7      | 49.0       | -14.3      | -15.2      | 3.9        | 15.0       | 20.6       |              |              |

## Hindalco

Buy

CMP: INR 695 | TP: INR 800 (+15%)

- Volumes are expected to be strong.
- Improved ASP to drive strong earnings growth in 1QFY25
- The timeline for commissioning multiple capex is crucial.
- Novelis EBITDA/t guidance key to watch.

### Quarterly Performance

(INR b)

| Y/E March                          | FY24       |            |            |            | FY25E      |            |            |            | FY24         | FY25E        |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                                    | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Net Sales</b>                   | <b>530</b> | <b>542</b> | <b>528</b> | <b>560</b> | <b>583</b> | <b>588</b> | <b>588</b> | <b>609</b> | <b>2,160</b> | <b>2,369</b> |
| Change (YoY %)                     | -8.7       | -3.6       | -0.6       | 0.2        | 10.1       | 8.5        | 11.3       | 8.8        | -3.2         | 9.7          |
| Change (QoQ %)                     | -5.1       | 2.2        | -2.5       | 6.0        | 4.2        | 0.8        | 0.0        | 3.6        | 0.0          | 0.0          |
| Total Expenditure                  | 473        | 486        | 469        | 493        | 513        | 518        | 520        | 542        | 1,921        | 2,092        |
| <b>EBITDA</b>                      | <b>57</b>  | <b>56</b>  | <b>59</b>  | <b>67</b>  | <b>70</b>  | <b>70</b>  | <b>68</b>  | <b>68</b>  | <b>239</b>   | <b>276</b>   |
| Change (YoY %)                     | -32.2      | 4.7        | 65.3       | 25.4       | 23.0       | 24.5       | 16.6       | 1.6        | 5.3          | 15.8         |
| Change (QoQ %)                     | 7.3        | -1.8       | 4.5        | 13.9       | 5.2        | -0.6       | -2.1       | -0.8       | 0.0          | 0.0          |
| As % of Net Sales                  | 10.8       | 10.4       | 11.1       | 11.9       | 12.0       | 11.9       | 11.6       | 11.1       | 11.1         | 11.7         |
| Interest                           | 10         | 10         | 9          | 9          | 8          | 8          | 8          | 8          | 39           | 33           |
| Depreciation                       | 18         | 18         | 19         | 20         | 19         | 19         | 19         | 19         | 75           | 76           |
| Other Income                       | 4          | 5          | 3          | 4          | 3          | 3          | 3          | 3          | 15           | 13           |
| <b>PBT (before EO item)</b>        | <b>33</b>  | <b>32</b>  | <b>33</b>  | <b>41</b>  | <b>46</b>  | <b>46</b>  | <b>45</b>  | <b>44</b>  | <b>140</b>   | <b>181</b>   |
| <b>PBT (after EO item)</b>         | <b>33</b>  | <b>32</b>  | <b>33</b>  | <b>41</b>  | <b>46</b>  | <b>46</b>  | <b>45</b>  | <b>44</b>  | <b>140</b>   | <b>181</b>   |
| Total Tax                          | 9          | 10         | 10         | 10         | 11         | 11         | 11         | 12         | 39           | 45           |
| % Tax                              | 26.0       | 32.0       | 30.0       | 23.3       | 24.4       | 24.5       | 24.4       | 26.7       | 27.5         | 25.0         |
| <b>PAT before MI and Associate</b> | <b>25</b>  | <b>22</b>  | <b>23</b>  | <b>32</b>  | <b>35</b>  | <b>35</b>  | <b>34</b>  | <b>32</b>  | <b>102</b>   | <b>136</b>   |
| <b>Adjusted PAT</b>                | <b>25</b>  | <b>22</b>  | <b>23</b>  | <b>32</b>  | <b>35</b>  | <b>35</b>  | <b>34</b>  | <b>32</b>  | <b>101</b>   | <b>136</b>   |
| Change (YoY %)                     | -39.5      | -1.9       | 71.1       | 31.6       | 42.4       | 60.7       | 44.6       | 1.8        | 0.0          | 0.0          |
| Change (QoQ %)                     | 2.3        | -12.3      | 7.7        | 36.2       | 10.7       | -1.0       | -3.1       | -4.2       |              |              |

**Hindustan Zinc****Neutral**

CMP: INR 652 | TP: INR 610 (-6%)

- Guidance on CoP, volumes, and realizations are critical
- Guidance on future dividend payout is important
- We await further updates related to the change in corporate structure, if any.

**Quarterly Performance**

(INR b)

| Y/E March                   | FY24      |           |           |           | FY25E     |           |           |           | FY24       | FY25E      |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|
|                             | 1Q        | 2Q        | 3Q        | 4Q        | 1QE       | 2QE       | 3QE       | 4QE       |            |            |
| <b>Sales</b>                |           |           |           |           |           |           |           |           |            |            |
| Zinc refined (kt)           | 208       | 185       | 203       | 221       | 204       | 193       | 212       | 235       | 817        | 843        |
| Lead refined (kt)           | 50        | 57        | 56        | 53        | 49        | 54        | 53        | 54        | 216        | 211        |
| Silver (tonnes)             | 179       | 181       | 197       | 179       | 161       | 185       | 186       | 210       | 736        | 743        |
| <b>Net Sales</b>            | <b>73</b> | <b>68</b> | <b>73</b> | <b>75</b> | <b>79</b> | <b>79</b> | <b>84</b> | <b>91</b> | <b>289</b> | <b>332</b> |
| Change (YoY %)              | -22.4     | -18.5     | -7.1      | -11.3     | 7.9       | 15.8      | 15.0      | 20.5      | -15.2      | 14.9       |
| Change (QoQ %)              | -14.4     | -6.7      | 7.6       | 3.3       | 4.1       | 0.1       | 6.9       | 8.2       |            |            |
| <b>EBITDA</b>               | <b>33</b> | <b>31</b> | <b>35</b> | <b>36</b> | <b>38</b> | <b>40</b> | <b>42</b> | <b>46</b> | <b>137</b> | <b>166</b> |
| Change (YoY %)              | -34.8     | -28.8     | -5.0      | -14.2     | 12.8      | 26.6      | 20.0      | 25.7      | -22.0      | 21.3       |
| Change (QoQ %)              | -21.3     | -6.2      | 12.2      | 3.6       | 3.4       | 5.3       | 6.3       | 8.5       |            |            |
| Finance cost                | 2         | 2         | 2         | 3         | 2         | 2         | 2         | 2         | 10         | 9          |
| DD&A                        | 8         | 8         | 9         | 9         | 9         | 9         | 9         | 9         | 35         | 38         |
| Other Income                | 3         | 2         | 3         | 3         | 3         | 3         | 3         | 3         | 11         | 13         |
| <b>PBT (before EO item)</b> | <b>26</b> | <b>23</b> | <b>27</b> | <b>27</b> | <b>29</b> | <b>31</b> | <b>34</b> | <b>37</b> | <b>103</b> | <b>132</b> |
| <b>PBT (after EO)</b>       | <b>26</b> | <b>23</b> | <b>27</b> | <b>27</b> | <b>29</b> | <b>31</b> | <b>34</b> | <b>37</b> | <b>103</b> | <b>132</b> |
| Total Tax                   | 6         | 6         | 6         | 7         | 8         | 8         | 9         | 10        | 25         | 34         |
| % Tax                       | 24.8      | 25.0      | 24.0      | 25.2      | 26.0      | 26.0      | 26.0      | 26.0      | 24.7       | 26.0       |
| <b>Reported PAT</b>         | <b>20</b> | <b>17</b> | <b>20</b> | <b>20</b> | <b>22</b> | <b>23</b> | <b>25</b> | <b>28</b> | <b>78</b>  | <b>97</b>  |
| <b>Adjusted PAT</b>         | <b>20</b> | <b>17</b> | <b>20</b> | <b>20</b> | <b>22</b> | <b>23</b> | <b>25</b> | <b>28</b> | <b>78</b>  | <b>97</b>  |
| Change (YoY %)              | -36.5     | -35.5     | -5.9      | -21.1     | 10.1      | 33.7      | 23.2      | 35.6      | -26.2      | 25.5       |
| Change (QoQ %)              | -24.0     | -12.0     | 17.3      | 0.5       | 6.1       | 6.9       | 8.0       | 10.7      |            |            |

**Jindal Steel & Power****Buy**

CMP: INR 1045 | TP: INR 1200 (+15%)

- Management commentary on the change in ASP and coal cost is critical.
- Coal cost decline to support earnings in 1Q FY25
- Guidance on captive mines and raw material is important.
- Management commentary on the capex timelines.

**Quarterly Performance**

(INR b)

| Y/E March                   | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>            | <b>126</b>    | <b>123</b>    | <b>117</b>    | <b>135</b>    | <b>137</b>    | <b>156</b>    | <b>152</b>    | <b>164</b>    | <b>500</b>    | <b>608</b>    |
| Change (YoY %)              | -3.5          | -9.4          | -6.0          | -1.5          | 8.6           | 27.0          | 29.9          | 21.2          | -5.1          | 21.5          |
| Change (QoQ %)              | -8.1          | -2.7          | -4.5          | 15.3          | 1.3           | 13.9          | -2.4          | 7.6           |               |               |
| <b>EBITDA</b>               | <b>26</b>     | <b>23</b>     | <b>28</b>     | <b>24</b>     | <b>31</b>     | <b>35</b>     | <b>34</b>     | <b>37</b>     | <b>102</b>    | <b>136</b>    |
| Change (YoY %)              | -23.6         | 18.3          | 19.6          | 11.8          | 17.0          | 50.9          | 19.4          | 52.4          | 2.7           | 33.7          |
| Change (QoQ %)              | 20.2          | -13.0         | 24.4          | -14.0         | 25.8          | 12.2          | -1.7          | 9.8           |               |               |
| <b>EBITDA/t</b>             | <b>14,283</b> | <b>11,372</b> | <b>15,705</b> | <b>12,162</b> | <b>15,195</b> | <b>14,926</b> | <b>15,080</b> | <b>15,433</b> | <b>13,306</b> | <b>15,161</b> |
| Interest                    | 3             | 3             | 3             | 3             | 4             | 4             | 4             | 4             | 13            | 18            |
| Depreciation                | 6             | 6             | 6             | 10            | 8             | 8             | 8             | 8             | 28            | 31            |
| Other Income                | 1             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 2             | 2             |
| <b>PBT (before EO item)</b> | <b>18</b>     | <b>14</b>     | <b>19</b>     | <b>12</b>     | <b>19</b>     | <b>23</b>     | <b>22</b>     | <b>25</b>     | <b>62</b>     | <b>89</b>     |
| <b>PBT (after EO item)</b>  | <b>18</b>     | <b>14</b>     | <b>19</b>     | <b>12</b>     | <b>19</b>     | <b>23</b>     | <b>22</b>     | <b>25</b>     | <b>62</b>     | <b>89</b>     |
| Total Tax                   | 1             | -0            | -0            | 2             | 5             | 6             | 6             | 6             | 3             | 22            |
| % Tax                       | 4.2           | -0.4          | -0.1          | 19.8          | 25.2          | 25.2          | 25.2          | 25.2          | 4.8           | 0.0           |
| <b>Adjusted PAT</b>         | <b>17</b>     | <b>14</b>     | <b>19</b>     | <b>9</b>      | <b>14</b>     | <b>17</b>     | <b>17</b>     | <b>19</b>     | <b>59</b>     | <b>67</b>     |
| Change (YoY %)              | <b>17</b>     | <b>14</b>     | <b>19</b>     | <b>9</b>      | <b>14</b>     | <b>17</b>     | <b>17</b>     | <b>19</b>     | <b>59</b>     | <b>67</b>     |
| Change (QoQ %)              | 15.3          | 102.2         | 114.9         | 52            | -16.0         | 22.3          | -14.2         | 104           | 62.3          | 12.3          |

**JSW Steel****Buy****CMP: INR 938 | TP: INR 1080 (+15%)**

- We expect QoQ margins improvement to be driven by coal cost moderation. ASP to remain flat.
- 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         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Net Sales</b>                           | <b>422</b> | <b>446</b> | <b>419</b> | <b>463</b> | <b>422</b> | <b>476</b> | <b>507</b> | <b>587</b> | <b>1,750</b> | <b>1,992</b> |
| Change (YoY %)                             | 10.8       | 6.7        | 7.2        | -1.5       | -0.1       | 6.8        | 20.9       | 26.9       | 5.5          | 13.8         |
| Change (QoQ %)                             | -10.1      | 5.6        | -5.9       | 10.3       | -8.9       | 13.0       | 6.5        | 15.8       |              |              |
| <b>EBITDA</b>                              | <b>70</b>  | <b>79</b>  | <b>72</b>  | <b>61</b>  | <b>63</b>  | <b>93</b>  | <b>109</b> | <b>109</b> | <b>282</b>   | <b>374</b>   |
| Change (YoY %)                             | 63.5       | 350.1      | 57.9       | -22.9      | -10.2      | 18.2       | 51.2       | 77.7       | 52.2         | 32.4         |
| Change (QoQ %)                             | -11.2      | 11.9       | -9.0       | -14.7      | 3.3        | 47.3       | 16.5       | 0.3        | 0.0          | 0.0          |
| EBITDA (INR per ton)                       | 12,340     | 12,341     | 11,967     | 9,100      | 10,348     | 14,355     | 15,735     | 14,791     | 11,372       | 13,917       |
| Interest                                   | 20         | 21         | 20         | 21         | 21         | 21         | 21         | 21         | 81           | 85           |
| Depreciation                               | 19         | 20         | 21         | 22         | 23         | 23         | 23         | 22         | 82           | 93           |
| Other Income                               | 3          | 2          | 2          | 2          | 1          | 1          | 1          | 1          | 10           | 5            |
| <b>PBT (before EO Item)</b>                | <b>35</b>  | <b>40</b>  | <b>33</b>  | <b>21</b>  | <b>20</b>  | <b>50</b>  | <b>65</b>  | <b>67</b>  | <b>130</b>   | <b>201</b>   |
| EO Items                                   | 0          | 6          | 0          | 0          | 0          | 0          | 0          | 0          | 6            | 0            |
| <b>PBT (after EO Item)</b>                 | <b>35</b>  | <b>46</b>  | <b>33</b>  | <b>21</b>  | <b>20</b>  | <b>50</b>  | <b>65</b>  | <b>67</b>  | <b>136</b>   | <b>201</b>   |
| Total Tax                                  | 11         | 18         | 9          | 7          | 5          | 13         | 16         | 17         | 44           | 51           |
| <b>PAT before MI and Asso.</b>             | <b>25</b>  | <b>28</b>  | <b>25</b>  | <b>14</b>  | <b>15</b>  | <b>37</b>  | <b>49</b>  | <b>50</b>  | <b>91</b>    | <b>151</b>   |
| MI (Profit)/Loss                           | -0.9       | -0.1       | -0.4       | -0.2       | -0.3       | -0.3       | -0.3       | -0.3       | -1.6         | -1.0         |
| Share of P/(L) of Ass.                     | -0.3       | -0.2       | -0.2       | -1.0       | -0.1       | -0.1       | -0.1       | -0.1       | -1.7         | -0.6         |
| <b>Reported PAT (after MI &amp; Asso.)</b> | <b>23</b>  | <b>28</b>  | <b>24</b>  | <b>13</b>  | <b>14</b>  | <b>37</b>  | <b>48</b>  | <b>49</b>  | <b>88</b>    | <b>149</b>   |
| <b>Adjusted PAT</b>                        | <b>23</b>  | <b>31</b>  | <b>23</b>  | <b>13</b>  | <b>14</b>  | <b>37</b>  | <b>48</b>  | <b>49</b>  | <b>90</b>    | <b>149</b>   |
| Change (YoY %)                             | 179.0      | LP         | 365.3      | -64.5      | -38.3      | 20.1       | 111.8      | 281.0      | 152.8        | 65.9         |
| Change (QoQ %)                             | -36.2      | 31.1       | -25.6      | -43.0      | 11.0       | 155.2      | 31.2       | 2.5        |              |              |

**NMDC****Buy****CMP: INR 244 | TP: INR 300 (+23%)**

- 1QFY25 volume declined by 8% YoY and 20% QoQ.
- We expect ASP improvement to offset the volume impact partially, leading to flat revenue growth YoY (-17% QoQ)
- NMDC took price hike during Apr-May'24. It took a price cut in Jun'24 end.
- 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           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Sales</b>                     | <b>54</b>    | <b>40</b>    | <b>54</b>    | <b>65</b>    | <b>54</b>    | <b>59</b>    | <b>61</b>    | <b>70</b>    | <b>213</b>   | <b>244</b>   |
| Change (YoY %)                       | 13.2         | 20.6         | 45.4         | 10.9         | -0.5         | 47.9         | 12.9         | 7.8          | 20.6         | 14.5         |
| Change (QoQ %)                       | -7.8         | -25.6        | 34.8         | 20.0         | -17.3        | 10.6         | 2.9          | 14.5         |              |              |
| <b>EBITDA</b>                        | <b>20</b>    | <b>12</b>    | <b>20</b>    | <b>21</b>    | <b>18</b>    | <b>21</b>    | <b>23</b>    | <b>29</b>    | <b>73</b>    | <b>90</b>    |
| Change (YoY %)                       | 5.0          | 39.9         | 76.0         | -2.8         | -12.1        | 78.9         | 12.2         | 37.0         | 20.5         | 23.6         |
| Change (QoQ %)                       | -7.8         | -40.3        | 68.6         | 4.7          | -16.6        | 21.5         | 5.8          | 27.8         |              |              |
| <b>EBITDA per ton (INR/t)</b>        | <b>1,816</b> | <b>1,244</b> | <b>1,762</b> | <b>1,676</b> | <b>1,741</b> | <b>1,703</b> | <b>1,732</b> | <b>1,906</b> | <b>1,640</b> | <b>1,779</b> |
| Interest                             | 0.1          | 0.2          | 0.3          | 0.2          | 0.2          | 0.2          | 0.2          | 0.2          | 0.8          | 1.0          |
| Depreciation                         | 0.7          | 0.9          | 0.8          | 1.1          | 0.9          | 0.9          | 0.9          | 0.9          | 3.5          | 3.6          |
| Other Income                         | 2.9          | 3.2          | 3.4          | 4.2          | 3.6          | 3.6          | 3.6          | 3.6          | 13.7         | 14.3         |
| <b>PBT (before EO Item)</b>          | <b>22</b>    | <b>14</b>    | <b>22</b>    | <b>24</b>    | <b>20</b>    | <b>24</b>    | <b>25</b>    | <b>31</b>    | <b>82</b>    | <b>100</b>   |
| Extra-ordinary item                  | 0.0          | 0.0          | -2.5         | -0.3         | 0.0          | 0.0          | 0.0          | 0.0          | -2.8         | 0.0          |
| <b>PBT (after EO Item)</b>           | <b>22</b>    | <b>14</b>    | <b>20</b>    | <b>24</b>    | <b>20</b>    | <b>24</b>    | <b>25</b>    | <b>31</b>    | <b>80</b>    | <b>100</b>   |
| Total Tax                            | 5.5          | 3.8          | 5.1          | 9.4          | 5.0          | 6.0          | 6.3          | 7.7          | 23.8         | 25.0         |
| % Tax                                | 24.9         | 27.0         | 25.7         | 40.0         | 25.2         | 25.2         | 25.2         | 24.6         | 29.9         | 25.0         |
| <b>PAT after MI and Sh. of Asso.</b> | <b>17</b>    | <b>10</b>    | <b>15</b>    | <b>14</b>    | <b>15</b>    | <b>18</b>    | <b>19</b>    | <b>24</b>    | <b>56</b>    | <b>75</b>    |
| <b>Adjusted PAT</b>                  | <b>17</b>    | <b>10</b>    | <b>17</b>    | <b>14</b>    | <b>15</b>    | <b>18</b>    | <b>19</b>    | <b>24</b>    | <b>58</b>    | <b>75</b>    |
| Change (YoY %)                       | 14.3         | 5.6          | 83.6         | -9.0         | -9.7         | 72.8         | 11.4         | 64.5         | 18.0         | 29.4         |
| Change (QoQ %)                       | 5.1          | -37.9        | 63.2         | -14.6        | 4.3          | 18.9         | 5.2          | 26.2         |              |              |

**Nalco****Neutral****CMP: INR 193 | TP: INR 185 (-4%)**

- Management guidance on production and sales volumes for FY25 will be monitored closely.
- We await management guidance on domestic demand.
- Management guidance on CoP and capex timeline to be monitored.

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

| Y/E March                              | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|  | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>                       | <b>31,784</b> | <b>30,434</b> | <b>33,469</b> | <b>35,791</b> | <b>38,821</b> | <b>35,964</b> | <b>35,958</b> | <b>35,766</b> | <b>1,31,477</b> | <b>1,46,509</b> |
| Change (YoY %)                         | -16.0         | -12.8         | 1.7           | -2.5          | 22.1          | 18.2          | 7.4           | -0.1          | -7.6            | 11.4            |
| Change (QoQ %)                         | -13.4         | -4.2          | 10.0          | 6.9           | 8.5           | -7.4          | 0.0           | -0.5          |                 |                 |
| Total Expenditure                      | 25,840        | 26,469        | 25,738        | 24,715        | 27,443        | 27,443        | 27,443        | 28,169        | 1,02,762        | 1,10,497        |
| <b>EBITDA</b>                          | <b>5,943</b>  | <b>3,965</b>  | <b>7,731</b>  | <b>11,075</b> | <b>11,378</b> | <b>8,521</b>  | <b>8,516</b>  | <b>7,597</b>  | <b>28,715</b>   | <b>36,012</b>   |
| Change (YoY %)                         | -31.6         | 18.6          | 68.2          | 44.5          | 91.4          | 114.9         | 10.1          | -31.4         | 18.2            | 25.4            |
| Change (QoQ %)                         | -22.5         | -33.3         | 95.0          | 43.3          | 2.7           | -25.1         | -0.1          | -10.8         |                 |                 |
| Interest                               | 23            | 40            | 21            | 89            | 26            | 26            | 26            | 26            | 172             | 102             |
| Depreciation                           | 1,697         | 1,862         | 1,538         | 2,400         | 1,994         | 1,994         | 1,994         | 1,994         | 7,497           | 7,977           |
| Other Income                           | 485           | 686           | 510           | 840           | 788           | 788           | 788           | 788           | 2,521           | 3,152           |
| <b>PBT (after EO)</b>                  | <b>4,709</b>  | <b>2,750</b>  | <b>6,682</b>  | <b>13,695</b> | <b>10,146</b> | <b>7,289</b>  | <b>7,284</b>  | <b>6,365</b>  | <b>27,836</b>   | <b>31,084</b>   |
| Total Tax                              | 1,215         | 687           | 1,797         | 3,537         | 2,549         | 1,831         | 1,830         | 1,599         | 7,236           | 7,808           |
| % Tax                                  | 25.8          | 25.0          | 26.9          | 25.8          | 25.1          | 25.1          | 25.1          | 25.1          | 30.7            | 25.1            |
| <b>PAT before MI and Asso.</b>         | <b>3,494</b>  | <b>2,063</b>  | <b>4,885</b>  | <b>10,158</b> | <b>7,597</b>  | <b>5,458</b>  | <b>5,454</b>  | <b>4,766</b>  | <b>20,600</b>   | <b>23,276</b>   |
| Sh. of Associate                       | -156          | -189          | -179          | -191          | -183          | -183          | -183          | -183          | -715            | -733            |
| <b>Reported PAT after MI and Asso.</b> | <b>3,338</b>  | <b>1,874</b>  | <b>4,706</b>  | <b>9,967</b>  | <b>7,414</b>  | <b>5,275</b>  | <b>5,271</b>  | <b>4,583</b>  | <b>19,885</b>   | <b>22,543</b>   |
| <b>Adjusted PAT</b>                    | <b>3,338</b>  | <b>1,874</b>  | <b>4,706</b>  | <b>6,766</b>  | <b>7,414</b>  | <b>5,275</b>  | <b>5,271</b>  | <b>4,583</b>  | <b>16,684</b>   | <b>22,543</b>   |
| Change (YoY %)                         | -40.2         | 49.4          | 83.6          | 36.7          | 122.1         | 181.6         | 12.0          | -32.3         | 16.3            | 13.4            |
| Change (QoQ %)                         | -32.6         | -43.9         | 151.2         | 43.8          | 9.6           | -28.9         | -0.1          | -13.0         |                 |                 |

**SAIL****Neutral****CMP: INR 147 | TP: INR 160 (+9%)**

- SAIL guidance on crude steel production for FY25 is crucial
- Management guidance on the debottlenecking program and the timelines for its implementation are important factors to consider.
- Management guidance on handling the key input costs and debt reduction roadmap will be critical.
- Guidance on domestic and international steel prices and capex will be critical.

**Quarterly Performance****(INR b)**

| Y/E March                     | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                               | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Sales</b>              | <b>244</b>   | <b>280</b>   | <b>233</b>   | <b>262</b>   | <b>257</b>   | <b>279</b>   | <b>297</b>   | <b>315</b>   | <b>1,019</b> | <b>1,148</b> |
| Change (YoY %)                | 1.4          | 6.5          | -6.8         | -9.9         | 5.4          | -0.2         | 27.3         | 20.1         | -2.4         | 12.6         |
| Change (QoQ %)                | -16.4        | 14.8         | -16.5        | 12.4         | -2.2         | 8.7          | 6.5          | 6.1          |              |              |
| Total Expenditure             | 227          | 258          | 212          | 245          | 232          | 250          | 264          | 283          | 942          | 1,030        |
| <b>EBITDA</b>                 | <b>16</b>    | <b>21</b>    | <b>21</b>    | <b>18</b>    | <b>25</b>    | <b>29</b>    | <b>33</b>    | <b>32</b>    | <b>77</b>    | <b>118</b>   |
| Change (YoY %)                | -28.4        | 189.2        | 3.1          | -39.5        | 49.1         | 36.8         | 52.3         | 80.9         | -4.4         | 53.9         |
| Change (QoQ %)                | -43.6        | 28.9         | 0.8          | -17.4        | 39.0         | 18.3         | 12.2         | -2.0         |              |              |
| <b>EBITDA per ton (INR)</b>   | <b>4,245</b> | <b>4,429</b> | <b>5,638</b> | <b>3,879</b> | <b>5,608</b> | <b>6,311</b> | <b>6,871</b> | <b>6,454</b> | <b>4,509</b> | <b>6,326</b> |
| Interest                      | 6            | 6            | 6            | 6            | 7            | 7            | 7            | 7            | 25           | 26           |
| Depreciation                  | 13           | 13           | 13           | 14           | 14           | 14           | 14           | 14           | 53           | 55           |
| Other Income                  | 5            | 1            | 1            | 3            | 3            | 3            | 3            | 3            | 11           | 12           |
| Share of Asso./JV/investments | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 1            | 4            | 5            |
| <b>PBT (before EO Inc.)</b>   | <b>3</b>     | <b>4</b>     | <b>5</b>     | <b>2</b>     | <b>9</b>     | <b>13</b>    | <b>17</b>    | <b>16</b>    | <b>14</b>    | <b>54</b>    |
| EO Income(exp)                | 0            | 13           | 1            | 12           | 0            | 0            | 0            | 0            | 26           | 0            |
| <b>PBT (after EO Inc.)</b>    | <b>3</b>     | <b>18</b>    | <b>6</b>     | <b>14</b>    | <b>9</b>     | <b>13</b>    | <b>17</b>    | <b>16</b>    | <b>41</b>    | <b>54</b>    |
| Total Tax                     | 1            | 5            | 1            | 3            | 2            | 3            | 4            | 4            | 10           | 14           |
| % Tax                         | 26.3         | 26.2         | 24.8         | 21.9         | 25.2         | 25.2         | 25.2         | 25.2         | 24.5         | 25.2         |
| <b>Adjusted PAT</b>           | <b>2</b>     | <b>3</b>     | <b>4</b>     | <b>2</b>     | <b>6</b>     | <b>10</b>    | <b>12</b>    | <b>12</b>    | <b>11</b>    | <b>41</b>    |
| Change (YoY %)                | -73.6        | LP           | 50.3         | -84.9        | 202.7        | 207.8        | 240.0        | 563.3        | -43.8        | 277.3        |
| Change (QoQ %)                | -82.3        | 49.7         | 15.1         | -50.7        | 256.2        | 52.3         | 27.2         | -3.9         |              |              |

**Tata Steel****Neutral****CMP: INR 175 | TP: INR 170 (-3%)**

- India business likely to see normalized volume in 1QFY25, whereas overseas op. to remain flat.
- Netherlands to report positive EBITDA/t in 1QFY25, leading to improvement in performance. UK business to see losses, which would lead to Europe EBITDA loss.
- Commentary on Europe operations is critical.
- Management guidance on ASP and CoP across geographies to be monitored.

**Quarterly Performance****(INR b)**

| Y/E March                      | FY24       |            |            |            | FY25E      |            |            |            | FY24         | FY25E        |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                                | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Net Sales</b>               | <b>595</b> | <b>557</b> | <b>553</b> | <b>587</b> | <b>580</b> | <b>585</b> | <b>635</b> | <b>715</b> | <b>2,292</b> | <b>2,516</b> |
| Change (YoY %)                 | -6.2       | -7.0       | -3.1       | -6.8       | -2.5       | 5.1        | 14.9       | 21.8       | -5.8         | 9.8          |
| Change (QoQ %)                 | -5.5       | -6.4       | -0.7       | 6.1        | -1.1       | 0.9        | 8.6        | 12.5       |              |              |
| <b>EBITDA</b>                  | <b>52</b>  | <b>43</b>  | <b>63</b>  | <b>66</b>  | <b>60</b>  | <b>81</b>  | <b>90</b>  | <b>105</b> | <b>223</b>   | <b>336</b>   |
| Change (YoY %)                 | -65.4      | -29.6      | 54.7       | -8.6       | 15.1       | 90.1       | 43.8       | 59.0       | -30.9        | 50.5         |
| Change (QoQ %)                 | -28.3      | -17.5      | 46.8       | 5.4        | -9.7       | 36.2       | 11.0       | 16.5       |              |              |
| As % of Net Sales              | 8.7        | 7.7        | 11.3       | 11.2       | 10.3       | 13.9       | 14.2       | 14.7       | 9.7          | 13.3         |
| Finance cost                   | 18         | 20         | 19         | 18         | 17         | 18         | 19         | 21         | 75           | 75           |
| DD&A                           | 24         | 25         | 24         | 26         | 26         | 26         | 28         | 23         | 99           | 102          |
| Other Income                   | 12         | 2          | 2          | 2          | 5          | 5          | 5          | 6          | 18           | 20           |
| <b>PBT (before EO item)</b>    | <b>21</b>  | <b>1</b>   | <b>22</b>  | <b>24</b>  | <b>21</b>  | <b>42</b>  | <b>48</b>  | <b>67</b>  | <b>67</b>    | <b>178</b>   |
| EO exp. (income)               | 0          | -69        | -3         | -6         |            |            |            |            | -78          |              |
| <b>PBT (after EO item)</b>     | <b>21</b>  | <b>-68</b> | <b>19</b>  | <b>18</b>  | <b>21</b>  | <b>42</b>  | <b>48</b>  | <b>67</b>  | <b>-11</b>   | <b>178</b>   |
| Total Tax                      | 13         | -2         | 14         | 13         | 11         | 16         | 18         | 19         | 38           | 64           |
| % Tax                          | 63.0       | NA         | 64.2       | 53.0       | 53.1       | 38.5       | 37.5       | 28.3       | 55.9         | 36.1         |
| <b>PAT before MI and Asso.</b> | <b>8</b>   | <b>-66</b> | <b>4</b>   | <b>5</b>   | <b>10</b>  | <b>26</b>  | <b>30</b>  | <b>48</b>  | <b>-49</b>   | <b>114</b>   |
| Profit from Asso.              | -1         | -3         | 0          | -1         |            |            |            |            | -5           |              |
| Minority interest              | -3         | 1          | 1          | 0          | 1          | 1          | 1          | 1          | -1           | 5            |
| <b>APAT</b>                    | <b>6</b>   | <b>7</b>   | <b>8</b>   | <b>12</b>  | <b>11</b>  | <b>27</b>  | <b>31</b>  | <b>49</b>  | <b>34</b>    | <b>119</b>   |
| Change (YoY %)                 | -92.0      | -54.2      | LP         | -28.8      | 79.4       | 285.0      | 271.1      | 309.4      | -61.0        | 252.5        |
| Change (QoQ %)                 | -63.4      | 13.2       | 20.6       | 42.3       | -7.7       | 143.1      | 16.2       | 57.0       |              |              |

**Vedanta****Neutral****CMP: INR458 | TP: INR520 (14%)**

- Management update on parent debt situation is crucial.
- Management comments on the demerger status and its guidance on volumes and CoP across verticals
- Management guidance on future dividend payout.

**Quarterly Performance****(INR b)**

| Y/E March                      | FY24       |            |            |            | FY25E      |            |            |            | FY24         | FY25E        |
|--------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|--------------|
|                                | 1Q         | 2Q         | 3Q         | 4Q         | 1QE        | 2QE        | 3QE        | 4QE        |              |              |
| <b>Net Sales</b>               | <b>337</b> | <b>342</b> | <b>355</b> | <b>355</b> | <b>345</b> | <b>356</b> | <b>362</b> | <b>413</b> | <b>1,390</b> | <b>1,476</b> |
| Change (YoY %)                 | -12.7      | -6.7       | 4.2        | -6.4       | 2.3        | 4.2        | 1.9        | 16.3       | -5.7         | 6.2          |
| Change (QoQ %)                 | -11.1      | 1.3        | 4.0        | -0.1       | -2.9       | 3.3        | 1.6        | 14.0       |              |              |
| <b>EBITDA</b>                  | <b>64</b>  | <b>67</b>  | <b>85</b>  | <b>88</b>  | <b>95</b>  | <b>98</b>  | <b>103</b> | <b>114</b> | <b>304</b>   | <b>410</b>   |
| Change (YoY %)                 | -37.0      | -12.7      | 20.7       | -7.3       | 47.3       | 45.9       | 21.3       | 29.5       | -11.6        | 34.5         |
| Change (QoQ %)                 | -32.1      | 4.6        | 27.0       | 2.8        | 7.8        | 3.6        | 5.6        | 9.7        |              |              |
| Finance cost                   | 21         | 25         | 24         | 24         | 24         | 24         | 24         | 24         | 95           | 95           |
| DD&A                           | 26         | 26         | 28         | 27         | 28         | 28         | 28         | 28         | 107          | 110          |
| Other Income                   | 5          | 6          | 8          | 6          | 7          | 7          | 7          | 7          | 25           | 26           |
| <b>PBT (before EO item)</b>    | <b>23</b>  | <b>22</b>  | <b>41</b>  | <b>42</b>  | <b>50</b>  | <b>53</b>  | <b>59</b>  | <b>69</b>  | <b>128</b>   | <b>231</b>   |
| EO exp. (income)               | -18        | -60        | 0          | 2          | 0          | 0          | 0          | 0          | -76          | 0            |
| <b>PBT (after EO item)</b>     | <b>41</b>  | <b>82</b>  | <b>41</b>  | <b>40</b>  | <b>50</b>  | <b>53</b>  | <b>59</b>  | <b>69</b>  | <b>204</b>   | <b>231</b>   |
| Total Tax                      | 7.8        | 90.9       | 12.4       | 17.2       | 15.0       | 16.0       | 17.7       | 20.7       | 128.3        | 69           |
| % Tax                          | 19.0       | 111.2      | 30.1       | 43.1       | 30.0       | 30.0       | 30.0       | 30.0       | 63.0         | 30.0         |
| <b>PAT before MI and Asso.</b> | <b>33</b>  | <b>-9</b>  | <b>29</b>  | <b>23</b>  | <b>35</b>  | <b>37</b>  | <b>41</b>  | <b>48</b>  | <b>75</b>    | <b>162</b>   |
| Profit from Asso.              | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0        | 0.0          | 0            |
| Minority interest              | 6.7        | 8.7        | 8.6        | 9.1        | 9.0        | 9.0        | 9.0        | 9.0        | 33.0         | 36           |
| <b>PAT after MI and Asso.</b>  | <b>26</b>  | <b>-18</b> | <b>20</b>  | <b>14</b>  | <b>26</b>  | <b>28</b>  | <b>32</b>  | <b>39</b>  | <b>42</b>    | <b>126</b>   |
| <b>APAT</b>                    | <b>9</b>   | <b>5</b>   | <b>20</b>  | <b>16</b>  | <b>26</b>  | <b>28</b>  | <b>32</b>  | <b>39</b>  | <b>49</b>    | <b>126</b>   |
| Change (YoY %)                 | -80.5      | -65.7      | 29.0       | -49.6      | 202.4      | 482.4      | 60.2       | 150.2      | -53.1        | 155.4        |
| Change (QoQ %)                 | -72.4      | -43.3      | 312.5      | -22.0      | 65.6       | 9.3        | 13.5       | 21.8       |              |              |

# 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    |

## 1QFY25 likely to be soft quarter amid margin weakness

- **We expect our coverage universe to report:** a) sales growth of 11% YoY (up 12% YoY excluding OMCs), b) we expect EBITDA decline of 24% YoY (up 4% YoY excluding OMCs), and c) PAT decline of 36% YoY (up 3% YoY excluding OMCs).
- **RIL:** Consol. EBITDA is expected to grow 8% YoY to INR410b. We estimate EBITDA of INR179b (up 3% YoY) for the standalone business, INR139b (up 11% YoY) for RJio, and INR49b (up 16% YoY) for the Retail business. Production meant for sale is expected at 17mmt (flat YoY), with O2C EBITDA at USD91.8/mt (down 4% YoY).
- **OMCs:** Standalone EBITDA for HPCL/BPCL/IOCL may decline 36/36/30% QoQ, due to lower SG GRM (down 52% QoQ) and lower marketing margins (down 29%/10% for MS/HSD).
- **CGD:** We estimate YoY volume growth of 7%/14%/10% for IGL/MAHGL/GUJGA. EBITDA/scm margins for MAHGL/GUJGA may decline 4%/11% QoQ (up 2% QoQ for IGI) amid continued shortfall in APM gas and 18% higher QoQ spot LNG prices in 1QFY25.
- **Upstream:** For ONGC/OINL, we expect 7%/5% higher EBITDA QoQ and 4%/3% growth in oil sales. Gas sales volume may fall 3% for ONGC but could rise 3% for OILN. Oil/Gas realizations are expected to be flat QoQ.

## Lower Brent oil price assumption to USD75/bbl in FY26; risks rising in FY27

- We have decreased our Brent price assumption by 7%/12% for FY25/FY26 to USD78.8/USD75 per bbl (vs. old assumption of USD85/bbl for both FY25/FY26). This is driven by:
  - Gradual unwinding of OPEC+ voluntary cuts (2.2mb/d) from Oct'24
  - IEA's expected rise in global oil supply from Non-OPEC+ by 1.4mb/d in CY24 and 1.8mb/d in CY25
  - Further downgrade in oil demand growth estimates by IEA for CY25 to 1mb/d (1.2mb/d previously) amid soft demand and soft economic growth in OECD countries, an expanding EV fleet and increase in vehicle efficiency
  - US EIA also recently downgraded Brent crude oil spot price forecast for CY24 by 5% to USD84/bbl from May'24 forecast of USD88/bbl
- **Should a strong non-OPEC supply response meet unwinding of OPEC's spare production capacity, we see the risk of oil prices declining to below USD70/bbl.** A moderate recovery in Brent is expected to result in decent inventory gains for refiners in the quarter.

## SG GRM declined to USD3.5/bbl in 1QFY25

- SG GRM declined to USD3.5/bbl in 1QFY25 (from USD7.3/bbl in 4QFY24). Gasoline and diesel cracks declined 22%/29% QoQ to USD13.8/bbl and USD17.4/bbl, respectively. Jet fuel cracks declined, whereas FO cracks recovered QoQ. Blended marketing margins for IOCL/BPCL/HPCL are expected at INR3.9/INR4/INR4.1 per liter in 1QFY25, down slightly from 4QFY24.
- We expect IOCL/BPCL/HPCL to report GRMs of USD6.5/USD8/USD5.9 per barrel (after refining inventory gain) in 1QFY25.
- BPCL and IOCL are expected to clock flat throughput QoQ, MRPL may see a 1% QoQ increase in throughput, and HPCL could post an 8% decline in throughput.

### Petchem margins continue to decline in 1QFY25

- Petchem prices increased 7% YoY on an average in 1QFY25. PE/PP prices were up 7%/1% YoY and 2%/2% QoQ. PVC prices were down 2% YoY/up 3% QoQ.
- HDPE/PP/PX spreads over naphtha declined 11%/12%/18% YoY.

### GUJGA, MAHGL to witness margin decline; IGL margin expected to remain flat QoQ

- Volumes are expected to rise 5%/1%/3% QoQ for GUJGA/IGL/MAHGL. EBITDA/scm is likely to decline for GUJGA/MAHGL amid higher spot LNG prices and continued APM gas shortfall. For GUJGA, we expect margin to decline to INR6/scm.
- CGD volumes will be in focus, particularly for GUJGA, which is trying to push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan. A key factor to watch out for will be a pickup in Morbi volumes.
- IGL is facing multiple headwinds in volume growth, such as: 1) stagnation in I/C volume growth amid competition from alternate fuels, 2) stagnant growth in D-Haryana segment over the past few quarters, and 3) margins have likely already peaked out. As a result, we remain cautious on IGL from a long-term perspective and maintain our Sell rating.

### Valuation and view

- **GAIL:** During FY24-26E, we estimate a 8% CAGR in PAT, driven by:
  - Rising natural gas transmission volumes to 137mmcmd in FY26 from 120mmcmd in FY24
  - Substantial improvement in petchem segment's profitability over 2HFY25-FY26 as new petchem capacity will be operational and low inventories globally will drive re-stocking demand, thus improving spreads
  - Healthy trading segment profitability with EBIT guided at INR40-45b

We expect GAIL's ROE to improve to ~14.6% in FY26 from 9.5% in FY23, with healthy FCF generation of INR40.4b in FY26 (vs. -INR45.3b in FY23), which we believe can drive a re-rating for the stock.

- **Upstream: ONGC** has guided for a 6% production volume CAGR over the next three years, driven by rising production from KG 98/2 asset, Daman upside development, and monetization of stranded gas reserves. While volume guidance is upbeat, execution is vital, and should ONGC achieve guided volumes, we see upside risk to our and Street earnings estimates.
- **GUJS:** We expect volumes to jump to ~38.5mmcmd in FY26, as it is a beneficiary of: a) the upcoming LNG terminals in Gujarat, b) improved demand owing to the focus on reducing industrial pollution – Gujarat has five geographical areas identified as severely/critically polluted.

### Our key assumptions

- We assume crude prices at USD78.8/bbl for FY25 and USD75/bbl for FY26. Average crude prices for 1QFY25 stood at USD85/bbl (vs. USD83/bbl in 4QFY24 and USD78.4/bbl in 1QFY24).
- We expect the regional benchmark SG GRM to stabilize at ~USD6/bbl (at its long-term average) over the medium to long term.

**Exhibit 1: Oil & gas product prices, cracks, and margins (USD/bbl)**

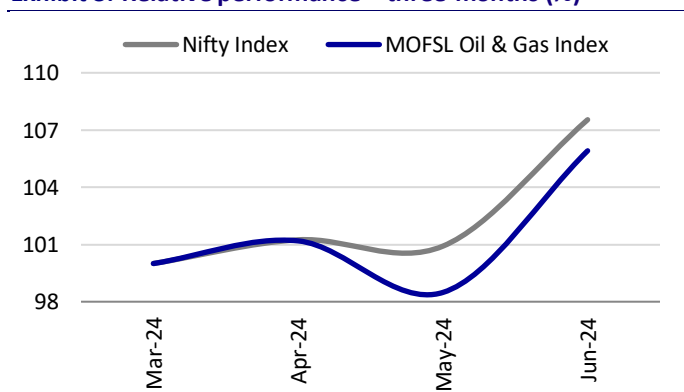
| (USD/bbl)                         | 1QFY24      | 2QFY24      | 3QFY24      | 4QFY24      | 1QFY25     | YoY (%)      | QoQ (%)     |
|-----------------------------------|-------------|-------------|-------------|-------------|------------|--------------|-------------|
| <b>Oil</b>                        |             |             |             |             |            |              |             |
| WTI                               | 73.7        | 82.2        | 78.5        | 76.9        | 80.7       | 9%           | 5%          |
| Brent                             | 77.7        | 85.9        | 82.9        | 81.8        | 85.0       | 9%           | 4%          |
| Dubai                             | 77.6        | 86.7        | 83.9        | 81.5        | 85.1       | 10%          | 4%          |
| Arab Light-Heavy                  | 1.8         | 2.1         | 2.1         | 1.8         | 1.5        | -18%         | -16%        |
| <b>Gas</b>                        |             |             |             |             |            |              |             |
| Henry Hub (USD/mmBtu)             | 2.2         | 2.6         | 2.7         | 2.2         | 2.0        | -6%          | -5%         |
| LNG Spot                          | 11.1        | 12.6        | 15.8        | 9.4         | 11.1       | 0%           | 18%         |
| <b>Exchange Rate (INR/USD)</b>    | <b>82.3</b> | <b>82.2</b> | <b>82.7</b> | <b>83.3</b> | <b>83</b>  | <b>0.9</b>   | <b>-0.3</b> |
| <b>Product Cracks (v/s Dubai)</b> |             |             |             |             |            |              |             |
| LPG                               | -33         | -31.5       | -25.4       | -28.4       | -31.8      | -4%          | 12%         |
| Gasoline                          | 16.5        | 16.8        | 10.2        | 17.6        | 13.8       | -16%         | -22%        |
| Diesel                            | 14.7        | 28.6        | 26.0        | 24.3        | 17.4       | 18%          | -29%        |
| Jet/Kero                          | 14.3        | 26.0        | 23.7        | 21.2        | 13.3       | -7%          | -37%        |
| Naphtha                           | -12.8       | -16.4       | -11.7       | -5.6        | -10.2      | -21%         | 82%         |
| Fuel Oil                          | -8.3        | -5.0        | -10.6       | -9.4        | -4.6       | 41.3         | 11.7        |
| <b>SGRM</b>                       | <b>4</b>    | <b>9.5</b>  | <b>5.5</b>  | <b>7.3</b>  | <b>3.5</b> | <b>-10.7</b> | <b>32.6</b> |

Source: Company, MOFSL

**Exhibit 2: Summary of Jun'24-quarter earnings estimates**

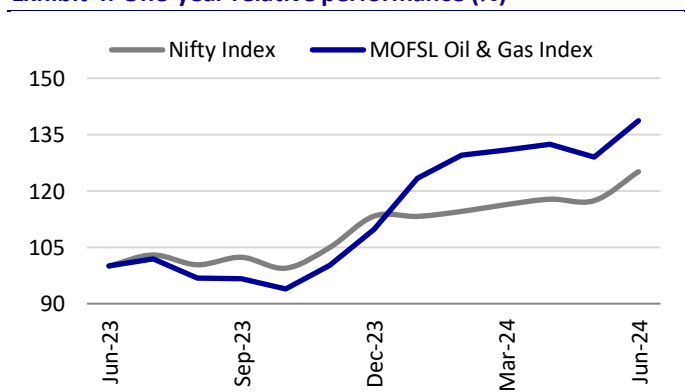
| Sector                 | CMP (INR) | RECO    | SALES (INR M)    |             |            | EBDITA (INR M)  |              |             | NET PROFIT (INR M) |              |              |
|------------------------|-----------|---------|------------------|-------------|------------|-----------------|--------------|-------------|--------------------|--------------|--------------|
|                        |           |         | Jun-24           | Var % YoY   | Var % QoQ  | Jun-24          | Var % YoY    | Var % QoQ   | Jun-24             | Var % YoY    | Var % QoQ    |
| Aegis Logistics        | 852       | Neutral | 29,774           | 41.7        | 62.1       | 2,476           | 26.4         | -19.3       | 1,283              | 10.8         | -34.7        |
| BPCL                   | 304       | Neutral | 10,15,427        | -10.1       | -12.9      | 59,604          | -62.3        | -35.7       | 32,970             | -68.8        | -40.8        |
| Castrol India          | 214       | Buy     | 13,800           | 3.5         | 4.1        | 3,373           | 8.9          | 14.8        | 2,480              | 10.1         | 14.7         |
| GAIL                   | 222       | Buy     | 3,25,389         | 0.4         | 0.6        | 34,410          | 31.7         | -3.3        | 22,525             | 41.5         | 3.5          |
| Gujarat Gas            | 650       | Buy     | 40,696           | 7.6         | -1.6       | 5,506           | 41.9         | -6.9        | 3,292              | 53.0         | -10.6        |
| Gujarat State Petronet | 301       | Buy     | 3,005            | -23.7       | -33.9      | 2,276           | -32.4        | -39.8       | 1,458              | -36.4        | -44.2        |
| HPCL                   | 328       | Buy     | 10,55,563        | -5.7        | -8.1       | 32,616          | -65.8        | -36.4       | 12,436             | -80.0        | -56.3        |
| Indraprastha Gas       | 519       | Sell    | 34,217           | 0.4         | -4.9       | 5,391           | -16.1        | 3.2         | 3,677              | -16.1        | -3.9         |
| IOC                    | 168       | Buy     | 25,62,191        | 29.7        | 29.4       | 74,676          | -66.3        | -30.1       | 23,698             | -82.8        | -51.0        |
| Mahanagar Gas          | 1707      | Buy     | 15,059           | -2.1        | -3.9       | 3,876           | -25.7        | -1.6        | 2,591              | -29.7        | -2.2         |
| MRPL                   | 214       | Sell    | 2,54,562         | 20.2        | 0.5        | 14,125          | -37.0        | -39.6       | 5,588              | -47.2        | -51.1        |
| Oil India              | 485       | Buy     | 59,848           | 28.9        | 4.0        | 24,545          | 5.4          | 5.1         | 18,225             | 13.0         | -10.2        |
| ONGC                   | 275       | Buy     | 3,71,873         | 10.0        | 7.4        | 1,86,629        | -4.1         | 7.2         | 98,277             | -1.9         | -0.4         |
| Petronet LNG           | 336       | Neutral | 1,48,925         | 27.8        | 8.0        | 15,320          | 29.6         | 38.8        | 10,298             | 30.4         | 39.6         |
| Reliance Inds.         | 3132      | Buy     | 23,37,159        | 12.6        | -1.2       | 4,10,039        | 7.6          | -3.6        | 1,66,567           | 4.0          | -12.1        |
| <b>Oil &amp; Gas</b>   |           |         | <b>82,67,488</b> | <b>10.8</b> | <b>4.6</b> | <b>8,74,861</b> | <b>-24.4</b> | <b>-9.6</b> | <b>4,05,364</b>    | <b>-35.8</b> | <b>-18.7</b> |
| <b>Oil Ex OMCs</b>     |           |         | <b>36,34,306</b> | <b>12.2</b> | <b>0.6</b> | <b>7,07,965</b> | <b>3.6</b>   | <b>-1.3</b> | <b>3,36,259</b>    | <b>2.9</b>   | <b>-8.1</b>  |

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



Sources: Bloomberg, MOFSL

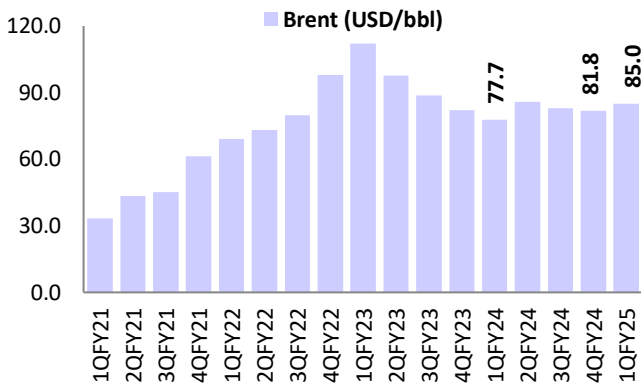
**Exhibit 4: One-year relative performance (%)**



Sources: Bloomberg, MOFSL

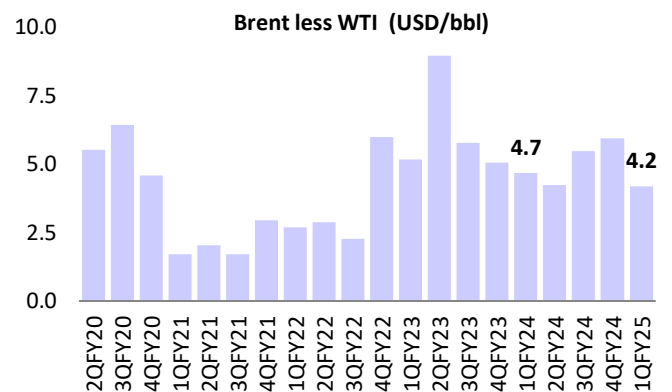
## SG GRM contracts in 1QFY25; petchem margins continue to decline

**Exhibit 5: Brent crude price up 9% YoY and 4% QoQ**



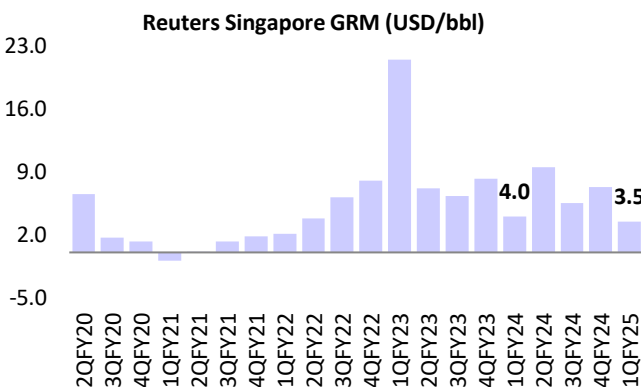
Source: Bloomberg, MOFSL

**Exhibit 6: Brent premium to WTI declined to USD4.2/bbl**



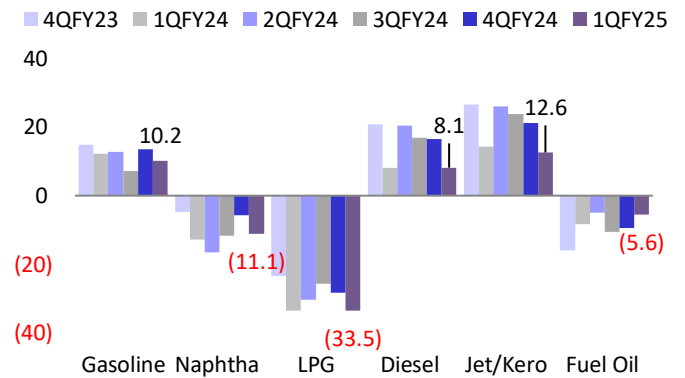
Source: Reuters, MOFSL

**Exhibit 7: Reuters SG GRM (average) declined QoQ to USD3.4/bbl (from USD7.3/bbl in 4QFY24)**



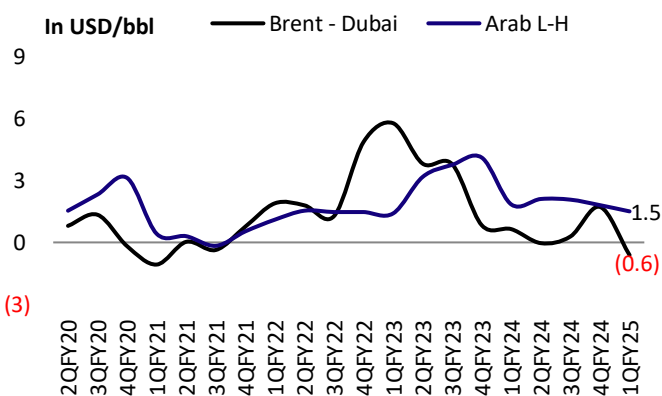
Source: Reuters, MOFSL

**Exhibit 8: Naphtha, Fuel oil and LPG crack declined during the quarter, others improved (USD/bbl)**



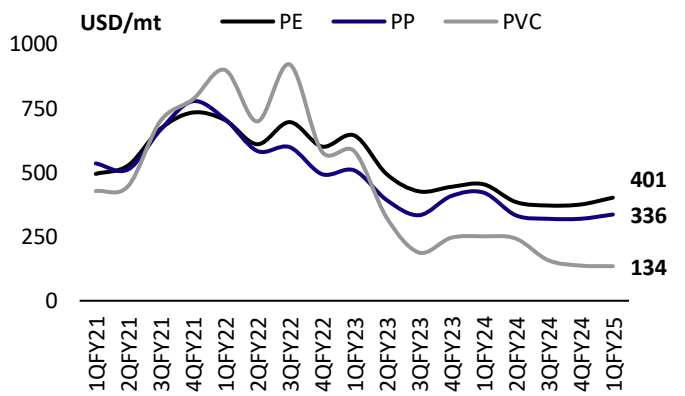
Source: Reuters, MOFSL

**Exhibit 9: Crude differential was declined QoQ at USD1.5/bbl for Arab L-H and to USD-0.8/bbl for Brent-Dubai**



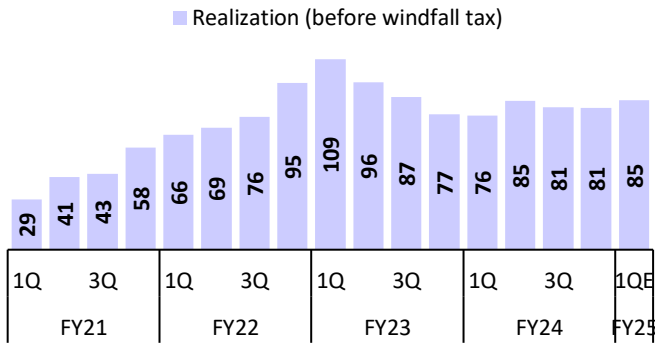
Source: Reuters, MOFSL

**Exhibit 10: Spreads over Naphtha for PE, PP, and PVC declined QoQ**



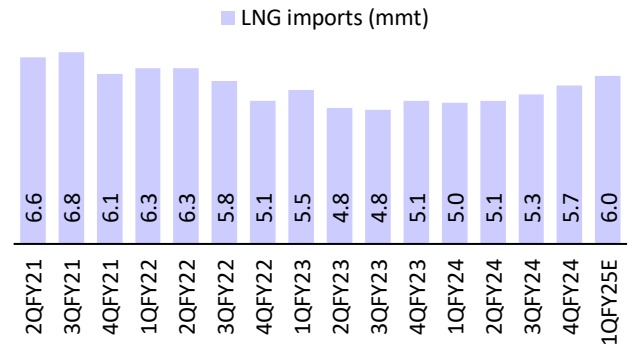
Source: Bloomberg, MOFSL

**Exhibit 11: Expect realization (before windfall tax) of USD85/bbl for ONGC in 1QFY25**



Source: Company, MOFSL

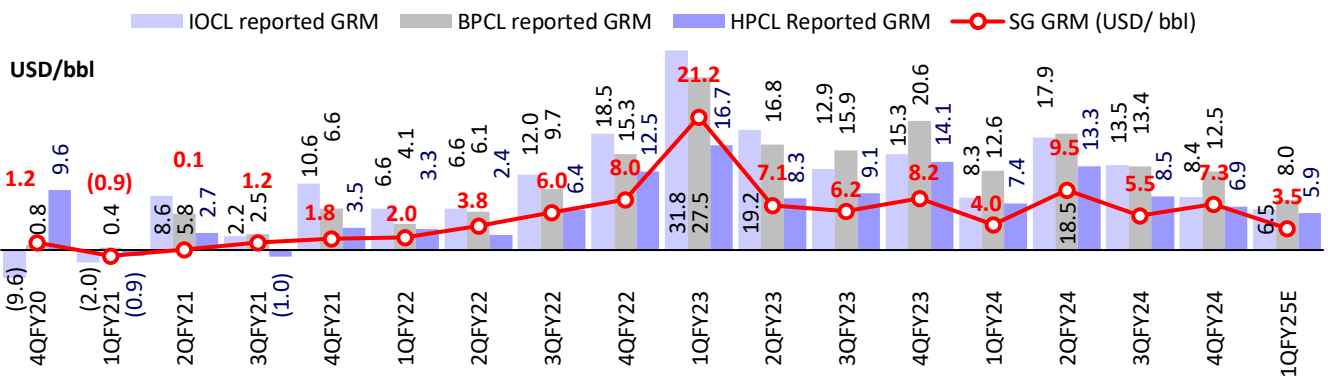
**Exhibit 12: Expect LNG imports (mmt) to increase 6% QoQ and 19% YoY in 1QFY25**



Mar'24 data extrapolated for 4QFY24E

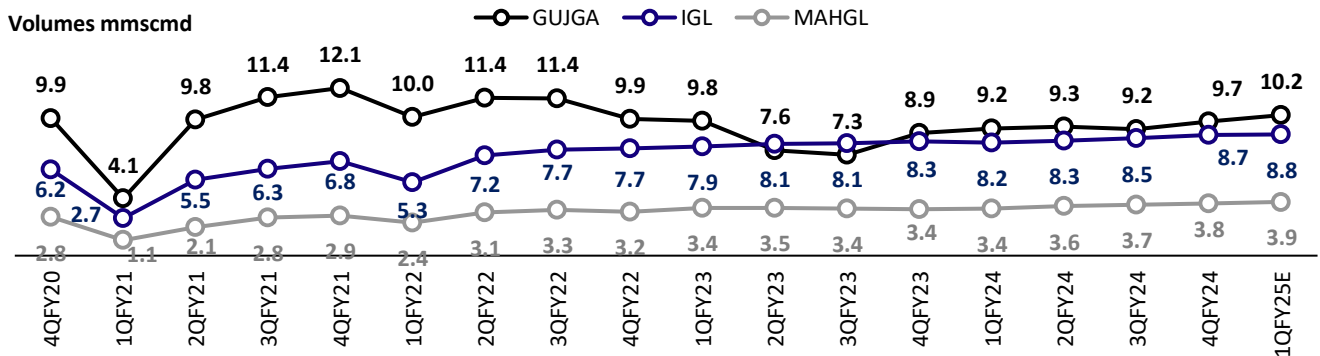
Source: PPAC, MOFSL

**Exhibit 13: GRM snapshot for OMCs (USD/bbl)**



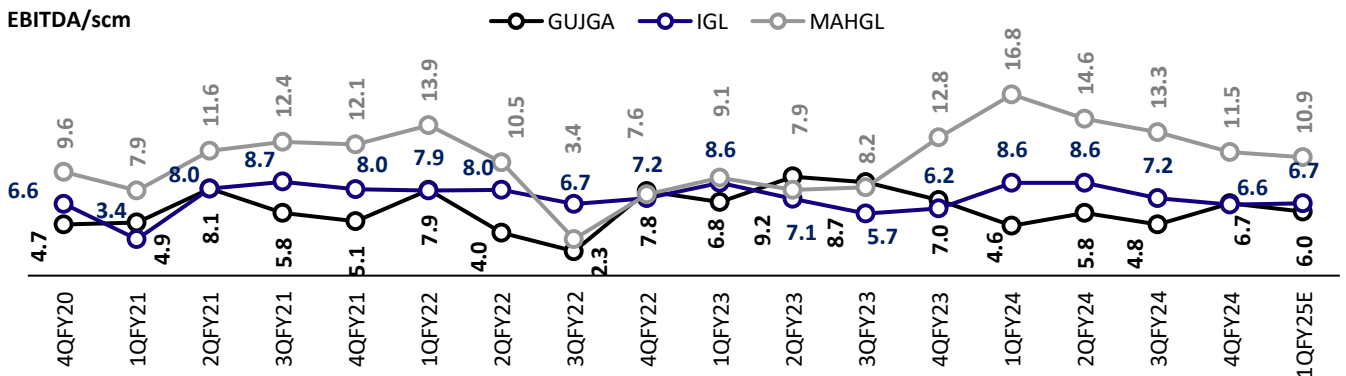
Source: Company, MOFSL

**Exhibit 14: Volume snapshot of CGDs (mmscmd)**



Source: Company, MOFSL

**Exhibit 15: Margin snapshot of CGDs (INR/scm)**



Source: Company, MOFSL

**Exhibit 16: Valuation summary**

| Company Name           | CMP   |         | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)     |             |             |
|------------------------|-------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|-------------|-------------|-------------|
|                        | INR   | Reco    | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24        | FY25E       | FY26E       |
| <b>Oil &amp; Gas</b>   |       |         |           |       |       | <b>13.1</b> | <b>15.9</b> | <b>13.8</b> | <b>2.0</b> | <b>1.9</b> | <b>1.7</b> | <b>15.0</b> | <b>12.0</b> | <b>12.5</b> |
| Aegis Logistics        | 852   | Neutral | 16.2      | 18.0  | 22.0  | 27.5        | 47.3        | 38.6        | 4.0        | 6.9        | 6.2        | 15.3        | 15.4        | 17.0        |
| BPCL                   | 304   | Neutral | 63.3      | 34.7  | 36.3  | 9.5         | 8.8         | 8.4         | 3.4        | 1.6        | 1.4        | 41.9        | 18.7        | 17.8        |
| Castrol India          | 214   | Buy     | 8.7       | 9.6   | 10.5  | 21.3        | 22.3        | 20.4        | 8.7        | 9.4        | 8.8        | 43.1        | 43.4        | 44.6        |
| GAIL                   | 222   | Buy     | 13.7      | 13.2  | 16.1  | 13.2        | 16.8        | 13.8        | 1.8        | 2.0        | 1.9        | 15.0        | 13.0        | 14.6        |
| Gujarat Gas            | 650   | Buy     | 16.0      | 21.0  | 23.6  | 34.0        | 31.0        | 27.6        | 4.9        | 5.2        | 4.6        | 15.0        | 17.7        | 17.7        |
| Gujarat State Petronet | 301   | Buy     | 22.8      | 11.6  | 12.1  | 15.6        | 25.9        | 24.9        | 2.0        | 1.6        | 1.5        | 13.1        | 6.3         | 6.2         |
| HPCL                   | 328   | Buy     | 75.2      | 41.3  | 45.3  | 6.3         | 7.9         | 7.2         | 2.2        | 1.3        | 1.2        | 40.4        | 17.5        | 17.0        |
| Indraprastha Gas       | 519   | Sell    | 25.0      | 22.8  | 30.2  | 17.3        | 22.8        | 17.2        | 3.5        | 3.8        | 3.3        | 22.4        | 17.5        | 20.3        |
| IOC                    | 168   | Buy     | 29.5      | 11.7  | 13.6  | 5.7         | 14.3        | 12.4        | 1.3        | 1.2        | 1.1        | 25.1        | 8.6         | 9.4         |
| Mahanagar Gas          | 1,707 | Buy     | 132.3     | 111.3 | 117.2 | 10.3        | 15.3        | 14.6        | 2.6        | 2.9        | 2.6        | 28.2        | 20.1        | 18.8        |
| MRPL                   | 214   | Sell    | 20.5      | 13.8  | 15.0  | 10.6        | 15.6        | 14.3        | 2.9        | 2.5        | 2.2        | 31.2        | 17.0        | 16.2        |
| Oil India              | 485   | Buy     | 48.7      | 46.8  | 51.7  | 12.3        | 10.4        | 9.4         | 2.2        | 1.6        | 1.4        | 14.1        | 16.3        | 16.1        |
| ONGC                   | 275   | Buy     | 46.3      | 50.3  | 56.0  | 5.8         | 5.5         | 4.9         | 1.0        | 0.9        | 0.8        | 18.8        | 17.6        | 17.2        |
| Petronet LNG           | 336   | Neutral | 23.6      | 29.1  | 25.7  | 11.2        | 11.5        | 13.1        | 2.3        | 2.6        | 2.4        | 22.2        | 24.1        | 18.9        |
| Reliance Inds.         | 3,132 | Buy     | 102.9     | 119.4 | 144.7 | 28.9        | 26.2        | 21.6        | 2.4        | 2.3        | 2.1        | 8.6         | 9.7         | 10.7        |

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.

## Aegis Logistics

**Neutral**

**CMP: INR852 | TP: INR770 (-10%)**

**EPS CHANGE (%): FY25|26: 0|0**

- Expect EBITDA of INR2.5b due to an increase in India's LPG imports
- Recovery in sourcing volume will be a key monitorable
- Watch out for commentary on competition from natural gas in industrial volumes
- Watch out for updates on LPG terminal capacity in Mangalore and liquid capacity expansion in Kochi

### Consolidated - Quarterly Earning Model

(INR m)

| Y/E March              | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E           |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Net Sales</b>       | <b>21,005</b> | <b>12,349</b> | <b>18,734</b> | <b>18,372</b> | <b>29,774</b> | <b>29,774</b> | <b>29,774</b> | <b>29,774</b> | <b>70,459</b> | <b>1,19,098</b> |
| YoY Change (%)         | -6.0          | -42.6         | -10.2         | -14.7         | 41.7          | 141.1         | 58.9          | 62.1          | -18.3         | 69.0            |
| <b>EBITDA</b>          | <b>1,959</b>  | <b>2,083</b>  | <b>2,118</b>  | <b>3,068</b>  | <b>2,476</b>  | <b>2,876</b>  | <b>2,876</b>  | <b>3,276</b>  | <b>9,227</b>  | <b>11,502</b>   |
| Margin (%)             | 9.3           | 16.9          | 11.3          | 16.7          | 8.3           | 9.7           | 9.7           | 11.0          | 13.1          | 9.7             |
| Depreciation           | 333           | 341           | 345           | 334           | 454           | 454           | 454           | 454           | 1,353         | 1,814           |
| Interest               | 298           | 266           | 302           | 292           | 499           | 499           | 499           | 499           | 1,158         | 1,996           |
| Other Income           | 374           | 444           | 446           | 632           | 536           | 536           | 536           | 536           | 1,896         | 2,144           |
| <b>PBT</b>             | <b>1,702</b>  | <b>1,920</b>  | <b>1,918</b>  | <b>3,073</b>  | <b>2,059</b>  | <b>2,459</b>  | <b>2,459</b>  | <b>2,859</b>  | <b>8,613</b>  | <b>9,836</b>    |
| Tax                    | 375           | 420           | 396           | 700           | 519           | 620           | 620           | 720           | 1,891         | 2,479           |
| Rate (%)               | 22.0          | 21.9          | 20.6          | 22.8          | 25.2          | 25.2          | 25.2          | 25.2          | 22.0          | 25.2            |
| MI & P/L of Asso. Cos. | 169           | 230           | 221           | 410           | 258           | 258           | 258           | 258           | 1,030         | 1,030           |
| <b>Reported PAT</b>    | <b>1,158</b>  | <b>1,270</b>  | <b>1,301</b>  | <b>1,963</b>  | <b>1,283</b>  | <b>1,582</b>  | <b>1,582</b>  | <b>1,881</b>  | <b>5,692</b>  | <b>6,327</b>    |
| YoY Change (%)         | -24.9         | 36.0          | 3.8           | 39.4          | 10.8          | 24.6          | 21.6          | -4.2          | 10.8          | 2.2             |
| Margin (%)             | 5.5           | 10.3          | 6.9           | 10.7          | 4.3           | 5.3           | 5.3           | 6.3           | 8.1           | 4.9             |

## BPCL

**Neutral**

**CMP: INR304 | TP: INR325 (+6%)**

**EPS CHANGE (%): FY25|26: -4|-1**

- Expect refinery throughput at 10.3mmt.
- Expect reported GRM at USD8/bbl, with blended gross marketing margin at INR4/lit
- Expect marketing sales (excluding exports) volumes of 13.3mmt (+4% YoY and 1%QoQ) during the quarter
- Watch out for updates on expansion of Bina refinery and construction of new petrochemicals plant

### Standalone - Quarterly Earning Model

(INR b)

| Y/E March                    | FY24           |                |                |                | FY25           |                |                |                | FY24           | FY25           |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                              | 1Q             | 2Q             | 3Q             | 4Q             | 1QE            | 2QE            | 3QE            | 4QE            |                |                |
| <b>Net Sales</b>             | <b>1,129.8</b> | <b>1,029.9</b> | <b>1,154.9</b> | <b>1,165.6</b> | <b>1,015.4</b> | <b>1,025.0</b> | <b>1,033.8</b> | <b>1,043.2</b> | <b>4,480.1</b> | <b>4,117.4</b> |
| YoY Change (%)               | -6.7           | -10.3          | -3.1           | -1.3           | -10.1          | -0.5           | -10.5          | -10.5          | -5.3           | -8.1           |
| <b>EBITDA</b>                | <b>158.1</b>   | <b>130.1</b>   | <b>62.8</b>    | <b>92.7</b>    | <b>59.6</b>    | <b>65.9</b>    | <b>66.5</b>    | <b>68.6</b>    | <b>443.7</b>   | <b>260.6</b>   |
| Margins (%)                  | 14.0           | 12.6           | 5.4            | 7.9            | 5.9            | 6.4            | 6.4            | 6.6            | 9.9            | 6.3            |
| Depreciation                 | 16.1           | 16.0           | 18.2           | 17.2           | 18.2           | 18.2           | 18.2           | 18.2           | 67.5           | 72.8           |
| Interest                     | 6.8            | 7.7            | 5.0            | 5.2            | 3.6            | 3.6            | 3.6            | 3.6            | 24.7           | 14.4           |
| Other Income                 | 4.7            | 7.7            | 6.8            | 4.7            | 6.3            | 6.3            | 6.3            | 6.3            | 23.9           | 25.0           |
| <b>PBT before EO expense</b> | <b>140.1</b>   | <b>113.1</b>   | <b>45.8</b>    | <b>74.4</b>    | <b>44.1</b>    | <b>50.4</b>    | <b>50.9</b>    | <b>53.0</b>    | <b>373.5</b>   | <b>198.4</b>   |
| Extra-Ord expense            | 0.0            | 0.0            | 0.0            | 18.0           | 0.0            | 0.0            | 0.0            | 0.0            | 18.0           | 0.0            |
| <b>PBT</b>                   | <b>140.1</b>   | <b>113.1</b>   | <b>45.8</b>    | <b>56.4</b>    | <b>44.1</b>    | <b>50.4</b>    | <b>50.9</b>    | <b>53.0</b>    | <b>355.5</b>   | <b>198.4</b>   |
| <b>Adj PAT</b>               | <b>105.5</b>   | <b>85.0</b>    | <b>34.0</b>    | <b>55.7</b>    | <b>33.0</b>    | <b>37.7</b>    | <b>38.1</b>    | <b>39.7</b>    | <b>280.2</b>   | <b>148.5</b>   |
| YoY Change (%)               | LP             | LP             | 73.4           | -26.4          | -68.8          | -55.7          | 12.2           | -28.8          | 848.1          | -47.0          |

**Castrol (India)****Buy****CMP: INR214 | TP: INR250 (+17%)****EPS CHANGE (%): CY24|25: 0|0**

- Forecast volumes at 60.9m liters (up 5% YoY and 7%QoQ) during the quarter
- Expect EBITDA margin to increase 15% YoY, led by declining input costs.
- Expect realization of ~INR236.2/lit (up 3% YoY) during the quarter.
- Raw material volatility, product launches, and OEM tie-ups remain the key monitorable.

**Standalone Quarterly Performance**

| Y/E December          | CY23   |        |        |        | CY24   |        |        |        | CY25   | (INR m) |        |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|--------|
|                       | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2QE    | 3QE    | 4QE    |        | CY23    | CY24E  |
| Volume (m litres)     | 55.0   | 58.0   | 51.0   | 55.0   | 58.0   | 59.5   | 53.6   | 56.8   | 60.9   | 219.0   | 227.8  |
| Realization           | 235    | 230    | 232    | 230    | 228    | 232    | 234    | 243    | 236    | 232     | 234    |
| Net Sales             | 12,939 | 13,338 | 11,829 | 12,640 | 13,252 | 13,800 | 12,556 | 13,795 | 14,383 | 50,746  | 53,403 |
| YoY Change (%)        | 4.7    | 7.4    | 5.5    | 7.5    | 2.4    | 3.5    | 6.1    | 9.1    | 8.5    | 6.3     | 5.2    |
| EBITDA                | 2,950  | 3,098  | 2,686  | 3,291  | 2,937  | 3,373  | 3,000  | 3,643  | 3,670  | 12,024  | 12,954 |
| YoY Change (%)        | -7.0   | 8.3    | 4.4    | 31.3   | -0.4   | 8.9    | 11.7   | 10.7   | 25.0   | 8.2     | 7.7    |
| Margin (%)            | 22.8   | 23.2   | 22.7   | 26.0   | 22.2   | 24.4   | 23.9   | 26.4   | 25.5   | 23.7    | 24.3   |
| Depreciation          | 227    | 218    | 229    | 250    | 237    | 236    | 248    | 242    | 233    | 924     | 963    |
| Interest              | 17     | 15     | 24     | 20     | 21     | 8      | 14     | 36     | 12     | 75      | 79     |
| Other Income          | 176    | 186    | 202    | 223    | 241    | 187    | 204    | 160    | 243    | 787     | 792    |
| PBT before EO expense | 2,883  | 3,050  | 2,635  | 3,243  | 2,921  | 3,316  | 2,942  | 3,526  | 3,668  | 11,811  | 12,704 |
| PBT                   | 2,883  | 3,050  | 2,635  | 3,243  | 2,921  | 3,316  | 2,942  | 3,526  | 3,668  | 11,811  | 12,704 |
| Tax                   | 858    | 797    | 691    | 824    | 758    | 836    | 741    | 866    | 924    | 3,170   | 3,201  |
| Rate (%)              | 29.8   | 26.1   | 26.2   | 25.4   | 26.0   | 25.2   | 25.2   | 24.6   | 25.2   | 26.8    | 25.2   |
| PAT                   | 2,025  | 2,253  | 1,944  | 2,419  | 2,162  | 2,480  | 2,201  | 2,659  | 2,744  | 8,641   | 9,503  |
| YoY Change (%)        | -11.3  | 9.2    | 3.9    | 25.2   | 6.8    | 10.1   | 13.2   | 9.9    | 26.9   | 6.0     | 10.0   |

**GAIL****Buy****CMP: INR222 | TP: INR260 (+15%)****EPS CHANGE (%): FY25|26: +1|-3**

- Expect strong transmission volumes and 17% decline in trading EBIT QoQ amid lower spot LNG prices.
- Expect Petchem volumes of 212.6kmt, with segmental EBIT remaining profitable
- Potential gas price-related tariff hikes remains a key monitorable, increasing company's FY26E PAT by 7%.
- Updates on progress of ongoing pipeline projects remains a key monitorable

**Standalone quarterly performance**

| Y/E March      | FY24     |          |          |          | FY25     |          |          |          | (INR m)   |           |
|----------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
|                | 1Q       | 2Q       | 3Q       | 4Q       | 1QE      | 2QE      | 3QE      | 4QE      | FY24      | FY25E     |
| Net Sales      | 3,24,079 | 3,18,226 | 3,42,535 | 3,23,345 | 3,25,389 | 3,32,122 | 3,32,601 | 3,43,593 | 13,08,185 | 13,33,706 |
| Change (%)     | -13.7    | -17.3    | -3.2     | -1.6     | 0.4      | 4.4      | -2.9     | 6.3      | -9.3      | 2.0       |
| EBITDA         | 26,131   | 34,913   | 38,226   | 35,578   | 34,410   | 32,456   | 33,232   | 28,709   | 1,34,848  | -3,47,652 |
| % of Net Sales | 8.1      | 11.0     | 11.2     | 11.0     | 10.6     | 9.8      | 10.0     | 8.4      | 10.3      | -26.1     |
| Depreciation   | 6,358    | 7,503    | 7,843    | 11,605   | 8,697    | 8,697    | 8,697    | 9,064    | 33,308    | 35,157    |
| Interest       | 1,758    | 1,718    | 1,564    | 1,932    | 1,594    | 1,557    | 1,417    | 1,751    | 6,972     | 6,319     |
| Other Income   | 2,676    | 5,609    | 8,121    | 6,376    | 6,147    | 6,008    | 5,468    | 6,754    | 22,782    | 24,377    |
| PBT            | 20,691   | 31,301   | 36,940   | 28,418   | 30,266   | 28,209   | 28,584   | 24,648   | 1,17,350  | -3,64,751 |
| Tax            | 4,767    | 7,252    | 8,514    | 6,648    | 7,742    | 7,215    | 7,311    | 2,503    | 27,181    | 24,771    |
| Rate (%)       | 23.0     | 23.2     | 23.0     | 23.4     | 25.6     | 25.6     | 25.6     | 10.2     | 23.2      | -6.8      |
| PAT            | 15,924   | 24,049   | 28,426   | 21,770   | 22,525   | 20,994   | 21,273   | 22,146   | 90,169    | -3,89,522 |
| Change (%)     | -45.4    | 56.5     | 1,056.8  | 260.7    | 41.5     | -12.7    | -25.2    | 1.7      | 70.1      | -532.0    |
| Adj PAT        | 15,924   | 24,049   | 28,426   | 21,770   | 22,525   | 20,994   | 21,273   | 22,146   | 90,169    | 86,937    |
| Change (%)     | -45.4    | 56.5     | 1,056.8  | 260.7    | 41.5     | -12.7    | -25.2    | 1.7      | 70.1      | -3.6      |

**Gujarat Gas****Buy****CMP: INR650 | TP: INR755 (+16%)****EPS CHANGE (%): FY25|26: -4|-5**

- Expect volumes at 10.2mmscmd (up 10% YoY/5% QoQ) with pickup in PNG I/C segment
- Expect EBITDA/scm declined to QoQ INR6/scm amid higher spot LNG prices.
- Pickup in volumes at Morbi is a key monitorable
- Push for industrial gas usage in Thane rural, Ahmedabad rural and new areas in Rajasthan would be key for growth

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

| Y/E March           | FY24          |               |               |               | FY25          |               |               |               | FY24            | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>    | <b>37,815</b> | <b>38,454</b> | <b>39,291</b> | <b>41,342</b> | <b>40,696</b> | <b>42,408</b> | <b>43,786</b> | <b>44,210</b> | <b>1,56,902</b> | <b>1,71,100</b> |
| YoY Change (%)      | -26.9         | -3.3          | 6.6           | 5.2           | 7.6           | 10.3          | 11.4          | 6.9           | -6.4            | 9.0             |
| <b>EBITDA</b>       | <b>3,880</b>  | <b>4,966</b>  | <b>4,007</b>  | <b>5,911</b>  | <b>5,506</b>  | <b>5,940</b>  | <b>6,127</b>  | <b>6,177</b>  | <b>18,764</b>   | <b>23,749</b>   |
| Margin (%)          | 10.3          | 12.9          | 10.2          | 14.3          | 13.5          | 14.0          | 14.0          | 14.0          | 12.0            | 13.9            |
| Depreciation        | 1,151         | 1,179         | 1,201         | 1,212         | 1,317         | 1,317         | 1,317         | 1,317         | 4,743           | 5,267           |
| Interest            | 74            | 78            | 72            | 69            | 74            | 74            | 74            | 74            | 293             | 297             |
| Other Income        | 239           | 298           | 230           | 311           | 286           | 286           | 286           | 286           | 1,078           | 1,145           |
| <b>PBT</b>          | <b>2,894</b>  | <b>4,007</b>  | <b>2,964</b>  | <b>5,497</b>  | <b>4,401</b>  | <b>4,835</b>  | <b>5,022</b>  | <b>5,072</b>  | <b>15,362</b>   | <b>19,329</b>   |
| Tax                 | 743           | 1,029         | 761           | 1,402         | 1,109         | 1,218         | 1,265         | 1,272         | 3,934           | 4,865           |
| Rate (%)            | 25.7          | 25.7          | 25.7          | 25.5          | 25.2          | 25.2          | 25.2          | 25.1          | 25.6            | 25.2            |
| <b>Reported PAT</b> | <b>2,151</b>  | <b>2,978</b>  | <b>2,203</b>  | <b>4,095</b>  | <b>3,292</b>  | <b>3,617</b>  | <b>3,756</b>  | <b>3,800</b>  | <b>11,428</b>   | <b>14,464</b>   |
| <b>Adj. PAT</b>     | <b>2,151</b>  | <b>2,978</b>  | <b>2,203</b>  | <b>3,681</b>  | <b>3,292</b>  | <b>3,617</b>  | <b>3,756</b>  | <b>3,800</b>  | <b>11,013</b>   | <b>14,464</b>   |
| YoY Change (%)      | -43.6         | -26.3         | -40.7         | -0.3          | 53.0          | 21.4          | 70.5          | 3.2           | -27.8           | 31.3            |

**Gujarat State Petronet****Buy****CMP: INR301 | TP: INR405 (+35%)****EPS CHANGE (%): FY25|26: 0|0**

- Expect transmission volumes of 33mmscmd (up 12% YoY/ -1% QoQ)
- EBITDA expected to decline 32% YoY.
- Commissioning of Phase-II Mehsana-Bhatinda pipeline and further expansion/debottlenecking of three pipelines connecting three LNG terminals remain key monitorable
- Tariff-related updates remain key monitorables

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

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Net Sales</b>             | <b>3,937</b> | <b>4,533</b> | <b>4,555</b> | <b>4,547</b> | <b>3,005</b> | <b>3,125</b> | <b>3,302</b> | <b>3,319</b> | <b>17,572</b> | <b>12,753</b> |
| YoY Change (%)               | -6.3         | 17.7         | 30.7         | 21.6         | -23.7        | -31.1        | -27.5        | -27.0        | 15.0          | -27.4         |
| <b>EBITDA</b>                | <b>3,364</b> | <b>4,103</b> | <b>3,795</b> | <b>3,780</b> | <b>2,276</b> | <b>2,396</b> | <b>2,572</b> | <b>2,589</b> | <b>15,041</b> | <b>9,835</b>  |
| YoY Change (%)               | -6.6         | 22.9         | 40.6         | 28.2         | -32.4        | -41.6        | -32.2        | -31.5        | 19.5          | -34.6         |
| Margin (%)                   | 85.5         | 90.5         | 83.3         | 83.1         | 75.7         | 76.7         | 77.9         | 78.0         | 85.6          | 77.1          |
| Depreciation                 | 468          | 477          | 488          | 486          | 574          | 574          | 574          | 574          | 1,920         | 2,295         |
| Interest                     | 10           | 10           | 11           | 19           | 11           | 11           | 11           | 11           | 50            | 44            |
| Other Income                 | 180          | 2,663        | 211          | 296          | 319          | 319          | 319          | 319          | 3,351         | 1,275         |
| <b>PBT before EO expense</b> | <b>3,066</b> | <b>6,278</b> | <b>3,506</b> | <b>3,571</b> | <b>2,010</b> | <b>2,130</b> | <b>2,306</b> | <b>2,324</b> | <b>16,422</b> | <b>8,771</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| <b>PBT</b>                   | <b>3,066</b> | <b>6,278</b> | <b>3,506</b> | <b>3,571</b> | <b>2,010</b> | <b>2,130</b> | <b>2,306</b> | <b>2,324</b> | <b>16,422</b> | <b>8,771</b>  |
| Tax                          | 773          | 958          | 884          | 960          | 552          | 552          | 552          | 552          | 3,576         | 2,208         |
| Rate (%)                     | 25.2         | 15.3         | 25.2         | 26.9         | 27.5         | 25.9         | 23.9         | 23.8         | 21.8          | 25.2          |
| <b>Reported PAT</b>          | <b>2,293</b> | <b>5,320</b> | <b>2,622</b> | <b>2,611</b> | <b>1,458</b> | <b>1,578</b> | <b>1,754</b> | <b>1,772</b> | <b>12,846</b> | <b>6,564</b>  |
| YoY Change (%)               | -2.6         | 69.3         | 53.4         | 16.4         | -36.4        | -70.3        | -33.1        | -32.2        | 35.9          | -48.9         |
| Margin (%)                   | 58.2         | 117.4        | 57.6         | 57.4         | 48.5         | 50.5         | 53.1         | 53.4         | 73.1          | 51.5          |

**HPCL****Buy****CMP: INR328 | TP: INR390 (+19%)****EPS CHANGE (%): FY25|26: -14|-6**

- Expect refining throughput at 5.4mmt (0% YoY)
- Expect marketing sales volumes at 12.2mmt (+3% YoY)
- Expect reported GRM at USD5.9/bbl, with gross marketing margin at INR4.1/lit.
- Watch out for completion timeline of bottom upgrade project and new Rajasthan refinery

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

| Y/E March                    | FY24           |              |                |                | FY25E          |                |              |              | FY24           | FY25E          |
|------------------------------|----------------|--------------|----------------|----------------|----------------|----------------|--------------|--------------|----------------|----------------|
|                              | 1Q             | 2Q           | 3Q             | 4Q             | 1QE            | 2QE            | 3QE          | 4QE          |                |                |
| <b>Net Sales</b>             | <b>1,119.6</b> | <b>957.0</b> | <b>1,113.1</b> | <b>1,148.2</b> | <b>1,055.6</b> | <b>1,030.3</b> | <b>981.7</b> | <b>991.0</b> | <b>4,337.9</b> | <b>4,058.6</b> |
| YoY Change (%)               | -2.2           | -11.7        | 1.6            | 6.4            | -5.7           | 7.7            | -11.8        | -13.7        | -1.5           | -6.4           |
| <b>EBITDA</b>                | <b>95.2</b>    | <b>85.8</b>  | <b>21.3</b>    | <b>51.3</b>    | <b>32.6</b>    | <b>44.8</b>    | <b>45.1</b>  | <b>46.3</b>  | <b>253.6</b>   | <b>168.8</b>   |
| Margins (%)                  | 8.5            | 9.0          | 1.9            | 4.5            | 3.1            | 4.4            | 4.6          | 4.7          | 5.8            | 4.2            |
| Depreciation                 | 13.6           | 12.4         | 13.4           | 16.1           | 16.8           | 16.8           | 16.8         | 16.8         | 55.5           | 67.3           |
| Forex loss                   | -1.3           | 3.6          | -0.4           | 0.6            | 0.0            | 0.0            | 0.0          | 0.0          | 2.6            | 0.0            |
| Interest                     | 5.9            | 5.8          | 6.1            | 7.3            | 6.3            | 6.3            | 6.3          | 6.3          | 25.2           | 25.2           |
| Other Income                 | 6.3            | 3.4          | 5.6            | 5.9            | 7.1            | 7.1            | 7.1          | 7.1          | 21.2           | 28.5           |
| <b>PBT before EO expense</b> | <b>83.3</b>    | <b>67.4</b>  | <b>7.7</b>     | <b>33.1</b>    | <b>16.6</b>    | <b>28.8</b>    | <b>29.1</b>  | <b>30.3</b>  | <b>191.5</b>   | <b>104.9</b>   |
| <b>PBT</b>                   | <b>83.3</b>    | <b>67.4</b>  | <b>7.7</b>     | <b>33.1</b>    | <b>16.6</b>    | <b>28.8</b>    | <b>29.1</b>  | <b>30.3</b>  | <b>191.5</b>   | <b>104.9</b>   |
| Rate (%)                     | 25.5           | 24.1         | 31.1           | 14.2           | 25.2           | 25.2           | 25.2         | 25.2         | 23.3           | 25.2           |
| <b>Adj PAT</b>               | <b>62.0</b>    | <b>51.2</b>  | <b>5.3</b>     | <b>28.4</b>    | <b>12.4</b>    | <b>21.6</b>    | <b>21.7</b>  | <b>22.7</b>  | <b>146.9</b>   | <b>78.5</b>    |
| YoY Change (%)               | LP             | LP           | 206.8          | -11.8          | -80.0          | -57.8          | 311.0        | -20.1        | LP             | -46.6          |

**Indraprastha Gas****Sell****CMP: INR519 | TP: INR465 (-11%)****EPS CHANGE (%): FY25|26: -17|-3**

- Expect total volumes at 8.77mmscmd (up 7% YoY/1% QoQ).
- Expect EBITDA/scm at INR6.4, as price cut offsets decline in spot LNG prices.
- Key monitorable would be increase in sales volumes from GAs – both existing and the newly awarded ones.
- Slowing D-PNG growth and increasing competition from alternate fuels in I/C segment to be the key risk to long-term volume growth prospects.

**Standalone Quarterly performance****(INR m)**

| Y/E March                   | FY24          |               |               |               | FY25          |               |               |               | FY24            | FY25E           |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>            | <b>34,070</b> | <b>34,585</b> | <b>35,504</b> | <b>35,968</b> | <b>34,217</b> | <b>34,217</b> | <b>34,217</b> | <b>34,547</b> | <b>1,40,000</b> | <b>1,37,198</b> |
| Change (%)                  | 6.7           | -2.7          | -4.3          | -2.3          | 0.4           | -1.1          | -3.6          | -3.9          | -1.0            | -2.0            |
| <b>EBITDA</b>               | <b>6,424</b>  | <b>6,569</b>  | <b>5,582</b>  | <b>5,225</b>  | <b>5,391</b>  | <b>5,733</b>  | <b>5,733</b>  | <b>6,356</b>  | <b>23,669</b>   | <b>23,214</b>   |
| EBITDA (INR/scm)            | 8.6           | 8.6           | 7.2           | 6.6           | 6.7           | 7.1           | 7.1           | 7.9           | 7.7             | 7.2             |
| Change (%)                  | 4.0           | 24.5          | 30.3          | 13.4          | -16.1         | -12.7         | 2.7           | 21.6          | 16.3            | -1.9            |
| Depreciation                | 989           | 1,022         | 1,018         | 1,108         | 1,163         | 1,163         | 1,163         | 1,163         | 4,138           | 4,651           |
| Interest                    | 24            | 25            | 18            | 26            | 21            | 21            | 21            | 21            | 92              | 82              |
| Other Income                | 457           | 1,340         | 610           | 1,094         | 706           | 706           | 706           | 706           | 3,632           | 2,824           |
| <b>PBT before EO</b>        | <b>5,867</b>  | <b>6,862</b>  | <b>5,155</b>  | <b>5,187</b>  | <b>4,914</b>  | <b>5,256</b>  | <b>5,256</b>  | <b>5,879</b>  | <b>23,072</b>   | <b>21,304</b>   |
| Tax                         | 1,483         | 1,514         | 1,235         | 1,359         | 1,237         | 1,323         | 1,323         | 1,486         | 5,591           | 5,369           |
| Rate (%)                    | 25.3          | 22.1          | 23.9          | 26.2          | 25.2          | 25.2          | 25.2          | 25.3          | 24.2            | 25.2            |
| <b>PAT</b>                  | <b>4,384</b>  | <b>5,348</b>  | <b>3,921</b>  | <b>3,828</b>  | <b>3,677</b>  | <b>3,933</b>  | <b>3,933</b>  | <b>4,393</b>  | <b>17,481</b>   | <b>15,936</b>   |
| PAT (INR/scm)               | 5.9           | 7.0           | 5.0           | 4.8           | 4.6           | 4.9           | 4.9           | 5.4           | 5.7             | 4.5             |
| Change (%)                  | 4.2           | 28.5          | 40.9          | 16.1          | -16.1         | -26.5         | 0.3           | 14.8          | 21.0            | -8.8            |
| <b>Gas volumes (mmscmd)</b> |               |               |               |               |               |               |               |               |                 |                 |
| CNG                         | 6.17          | 6.25          | 6.33          | 6.37          | 6.54          | 6.62          | 6.54          | 6.69          | 6.28            | 6.60            |
| PNG                         | 2.03          | 2.06          | 2.15          | 2.35          | 2.23          | 2.25          | 2.23          | 2.28          | 2.15            | 2.25            |
| <b>Total</b>                | <b>8.20</b>   | <b>8.30</b>   | <b>8.48</b>   | <b>8.73</b>   | <b>8.77</b>   | <b>8.87</b>   | <b>8.77</b>   | <b>8.97</b>   | <b>8.43</b>     | <b>8.85</b>     |

**IOC****Buy****CMP: INR168 | TP: INR195 (+15%)****EPS CHANGE (%): FY25|26: -8|0**

- Expect refinery throughput of 18.3mmt (down 2% YoY).
- Petchem cracks have declined sequentially, which should have a bearing on the company's petchem division
- Expect reported GRM at USD6.5/bbl, with gross marketing margin at INR3.9/lit.
- Increase in SG GRM to positively impact IOC the most among peers due to its highest leverage to refining.

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

| Y/E March        | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                  | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b> | <b>1975.3</b> | <b>1797.4</b> | <b>1991.0</b> | <b>1979.8</b> | <b>2562.2</b> | <b>2282.8</b> | <b>2387.2</b> | <b>2468.8</b> | <b>7743.5</b> | <b>9701.0</b> |
| YoY Change (%)   | -11.9         | -13.4         | -2.8          | -2.5          | 29.7          | 27.0          | 19.9          | 24.7          | -7.8          | 25.3          |
| <b>EBITDA</b>    | <b>221.5</b>  | <b>221.6</b>  | <b>155.9</b>  | <b>106.9</b>  | <b>74.7</b>   | <b>92.1</b>   | <b>95.9</b>   | <b>97.8</b>   | <b>705.8</b>  | <b>360.4</b>  |
| Margin (%)       | 11.2          | 12.3          | 7.8           | 5.4           | 2.9           | 4.0           | 4.0           | 4.0           | 9.1           | 3.7           |
| Depreciation     | 31.5          | 32.8          | 43.4          | 37.4          | 37.2          | 37.2          | 37.2          | 37.2          | 145.1         | 148.6         |
| Interest         | 16.3          | 18.5          | 18.3          | 20.2          | 18.7          | 18.7          | 18.7          | 18.7          | 73.3          | 74.9          |
| Other Income     | 6.9           | 9.8           | 14.5          | 16.6          | 12.6          | 10.6          | 10.6          | 8.6           | 47.8          | 42.3          |
| <b>PBT</b>       | <b>180.7</b>  | <b>171.7</b>  | <b>107.7</b>  | <b>63.3</b>   | <b>31.4</b>   | <b>31.4</b>   | <b>50.6</b>   | <b>50.5</b>   | <b>523.4</b>  | <b>179.3</b>  |
| Rate (%)         | 23.9          | 24.5          | 25.1          | 23.6          | 24.5          | 37.5          | 25.2          | 25.2          | 24.3          | 25.1          |
| <b>Adj PAT</b>   | <b>137.5</b>  | <b>129.7</b>  | <b>80.6</b>   | <b>48.4</b>   | <b>23.7</b>   | <b>35.0</b>   | <b>37.8</b>   | <b>37.8</b>   | <b>396.2</b>  | <b>134.4</b>  |
| YoY Change (%)   | LP            | LP            | 1699.8        | -51.9         | -82.8         | -73.0         | -53.1         | -21.8         | 380.7         | -66.1         |
| Margin (%)       | 7.0           | 7.2           | 4.0           | 2.4           | 0.9           | 1.5           | 1.6           | 1.5           | 5.1           | 1.4           |

**Mahanagar Gas****Buy****CMP: INR1,707 | TP: INR1,995 (+17%)****EPS CHANGE (%): FY25|26: +4|+6**

- Expect a volume growth of 14% YoY to 3.9mmscmd with CNG volumes up 15% YoY
- EBITDA margin expected at INR10.9/scm.
- Watch out for incentives for CNG vehicles to pick up demand in the segment.
- Updates on volumes at UEPL is a key monitorable.

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

| Y/E March           | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E         |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>    | <b>15,378</b> | <b>15,709</b> | <b>15,688</b> | <b>15,671</b> | <b>15,059</b> | <b>14,874</b> | <b>15,286</b> | <b>16,813</b> | <b>62,445</b> | <b>62,033</b> |
| YoY Change (%)      | 5.7           | 0.5           | -6.1          | -2.7          | -2.1          | -5.3          | -2.6          | 7.3           | -0.9          | -0.7          |
| <b>EBITDA</b>       | <b>5,213</b>  | <b>4,789</b>  | <b>4,487</b>  | <b>3,938</b>  | <b>3,876</b>  | <b>3,918</b>  | <b>4,027</b>  | <b>4,520</b>  | <b>18,426</b> | <b>16,341</b> |
| EBITDA/SCM          | 16.8          | 14.6          | 13.3          | 11.5          | 10.9          | 11.2          | 11.2          | 11.4          | 13.9          | 11.2          |
| Margins (%)         | 33.9          | 30.5          | 28.6          | 25.1          | 25.7          | 26.3          | 26.3          | 26.9          | 29.5          | 26.3          |
| Depreciation        | 620           | 658           | 683           | 775           | 742           | 742           | 742           | 742           | 2,736         | 2,966         |
| Interest            | 25            | 25            | 27            | 38            | 26            | 26            | 26            | 26            | 115           | 104           |
| Other Income        | 390           | 437           | 481           | 446           | 355           | 355           | 355           | 355           | 1,753         | 1,418         |
| <b>PBT</b>          | <b>4,957</b>  | <b>4,543</b>  | <b>4,258</b>  | <b>3,570</b>  | <b>3,462</b>  | <b>3,505</b>  | <b>3,614</b>  | <b>4,107</b>  | <b>17,328</b> | <b>14,688</b> |
| Tax                 | 1,273         | 1,158         | 1,086         | 920           | 872           | 882           | 910           | 1,034         | 4,437         | 3,697         |
| Rate (%)            | 25.7          | 25.5          | 25.5          | 25.8          | 25.2          | 25.2          | 25.2          | 25.2          | 25.6          | 25.2          |
| <b>Reported PAT</b> | <b>3,684</b>  | <b>3,385</b>  | <b>3,172</b>  | <b>2,650</b>  | <b>2,591</b>  | <b>2,623</b>  | <b>2,704</b>  | <b>3,073</b>  | <b>12,891</b> | <b>10,991</b> |
| YoY Change (%)      | 98.9          | 106.4         | 84.3          | -1.4          | -29.7         | -22.5         | -14.7         | 16.0          | 63.2          | -14.7         |
| Margins (%)         | 24.0          | 21.5          | 20.2          | 16.9          | 17.2          | 17.6          | 17.7          | 18.3          | 20.6          | 17.7          |

**MRPL****Sell****CMP: INR214 | TP: INR190 (-11%)****EPS CHANGE (%): FY25|26: -2|11**

- Expect refinery throughput of 4.7mmt (up 7% YoY).
- Watch out for details regarding recently announced petchem expansion and retail sales growth.
- Expect reported GRM at USD6.9/bbl, factoring in inventory gain.
- Persistently high valuations remain a concern, given the current highly volatile macro environment.

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

| Y/E March                    | FY24            |                 |                 |                 | FY25            |                 |                 |                 | FY24            | FY25E           |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                              | 1Q              | 2Q              | 3Q              | 4Q              | 1QE             | 2QE             | 3QE             | 4QE             |                 |                 |
| <b>Net Sales</b>             | <b>2,11,731</b> | <b>1,92,297</b> | <b>2,46,671</b> | <b>2,53,287</b> | <b>2,54,562</b> | <b>2,23,631</b> | <b>2,12,982</b> | <b>1,94,102</b> | <b>9,03,985</b> | <b>8,85,277</b> |
| YoY Change (%)               | -40.4           | -21.9           | -7.1            | -0.1            | 32.4            | 16.3            | -13.7           | -23.4           | -16.9           | -2.1            |
| <b>EBITDA</b>                | <b>22,428</b>   | <b>22,428</b>   | <b>11,843</b>   | <b>23,395</b>   | <b>14,125</b>   | <b>16,297</b>   | <b>16,814</b>   | <b>13,962</b>   | <b>78,283</b>   | <b>61,198</b>   |
| Margin (%)                   | 11.7            | 11.7            | 4.8             | 9.2             | 5.5             | 7.3             | 7.9             | 7.2             | 8.7             | 6.9             |
| Depreciation                 | 2,940           | 2,960           | 3,343           | 3,330           | 3,122           | 3,622           | 3,622           | 4,122           | 12,573          | 14,488          |
| Forex loss                   | -66             | 1,046           | 248             | 98              | 0               | 0               | 0               | 0               | 1,326           | 0               |
| Interest                     | 2,673           | 3,112           | 2,736           | 2,617           | 2,641           | 2,641           | 2,641           | 2,641           | 11,138          | 10,562          |
| Other Income                 | 518             | 745             | 396             | 393             | 103             | 103             | 103             | 103             | 2,051           | 414             |
| <b>Pbu before EO expense</b> | <b>16,055</b>   | <b>16,055</b>   | <b>5,912</b>    | <b>17,742</b>   | <b>8,466</b>    | <b>10,137</b>   | <b>10,655</b>   | <b>7,303</b>    | <b>55,297</b>   | <b>36,562</b>   |
| Extra-Ord expense            | 0               | 0               | 0               | 83              | 0               | 0               | 0               | 0               | 83              | 0               |
| <b>Pbu</b>                   | <b>16,055</b>   | <b>16,055</b>   | <b>5,912</b>    | <b>17,659</b>   | <b>8,466</b>    | <b>10,137</b>   | <b>10,655</b>   | <b>7,303</b>    | <b>55,214</b>   | <b>36,562</b>   |
| Tax                          | 5,461           | 5,462           | 2,041           | 6,291           | 2,879           | 3,447           | 3,623           | 2,483           | 19,255          | 12,431          |
| Rate (%)                     | 34.0            | 34.0            | 34.5            | 35.6            | 34.0            | 34.0            | 34.0            | 34.0            | 34.9            | 34.0            |
| <b>Reported PAT</b>          | <b>10,593</b>   | <b>10,593</b>   | <b>3,871</b>    | <b>11,368</b>   | <b>5,588</b>    | <b>6,691</b>    | <b>7,033</b>    | <b>4,820</b>    | <b>35,959</b>   | <b>24,131</b>   |
| YoY Change (%)               | -60.9           | LP              | LP              | -40.1           | -47.2           | -36.8           | 81.7            | -57.8           | 36.6            | -33.0           |
| Margin (%)                   | 5.5             | 5.5             | 1.6             | 4.5             | 2.2             | 3.0             | 3.3             | 2.5             | 4.0             | 2.7             |

**Oil India****Buy****CMP: INR485 | TP: INR560 (+15%)****EPS CHANGE (%): FY25|26: 0|0**

- Oil realization (post windfall tax) to decline 2% YoY in 1QFY25
- Expect oil sales at 0.86mmt (up 15% YoY) and gas sales of 0.67bcm (up 23% YoY)
- Increase in production at the Baghjan field is a key monitorable over the medium term
- Update on progress of NRL capacity expansion and IGGL phase I

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

| Y/E March                     | FY24          |               |               |               | FY24          |               |               |               | FY24            | FY25E           |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>              | <b>46,447</b> | <b>59,133</b> | <b>58,150</b> | <b>57,567</b> | <b>59,848</b> | <b>62,295</b> | <b>64,062</b> | <b>63,983</b> | <b>2,21,298</b> | <b>2,50,188</b> |
| Change (%)                    | -22.1         | 2.4           | -1.1          | 2.0           | 28.9          | 5.3           | 10.2          | 11.1          | -4.9            | 13.1            |
| <b>EBITDA</b>                 | <b>23,289</b> | <b>24,885</b> | <b>21,058</b> | <b>23,357</b> | <b>24,545</b> | <b>26,283</b> | <b>27,388</b> | <b>27,396</b> | <b>92,588</b>   | <b>1,05,612</b> |
| % of Net Sales                | 50.1          | 42.1          | 36.2          | 40.6          | 41.0          | 42.2          | 42.8          | 42.8          | 41.8            | 42.2            |
| Change (%)                    | -11.5         | 34.6          | -26.2         | -0.5          | 5.4           | 5.6           | 30.1          | 17.3          | -4.4            | 14.1            |
| D,D&A                         | 3,974         | 4,234         | 4,992         | 4,551         | 4,550         | 4,847         | 5,716         | 5,211         | 17,751          | 20,323          |
| Interest                      | 1,659         | 2,235         | 1,814         | 1,893         | 1,881         | 2,535         | 2,057         | 2,147         | 7,601           | 8,619           |
| Ol (incl. Oper. other inc)    | 3,341         | 7,092         | 5,080         | 8,332         | 6,242         | 6,242         | 6,242         | 6,242         | 23,845          | 24,966          |
| <b>PBT before exceptional</b> | <b>20,997</b> | <b>25,509</b> | <b>19,331</b> | <b>25,244</b> | <b>24,355</b> | <b>25,143</b> | <b>25,857</b> | <b>26,280</b> | <b>91,081</b>   | <b>1,01,635</b> |
| <b>PBT after exceptional</b>  | <b>20,997</b> | <b>1,882</b>  | <b>19,331</b> | <b>25,244</b> | <b>24,355</b> | <b>25,143</b> | <b>25,857</b> | <b>26,280</b> | <b>67,454</b>   | <b>1,01,635</b> |
| Tax                           | 4,863         | -1,372        | 3,489         | 4,956         | 6,130         | 6,328         | 6,508         | 6,615         | 11,936          | 25,582          |
| Rate (%)                      | 23.2          | -5.4          | 18.0          | 19.6          | 25.2          | 25.2          | 25.2          | 25.2          | 13.1            | 25.2            |
| <b>PAT</b>                    | <b>16,134</b> | <b>3,253</b>  | <b>15,843</b> | <b>20,288</b> | <b>18,225</b> | <b>18,814</b> | <b>19,349</b> | <b>19,665</b> | <b>55,519</b>   | <b>76,054</b>   |
| Change (%)                    | 3.7           | -81.1         | -9.3          | 13.5          | 13.0          | 478.3         | 22.1          | -3.1          | -18.5           | 37.0            |
| <b>Adj. PAT</b>               | <b>16,134</b> | <b>19,088</b> | <b>15,843</b> | <b>20,288</b> | <b>18,225</b> | <b>18,814</b> | <b>19,349</b> | <b>19,665</b> | <b>71,354</b>   | <b>76,054</b>   |
| Change (%)                    | 3.7           | 10.9          | -9.3          | 13.5          | 13.0          | -1.4          | 22.1          | -3.1          | 4.8             | 6.6             |

**ONGC****Buy****CMP: INR275 | TP: INR330 (+20%)****EPS CHANGE (%): FY25 | 26: -5 | -2**

- Oil realization (net of windfall tax) to remain flat YoY.
- Update on ramp-up of gas production remain the key monitorable
- Expect oil volume to be flat and gas sales volumes to be down 11% YoY. VAP sales to decline 4% YoY
- Delay in peak oil production from KG Basin or decline in oil prices below USD75/bbl are key downside risks

**Standalone - Quarterly Earning****(INR b)**

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24           | FY25E          |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |                |                |
| <b>Net Sales</b>             | <b>338.1</b> | <b>351.6</b> | <b>347.9</b> | <b>346.4</b> | <b>371.9</b> | <b>393.6</b> | <b>393.5</b> | <b>395.8</b> | <b>1,384.0</b> | <b>1,554.8</b> |
| YoY Change (%)               | -20.1        | -8.2         | -9.8         | -4.6         | 10.0         | 16.4         | 11.9         | 13.8         | -11.0          | 12.3           |
| <b>EBITDA</b>                | <b>194.5</b> | <b>183.6</b> | <b>171.6</b> | <b>174.1</b> | <b>186.6</b> | <b>204.0</b> | <b>203.5</b> | <b>205.0</b> | <b>723.8</b>   | <b>799.1</b>   |
| Margin (%)                   | 57.5         | 52.2         | 49.3         | 50.3         | 50.2         | 51.8         | 51.7         | 51.8         | 52.3           | 51.4           |
| Depreciation                 | 67.0         | 59.6         | 69.3         | 71.9         | 64.7         | 69.6         | 70.0         | 70.4         | 260.6          | 274.8          |
| Interest                     | 10.1         | 10.2         | 10.2         | 10.3         | 14.6         | 14.6         | 14.6         | 14.6         | 40.8           | 58.3           |
| Other Income                 | 16.1         | 20.9         | 34.0         | 36.8         | 24.0         | 24.0         | 24.0         | 24.0         | 107.8          | 95.8           |
| <b>PBT before EO expense</b> | <b>133.6</b> | <b>134.7</b> | <b>126.1</b> | <b>128.6</b> | <b>131.3</b> | <b>143.8</b> | <b>142.9</b> | <b>143.9</b> | <b>530.2</b>   | <b>561.9</b>   |
| Extra-Ord expense            | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0            | 0.0            |
| <b>PBT</b>                   | <b>133.6</b> | <b>134.7</b> | <b>126.1</b> | <b>128.6</b> | <b>131.3</b> | <b>143.8</b> | <b>142.9</b> | <b>143.9</b> | <b>530.2</b>   | <b>561.9</b>   |
| Tax                          | 33.5         | 32.6         | 27.2         | 29.9         | 33.1         | 36.2         | 36.0         | 36.2         | 124.9          | 141.4          |
| Rate (%)                     | 25.0         | 24.2         | 21.6         | 23.3         | 25.2         | 25.2         | 25.2         | 25.2         | 23.6           | 25.2           |
| <b>Reported PAT</b>          | <b>100.2</b> | <b>102.2</b> | <b>98.9</b>  | <b>98.7</b>  | <b>98.3</b>  | <b>107.6</b> | <b>106.9</b> | <b>107.7</b> | <b>405.3</b>   | <b>420.5</b>   |
| <b>Adj PAT</b>               | <b>100.2</b> | <b>102.2</b> | <b>98.9</b>  | <b>98.7</b>  | <b>98.3</b>  | <b>107.6</b> | <b>106.9</b> | <b>107.7</b> | <b>399.9</b>   | <b>420.5</b>   |
| YoY Change (%)               | -34.1        | -20.3        | -10.4        | 41.9         | -1.9         | 5.3          | 8.1          | 9.1          | -13.1          | 5.1            |
| Margin (%)                   | 29.6         | 29.1         | 28.4         | 28.5         | 26.4         | 27.3         | 27.2         | 27.2         | 28.9           | 27.0           |

**Petronet LNG****Neutral****CMP: INR336 | TP: INR310 (-8%)****EPS CHANGE (%): FY25 | 26: +23 | 0**

- We model in Dahej/Kochi utilization at 99%/22%.
- LNG imports remain strong given robust power demand and moderate LNG prices overall.
- Progress on ongoing projects is a key monitorable.
- Expect total PLNG volumes to increase 1% YoY.

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

| Y/E March           | FY24            |                 |                 |                 | FY25            |                 |                 |                 | FY24            | FY25E           |
|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                     | 1Q              | 2Q              | 3Q              | 4Q              | 1QE             | 2QE             | 3QE             | 4QE             |                 |                 |
| <b>Net Sales</b>    | <b>1,16,561</b> | <b>1,25,320</b> | <b>1,47,472</b> | <b>1,37,932</b> | <b>1,48,925</b> | <b>1,51,446</b> | <b>1,52,238</b> | <b>1,53,685</b> | <b>5,27,284</b> | <b>6,06,294</b> |
| YoY Change (%)      | -18.3           | -21.6           | -6.5            | -0.6            | 27.8            | 20.8            | 3.2             | 11.4            | -12.0           | 15.0            |
| <b>EBITDA</b>       | <b>11,818</b>   | <b>12,147</b>   | <b>17,060</b>   | <b>11,040</b>   | <b>15,320</b>   | <b>16,579</b>   | <b>16,579</b>   | <b>15,320</b>   | <b>52,065</b>   | <b>63,797</b>   |
| Margin (%)          | 10.1            | 9.7             | 11.6            | 8.0             | 10.3            | 10.9            | 10.9            | 10.0            | 9.9             | 10.5            |
| Depreciation        | 1,919           | 1,948           | 1,955           | 1,944           | 2,118           | 2,118           | 2,118           | 2,118           | 7,766           | 8,471           |
| Interest            | 746             | 747             | 697             | 708             | 636             | 636             | 636             | 636             | 2,897           | 2,544           |
| Other Income        | 1,467           | 1,567           | 1,565           | 1,568           | 1,201           | 1,502           | 1,502           | 1,802           | 6,167           | 6,007           |
| <b>PBT</b>          | <b>10,621</b>   | <b>11,020</b>   | <b>15,973</b>   | <b>9,957</b>    | <b>13,767</b>   | <b>15,327</b>   | <b>15,327</b>   | <b>14,368</b>   | <b>47,570</b>   | <b>58,788</b>   |
| Tax                 | 2,723           | 2,839           | 4,066           | 2,581           | 3,469           | 3,862           | 3,862           | 3,893           | 12,208          | 15,087          |
| Rate (%)            | 25.6            | 25.8            | 25.5            | 25.9            | 25.2            | 25.2            | 25.2            | 27.1            | 25.7            | 25.7            |
| <b>Reported PAT</b> | <b>7,899</b>    | <b>8,181</b>    | <b>11,907</b>   | <b>7,376</b>    | <b>10,298</b>   | <b>11,464</b>   | <b>11,464</b>   | <b>10,475</b>   | <b>35,362</b>   | <b>43,701</b>   |
| <b>Adj PAT</b>      | <b>7,899</b>    | <b>8,181</b>    | <b>11,907</b>   | <b>7,376</b>    | <b>10,298</b>   | <b>11,464</b>   | <b>11,464</b>   | <b>10,475</b>   | <b>35,362</b>   | <b>43,701</b>   |
| YoY Change (%)      | 12.7            | 9.9             | 0.9             | 20.1            | 30.4            | 40.1            | -3.7            | 42.0            | 9.1             | 23.6            |
| Margin (%)          | 6.8             | 6.5             | 8.1             | 5.3             | 6.9             | 7.6             | 7.5             | 6.8             | 6.7             | 7.2             |

## Reliance Industries

**Buy**
**CMP: INR3,132 | TP: INR3,433 (+10%)**
**EPS CHANGE (%): FY25 | 26: -24 | -19**

- Expect consolidated EBITDA to remain flat YoY at INR410b.
- Expect production meant for sale at 17.1mmt (flat YoY).  
Expect EBITDA/mt at USD91 (-10% YoY).
- Expect standalone EBITDA at INR179b (up 3% YoY)
- Further clarity on INR750b announcements in the new energy business, growth in Retail store additions, and any pricing action in Telecom are the key monitorable.

### Consolidated - Quarterly Earning

**(INR b)**

| Y/E March                      | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E        |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Sales</b>               | <b>2,076</b> | <b>2,319</b> | <b>2,251</b> | <b>2,365</b> | <b>2,337</b> | <b>2,442</b> | <b>2,609</b> | <b>2,515</b> | <b>9,011</b> | <b>9,903</b> |
| YoY Change (%)                 | -5.4         | 0.8          | 3.6          | 11.1         | 12.6         | 5.3          | 15.9         | 6.3          | 2.5          | 9.9          |
| <b>EBITDA</b>                  | <b>381</b>   | <b>410</b>   | <b>407</b>   | <b>425</b>   | <b>410</b>   | <b>454</b>   | <b>488</b>   | <b>480</b>   | <b>1,622</b> | <b>1,832</b> |
| Margins (%)                    | 18.4         | 17.7         | 18.1         | 18.0         | 17.5         | 18.6         | 18.7         | 19.1         | 18.0         | 18.5         |
| Depreciation                   | 118          | 126          | 129          | 136          | 130          | 133          | 135          | 138          | 508          | 536          |
| Interest                       | 58           | 57           | 58           | 58           | 62           | 62           | 62           | 63           | 231          | 249          |
| Other Income                   | 38           | 38           | 39           | 45           | 42           | 42           | 42           | 42           | 161          | 170          |
| <b>PBT before EO expense</b>   | <b>243</b>   | <b>265</b>   | <b>258</b>   | <b>277</b>   | <b>261</b>   | <b>302</b>   | <b>333</b>   | <b>321</b>   | <b>1,043</b> | <b>1,217</b> |
| Extra-Ord expense              | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>PBT</b>                     | <b>243</b>   | <b>265</b>   | <b>258</b>   | <b>277</b>   | <b>261</b>   | <b>302</b>   | <b>333</b>   | <b>321</b>   | <b>1,043</b> | <b>1,217</b> |
| Rate (%)                       | 25.2         | 25.2         | 24.6         | 23.7         | 26.1         | 25.4         | 25.4         | 23.8         | 24.6         | 25.1         |
| MI & Profit/Loss of Asso. Cos. | 21.7         | 24.3         | 22.2         | 21.9         | 25.9         | 25.9         | 25.9         | 25.9         | 90.1         | 103.7        |
| <b>Reported PAT</b>            | <b>160</b>   | <b>174</b>   | <b>173</b>   | <b>190</b>   | <b>167</b>   | <b>200</b>   | <b>223</b>   | <b>219</b>   | <b>696</b>   | <b>808</b>   |
| <b>Adj PAT</b>                 | <b>160</b>   | <b>174</b>   | <b>173</b>   | <b>190</b>   | <b>167</b>   | <b>200</b>   | <b>223</b>   | <b>219</b>   | <b>696</b>   | <b>808</b>   |
| YoY Change (%)                 | -12.0        | 27.0         | 9.2          | -1.8         | 4.0          | 14.9         | 29.0         | 15.5         | 2.5          | 16.0         |
| Margins (%)                    | 7.7          | 7.5          | 7.7          | 8.0          | 7.1          | 8.2          | 8.5          | 8.7          | 7.7          | 8.2          |

# Real Estate

## Company

|                      |
|----------------------|
| Brigade Enterprises  |
| DLF                  |
| Godrej Properties    |
| Kolte Patil          |
| Macrotech Developers |
| Mahindra Lifespace   |
| Oberoi Realty        |
| Phoenix Mills        |
| Prestige Estates     |
| Sobha                |
| Sunteck Realty       |

## Strong demand traction likely to continue

- Our coverage universe is expected to report pre-sales of INR286b, up 79% YoY/ flat QoQ in 1QFY25. The new launches from our coverage companies were steady, except for DLF and GPL, which were able to launch key projects in NCR and Bengaluru. Both these companies witnessed a robust response to new projects and hence, were able to outperform their peers during the quarter
- Among all the companies, GPL, MLIFE, DLF, and OBER are expected to report 2-4x YoY surge in bookings. On the other hand, PEPL is expected to witness 11% YoY decline due to the lack of big launches and high base.
- Cumulative collections from our coverage universe companies are anticipated to increase 4% YoY to INR161b – implying a collection efficiency of ~60%.
- The cumulative revenue recognition from the coverage companies is expected at INR124b, up 28% YoY, with an EBITDA of INR30b – a growth of 22% YoY.

## GPL, MLIFE, DLF, and OBER to witness the highest YoY growth in bookings

- **DLF:** The 1QFY25 performance for the company is expected to be driven by the launch of the subsequent phase of the Privana project, which was sold out (similar to the first phase) and generated bookings of INR55b.
- **Oberoi Realty:** Steady traction across all projects, along with monetization of two units at 360 West, will result in bookings of INR9.5b, double YoY.
- **GPL:** The company had another strong quarter of launches, which included one large project at NCR and Bengaluru, along with a new tower launch at a few ongoing projects. As already reported by the company, the new projects have received an encouraging response, and steady sustenance sales can enable GPL to report pre-sales of INR85b, up 4x YoY.
- **PEPL:** The company had two launches in Bengaluru worth INR10b in 1Q. This, coupled with healthy traction across ongoing projects, should lead to pre-sales of INR35b, down 11% YoY.
- **BRGD:** The company launched Insigna project in Bengaluru and given the high ticket size, the sales traction has been steady. Brigade Icon in Chennai was launched towards the end of 1Q and hence we expect minimal contribution. BRGD is expected to clock pre-sales of INR13b, up 31% YoY.
- **SOBHA:** The company's bookings during the quarter will largely be driven by the NCR market, where it launched a premium project "Sobha Aranya". Additionally, a small group housing project in the GIFT City along with two plotted projects in Tamil Nadu was also launched in 1QFY25. We expect SOBHA to report pre-sales of INR20b, up 37% YoY.
- **MLDL:** While there were no launches in 1Q, performance during the quarter is expected to be driven by new projects across Pune, Bengaluru, and Chennai, which were launched towards the end of 4QFY24. We expect MLDL to report bookings of INR10b, up 2x YoY.
- **SUNTECK:** The company can report sales of INR5.5b on the back of healthy sales across all key projects.
- **KOLTE PATIL:** Steady sustenance sales along with the small launch at Life Republic, can drive bookings to INR7.5b, up 7% YoY.

**Top picks: GPL, PEPL and SOBHA**

- The residential real estate sector continued its growth momentum with 14% growth in absorption for the top-7 cities in FY24, while realizations improved 10%. As supply continues to lag demand (547k units in FY24) and inventory overhang of 11 months, we believe gradual price hikes will continue to keep the demand momentum intact.
- With a favorable demand-supply balance, a comfortable inventory position, healthy pricing power, and a market consolidation opportunity, we expect buoyancy in the real estate sector to continue at least for the next two-three years. Accordingly, we remain constructive on the sector.
- We have a BUY rating on LODHA, GPL, PEPL, BRGD, and SOBHA and are Neutral on DLFU, MLDL, and OBER. **PEPL, GPL, and SOBHA are our top picks.**

**Exhibit 1: Expected financial performance summary**

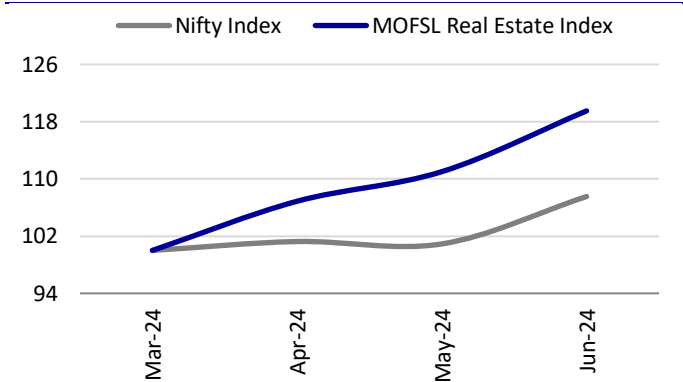
| Sector               | CMP (INR) | RECO    | Sales (INR m)   |             |              | EBITDA (INR m) |             |              | Net Profit (INR m) |             |              |
|----------------------|-----------|---------|-----------------|-------------|--------------|----------------|-------------|--------------|--------------------|-------------|--------------|
|                      |           |         | Jun-24          | Var % YoY   | Var % QoQ    | Jun-24         | Var % YoY   | Var % QoQ    | Jun-24             | Var % YoY   | Var % QoQ    |
| Brigade Enterpr.     | 1366      | Buy     | 11,424          | 74.7        | -32.9        | 3,179          | 81.8        | -26.5        | 1,116              | 141.5       | -48.1        |
| DLF                  | 831       | Neutral | 14,753          | 3.7         | -30.9        | 5,264          | 32.9        | -30.2        | 7,688              | 46.1        | -16.4        |
| Godrej Properties    | 3310      | Buy     | 6,948           | -25.8       | -51.3        | 185            | LP          | -85.0        | 1,913              | 43.2        | -60.0        |
| Kolte Patil Dev.     | 427       | Buy     | 4,066           | -28.8       | -22.7        | 299            | -67.1       | LP           | 50                 | -89.1       | LP           |
| Macrotech Developers | 1495      | Buy     | 34,582          | 113.8       | -13.9        | 9,337          | 182.9       | -10.8        | 5,908              | 247.5       | -11.4        |
| Mahindra Lifespace   | 601       | Neutral | 1,600           | 63.2        | 1,019.4      | -411           | Loss        | Loss         | 119                | LP          | -83.4        |
| Oberoi Realty        | 1805      | Neutral | 9,950           | 9.3         | -24.3        | 5,667          | 19.6        | -28.1        | 3,990              | 24.1        | -49.4        |
| Phoenix Mills        | 3580      | Neutral | 9,145           | 12.8        | -30.0        | 5,181          | 5.2         | -17.3        | 2,169              | -9.8        | -33.6        |
| Prestige Estates     | 1840      | Buy     | 19,330          | 15.0        | -10.7        | 4,932          | -6.4        | -40.4        | 230                | -91.4       | -83.6        |
| Sobha                | 1992      | Buy     | 9,658           | 6.4         | 26.6         | 1,188          | 81.7        | 91.5         | 522                | 332.1       | 642.0        |
| Sunteck Realty       | 555       | Buy     | 2,471           | 250.1       | -42.1        | 395            | LP          | -74.2        | 253                | LP          | -75.0        |
| <b>Real Estate</b>   |           |         | <b>1,23,927</b> | <b>28.0</b> | <b>-21.5</b> | <b>35,217</b>  | <b>49.8</b> | <b>-25.9</b> | <b>23,958</b>      | <b>36.7</b> | <b>-35.0</b> |

**Exhibit 2: Expected operational performance summary**

| Sector                | Pre-sales (INR b) |           |           | Volume (MSF) |           |           | Collections (INR b) |           |            |
|-----------------------|-------------------|-----------|-----------|--------------|-----------|-----------|---------------------|-----------|------------|
|                       | Jun-24            | Var % YoY | Var % QoQ | Jun-24       | Var % YoY | Var % QoQ | Jun-24              | Var % YoY | Var % QoQ  |
| Macrotech Developers* | 40                | 20        | -5        | 3.2          | 28        | -3        | 27                  | -8        | -23        |
| Oberoi Realty         | 10                | 100       | -47       | 0.3          | 76        | -36       | 11                  | 23        | -3         |
| Godrej Properties     | 85                | 277       | -11       | 8.5          | 62        | 4         | 35                  | -8        | -25        |
| DLF                   | 60                | 194       | 310       | NA           | NA        | NA        | 22                  | 14        | 0          |
| Prestige Estates      | 35                | -11       | -26       | 3.7          | -8        | -10       | 25                  | 3         | -23        |
| Brigade Enterprise    | 13                | 31        | -42       | 1.6          | -33       | -42       | 16                  | 30        | -12        |
| Sobha                 | 20                | 37        | 33        | 1.3          | -10       | 0         | 14                  | 19        | 5          |
| Mahindra Lifespace    | 10                | 190       | -8        | 1.1          | 127       | 31        | 3                   | -9        | -33        |
| Sunteck Realty        | 6                 | 42        | -19       | NA           | NA        | NA        | 3                   | -4        | 7          |
| Kolte Patil           | 8                 | 7         | 1         | 1.0          | 12        | 1         | 6                   | 10        | -5         |
| <b>Real Estate</b>    | <b>286</b>        | <b>79</b> | <b>2</b>  | <b>21</b>    | <b>6</b>  | <b>-9</b> | <b>161</b>          | <b>4</b>  | <b>-16</b> |

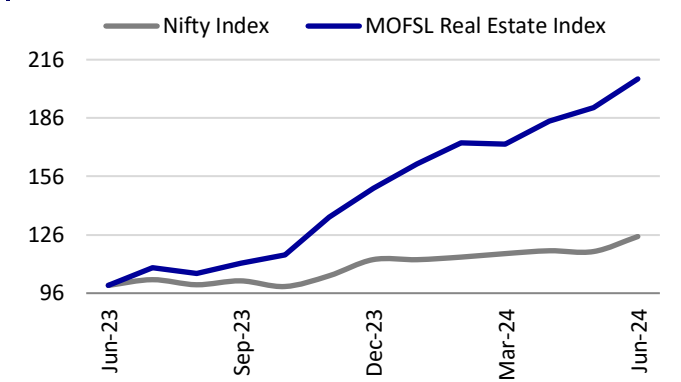
\*Actual for Macrotech Source: Company, MOFSL

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



Source: Bloomberg, MOFSL

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



Source: Bloomberg, MOFSL

**Exhibit 5: Real estate coverage – operational snapshot**

|                                      | 2QFY23       | 3QFY23       | 4QFY23       | 1QFY24       | 2QFY24       | 3QFY24       | 4QFY24       | 1QFY25E      | YoY (%)   | QoQ (%)    |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|------------|
| <b>Sales (INR b)</b>                 |              |              |              |              |              |              |              |              |           |            |
| DLF                                  | 21           | 25           | 85           | 20           | 22           | 90           | 15           | 60           | 194       | 310        |
| Godrej Properties                    | 24           | 33           | 41           | 23           | 50           | 57           | 95           | 85           | 277       | -11        |
| Macrotech                            | 31           | 30           | 30           | 34           | 35           | 34           | 42           | 40           | 20        | -5         |
| Oberoi Realty                        | 12           | 6            | 7            | 5            | 10           | 8            | 18           | 10           | 100       | -47        |
| Prestige Estates                     | 35           | 25           | 39           | 39           | 71           | 53           | 47           | 35           | -11       | -26        |
| Brigade Enterprise                   | 8            | 10           | 15           | 10           | 12           | 15           | 22           | 13           | 31        | -42        |
| Sobha                                | 12           | 14           | 15           | 15           | 17           | 20           | 15           | 20           | 37        | 33         |
| Mahindra Lifespace                   | 4            | 5            | 4            | 4            | 5            | 5            | 11           | 10           | 186       | -8         |
| Sunteck Realty                       | 3            | 4            | 5            | 4            | 4            | 5            | 7            | 6            | 42        | -19        |
| Kolte Patil                          | 7            | 7            | 7            | 6            | 7            | 7            | 7            | 8            | 19        | 1          |
| <b>Aggregate Sales (INR b)</b>       | <b>157</b>   | <b>159</b>   | <b>247</b>   | <b>159</b>   | <b>234</b>   | <b>294</b>   | <b>280</b>   | <b>286</b>   | <b>80</b> | <b>2</b>   |
| <b>Volume (msf)</b>                  |              |              |              |              |              |              |              |              |           |            |
| DLF                                  | 1.6          | 1.5          | 5.0          | 0.9          | 1.3          | 5.0          | 0.9          | 3.5          | 292       | 310        |
| Godrej Properties                    | 2.7          | 4.4          | 5.3          | 2.3          | 5.2          | 4.3          | 8.2          | 8.5          | 278       | 4          |
| Macrotech                            | 2.1          | 2.5          | 2.5          | 2.8          | 2.6          | 2.6          | 3.3          | 3.2          | 14        | -3         |
| Oberoi Realty                        | 0.4          | 0.4          | 0.2          | 0.1          | 0.2          | 0.3          | 0.4          | 0.3          | 97        | -36        |
| Prestige Estates                     | 4.6          | 2.9          | 4.0          | 3.8          | 6.8          | 5.5          | 4.1          | 3.7          | -3        | -10        |
| Brigade Enterprise                   | 1.2          | 1.5          | 2.4          | 1.5          | 1.7          | 1.7          | 2.7          | 1.6          | 8         | -42        |
| Sobha                                | 1.3          | 1.5          | 1.5          | 1.4          | 1.7          | 1.7          | 1.3          | 1.3          | -4        | 0          |
| Mahindra Lifespace                   | 0.5          | 0.6          | 0.5          | 0.4          | 0.7          | 0.5          | 0.9          | 1.1          | 165       | 31         |
| Kolte Patil                          | 0.6          | 1.1          | 1.0          | 0.9          | 1.0          | 1.0          | 1.0          | 1.0          | 12        | 1          |
| <b>Aggregate Volume (msf)</b>        | <b>14.9</b>  | <b>16.4</b>  | <b>22.3</b>  | <b>14.1</b>  | <b>21.2</b>  | <b>22.5</b>  | <b>22.8</b>  | <b>24.3</b>  | <b>2</b>  | <b>1</b>   |
| <b>Collections (INR b)</b>           |              |              |              |              |              |              |              |              |           |            |
| DLF                                  | 12           | 13           | 18           | 15           | 24           | 25           | 22           | 22           | 49        | 0          |
| Godrej Properties                    | 22           | 21           | 43           | 23           | 24           | 27           | 47           | 35           | 50        | -25        |
| Macrotech                            | 24           | 27           | 29           | 24           | 28           | 26           | 35           | 27           | 12        | -23        |
| Oberoi Realty                        | 9            | 4            | 9            | 11           | 11           | 9            | 11           | 11           | -5        | -3         |
| Prestige Estates                     | 26           | 23           | 28           | 27           | 24           | 31           | 33           | 25           | -8        | -23        |
| Brigade Enterprise                   | 10           | 9            | 10           | 8            | 14           | 10           | 18           | 16           | 93        | -12        |
| Sobha                                | 11           | 14           | 12           | 11           | 13           | 13           | 13           | 14           | 22        | 5          |
| Mahindra Lifespace                   | 3            | 3            | 3            | 3            | 2            | 4            | 4            | 3            | 0         | -33        |
| Sunteck Realty                       | 3            | 3            | 3            | 3            | 3            | 4            | 3            | 3            | 13        | 7          |
| Kolte Patil                          | 4            | 4            | 6            | 5            | 5            | 5            | 6            | 6            | 10        | -5         |
| <b>Aggregate Collections (INR b)</b> | <b>123.2</b> | <b>121.9</b> | <b>160.9</b> | <b>131.1</b> | <b>146.8</b> | <b>154.1</b> | <b>192.6</b> | <b>161.5</b> | <b>23</b> | <b>-16</b> |

Source: Company, MOFSL

**Exhibit 6: Comparative valuation**

| Company Name         | CMP<br>INR | Reco    | EPS (INR) |       |       | PE (x)      |             |             | PB (x)     |            |            | ROE (%)    |            |             |
|----------------------|------------|---------|-----------|-------|-------|-------------|-------------|-------------|------------|------------|------------|------------|------------|-------------|
|                      |            |         | FY24      | FY25E | FY26E | FY24        | FY25E       | FY26E       | FY24       | FY25E      | FY26E      | FY24       | FY25E      | FY26E       |
| <b>Real Estate</b>   |            |         |           |       |       | <b>63.9</b> | <b>58.4</b> | <b>44.9</b> | <b>5.3</b> | <b>5.8</b> | <b>5.2</b> | <b>8.3</b> | <b>9.9</b> | <b>11.5</b> |
| Brigade Enterpr.     | 1,366      | Buy     | 22.1      | 37.1  | 42.0  | 42.3        | 36.8        | 32.5        | 5.2        | 6.4        | 5.4        | 13.1       | 18.9       | 18.0        |
| DLF                  | 831        | Neutral | 11.0      | 15.6  | 17.0  | 81.6        | 53.1        | 49.0        | 4.1        | 3.5        | 3.2        | 7.1        | 9.4        | 9.5         |
| Godrej Properties    | 3,310      | Buy     | 26.9      | 34.2  | 37.8  | 85.5        | 96.8        | 87.5        | 6.4        | 8.4        | 7.7        | 7.8        | 9.1        | 9.2         |
| Kolte Patil Dev.     | 427        | Buy     | -9.2      | 13.3  | 42.7  | -50.5       | 32.1        | 10.0        | 4.8        | 4.0        | 2.9        | -7.8       | 13.1       | 34.0        |
| Macrotech Developers | 1,495      | Buy     | 16.9      | 23.7  | 35.4  | 67.0        | 63.0        | 42.2        | 6.2        | 7.3        | 6.3        | 10.7       | 12.2       | 16.0        |
| Mahindra Lifespace   | 601        | Neutral | 6.3       | 7.7   | 6.3   | 92.9        | 78.6        | 96.0        | 4.9        | 4.8        | 4.6        | 5.3        | 6.2        | 4.9         |
| Oberoi Realty        | 1,805      | Neutral | 53.0      | 50.5  | 70.8  | 27.8        | 35.8        | 25.5        | 3.9        | 4.3        | 3.7        | 14.8       | 12.6       | 15.6        |
| Phoenix Mills        | 3,580      | Neutral | 61.6      | 60.8  | 83.0  | 45.0        | 58.9        | 43.1        | 5.2        | 6.1        | 5.4        | 12.3       | 10.9       | 13.2        |
| Prestige Estates     | 1,840      | Buy     | 19.0      | 19.9  | 26.2  | 61.7        | 92.5        | 70.1        | 3.9        | 5.8        | 5.4        | 6.7        | 6.4        | 7.9         |
| Sobha                | 1,992      | Buy     | 5.1       | 35.2  | 74.2  | 283.2       | 56.5        | 26.9        | 5.5        | 6.8        | 5.5        | 2.0        | 12.7       | 22.6        |
| Sunteck Realty       | 555        | Buy     | 4.8       | 16.2  | 23.2  | 80.3        | 34.2        | 23.9        | 1.8        | 2.4        | 2.2        | 2.4        | 7.4        | 9.7         |

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL Coverage Universe.

## Brigade Enterprise

Buy

CMP: INR1366 | TP: INR1525 (12%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to jump 75% YoY to INR11b.
- EBITDA is likely to reach INR3.2b with a margin of 28%.
- New bookings for the quarter are likely to reach INR13b, up 31% YoY.

### Consolidated quarterly earnings model (INR m)

| Y/E March                      | FY24         |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|--------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                | 1Q           | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>             | <b>6,540</b> | <b>13,666</b> | <b>11,738</b> | <b>17,024</b> | <b>11,424</b> | <b>12,169</b> | <b>12,914</b> | <b>13,162</b> | <b>48,967</b> | <b>49,668</b> |
| YoY Change (%)                 | -27.5        | 55.4          | 43.1          | 102.0         | 74.7          | -11.0         | 10.0          | -22.7         | 42.1          | 1.4           |
| Total Expenditure              | 4,792        | 10,418        | 9,117         | 12,696        | 8,245         | 8,394         | 8,781         | 8,466         | 37,023        | 33,887        |
| <b>EBITDA</b>                  | <b>1,748</b> | <b>3,248</b>  | <b>2,620</b>  | <b>4,327</b>  | <b>3,179</b>  | <b>3,775</b>  | <b>4,132</b>  | <b>4,696</b>  | <b>11,944</b> | <b>15,782</b> |
| Margins (%)                    | 26.7         | 23.8          | 22.3          | 25.4          | 27.8          | 31.0          | 32.0          | 35.7          | 24.4          | 31.8          |
| Depreciation                   | 681          | 757           | 821           | 762           | 777           | 792           | 808           | 820           | 3,021         | 3,197         |
| Interest                       | 1,081        | 1,100         | 1,349         | 1,380         | 1,352         | 1,217         | 1,095         | 1,026         | 4,910         | 4,690         |
| Other Income                   | 315          | 413           | 344           | 603           | 330           | 434           | 361           | 633           | 1,674         | 1,758         |
| <b>PBT before EO expense</b>   | <b>300</b>   | <b>1,803</b>  | <b>795</b>    | <b>2,788</b>  | <b>1,380</b>  | <b>2,199</b>  | <b>2,590</b>  | <b>3,483</b>  | <b>5,687</b>  | <b>9,652</b>  |
| Extra-Ord expense              | 0            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                     | <b>300</b>   | <b>1,803</b>  | <b>795</b>    | <b>2,788</b>  | <b>1,380</b>  | <b>2,199</b>  | <b>2,590</b>  | <b>3,483</b>  | <b>5,687</b>  | <b>9,652</b>  |
| Tax                            | 5            | 597           | 150           | 591           | 347           | 554           | 652           | 877           | 1,343         | 2,430         |
| Rate (%)                       | 1.6          | 33.1          | 18.9          | 21.2          | 25.2          | 25.2          | 25.2          | 25.2          | 23.6          | 17.5          |
| MI & Profit/Loss of Asso. Cos. | -166         | -210          | -177          | 48            | -83           | -88           | -94           | -96           | -506          | -361          |
| <b>Reported PAT</b>            | <b>462</b>   | <b>1,417</b>  | <b>822</b>    | <b>2,149</b>  | <b>1,116</b>  | <b>1,734</b>  | <b>2,032</b>  | <b>2,702</b>  | <b>4,849</b>  | <b>7,584</b>  |
| <b>Adj PAT</b>                 | <b>462</b>   | <b>1,417</b>  | <b>822</b>    | <b>2,149</b>  | <b>1,116</b>  | <b>1,734</b>  | <b>2,032</b>  | <b>2,702</b>  | <b>4,516</b>  | <b>7,584</b>  |
| YoY Change (%)                 | -42.4        | 115.4         | 44.4          | 305.8         | 141.5         | 22.4          | 147.3         | 25.7          | 79.6          | 67.9          |
| Margins (%)                    | 7.1          | 10.4          | 7.0           | 12.6          | 9.8           | 14.3          | 15.7          | 20.5          | 9.2           | 15.3          |

## DLF

Neutral

CMP: INR831 | TP: INR850 (2%)

EPS CHANGE (%): FY24|25: 3|0

- Expect revenue to remain flat at INR15b.
- DLF can report an EBITDA of INR5.2b with steady margin
- New bookings are expected to surge 3x YoY to INR60b aided by a strong response to the subsequent phase of the Privana project

### Consolidated quarterly earnings model (INR m)

| Y/E March                      | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>             | <b>14,232</b> | <b>13,477</b> | <b>15,213</b> | <b>21,348</b> | <b>14,753</b> | <b>14,016</b> | <b>16,229</b> | <b>28,769</b> | <b>64,270</b> | <b>73,767</b> |
| YoY Change (%)                 | -1.3          | 3.5           | 1.8           | 46.6          | 3.7           | 4.0           | 6.7           | 34.8          | 12.9          | 14.8          |
| Total Expenditure              | 10,271        | 8,853         | 10,103        | 13,807        | 9,489         | 8,891         | 1Q            | 2Q            | 3Q            | 4Q            |
| <b>EBITDA</b>                  | <b>3,962</b>  | <b>4,624</b>  | <b>5,110</b>  | <b>7,541</b>  | <b>5,264</b>  | <b>5,125</b>  | <b>6,010</b>  | <b>10,321</b> | <b>21,236</b> | <b>26,720</b> |
| Margins (%)                    | 27.8          | 34.3          | 33.6          | 35.3          | 35.7          | 36.6          | 37.0          | 35.9          | 33.0          | 36.2          |
| Depreciation                   | 364           | 370           | 380           | 367           | 385           | 404           | 425           | 509           | 1,480         | 1,724         |
| Interest                       | 849           | 902           | 837           | 977           | 928           | 947           | 966           | 926           | 3,565         | 3,767         |
| Other Income                   | 985           | 1,287         | 1,223         | 1,819         | 1,182         | 1,223         | 1,055         | 1,335         | 5,313         | 4,795         |
| <b>PBT before EO expense</b>   | <b>3,734</b>  | <b>4,639</b>  | <b>5,115</b>  | <b>8,016</b>  | <b>5,133</b>  | <b>4,997</b>  | <b>5,675</b>  | <b>10,221</b> | <b>21,505</b> | <b>26,025</b> |
| Extra-Ord expense              | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                     | <b>3,734</b>  | <b>4,639</b>  | <b>5,115</b>  | <b>8,016</b>  | <b>5,133</b>  | <b>4,997</b>  | <b>5,675</b>  | <b>10,221</b> | <b>21,505</b> | <b>26,025</b> |
| Tax                            | 1,014         | 1,122         | 1,350         | 1,715         | 1,291         | 1,257         | 1,428         | 2,572         | 5,201         | 6,548         |
| Rate (%)                       | 27.2          | 24.2          | 26.4          | 21.4          | 25.2          | 25.2          | 25.2          | 25.2          | 24.2          | 25.2          |
| MI & Profit/Loss of Asso. Cos. | 2,541         | 2,701         | 2,792         | 2,897         | 3,847         | 3,655         | 4,232         | 7,502         | 10,931        | 19,236        |
| <b>Reported PAT</b>            | <b>5,261</b>  | <b>6,219</b>  | <b>6,557</b>  | <b>9,198</b>  | <b>7,688</b>  | <b>7,394</b>  | <b>8,479</b>  | <b>15,151</b> | <b>27,235</b> | <b>38,713</b> |
| <b>Adj PAT</b>                 | <b>5,261</b>  | <b>6,219</b>  | <b>6,557</b>  | <b>9,198</b>  | <b>7,688</b>  | <b>7,394</b>  | <b>8,479</b>  | <b>15,151</b> | <b>27,235</b> | <b>38,713</b> |
| YoY Change (%)                 | 12.1          | 30.3          | 26.4          | 61.5          | 46.1          | 18.9          | 29.3          | 64.7          | 33.9          | 42.1          |
| Margins (%)                    | 37.0          | 46.1          | 43.1          | 43.1          | 52.1          | 52.8          | 52.2          | 52.7          | 42.4          | 52.5          |

Source: Company, MOFSL

**Godrej Properties****Buy**

CMP: INR3,282 | TP: INR3,725 (13%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to decline 26% YoY to INR7b.
- GPL's PAT is likely to increase 43% YoY to INR1.9b.
- Aided by a strong response to the new launches, GPL's pre-sales could jump 4x YoY to INR85b.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24          |              |              |               | FY25E        |              |              |               | FY24          | FY25E         |
|--------------------------------|---------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|---------------|---------------|
|                                | 1Q            | 2Q           | 3Q           | 4Q            | 1QE          | 2QE          | 3QE          | 4QE           |               |               |
| <b>Gross Sales</b>             | <b>9,360</b>  | <b>3,430</b> | <b>3,304</b> | <b>14,261</b> | <b>6,948</b> | <b>5,211</b> | <b>8,685</b> | <b>13,896</b> | <b>30,356</b> | <b>34,741</b> |
| YoY Change (%)                 | 282.6         | 107.8        | 68.4         | -13.4         | -25.77       | 51.93        | 162.84       | -2.56         | 34.8          | 14.4          |
| Total Expenditure              | 10,853        | 4,047        | 3,720        | 13,033        | 6,764        | 4,808        | 8,014        | 12,469        | 31,653        | 32,055        |
| <b>EBITDA</b>                  | <b>-1,493</b> | <b>-617</b>  | <b>-416</b>  | <b>1,228</b>  | <b>185</b>   | <b>403</b>   | <b>672</b>   | <b>1,427</b>  | <b>-1,297</b> | <b>2,686</b>  |
| Margins (%)                    | -15.9         | -18.0        | -12.6        | 8.6           | 2.7          | 7.7          | 7.7          | 10.3          | -4.3          | 7.7           |
| Depreciation                   | 69            | 74           | 142          | 161           | 89           | 67           | 111          | 178           | 446           | 446           |
| Interest                       | 297           | 480          | 430          | 315           | 897          | 934          | 934          | 972           | 1,521         | 3,738         |
| Other Income                   | 3,299         | 2,621        | 2,179        | 4,887         | 3,081        | 3,210        | 3,210        | 3,338         | 12,986        | 12,839        |
| <b>PBT before EO expense</b>   | <b>1,440</b>  | <b>1,451</b> | <b>1,192</b> | <b>5,639</b>  | <b>2,280</b> | <b>2,612</b> | <b>2,836</b> | <b>3,615</b>  | <b>9,723</b>  | <b>11,342</b> |
| <b>PBT</b>                     | <b>1,440</b>  | <b>1,451</b> | <b>1,192</b> | <b>5,639</b>  | <b>2,280</b> | <b>2,612</b> | <b>2,836</b> | <b>3,615</b>  | <b>9,723</b>  | <b>11,342</b> |
| Tax                            | 592           | 388          | 319          | 1,230         | 567          | 425          | 709          | 1,134         | 2,529         | 2,836         |
| Rate (%)                       | 41.1          | 26.7         | 26.8         | 21.8          | 24.9         | 16.3         | 25.0         | 31.4          | 26.0          | 25.0          |
| MI & Profit/Loss of Asso. Cos. | 488           | -336         | -245         | 371           | 200          | 150          | 250          | 400           | 277           | 999           |
| <b>Reported PAT</b>            | <b>1,336</b>  | <b>726</b>   | <b>627</b>   | <b>4,780</b>  | <b>1,913</b> | <b>2,336</b> | <b>2,376</b> | <b>2,881</b>  | <b>7,471</b>  | <b>9,506</b>  |
| <b>Adj PAT</b>                 | <b>1,336</b>  | <b>726</b>   | <b>627</b>   | <b>4,780</b>  | <b>1,913</b> | <b>2,336</b> | <b>2,376</b> | <b>2,881</b>  | <b>7,471</b>  | <b>9,506</b>  |
| YoY Change (%)                 | 208.5         | 8.4          | 11.2         | 5.2           | 43.2         | 221.6        | 278.9        | -39.7         | 20.3          | 27.2          |
| Margins (%)                    | 14.3          | 21.2         | 19.0         | 33.5          | 27.5         | 44.8         | 27.4         | 20.7          | 24.6          | 27.4          |

**Kolte Patil Developers****Buy**

CMP: INR427 | TP: INR700 (64%)

EPS CHANGE (%): FY24|25: 0|0

- Expect revenue to decline 29% YoY to INR4b.
- Margin pressure on legacy projects can result in 67% YoY decline in EBITDA.
- Steady sales across the ongoing project will drive bookings to INR7.5b, up 8% YoY.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24         |              |             |              | FY25E        |              |              |              | FY24          | FY25E         |
|--------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q          | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>             | <b>5,712</b> | <b>1,982</b> | <b>758</b>  | <b>5,264</b> | <b>4,066</b> | <b>5,083</b> | <b>4,575</b> | <b>6,608</b> | <b>13,715</b> | <b>20,332</b> |
| YoY Change (%)                 | 185          | 61           | -79         | -34          | -29          | 157          | 504          | 26           | -7.9          | 48.2          |
| Total Expenditure              | 4,800        | 1,947        | 1,124       | 5,332        | 3,767        | 4,434        | 3,991        | 5,545        | 13,204        | 17,736        |
| <b>EBITDA</b>                  | <b>912</b>   | <b>35</b>    | <b>-367</b> | <b>-68</b>   | <b>299</b>   | <b>649</b>   | <b>584</b>   | <b>1,063</b> | <b>511</b>    | <b>2,595</b>  |
| Margins (%)                    | 16.0         | 1.8          | -48.4       | -1.3         | 7.4          | 12.8         | 12.8         | 16.1         | 3.7           | 12.8          |
| Depreciation                   | 31           | 31           | 42          | 39           | 40           | 42           | 45           | 43           | 142           | 170           |
| Interest                       | 366          | 94           | 308         | 210          | 196          | 245          | 220          | 318          | 979           | 978           |
| Other Income                   | 74           | 67           | 79          | 13           | 47           | 58           | 52           | 76           | 233           | 233           |
| <b>PBT before EO expense</b>   | <b>588</b>   | <b>-24</b>   | <b>-637</b> | <b>-303</b>  | <b>110</b>   | <b>420</b>   | <b>372</b>   | <b>778</b>   | <b>-377</b>   | <b>1,680</b>  |
| Extra-Ord expense              | 0            | 124          | 0           | 111          | 0            | 0            | 0            | 0            | -235          | 0             |
| <b>PBT</b>                     | <b>588</b>   | <b>-147</b>  | <b>-637</b> | <b>-414</b>  | <b>110</b>   | <b>420</b>   | <b>372</b>   | <b>778</b>   | <b>-611</b>   | <b>1,680</b>  |
| Tax                            | 100          | 93           | -42         | -185         | 36           | 139          | 123          | 258          | -34           | 557           |
| Rate (%)                       | 17.0         | -63.0        | 6.6         | 44.6         | 33.2         | 33.2         | 33.2         | 33.2         | 0.1           | 0.3           |
| MI & Profit/Loss of Asso. Cos. | 29           | 13           | 34          | 41           | 23           | 29           | 26           | 38           | 116           | 116           |
| <b>Reported PAT</b>            | <b>460</b>   | <b>-253</b>  | <b>-629</b> | <b>-270</b>  | <b>50</b>    | <b>252</b>   | <b>222</b>   | <b>482</b>   | <b>-694</b>   | <b>1,006</b>  |
| <b>Adj PAT</b>                 | <b>460</b>   | <b>-253</b>  | <b>-629</b> | <b>-270</b>  | <b>50</b>    | <b>252</b>   | <b>222</b>   | <b>482</b>   | <b>-693</b>   | <b>1,006</b>  |
| YoY Change (%)                 | 116          | 188          | 134         | -123         | -89          | NA           | NA           | NA           | NA            | NA            |
| Margins (%)                    | 8.0          | -12.8        | -83.0       | -5.1         | 1.2          | 5.0          | 4.9          | 7.3          | -5.0          | 5.0           |

**Macrotech Developers****Buy****CMP: INR1,495 | TP: INR1,770 (+18%)****EPS CHANGE (%): FY24|25: 0|0**

- Expect revenue to increase 114% YoY to INR35b.
- EBITDA to jump 183% YoY to INR9.3b driven by 700bp improvement in EBITDA margin.
- It has reported pre-sales of INR40b, up 20% YoY.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                       | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                                 | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Gross Sales</b>              | <b>16,174</b> | <b>17,496</b> | <b>29,306</b> | <b>40,185</b> | <b>34,582</b> | <b>31,124</b> | <b>33,199</b> | <b>39,423</b> | <b>1,03,161</b> | <b>1,38,327</b> |
| YoY Change (%)                  | -40           | -1            | 65            | 23            | 114           | 78            | 13            | -2            | 8.9             | 34.1            |
| Total Expenditure               | 12,874        | 13,335        | 20,479        | 29,716        | 25,245        | 23,446        | 24,650        | 28,329        | 76,404          | 1,01,670        |
| <b>EBITDA</b>                   | <b>3,300</b>  | <b>4,161</b>  | <b>8,827</b>  | <b>10,469</b> | <b>9,337</b>  | <b>7,677</b>  | <b>8,549</b>  | <b>11,094</b> | <b>26,757</b>   | <b>36,657</b>   |
| Margins (%)                     | 20.4          | 23.8          | 30.1          | 26.1          | 27.0          | 24.7          | 25.8          | 28.1          | 25.9            | 26.5            |
| <b>Adj. EBITDA (as per co.)</b> | <b>4,600</b>  | <b>5,500</b>  | <b>10,800</b> | <b>13,400</b> | <b>9337</b>   | <b>7,677</b>  | <b>8,549</b>  | <b>11,094</b> | <b>68,600</b>   | <b>34,300</b>   |
| Margins (%)                     | 28.4          | 31.4          | 36.9          | 33.3          | 27            | 24.7          | 25.8          | 28.1          | 66.5            | 24.8            |
| Depreciation                    | 240           | 293           | 333           | 1,173         | 222           | 200           | 213           | 253           | 2,039           | 888             |
| Interest                        | 1,241         | 1,231         | 1,168         | 1,158         | 1,100         | 1,045         | 993           | 1,181         | 4,798           | 4,319           |
| Other Income                    | 544           | 55            | 281           | 654           | 490           | 300           | 295           | 380           | 1,534           | 1,465           |
| <b>PBT before EO expense</b>    | <b>2,363</b>  | <b>2,692</b>  | <b>7,607</b>  | <b>8,792</b>  | <b>8,505</b>  | <b>6,732</b>  | <b>7,638</b>  | <b>10,041</b> | <b>21,454</b>   | <b>32,916</b>   |
| Extra-Ord expense               | 0             | 0             | 1,049         | 0             | 0             | 0             | 0             | 0             | -1,049          | 0               |
| <b>PBT</b>                      | <b>2,363</b>  | <b>2,692</b>  | <b>6,558</b>  | <b>8,792</b>  | <b>8,505</b>  | <b>6,732</b>  | <b>7,638</b>  | <b>10,041</b> | <b>20,405</b>   | <b>32,916</b>   |
| Tax                             | 556           | 624           | 1,439         | 2,115         | 2,551         | 2,020         | 2,291         | 3,012         | 4,734           | 9,875           |
| Rate (%)                        | 23.5          | 23.2          | 21.9          | 24.1          | 30.0          | 30.0          | 30.0          | 30.0          | 0.2             | 0.3             |
| MI & Profit/Loss of Asso. Cos.  | 15            | 40            | 67            | 7             | 45            | 41            | 43            | 51            | 180             | 180             |
| <b>Reported PAT</b>             | <b>1,792</b>  | <b>2,028</b>  | <b>5,052</b>  | <b>6,670</b>  | <b>5,908</b>  | <b>4,672</b>  | <b>5,303</b>  | <b>6,977</b>  | <b>15,491</b>   | <b>22,861</b>   |
| <b>Adj PAT (as per co.)</b>     | <b>1,700</b>  | <b>2,100</b>  | <b>5,700</b>  | <b>6,670</b>  | <b>5,908</b>  | <b>4,672</b>  | <b>5,303</b>  | <b>6,977</b>  | <b>16,170</b>   | <b>22,861</b>   |
| YoY Change (%)                  | 42            | -43           | 90            | -11           | 248           | 122           | -7            | 5             | 5.2             | 41.4            |
| Margins (%)                     | 10.5          | 12.0          | 19.4          | 16.6          | 17.1          | 15.0          | 16.0          | 17.7          | 15.7            | 16.5            |

**Mahindra Lifespaces****Neutral****CMP: INR601 | TP: INR600 (0%)****EPS CHANGE (%): FY24|25: 0|0**

- Revenue is expected to increase 63% YoY aided by partial completion of the Vicino project
- On the back of successful launches at Bengaluru, Pune, and Chennai, we expect MLDL to report quarterly bookings of INR10b, up 3x YoY

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24        |             |             |             | FY25E        |             |              |             | FY24          | FY25E         |
|--------------------------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|-------------|---------------|---------------|
|                                | 1Q          | 2Q          | 3Q          | 4Q          | 1QE          | 2QE         | 3QE          | 4QE         |               |               |
| <b>Income from Operations</b>  | <b>980</b>  | <b>178</b>  | <b>820</b>  | <b>143</b>  | <b>1,600</b> | <b>880</b>  | <b>1,040</b> | <b>480</b>  | <b>2,121</b>  | <b>3,999</b>  |
| YoY Change (%)                 | 3.7         | -74.5       | -56.1       | -94.4       | 63.2         | 395.1       | 26.8         | 235.8       | -65.0         | 88.6          |
| Total Expenditure              | 1,412       | 527         | 1,210       | 684         | 2,011        | 1,106       | 1,307        | 603         | 3,832         | 5,027         |
| <b>EBITDA</b>                  | <b>-431</b> | <b>-349</b> | <b>-390</b> | <b>-541</b> | <b>-411</b>  | <b>-226</b> | <b>-267</b>  | <b>-123</b> | <b>-1,711</b> | <b>-1,028</b> |
| Margins (%)                    | -44.0       | -196.5      | -47.6       | -378.6      | -25.7        | -25.7       | -25.7        | -25.7       | -80.7         | -25.7         |
| Depreciation                   | 30          | 31          | 38          | 38          | 39           | 40          | 39           | 34          | 137           | 152           |
| Interest                       | 42          | 2           | 3           | 26          | 31           | 38          | 45           | 63          | 74            | 177           |
| Other Income                   | 120         | 79          | 68          | 403         | 64           | 35          | 42           | 19          | 670           | 160           |
| <b>PBT before EO expense</b>   | <b>-383</b> | <b>-303</b> | <b>-364</b> | <b>-202</b> | <b>-418</b>  | <b>-268</b> | <b>-310</b>  | <b>-201</b> | <b>-1,252</b> | <b>-1,197</b> |
| Extra-Ord expense              | 0           | 0           | 0           | 0           | 0            | 0           | 0            | 0           | 0             | 0             |
| <b>PBT</b>                     | <b>-383</b> | <b>-303</b> | <b>-364</b> | <b>-202</b> | <b>-418</b>  | <b>-268</b> | <b>-310</b>  | <b>-201</b> | <b>-1,252</b> | <b>-1,197</b> |
| Tax                            | -94         | -108        | -109        | -129        | -120         | -66         | -78          | -36         | -440          | -299          |
| Rate (%)                       | 24.4        | 35.7        | 30.1        | 63.8        | 28.7         | 24.5        | 25.1         | 17.9        | 35.2          | 25.0          |
| MI & Profit/Loss of Asso. Cos. | 247         | 6           | 754         | 788         | 417          | 521         | 542          | 604         | 1,790         | 2,084         |
| <b>Reported PAT</b>            | <b>-43</b>  | <b>-189</b> | <b>500</b>  | <b>715</b>  | <b>119</b>   | <b>319</b>  | <b>309</b>   | <b>439</b>  | <b>979</b>    | <b>1,186</b>  |
| <b>Adj PAT</b>                 | <b>-43</b>  | <b>-189</b> | <b>500</b>  | <b>715</b>  | <b>119</b>   | <b>319</b>  | <b>309</b>   | <b>439</b>  | <b>979</b>    | <b>1,186</b>  |
| YoY Change (%)                 | NM          | NM          | NM          | NM          | NM           | NM          | -38.1        | -38.6       | NM            | 20.7          |
| Margins (%)                    | -4.4        | -106.5      | 61.0        | 500.2       | 7.4          | 36.2        | 29.8         | 91.5        | 46.3          | 29.7          |

**Oberoi Realty****Neutral****CMP: INR1,805 | TP: INR1,560 (-14%)****EPS CHANGE (%): FY24|25: 9|0**

- Expect revenue to increase 9% YoY to INR9.9b aided by the commencement of revenue recognition from new tower at Elysian.
- OBER's EBITDA could increase 20% YoY to INR6b due to 500bps margin expansion.
- New bookings could increase to INR10b, up 100% YoY

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24         |               |               |               | FY25E        |               |               |               | FY24          | FY25E         |
|--------------------------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                                | 1Q           | 2Q            | 3Q            | 4Q            | 1QE          | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>               | <b>9,100</b> | <b>12,174</b> | <b>10,536</b> | <b>13,148</b> | <b>9,950</b> | <b>10,424</b> | <b>12,319</b> | <b>14,688</b> | <b>44,958</b> | <b>47,381</b> |
| YoY Change (%)                 | -0.3         | 76.8          | -35.3         | 36.8          | 9.3          | -14.4         | 16.9          | 11.7          | 7.2           | 5.4           |
| Total Expenditure              | 4,362        | 5,792         | 5,443         | 5,262         | 4,283        | 4,495         | 5,527         | 6,954         | 20,859        | 21,259        |
| <b>EBITDA</b>                  | <b>4,737</b> | <b>6,382</b>  | <b>5,094</b>  | <b>7,886</b>  | <b>5,667</b> | <b>5,929</b>  | <b>6,792</b>  | <b>7,734</b>  | <b>24,099</b> | <b>26,122</b> |
| Margins (%)                    | 52.1         | 52.4          | 48.3          | 60.0          | 57.0         | 56.9          | 55.1          | 52.7          | 53.6          | 55.1          |
| Depreciation                   | 113          | 113           | 114           | 135           | 218          | 228           | 270           | 322           | 475           | 1,037         |
| Interest                       | 615          | 565           | 501           | 504           | 283          | 296           | 350           | 418           | 2,184         | 1,347         |
| Other Income                   | 236          | 264           | 292           | 2,438         | 189          | 198           | 234           | 279           | 3,230         | 900           |
| <b>PBT before EO expense</b>   | <b>4,245</b> | <b>5,968</b>  | <b>4,771</b>  | <b>9,685</b>  | <b>5,356</b> | <b>5,602</b>  | <b>6,406</b>  | <b>7,274</b>  | <b>24,669</b> | <b>24,638</b> |
| Extra-Ord expense              | 0            | 0             | 0             | 0             | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                     | <b>4,245</b> | <b>5,968</b>  | <b>4,771</b>  | <b>9,685</b>  | <b>5,356</b> | <b>5,602</b>  | <b>6,406</b>  | <b>7,274</b>  | <b>24,669</b> | <b>24,638</b> |
| Tax                            | 1,046        | 1,421         | 1,192         | 1,833         | 1,366        | 1,429         | 1,633         | 1,855         | 5,491         | 6,283         |
| Rate (%)                       | 24.6         | 23.8          | 25.0          | 18.9          | 25.5         | 25.5          | 25.5          | 25.5          | 22.3          | 25.5          |
| MI & Profit/Loss of Asso. Cos. | 17           | 21            | 22            | 28            | 0            | 0             | 0             | 0             | 89            | 0             |
| <b>Reported PAT</b>            | <b>3,216</b> | <b>4,568</b>  | <b>3,602</b>  | <b>7,880</b>  | <b>3,990</b> | <b>4,174</b>  | <b>4,772</b>  | <b>5,419</b>  | <b>19,266</b> | <b>18,355</b> |
| <b>Adj PAT</b>                 | <b>3,216</b> | <b>4,568</b>  | <b>3,602</b>  | <b>7,880</b>  | <b>3,990</b> | <b>4,174</b>  | <b>4,772</b>  | <b>5,419</b>  | <b>19,266</b> | <b>18,355</b> |
| YoY Change (%)                 | -20.2        | 43.4          | -48.7         | 64.1          | 24.1         | -8.6          | 32.5          | -31.2         | 1.2           | -4.7          |
| Margins (%)                    | 35.3         | 37.5          | 34.2          | 59.9          | 40.1         | 40.0          | 38.7          | 36.9          | 42.9          | 38.7          |

**Phoenix Mills****Neutral****CMP: INR3,580 | TP: INR3,220 (-10%)****EPS CHANGE (%): FY24|25: 3|4**

- Expect revenue to increase 13% YoY to INR9b in 1QFY25.
- EBITDA margin is likely to remain steady at 57%, with EBITDA reaching INR5b.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                    | FY24         |              |              |               | FY25E        |              |               |               | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q            | 1QE          | 2QE          | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>           | <b>8,106</b> | <b>8,750</b> | <b>9,861</b> | <b>13,059</b> | <b>9,145</b> | <b>9,213</b> | <b>10,415</b> | <b>11,284</b> | <b>39,777</b> | <b>40,057</b> |
| YoY Change (%)               | 41.1         | 34.4         | 44.2         | 79.1          | 12.8         | 5.3          | 5.6           | -13.6         | 50.8          | 0.7           |
| Total Expenditure            | 3,183        | 3,691        | 4,343        | 6,792         | 3,964        | 3,731        | 4,254         | 4,412         | 18,009        | 16,362        |
| <b>EBITDA</b>                | <b>4,923</b> | <b>5,060</b> | <b>5,518</b> | <b>6,267</b>  | <b>5,181</b> | <b>5,482</b> | <b>6,161</b>  | <b>6,871</b>  | <b>21,768</b> | <b>23,695</b> |
| Margins (%)                  | 60.7         | 57.8         | 56.0         | 48.0          | 56.7         | 59.5         | 59.2          | 60.9          | 54.7          | 59.2          |
| Depreciation                 | 630          | 659          | 656          | 757           | 886          | 849          | 960           | 997           | 2,702         | 3,692         |
| Interest                     | 957          | 965          | 1,042        | 995           | 946          | 898          | 889           | 888           | 3,959         | 3,622         |
| Other Income                 | 290          | 316          | 343          | 372           | 309          | 296          | 335           | 348           | 1,322         | 1,289         |
| <b>PBT before EO expense</b> | <b>3,627</b> | <b>3,752</b> | <b>4,163</b> | <b>4,886</b>  | <b>3,659</b> | <b>4,030</b> | <b>4,646</b>  | <b>5,334</b>  | <b>16,429</b> | <b>17,669</b> |
| Extra-Ord expense            | 0            | 0            | 0            | 0             | 0            | 0            | 0             | 0             | 0             | 0             |
| <b>PBT</b>                   | <b>3,627</b> | <b>3,752</b> | <b>4,163</b> | <b>4,886</b>  | <b>3,659</b> | <b>4,030</b> | <b>4,646</b>  | <b>5,334</b>  | <b>16,429</b> | <b>17,669</b> |
| Tax                          | 730          | 714          | 724          | 998           | 919          | 1,012        | 1,167         | 1,340         | 3,166         | 4,439         |
| Rate (%)                     | 20.1         | 19.0         | 17.4         | 20.4          | 25.1         | 25.1         | 25.1          | 25.1          | 19.3          | 25.1          |
| MI & P/L of Asso. Cos.       | 492          | 512          | 646          | 621           | 571          | 547          | 618           | 642           | 2,270         | 2,378         |
| <b>Reported PAT</b>          | <b>2,405</b> | <b>2,526</b> | <b>2,793</b> | <b>3,267</b>  | <b>2,169</b> | <b>2,471</b> | <b>2,861</b>  | <b>3,352</b>  | <b>10,993</b> | <b>10,853</b> |
| <b>Adj PAT</b>               | <b>2,405</b> | <b>2,526</b> | <b>2,793</b> | <b>3,267</b>  | <b>2,169</b> | <b>2,471</b> | <b>2,861</b>  | <b>3,352</b>  | <b>10,993</b> | <b>10,853</b> |
| YoY Change (%)               | 48.5         | 35.9         | 58.3         | 58.9          | -9.8         | -2.2         | 2.4           | 2.6           | 1,880.3       | 1,987.6       |
| Margins (%)                  | 29.7         | 28.9         | 28.3         | 25.0          | 23.7         | 26.8         | 27.5          | 29.7          | 27.6          | 27.1          |

**Prestige Estates****Buy****CMP: INR1,840 | TP: INR2,100 (14%)****EPS CHANGE (%): FY24|25: 0|0**

- Expect revenue to increase 15% YoY to INR19b in 1QFY25.
- Due to the lack of big launches, PEPL's pre-sales could decline 11% YoY to INR35b.
- PEPL is likely to report an EBITDA of INR4.9b, with 25% margin.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E           |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|                                | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Net Sales</b>               | <b>16,809</b> | <b>22,364</b> | <b>17,958</b> | <b>21,640</b> | <b>19,330</b> | <b>22,919</b> | <b>26,044</b> | <b>35,884</b> | <b>78,771</b> | <b>1,04,178</b> |
| YoY Change (%)                 | -13.3         | 56.6          | -22.5         | -17.8         | 15.0          | 2.5           | 45.0          | 65.8          | -5.3          | 32.3            |
| Total Expenditure              | 11,542        | 16,439        | 12,443        | 13,363        | 14,398        | 17,215        | 19,065        | 25,581        | 53,787        | 76,258          |
| <b>EBITDA</b>                  | <b>5,267</b>  | <b>5,925</b>  | <b>5,515</b>  | <b>8,277</b>  | <b>4,932</b>  | <b>5,704</b>  | <b>6,980</b>  | <b>10,303</b> | <b>24,984</b> | <b>27,920</b>   |
| Margins (%)                    | 31.3          | 26.5          | 30.7          | 38.2          | 25.5          | 24.9          | 26.8          | 28.7          | 31.7          | 26.8            |
| Depreciation                   | 1,655         | 1,741         | 1,797         | 1,972         | 2,031         | 2,133         | 2,197         | 2,370         | 7,165         | 8,731           |
| Interest                       | 2,382         | 2,639         | 2,932         | 4,238         | 2,978         | 2,829         | 2,687         | 3,219         | 12,191        | 11,712          |
| Other Income                   | 2,854         | 1,684         | 1,747         | 685           | 773           | 917           | 1,042         | 1,435         | 6,970         | 4,167           |
| <b>PBT before EO expense</b>   | <b>4,084</b>  | <b>3,229</b>  | <b>2,533</b>  | <b>2,752</b>  | <b>697</b>    | <b>1,660</b>  | <b>3,138</b>  | <b>6,150</b>  | <b>12,598</b> | <b>11,644</b>   |
| Extra-Ord expense              | 0             | 8,512         | 0             | 0             | 0             | 0             | 0             | 0             | 8,512         | 0               |
| <b>PBT</b>                     | <b>4,084</b>  | <b>11,741</b> | <b>2,533</b>  | <b>2,752</b>  | <b>697</b>    | <b>1,660</b>  | <b>3,138</b>  | <b>6,150</b>  | <b>21,110</b> | <b>11,644</b>   |
| Tax                            | 863           | 2,564         | 723           | 786           | 174           | 415           | 784           | 1,537         | 4,936         | 2,911           |
| Rate (%)                       | 21.1          | 21.8          | 28.5          | 28.6          | 25.0          | 25.0          | 25.0          | 25.0          | 23.4          | 25.0            |
| MI & Profit/Loss of Asso. Cos. | 552           | 668           | 647           | 566           | 293           | 280           | 318           | 382           | 2,433         | 1,273           |
| <b>Reported PAT</b>            | <b>2,669</b>  | <b>8,509</b>  | <b>1,163</b>  | <b>1,400</b>  | <b>230</b>    | <b>965</b>    | <b>2,035</b>  | <b>4,230</b>  | <b>13,741</b> | <b>7,460</b>    |
| <b>Adj. PAT</b>                | <b>2,669</b>  | <b>1,856</b>  | <b>1,163</b>  | <b>1,400</b>  | <b>230</b>    | <b>965</b>    | <b>2,035</b>  | <b>4,230</b>  | <b>14,548</b> | <b>7,460</b>    |
| YoY Change (%)                 | 174.0         | 397.2         | -9.0          | -69.5         | -91.4         | -48.0         | 75.0          | 202.2         | 101.7         | -48.7           |
| Margins (%)                    | 15.9          | 8.3           | 6.5           | 6.5           | 1.2           | 4.2           | 7.8           | 11.8          | 18.5          | 7.2             |

**Sobha****Buy****CMP: INR1,992 | TP: INR2,250 (13%)****EPS CHANGE (%): FY24|25: -14|0**

- Expect revenue to increase 6% YoY to INR9.6b in 1QFY25.
- Sobha can report bookings of INR20b, up 37% YoY, driven by healthy launches in NCR.
- EBITDA is likely to jump 82% YoY to INR1.2b due to gradual margin recovery.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24         |              |              |              | FY25E        |               |               |               | FY24          | FY25E         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>               | <b>9,079</b> | <b>7,412</b> | <b>6,849</b> | <b>7,629</b> | <b>9,658</b> | <b>10,078</b> | <b>10,918</b> | <b>11,338</b> | <b>30,969</b> | <b>41,991</b> |
| YoY Change (%)                 | 60.8         | 11.1         | -21.1        | -36.9        | 6.4          | 36.0          | 59.4          | 48.6          |               |               |
| Total Expenditure              | 8,425        | 6,658        | 6,108        | 7,008        | 8,470        | 8,827         | 9,280         | 9,116         | 28,199        | 35,693        |
| <b>EBITDA</b>                  | <b>654</b>   | <b>754</b>   | <b>741</b>   | <b>621</b>   | <b>1,188</b> | <b>1,251</b>  | <b>1,638</b>  | <b>2,221</b>  | <b>2,770</b>  | <b>6,299</b>  |
| Margins (%)                    | 7.2          | 10.2         | 10.8         | 8.1          | 12.3         | 12.4          | 15.0          | 19.6          | 8.9           | 15.0          |
| Depreciation                   | 183          | 193          | 201          | 205          | 199          | 208           | 225           | 234           | 782           | 867           |
| Interest                       | 611          | 639          | 614          | 590          | 561          | 533           | 506           | 342           | 2,455         | 1,942         |
| Other Income                   | 313          | 324          | 288          | 284          | 360          | 373           | 331           | 575           | 1,209         | 1,640         |
| <b>PBT before EO expense</b>   | <b>173</b>   | <b>247</b>   | <b>214</b>   | <b>109</b>   | <b>788</b>   | <b>883</b>    | <b>1,238</b>  | <b>2,221</b>  | <b>742</b>    | <b>5,130</b>  |
| Extra-Ord expense              | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                     | <b>173</b>   | <b>247</b>   | <b>214</b>   | <b>109</b>   | <b>788</b>   | <b>883</b>    | <b>1,238</b>  | <b>2,221</b>  | <b>742</b>    | <b>5,130</b>  |
| Tax                            | 52           | 97           | 63           | 39           | 267          | 299           | 419           | 751           | 251           | 1,736         |
| Rate (%)                       | 30.2         | 39.4         | 29.4         | 35.5         | 33.8         | 33.8          | 33.8          | 33.8          | 33.8          | 33.8          |
| MI & Profit/Loss of Asso. Cos. | 0            | 0            | 0            | 0            | 0            | 0             | 0             | 0             | 0             | 0             |
| <b>Reported PAT</b>            | <b>121</b>   | <b>149</b>   | <b>151</b>   | <b>70</b>    | <b>522</b>   | <b>584</b>    | <b>819</b>    | <b>1,470</b>  | <b>491</b>    | <b>3,395</b>  |
| <b>Adj PAT</b>                 | <b>121</b>   | <b>149</b>   | <b>151</b>   | <b>70</b>    | <b>522</b>   | <b>584</b>    | <b>819</b>    | <b>1,470</b>  | <b>491</b>    | <b>3,395</b>  |
| YoY Change (%)                 | 168.3        | -22.2        | -52.6        | -85.5        | 332.1        | 291.0         | 443.0         | 1,990.3       | -52.9         | 591.1         |
| Margins (%)                    | 1.3          | 2.0          | 2.2          | 0.9          | 5.4          | 5.8           | 7.5           | 13.0          | 1.6           | 8.1           |

**Sunteck****Buy****CMP: INR555 | TP: INR640 (15%)****EPS CHANGE (%): FY24|25: -8|1**

- Similar to 4QFY24, we expect healthy revenue growth driven by revenue recognition from the Naigaon project.
- Steady sales across all key projects will drive bookings to INR5.5b, up 42% YoY.

**Consolidated quarterly earnings model (INR m)**

| Y/E March                      | FY24       |             |             |              | FY25E        |              |              |              | FY24         | FY25E         |
|--------------------------------|------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                                | 1Q         | 2Q          | 3Q          | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |               |
| <b>Net Sales</b>               | <b>706</b> | <b>250</b>  | <b>424</b>  | <b>4,269</b> | <b>2,471</b> | <b>3,671</b> | <b>3,812</b> | <b>4,165</b> | <b>5,648</b> | <b>14,118</b> |
| YoY Change (%)                 | -50.8      | -69.1       | -52.5       | 773.4        | 250.1        | 1,370.6      | 798.0        | -2.4         |              |               |
| Total Expenditure              | 780        | 391         | 573         | 2,735        | 2,075        | 2,722        | 2,868        | 2,957        | 4,476        | 10,623        |
| <b>EBITDA</b>                  | <b>-75</b> | <b>-141</b> | <b>-148</b> | <b>1,534</b> | <b>395</b>   | <b>948</b>   | <b>944</b>   | <b>1,208</b> | <b>1,173</b> | <b>3,495</b>  |
| Margins (%)                    | -10.6      | -56.5       | -34.9       | 35.9         | 16.0         | 25.8         | 24.8         | 29.0         | 20.8         | 24.8          |
| Depreciation                   | 18         | 22          | 24          | 31           | 47           | 70           | 73           | 80           | 95           | 270           |
| Interest                       | 173        | 158         | 171         | 182          | 71           | 105          | 109          | 119          | 684          | 403           |
| Other Income                   | 178        | 113         | 185         | 81           | 60           | 90           | 93           | 102          | 555          | 344           |
| <b>PBT before EO expense</b>   | <b>-87</b> | <b>-208</b> | <b>-158</b> | <b>1,402</b> | <b>338</b>   | <b>863</b>   | <b>855</b>   | <b>1,111</b> | <b>949</b>   | <b>3,166</b>  |
| Extra-Ord expense              | 0          | 0           | 0           | 0            | 0            | 0            | 0            | 0            | 0            | 0             |
| <b>PBT</b>                     | <b>-87</b> | <b>-208</b> | <b>-158</b> | <b>1,402</b> | <b>338</b>   | <b>863</b>   | <b>855</b>   | <b>1,111</b> | <b>949</b>   | <b>3,166</b>  |
| Tax                            | -27        | -64         | -55         | 386          | 84           | 216          | 214          | 278          | 240          | 792           |
| Rate (%)                       | 31.0       | 30.5        | 34.9        | 27.5         | 25.0         | 25.0         | 25.0         | 25.0         | 25.3         | 25.0          |
| MI & Profit/Loss of Asso. Cos. | 7          | -6          | -6          | 3            | 0            | 0            | 0            | 0            | -1           | -1            |
| <b>Reported PAT</b>            | <b>-67</b> | <b>-139</b> | <b>-97</b>  | <b>1,013</b> | <b>253</b>   | <b>647</b>   | <b>641</b>   | <b>833</b>   | <b>710</b>   | <b>2,376</b>  |
| <b>Adj PAT</b>                 | <b>-67</b> | <b>-139</b> | <b>-97</b>  | <b>1,013</b> | <b>253</b>   | <b>647</b>   | <b>641</b>   | <b>833</b>   | <b>710</b>   | <b>2,376</b>  |
| YoY Change (%)                 | -75.8      | 105.7       | -29.9       | -1,141.7     | -75.0        | 155.5        | -0.9         | 30.0         | NA           | NA            |
| Margins (%)                    | -9.6       | -55.6       | -22.9       | 23.7         | 10.3         | 17.6         | 16.8         | 20.0         | 12.6         | 16.8          |

# Retail

## Company

Aditya Birla Fashion

Avenue Supermarts

Bata India

Campus Activewear

Kalyan

Metro Brands

Raymond

Relaxo Footwear

Senco Gold

Shoppers Stop

Titan Company

Trent

V-Mart Retail

Vedant Fashions

## Value retailers may outperform premium retailers

### Revenue growth likely led by footprint additions

Demand remained subdued in 1QFY25 due to fewer wedding dates. For our coverage universe, we expect overall revenue to grow 17% YoY to INR1.06t in 1QFY25, driven by footprint additions, as same-store sales could remain muted for most retailers. However, we expect value retail segments such as VMART, Zudio and Pantaloons to outperform premium players. VMART, in a pre-quarter update, reported 11% blended SSSG. Similarly, we expect Zudio and Pantaloons to report positive SSSG. Premium players such as ABFRL Lifestyle, Raymond, Manyavar, Metro and SHOP could continue to see a subdued demand environment as the quarter had fewer weddings dates. We believe TRENT and VMART could be outliers in the segment.

### Store additions to continue despite macro challenges

We expect store additions to continue in mid-teens for our retail coverage. DMART, in a pre-quarter updated, reported that it added seven stores in 1QFY25. However, as expected, VMART closed three loss-making stores, resulting in net addition of four stores in 1QFY25. TRENT and SHOP are likely to be key outliers in terms of aggressive store adds, while we believe Vedant Fashion, Raymond and ABFRL may slow down store addition due to subdued demand.

### Weak SSSG to weigh on PAT margins

Gross margins are expected to remain flat YoY as we believe most retailers did not increase prices during the quarter. However, due to cost control and slowdown in store additions by some players could lead to 10bp YoY improvement in aggregate EBITDA margin. A decline in same-store sales could hurt store productivity and lead to operating deleverage. We expect overall PAT margin to decline by 100bp YoY and PAT to decline 10% YoY for our coverage universe.

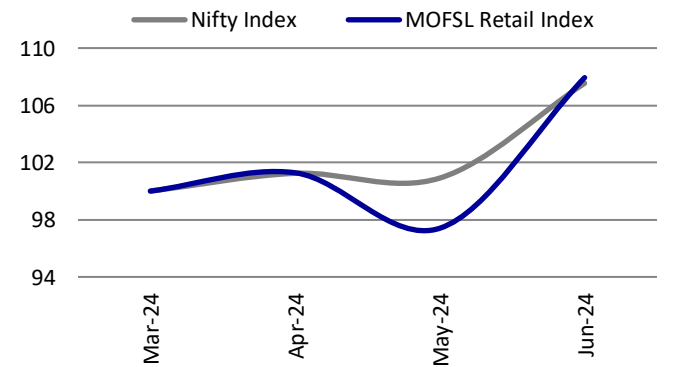
### Valuation and View

TRENT and DMART remain strong candidates (BUY) considering their healthy balance sheets and strong secular growth momentum. We continue to monitor VMART, given its recovery in SSSG and likelihood of a decline in losses. In the footwear space, METRO remains a strong player (BUY), backed by its effective retail economics and healthy growth potential; however, the subdued demand environment may keep the stock range-bound for a few months.

Exhibit 1: Summary of quarterly estimates

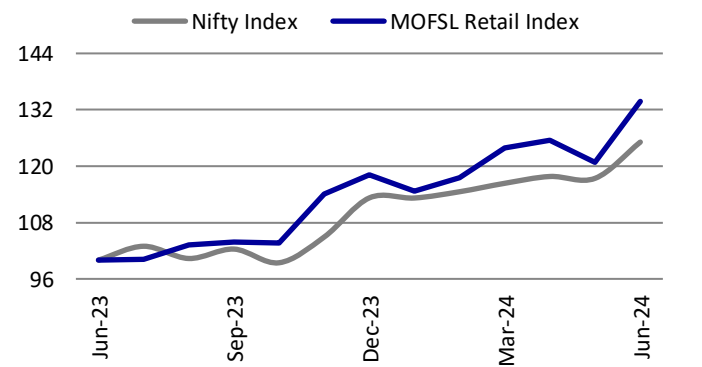
| Sector               | CMP (INR) | RECO    | SALES (INR M)   |             |            | EBDITA (INR M) |             |             | NET PROFIT (INR M) |             |             |
|----------------------|-----------|---------|-----------------|-------------|------------|----------------|-------------|-------------|--------------------|-------------|-------------|
|                      |           |         | Jun-24          | Var % YoY   | Var % QoQ  | Jun-24         | Var % YoY   | Var % QoQ   | Jun-24             | Var % YoY   | Var % QoQ   |
| Aditya Birla Fashion | 330       | Neutral | 34,811          | 8.9         | 2.2        | 3,191          | 9.1         | 12.5        | -2,353             | Loss        | Loss        |
| Avenue Supermarts    | 4778      | Buy     | 1,40,772        | 18.6        | 10.6       | 12,887         | 24.5        | 36.6        | 8,242              | 25.1        | 46.4        |
| Barbeque Nation      | 570       | Neutral | 3,576           | 10.4        | 20.0       | 606            | 29.6        | 10.7        | -13                | Loss        | Loss        |
| Bata India           | 1494      | Neutral | 10,165          | 6.1         | 27.4       | 2,734          | 14.2        | 50.0        | 1,268              | 18.6        | 99.2        |
| Campus Activewear    | 294       | Buy     | 3,724           | 5.3         | 2.3        | 652            | -1.6        | 2.0         | 324                | 3.0         | -1.1        |
| Devyani Intl.        | 168       | Buy     | 11,936          | 41.0        | 14.0       | 2,008          | 15.8        | 15.5        | 179                | -47.1       | 445.3       |
| Jubilant Foodworks   | 575       | Neutral | 14,210          | 8.5         | 6.7        | 2,775          | 0.4         | 9.1         | 579                | -22.9       | 67.9        |
| Kalyan Jewellers     | 496       | Buy     | 55,791          | 27.5        | 23.0       | 3,754          | 16.2        | 22.6        | 1,867              | 29.8        | 35.7        |
| Metro Brands         | 1239      | Buy     | 6,342           | 8.9         | 8.8        | 2,022          | 8.4         | 27.5        | 1,037              | 10.9        | 19.8        |
| Raymond              | 2979      | Buy     | 21,433          | 21.0        | -17.8      | 2,630          | 33.8        | -39.7       | 1,068              | 24.6        | -55.7       |
| Relaxo Footwear      | 831       | Neutral | 7,769           | 5.2         | 4.0        | 1,204          | 12.0        | 0.1         | 617                | 9.5         | 0.4         |
| Restaurant Brands    | 102       | Buy     | 5,061           | 19.9        | 15.3       | 653            | 34.7        | 18.5        | -147               | Loss        | Loss        |
| Sapphire Foods       | 1561      | Buy     | 7,332           | 12.0        | 16.1       | 1,269          | 4.5         | 23.3        | 172                | -31.0       | 741.1       |
| Senco Gold           | 1108      | Buy     | 15,469          | 18.5        | 36.0       | 809            | 20.4        | -7.8        | 365                | 31.8        | 13.3        |
| Shoppers Stop        | 759       | Neutral | 10,861          | 10.6        | 8.6        | 1,931          | 12.1        | 17.7        | 77                 | -48.7       | 59.8        |
| Titan Company        | 3400      | Buy     | 1,30,453        | 9.7         | 4.4        | 11,845         | 5.3         | -0.5        | 7,824              | 3.5         | 1.5         |
| Trent                | 5539      | Buy     | 36,778          | 45.0        | 15.4       | 5,259          | 43.8        | 10.2        | 3,042              | 105.2       | 22.8        |
| V-Mart Retail        | 2892      | Neutral | 7,860           | 15.8        | 17.6       | 671            | 27.9        | 66.8        | -176               | Loss        | Loss        |
| Vedant Fashions      | 1099      | Neutral | 2,629           | -15.6       | -27.6      | 1,165          | -21.4       | -33.5       | 658                | -28.4       | -43.1       |
| Westlife Foodworld   | 829       | Neutral | 6,400           | 4.1         | 13.8       | 863            | -18.1       | 11.9        | 96                 | -66.7       | 1,136.7     |
| <b>Retail</b>        |           |         | <b>5,33,371</b> | <b>16.7</b> | <b>9.0</b> | <b>58,928</b>  | <b>14.4</b> | <b>10.2</b> | <b>24,726</b>      | <b>14.1</b> | <b>20.2</b> |

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



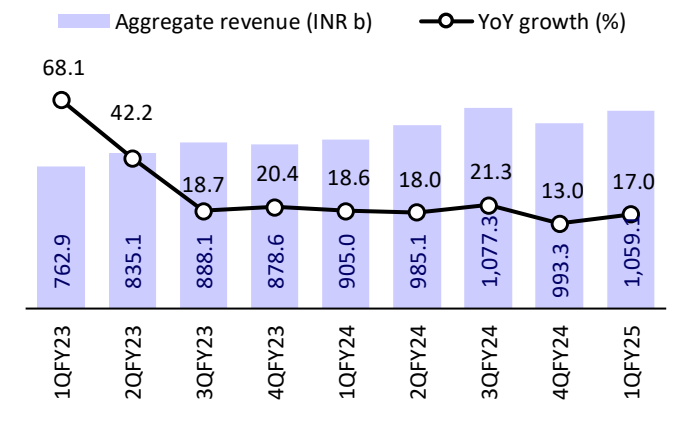
Source: Bloomberg, MOFSL

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



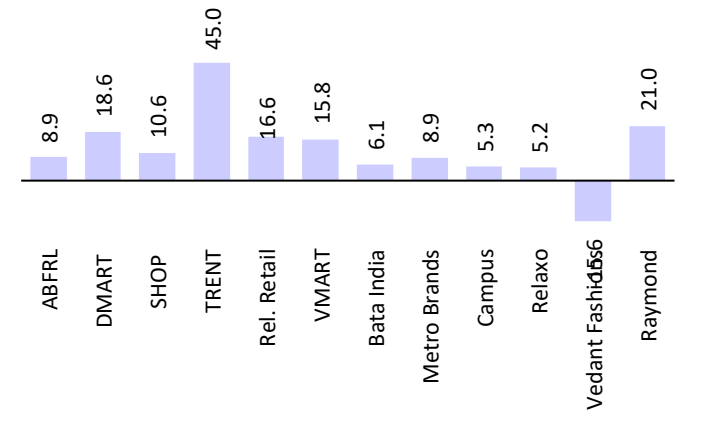
Source: Bloomberg, MOFSL

Exhibit 4: Aggregate revenue growth (INR b; YoY %)



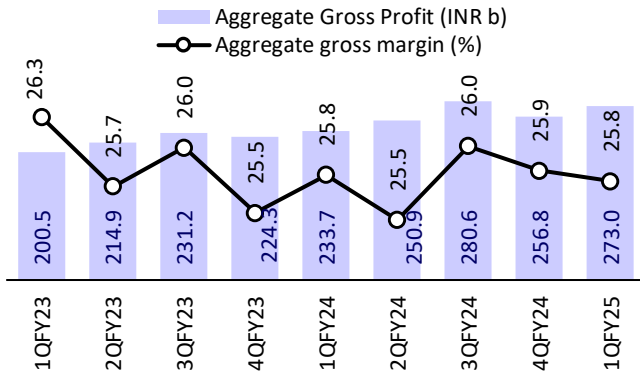
Source: Company, MOFSL

Exhibit 5: Expected revenue growth in 1QFY25; TRENT continues to outperform (YoY %)



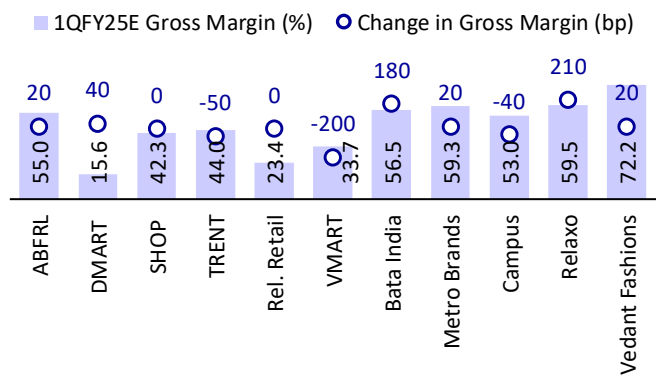
Source: Company, MOFSL

**Exhibit 6: Aggregate growth in gross profit (YoY %)**



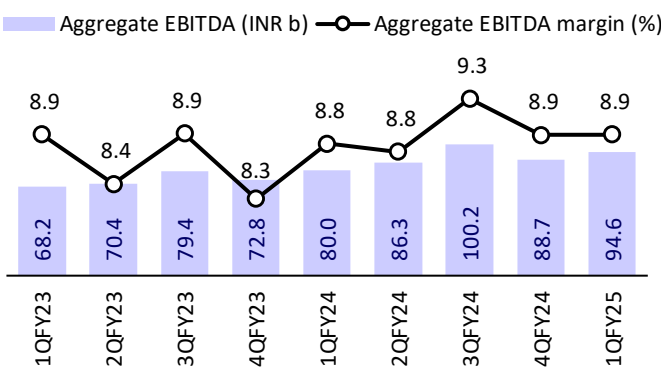
Source: Company, MOFSL

**Exhibit 7: Change in gross margin (YoY %)**



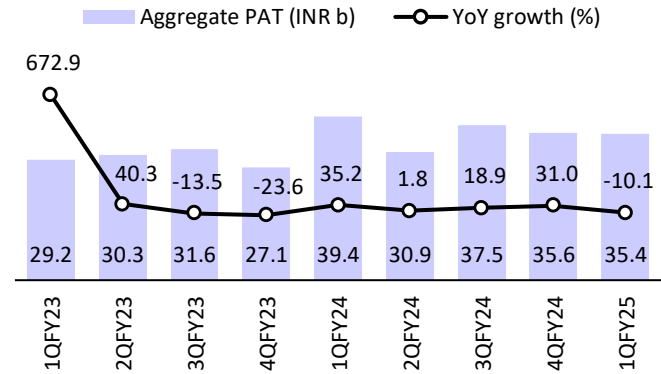
Source: Company, MOFSL

**Exhibit 8: Aggregate EBITDA trajectory (margin, %)**



Source: Company, MOFSL

**Exhibit 9: Aggregate PAT trajectory (YoY %)**



Source: Company, MOFSL

**Exhibit 10: Retail coverage – KPI snapshot**

|                          | 1QFY23 | 2QFY23 | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 | 3QFY24 | 4QFY24 | 1QFY25E |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| <b>Total store count</b> |        |        |        |        |        |        |        |        |         |
| Madura EBOs              | 2,585  | 2,561  | 2,601  | 2,650  | 2,643  | 2,660  | 2,696  | 2,679  | 2,679   |
| Pantaloons               | 375    | 396    | 406    | 431    | 434    | 439    | 446    | 417    | 422     |
| DMart                    | 294    | 302    | 306    | 324    | 327    | 336    | 341    | 365    | 371     |
| Shoppers Stop            | 90     | 91     | 96     | 98     | 98     | 102    | 105    | 112    | 119     |
| Westside                 | 203    | 208    | 211    | 214    | 221    | 223    | 227    | 232    | 237     |
| Zudio                    | 247    | 285    | 326    | 352    | 388    | 411    | 460    | 545    | 590     |
| V-Mart                   | 391    | 405    | 414    | 423    | 431    | 437    | 454    | 444    | 448     |
| Vedant Fashions          | 603    | 626    | 640    | 649    | 662    | 669    | 673    | 676    | 677     |
| Metro Brands             | 644    | 672    | 745    | 764    | 789    | 817    | 840    | 839    | 869     |
| <b>Store additions</b>   |        |        |        |        |        |        |        |        |         |
| Madura EBOs              | 63     | -24    | 40     | 49     | -7     | 17     | 36     | -17    | 0       |
| Pantaloons               | -2     | 21     | 10     | 25     | 3      | 5      | 7      | -29    | 5       |
| DMart                    | 10     | 8      | 4      | 18     | 3      | 9      | 5      | 24     | 6       |
| Shoppers Stop            | 2      | 1      | 5      | 2      | 0      | 4      | 3      | 7      | 7       |
| Westside                 | 3      | 5      | 3      | 3      | 7      | 2      | 4      | 5      | 5       |
| Zudio                    | 14     | 38     | 41     | 26     | 36     | 23     | 49     | 85     | 45      |
| V-Mart                   | 11     | 14     | 9      | 9      | 8      | 6      | 17     | -10    | 4       |
| Vedant Fashions          | 20     | 23     | 14     | 9      | 13     | 7      | 4      | 3      | 1       |
| Metro Brands             | 20     | 28     | 73     | 19     | 25     | 28     | 23     | -1     | 30      |

Source: Company, MOFSL

**Exhibit 11: Comparative valuation**

| Company Name         | CMP   |         | EPS (INR) |       |       | PE (x)       |             |             | PB (x)      |             |             | ROE (%)     |             |             |
|----------------------|-------|---------|-----------|-------|-------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                      | INR   | Reco    | FY24      | FY25E | FY26E | FY24         | FY25E       | FY26E       | FY24        | FY25E       | FY26E       | FY24        | FY25E       | FY26E       |
| <b>Retail</b>        |       |         |           |       |       | <b>111.8</b> | <b>87.8</b> | <b>66.2</b> | <b>16.8</b> | <b>15.6</b> | <b>13.1</b> | <b>15.1</b> | <b>17.8</b> | <b>19.8</b> |
| Aditya Birla Fashion | 330   | Neutral | -7.4      | -7.1  | -6.4  | -27.9        | -46.7       | -51.5       | 4.4         | 8.4         | 10.0        | -18.6       | -16.4       | -17.7       |
| Avenue Supermarts    | 4,778 | Buy     | 39.0      | 52.2  | 69.1  | 116.2        | 91.5        | 69.2        | 15.8        | 14.1        | 11.7        | 14.6        | 16.7        | 18.5        |
| Barbeque Nation      | 570   | Neutral | -2.9      | -0.5  | 2.3   | -174.3       | -1,083      | 248.0       | 5.0         | 5.7         | 5.6         | -2.8        | -0.5        | 2.2         |
| Bata India           | 1,494 | Neutral | 22.8      | 29.2  | 40.1  | 59.8         | 51.2        | 37.3        | 11.5        | 10.1        | 7.9         | 19.8        | 21.9        | 23.8        |
| Campus Activewear    | 294   | Buy     | 2.9       | 4.2   | 5.6   | 73.5         | 70.8        | 52.9        | 10.1        | 11.6        | 9.5         | 13.7        | 16.3        | 17.9        |
| Devyani Intl.        | 168   | Buy     | 0.8       | 1.2   | 2.1   | 195.3        | 140.0       | 80.5        | 17.2        | 26.5        | 27.0        | 9.2         | 15.9        | 33.2        |
| Jubilant Foodworks   | 575   | Neutral | 3.9       | 5.5   | 8.2   | 113.6        | 104.6       | 70.5        | 13.6        | 16.5        | 15.6        | 12.0        | 15.8        | 22.1        |
| Kalyan Jewellers     | 496   | Buy     | 5.8       | 8.5   | 11.5  | 73.8         | 58.2        | 43.0        | 10.5        | 10.6        | 9.0         | 15.3        | 19.4        | 22.6        |
| Metro Brands         | 1,239 | Buy     | 12.7      | 15.3  | 19.0  | 90.2         | 80.9        | 65.3        | 16.4        | 14.9        | 12.5        | 20.3        | 20.5        | 21.3        |
| Raymond              | 2,979 | Buy     | 104.1     | 126.4 | 145.8 | 17.4         | 23.6        | 20.4        | 2.6         | 3.6         | 3.1         | 18.4        | 16.7        | 16.4        |
| Relaxo Footwear      | 831   | Neutral | 8.1       | 10.4  | 13.3  | 101.3        | 79.6        | 62.7        | 10.1        | 9.4         | 8.5         | 10.4        | 12.4        | 14.2        |
| Restaurant Brands    | 102   | Buy     | -4.8      | -2.1  | 0.3   | -21.3        | -48.4       | 346.9       | 8.0         | 9.7         | 9.4         | -32.1       | -18.1       | 2.7         |
| Sapphire Foods       | 1,561 | Buy     | 8.2       | 14.0  | 24.4  | 192.4        | 111.3       | 64.1        | 7.5         | 7.0         | 6.3         | 4.0         | 6.5         | 10.3        |
| Senco Gold           | 1,108 | Buy     | 23.3      | 30.3  | 37.1  | 33.1         | 36.6        | 29.8        | 4.4         | 5.4         | 4.7         | 15.7        | 15.9        | 16.8        |
| Shoppers Stop        | 759   | Neutral | 7.2       | 14.1  | 19.1  | 103.8        | 53.9        | 39.8        | 19.4        | 14.4        | 10.5        | 21.8        | 30.7        | 30.6        |
| Titan Company        | 3,400 | Buy     | 39.3      | 47.1  | 57.9  | 96.9         | 72.2        | 58.8        | 36.1        | 24.5        | 19.0        | 32.9        | 38.6        | 36.4        |
| Trent                | 5,539 | Buy     | 29.2      | 49.4  | 62.7  | 135          | 112         | 88.3        | 32.3        | 31.6        | 22.9        | 31.2        | 35.5        | 32.1        |
| V-Mart Retail        | 2,892 | Neutral | -53.5     | -23.3 | 15.1  | -40          | -124        | 191.4       | 5.2         | 7.4         | 7.1         | NM          | NM          | 3.8         |
| Vedant Fashions      | 1,099 | Neutral | 17.1      | 19.3  | 23.8  | 54           | 57          | 46.2        | 14.5        | 14.6        | 12.3        | 27.6        | 26.9        | 25.9        |
| Westlife Foodworld   | 829   | Neutral | 4.4       | 7.2   | 11.9  | 181.2        | 115.0       | 69.7        | 21.3        | 15.3        | 14.1        | 12.0        | 15.7        | 21.1        |

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

## Aditya Birla Fashion

**Neutral**

**CMP: INR330 | TP: INR335 (+1.5%)**

**EPS CHANGE (%): FY25 | 26: -1.8 | -1**

- Expect revenue growth of 9% YoY, with stable margin.
- Expect Madhura business to report 1% YoY growth.
- Expect consol. EBITDA margin to grow 10bp YoY due to rationalizing the channels.

### Consolidated - Quarterly Earning Model

(INR m)

| Y/E March           | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                     | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Revenue</b>      | <b>31,961</b> | <b>32,264</b> | <b>41,667</b> | <b>34,067</b> | <b>34,811</b> | <b>36,445</b> | <b>47,462</b> | <b>40,045</b> | <b>1,39,959</b> | <b>1,58,763</b> |
| YoY Change (%)      | 11.2          | 4.9           | 16.1          | 18.3          | 8.9           | 13.0          | 13.9          | 17.6          | 12.7            | 13.4            |
| Total Expenditure   | 29,037        | 29,031        | 36,134        | 31,230        | 31,620        | 33,035        | 41,182        | 36,250        | 1,25,433        | 1,42,087        |
| <b>EBITDA</b>       | <b>2,923</b>  | <b>3,233</b>  | <b>5,533</b>  | <b>2,837</b>  | <b>3,191</b>  | <b>3,410</b>  | <b>6,280</b>  | <b>3,795</b>  | <b>14,526</b>   | <b>16,676</b>   |
| Change, YoY (%)     | -37.6         | -18.5         | 27.0          | 47.1          | 9.1           | 5.5           | 13.5          | 33.8          | -2.7            | 14.8            |
| Depreciation        | 3,670         | 3,888         | 4,441         | 4,554         | 4,668         | 4,784         | 4,904         | 5,110         | 16,552          | 19,466          |
| Interest            | 1,873         | 2,084         | 2,454         | 2,355         | 2,379         | 2,402         | 2,426         | 2,420         | 8,766           | 9,628           |
| Other Income        | 603           | 457           | 441           | 875           | 719           | 719           | 719           | 719           | 2,376           | 2,876           |
| <b>PBT</b>          | <b>-2,017</b> | <b>-2,281</b> | <b>-922</b>   | <b>-3,197</b> | <b>-3,137</b> | <b>-3,058</b> | <b>-332</b>   | <b>-3,016</b> | <b>-8,417</b>   | <b>-9,542</b>   |
| Tax                 | -397          | -282          | 227           | -478          | -784          | -765          | -83           | -754          | -930            | -2,386          |
| Rate (%)            | 19.7          | 12.4          | -24.6         | 14.9          | 25.0          | 25.0          | 25.0          | 25.0          | 11.0            | 25.0            |
| <b>Reported PAT</b> | <b>-1,620</b> | <b>-1,999</b> | <b>-1,149</b> | <b>-2,719</b> | <b>-2,353</b> | <b>-2,294</b> | <b>-249</b>   | <b>-2,262</b> | <b>-7,487</b>   | <b>-7,157</b>   |
| <b>Adj PAT</b>      | <b>-1,620</b> | <b>-1,999</b> | <b>-1,149</b> | <b>-2,719</b> | <b>-2,353</b> | <b>-2,294</b> | <b>-249</b>   | <b>-2,262</b> | <b>-7,487</b>   | <b>-7,157</b>   |
| YoY Change (%)      | -272.7        | -763.8        | -1,821.9      | 38.1          | 45.2          | 14.8          | -78.4         | -16.8         | 1,029.0         | -4.4            |

E: MOFSL Estimates

## Avenue Supermarts

**Buy**

**CMP: INR4,778 | TP: INR5,475 (+15%)**

**EPS CHANGE (%): FY25 | 26: -2 | -2.5**

- Consolidated revenue expected to grow 18.6% YoY
- DMART added six stores in 1QFY25, taking its total store count to 371
- Standalone revenue/sqft grew 4.2% YoY to ~INR35,900
- Expect PAT to grow by 25% YoY

### Consolidated - Quarterly Earning

(INR b)

| Y/E March                | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                          | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Revenue</b>           | <b>118.7</b> | <b>126.2</b> | <b>135.7</b> | <b>127.3</b> | <b>140.8</b> | <b>153.5</b> | <b>169.6</b> | <b>156.0</b> | <b>507.9</b> | <b>619.9</b> |
| YoY Change (%)           | 18.2         | 18.7         | 17.3         | 20.1         | 18.6         | 21.6         | 24.9         | 22.6         | 18.6         | 22.1         |
| Total Expenditure        | 108.3        | 116.2        | 124.5        | 117.8        | 127.9        | 140.3        | 154.4        | 142.9        | 466.9        | 565.5        |
| <b>EBITDA</b>            | <b>10.4</b>  | <b>10.0</b>  | <b>11.2</b>  | <b>9.4</b>   | <b>12.9</b>  | <b>13.2</b>  | <b>15.1</b>  | <b>13.1</b>  | <b>41.0</b>  | <b>54.4</b>  |
| <b>EBITDA margin (%)</b> | <b>8.7</b>   | <b>8.0</b>   | <b>8.3</b>   | <b>7.4</b>   | <b>9.2</b>   | <b>8.6</b>   | <b>8.9</b>   | <b>8.4</b>   | <b>8.1</b>   | <b>8.8</b>   |
| Change YoY (%)           | 2.7          | 12.7         | 16.0         | 22.3         | 24.5         | 31.7         | 35.3         | 39.0         | 12.8         | 32.5         |
| Depreciation             | 1.6          | 1.7          | 1.9          | 2.0          | 2.1          | 2.2          | 2.3          | 2.3          | 7.3          | 8.8          |
| Interest                 | 0.1          | 0.2          | 0.1          | 0.1          | 0.2          | 0.2          | 0.2          | 0.2          | 0.6          | 0.6          |
| Other Income             | 0.4          | 0.4          | 0.3          | 0.4          | 0.4          | 0.4          | 0.4          | 0.4          | 1.5          | 1.6          |
| <b>PBT</b>               | <b>9.0</b>   | <b>8.5</b>   | <b>9.5</b>   | <b>7.6</b>   | <b>11.0</b>  | <b>11.3</b>  | <b>13.2</b>  | <b>11.1</b>  | <b>34.6</b>  | <b>46.6</b>  |
| Tax                      | 2.4          | 2.3          | 2.6          | 2.0          | 2.8          | 2.9          | 3.3          | 3.6          | 9.3          | 12.6         |
| Rate (%)                 | 26.6         | 26.8         | 27.2         | 26.2         | 25.2         | 25.2         | 25.2         | 32.8         | 26.7         | 27.0         |
| <b>Reported PAT</b>      | <b>6.6</b>   | <b>6.2</b>   | <b>6.9</b>   | <b>5.6</b>   | <b>8.2</b>   | <b>8.5</b>   | <b>9.8</b>   | <b>7.4</b>   | <b>25.4</b>  | <b>34.0</b>  |
| <b>Adj PAT</b>           | <b>6.6</b>   | <b>6.2</b>   | <b>6.9</b>   | <b>5.6</b>   | <b>8.2</b>   | <b>8.5</b>   | <b>9.8</b>   | <b>7.4</b>   | <b>25.4</b>  | <b>34.0</b>  |
| YoY Change (%)           | 2.5          | 14.4         | 17.2         | 22.4         | 25.1         | 35.8         | 42.5         | 32.3         | 13.3         | 34.0         |

E: MOFSL Estimates

**Bata India****Neutral****CMP: INR1,494 | TP: INR1,400 (-6%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- Expect 6% YoY growth in revenue to INR10b for 1QFY25
- Expect PAT margin to increase to 19% YoY
- EBITDA margin to improve 190bp YoY to 26.9%

**Consolidated - Quarterly Earning**

(INR m)

| Y/E March                      | FY24         |              |              |              | FY25E         |              |               |              | FY24          | FY25E         |
|--------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1QE           | 2QE          | 3QE           | 4QE          |               |               |
| <b>Revenue</b>                 | <b>9,581</b> | <b>8,191</b> | <b>9,035</b> | <b>7,979</b> | <b>10,165</b> | <b>8,690</b> | <b>10,151</b> | <b>9,040</b> | <b>34,786</b> | <b>38,045</b> |
| YoY Change (%)                 | 1.6          | -1.3         | 0.4          | 2.5          | 6.1           | 6.1          | 12.4          | 13.3         | 0.8           | 9.4           |
| Gross Profit                   | 5,246        | 4,755        | 5,065        | 4,798        | 5,743         | 4,866        | 5,837         | 5,316        | 19,864        | 21,762        |
| Gross margin%                  | 54.7         | 58.1         | 56.1         | 60.1         | 56.5          | 56.0         | 57.5          | 58.8         | 57.1          | 57.2          |
| Total Expenditure              | 7,186        | 6,375        | 7,210        | 6,156        | 7,431         | 6,822        | 7,674         | 6,950        | 26,927        | 28,876        |
| <b>EBITDA</b>                  | <b>2,395</b> | <b>1,817</b> | <b>1,824</b> | <b>1,823</b> | <b>2,734</b>  | <b>1,868</b> | <b>2,477</b>  | <b>2,089</b> | <b>7,859</b>  | <b>9,169</b>  |
| EBITDA margin                  | 25.0         | 22.2         | 20.2         | 22.8         | 26.9          | 21.5         | 24.4          | 23.1         | 22.6          | 24.1          |
| Change YoY (%)                 | -2.1         | 12.9         | -11.5        | 0.2          | 14.2          | 2.9          | 35.8          | 14.6         | -1.0          | 16.7          |
| Depreciation                   | 811          | 817          | 860          | 903          | 924           | 924          | 924           | 924          | 3,391         | 3,695         |
| Interest                       | 281          | 284          | 295          | 310          | 316           | 316          | 316           | 316          | 1,170         | 1,263         |
| Other Income                   | 133          | 155          | 111          | 219          | 201           | 201          | 201           | 201          | 617           | 802           |
| <b>PBT before EO expense</b>   | <b>1,436</b> | <b>870</b>   | <b>780</b>   | <b>829</b>   | <b>1,695</b>  | <b>829</b>   | <b>1,438</b>  | <b>1,050</b> | <b>3,915</b>  | <b>5,013</b>  |
| Extra-Ord expense              | 0            | 409          | 0            | 0            | 0             | 0            | 0             | 0            | 409           | 0             |
| <b>PBT</b>                     | <b>1,436</b> | <b>461</b>   | <b>780</b>   | <b>829</b>   | <b>1,695</b>  | <b>829</b>   | <b>1,438</b>  | <b>1,050</b> | <b>3,506</b>  | <b>5,013</b>  |
| Tax                            | 367          | 121          | 201          | 193          | 427           | 209          | 362           | 265          | 881           | 1,263         |
| Rate (%)                       | 25.5         | 26.3         | 25.7         | 23.2         | 25.2          | 25.2         | 25.2          | 25.2         | 25.1          | 25.2          |
| MI & Profit/Loss of Asso. Cos. | 0            | 0            | 0            | 0            | 0             | 0            | 0             | 0            | 0             | 0             |
| <b>Reported PAT</b>            | <b>1,069</b> | <b>340</b>   | <b>580</b>   | <b>636</b>   | <b>1,268</b>  | <b>620</b>   | <b>1,075</b>  | <b>786</b>   | <b>2,625</b>  | <b>3,750</b>  |
| <b>Adj PAT</b>                 | <b>1,069</b> | <b>641</b>   | <b>580</b>   | <b>636</b>   | <b>1,268</b>  | <b>620</b>   | <b>1,075</b>  | <b>786</b>   | <b>2,927</b>  | <b>1,858</b>  |
| YoY Change (%)                 | -10          | 17           | -30          | -3           | 19            | -3           | 85            | 23           | -9            | -37           |
| Margins (%)                    | 11%          | 8%           | 6%           | 8%           | 12%           | 7%           | 11%           | 9%           | 8%            | 5%            |

E: MOFSL Estimates

**Campus Activewear****Buy****CMP: INR294 | TP: INR335 (+14%)****EPS CHANGE (%): FY25 | 26: 3.1 | 3.7**

- Revenue growth likely to remain moderate at 5% YoY due to weak demand environment
- EBITDA margin to contract ~121bp YoY due to higher other expenses.
- Expect volume/ASP growth of 3%/2% YoY
- Expect PAT to grow 3% YoY due to lower finance cost.

**Consolidated - Quarterly Earning**

(INR m)

| Y/E March           | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Revenue</b>      | <b>3,538</b> | <b>2,587</b> | <b>4,720</b> | <b>3,639</b> | <b>3,724</b> | <b>3,575</b> | <b>5,045</b> | <b>3,757</b> | <b>14,483</b> | <b>16,100</b> |
| YoY Change (%)      | 4.8          | -22.4        | 1.4          | 4.6          | 5.3          | 38.2         | 6.9          | 3.2          | -2.4          | 11.2          |
| <b>Gross Profit</b> | <b>1,888</b> | <b>1,406</b> | <b>2,420</b> | <b>1,815</b> | <b>1,974</b> | <b>1,859</b> | <b>2,613</b> | <b>1,926</b> | <b>7,528</b>  | <b>8,372</b>  |
| Gross margin        | 53.4         | 54.3         | 51.3         | 49.9         | 53.0         | 52.0         | 51.8         | 51.3         | 52.0          | 52.0          |
| Total Expenditure   | 2,876        | 2,342        | 4,158        | 3,000        | 3,072        | 2,985        | 4,248        | 3,219        | 12,375        | 13,524        |
| <b>EBITDA</b>       | <b>662</b>   | <b>245</b>   | <b>563</b>   | <b>639</b>   | <b>652</b>   | <b>590</b>   | <b>797</b>   | <b>537</b>   | <b>2,108</b>  | <b>2,576</b>  |
| EBITDA margins (%)  | 18.7         | 9.5          | 11.9         | 17.6         | 17.5         | 16.5         | 15.8         | 14.3         | 14.6          | 16.0          |
| Depreciation        | 171          | 181          | 184          | 186          | 192          | 192          | 192          | 192          | 721           | 768           |
| Interest            | 69           | 65           | 58           | 40           | 40           | 40           | 40           | 40           | 232           | 161           |
| Other Income        | 2            | 4            | 14           | 25           | 13           | 13           | 13           | 13           | 45            | 50            |
| <b>PBT</b>          | <b>424</b>   | <b>4</b>     | <b>335</b>   | <b>438</b>   | <b>432</b>   | <b>370</b>   | <b>577</b>   | <b>318</b>   | <b>1,200</b>  | <b>1,697</b>  |
| Tax                 | 109          | 1            | 86           | 110          | 108          | 93           | 144          | 79           | 306           | 424           |
| Rate (%)            | 25.8         | 13.5         | 25.6         | 25.2         | 25.0         | 25.0         | 25.0         | 25.0         | 25.5          | 25.0          |
| <b>Reported PAT</b> | <b>315</b>   | <b>3</b>     | <b>249</b>   | <b>328</b>   | <b>324</b>   | <b>278</b>   | <b>433</b>   | <b>238</b>   | <b>894</b>    | <b>1,273</b>  |
| <b>Adj PAT</b>      | <b>314</b>   | <b>3</b>     | <b>249</b>   | <b>328</b>   | <b>324</b>   | <b>278</b>   | <b>433</b>   | <b>238</b>   | <b>894</b>    | <b>1,273</b>  |
| YoY Change (%)      | 1            | -98          | -48          | 43           | 3            | 8,572        | 74           | -27          | -23.6         | 42.3          |

E: MOFSL Estimates

**Kalyan Jewellers****Buy****CMP: INR 496 | TP: INR570 (+15%)****EPS CHANGE (%): FY25 | 26: - | -**

- Consolidated revenue grew by ~27% YoY, with strong performance across all market in India and ME.
- India business grew ~29% YoY, driven by healthy SSSG growth of ~12%.
- It has open 24 stores of Kalyan and Candere in 1QFY25, taking the total store count to 277.
- We expect gross margin to decline by 140bp and EBITDA margin by ~60bp.

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

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Stores</b>          | <b>192</b>    | <b>206</b>    | <b>228</b>    | <b>253</b>    | <b>277</b>    | <b>282</b>    | <b>311</b>    | <b>378</b>    | <b>253</b>      | <b>378</b>      |
| <b>Net Sales</b>       | <b>43,757</b> | <b>44,145</b> | <b>52,231</b> | <b>45,349</b> | <b>55,791</b> | <b>58,051</b> | <b>70,250</b> | <b>59,742</b> | <b>1,85,483</b> | <b>2,43,834</b> |
| Change (%)             | 31.3          | 27.1          | 34.5          | 34.1          | 27.5          | 31.5          | 34.5          | 31.7          | 31.8            | 31.5            |
| <b>Gross Profit</b>    | <b>6,604</b>  | <b>6,306</b>  | <b>7,615</b>  | <b>6,612</b>  | <b>7,643</b>  | <b>7,837</b>  | <b>9,695</b>  | <b>8,136</b>  | <b>27,137</b>   | <b>33,311</b>   |
| Gross Margin (%)       | 15.1          | 14.3          | 14.6          | 14.6          | 13.7          | 13.5          | 13.8          | 13.6          | 14.6            | 13.7            |
| <b>EBITDA</b>          | <b>3,229</b>  | <b>3,137</b>  | <b>3,698</b>  | <b>3,062</b>  | <b>3,754</b>  | <b>4,020</b>  | <b>4,821</b>  | <b>4,089</b>  | <b>13,127</b>   | <b>16,684</b>   |
| Margin (%)             | 7.4           | 7.1           | 7.1           | 6.8           | 6.7           | 6.9           | 6.9           | 6.8           | 7.1             | 6.8             |
| Change (%)             | 22.2          | 17.9          | 13.1          | 19.3          | 16.2          | 28.2          | 30.4          | 33.5          | 17.8            | 27.1            |
| Interest               | 821           | 817           | 817           | 778           | 804           | 797           | 784           | 746           | 3,232           | 3,131           |
| Depreciation           | 641           | 669           | 697           | 736           | 782           | 797           | 823           | 840           | 2,743           | 3,241           |
| Other Income           | 116           | 131           | 201           | 288           | 314           | 328           | 342           | 366           | 737             | 1,351           |
| <b>PBT</b>             | <b>1,885</b>  | <b>1,781</b>  | <b>2,386</b>  | <b>1,837</b>  | <b>2,483</b>  | <b>2,755</b>  | <b>3,557</b>  | <b>2,869</b>  | <b>7,888</b>    | <b>11,662</b>   |
| Tax                    | 449           | 433           | 582           | 462           | 616           | 683           | 882           | 711           | 1,925           | 2,892           |
| Effective Tax Rate (%) | 23.8          | 24.3          | 24.4          | 25.1          | 24.8          | 24.8          | 24.8          | 24.8          | 24.4            | 24.8            |
| <b>Adjusted PAT</b>    | <b>1,439</b>  | <b>1,352</b>  | <b>1,806</b>  | <b>1,376</b>  | <b>1,867</b>  | <b>2,071</b>  | <b>2,675</b>  | <b>2,157</b>  | <b>5,973</b>    | <b>8,770</b>    |
| Change (%)             | 33.3          | 27.1          | 21.5          | 96.3          | 29.8          | 53.2          | 48.1          | 56.8          | 28.1            | 46.8            |

E: MOFSL Estimates

**Metro Brands****Buy****CMP: INR1,239 | TP: INR1,420 (+15%)****EPS CHANGE (%): FY25 | 26: -2.7 | -4.2**

- Revenue to grow 9% YoY to INR6.3b, led by footprint additions
- Expect EBITDA margin to remain flat YoY to 31.9%
- Expect to add 30 stores in 1QFY25, taking the total count to 869

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

| Y/E March                      | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Revenue</b>                 | <b>5,825</b> | <b>5,557</b> | <b>6,355</b> | <b>5,830</b> | <b>6,342</b> | <b>6,421</b> | <b>7,725</b> | <b>7,026</b> | <b>23,567</b> | <b>27,515</b> |
| YoY Change (%)                 | 14.7         | 16.7         | 6.1          | 7.1          | 8.9          | 15.6         | 21.6         | 20.5         | 10.8          | 16.8          |
| Total Expenditure              | 3,959        | 4,003        | 4,365        | 4,244        | 4,320        | 4,585        | 5,200        | 5,074        | 16,571        | 19,179        |
| <b>EBITDA</b>                  | <b>1,866</b> | <b>1,554</b> | <b>1,990</b> | <b>1,586</b> | <b>2,022</b> | <b>1,837</b> | <b>2,525</b> | <b>1,953</b> | <b>6,996</b>  | <b>8,336</b>  |
| EBITDA Margin (%)              | 32.0         | 28.0         | 31.3         | 27.2         | 31.9         | 28.6         | 32.7         | 27.8         | 29.7          | 30.3          |
| Depreciation                   | 543          | 572          | 586          | 591          | 614          | 630          | 645          | 684          | 2,291         | 2,573         |
| Interest                       | 185          | 197          | 204          | 203          | 216          | 230          | 245          | 259          | 789           | 951           |
| Other Income                   | 144          | 162          | 160          | 244          | 195          | 195          | 195          | 195          | 708           | 779           |
| <b>PBT</b>                     | <b>1,282</b> | <b>946</b>   | <b>1,359</b> | <b>1,036</b> | <b>1,386</b> | <b>1,171</b> | <b>1,829</b> | <b>1,205</b> | <b>4,624</b>  | <b>5,591</b>  |
| Tax                            | 353          | 275          | 379          | -508         | 349          | 295          | 461          | 320          | 499           | 1,426         |
| Rate (%)                       | 27.5         | 29.1         | 27.9         | -49.0        | 25.2         | 25.2         | 25.2         | 26.6         | 10.8          | 25.5          |
| MI & Profit/Loss of Asso. Cos. | 6            | 5            | 7            | 12           | 0            | 0            | 0            | 0            | 30            | 0             |
| <b>PAT before MI</b>           | <b>929</b>   | <b>671</b>   | <b>981</b>   | <b>1,544</b> | <b>1,037</b> | <b>876</b>   | <b>1,368</b> | <b>884</b>   | <b>4,124</b>  | <b>4,165</b>  |
| <b>Adj PAT post MI</b>         | <b>935</b>   | <b>676</b>   | <b>988</b>   | <b>866</b>   | <b>1,037</b> | <b>876</b>   | <b>1,368</b> | <b>884</b>   | <b>3,465</b>  | <b>4,165</b>  |
| YoY Change (%)                 | -12          | -13          | -13          | 26           | 11           | 30           | 39           | 2            | -5.2          | 20.2          |

E: MOFSL Estimates

**Raymond****Buy****CMP: INR2,979 | TP: INR3,755 (+26%)****EPS CHANGE (%): FY25 | 26: -5.6 | -2.5**

- Expect revenue to grow 21% YoY, driven by healthy growth in real estate and tools/hardware business
- Real estate expected to post 80% YoY revenue growth and margin expansion
- EBITDA margin to expand ~120bp YoY, aided by scale benefits.

**Consolidated - Quarterly Earning**

| Y/E March                         | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25            |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| INRm                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Total Revenue</b>              | <b>17,715</b> | <b>22,534</b> | <b>23,862</b> | <b>26,085</b> | <b>21,433</b> | <b>25,993</b> | <b>28,490</b> | <b>29,836</b> | <b>90,195</b> | <b>1,05,751</b> |
| YoY %                             | 3%            | 4%            | 10%           | 21%           | 21%           | 15%           | 19%           | 14%           | 10%           | 17%             |
| Total expenditure                 | 15,748        | 19,388        | 20,242        | 21,726        | 18,803        | 22,307        | 23,979        | 25,027        | 77,104        | 90,116          |
| <b>EBITDA</b>                     | <b>1,966</b>  | <b>3,146</b>  | <b>3,619</b>  | <b>4,359</b>  | <b>2,630</b>  | <b>3,685</b>  | <b>4,511</b>  | <b>4,809</b>  | <b>13,091</b> | <b>15,636</b>   |
| <b>EBITDA margin (%)</b>          | <b>11.1%</b>  | <b>14.0%</b>  | <b>15.2%</b>  | <b>16.7%</b>  | <b>12.3%</b>  | <b>14.2%</b>  | <b>15.8%</b>  | <b>16.1%</b>  | <b>14.5%</b>  | <b>14.8%</b>    |
| Depreciation and amortization     | 597           | 654           | 703           | 883           | 903           | 923           | 943           | 938           | 2,837         | 3,707           |
| Finance Costs                     | 795           | 893           | 1,035         | 1,035         | 1,031         | 859           | 859           | 859           | 3,758         | 3,609           |
| Other income                      | 550           | 673           | 642           | 797           | 732           | 732           | 732           | 732           | 2,661         | 2,927           |
| Exceptional items                 | 94            | 230           | 0             | 108           | 0             | 0             | 0             | 0             | 432           | 0               |
| <b>Profit before Tax</b>          | <b>1,030</b>  | <b>2,042</b>  | <b>2,523</b>  | <b>3,130</b>  | <b>1,428</b>  | <b>2,635</b>  | <b>3,441</b>  | <b>3,743</b>  | <b>8,725</b>  | <b>11,247</b>   |
| Tax                               | 267           | 507           | 626           | 826           | 360           | 664           | 867           | 943           | 2,227         | 2,834           |
| <b>Profit after Tax</b>           | <b>763</b>    | <b>1,535</b>  | <b>1,897</b>  | <b>2,304</b>  | <b>1,068</b>  | <b>1,971</b>  | <b>2,574</b>  | <b>2,800</b>  | <b>6,498</b>  | <b>8,412</b>    |
| <b>Margin (%)</b>                 | <b>4.3%</b>   | <b>6.8%</b>   | <b>7.9%</b>   | <b>8.8%</b>   | <b>5.0%</b>   | <b>7.6%</b>   | <b>9.0%</b>   | <b>9.4%</b>   | <b>7.2%</b>   | <b>8.0%</b>     |
| Minority Interest                 | -15           | -14           | -19           | -6            | -56           | -56           | -56           | -56           | -53           | -225            |
| Share of Profit in Associated Cos | 9,904         | 77            | -43           | -6            | 0             | 0             | 0             | 0             | 9,932         | 0               |
| <b>Net Income</b>                 | <b>10,653</b> | <b>1,598</b>  | <b>1,835</b>  | <b>2,292</b>  | <b>1,012</b>  | <b>1,915</b>  | <b>2,518</b>  | <b>2,744</b>  | <b>16,377</b> | <b>8,188</b>    |
| <b>Adjusted income</b>            | <b>857</b>    | <b>1,765</b>  | <b>1,897</b>  | <b>2,412</b>  | <b>1,068</b>  | <b>1,971</b>  | <b>2,574</b>  | <b>2,800</b>  | <b>6,930</b>  | <b>8,412</b>    |
| <b>Margin (%)</b>                 | <b>60.1%</b>  | <b>7.1%</b>   | <b>7.7%</b>   | <b>8.8%</b>   | <b>4.7%</b>   | <b>7.4%</b>   | <b>8.8%</b>   | <b>9.2%</b>   | <b>18.2%</b>  | <b>7.7%</b>     |

**Relaxo Footwear****Neutral****CMP: INR831 | TP: INR795 (-4%)****EPS CHANGE (%): FY25 | 26: 3 | 0.6**

- Expect revenue to grow 5% YoY
- ASP likely to increase YoY to INR149
- Expect improvement in EBITDA margin by 94bp YoY, aided by scale benefits and improved GM
- Expect 9.5% YoY growth in PAT to INR617m

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

| Y/E March                    | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>7,388</b> | <b>7,153</b> | <b>7,127</b> | <b>7,472</b> | <b>7,769</b> | <b>7,558</b> | <b>8,197</b> | <b>8,600</b> | <b>29,141</b> | <b>32,125</b> |
| YoY Change (%)               | 10.7         | 6.8          | 4.7          | -2.3         | 5.2          | 5.7          | 15.0         | 15.1         | 4.7           | 10.2          |
| Total RM Cost                | 3,151        | 3,013        | 3,065        | 2,968        | 3,147        | 3,061        | 3,320        | 3,483        | 12,197.0      | 13,010        |
| <b>Gross Profit</b>          | <b>4,237</b> | <b>4,140</b> | <b>4,062</b> | <b>4,504</b> | <b>4,623</b> | <b>4,497</b> | <b>4,877</b> | <b>5,117</b> | <b>16,944</b> | <b>19,114</b> |
| Margins (%)                  | 57.4         | 57.9         | 57.0         | 60.3         | 59.5         | 59.5         | 59.5         | 59.5         | 58.1          | 59.5          |
| Total Expenditure            | 6,313        | 6,238        | 6,255        | 6,269        | 6,565        | 6,372        | 6,861        | 7,251        | 25,075        | 27,049        |
| <b>EBITDA</b>                | <b>1,076</b> | <b>915</b>   | <b>872</b>   | <b>1,204</b> | <b>1,204</b> | <b>1,187</b> | <b>1,336</b> | <b>1,349</b> | <b>4,066</b>  | <b>5,076</b>  |
| Margins (%)                  | 14.6         | 12.8         | 12.2         | 16.1         | 15.5         | 15.7         | 16.3         | 15.7         | 14.0          | 15.8          |
| Depreciation                 | 346          | 369          | 375          | 385          | 396          | 408          | 420          | 446          | 1,475         | 1,671         |
| Interest                     | 45           | 47           | 48           | 47           | 56           | 56           | 56           | 56           | 187           | 224           |
| Other Income                 | 73           | 105          | 60           | 51           | 72           | 72           | 72           | 72           | 289           | 289           |
| <b>PBT before EO expense</b> | <b>758</b>   | <b>604</b>   | <b>508</b>   | <b>823</b>   | <b>824</b>   | <b>795</b>   | <b>932</b>   | <b>919</b>   | <b>2,693</b>  | <b>3,470</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| <b>PBT</b>                   | <b>758</b>   | <b>604</b>   | <b>508</b>   | <b>823</b>   | <b>824</b>   | <b>795</b>   | <b>932</b>   | <b>919</b>   | <b>2,693</b>  | <b>3,470</b>  |
| Tax                          | 195          | 162          | 123          | 209          | 208          | 200          | 235          | 232          | 688           | 874           |
| Rate (%)                     | 25.7         | 26.8         | 24.1         | 25.4         | 25.2         | 25.2         | 25.2         | 25.2         | 25.6          | 25.2          |
| <b>Reported PAT</b>          | <b>563</b>   | <b>442</b>   | <b>386</b>   | <b>614</b>   | <b>617</b>   | <b>595</b>   | <b>697</b>   | <b>687</b>   | <b>2,005</b>  | <b>2,596</b>  |
| <b>Adj PAT</b>               | <b>563</b>   | <b>442</b>   | <b>386</b>   | <b>614</b>   | <b>617</b>   | <b>595</b>   | <b>697</b>   | <b>687</b>   | <b>2,005</b>  | <b>2,596</b>  |
| YoY Change (%)               | 45.6         | 97.0         | 28.3         | -3.0         | 9.5          | 34.6         | 80.8         | 12.0         | 29.8          | 29.5          |
| Margins (%)                  | 7.6          | 6.2          | 5.4          | 8.2          | 7.9          | 7.9          | 8.5          | 8.0          | 6.9           | 8.1           |

E: MOFSL Estimates

**Senco Gold****Buy****CMP: INR1,108 | TP: INR1,350 (+22%)****EPS CHANGE (%): FY25 | 26: - | -**

- We expect revenue growth of ~18% YoY in 1QFY25.
- GP margin is expected to expand by 20bp YoY, while EBITDA margins to remain flat YoY.
- Expect to add four stores, taking the total store count to 163.
- Watch out for commentary on demand, expansions, and market competitiveness.

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

| Y/E March              | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Stores</b>          | <b>142</b>    | <b>145</b>    | <b>155</b>    | <b>159</b>    | <b>163</b>    | <b>167</b>    | <b>171</b>    | <b>175</b>    | <b>159</b>    | <b>175</b>    |
| <b>Net Sales</b>       | <b>13,054</b> | <b>11,466</b> | <b>16,522</b> | <b>11,373</b> | <b>15,469</b> | <b>13,873</b> | <b>20,239</b> | <b>13,541</b> | <b>52,414</b> | <b>63,123</b> |
| Change (%)             | 29.6          | 25.8          | 23.3          | 39.7          | 18.5          | 21.0          | 22.5          | 19.1          | 28.5          | 20.4          |
| <b>Gross Profit</b>    | <b>1,632</b>  | <b>1,354</b>  | <b>3,083</b>  | <b>1,944</b>  | <b>1,965</b>  | <b>1,595</b>  | <b>3,886</b>  | <b>2,336</b>  | <b>8,014</b>  | <b>9,782</b>  |
| Gross Margin (%)       | 12.5          | 11.8          | 18.7          | 17.1          | 12.7          | 11.5          | 19.2          | 17.2          | 15.3          | 15.5          |
| <b>EBITDA</b>          | <b>672</b>    | <b>395</b>    | <b>1,811</b>  | <b>877</b>    | <b>809</b>    | <b>491</b>    | <b>2,251</b>  | <b>991</b>    | <b>3,755</b>  | <b>4,543</b>  |
| Margin (%)             | 5.1           | 3.4           | 11.0          | 7.7           | 5.2           | 3.5           | 11.1          | 7.3           | 7.2           | 7.2           |
| Change (%)             | 22.1          | 21.2          | 11.3          | 31.5          | 20.4          | 24.3          | 24.3          | 13.0          | 18.6          | 21.0          |
| Interest               | 266           | 234           | 283           | 298           | 285           | 266           | 311           | 305           | 1,081         | 1,167         |
| Depreciation           | 126           | 133           | 158           | 184           | 151           | 159           | 193           | 195           | 601           | 698           |
| Other Income           | 94            | 110           | 89            | 128           | 113           | 118           | 110           | 124           | 422           | 465           |
| <b>PBT</b>             | <b>375</b>    | <b>139</b>    | <b>1,459</b>  | <b>524</b>    | <b>487</b>    | <b>184</b>    | <b>1,857</b>  | <b>614</b>    | <b>2,495</b>  | <b>3,142</b>  |
| Tax                    | 98            | 20            | 366           | 202           | 122           | 46            | 466           | 154           | 685           | 789           |
| Effective Tax Rate (%) | 26.1          | 14.1          | 25.1          | 38.6          | 25.1          | 25.1          | 25.1          | 25.1          | 27.5          | 25.1          |
| <b>Adjusted PAT</b>    | <b>277</b>    | <b>119</b>    | <b>1,093</b>  | <b>322</b>    | <b>365</b>    | <b>138</b>    | <b>1,391</b>  | <b>460</b>    | <b>1,810</b>  | <b>2,353</b>  |
| Change (%)             | 22.7          | 35.9          | 5.8           | 23.6          | 31.8          | 15.1          | 27.2          | 43.0          | 14.2          | 30.0          |

E: MOFSL Estimates

**Shoppers Stop****Neutral****CMP: INR759 | TP: INR780 (+3%)****EPS CHANGE (%): FY25 | 26: 1.8 | -0.1**

- Expect revenue growth of 10.6% YoY mainly driven by footprint additions
- Intune is expected to add five stores
- Expect to add seven departmental stores, taking the total store count to 119

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

| Y/E March                            | FY24         |               |               |              | FY25E         |               |               |               | FY24          | FY25E         |
|--------------------------------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                      | 1Q           | 2Q            | 3Q            | 4Q           | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Total Revenue from Operations</b> | <b>9,816</b> | <b>10,252</b> | <b>12,068</b> | <b>9,997</b> | <b>10,861</b> | <b>11,011</b> | <b>13,691</b> | <b>12,598</b> | <b>42,132</b> | <b>48,161</b> |
| YoY Change (%)                       | 4.2          | 1.7           | 6.6           | 9.1          | 10.6          | 7.4           | 13.5          | 26.0          | 5.4           | 14.3          |
| Total Expenditure                    | 8,093        | 8,654         | 9,914         | 8,356        | 8,930         | 9,197         | 10,956        | 10,372        | 35,016        | 39,455        |
| <b>EBITDA</b>                        | <b>1,723</b> | <b>1,598</b>  | <b>2,154</b>  | <b>1,641</b> | <b>1,931</b>  | <b>1,814</b>  | <b>2,735</b>  | <b>2,226</b>  | <b>7,116</b>  | <b>8,707</b>  |
| EBITDA Margin (%)                    | 17.6         | 15.6          | 17.8          | 16.4         | 17.8          | 16.5          | 20.0          | 17.7          | 16.9          | 18.1          |
| Depreciation                         | 1,050        | 1,081         | 1,112         | 1,118        | 1,277         | 1,277         | 1,277         | 1,277         | 4,361         | 5,108         |
| Interest                             | 541          | 548           | 579           | 568          | 576           | 598           | 605           | 642           | 2,236         | 2,421         |
| Other Income                         | 73           | 105           | 33            | 346          | 98            | 98            | 98            | 98            | 557           | 392           |
| <b>PBT before EO expense</b>         | <b>204</b>   | <b>74</b>     | <b>496</b>    | <b>301</b>   | <b>176</b>    | <b>38</b>     | <b>951</b>    | <b>406</b>    | <b>1,076</b>  | <b>1,570</b>  |
| Extra-Ord expense                    | 0            | -49           | 0             | -16          | 0             | 0             | 0             | 0             | -65           | 0             |
| <b>PBT</b>                           | <b>204</b>   | <b>25</b>     | <b>496</b>    | <b>285</b>   | <b>176</b>    | <b>38</b>     | <b>951</b>    | <b>406</b>    | <b>1,011</b>  | <b>1,570</b>  |
| Tax                                  | 55           | 8             | 141           | 69           | 99            | 99            | 99            | 99            | 272           | 396           |
| Rate (%)                             | 26.9         | 29.9          | 28.3          | 24.2         | 56.4          | 262.0         | 10.4          | 24.4          | 26.9          | 25.2          |
| <b>Reported PAT</b>                  | <b>149</b>   | <b>18</b>     | <b>356</b>    | <b>216</b>   | <b>77</b>     | <b>-61</b>    | <b>852</b>    | <b>307</b>    | <b>739</b>    | <b>1,175</b>  |
| <b>Adj PAT</b>                       | <b>149</b>   | <b>52</b>     | <b>356</b>    | <b>48</b>    | <b>77</b>     | <b>-61</b>    | <b>852</b>    | <b>307</b>    | <b>605</b>    | <b>1,175</b>  |
| YoY Change (%)                       | -34.4        | -74.1         | -42.7         | -70.5        | -48.7         | -             | 139.7         | 540.3         | -50.1         | 94.1          |

E: MOFSL Estimates

## Titan Company

Buy

CMP: INR3,400 | TP: INR4,000 (+18%)

EPS CHANGE (%): FY25|26: -4.6| -4.6

- We expect consol. revenue growth of ~10% YoY in 1QFY25.
- We anticipate jewelry segment revenue growth of ~9% YoY (ex-bullion), with a five-year revenue CAGR of 20%.
- GP margin expected to expand by 50bp YoY to 22.7%.
- There would be pressure on margin due to increase in competition and gold prices.

## Consolidated Quarterly Performance

(INR b)

| Y/E March               | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                         | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Stores (Jewelry)</b> | <b>792</b>   | <b>844</b>   | <b>898</b>   | <b>937</b>   | <b>974</b>   | <b>1,010</b> | <b>1,046</b> | <b>1,079</b> | <b>937</b>   | <b>1,079</b> |
| <b>Net Sales</b>        | <b>119.0</b> | <b>125.3</b> | <b>141.6</b> | <b>124.9</b> | <b>130.5</b> | <b>141.5</b> | <b>175.1</b> | <b>144.5</b> | <b>510.8</b> | <b>591.6</b> |
| YoY change (%)          | 26.0         | 36.7         | 22.0         | 20.6         | 9.7          | 13.0         | 23.7         | 15.6         | 25.9         | 15.8         |
| <b>Gross Profit</b>     | <b>26.4</b>  | <b>29.3</b>  | <b>32.9</b>  | <b>27.9</b>  | <b>29.6</b>  | <b>32.7</b>  | <b>40.8</b>  | <b>33.0</b>  | <b>116.5</b> | <b>136.1</b> |
| Margin (%)              | 22.2         | 23.4         | 23.3         | 22.3         | 22.7         | 23.1         | 23.3         | 22.8         | 22.8         | 23.0         |
| <b>EBITDA</b>           | <b>11.3</b>  | <b>14.1</b>  | <b>15.7</b>  | <b>11.9</b>  | <b>11.8</b>  | <b>16.0</b>  | <b>19.0</b>  | <b>14.6</b>  | <b>52.9</b>  | <b>61.4</b>  |
| EBITDA growth %         | -5.9         | 13.2         | 16.2         | 9.4          | 5.3          | 13.1         | 21.5         | 22.2         | 8.5          | 16.0         |
| Margin (%)              | 9.5          | 11.3         | 11.0         | 9.5          | 9.1          | 11.3         | 10.9         | 10.1         | 10.4         | 10.4         |
| Depreciation            | 1.3          | 1.4          | 1.5          | 1.6          | 1.5          | 1.6          | 1.7          | 1.8          | 5.8          | 6.6          |
| Interest                | 1.1          | 1.4          | 1.7          | 2.0          | 1.4          | 1.4          | 1.4          | 1.4          | 6.2          | 5.5          |
| Other Income            | 1.1          | 1.2          | 1.4          | 1.6          | 1.5          | 1.5          | 1.6          | 1.5          | 5.3          | 6.1          |
| <b>PBT</b>              | <b>10.0</b>  | <b>12.5</b>  | <b>13.8</b>  | <b>9.9</b>   | <b>10.4</b>  | <b>14.5</b>  | <b>17.6</b>  | <b>12.9</b>  | <b>46.2</b>  | <b>55.4</b>  |
| Tax                     | 2.5          | 3.4          | 3.3          | 2.2          | 2.6          | 3.5          | 4.3          | 3.1          | 11.3         | 13.5         |
| Rate (%)                | 24.6         | 26.9         | 23.6         | 22.2         | 25.0         | 24.4         | 24.4         | 23.8         | 24.4         | 24.4         |
| <b>Adjusted PAT</b>     | <b>7.6</b>   | <b>9.2</b>   | <b>10.5</b>  | <b>7.7</b>   | <b>7.8</b>   | <b>10.9</b>  | <b>13.3</b>  | <b>9.9</b>   | <b>35.0</b>  | <b>41.9</b>  |
| YoY change (%)          | -4.3         | 9.6          | 15.5         | 4.8          | 3.5          | 19.6         | 26.3         | 27.8         | 6.8          | 19.9         |

E: MOFSL Estimates

## Trent

Buy

CMP: INR5,539 | TP: INR6,080 (+10%)

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

- Expect revenue growth of 45% YoY, led by robust SSSG and strong footprint additions
- Revenue from Westside to grow 18.7% YoY, Zudio revenues expected to grow 72.5% YoY.
- Expect Westside/Zudio to add 5/45 stores in 1QFY25
- EBITDA margin is expected to remain flat at 14.3%

## Standalone - Quarterly Earning Model

(INR m)

| Y/E March                    | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Revenue</b>               | <b>25,364</b> | <b>28,907</b> | <b>33,125</b> | <b>31,869</b> | <b>36,778</b> | <b>41,626</b> | <b>48,693</b> | <b>44,755</b> | <b>1,19,266</b> | <b>1,71,853</b> |
| YoY Change (%)               | 53.5          | 59.4          | 52.5          | 53.4          | 45.0          | 44.0          | 47.0          | 40.4          | 54.6            | 44.1            |
| Total Expenditure            | 21,708        | 24,299        | 26,893        | 27,097        | 31,519        | 35,091        | 39,977        | 38,457        | 99,996          | 1,45,044        |
| <b>EBITDA</b>                | <b>3,657</b>  | <b>4,609</b>  | <b>6,232</b>  | <b>4,773</b>  | <b>5,259</b>  | <b>6,535</b>  | <b>8,716</b>  | <b>6,298</b>  | <b>19,269</b>   | <b>26,809</b>   |
| EBITDA Margin (%)            | 14.4          | 15.9          | 18.8          | 15.0          | 14.3          | 15.7          | 17.9          | 14.1          | 16.2            | 15.6            |
| Depreciation                 | 1,335         | 1,448         | 1,575         | 2,027         | 1,487         | 1,487         | 1,487         | 1,487         | 6,385           | 5,947           |
| Interest                     | 891           | 923           | 957           | 322           | 593           | 593           | 593           | 593           | 3,094           | 2,373           |
| Other Income                 | 498           | 1,511         | 768           | 733           | 877           | 877           | 877           | 877           | 3,509           | 3,509           |
| <b>PBT before EO expense</b> | <b>1,928</b>  | <b>3,748</b>  | <b>4,467</b>  | <b>3,157</b>  | <b>4,056</b>  | <b>5,332</b>  | <b>7,513</b>  | <b>5,095</b>  | <b>13,300</b>   | <b>21,998</b>   |
| Extra-Ord expense            | 0             | 0             | 0             | 5,434         | 0             | 0             | 0             | 0             | 5,434           | 0               |
| <b>PBT</b>                   | <b>1,928</b>  | <b>3,748</b>  | <b>4,467</b>  | <b>8,591</b>  | <b>4,056</b>  | <b>5,332</b>  | <b>7,513</b>  | <b>5,095</b>  | <b>18,733</b>   | <b>21,998</b>   |
| Tax                          | 445           | 851           | 1,031         | 2,048         | 1,014         | 1,333         | 1,878         | 1,274         | 4,375           | 5,499           |
| <b>Reported PAT</b>          | <b>1,483</b>  | <b>2,897</b>  | <b>3,436</b>  | <b>6,543</b>  | <b>3,042</b>  | <b>3,999</b>  | <b>5,635</b>  | <b>3,822</b>  | <b>14,358</b>   | <b>16,498</b>   |
| <b>Adj PAT</b>               | <b>1,483</b>  | <b>2,897</b>  | <b>3,436</b>  | <b>2,477</b>  | <b>3,042</b>  | <b>3,999</b>  | <b>5,635</b>  | <b>-244</b>   | <b>10,194</b>   | <b>16,498</b>   |
| YoY Change (%)               | 44.5          | 55.9          | 113.5         | 135.6         | 105.2         | 38.1          | 64.0          | -109.9        | 83.8            | 61.8            |

E: MOFSL Estimates

**V-Mart Retail****Neutral****CMP: INR2,892 | TP: INR2,880 (0%)****EPS CHANGE (%): FY25 | 26: NM | NM**

- Consolidated revenue grew 16% YoY mainly led by SSSG
- Excluding revenue from LimeRoad (INR120m), the company's revenue grew 16% YoY.
- Added 7 stores and closed three stores, taking the total store count to 448
- EBITDA margin to increase 80bp YoY to 8.5%

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

| Y/E March           | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Revenue</b>      | <b>6,785</b> | <b>5,494</b> | <b>8,891</b> | <b>6,686</b> | <b>7,860</b> | <b>6,372</b> | <b>9,945</b> | <b>8,105</b> | <b>27,856</b> | <b>32,313</b> |
| YoY Change (%)      | 15.4         | 8.5          | 14.4         | 12.6         | 15.8         | 16.0         | 11.9         | 21.2         | 13.0          | 16.0          |
| Total Expenditure   | 6,261        | 5,488        | 7,694        | 6,284        | 7,189        | 6,213        | 8,433        | 7,301        | 25,725        | 29,136        |
| <b>EBITDA</b>       | <b>525</b>   | <b>7</b>     | <b>1,197</b> | <b>402</b>   | <b>671</b>   | <b>159</b>   | <b>1,512</b> | <b>804</b>   | <b>2,131</b>  | <b>3,177</b>  |
| EBITDA Margin (%)   | 7.7          | 0.1          | 13.5         | 6.0          | 8.5          | 2.5          | 15.2         | 9.9          | 7.6           | 9.8           |
| Depreciation        | 499          | 532          | 583          | 607          | 613          | 620          | 626          | 712          | 2,221         | 2,571         |
| Interest            | 330          | 359          | 376          | 359          | 352          | 352          | 352          | 352          | 1,424         | 1,407         |
| Other Income        | 15           | 20           | 130          | 44           | 60           | 60           | 60           | 60           | 210           | 240           |
| <b>PBT</b>          | <b>-290</b>  | <b>-864</b>  | <b>369</b>   | <b>-520</b>  | <b>-234</b>  | <b>-752</b>  | <b>594</b>   | <b>-200</b>  | <b>-1,305</b> | <b>-561</b>   |
| Tax                 | -70          | -223         | 87           | -131         | -59          | -188         | 149          | -42          | -337          | -140          |
| Rate (%)            | 24.2         | 25.8         | 23.5         | 25.1         | 25.0         | 25.0         | 25.0         | 21.1         | 25.9          | 25.0          |
| <b>Reported PAT</b> | <b>-219</b>  | <b>-641</b>  | <b>282</b>   | <b>-389</b>  | <b>-176</b>  | <b>-564</b>  | <b>446</b>   | <b>-158</b>  | <b>-968</b>   | <b>-421</b>   |
| <b>Adj PAT</b>      | <b>-219</b>  | <b>-641</b>  | <b>282</b>   | <b>-389</b>  | <b>-176</b>  | <b>-564</b>  | <b>446</b>   | <b>-158</b>  | <b>-968</b>   | <b>-452</b>   |
| YoY Change (%)      | -207.3       | 466.8        | 41.3         | 5.3          | -19.9        | -12.0        | 57.8         | -59.4        | 1,132.9       | -53.2         |

E: MOFSL Estimates

**Vedant Fashions****Neutral****CMP: INR1,099 | TP: INR1,010 (-8%)****EPS CHANGE (%): FY25 | 26: -5.7 | -5.7**

- Revenue expect to de-grow 15.6% YoY due to subdued demand environment
- EBITDA margin to decline YoY to 44.3%
- Expect PAT to decline to INR658m led by operating deleverage.

**Quarterly Earning****(INR m)**

| Y/E March                    | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Revenue</b>               | <b>3,116</b> | <b>2,183</b> | <b>4,745</b> | <b>3,632</b> | <b>2,629</b> | <b>2,440</b> | <b>5,681</b> | <b>4,387</b> | <b>13,675</b> | <b>15,137</b> |
| YoY Change (%)               | -4.1         | -11.6        | 7.5          | 6.3          | -15.6        | 11.8         | 19.7         | 20.8         | 0.9           | 10.7          |
| Total Expenditure            | 1,635        | 1,255        | 2,324        | 1,881        | 1,464        | 1,398        | 2,659        | 2,153        | 7,094         | 7,674         |
| <b>EBITDA</b>                | <b>1,482</b> | <b>928</b>   | <b>2,420</b> | <b>1,751</b> | <b>1,165</b> | <b>1,042</b> | <b>3,022</b> | <b>2,234</b> | <b>6,581</b>  | <b>7,462</b>  |
| EBITDA margins (%)           | 47.5         | 42.5         | 51.0         | 48.2         | 44.3         | 42.7         | 53.2         | 50.9         | 48.1          | 49.3          |
| Change YoY (%)               | -9.1         | -19.6        | 7.8          | 4.3          | -21.4        | 12.2         | 24.9         | 27.6         | 96.0          | 89.5          |
| Depreciation                 | 299          | 325          | 344          | 381          | 388          | 396          | 404          | 420          | 1,349         | 1,608         |
| Interest                     | 94           | 107          | 112          | 132          | 157          | 157          | 157          | 157          | 445           | 630           |
| Other Income                 | 150          | 151          | 155          | 241          | 261          | 261          | 261          | 261          | 697           | 1,045         |
| <b>PBT before EO expense</b> | <b>1,238</b> | <b>648</b>   | <b>2,119</b> | <b>1,479</b> | <b>880</b>   | <b>750</b>   | <b>2,722</b> | <b>1,917</b> | <b>5,484</b>  | <b>6,270</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| Tax                          | 319          | 161          | 542          | 321          | 222          | 189          | 686          | 483          | 1,342         | 1,580         |
| Rate (%)                     | 25.7         | 24.8         | 25.6         | 21.7         | 25.2         | 25.2         | 25.2         | 25.2         | 24.5          | 25.2          |
| <b>Reported PAT</b>          | <b>919</b>   | <b>487</b>   | <b>1,577</b> | <b>1,158</b> | <b>658</b>   | <b>561</b>   | <b>2,036</b> | <b>1,434</b> | <b>4,142</b>  | <b>4,690</b>  |
| <b>Adj PAT</b>               | <b>919</b>   | <b>487</b>   | <b>1,577</b> | <b>1,158</b> | <b>658</b>   | <b>561</b>   | <b>2,036</b> | <b>1,434</b> | <b>4,142</b>  | <b>4,690</b>  |
| YoY Change (%)               | -9           | -29          | 5            | 6            | -28          | 15           | 29           | 24           | -3            | 13            |

E: MOFSL Estimates

# Technology

## Wishing for a turnaround

### Expect sequential improvement in a seasonally strong quarter

- We expect the revenues of IT services companies to recover following a tepid 4QFY24 for the industry, as the ramp-up of large cost-takeout deals could drive growth for large-caps in a seasonally strong quarter. The brutal winter of discretionary spend cuts in the industry is likely over, but there is little evidence of a recovery in the flow business. Hence, we are on track for one of the weakest first quarters for at least 10 years. The situation, though slightly better, is eerily similar to what we witnessed in 1HFY24. We would be looking for signs of recovery in discretionary spending in the form of deal activities, which have been heavily skewed towards cost-takeout projects. However, any disappointment in 1QFY25 could again put pressure on 2Q. While we expect ~5-7% YoY revenue growth in constant currency (cc) terms for HCL and TCS (lower for INFY largely due to a poor exit to FY24) for FY25, this is contingent on a recovery in the flow business and clients' willingness to resume discretionary spending. We believe mid-tier companies could continue to perform well, especially those with strong offerings in "pre-GenAI" spending, such as data engineering. We expect aggregate revenue/EBIT/PAT to grow by 3.2/5.2/6.1% respectively (all in INR terms) yoy for our coverage universe.
- Verticals such as BFS and Communications have been under pressure for the past 5-6 quarters; and while spending patterns remain largely unchanged, deal wins over the past couple of quarters should start accelerating in this quarter. This should offer some respite to growth rates for these verticals, especially for Infosys as the base becomes more favorable. Hi-tech, following a brief recovery, might face challenges, as spending on software moderates.
- The cross-currency impact for the quarter is expected to be minimal, as shown in Exhibit 5. On an average, we expect 10-20 cross-currency headwinds for our coverage on a sequential basis.
- **Guidance:** We expect no changes in guidance/commentary from companies on FY25 revenue growth. The focus of the commentaries is likely to remain on demand pick-up in 2HFY25, indicating a more normalized FY26 spending environment.
- We expect revenue growth of Tier-I companies to be in the range of -0.5% to +2.0% QoQ in CC. Revenue of Tier-II players is expected to grow by -1.5% to +5.0% QoQ in CC terms.
- Margins for the sector are likely to remain largely range-bound. The benefits from deferring wage hikes and benign currency movements could be offset by the ongoing challenge of recovering lost volumes. The first quarter is also anticipated to be affected by visa costs, leading to a slightly negative bias for the quarter. We believe FY25 will be a year of restrained wage hikes across the industry. Moreover, given the gradual nature of demand recovery, companies can adopt a more cautious approach towards their hiring strategies. This should lead to better margin defense for the sector.
- We prefer HCLT for its favorable business mix and reiterate the stock as our top pick among large-tier players. For mid-tier names, we continue to like Cyient despite the short-term headwinds, as its portfolio of aerospace, defense, and sustainability is set for decent growth over the medium term. Additionally, we prefer LTTS due to its well-diversified portfolio and market leadership.

**Growth expectations across our coverage**

- We expect Infosys and TCS to report relatively strong 2.0% and 1.6% QoQ CC revenue growth, respectively, whereas HCLT's 2% decline is already baked in (as guided last quarter). TechM and Wipro's revenue could be flat QoQ. LTIM is likely to report a relatively healthy 2% growth as well.
- Among mid-tier names, we expect Persistent to lead the pack with 5% QoQ revenue growth, largely driven by deal ramp-ups in the healthcare vertical. Coforge is likely to have a slightly slow quarter (around 1.5% QoQ growth), whereas Mphasis will grow about 1% QoQ.
- We expect Cyient to report a soft quarter as well, putting its FY25 guidance at risk. We model minimal cross-currency impact for the quarter for almost all companies (10-20bp adverse impact).

**Margins a mixed bag**

- We expect TCS' EBIT margin to contract by about 150bp QoQ, largely due to wage hikes. For HCL, the margin contraction should be steeper due to seasonality in its software business. For Infosys, we expect margin to improve slightly by 30bp as gains from its cost-benefit programs are offset by visa and other seasonal costs (with no wage hikes). TechM's margins are expected to remain muted, whereas Wipro should fare better.
- Among mid-caps, we expect most companies to report a sequential margin contraction. Coforge's margin should be down by ~80bp despite deferred wage hikes to 2QFY25. The large deal ramp-ups for Persistent would put its margin under pressure. Mphasis' margin would be range-bound, whereas LTTS should post a sequential margin contraction of ~50bp owing to low seasonal volumes.

**Near-term demand unchanged; HCLT remains our top pick**

- The near-term macro uncertainties and no meaningful sign of recovery in discretionary IT spending are key concerns for large-cap names; however, we expect mid-tier players to continue their outperformance.
- Among Tier-I players, HCLT is one of the key beneficiaries of having a defensive business mix, which should support its growth in the current environment.
- Among Tier-II players, our preference lies with CYL, which is poised for robust performance. This will be supported by the revival in the aerospace vertical, the moderating challenges in sectors such as railways and communications, and a strong portfolio in its sustainability business.

**Exhibit 1: Expect Tier-I companies' revenue (USD) growth to recover after a subdued Q4FY24**

| Company                 | Revenue (USD m) |               |            |               |            | Revenue (INR b) |              |            |              |            |
|-------------------------|-----------------|---------------|------------|---------------|------------|-----------------|--------------|------------|--------------|------------|
|                         | 1QFY25          | 4QFY24        | QoQ (%)    | 1QFY24        | YoY (%)    | 1QFY25          | 4QFY24       | QoQ (%)    | 1QFY24       | YoY (%)    |
| TCS                     | 7,459           | 7,363         | 1.3        | 7,226         | 3.2        | 622             | 612          | 1.6        | 594          | 4.8        |
| INFO                    | 4,651           | 4,564         | 1.9        | 4,617         | 0.7        | 388             | 379          | 2.3        | 379          | 2.3        |
| HCLT                    | 3,365           | 3,430         | -1.9       | 3,200         | 5.2        | 279             | 285          | -2.0       | 263          | 6.2        |
| WPRO                    | 2,646           | 2,657         | -0.4       | 2,779         | -4.8       | 222             | 222          | -0.2       | 228          | -2.9       |
| TECHM                   | 1,554           | 1,548         | 0.4        | 1,601         | -2.9       | 130             | 129          | 0.7        | 132          | -1.5       |
| LTIM                    | 1,077           | 1,069         | 0.7        | 1,059         | 1.7        | 90              | 89           | 1.0        | 87           | 3.2        |
| <b>Tier I aggregate</b> | <b>20,752</b>   | <b>20,632</b> | <b>0.6</b> | <b>20,481</b> | <b>1.3</b> | <b>1,731</b>    | <b>1,716</b> | <b>0.8</b> | <b>1,683</b> | <b>2.8</b> |

| Company                 | EBIT margin (%) |             |              |             |             | Adjusted PAT (INR b) |            |             |            |            |
|-------------------------|-----------------|-------------|--------------|-------------|-------------|----------------------|------------|-------------|------------|------------|
|                         | 1QFY25          | 4QFY24      | QoQ (bps)    | 1QFY24      | YoY (bps)   | 1QFY25               | 4QFY24     | QoQ (%)     | 1QFY24     | YoY (%)    |
| TCS                     | 24.5            | 26.0        | -150.0       | 23.2        | 130.0       | 121.4                | 125.0      | -2.9        | 111.2      | 9.2        |
| INFO                    | 20.4            | 20.1        | 30.0         | 20.8        | -40.0       | 63.1                 | 60.8       | 3.8         | 59.5       | 6.1        |
| HCLT                    | 16.8            | 17.6        | -80.0        | 17.0        | -10.0       | 37.7                 | 40.0       | -5.7        | 35.3       | 6.6        |
| WPRO                    | 15.8            | 15.9        | -10.0        | 15.1        | 70.0        | 28.9                 | 28.6       | 1.1         | 28.9       | 0.1        |
| TECHM                   | 7.7             | 7.4         | 30.0         | 8.8         | -110.0      | 8.1                  | 9.7        | -15.8       | 9.6        | -15.1      |
| LTIM                    | 15.6            | 14.7        | 90.0         | 16.7        | -110.0      | 11.6                 | 11.0       | 5.4         | 11.5       | 0.7        |
| <b>Tier I aggregate</b> | <b>19.5</b>     | <b>20.0</b> | <b>-50.0</b> | <b>19.1</b> | <b>40.0</b> | <b>271</b>           | <b>275</b> | <b>-1.5</b> | <b>256</b> | <b>5.8</b> |

**Exhibit 2: Expect Tier-II players' revenue (USD) growth to be robust with a few exceptions**

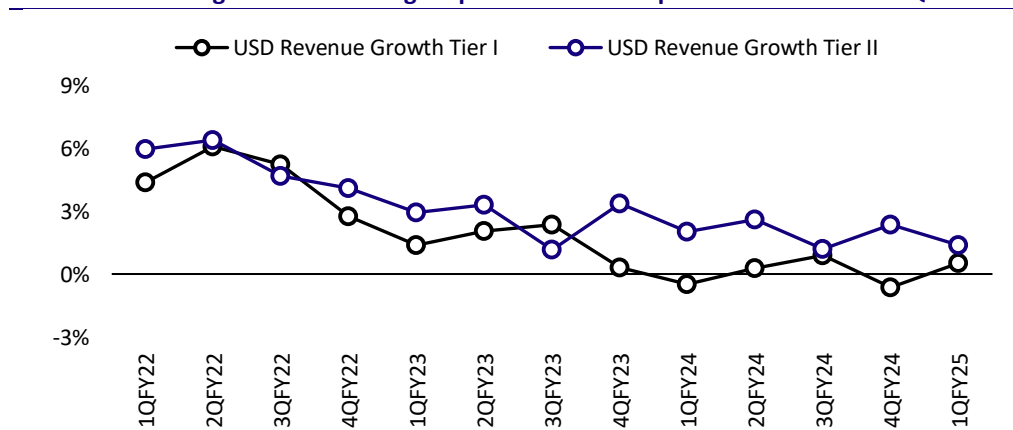
| Company                  | Revenue (USD m) |              |            |              |            | Revenue (INR b) |              |            |              |            |
|--------------------------|-----------------|--------------|------------|--------------|------------|-----------------|--------------|------------|--------------|------------|
|                          | 1QFY25          | 4QFY24       | QoQ (%)    | 1QFY24       | YoY (%)    | 1QFY25          | 4QFY24       | QoQ (%)    | 1QFY24       | YoY (%)    |
| LTTS                     | 303             | 305          | -0.6       | 280          | 8.4        | 25.3            | 25.4         | -0.3       | 23.0         | 10.0       |
| MPHL                     | 416             | 411          | 1.2        | 398          | 4.5        | 34.7            | 34.2         | 1.6        | 32.7         | 6.0        |
| COFORGE                  | 291             | 287          | 1.5        | 272          | 7.1        | 24.3            | 23.6         | 3.0        | 22.2         | 9.4        |
| PSYS                     | 327             | 311          | 5.2        | 283          | 15.6       | 27.2            | 25.9         | 5.2        | 23.2         | 17.4       |
| ZENT                     | 151             | 148          | 2.3        | 149          | 1.5        | 12.6            | 12.3         | 2.8        | 12.3         | 3.0        |
| CYL                      | 177             | 179          | -1.4       | 177          | -0.2       | 14.7            | 14.9         | -1.0       | 14.5         | 1.4        |
| <b>Tier II aggregate</b> | <b>1,666</b>    | <b>1,641</b> | <b>1.5</b> | <b>1,559</b> | <b>6.8</b> | <b>138.9</b>    | <b>136.2</b> | <b>2.0</b> | <b>128.0</b> | <b>8.5</b> |

| Company                  | EBIT margin (%) |             |              |             |              | Adjusted PAT (INR b) |             |            |             |             |
|--------------------------|-----------------|-------------|--------------|-------------|--------------|----------------------|-------------|------------|-------------|-------------|
|                          | 1QFY25          | 4QFY24      | QoQ (bps)    | 1QFY24      | YoY (bps)    | 1QFY25               | 4QFY24      | QoQ (%)    | 1QFY24      | YoY (%)     |
| LTTS                     | 16.4            | 16.9        | -50.0        | 17.2        | -80.0        | 3.4                  | 3.4         | -0.7       | 3.1         | 8.8         |
| MPHL                     | 15.3            | 14.9        | 40.0         | 15.3        | -            | 4.3                  | 3.9         | 8.1        | 4.0         | 7.4         |
| COFORGE                  | 13.3            | 14.1        | -80.0        | 11.5        | 170.0        | 2.4                  | 2.2         | 4.7        | 1.8         | 29.3        |
| PSYS                     | 14.0            | 14.5        | -50.0        | 14.9        | -90.0        | 3.2                  | 3.2         | 2.0        | 2.8         | 15.9        |
| ZENT                     | 13.9            | 14.6        | -70.0        | 15.3        | -140.0       | 1.5                  | 1.7         | -16.1      | 1.6         | -6.9        |
| CYL                      | 16.4            | 16.0        | 40.0         | 16.1        | 30.0         | 1.9                  | 1.9         | 1.4        | 1.8         | 8.6         |
| <b>Tier II aggregate</b> | <b>14.9</b>     | <b>15.1</b> | <b>-20.0</b> | <b>15.0</b> | <b>-10.0</b> | <b>16.6</b>          | <b>16.4</b> | <b>1.3</b> | <b>15.0</b> | <b>10.6</b> |

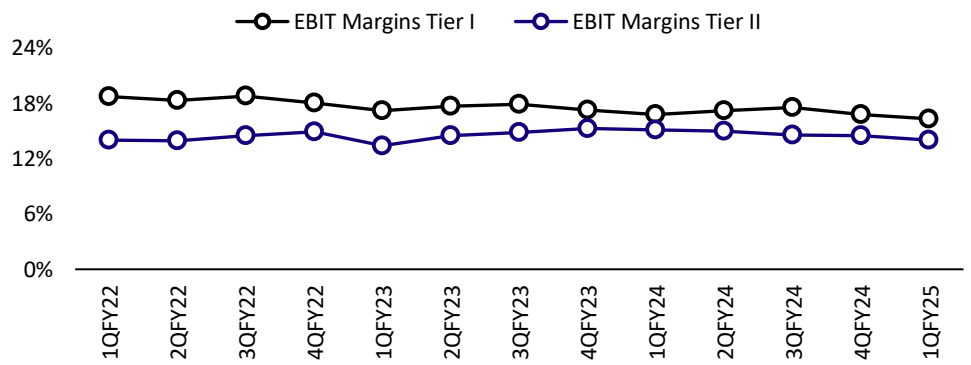
Source: Company, MOFSL

**Exhibit 3: Revenue growth to see a slight uptick for Tier-I companies after a difficult 4QFY24**



Source: MOFSL, Company

**Exhibit 4: Tier-I should perform better on the margin front**



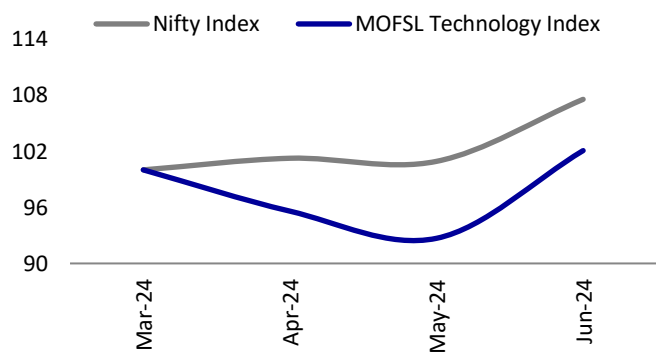
Source: MOSL, Company

**Exhibit 5: Cross-currency to have an adverse impact on 1Q USD revenue growth**

|           | CC USD growth QoQ (%) | USD growth QoQ (%) | Cross-currency impact (bp) |
|-----------|-----------------------|--------------------|----------------------------|
| TCS       | 1.6                   | 1.3                | -30                        |
| INFO      | 2.0                   | 1.9                | -10                        |
| HCLT      | -1.8                  | -1.9               | -10                        |
| WPRO      | -0.5                  | -0.4               | 10                         |
| TECHM     | 0.8                   | 0.4                | -40                        |
| LTIM      | 0.7                   | 0.7                | -                          |
| LTTS      | -0.5                  | -0.6               | -                          |
| MPHL      | 1.2                   | 1.2                | -                          |
| COFORGE   | 1.4                   | 1.5                | 10                         |
| PSYS      | 5.0                   | 5.2                | 10                         |
| ZENT      | 1.9                   | 1.9                | -                          |
| CYL (DET) | -1.5                  | -1.4               | 10                         |

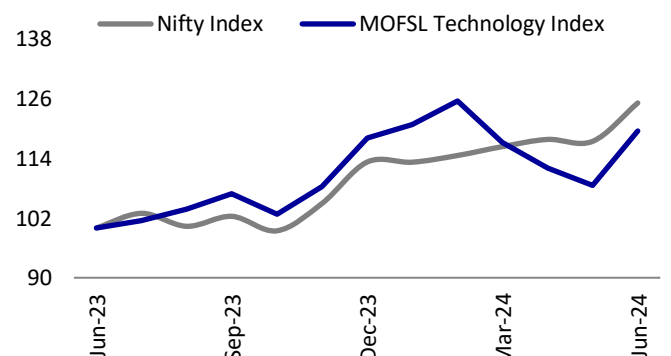
Source: Company, MOFSL

**Exhibit 6: Relative performance – three-months (%)**



Source: Bloomberg, MOFSL

**Exhibit 7: Relative performance – one-year (%)**



Source: Bloomberg, MOFSL

## Exhibit 8: Expected quarterly performance summary

| Companies                       | CMP<br>(INR) | Rating  | Sales (INR b) |                     |                     | EBIT (INR b) |                     |                     | Adjusted net profit (INR b) |                     |                     |
|---------------------------------|--------------|---------|---------------|---------------------|---------------------|--------------|---------------------|---------------------|-----------------------------|---------------------|---------------------|
|                                 |              |         | June'24E      | Variance<br>YoY (%) | Variance<br>QoQ (%) | Jun'24E      | Variance<br>YoY (%) | Variance<br>QoQ (%) | Jun'24E                     | Variance<br>YoY (%) | Variance<br>QoQ (%) |
| TCS                             | 3,972        | Buy     | 622.2         | 4.8                 | 1.6                 | 152.4        | 10.8                | -4.2                | 121.4                       | 9.2                 | -2.9                |
| INFO                            | 1,592        | Buy     | 388.0         | 2.3                 | 2.3                 | 79.2         | 0.4                 | 4.0                 | 63.1                        | 6.1                 | 3.8                 |
| HCLT                            | 1,472        | Buy     | 279.3         | 6.2                 | -2.0                | 47.0         | 5.3                 | -6.4                | 37.7                        | 6.6                 | -5.7                |
| WPRO                            | 529          | Neutral | 221.6         | -2.9                | -0.2                | 35.1         | 1.7                 | -0.8                | 28.9                        | 0.1                 | 1.1                 |
| TECHM                           | 1,473        | Neutral | 129.6         | -1.5                | 0.7                 | 10.0         | -13.5               | 5.5                 | 8.1                         | -15.1               | -15.8               |
| LTIM                            | 5,454        | Neutral | 89.8          | 3.2                 | 1.0                 | 14.0         | -3.4                | 7.1                 | 11.6                        | 0.7                 | 5.4                 |
| MPHL                            | 2,510        | Neutral | 34.7          | 6.0                 | 1.6                 | 5.3          | 6.1                 | 4.4                 | 4.3                         | 7.4                 | 8.1                 |
| LTTS                            | 5,021        | Buy     | 25.3          | 10.0                | -0.3                | 4.2          | 5.0                 | -3.1                | 3.4                         | 8.8                 | -0.7                |
| PSYS                            | 4,541        | Neutral | 27.2          | 17.4                | 5.2                 | 3.8          | 10.0                | 1.9                 | 3.2                         | 15.9                | 2.0                 |
| COFORGE                         | 5,513        | Neutral | 24.3          | 9.4                 | 3.0                 | 3.2          | 25.9                | -2.8                | 2.4                         | 29.3                | 4.7                 |
| CYL                             | 1,835        | Buy     | 14.7          | 1.4                 | -1.0                | 2.4          | 3.5                 | 1.4                 | 1.9                         | 8.6                 | 1.4                 |
| ZENT                            | 754          | Neutral | 12.6          | 3.0                 | 2.8                 | 1.8          | -6.5                | -2.0                | 1.5                         | -6.9                | -16.1               |
| <b>Sector aggregate (INR b)</b> |              |         | <b>1,872</b>  | <b>3.3</b>          | <b>0.9</b>          | <b>358</b>   | <b>5.1</b>          | <b>-1.6</b>         | <b>287</b>                  | <b>6.1</b>          | <b>-1.4</b>         |

Source: Company, MOFSL

## Exhibit 9: Comparative valuations

| Company | CMP<br>(INR) | M-cap<br>(INR b) | Target<br>Price | Upside/<br>Downside<br>(%) | EPS<br>(INR) |       |       | EPS<br>CAGR (%) | Dividend<br>yield (%) | P/E (x)  |      |       |
|---------|--------------|------------------|-----------------|----------------------------|--------------|-------|-------|-----------------|-----------------------|----------|------|-------|
|         |              |                  |                 |                            | FY24         | FY25E | FY26E |                 |                       | FY24-26E | FY24 | FY25E |
| TCS     | 3,972        | 14,484           | 4,660           | 17                         | 126.3        | 143.1 | 155.2 | 10.9            | 3.2                   | 31.5     | 27.8 | 25.6  |
| INFO    | 1,592        | 6,610            | 1,845           | 16                         | 58.4         | 63.5  | 73.8  | 12.4            | 2.9                   | 27.2     | 25.1 | 21.6  |
| HCLT    | 1,472        | 3,965            | 1,710           | 16                         | 57.9         | 62.5  | 68.4  | 8.7             | 3.3                   | 25.4     | 23.5 | 21.5  |
| WPRO    | 529          | 2,733            | 490             | -7                         | 20.4         | 22.2  | 24.5  | 9.6             | 4.6                   | 25.9     | 23.8 | 21.6  |
| TECHM   | 1,473        | 1,208            | 1,355           | -8                         | 41.1         | 43.9  | 64.3  | 25.1            | 2.7                   | 35.8     | 33.6 | 22.9  |
| LTIM    | 5,454        | 1,440            | 5,805           | 6                          | 154.8        | 167.7 | 193.4 | 11.8            | 1.2                   | 35.2     | 32.5 | 28.2  |
| MPHL    | 2,510        | 469              | 2,335           | -7                         | 81.8         | 93.7  | 101.1 | 11.2            | 2.0                   | 30.7     | 26.8 | 24.8  |
| LTTS    | 5,021        | 533              | 5,965           | 19                         | 123.0        | 135.3 | 156.9 | 12.9            | 0.9                   | 40.8     | 37.1 | 32.0  |
| PSYS    | 4,541        | 651              | 4,560           | 0.4                        | 75.1         | 93.4  | 113.9 | 23.2            | 0.8                   | 60.5     | 48.6 | 39.9  |
| COFORGE | 5,513        | 341              | 6,100           | 11                         | 133.0        | 169.2 | 203.3 | 23.6            | 1.3                   | 41.4     | 32.6 | 27.1  |
| CYL     | 1,835        | 203              | 2,160           | 18                         | 62.1         | 81.2  | 99.3  | 26.4            | 1.6                   | 29.5     | 22.6 | 18.5  |
| ZENT    | 754          | 170              | 750             | -1                         | 29           | 27    | 33    | 4.6             | 0.9                   | 25.9     | 28.4 | 23.2  |

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

Neutral

CMP INR5513 | TP: INR6100 (11%)

EPS CHANGE (%): FY25 | 26: -11.1 | -9.7

- Revenue growth is likely to be ~1.5% QoQ; expect acceleration in growth from 2Q onwards as deals ramp-up
- EBIT margin is expected to contract ~80bp QoQ due to visa costs as well as some decline in utilization
- Key monitorables: further clarity on integration of Cigniti as well as demand environment in BFSI
- We expect Coforge to report ~11% CC growth in FY25.

### Quarterly performance (Ind-AS)

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E    |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
| (Consolidated)    | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |          |
| Rev. (USD m)      | 272    | 278    | 282    | 287    | 291    | 305    | 316    | 330    | 1,119  | 1,242    |
| QoQ (%)           | 2.8    | 2.3    | 1.4    | 1.7    | 1.5    | 4.7    | 3.6    | 4.5    | 11.7   | 11.1     |
| Revenue (INR m)   | 22,210 | 22,762 | 23,233 | 23,585 | 24,289 | 25,445 | 26,367 | 27,551 | 91,790 | 1,03,652 |
| YoY (%)           | 21.4   | 16.2   | 13.0   | 8.7    | 9.4    | 11.8   | 13.5   | 16.8   | 14.5   | 12.9     |
| GPM (%)           | 30.7   | 32.5   | 33.1   | 34.1   | 32.5   | 32.0   | 33.5   | 34.0   | 32.6   | 33.0     |
| SGA (%)           | 14.7   | 14.9   | 15.1   | 15.5   | 15.0   | 15.0   | 15.0   | 15.0   | 15.1   | 15.0     |
| EBITDA (INR m)    | 3,316  | 3,473  | 4,012  | 4,163  | 4,024  | 4,088  | 4,632  | 4,978  | 14,964 | 17,723   |
| EBITDA margin (%) | 14.9   | 15.3   | 17.3   | 17.7   | 16.6   | 16.1   | 17.6   | 18.1   | 16.3   | 17.1     |
| EBIT (INR m)      | 2,559  | 2,701  | 3,201  | 3,317  | 3,223  | 3,249  | 3,762  | 4,069  | 11,778 | 14,302   |
| EBIT margin (%)   | 11.5   | 11.9   | 13.8   | 14.1   | 13.3   | 12.8   | 14.3   | 14.8   | 12.8   | 13.8     |
| Other income      | -152   | -295   | -257   | -452   | -243   | -254   | -264   | -276   | -1,156 | -1,037   |
| ETR (%)           | 20.1   | 21.9   | 17.5   | 19.7   | 18.8   | 18.8   | 18.8   | 18.8   | 19.7   | 18.8     |
| Minority Interest | -104.0 | -69.0  | -48.0  | -55.0  | -69.6  | -69.6  | -69.6  | -69.6  | -276.0 | -278.5   |
| Adj. PAT          | 1,818  | 1,809  | 2,380  | 2,246  | 2,351  | 2,363  | 2,772  | 3,012  | 8,253  | 10,498   |
| QoQ (%)           | -21.9  | -0.5   | 31.6   | -5.6   | 4.7    | 0.5    | 17.3   | 8.6    |        |          |
| YoY (%)           | 21.2   | -10.3  | 4.3    | -3.5   | 29.3   | 30.6   | 16.5   | 34.1   | 1.6    | 27.2     |
| Adj. EPS (INR)    | 29.2   | 29.0   | 38.1   | 36.2   | 37.9   | 38.1   | 44.7   | 48.5   | 133.0  | 169.2    |

## Cyient

Buy

CMP INR1835 | TP: INR2160 (+18%)

EPS CHANGE (%): FY25 | 26: -5.6 | -11.4

- Expect 1.5% QoQ CC decline for DET in 1QFY25 due to planned ramp downs in some projects and supply crunch in its key aerospace vertical
- Sustainability is performing well but planned ramp downs could lead to a decline in 1Q in the vertical
- DET margin is likely to improve ~40bp QoQ, and the company should deliver on its guidance band.
- We expect risks to its FY25 guidance in light of the short-term headwinds in its key verticals.

### Quarterly performance (Consol)

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E  |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Revenue (USD m)   | 205    | 214    | 219    | 224    | 213    | 224    | 233    | 250    | 862    | 920    |
| QoQ (%)           | -3.6   | 4.4    | 2.1    | 2.4    | -4.7   | 5.0    | 3.9    | 7.4    | 15.5   | 6.7    |
| Revenue (INR m)   | 16,865 | 17,785 | 18,215 | 18,607 | 17,801 | 18,696 | 19,421 | 20,859 | 71,472 | 76,777 |
| YoY (%)           | 34.9   | 27.4   | 12.6   | 6.2    | 5.6    | 5.1    | 6.6    | 12.1   | 18.8   | 7.4    |
| GPM (%)           | 36.6   | 35.7   | 35.4   | 35.2   | 36.2   | 37.6   | 37.9   | 38.0   | 35.7   | 37.5   |
| SGA (%)           | 17.9   | 17.4   | 17.5   | 17.2   | 18.2   | 18.4   | 18.4   | 18.4   | 17.5   | 18.4   |
| EBITDA            | 3,156  | 3,258  | 3,261  | 3,353  | 3,204  | 3,590  | 3,787  | 4,088  | 13,028 | 14,669 |
| EBITDA margin (%) | 18.7   | 18.3   | 17.9   | 18.0   | 18.0   | 19.2   | 19.5   | 19.6   | 18.2   | 19.1   |
| EBIT              | 2,480  | 2,600  | 2,600  | 2,682  | 2,492  | 2,842  | 3,010  | 3,254  | 10,362 | 11,598 |
| EBIT margin (%)   | 14.7   | 14.6   | 14.3   | 14.4   | 14.0   | 15.2   | 15.5   | 15.6   | 14.5   | 15.1   |
| Other income      | -176   | -134   | -100   | -89    | 36     | 37     | 39     | 42     | -499   | 154    |
| ETR (%)           | 22.9   | 23.6   | 23.3   | 24.0   | 24.1   | 24.1   | 24.1   | 24.1   | 23.5   | 24.1   |
| Adj. PAT          | 1,767  | 1,831  | 1,858  | 1,893  | 1,920  | 2,186  | 2,315  | 2,503  | 7,349  | 8,924  |
| QoQ (%)           | 0.3    | 3.6    | 1.5    | 1.9    | 1.4    | 13.9   | 5.9    | 8.1    |        |        |
| YoY (%)           | 52.2   | 50.3   | 14.1   | 7.4    | 8.6    | 19.4   | 24.6   | 32.2   | 27.4   | 21.4   |
| EPS (INR)         | 16.0   | 16.6   | 16.9   | 17.2   | 17.5   | 19.9   | 21.1   | 22.8   | 66.9   | 81.2   |

**HCL Technologies****Buy****CMP INR1472 | TP: INR1710 (+16%)****EPS CHANGE (%): FY25|26: -0.3| -7.1**

- We expect HCLT to report a revenue decline of ~2% QoQ in a seasonally weak quarter.
- Revenue decline would be largely due to annual productivity pass-backs to clients and a few planned ramp downs in its IT services business.
- Margin to contract 80bp QoQ due to seasonal headwinds
- We expect the company to retain its FY25 revenue growth guidance of 3-5%.

**Quarterly Performance**

| Y/E March         | FY24  |       |       |       | FY25  |       |       |       | FY24   | FY25E  |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                   | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| Revenue (USD m)   | 3,200 | 3,225 | 3,415 | 3,430 | 3,365 | 3,433 | 3,581 | 3,589 | 13,270 | 13,969 |
| QoQ (%)           | -1.1  | 0.8   | 5.9   | 0.4   | -1.9  | 2.0   | 4.3   | 0.2   | 5.4    | 5.3    |
| Revenue (INR b)   | 263   | 267   | 284   | 285   | 279   | 285   | 297   | 298   | 1,099  | 1,159  |
| YoY (%)           | 12.1  | 8.0   | 6.5   | 7.1   | 6.2   | 6.8   | 4.5   | 4.5   | 8.3    | 5.5    |
| GPM (%)           | 35.6  | 36.2  | 36.7  | 35.0  | 34.6  | 35.1  | 36.3  | 37.3  | 35.9   | 35.9   |
| SGA (%)           | 13.6  | 12.4  | 11.5  | 12.0  | 12.3  | 12.4  | 12.0  | 12.0  | 12.4   | 12.2   |
| EBITDA            | 55    | 59    | 67    | 61    | 58    | 60    | 68    | 71    | 242    | 258    |
| EBITDA Margin (%) | 20.8  | 22.3  | 23.5  | 21.4  | 20.6  | 21.1  | 22.9  | 23.9  | 22.0   | 22.3   |
| EBIT              | 45    | 49    | 56    | 50    | 47    | 49    | 57    | 60    | 200    | 213    |
| EBIT Margin (%)   | 17.0  | 18.5  | 19.7  | 17.6  | 16.8  | 17.3  | 19.1  | 20.1  | 18.2   | 18.4   |
| Other income      | 2     | 2     | 3     | 3     | 3     | 3     | 3     | 3     | 9      | 11     |
| ETR (%)           | 24.8  | 25.3  | 25.9  | 24.2  | 24.2  | 24.2  | 24.2  | 24.2  | 25.1   | 24.2   |
| Adjusted PAT      | 35    | 38    | 44    | 40    | 38    | 39    | 45    | 48    | 157    | 170    |
| QoQ (%)           | -11.2 | 8.4   | 13.5  | -8.4  | -5.7  | 5.1   | 14.4  | 5.2   |        |        |
| YoY (%)           | 7.6   | 9.8   | 6.2   | 0.1   | 6.3   | 3.0   | 3.8   | 19.2  | 5.7    | 8.1    |
| EPS               | 13.0  | 14.1  | 16.0  | 14.7  | 13.8  | 14.5  | 16.6  | 17.5  | 57.9   | 62.5   |

**Infosys****Buy****CMP INR1592 | TP: INR1845 (+16%)****EPS CHANGE (%): FY25|25: -0.5|-0.3**

- Revenue growth is expected to rebound to 2.0% QoQ CC, on account of ramp-up of large deals won in FY24.
- Operating margin is expected to inch up by 30bp owing to growth and absence of wage hikes. We expect the company's operating margin to be at 20.4%.
- We expect the deal TCV to be robust in 1Q; however, deals should be skewed towards the cost-takeout initiatives
- Expect Infosys to maintain its growth guidance of 1-3% CC for FY25.

**Quarterly Performance (IFRS)**

| Y/E March         | FY24  |       |       |       | FY25E |       |       |       | FY24   | FY25   |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                   | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| Revenue (USD m)   | 4,617 | 4,718 | 4,663 | 4,564 | 4,651 | 4,768 | 4,815 | 4,863 | 18,562 | 19,098 |
| QoQ (%)           | 1.4   | 2.2   | -1.2  | -2.1  | 1.9   | 2.5   | 1.0   | 1.0   | 1.9    | 2.9    |
| Revenue (INR b)   | 379   | 390   | 388   | 379   | 388   | 398   | 402   | 406   | 1,537  | 1,587  |
| YoY (%)           | 10.0  | 6.7   | 1.3   | 1.3   | 2.3   | 2.0   | 3.5   | 7.0   | 4.7    | 3.2    |
| GPM (%)           | 30.5  | 30.7  | 29.8  | 29.5  | 29.8  | 30.7  | 30.7  | 29.7  | 30.1   | 30.2   |
| SGA (%)           | 9.6   | 9.5   | 9.3   | 9.4   | 9.4   | 9.4   | 9.4   | 9.4   | 9.4    | 9.4    |
| EBITDA            | 98    | 103   | 100   | 96    | 99    | 105   | 106   | 103   | 397    | 414    |
| EBITDA Margin (%) | 26.0  | 26.4  | 25.7  | 25.2  | 25.6  | 26.5  | 26.5  | 25.5  | 25.8   | 26.1   |
| EBIT              | 79    | 83    | 80    | 76    | 79    | 85    | 86    | 82    | 317    | 331    |
| EBIT Margin (%)   | 20.8  | 21.2  | 20.5  | 20.1  | 20.4  | 21.3  | 21.3  | 20.3  | 20.7   | 20.8   |
| Other income      | 5     | 5     | 7     | 7     | 7     | 7     | 7     | 7     | 23     | 27     |
| ETR (%)           | 28.9  | 29.1  | 29.1  | 26.8  | 26.5  | 26.5  | 26.5  | 26.5  | 28.5   | 26.5   |
| PAT               | 59    | 62    | 61    | 61    | 63    | 67    | 68    | 66    | 243    | 263    |
| QoQ (%)           | -3.0  | 4.5   | -1.7  | -0.5  | 3.9   | 6.7   | 1.0   | -3.4  |        |        |
| YoY (%)           | 10.9  | 3.2   | -7.3  | -0.9  | 6.1   | 8.3   | 11.3  | 8.1   | 1.0    | 8.0    |
| EPS (INR)         | 14.4  | 15.0  | 14.7  | 14.7  | 15.2  | 16.2  | 16.4  | 15.8  | 58.4   | 63.5   |

**LTIMindtree****Neutral****CMP INR5454 | TP: INR5805(+6%)****EPS CHANGE (%): FY25|26: -0.4|-3.7**

- LTIM should report 0.7% CC growth in 1Q, dragged by weak demand environment and soft discretionary spending.
- Manufacturing is expected to perform along similar lines, whereas BFSI should see tailwinds from the low-base effect.
- Margin is likely to see a sequential pickup of 90bp QoQ due to reversion of a one-off impact and better operating leverage.
- In 1QFY25, demand commentary will be closely monitored coupled with the BFSI vertical's performance.

**Quarterly performance**

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E    |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| Revenue (USD m)   | 1,059  | 1,076  | 1,084  | 1,069  | 1,077  | 1,104  | 1,141  | 1,175  | 4,287    | 4,497    |
| QoQ (%)           | 0.1    | 1.6    | 0.8    | -1.3   | 0.7    | 2.5    | 3.4    | 3.0    | 4.4      | 4.9      |
| Revenue (INR m)   | 87,021 | 89,054 | 90,166 | 88,929 | 89,827 | 92,084 | 95,217 | 98,038 | 3,55,170 | 3,75,166 |
| YoY (%)           | 13.8   | 8.2    | 4.6    | 2.3    | 3.2    | 3.4    | 5.6    | 10.2   | 7.0      | 5.6      |
| GPM (%)           | 31.6   | 31.4   | 29.9   | 29.8   | 30.7   | 29.7   | 31.5   | 31.5   | 30.7     | 30.9     |
| SGA (%)           | 12.8   | 13.1   | 12.3   | 12.5   | 13.0   | 12.6   | 13.0   | 12.5   | 12.7     | 12.8     |
| EBITDA            | 16,355 | 16,313 | 15,849 | 15,357 | 15,899 | 15,746 | 17,615 | 18,627 | 63,874   | 67,888   |
| EBITDA margin (%) | 18.8   | 18.3   | 17.6   | 17.3   | 17.7   | 17.1   | 18.5   | 19.0   | 18.0     | 18.1     |
| EBIT              | 14,508 | 14,231 | 13,859 | 13,087 | 14,013 | 13,813 | 15,616 | 16,568 | 55,685   | 60,010   |
| EBIT margin (%)   | 16.7   | 16.0   | 15.4   | 14.7   | 15.6   | 15.0   | 16.4   | 16.9   | 15.7     | 16.0     |
| Other income      | 856    | 962    | 1,588  | 1,396  | 1,258  | 1,289  | 1,333  | 1,471  | 4,802    | 5,350    |
| ETR (%)           | 25.0   | 23.5   | 24.3   | 24.0   | 24.0   | 24.0   | 24.0   | 24.0   | 24.2     | 24.0     |
| Adj. PAT          | 11,523 | 11,623 | 11,693 | 11,007 | 11,606 | 11,478 | 12,882 | 13,710 | 45,846   | 49,676   |
| QoQ (%)           | 3.4    | 0.9    | 0.6    | -5.9   | 5.4    | -1.1   | 12.2   | 6.4    |          |          |
| YoY (%)           | 4.1    | -2.2   | 8.2    | -1.2   | 0.7    | -1.2   | 10.2   | 24.6   | 2.1      | 8.4      |
| EPS (INR)         | 38.9   | 39.2   | 39.4   | 37.1   | 39.2   | 38.7   | 43.5   | 46.3   | 154.8    | 167.7    |

**LTTS****Buy****CMP INR5021 | TP: INR5965 (+19%)****EPS CHANGE (%): FY25|26: -10.5|-11.7**

- We expect revenue to be flat, with a slight negative bias in 1Q; seasonality in the SWC business to be offset by the recent large deal ramp ups
- We expect the deal momentum to continue in 1Q
- EBIT margin to contract ~40bp QoQ due to large deal ramp ups
- We expect the company to retain its FY25 USD CC revenue growth guidance of 8-10%, aided by strong deal pipeline

**Quarterly performance**

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E    |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |          |
| Revenue (USD m)   | 280    | 288    | 291    | 305    | 303    | 312    | 319    | 334    | 1,164  | 1,269    |
| QoQ (%)           | 9.8    | 2.9    | 0.9    | 5.0    | -0.6   | 2.9    | 2.2    | 4.4    | 17.6   | 9.0      |
| Revenue (INR m)   | 23,014 | 23,865 | 24,218 | 25,375 | 25,308 | 26,059 | 26,644 | 27,828 | 96,472 | 1,05,839 |
| YoY (%)           | 22.8   | 19.6   | 18.2   | 21.1   | 10.0   | 9.2    | 10.0   | 9.7    | 20.4   | 9.7      |
| GPM (%)           | 30.0   | 28.0   | 29.2   | 28.9   | 29.0   | 28.8   | 29.8   | 30.0   | 29.0   | 29.4     |
| SGA (%)           | 10.4   | 8.1    | 9.1    | 9.1    | 9.8    | 9.7    | 10.2   | 10.2   | 9.1    | 10.0     |
| EBITDA            | 4,528  | 4,756  | 4,877  | 5,028  | 4,859  | 4,977  | 5,222  | 5,510  | 19,189 | 20,569   |
| EBITDA margin (%) | 19.7   | 19.9   | 20.1   | 19.8   | 19.2   | 19.1   | 19.6   | 19.8   | 19.9   | 19.4     |
| EBIT              | 3,954  | 4,075  | 4,162  | 4,282  | 4,151  | 4,248  | 4,476  | 4,731  | 16,473 | 17,605   |
| EBIT margin (%)   | 17.2   | 17.1   | 17.2   | 16.9   | 16.4   | 16.3   | 16.8   | 17.0   | 17.1   | 16.6     |
| Other income      | 357    | 286    | 493    | 428    | 456    | 469    | 480    | 501    | 1,564  | 1,905    |
| ETR (%)           | 27.6   | 27.6   | 27.6   | 27.5   | 26.5   | 26.5   | 26.5   | 26.5   | 27.6   | 26.5     |
| PAT               | 3,111  | 3,154  | 3,362  | 3,409  | 3,385  | 3,467  | 3,642  | 3,845  | 13,036 | 14,340   |
| QoQ (%)           | 0.5    | 1.4    | 6.6    | 1.4    | -0.7   | 2.4    | 5.1    | 5.6    |        |          |
| YoY (%)           | 13.5   | 11.7   | 10.7   | 10.1   | 8.8    | 9.9    | 8.3    | 12.8   | 11.4   | 10.0     |
| EPS (INR)         | 29.4   | 29.8   | 31.7   | 32.2   | 31.9   | 32.7   | 34.4   | 36.3   | 123.0  | 135.3    |

**Mphasis****Neutral****CMP INR2510 | TP: INR2335 (-7%)****EPS CHANGE (%): FY25|26: -0.8|-10.3**

- We expect a revenue growth of 1.2% QoQ CC, led by growth in BFSI and TMT verticals.
- The mortgage business should normalize in 1Q and is unlikely to see any further deterioration; however, we do not see any significant growth in this business until macros improve
- We expect margin to improve 40bp QoQ on continued cost optimization improvements.
- Commentary towards demand environment and pricing, volume recovery for its mortgage business, and deal TCVs need to be closely monitored.

**Quarterly performance**

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24     | FY25E  |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |        |
| Revenue (USD m)   | 398    | 398    | 402    | 411    | 416    | 426    | 436    | 448    | 1,609    | 1726   |
| QoQ (%)           | -3.4   | 0.1    | 1.0    | 2.1    | 1.2    | 2.6    | 2.3    | 2.6    | -6.3     | 7.3    |
| Revenue (INR m)   | 32,520 | 32,765 | 33,380 | 34,120 | 34,653 | 35,544 | 36,374 | 37,310 | 1,32,785 | 143880 |
| YoY (%)           | -4.7   | -6.9   | -4.8   | 1.5    | 6.6    | 8.5    | 9.0    | 9.3    | -3.8     | 8.4    |
| GPM (%)           | 29.1   | 28.9   | 31.3   | 31.2   | 30.3   | 30.0   | 29.6   | 29.3   | 30.1     | 29.8   |
| SGA (%)           | 11.1   | 10.7   | 13.3   | 12.5   | 12.5   | 12.2   | 12.0   | 11.6   | 11.9     | 12.1   |
| EBITDA            | 5,869  | 5,956  | 6,007  | 6,388  | 6,168  | 6,327  | 6,402  | 6,604  | 24,220   | 25501  |
| EBITDA margin (%) | 18.0   | 18.2   | 18.0   | 18.7   | 17.8   | 17.8   | 17.6   | 17.7   | 18.2     | 17.7   |
| EBIT              | 4,995  | 5,067  | 4,972  | 5,080  | 5,302  | 5,545  | 5,565  | 5,820  | 20,114   | 22232  |
| EBIT margin (%)   | 15.4   | 15.5   | 14.9   | 14.9   | 15.3   | 15.6   | 15.3   | 15.6   | 15.1     | 15.5   |
| Other income      | 263    | 150    | 14     | 143    | 347    | 355    | 364    | 373    | 570      | 1439   |
| 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  | 4,252  | 4,442  | 4,463  | 4,663  | 15,549   | 17820  |
| QoQ (%)           | -2.3   | -1.0   | -4.7   | 5.2    | 8.1    | 4.5    | 0.5    | 4.5    |          |        |
| YoY (%)           | -1.5   | -6.3   | -9.4   | -3.0   | 7.4    | 13.3   | 19.5   | 18.6   | -5.1     | 14.6   |
| EPS (INR)         | 20.9   | 20.6   | 19.6   | 20.7   | 22.4   | 23.4   | 23.5   | 24.5   | 81.8     | 93.7   |

**Persistent Systems****Neutral****CMP INR4541 | TP: INR4560 (0.4%)****EPS CHANGE (%): FY25|26: -1.7|-3.0**

- Expect revenue growth of ~5% QoQ CC, aided by continued momentum in Healthcare and ramp up of large deals in the vertical
- Margin is likely to contract 50bp QoQ and will be under pressure due to the initial ramp-up costs for large deals
- Expect healthy deal momentum to continue, with continued strength in healthcare followed by the BFS vertical
- Commentary on the recovery in hi-tech vertical is a key monitorable

**Quarterly performance (IFRS)**

| Y/E March<br>(Consolidated) | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E    |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|
|                             | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |          |
| Revenue (USD m)             | 282.9  | 291.7  | 300.6  | 310.9  | 326.9  | 337.0  | 348.0  | 359.3  | 1,186  | 1,371    |
| QoQ (%)                     | 3.0    | 3.1    | 3.0    | 3.4    | 5.2    | 3.1    | 3.3    | 3.3    | 14.5   | 15.6     |
| Revenue (INR m)             | 23,212 | 24,117 | 24,982 | 25,905 | 27,243 | 28,081 | 28,997 | 29,944 | 98,216 | 1,14,266 |
| QoQ (%)                     | 3.0    | 3.9    | 3.6    | 3.7    | 5.2    | 3.1    | 3.3    | 3.3    |        |          |
| YoY (%)                     | 23.6   | 17.7   | 15.2   | 14.9   | 17.4   | 16.4   | 16.1   | 15.6   | 17.6   | 16.3     |
| GPM (%)                     | 34.2   | 33.1   | 33.8   | 33.3   | 32.5   | 32.8   | 33.5   | 34.0   | 33.6   | 33.2     |
| SGA (%)                     | 16.0   | 16.3   | 16.1   | 15.7   | 15.4   | 15.3   | 15.3   | 15.3   | 16.0   | 15.3     |
| EBITDA                      | 4,229  | 4,052  | 4,418  | 4,544  | 4,658  | 4,914  | 5,278  | 5,600  | 17,243 | 20,450   |
| EBITDA margin (%)           | 18.2   | 16.8   | 17.7   | 17.5   | 17.1   | 17.5   | 18.2   | 18.7   | 17.6   | 17.9     |
| EBIT                        | 3,466  | 3,308  | 3,631  | 3,744  | 3,814  | 4,044  | 4,379  | 4,671  | 14,149 | 16,908   |
| EBIT margin (%)             | 14.9   | 13.7   | 14.5   | 14.5   | 14.0   | 14.4   | 15.1   | 15.6   | 14.4   | 14.8     |
| Other income                | 90     | 250    | 262    | 210    | 218    | 225    | 232    | 240    | 813    | 914      |
| ETR (%)                     | 22.0   | 26.0   | 26.5   | 20.3   | 20.3   | 20.3   | 20.3   | 20.3   | 23.7   | 20.3     |
| PAT                         | 2,774  | 2,633  | 2,861  | 3,153  | 3,215  | 3,404  | 3,676  | 3,916  | 11,421 | 14,211   |
| QoQ (%)                     | 10.3   | -5.1   | 8.7    | 10.2   | 2.0    | 5.9    | 8.0    | 6.5    |        |          |
| YoY (%)                     | 31.1   | 19.7   | 6.9    | 25.4   | 15.9   | 29.3   | 28.5   | 24.2   | 20.1   | 24.4     |
| EPS (INR)                   | 15.0   | 17.3   | 18.8   | 20.7   | 21.1   | 22.4   | 24.2   | 25.7   | 71.9   | 93.4     |

**TCS****Buy****CMP INR3972 | TP: INR4660 (+17%)****EPS CHANGE (%): FY25|26: -2.5|-8.5**

- Growth is expected to be 1.6% QoQ CC, led by deal scale up, including the BSNL deal, which is ramping up as per plan.
- The deal pipeline should remain healthy
- EBIT margin is expected to contract 150bp qoq owing to wage hikes in 1QFY25.
- Outlook on near-term demand & pricing environment, BFSI, and deal wins are key monitorables.

**Quarterly Performance (IFRS)**

| Y/E March                          | FY24         |              |              |              | FY25E        |              |              |              | FY24          | FY25E         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                                    | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |               |               |
| <b>IT Services Revenue (USD m)</b> | <b>7,226</b> | <b>7,210</b> | <b>7,281</b> | <b>7,363</b> | <b>7,459</b> | <b>7,656</b> | <b>7,820</b> | <b>8,037</b> | <b>29,080</b> | <b>30,972</b> |
| QoQ (%)                            | 0.4          | -0.2         | 1.0          | 1.1          | 1.3          | 2.6          | 2.1          | 2.8          | 4.1           | 6.5           |
| <b>Overall Revenue (INR b)</b>     | <b>594</b>   | <b>597</b>   | <b>606</b>   | <b>612</b>   | <b>622</b>   | <b>639</b>   | <b>652</b>   | <b>670</b>   | <b>2,409</b>  | <b>2,583</b>  |
| QoQ (%)                            | 0.4          | 0.5          | 1.5          | 1.1          | 1.6          | 2.6          | 2.1          | 2.8          |               |               |
| YoY (%)                            | 12.6         | 7.9          | 4.0          | 3.5          | 4.8          | 7.0          | 7.7          | 9.5          | 6.8           | 7.2           |
| <b>GPM (%)</b>                     | <b>39.5</b>  | <b>40.1</b>  | <b>40.8</b>  | <b>41.1</b>  | <b>40.0</b>  | <b>40.9</b>  | <b>41.0</b>  | <b>41.0</b>  | <b>40.4</b>   | <b>40.7</b>   |
| SGA (%)                            | 16.4         | 15.8         | 15.8         | 15.1         | 15.5         | 15.5         | 15.5         | 15.5         | 15.7          | 15.5          |
| <b>EBITDA</b>                      | <b>150</b>   | <b>157</b>   | <b>164</b>   | <b>172</b>   | <b>165</b>   | <b>175</b>   | <b>180</b>   | <b>185</b>   | <b>643</b>    | <b>705</b>    |
| EBITDA Margin (%)                  | 25.2         | 26.3         | 27.1         | 28.1         | 26.6         | 27.5         | 27.6         | 27.6         | 26.7          | 27.3          |
| <b>EBIT</b>                        | <b>138</b>   | <b>145</b>   | <b>152</b>   | <b>159</b>   | <b>152</b>   | <b>162</b>   | <b>166</b>   | <b>171</b>   | <b>594</b>    | <b>652</b>    |
| EBIT Margin (%)                    | 23.2         | 24.3         | 25.0         | 26.0         | 24.5         | 25.4         | 25.5         | 25.5         | 24.7          | 25.2          |
| Other income                       | 12           | 8            | 7            | 9            | 11           | 11           | 12           | 12           | 37            | 45            |
| <b>PBT</b>                         | <b>150</b>   | <b>153</b>   | <b>159</b>   | <b>168</b>   | <b>163</b>   | <b>173</b>   | <b>178</b>   | <b>183</b>   | <b>632</b>    | <b>697</b>    |
| ETR (%)                            | 25.8         | 25.8         | 25.8         | 25.8         | 25.5         | 25.5         | 25.5         | 25.5         | 25.7          | 25.5          |
| <b>Adj. PAT</b>                    | <b>111</b>   | <b>114</b>   | <b>118</b>   | <b>125</b>   | <b>121</b>   | <b>129</b>   | <b>133</b>   | <b>136</b>   | <b>469</b>    | <b>519</b>    |
| <b>Exceptional items</b>           | <b>0</b>     | <b>0</b>     | <b>-7</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>-7</b>     | <b>0</b>      |
| <b>Reported PAT</b>                | <b>111</b>   | <b>114</b>   | <b>111</b>   | <b>125</b>   | <b>121</b>   | <b>129</b>   | <b>133</b>   | <b>136</b>   | <b>462</b>    | <b>519</b>    |
| QoQ (%)                            | -2.8         | 2.3          | -2.5         | 12.7         | -2.9         | 6.2          | 2.9          | 2.8          |               |               |
| YoY (%)                            | 16.8         | 8.7          | 2.0          | 9.3          | 9.2          | 13.3         | 19.6         | 9.1          | 9.3           | 12.3          |
| EPS (INR)                          | 30.3         | 31.0         | 30.3         | 34.4         | 33.4         | 35.5         | 36.6         | 37.6         | 126.3         | 143.1         |

**Tech Mahindra****Neutral****CMP INR1473 | TP: INR1355 (-8%)****EPS CHANGE (%): FY25|26: -13.7|-17.3**

- Revenue growth is expected to be muted at 0.4% QoQ CC; while communications vertical has bottomed out, recovery could take longer
- Margin is likely to improve slightly by 30bp QoQ, as the impact of cost-control efforts should start becoming visible. Weak growth is likely to keep margins under pressure
- Deal wins are likely to be muted due to macro uncertainty. We expect deal TCW to the tune of USD500m in 1Q
- The outlook on margin and growth in the CME and BFS verticals will be the key monitorables.

**Quarterly performance**

| Y/E March                  | FY24         |              |              |              | FY25E        |              |              |              | FY24         | FY25E        |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Revenue (USD m)</b>     | <b>1,601</b> | <b>1,555</b> | <b>1,573</b> | <b>1,548</b> | <b>1,554</b> | <b>1,592</b> | <b>1,616</b> | <b>1,657</b> | <b>6,277</b> | <b>6,419</b> |
| QoQ (%)                    | -4.0         | -2.8         | 1.1          | -1.6         | 0.4          | 2.4          | 1.6          | 2.5          | -5.0         | 2.3          |
| <b>Revenue (INR b)</b>     | <b>132</b>   | <b>129</b>   | <b>131</b>   | <b>129</b>   | <b>130</b>   | <b>133</b>   | <b>135</b>   | <b>138</b>   | <b>520</b>   | <b>536</b>   |
| YoY (%)                    | 3.5          | -2.0         | -4.6         | -6.2         | -1.5         | 3.2          | 2.9          | 7.4          | -2.4         | 3.0          |
| <b>GPM (%)</b>             | <b>25.7</b>  | <b>22.5</b>  | <b>23.9</b>  | <b>27.0</b>  | <b>26.0</b>  | <b>25.7</b>  | <b>26.2</b>  | <b>26.3</b>  | <b>24.8</b>  | <b>26.1</b>  |
| SGA (%)                    | 13.5         | 11.5         | 13.6         | 16.1         | 15.0         | 14.0         | 13.5         | 13.0         | 13.7         | 13.9         |
| <b>EBITDA</b>              | <b>16</b>    | <b>14</b>    | <b>14</b>    | <b>14</b>    | <b>14</b>    | <b>16</b>    | <b>17</b>    | <b>18</b>    | <b>58</b>    | <b>65</b>    |
| EBITDA margin (%)          | 12.2         | 10.9         | 10.3         | 10.9         | 11.0         | 11.7         | 12.7         | 13.3         | 11.1         | 12.2         |
| <b>EBIT</b>                | <b>12</b>    | <b>9</b>     | <b>9</b>     | <b>9</b>     | <b>10</b>    | <b>11</b>    | <b>13</b>    | <b>14</b>    | <b>40</b>    | <b>48</b>    |
| EBIT margin (%)            | 8.8          | 7.3          | 7.0          | 7.4          | 7.7          | 8.4          | 9.4          | 10.0         | 7.6          | 8.9          |
| Other income               | 1            | 2            | 0            | 3            | 1            | 1            | 1            | 1            | 5            | 3            |
| ETR (%)                    | 21.8         | 9.9          | 17.6         | 23.4         | 23.4         | 23.4         | 23.4         | 23.4         | 18.5         | 23.4         |
| <b>Adj. PAT</b>            | <b>10</b>    | <b>10</b>    | <b>7</b>     | <b>10</b>    | <b>8</b>     | <b>9</b>     | <b>10</b>    | <b>11</b>    | <b>36</b>    | <b>39</b>    |
| QoQ (%)                    | -28.2        | 2.3          | -26.5        | 34.9         | -15.7        | 11.1         | 12.9         | 8.7          |              |              |
| YoY (%)                    | -15.5        | -25.3        | -44.6        | -27.1        | -14.4        | -7.1         | 42.8         | 15.0         | -28.5        | 6.8          |
| <b>Extra-Ordinary Item</b> | <b>-2.6</b>  | <b>-4.8</b>  | <b>-2.1</b>  | <b>-3.1</b>  | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>0.0</b>   | <b>-12.6</b> | <b>0.0</b>   |
| <b>Reported PAT</b>        | <b>7</b>     | <b>5</b>     | <b>5</b>     | <b>7</b>     | <b>8</b>     | <b>9</b>     | <b>10</b>    | <b>11</b>    | <b>24</b>    | <b>39</b>    |
| EPS (INR)                  | 10.8         | 11.0         | 8.1          | 11.0         | 9.3          | 10.3         | 11.6         | 12.7         | 41.1         | 43.9         |

**Wipro****Neutral****CMP INR529 | TP: INR490 (-7%)****EPS CHANGE (%): FY25|26: -17.4|-8.9**

- We expect WPRO to report ~0.5% decline in 1Q due to the macro impact and continued softness in verticals.
- We expect continued softness in key verticals such as retail and communications led by cautious client spending behavior
- The IT services' margin is expected to be range bound, and could see a marginal dip
- Commentary on recovery in the consulting business as well as strategic initiatives from the new management will be the key monitorables

**Quarterly Performance (IFRS)**

| Y/E March                   | FY24  |       |       |       | FY25E |       |       |       | FY24   | FY25E  |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                             | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |        |        |
| IT Services Revenue (USD m) | 2,779 | 2,713 | 2,656 | 2,657 | 2,646 | 2,700 | 2,741 | 2,796 | 10,805 | 10,883 |
| QoQ (%)                     | -2.1  | -2.3  | -2.1  | 0.0   | -0.4  | 2.1   | 1.5   | 2.0   | -3.8   | 0.7    |
| Overall Revenue (INR b)     | 228   | 225   | 222   | 222   | 222   | 226   | 230   | 234   | 896    | 912    |
| QoQ (%)                     | -1.5  | -1.4  | -1.4  | 0.0   | -0.2  | 2.1   | 1.4   | 2.1   |        |        |
| YoY (%)                     | 6.0   | -0.1  | -4.4  | -4.2  | -2.9  | 0.5   | 3.4   | 5.5   | -0.9   | 1.7    |
| GPM (%)                     | 29.4  | 29.3  | 30.7  | 29.2  | 30.0  | 30.2  | 29.7  | 29.7  | 29.6   | 29.9   |
| SGA (%)                     | 14.2  | 14.6  | 16.0  | 13.2  | 14.1  | 14.1  | 14.1  | 14.1  | 14.5   | 14.1   |
| EBITDA                      | 42    | 42    | 42    | 44    | 44    | 45    | 44    | 45    | 170    | 178    |
| EBITDA Margin (%)           | 18.4  | 18.8  | 19.0  | 19.7  | 19.6  | 19.8  | 19.3  | 19.3  | 19.0   | 27.5   |
| IT Serv. EBIT (%)           | 16.0  | 16.1  | 16.0  | 16.4  | 17.3  | 17.5  | 16.9  | 16.9  | 16.4   | 17.2   |
| EBIT Margin (%)             | 15.1  | 14.8  | 14.8  | 15.9  | 15.8  | 16.0  | 15.5  | 15.5  | 15.2   | 15.7   |
| Other income                | 3     | 2     | 3     | 3     | 3     | 3     | 3     | 3     | 11     | 12     |
| ETR (%)                     | 24.0  | 24.0  | 24.0  | 26.0  | 24.0  | 24.0  | 24.0  | 24.0  | 24.5   | 24.0   |
| PAT                         | 29    | 26    | 27    | 28    | 29    | 30    | 29    | 30    | 110    | 117    |
| QoQ (%)                     | -6.6  | -7.8  | 1.8   | 5.2   | 1.4   | 3.2   | -1.6  | 1.9   |        |        |
| YoY (%)                     | 12.0  | -0.5  | -11.7 | -7.8  | 0.1   | 12.0  | 8.3   | 4.9   | -2.9   | 6.4    |
| EPS (INR)                   | 5.1   | 5.0   | 5.2   | 5.4   | 5.5   | 5.7   | 5.6   | 5.7   | 20.4   | 22.2   |

**Zensar Technologies****Neutral****CMP INR754 | TP: INR750 (-1%)****EPS CHANGE (%): FY25|26: 7.7|14.2**

- We expect revenue growth of 1.9% QoQ CC in 1QFY25
- We expect margin to moderate ~70bp from its 4Q level, led by increased SG&A expenses
- We expect growth to be driven by healthcare and BFS verticals
- The demand environment within its critical sectors and progress on stimulating growth levers would be closely monitored.

**Quarterly performance**

| Y/E March         | FY24   |        |        |        | FY25E  |        |        |        | FY24   | FY25E  |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |        |        |
| Revenue (USD m)   | 149    | 150    | 145    | 148    | 151    | 157    | 161    | 167    | 592    | 636    |
| QoQ (%)           | 1.2    | 0.6    | -3.7   | 2.3    | 2.3    | 3.5    | 2.6    | 3.5    | -2.0   | 7.4    |
| Revenue (INR m)   | 12,272 | 12,408 | 12,041 | 12,297 | 12,636 | 13,084 | 13,427 | 13,902 | 49,018 | 53,050 |
| YoY (%)           | 2.0    | 0.5    | 0.5    | 1.4    | 3.0    | 5.5    | 11.5   | 13.1   | 1.1    | 8.2    |
| GPM (%)           | 33.6   | 31.8   | 31.1   | 30.6   | 33.5   | 33.0   | 33.0   | 33.0   | 31.8   | 33.1   |
| SGA (%)           | 14.9   | 13.2   | 13.9   | 14.1   | 17.1   | 16.6   | 16.8   | 16.9   | 14.0   | 16.8   |
| EBITDA            | 2,301  | 2,308  | 2,076  | 2,030  | 2,072  | 2,146  | 2,175  | 2,238  | 8,715  | 8,632  |
| EBITDA margin (%) | 18.8   | 18.6   | 17.2   | 16.5   | 16.4   | 16.4   | 16.2   | 16.1   | 17.8   | 16.3   |
| EBIT              | 1,878  | 1,942  | 1,764  | 1,793  | 1,756  | 1,819  | 1,839  | 1,891  | 7,377  | 7,305  |
| EBIT margin (%)   | 15.3   | 15.7   | 14.6   | 14.6   | 13.9   | 13.9   | 13.7   | 13.6   | 15.0   | 13.8   |
| Other income      | 224    | 306    | 356    | 493    | 164    | 170    | 175    | 181    | 1,379  | 690    |
| ETR (%)           | 25.7   | 22.7   | 23.8   | 24.2   | 24.3   | 24.3   | 24.3   | 24.3   | 24.1   | 24.3   |
| Adj. PAT          | 1,562  | 1,738  | 1,616  | 1,733  | 1,454  | 1,506  | 1,525  | 1,569  | 6,649  | 6,054  |
| QoQ (%)           | 30.9   | 11.3   | -7.0   | 7.2    | -16.1  | 3.5    | 1.3    | 2.9    |        |        |
| YoY (%)           | 108.0  | 206.0  | 111.2  | 45.3   | -6.9   | -13.3  | -5.6   | -9.5   | 102.9  | -8.9   |
| EPS (INR)         | 6.8    | 7.6    | 7.1    | 7.6    | 6.4    | 6.6    | 6.7    | 6.9    | 29.1   | 26.5   |

# Telecom

## Company

Bharti Airtel

Indus Towers

RJio

Tata Communications

Vodafone Idea

## Moderate growth to continue; tariff benefits in 2Q

### Expect moderate growth supported equally by growth in subscribers/ARPU

We expect the telecom sector to see moderate revenue growth of 2.3% QoQ in 1QFY25, driven by an increase in subscribers (+0.9% QoQ) and mix-led ARPU improvements (+1.1% QoQ). In the absence of a tariff hike, we expect incremental EBITDA margin to remain at ~59%. Capex is expected to remain steady QoQ. The benefit of the recent tariff hikes will be spread out in 2Q-4QFY25. After the tariff hikes, we believe that the catalysts for the telecom stocks would be subscriber gains, a reduction in churn, 5G adoption and an increase in data customers.

### BHARTI looking to boost ARPU; RJio chasing subscriber growth

Industry growth is expected to be driven by a 1.1% increase in ARPU mix and a 0.9% growth in industry subscribers (+9m). BHARTI/RJio should continue to see higher revenue growth of 3.4%/2.3%. Bharti's revenue growth will be largely led by 0.8%/2.0% increase in subscribers/ARPU. RJio's revenue growth should be led by 1.9% growth in subscribers, while its ARPU is expected to be flat, reflecting its continued dominance in capturing incremental subscriber market share, largely from VIL. BHARTI's strategy involves upgrading 2G subscribers to 4G, premiumising toward postpaid services, and promoting high data usage. This approach emphasizes ARPU enhancements through a diversified mix of services.

### Blended ARPU growth supporting margin improvement

EBITDA margin may slightly improve with limited operating leverage due to the slower revenue growth. We expect 2.4%/4.6% QoQ EBITDA growth for RJio and Bharti India mobile. We expect VIL to post a decline of 5% QoQ in EBITDA (pre Ind-AS) due to market share loss. This may led to a 100bp decline in VIL's EBITDA margin to 19.6%. RJio/Bharti India Mobile should report EBITDA margin of 52.5%/55.8% (flat/70bp YoY).

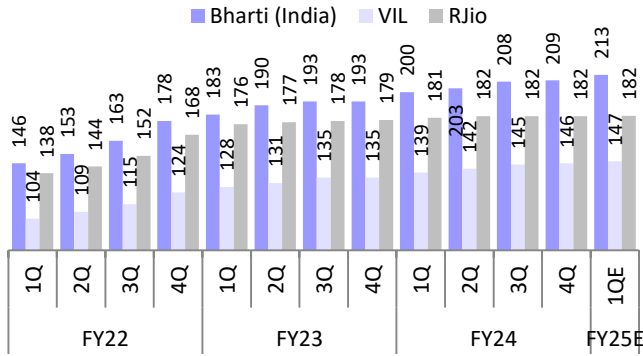
### Capex to remain stable

We expect the capex to remain stable QoQ, driven by ongoing investments in 5G infrastructure and rural network densification efforts. RJio has already completed the rollout of 5G telecom services in the majority of cities/towns by Dec'23, using standalone architecture. In contrast, BHARTI covered urban cities by Mar'24, using non-standalone architecture. VIL expects to start rolling out 5G on a large scale from about 4-6 months from now. It also plans to use non-standalone architecture for its 5G rollout. Its capex is expected to be in the range of INR500b to INR550b over the next three years.

**Exhibit 1: Expected quarterly performance summary**

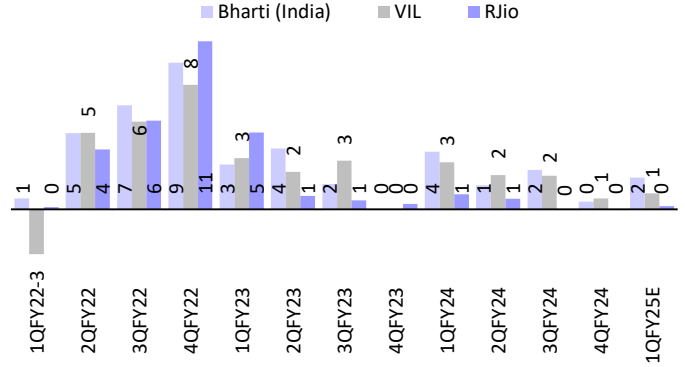
| Sector         | CMP (INR) | RECO    | SALES (INR M)   |            |            | EBDITA (INR M)  |            |            | NET PROFIT (INR M) |             |             |
|----------------|-----------|---------|-----------------|------------|------------|-----------------|------------|------------|--------------------|-------------|-------------|
|                |           |         | Jun-24          | Var % YoY  | Var % QoQ  | Jun-24          | Var % YoY  | Var % QoQ  | Jun-24             | Var % YoY   | Var % QoQ   |
| Bharti Airtel  | 1419      | Buy     | 3,86,639        | 3.3        | 2.8        | 2,03,113        | 3.6        | 4.9        | 36,626             | 26.2        | 24.1        |
| Indus Towers   | 384       | Neutral | 73,979          | 4.6        | 2.8        | 38,471          | 10.6       | -5.5       | 16,138             | 19.7        | -12.9       |
| Tata Comm      | 1889      | Neutral | 58,377          | 22.3       | 2.6        | 11,035          | 7.8        | 4.5        | 2,420              | -36.3       | -35.2       |
| Vodafone Idea  | 17        | Neutral | 1,05,987        | -0.5       | -0.1       | 42,325          | 1.8        | -2.4       | -79,780            | Loss        | Loss        |
| <b>Telecom</b> |           |         | <b>6,24,983</b> | <b>4.3</b> | <b>2.3</b> | <b>2,94,944</b> | <b>4.4</b> | <b>2.3</b> | <b>-24,595</b>     | <b>Loss</b> | <b>Loss</b> |

**Exhibit 2: Player-wise QoQ ARPU trends (INR)**



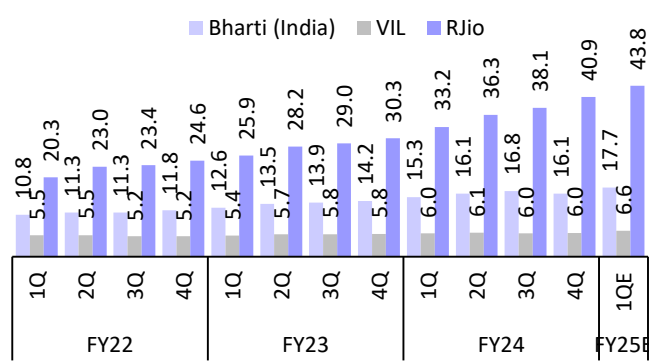
Sources: Company, MOFSL

**Exhibit 3: Player-wise QoQ ARPU growth trends (%)**



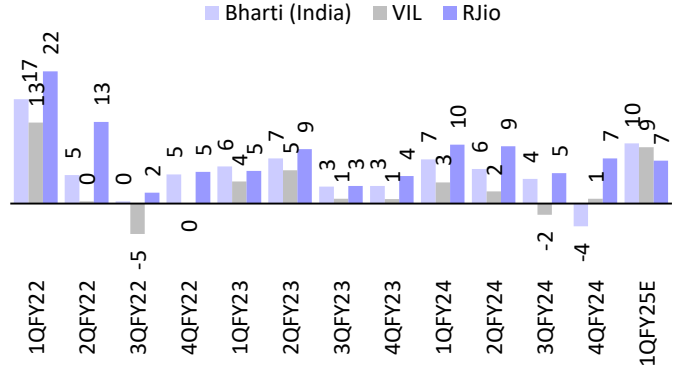
Sources: Company, MOFSL

**Exhibit 4: Player-wise QoQ data traffic trends (b GB)**



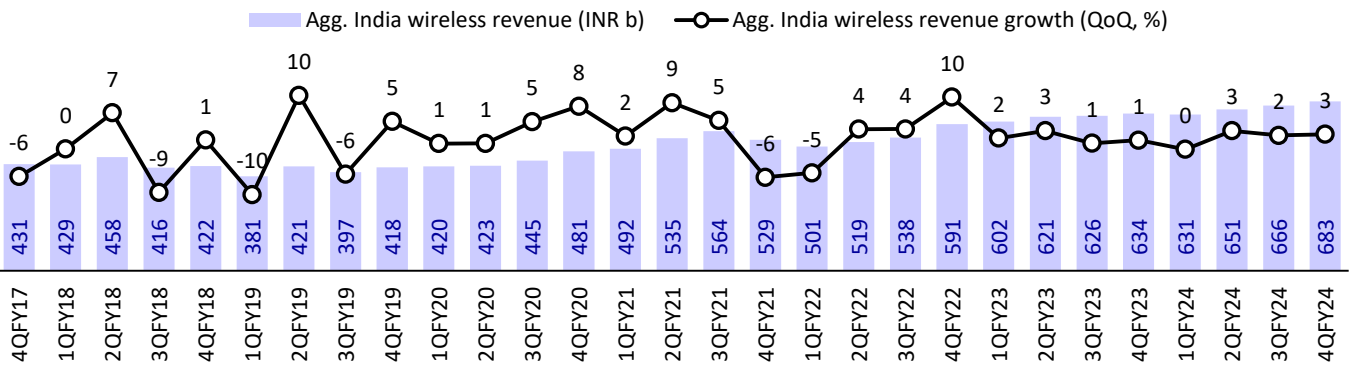
Sources: Company, MOFSL

**Exhibit 5: Player-wise QoQ growth trends in data traffic (%)**



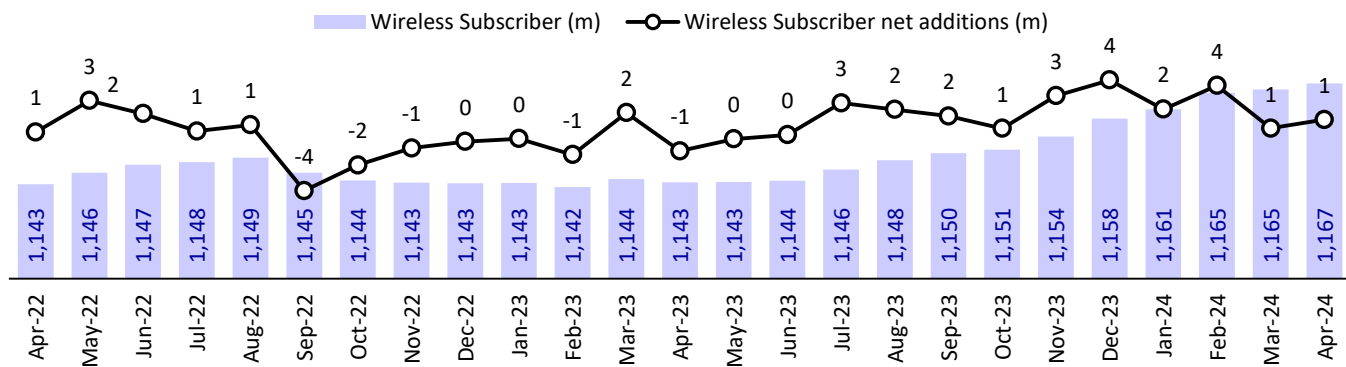
Sources: Company, MOFSL

**Exhibit 6: Aggregate India Wireless revenue and growth trends (QoQ, %)**



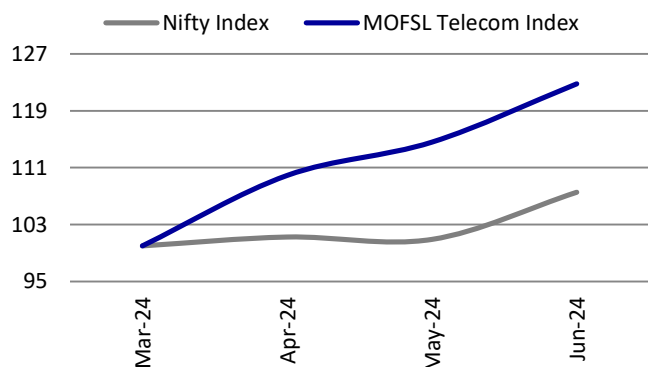
Sources: TRAI, MOFSL

**Exhibit 7: Aggregate India Wireless subscriber and growth trends (MoM, %)**



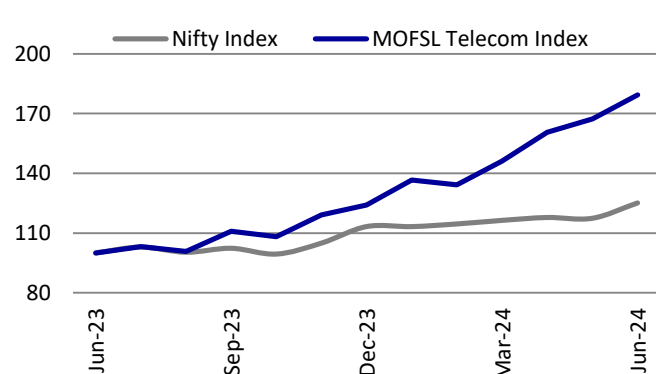
Sources: TRAI, MOFSL

**Exhibit 8: Relative performance – three-months (%)**



Sources: Bloomberg, MOFSL

**Exhibit 9: Relative performance – one-year (%)**



Sources: Bloomberg, MOFSL

**Exhibit 10: Comparative valuation**

| Company Name   | CMP INR | Reco    | EPS (INR) |       |       | PE (x)     |             |             | PB (x)       |             |             | ROE (%)       |             |             |
|----------------|---------|---------|-----------|-------|-------|------------|-------------|-------------|--------------|-------------|-------------|---------------|-------------|-------------|
|                |         |         | FY24      | FY25E | FY26E | FY24       | FY25E       | FY26E       | FY24         | FY25E       | FY26E       | FY24          | FY25E       | FY26E       |
| <b>Telecom</b> |         |         |           |       |       | <b>-69</b> | <b>-324</b> | <b>94.1</b> | <b>138.9</b> | <b>22.0</b> | <b>17.9</b> | <b>-201.4</b> | <b>-6.8</b> | <b>19.1</b> |
| Bharti Airtel  | 1,419   | Buy     | 19.7      | 35.3  | 52.6  | 62.5       | 40.2        | 27.0        | 8.4          | 6.4         | 5.2         | 14.2          | 19.8        | 21.9        |
| Indus Towers   | 384     | Neutral | 22.4      | 25.1  | 27.8  | 13.0       | 15.3        | 13.8        | 2.9          | 3.1         | 2.5         | 25.1          | 22.2        | 20.0        |
| Tata Comm      | 1,889   | Neutral | 42.3      | 48.1  | 83.5  | 47.6       | 39.3        | 22.6        | 32.1         | 19.1        | 11.0        | 72.9          | 59.4        | 62          |
| Vodafone Idea  | 17      | Neutral | -11.1     | -10.9 | -10.4 | -1.2       | -1.6        | -1.6        | -0.4         | -0.5        | -0.4        | NM            | NM          | NM          |

## Exhibit 11: Wireless KPI comparison

|                                 | FY22  |       |       |       | FY23  |       |       |       | FY24  |       |       |       | FY25E<br>1QE | YoY<br>(%) | QoQ<br>(%) |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|------------|------------|
|                                 | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |              |            |            |
| <b>EOP Wireless SUBS (m)</b>    |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 321   | 323   | 323   | 326   | 327   | 328   | 332   | 335   | 339   | 342   | 346   | 352   | 355          | 4.9        | 0.8        |
| VIL                             | 255   | 253   | 247   | 244   | 240   | 234   | 229   | 226   | 221   | 220   | 215   | 213   | 211          | -4.9       | -0.9       |
| RJio                            | 441   | 430   | 421   | 410   | 420   | 428   | 433   | 439   | 449   | 460   | 471   | 482   | 491          | 9.4        | 1.9        |
| <b>Avg. Wireless Subs (m)</b>   |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 321   | 322   | 323   | 324   | 327   | 328   | 330   | 334   | 337   | 340   | 344   | 349   | 354          | 4.9        | 1.4        |
| VIL                             | 262   | 254   | 250   | 246   | 242   | 237   | 232   | 227   | 224   | 221   | 218   | 214   | 212          | -5.4       | -1.1       |
| RJio                            | 433   | 435   | 425   | 416   | 415   | 424   | 430   | 436   | 444   | 454   | 465   | 476   | 486          | 9.6        | 2.1        |
| <b>ARPU (INR/month)</b>         |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 146   | 153   | 163   | 178   | 183   | 190   | 193   | 193   | 200   | 203   | 208   | 209   | 213          | 6.6        | 2.0        |
| VIL                             | 104   | 109   | 115   | 124   | 128   | 131   | 135   | 135   | 139   | 142   | 145   | 146   | 147          | 6.1        | 1.0        |
| RJio                            | 138   | 144   | 152   | 168   | 176   | 177   | 178   | 179   | 181   | 182   | 182   | 182   | 182          | 0.9        | 0.2        |
| <b>MOU/Sub (min)</b>            |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 1,044 | 1,053 | 1,061 | 1,081 | 1,104 | 1,082 | 1,094 | 1,122 | 1,138 | 1,123 | 1,127 | 1,158 | 1,170        | 2.8        | 1.0        |
| VIL                             | 641   | 630   | 620   | 610   | 620   | 599   | 613   | 623   | 627   | 613   | 614   | 627   | 633          | 1.0        | 1.0        |
| RJio                            | 815   | 835   | 901   | 962   | 1004  | 968   | 984   | 1001  | 1006  | 976   | 981   | 1008  | 1007         | 0.1        | -0.1       |
| <b>Wireless traffic (B min)</b> |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| 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 | 1,241        | 8.0        | 2.6        |
| VIL                             | 503   | 480   | 465   | 449   | 450   | 427   | 426   | 425   | 421   | 406   | 401   | 402   | 402          | -4.4       | -0.1       |
| RJio                            | 1060  | 1090  | 1150  | 1200  | 1250  | 1230  | 1270  | 1310  | 1340  | 1330  | 1370  | 1440  | 1469         | 9.6        | 2.0        |
| <b>Data usage/Sub (Gb)</b>      |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 18.9  | 19.1  | 18.7  | 19.2  | 19.9  | 20.8  | 20.8  | 20.8  | 21.6  | 22.2  | 22.5  | 23.1  | 21.8         | 0.8        | -5.9       |
| VIL                             | 13.3  | 13.5  | 12.8  | 12.9  | 13.3  | 14.1  | 14.2  | 14.2  | 14.7  | 14.9  | 14.6  | 14.7  | 15.4         | 4.8        | 5.0        |
| RJio                            | 15.6  | 17.6  | 18.3  | 19.7  | 20.8  | 22.2  | 22.5  | 23.2  | 24.9  | 26.6  | 27.3  | 28.6  | 30.0         | 20.3       | 4.8        |
| <b>Data traffic (B Gb)</b>      |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India)                  | 10.8  | 11.3  | 11.3  | 11.8  | 12.6  | 13.5  | 13.9  | 14.2  | 15.3  | 16.1  | 16.8  | 16.1  | 17.7         | 16.1       | 9.8        |
| VIL                             | 5.5   | 5.5   | 5.2   | 5.2   | 5.4   | 5.7   | 5.8   | 5.8   | 6.0   | 6.1   | 6.0   | 6.0   | 6.6          | 10.0       | 9.2        |
| RJio                            | 20.3  | 23.0  | 23.4  | 24.6  | 25.9  | 28.2  | 29.0  | 30.3  | 33.2  | 36.3  | 38.1  | 40.9  | 43.8         | 31.8       | 7.0        |

Sources: Company, MOFSL

## Exhibit 12: Quarterly financials

|                          | FY22  |       |       |       | FY23  |       |       |       | FY24  |       |       |       | FY25E<br>1QE | YoY<br>(%) | QoQ<br>(%) |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|------------|------------|
|                          | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |              |            |            |
| <b>Revenue (INR b)</b>   |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India wireless)  | 143   | 152   | 161   | 176   | 182   | 190   | 194   | 195   | 204   | 210   | 216   | 221   | 228          | 11.8       | 3.4        |
| Bharti (consolidated)    | 269   | 283   | 299   | 315   | 328   | 345   | 358   | 360   | 374   | 370   | 379   | 376   | 387          | 3.3        | 2.8        |
| VIL                      | 92    | 94    | 97    | 102   | 104   | 106   | 106   | 105   | 107   | 107   | 107   | 106   | 106          | -0.5       | -0.1       |
| RJio                     | 180   | 187   | 193   | 209   | 219   | 225   | 230   | 234   | 240   | 248   | 254   | 260   | 266          | 10.5       | 2.3        |
| <b>EBITDA (INR b)</b>    |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India wireless)  | 70    | 75    | 79    | 89    | 93    | 99    | 104   | 105   | 112   | 115   | 119   | 122   | 127          | 13.9       | 4.6        |
| Bharti (consolidated)    | 130   | 138   | 147   | 160   | 165   | 176   | 185   | 187   | 196   | 195   | 198   | 194   | 203          | 3.6        | 4.9        |
| VIL                      | 37    | 39    | 38    | 46    | 43    | 41    | 42    | 42    | 42    | 43    | 44    | 43    | 42           | 1.8        | -2.4       |
| RJio                     | 86    | 90    | 95    | 105   | 110   | 115   | 120   | 122   | 126   | 130   | 133   | 136   | 139          | 10.8       | 2.4        |
| <b>EBITDA Margin (%)</b> |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (India wireless)  | 49.2  | 49.2  | 49.4  | 50.6  | 51.2  | 52.4  | 53.8  | 53.8  | 54.8  | 54.9  | 55.1  | 55.1  | 55.8         | 103bps     | 67bps      |
| Bharti (consolidated)    | 48.3  | 48.8  | 49.2  | 50.9  | 50.4  | 51.0  | 51.5  | 51.9  | 52.3  | 52.7  | 52.3  | 51.5  | 52.5         | 19bps      | 103bps     |
| VIL                      | 40.5  | 41.1  | 39.3  | 45.4  | 41.6  | 38.6  | 39.4  | 40.0  | 39.0  | 40.0  | 40.8  | 40.9  | 39.9         | 92bps      | -94bps     |
| RJio                     | 47.9  | 48.0  | 49.2  | 50.3  | 50.1  | 51.0  | 52.2  | 52.2  | 52.3  | 52.3  | 52.3  | 52.4  | 52.5         | 16bps      | 4bps       |
| <b>PAT (INR b)</b>       |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti (consolidated)    | 3     | 11    | 8     | 20    | 16    | 21    | 16    | 30    | 16    | 13    | 24    | 21    | 37           | 127.1      | 76.8       |
| VIL                      | (73)  | (71)  | (72)  | (66)  | (73)  | (76)  | (80)  | (64)  | (78)  | (87)  | (70)  | (77)  | (80)         | 1.8        | 4.0        |
| RJio                     | 35    | 35    | 36    | 42    | 43    | 45    | 46    | 47    | 49    | 51    | 52    | 53    | 54           | 11.4       | 1.5        |
| <b>EPS (INR)</b>         |       |       |       |       |       |       |       |       |       |       |       |       |              |            |            |
| Bharti                   | 0.5   | 2.1   | 1.5   | 3.6   | 2.9   | 3.8   | 2.8   | 5.3   | 2.8   | 2.4   | 4.3   | 3.7   | 6.5          | 127.1      | 76.8       |
| VIL                      | (2.5) | (2.5) | (2.5) | (2.0) | (2.3) | (2.4) | (2.5) | (1.3) | (1.6) | (1.8) | (1.4) | (1.6) | (1.6)        | 1.8        | 4.0        |
| RJio                     | 0.8   | 0.8   | 0.8   | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.1   | 1.1   | 1.2   | 1.2   | 1.2          | 11.4       | 1.5        |

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 1,419 | TP: INR1650 (+16%)**

**EPS CHANGE (%): FY25 | 26: 1 | 1**

- We expect 2.8% revenue growth on a sequential basis, led by 3.4%/2.1% QoQ growth in India Wireless/Airtel Africa.
- We expect India Wireless growth to be supported by 0.8%/2% QoQ growth in subscribers/ARPU.
- Expect EBITDA margin to improve ~100bp QoQ to 52.5%.
- Expect stable capex QoQ

### Consolidated - Quarterly Earning Model

(INR b)

| Y/E March                             | FY24 |      |      |      | FY25E |      |       |       | FY24  | FY25E |
|---------------------------------------|------|------|------|------|-------|------|-------|-------|-------|-------|
|                                       | 1Q   | 2Q   | 3Q   | 4Q   | 1Q    | 2Q   | 3Q    | 4Q    |       |       |
| Revenue                               | 374  | 370  | 379  | 376  | 387   | 406  | 426   | 435   | 1,500 | 1,654 |
| YoY Change (%)                        | 14.1 | 7.3  | 5.9  | 4.4  | 3.3   | 9.5  | 12.4  | 15.7  | 7.8   | 10.3  |
| Total Expenditure                     | 178  | 175  | 181  | 182  | 184   | 188  | 193   | 196   | 717   | 761   |
| EBITDA                                | 196  | 195  | 198  | 194  | 203   | 217  | 233   | 239   | 783   | 893   |
| YoY Change (%)                        | 18.6 | 10.9 | 7.4  | 3.6  | 3.6   | 11.4 | 17.8  | 23.5  | 9.8   | 14.0  |
| Depreciation                          | 97   | 97   | 101  | 101  | 106   | 108  | 109   | 111   | 395   | 434   |
| Net Finance cost                      | 56   | 52   | 66   | 52   | 53    | 50   | 50    | 50    | 226   | 200   |
| Other Income                          | 9    | 9    | 11   | 11   | 12    | 12   | 13    | 14    | 41    | 51    |
| PBT before EO expense                 | 53   | 55   | 42   | 52   | 56    | 72   | 87    | 92    | 203   | 310   |
| Extra-Ord expense                     | 34   | 16   | 1    | 25   | 0     | 0    | 0     | 0     | 76    | 0     |
| PBT                                   | 19   | 39   | 41   | 28   | 56    | 72   | 87    | 92    | 127   | 310   |
| Tax                                   | 3    | 18   | 12   | 7    | 14    | 18   | 22    | 23    | 41    | 77    |
| Rate (%)                              | 18.0 | 46.9 | 30.0 | 25.6 | 25.0  | 25.0 | 25.0  | 25.0  | 32.5  | 24.7  |
| Minority Interest & P/L of Asso. Cos. | -1   | 8    | 4    | 0    | 5     | 7    | 8     | 9     | 11    | 30    |
| Reported PAT                          | 16   | 13   | 24   | 21   | 37    | 47   | 57    | 60    | 75    | 204   |
| Adj PAT                               | 29   | 30   | 25   | 30   | 37    | 47   | 57    | 60    | 113   | 201   |
| YoY Change (%)                        | 91.3 | 44.2 | 25.0 | 13.9 | 26.2  | 59.1 | 129.0 | 102.4 | 38.6  | 77.4  |

E: MOFSL Estimates

## Indus Towers

Neutral

**CMP: INR384 | TP: INR380 (-1%)**

**EPS CHANGE (%): FY25 | 26: 1.1 | 1**

- We expect the number of tenants and rental revenue to grow 2.0% and 0.5%, respectively, on a quarterly basis.
- We expect tower additions of 6,000 in 1QFY25.
- Consolidated revenue to grow at 2.8% QoQ.
- Adj. EBITDA margin is likely to decline 460bp QoQ

### Quarterly Performance

(INR b)

| Y/E March               | FY24  |       |       |      | FY25E |      |      |      | FY24  | FY25E |
|-------------------------|-------|-------|-------|------|-------|------|------|------|-------|-------|
|                         | 1Q    | 2Q    | 3Q    | 4Q   | 1Q    | 2Q   | 3Q   | 4Q   |       |       |
| (Consolidated)          |       |       |       |      |       |      |      |      |       |       |
| Revenue from operations | 71    | 71    | 72    | 72   | 74    | 76   | 78   | 80   | 286   | 308   |
| YoY Change (%)          | 2.6   | -10.5 | 6.4   | 6.5  | 4.6   | 6.5  | 8.4  | 11.3 | 0.8   | 7.7   |
| Total Expenditure       | 36    | 37    | 36    | 31   | 36    | 36   | 37   | 38   | 140   | 146   |
| EBITDA                  | 35    | 34    | 36    | 41   | 38    | 40   | 41   | 42   | 146   | 162   |
| YoY Change (%)          | 53.8  | 21.7  | 208.3 | 18.6 | 10.6  | 15.8 | 14.9 | 4.3  | 50.6  | 11.1  |
| Depreciation            | 14    | 15    | 16    | 16   | 16    | 17   | 17   | 18   | 61    | 68    |
| Interest                | 4     | 2     | 0     | 1    | 2     | 2    | 2    | 2    | 7     | 8     |
| Other Income            | 1     | 1     | 1     | 1    | 1     | 1    | 1    | 1    | 4     | 5     |
| PBT before EO expense   | 18    | 17    | 21    | 25   | 22    | 22   | 23   | 23   | 81    | 90    |
| Extra-Ord expense       | 0     | 0     | 0     | 0    | 0     | 0    | 0    | 0    | 0     | 0     |
| PBT                     | 18    | 17    | 21    | 25   | 22    | 22   | 23   | 23   | 81    | 90    |
| Tax                     | 5     | 5     | 5     | 6    | 5     | 6    | 6    | 6    | 21    | 23    |
| Rate (%)                | 25.5  | 25.9  | 25.8  | 25.5 | 25.2  | 25.2 | 25.2 | 25.2 | 25.7  | 25.2  |
| Reported PAT            | 13    | 13    | 15    | 19   | 16    | 17   | 17   | 17   | 60    | 68    |
| Adj PAT                 | 13    | 13    | 15    | 19   | 16    | 17   | 17   | 17   | 60    | 68    |
| YoY Change (%)          | 182.4 | 48.5  | -     | 32.4 | 19.7  | 28.4 | 13.2 | -6.1 | 151.1 | 12.0  |

E: MOFSL Estimates

## Reliance Jio

**CMP: NR | TP: INR**

**EPS CHANGE (%): FY25 | 26: -0.2 | -1.8**

- We expect 2.3% revenue growth on a sequential basis, led by 3% QoQ growth in subscribers.
- ARPU is expected to be stable at INR182 with subscribers increasing to 490.8m.
- EBITDA margin is likely to remain flat QoQ to 52.5%.
- Expect similar quarterly capex posted in the last quarter.

### Quarterly Earning Model

| Y/E March         | FY24       |            |            |            | FY25E      |            |            |            | FY24       | FY25E      |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                   | 1Q         | 2Q         | 3Q         | 4Q         | 1Q         | 2Q         | 3Q         | 4Q         |            |            |
| Net Revenue       | 240        | 248        | 254        | 260        | 266        | 289        | 318        | 319        | 1,001      | 1,192      |
| YoY Change (%)    | 9.9        | 9.9        | 10.3       | 11.0       | 10.5       | 17.0       | 25.5       | 22.7       | 10.3       | 19.0       |
| Total Expenditure | 115        | 118        | 121        | 123        | 126        | 131        | 138        | 142        | 477        | 538        |
| <b>EBITDA</b>     | <b>126</b> | <b>130</b> | <b>133</b> | <b>136</b> | <b>139</b> | <b>159</b> | <b>180</b> | <b>177</b> | <b>524</b> | <b>654</b> |
| Margins (%)       | 52.3       | 52.3       | 52.3       | 52.4       | 52.5       | 54.8       | 56.5       | 55.4       | 52.4       | 54.9       |
| Depreciation      | 52         | 53         | 54         | 56         | 58         | 60         | 63         | 66         | 214        | 246        |
| Finance Cost      | 10         | 10         | 10         | 10         | 10         | 10         | 11         | 11         | 40         | 43         |
| Other Income      | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 5          | 6          |
| <b>PBT</b>        | <b>65</b>  | <b>68</b>  | <b>70</b>  | <b>72</b>  | <b>73</b>  | <b>89</b>  | <b>108</b> | <b>101</b> | <b>275</b> | <b>371</b> |
| Tax               | 17         | 17         | 18         | 18         | 19         | 23         | 28         | 26         | 70         | 95         |
| Rate (%)          | 26%        | 26%        | 26%        | 26%        | 26%        | 26%        | 26%        | 26%        | 26%        | 26%        |
| <b>PAT</b>        | <b>49</b>  | <b>51</b>  | <b>52</b>  | <b>53</b>  | <b>54</b>  | <b>67</b>  | <b>80</b>  | <b>75</b>  | <b>205</b> | <b>276</b> |
| Margins (%)       | 20.2       | 20.4       | 20.5       | 20.6       | 20.4       | 23.0       | 25.3       | 23.6       | 20.4       | 23.2       |
| YoY Change (%)    | 2.1        | 1.9        | 1.8        | 2.0        | 0.8        | 12.5       | 23.1       | 14.9       | 12.4       | 35.0       |

## Tata Communications

**Neutral**

**CMP: INR1,889 | TP: INR1,950 (+3%)**

**EPS CHANGE (%): FY25 | 26: 0 | 0**

- We expect a 3% QoQ decline in voice revenue, while 2.6% QoQ growth in the overall revenue.
- DPS revenue/Core data services expected to grow 5%/1% QoQ.
- We expect EBITDA margins to increase 30bp QoQ

### Cons. Quarterly Earning Model

| Y/E March                    | FY24        |             |             |             | FY25E       |             |             |             | FY24        | FY25E       |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                              | 1Q          | 2Q          | 3Q          | 4Q          | 1Q          | 2Q          | 3Q          | 4Q          |             |             |
| Revenue                      | 47.7        | 48.7        | 56.3        | 56.9        | 58.4        | 59.9        | 61.5        | 63.1        | 209.7       | 242.9       |
| YoY Change (%)               | 10.7        | 10.0        | 24.4        | 24.6        | 22.3        | 22.9        | 9.1         | 10.9        | 17.5        | 15.8        |
| Total Expenditure            | 37.5        | 38.6        | 45.0        | 46.4        | 47.3        | 48.2        | 48.8        | 49.4        | 167.4       | 193.8       |
| <b>EBITDA</b>                | <b>10.2</b> | <b>10.2</b> | <b>11.3</b> | <b>10.6</b> | <b>11.0</b> | <b>11.7</b> | <b>12.7</b> | <b>13.7</b> | <b>42.3</b> | <b>49.1</b> |
| YoY Change (%)               | -4.9        | -10.1       | 5.3         | 2.1         | 7.8         | 15.0        | 11.6        | 29.7        | -2.0        | 16.0        |
| Depreciation                 | 5.8         | 6.1         | 6.2         | 6.7         | 6.8         | 6.8         | 6.8         | 6.8         | 24.7        | 27.1        |
| Interest                     | 1.3         | 1.4         | 1.9         | 1.9         | 1.8         | 1.8         | 1.7         | 1.6         | 6.4         | 7.0         |
| Other Income                 | 1.9         | 0.3         | 0.1         | 0.6         | 0.8         | 0.8         | 0.8         | 0.8         | 2.8         | 3.1         |
| <b>PBT before EO expense</b> | <b>5.0</b>  | <b>3.0</b>  | <b>3.4</b>  | <b>2.6</b>  | <b>3.2</b>  | <b>3.9</b>  | <b>4.9</b>  | <b>6.1</b>  | <b>14.0</b> | <b>18.1</b> |
| Exceptional (gain)/loss      | 0.0         | 0.0         | 1.9         | 0.5         | 0.0         | 0.0         | 0.0         | 0.0         | 2.4         | 0.0         |
| <b>PBT</b>                   | <b>5.0</b>  | <b>3.0</b>  | <b>1.5</b>  | <b>2.1</b>  | <b>3.2</b>  | <b>3.9</b>  | <b>4.9</b>  | <b>6.1</b>  | <b>11.6</b> | <b>18.1</b> |
| Tax                          | 1.3         | 0.8         | 1.1         | -1.1        | 0.8         | 1.0         | 1.2         | 1.5         | 2.1         | 4.5         |
| Rate (%)                     | 25.9        | 26.1        | 73.8        | -52.4       | 25.2        | 25.2        | 25.2        | 25.2        | 18.4        | 25.2        |
| MI & P/L of Asso. Cos.       | -0.1        | 0.0         | 0.0         | -0.1        | 0.0         | 0.0         | 0.0         | 0.0         | -0.2        | -0.2        |
| <b>Reported PAT</b>          | <b>3.8</b>  | <b>2.2</b>  | <b>0.4</b>  | <b>3.2</b>  | <b>2.4</b>  | <b>2.9</b>  | <b>3.7</b>  | <b>4.6</b>  | <b>9.7</b>  | <b>13.7</b> |
| <b>Adj PAT</b>               | <b>3.8</b>  | <b>2.2</b>  | <b>2.3</b>  | <b>3.7</b>  | <b>2.4</b>  | <b>2.9</b>  | <b>3.7</b>  | <b>4.6</b>  | <b>12.0</b> | <b>8.2</b>  |
| YoY Change (%)               | -30.2       | -51.5       | -41.5       | 14.5        | -36.3       | 33.2        | 62.6        | 23.2        | -30.0       | -31.5       |

E: MOFSL Estimates

**Vodafone Idea****Neutral****CMP: INR 17 | TP: INR 18 (+6%)****EPS CHANGE (%): FY25 | 26: 0 | 0**

- We expect a 1% QoQ increase in blended ARPU, offset by a subscriber decline of 1%, leading to flat revenue growth.
- EBITDA margin (pre Ind-AS) is likely to decline 100bp on a sequential basis to 19.6%.
- ARPU is expected to grow to INR147.5.
- Expect 5G rollout to start in Q2FY25

**Consolidated - Quarterly Earning Model**

| Y/E March                    | FY24       |            |            |            | FY25E      |            |            |            | FY24        | FY25E       |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|-------------|
|                              | 1Q         | 2Q         | 3Q         | 4Q         | 1Q         | 2Q         | 3Q         | 4Q         |             |             |
| <b>Revenue</b>               | <b>107</b> | <b>107</b> | <b>107</b> | <b>106</b> | <b>106</b> | <b>112</b> | <b>119</b> | <b>121</b> | <b>427</b>  | <b>457</b>  |
| YoY Change (%)               | 2.4        | 1.0        | 0.5        | 0.7        | -0.5       | 4.1        | 11.3       | 14.0       | 1.1         | 7.2         |
| Total Expenditure            | 65         | 64         | 63         | 63         | 64         | 65         | 68         | 69         | 255         | 265         |
| <b>EBITDA</b>                | <b>42</b>  | <b>43</b>  | <b>44</b>  | <b>43</b>  | <b>42</b>  | <b>46</b>  | <b>51</b>  | <b>52</b>  | <b>171</b>  | <b>192</b>  |
| YoY Change (%)               | -4.0       | 4.5        | 4.1        | 3.0        | 1.8        | 7.9        | 17.3       | 20.6       | 1.8         | 12.0        |
| Depreciation                 | 56         | 57         | 56         | 58         | 59         | 60         | 62         | 64         | 226         | 245         |
| Net Finance Costs            | 64         | 65         | 65         | 62         | 63         | 64         | 66         | 68         | 257         | 261         |
| <b>PBT before EO expense</b> | <b>-78</b> | <b>-79</b> | <b>-77</b> | <b>-77</b> | <b>-80</b> | <b>-78</b> | <b>-77</b> | <b>-80</b> | <b>-312</b> | <b>-314</b> |
| Extra-Ord expense            | 0          | 0          | -8         | 0          | 0          | 0          | 0          | 0          | -8          | 0           |
| <b>PBT</b>                   | <b>-78</b> | <b>-79</b> | <b>-70</b> | <b>-77</b> | <b>-80</b> | <b>-78</b> | <b>-77</b> | <b>-80</b> | <b>-304</b> | <b>-314</b> |
| Tax                          | 0.0        | 8.2        | 0.0        | 0.1        | 0.0        | 0.0        | 0.0        | 0.0        | 8.3         | 0.0         |
| Rate (%)                     | 0.0        | -10.3      | 0.0        | -0.1       | 0.0        | 0.0        | 0.0        | 0.0        | -2.7        | 0.0         |
| <b>Reported PAT</b>          | <b>-78</b> | <b>-87</b> | <b>-70</b> | <b>-77</b> | <b>-80</b> | <b>-78</b> | <b>-77</b> | <b>-80</b> | <b>-312</b> | <b>-314</b> |
| <b>Adj PAT</b>               | <b>-78</b> | <b>-87</b> | <b>-77</b> | <b>-77</b> | <b>-80</b> | <b>-78</b> | <b>-77</b> | <b>-80</b> | <b>-320</b> | <b>-242</b> |
| YoY Change (%)               | 7.4        | 15.0       | -3.1       | 20.0       | 1.8        | -10.7      | -0.7       | 4.0        | 9.3         | -24.5       |

E: MOFSL Estimates

# 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 INR1,593 | TP: INR1,850 (+16%)

EPS CHANGE (%): FY25|FY26: 0 | 0

- The company registered volume growth of ~9% YoY to 721,063 MT in 1QFY25 (up 6% QoQ).
- EBITDA is expected to grow 6% YoY, assuming an EBITDA/MT of ~INR4,523 (down 2% YoY).
- Revenue is likely to grow ~10% YoY.
- Price of primary steel HRC continues to be a key monitorable.

### Consolidated - Quarterly Earnings Model

(INR m)

| Y/E March                                     | FY24   |        |        |        | FY25   |        |        |        | FY24     | FY25E    |
|---|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|
|   | 1Q     | 2Q     | 3Q     | 4Q     | 1QE    | 2QE    | 3QE    | 4QE    |          |          |
| Gross Sales                                   | 45,449 | 46,304 | 41,778 | 47,657 | 49,969 | 58,156 | 57,723 | 63,648 | 1,81,188 | 2,29,496 |
| YoY Change (%)                                | 32.2   | 16.7   | -3.5   | 7.6    | 9.9    | 25.6   | 38.2   | 33.6   | 12.1     | 26.7     |
| Total Expenditure                             | 42,377 | 43,054 | 38,982 | 44,854 | 46,708 | 54,116 | 53,448 | 58,989 | 1,69,266 | 2,13,261 |
| EBITDA  | 3,072  | 3,250  | 2,795  | 2,804  | 3,261  | 4,040  | 4,275  | 4,659  | 11,922   | 16,235   |
| Margins (%)                                   | 6.8    | 7.0    | 6.7    | 5.9    | 6.5    | 6.9    | 7.4    | 7.3    | 6.6      | 7.1      |
| Depreciation                                  | 409    | 413    | 471    | 466    | 490    | 535    | 560    | 603    | 1,759    | 2,188    |
| Interest                                      | 271    | 266    | 285    | 311    | 290    | 255    | 200    | 155    | 1,134    | 900      |
| Other Income                                  | 217    | 196    | 150    | 186    | 249    | 235    | 188    | 246    | 749      | 918      |
| PBT before EO expense                         | 2,608  | 2,767  | 2,190  | 2,212  | 2,731  | 3,485  | 3,703  | 4,147  | 9,777    | 14,066   |
| PBT   | 2,608  | 2,767  | 2,190  | 2,212  | 2,731  | 3,485  | 3,703  | 4,147  | 9,777    | 14,066   |
| Tax   | 672    | 738    | 535    | 508    | 687    | 877    | 932    | 1,044  | 2,453    | 3,540    |
| Rate (%)                                      | 25.8   | 26.7   | 24.4   | 23.0   | 25.2   | 25.2   | 25.2   | 25.2   | 25.1     | 25.2     |
| 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  | 2,043  | 2,608  | 2,771  | 3,103  | 7,324    | 10,525   |
| Adj PAT                                       | 1,936  | 2,029  | 1,655  | 1,704  | 2,043  | 2,608  | 2,771  | 3,103  | 7,324    | 10,525   |
| YoY Change (%)                                | 60.5   | 35.1   | -2.2   | -15.5  | 5.5    | 28.6   | 67.4   | 82.1   | 14.1     | 43.7     |
| Margins (%)                                   | 4.3    | 4.4    | 4.0    | 3.6    | 4.1    | 4.5    | 4.8    | 4.9    | 4.0      | 4.6      |

## Cello

Buy

CMP INR901 | TP: INR1090 (+21%)

EPS CHANGE (%): FY25|FY26: 0 | 0

- Revenue is likely to grow ~9% YoY as the company witnessed some slowdown due to the general elections.
- Demand scenario and competitive intensity will be the key monitorables going ahead.
- EBITDA margin is expected to remain around 25% during the quarter, but will improve over 2HFY25.
- Ramp up of the glassware capacity will be a key focus area.

### Consolidated - Quarterly Earnings Model

(INRm)

| Y/E March                                     | FY24  |       |       |       | FY25  |       |       |       | FY24   | FY25E  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|   | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| Gross Sales                                   | 4,718 | 4,890 | 5,271 | 5,125 | 5,142 | 5,623 | 6,483 | 6,567 | 20,003 | 23,815 |
| YoY Change (%)                                | NA    | NA    | NA    | 5.0   | 9.0   | 15.0  | 23.0  | 28.1  | 11.3   | 19.1   |
| Total Expenditure                             | 3,526 | 3,687 | 3,949 | 3,792 | 3,847 | 4,201 | 4,777 | 4,798 | 14,954 | 17,623 |
| EBITDA  | 1,192 | 1,203 | 1,321 | 1,333 | 1,295 | 1,422 | 1,705 | 1,770 | 5,049  | 6,192  |
| Margins (%)                                   | 25.3  | 24.6  | 25.1  | 26.0  | 25.2  | 25.3  | 26.3  | 26.9  | 25.2   | 26.0   |
| Depreciation                                  | 118   | 127   | 147   | 175   | 179   | 184   | 187   | 191   | 567    | 741    |
| Interest                                      | 6     | 7     | 5     | 8     | 6     | 4     | 3     | 3     | 26     | 16     |
| Other Income                                  | 81    | 107   | 45    | 66    | 85    | 137   | 60    | 75    | 299    | 357    |
| PBT before EO expense                         | 1,149 | 1,176 | 1,214 | 1,215 | 1,195 | 1,371 | 1,575 | 1,651 | 4,755  | 5,792  |
| PBT   | 1,149 | 1,176 | 1,214 | 1,215 | 1,195 | 1,371 | 1,575 | 1,651 | 4,755  | 5,792  |
| Tax   | 321   | 310   | 307   | 250   | 301   | 345   | 397   | 414   | 1,188  | 1,458  |
| Rate (%)                                      | 27.9  | 26.4  | 25.3  | 20.6  | 25.2  | 25.2  | 25.2  | 25.1  | 25.0   | 25.2   |
| Minority Interest & Profit/Loss of Asso. Cos. | 54    | 66    | 58    | 77    | 60    | 80    | 66    | 88    | 256    | 294    |
| Reported PAT                                  | 774   | 800   | 849   | 888   | 834   | 945   | 1,112 | 1,149 | 3,311  | 4,041  |
| Adj PAT                                       | 774   | 800   | 849   | 888   | 834   | 945   | 1,112 | 1,149 | 3,311  | 4,041  |
| YoY Change (%)                                | NA    | NA    | NA    | -81.8 | 7.7   | 18.2  | 31.1  | 29.4  | 24.4   | 22.1   |
| Margins (%)                                   | 16.4  | 16.4  | 16.1  | 17.3  | 16.2  | 16.8  | 17.2  | 17.5  | 16.6   | 17.0   |

**Coromandel International****Buy****CMP INR1,571 | TP: INR1,810 (+15%)****EPS CHANGE (%): FY25|FY26: -3| -2**

- Fertilizer manufacturing volumes and trading volumes are expected to grow 5% YoY each.
- Crop Protection revenue is expected to grow ~7% YoY in 1QFY25.
- Fertilizer manufacturing (NPK and DAP) EBITDA/MT is expected to be ~INR6,850.
- Raw material costs and product pricing scenario to be the key monitorables.

**Quarterly Earnings Model****(INR m)**

| Y/E March                             | FY24          |               |               |               | FY25E         |               |               |               | FY24            | FY25E           |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| Consolidated                          | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |                 |                 |
| <b>Net Sales</b>                      | <b>56,934</b> | <b>69,881</b> | <b>54,642</b> | <b>39,127</b> | <b>55,876</b> | <b>70,628</b> | <b>61,693</b> | <b>42,016</b> | <b>2,20,584</b> | <b>2,30,214</b> |
| YoY Change (%)                        | -0.6          | -30.9         | -34.2         | -28.5         | -1.9          | 1.1           | 12.9          | 7.4           | -25.5           | 4.4             |
| Total Expenditure                     | 49,842        | 59,294        | 51,063        | 36,397        | 48,948        | 60,407        | 55,620        | 38,597        | 1,96,596        | 2,03,571        |
| <b>EBITDA</b>                         | <b>7,092</b>  | <b>10,587</b> | <b>3,578</b>  | <b>2,730</b>  | <b>6,928</b>  | <b>10,221</b> | <b>6,073</b>  | <b>3,420</b>  | <b>23,988</b>   | <b>26,642</b>   |
| Margins (%)                           | 12.5          | 15.2          | 6.5           | 7.0           | 12.4          | 14.5          | 9.8           | 8.1           | 10.9            | 11.6            |
| Depreciation                          | 481           | 540           | 635           | 630           | 640           | 645           | 650           | 660           | 2,286           | 2,595           |
| Interest                              | 405           | 462           | 381           | 617           | 500           | 425           | 400           | 375           | 1,866           | 1,700           |
| Other Income                          | 445           | 448           | 585           | 835           | 534           | 537           | 702           | 1,002         | 2,314           | 2,776           |
| <b>PBT before EO expense</b>          | <b>6,651</b>  | <b>10,033</b> | <b>3,147</b>  | <b>2,319</b>  | <b>6,322</b>  | <b>9,689</b>  | <b>5,726</b>  | <b>3,387</b>  | <b>22,150</b>   | <b>25,124</b>   |
| Extra-Ord expense                     | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0               | 0               |
| <b>PBT</b>                            | <b>6,651</b>  | <b>10,033</b> | <b>3,147</b>  | <b>2,319</b>  | <b>6,322</b>  | <b>9,689</b>  | <b>5,726</b>  | <b>3,387</b>  | <b>22,150</b>   | <b>25,124</b>   |
| Tax                                   | 1,674         | 2,450         | 776           | 578           | 1,591         | 2,439         | 1,441         | 853           | 5,478           | 6,324           |
| Rate (%)                              | 25.2          | 24.4          | 24.7          | 24.9          | 25.2          | 25.2          | 25.2          | 25.2          | 24.7            | 25.2            |
| Minority Interest & P/L of Asso. Cos. | 36            | 15            | 61            | 138           | 38            | 16            | 64            | 144           | 250             | 262             |
| <b>Reported PAT</b>                   | <b>4,940</b>  | <b>7,569</b>  | <b>2,310</b>  | <b>1,603</b>  | <b>4,693</b>  | <b>7,234</b>  | <b>4,220</b>  | <b>2,390</b>  | <b>16,422</b>   | <b>18,538</b>   |
| <b>Adj PAT</b>                        | <b>4,940</b>  | <b>7,569</b>  | <b>2,310</b>  | <b>1,603</b>  | <b>4,693</b>  | <b>7,234</b>  | <b>4,220</b>  | <b>2,390</b>  | <b>16,422</b>   | <b>18,538</b>   |
| YoY Change (%)                        | -1.0          | 2.2           | -56.2         | -34.9         | -5.0          | -4.4          | 82.7          | 49.1          | -18.4           | 12.9            |
| Margins (%)                           | 8.7           | 10.8          | 4.2           | 4.1           | 8.4           | 10.2          | 6.8           | 5.7           | 7.4             | 8.1             |

**EPL****Buy****CMP INR220 | TP: INR260 (+18%)****EPS CHANGE (%): FY25|FY26: -8 | 1**

- Revenue is expected to grow 12% YoY on broad-based growth across geographies.
- EBITDA margin is likely to improve ~100bp YoY.
- Increasing the share of fully recyclable tubes will be a key focus area.
- Ramp-up of the Brazil plant and prices of raw materials will be the key monitorables.

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

| Y/E March                                     | FY24         |               |              |               | FY25          |               |               |               | FY24          | FY25E         |
|---|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 1Q           | 2Q            | 3Q           | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>                            | <b>9,102</b> | <b>10,016</b> | <b>9,751</b> | <b>10,292</b> | <b>10,200</b> | <b>11,151</b> | <b>10,969</b> | <b>11,311</b> | <b>39,161</b> | <b>43,631</b> |
| YoY Change (%)                                | 9.4          | 5.6           | 3.2          | 6.2           | 12.1          | 11.3          | 12.5          | 9.9           | 6.0           | 11.4          |
| Total Expenditure                             | 7,512        | 8,206         | 7,917        | 8,383         | 8,314         | 8,985         | 8,835         | 9,052         | 32,018        | 35,187        |
| <b>EBITDA</b>                                 | <b>1,590</b> | <b>1,810</b>  | <b>1,834</b> | <b>1,909</b>  | <b>1,886</b>  | <b>2,166</b>  | <b>2,134</b>  | <b>2,258</b>  | <b>7,143</b>  | <b>8,445</b>  |
| Margins (%)                                   | 17.5         | 18.1          | 18.8         | 18.5          | 18.5          | 19.4          | 19.5          | 20.0          | 18.2          | 19.4          |
| Depreciation                                  | 800          | 836           | 842          | 850           | 879           | 901           | 939           | 961           | 3,328         | 3,680         |
| Interest                                      | 235          | 306           | 294          | 321           | 290           | 276           | 266           | 259           | 1,156         | 1,091         |
| Other Income                                  | 100          | 96            | 237          | 161           | 149           | 161           | 177           | 125           | 594           | 611           |
| <b>PBT before EO expense</b>                  | <b>655</b>   | <b>764</b>    | <b>935</b>   | <b>899</b>    | <b>866</b>    | <b>1,150</b>  | <b>1,106</b>  | <b>1,163</b>  | <b>3,253</b>  | <b>4,284</b>  |
| Extra-Ord expense                             | 0            | 0             | 0            | 605           | 0             | 0             | 0             | 0             | 605           | 0             |
| <b>PBT</b>                                    | <b>655</b>   | <b>764</b>    | <b>935</b>   | <b>294</b>    | <b>866</b>    | <b>1,150</b>  | <b>1,106</b>  | <b>1,163</b>  | <b>2,648</b>  | <b>4,284</b>  |
| Tax   | 106          | 254           | 70           | 152           | 234           | 310           | 299           | 314           | 582           | 1,157         |
| Rate (%)                                      | 16.2         | 33.2          | 7.5          | 51.7          | 27.0          | 27.0          | 27.0          | 27.0          | 22.0          | 27.0          |
| Minority Interest & Profit/Loss of Asso. Cos. | -6           | -5            | -4           | 81            | -6            | -5            | -4            | 86            | 66            | 71            |
| <b>Reported PAT</b>                           | <b>543</b>   | <b>505</b>    | <b>861</b>   | <b>223</b>    | <b>626</b>    | <b>835</b>    | <b>803</b>    | <b>935</b>    | <b>2,132</b>  | <b>3,198</b>  |
| <b>Adj PAT</b>                                | <b>543</b>   | <b>505</b>    | <b>861</b>   | <b>677</b>    | <b>626</b>    | <b>835</b>    | <b>803</b>    | <b>935</b>    | <b>2,586</b>  | <b>3,198</b>  |
| YoY Change (%)                                | 57.4         | 9.3           | 37.1         | -19.7         | 15.2          | 65.3          | -6.7          | 38.2          | 13.5          | 23.7          |
| Margins (%)                                   | 6.0          | 5.0           | 8.8          | 6.6           | 6.1           | 7.5           | 7.3           | 8.3           | 6.6           | 7.3           |

**Godrej Agrovet****Neutral****CMP INR813 | TP: INR830 (+2%)****EPS CHANGE (%): FY25|FY26: +11|+21**

- Revenue in the Animal Feed business is expected to grow ~11% YoY
- The performance outlook on Astec and domestic Crop Protection will be a key focus area.
- EBITDA margin is likely to improve to 8.3% from 5.1% in 1QFY25, on the back of a broad-based recovery
- Raw material (such as maize and soybean) and palm oil prices are the key monitorables.

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

| Y/E March                                     | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |                 |
| <b>Gross Sales</b>                            | <b>25,102</b> | <b>25,709</b> | <b>23,452</b> | <b>21,343</b> | <b>27,030</b> | <b>28,358</b> | <b>26,274</b> | <b>24,436</b> | <b>95,606</b> | <b>1,06,096</b> |
| YoY Change (%)                                | 0.0           | 5.1           | 0.9           | 1.9           | 7.7           | 10.3          | 12.0          | 14.5          | 2.0           | 11.0            |
| Total Expenditure                             | 23,173        | 23,694        | 21,861        | 19,863        | 24,796        | 25,833        | 24,329        | 22,652        | 88,591        | 97,609          |
| <b>EBITDA</b>                                 | <b>1,929</b>  | <b>2,014</b>  | <b>1,591</b>  | <b>1,480</b>  | <b>2,234</b>  | <b>2,525</b>  | <b>1,945</b>  | <b>1,784</b>  | <b>7,015</b>  | <b>8,488</b>    |
| Margins (%)                                   | 7.7           | 7.8           | 6.8           | 6.9           | 8.3           | 8.9           | 7.4           | 7.3           | 7.3           | 8.0             |
| Depreciation                                  | 528           | 529           | 530           | 556           | 551           | 579           | 598           | 619           | 2,143         | 2,347           |
| Interest                                      | 295           | 279           | 251           | 254           | 243           | 254           | 268           | 288           | 1,079         | 1,053           |
| Other Income                                  | 115           | 112           | 84            | 102           | 107           | 112           | 98            | 149           | 413           | 466             |
| <b>PBT before EO expense</b>                  | <b>1,222</b>  | <b>1,318</b>  | <b>894</b>    | <b>772</b>    | <b>1,547</b>  | <b>1,804</b>  | <b>1,177</b>  | <b>1,026</b>  | <b>4,206</b>  | <b>5,554</b>    |
| <b>PBT</b>                                    | <b>1,222</b>  | <b>1,318</b>  | <b>894</b>    | <b>772</b>    | <b>1,547</b>  | <b>1,804</b>  | <b>1,177</b>  | <b>1,026</b>  | <b>4,206</b>  | <b>5,554</b>    |
| Tax   | 353           | 369           | 191           | 220           | 389           | 454           | 296           | 258           | 1,133         | 1,398           |
| Rate (%)                                      | 28.9          | 28.0          | 21.3          | 28.5          | 25.2          | 25.2          | 25.2          | 25.2          | 26.9          | 25.2            |
| Minority Interest & Profit/Loss of Asso. Cos. | -185          | -104          | -215          | -19           | -137          | -156          | -138          | -118          | -523          | -549            |
| <b>Reported PAT</b>                           | <b>1,053</b>  | <b>1,053</b>  | <b>918</b>    | <b>571</b>    | <b>1,295</b>  | <b>1,506</b>  | <b>1,019</b>  | <b>886</b>    | <b>3,596</b>  | <b>4,705</b>    |
| <b>Adj PAT</b>                                | <b>1,053</b>  | <b>1,053</b>  | <b>918</b>    | <b>571</b>    | <b>1,295</b>  | <b>1,506</b>  | <b>1,019</b>  | <b>886</b>    | <b>3,596</b>  | <b>4,705</b>    |
| YoY Change (%)                                | 27.3          | 46.7          | 43.5          | 84.2          | 22.9          | 43.0          | 10.9          | 55.0          | 44.1          | 30.8            |
| Margins (%)                                   | 4.2           | 4.1           | 3.9           | 2.7           | 4.8           | 5.3           | 3.9           | 3.6           | 3.8           | 4.4             |

**Indian Hotels****Buy****CMP INR603 | TP: 670 (+11%)****EPS CHANGE (%): FY25|FY26: -6|-4**

- Revenue is expected to grow 8.5% YoY, while EBITDA margin is likely to be ~28.5% in 1QFY25.
- Performance of the international subsidiaries and new businesses will be a key monitorable.
- Demand scenario in key markets, improvement in occupancy, and ARR are the key focus areas.

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

| Y/E March                                     | FY24          |               |               |               | FY25E         |               |               |               | FY24          | FY25E         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Gross Sales</b>                            | <b>14,664</b> | <b>14,332</b> | <b>19,638</b> | <b>19,053</b> | <b>15,910</b> | <b>15,980</b> | <b>22,290</b> | <b>21,721</b> | <b>67,688</b> | <b>75,901</b> |
| YoY Change (%)                                | 15.8          | 16.3          | 16.5          | 17.2          | 8.5           | 11.5          | 13.5          | 14.0          | 16.5          | 12.1          |
| Total Expenditure                             | 10,562        | 10,784        | 12,315        | 12,455        | 11,380        | 11,648        | 13,437        | 13,641        | 46,116        | 50,106        |
| <b>EBITDA</b>                                 | <b>4,102</b>  | <b>3,548</b>  | <b>7,324</b>  | <b>6,598</b>  | <b>4,530</b>  | <b>4,332</b>  | <b>8,853</b>  | <b>8,080</b>  | <b>21,571</b> | <b>25,795</b> |
| Margins (%)                                   | 28.0          | 24.8          | 37.3          | 34.6          | 28.5          | 27.1          | 39.7          | 37.2          | 31.9          | 34.0          |
| Depreciation                                  | 1,091         | 1,112         | 1,143         | 1,197         | 1,200         | 1,240         | 1,250         | 1,265         | 4,543         | 4,955         |
| Interest                                      | 565           | 591           | 532           | 515           | 530           | 550           | 500           | 500           | 2,202         | 2,080         |
| Other Income                                  | 493           | 477           | 398           | 461           | 450           | 460           | 455           | 473           | 1,829         | 1,838         |
| <b>PBT before EO expense</b>                  | <b>2,939</b>  | <b>2,322</b>  | <b>6,047</b>  | <b>5,347</b>  | <b>3,250</b>  | <b>3,002</b>  | <b>7,558</b>  | <b>6,788</b>  | <b>16,655</b> | <b>20,598</b> |
| Extra-Ord expense                             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                                    | <b>2,939</b>  | <b>2,322</b>  | <b>6,047</b>  | <b>5,347</b>  | <b>3,250</b>  | <b>3,002</b>  | <b>7,558</b>  | <b>6,788</b>  | <b>16,655</b> | <b>20,598</b> |
| Tax   | 833           | 723           | 1,667         | 1,416         | 975           | 901           | 2,267         | 2,036         | 4,639         | 6,179         |
| Rate (%)                                      | 28.4          | 31.1          | 27.6          | 26.5          | 30.0          | 30.0          | 30.0          | 30.0          | 27.9          | 30.0          |
| Minority Interest & Profit/Loss of Asso. Cos. | -118          | -70           | -140          | -247          | -124          | -74           | -147          | -259          | -575          | -604          |
| <b>Reported PAT</b>                           | <b>2,224</b>  | <b>1,669</b>  | <b>4,520</b>  | <b>4,178</b>  | <b>2,400</b>  | <b>2,175</b>  | <b>5,437</b>  | <b>5,011</b>  | <b>12,591</b> | <b>15,022</b> |
| <b>Adj PAT</b>                                | <b>2,224</b>  | <b>1,669</b>  | <b>4,520</b>  | <b>4,178</b>  | <b>2,400</b>  | <b>2,175</b>  | <b>5,437</b>  | <b>5,011</b>  | <b>12,591</b> | <b>15,022</b> |
| YoY Change (%)                                | 25.7          | 48.6          | 18.1          | 27.3          | 7.9           | 30.3          | 20.3          | 19.9          | 25.6          | 19.3          |
| Margins (%)                                   | 15.2          | 11.6          | 23.0          | 21.9          | 15.1          | 13.6          | 24.4          | 23.1          | 18.6          | 19.8          |

**InterGlobe Aviation****Neutral****CMP INR4,254 | TP: INR4,135 (-3%)****EPS CHANGE (%): FY25|26: +4|-2**

- Expect ASK at 35.5b (+9% YoY), PLF at 87% (down from 88.7% in 1QFY25), and RPK at 30.9b (up 6% YoY).
- Outlook on the P&W engine-fitted aircraft (being grounded in FY25) is a key monitorable. Further, the commentary on the impending competition would be keenly monitored.
- According to us, INDIGO's average fare was down 6% at INR5,988 on one-month forward bookings, while the same was down 1% at INR6,229 on 15-day forward bookings.
- International expansion is the focus area for the management, with addition of new networks and code share agreements.

**Standalone Quarterly performance****(INR m)**

| Y/E March           | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E        |
|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                     | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Sales</b>    | <b>166.8</b> | <b>149.4</b> | <b>194.5</b> | <b>178.3</b> | <b>173.3</b> | <b>178.0</b> | <b>192.7</b> | <b>184.9</b> | <b>689.0</b> | <b>728.9</b> |
| YoY Change (%)      | 29.8         | 19.6         | 30.3         | 25.9         | 3.9          | 19.1         | -0.9         | 3.7          | 26.6         | 5.8          |
| <b>EBITDAR</b>      | <b>51.6</b>  | <b>23.9</b>  | <b>54.4</b>  | <b>43.7</b>  | <b>38.7</b>  | <b>40.1</b>  | <b>56.2</b>  | <b>47.2</b>  | <b>173.7</b> | <b>182.2</b> |
| Margin (%)          | 30.9         | 16.0         | 28.0         | 24.5         | 22.3         | 22.6         | 29.2         | 25.5         | 25.2         | 25.0         |
| Net Rentals         | 1.9          | 2.0          | 3.0          | 3.9          | 2.0          | 1.9          | 1.9          | 1.9          | 10.8         | 7.8          |
| <b>EBITDA</b>       | <b>49.7</b>  | <b>22.0</b>  | <b>51.4</b>  | <b>39.8</b>  | <b>36.7</b>  | <b>38.2</b>  | <b>54.3</b>  | <b>45.3</b>  | <b>162.9</b> | <b>174.5</b> |
| Margin (%)          | 29.8         | 14.7         | 26.4         | 22.4         | 21.2         | 21.5         | 28.2         | 24.5         | 23.6         | 23.9         |
| Depreciation        | 14.0         | 15.5         | 16.6         | 18.0         | 16.8         | 16.8         | 16.8         | 16.8         | 64.1         | 67.2         |
| Interest            | 9.5          | 10.2         | 11.0         | 11.0         | 10.6         | 10.6         | 10.6         | 10.6         | 41.7         | 42.3         |
| Other Income        | 4.8          | 5.6          | 6.1          | 6.8          | 6.4          | 6.4          | 6.4          | 6.4          | 23.3         | 25.4         |
| <b>PBT</b>          | <b>30.9</b>  | <b>1.9</b>   | <b>30.0</b>  | <b>17.7</b>  | <b>15.7</b>  | <b>17.2</b>  | <b>33.3</b>  | <b>24.3</b>  | <b>80.4</b>  | <b>90.4</b>  |
| <b>Reported PAT</b> | <b>30.9</b>  | <b>1.9</b>   | <b>30.0</b>  | <b>18.9</b>  | <b>15.7</b>  | <b>12.9</b>  | <b>24.9</b>  | <b>19.0</b>  | <b>81.7</b>  | <b>72.4</b>  |
| <b>EPS</b>          | <b>80.0</b>  | <b>4.9</b>   | <b>77.7</b>  | <b>49.1</b>  | <b>40.7</b>  | <b>33.3</b>  | <b>64.5</b>  | <b>49.2</b>  | <b>211.6</b> | <b>187.7</b> |
| YoY Change (%)      | LP           | LP           | 111.4        | 106.8        | -49.1        | 584.2        | -17.0        | 0.3          | LP           | -11.3        |

**Kajaria Ceramics****Buy****CMP INR1,478 | TP: INR1,670 (+13%)****EPS CHANGE (%): FY25|FY26: -1.1|-0.3**

- Estimate sales volume to grow 6% YoY (-10% QoQ) in 1QFY25. Realization is estimated to decline 4% YoY and 1% QoQ.
- Gross margin is estimated to contract 2.1pp YoY to 35%.
- EBITDA is estimated to decline 4% YoY and OPM is likely to dip 1.1pp YoY to ~15%.
- Adjusted net profit after MI is estimated to decline 13% YoY to INR937m.

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

| Y/E March                    | FY24          |               |               |               | FY25          |               |               |               | FY24          | FY25E         |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1QE           | 2QE           | 3QE           | 4QE           |               |               |
| <b>Net Sales</b>             | <b>10,642</b> | <b>11,216</b> | <b>11,518</b> | <b>12,408</b> | <b>10,978</b> | <b>11,848</b> | <b>12,370</b> | <b>15,611</b> | <b>45,784</b> | <b>50,807</b> |
| YoY Change (%)               | 5.6           | 4.1           | 5.6           | 3.0           | 3.2           | 5.6           | 7.4           | 25.8          | 4.5           | 11.0          |
| Total Expenditure            | 8,950         | 9,419         | 9,730         | 10,688        | 9,354         | 9,988         | 10,242        | 12,853        | 38,787        | 42,437        |
| <b>EBITDA</b>                | <b>1,692</b>  | <b>1,797</b>  | <b>1,788</b>  | <b>1,720</b>  | <b>1,625</b>  | <b>1,860</b>  | <b>2,128</b>  | <b>2,758</b>  | <b>6,997</b>  | <b>8,371</b>  |
| Margins (%)                  | 15.9          | 16.0          | 15.5          | 13.9          | 14.8          | 15.7          | 17.2          | 17.7          | 15.3          | 16.5          |
| Depreciation                 | 305           | 361           | 389           | 425           | 425           | 428           | 431           | 440           | 1,480         | 1,724         |
| Interest                     | 53            | 43            | 50            | 66            | 45            | 40            | 45            | 55            | 211           | 185           |
| Other Income                 | 93            | 83            | 113           | 174           | 140           | 125           | 135           | 155           | 462           | 555           |
| <b>PBT before EO expense</b> | <b>1,427</b>  | <b>1,477</b>  | <b>1,462</b>  | <b>1,403</b>  | <b>1,295</b>  | <b>1,517</b>  | <b>1,787</b>  | <b>2,419</b>  | <b>5,768</b>  | <b>7,018</b>  |
| Extra-Ord expense            | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>PBT</b>                   | <b>1,427</b>  | <b>1,477</b>  | <b>1,462</b>  | <b>1,403</b>  | <b>1,295</b>  | <b>1,517</b>  | <b>1,787</b>  | <b>2,419</b>  | <b>5,768</b>  | <b>7,018</b>  |
| Tax                          | 336           | 366           | 379           | 354           | 322           | 378           | 445           | 600           | 1,435         | 1,745         |
| Rate (%)                     | 23.5          | 24.8          | 25.9          | 25.2          | 24.9          | 24.9          | 24.9          | 24.8          | 24.9          | 24.9          |
| <b>Adj PAT</b>               | <b>1,091</b>  | <b>1,110</b>  | <b>1,083</b>  | <b>1,050</b>  | <b>972</b>    | <b>1,139</b>  | <b>1,342</b>  | <b>1,819</b>  | <b>4,334</b>  | <b>5,272</b>  |
| MI & P/L of Asso. Cos.       | 16            | 31            | 41            | 25            | 35            | 4             | 5             | 77            | 113           | 122           |
| <b>Adj PAT</b>               | <b>1,075</b>  | <b>1,080</b>  | <b>1,042</b>  | <b>1,024</b>  | <b>937</b>    | <b>1,135</b>  | <b>1,337</b>  | <b>1,742</b>  | <b>4,221</b>  | <b>4,083</b>  |
| YoY Change (%)               | 16.5          | 60.8          | 40.2          | -2.3          | -12.8         | 5.2           | 28.3          | 70.0          | 24.7          | 22.0          |
| Margins (%)                  | 10.1          | 9.6           | 9.0           | 8.3           | 8.5           | 9.6           | 10.8          | 11.2          | 9.2           | 10.1          |

**Lemon Tree Hotels****Buy****CMP INR145 | TP: INR175 (+21%)****EPS CHANGE (%): FY25|FY26: -10|-6**

- Revenue is expected to grow 25% YoY and EBITDA margin is likely to be ~45% in 1QFY25.
- The demand scenario in key markets (Mumbai and Delhi) and Occupancy/ARR trends are the key monitorables.
- Ramp-up of Aurika Mumbai will be a key focus area.
- Any update on the management contract pipeline is a key monitorable.

**Consolidated Quarterly Earnings Model****(INR m)**

| Y/E March                    | FY24         |              |              |              | FY25         |              |              |              | FY24          | FY25E         |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |               |               |
| <b>Gross Sales</b>           | <b>2,223</b> | <b>2,272</b> | <b>2,887</b> | <b>3,273</b> | <b>2,776</b> | <b>3,221</b> | <b>3,978</b> | <b>3,769</b> | <b>10,655</b> | <b>13,744</b> |
| YoY Change (%)               | 15.7         | 15.5         | 23.6         | 29.5         | 24.9         | 41.8         | 37.8         | 15.1         | 21.8          | 29.0          |
| Total Expenditure            | 1,178        | 1,253        | 1,490        | 1,558        | 1,526        | 1,691        | 1,984        | 1,865        | 5,479         | 7,066         |
| <b>EBITDA</b>                | <b>1,045</b> | <b>1,019</b> | <b>1,397</b> | <b>1,715</b> | <b>1,250</b> | <b>1,529</b> | <b>1,994</b> | <b>1,904</b> | <b>5,176</b>  | <b>6,678</b>  |
| Margins (%)                  | 47.0         | 44.8         | 48.4         | 52.4         | 45.0         | 47.5         | 50.1         | 50.5         | 48.6          | 48.6          |
| Depreciation                 | 228          | 226          | 333          | 334          | 340          | 345          | 350          | 355          | 1,121         | 1,390         |
| Interest                     | 481          | 473          | 534          | 528          | 520          | 505          | 480          | 460          | 2,016         | 1,965         |
| Other Income                 | 24           | 29           | 22           | 39           | 25           | 35           | 50           | 41           | 113           | 151           |
| <b>PBT before EO expense</b> | <b>359</b>   | <b>348</b>   | <b>552</b>   | <b>892</b>   | <b>415</b>   | <b>714</b>   | <b>1,214</b> | <b>1,130</b> | <b>2,151</b>  | <b>3,474</b>  |
| Extra-Ord expense            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0             | 0             |
| <b>PBT</b>                   | <b>359</b>   | <b>348</b>   | <b>552</b>   | <b>892</b>   | <b>415</b>   | <b>714</b>   | <b>1,214</b> | <b>1,130</b> | <b>2,151</b>  | <b>3,474</b>  |
| Tax                          | 87           | 86           | 118          | 50           | 99           | 171          | 290          | 269          | 341           | 829           |
| Rate (%)                     | 24.2         | 24.8         | 21.3         | 5.6          | 23.9         | 23.9         | 23.9         | 23.8         | 15.9          | 23.9          |
| MI & P/L of Asso. Cos.       | 38           | 35           | 80           | 172          | 72           | 93           | 112          | 248          | 325           | 524           |
| <b>Reported PAT</b>          | <b>235</b>   | <b>226</b>   | <b>354</b>   | <b>670</b>   | <b>244</b>   | <b>451</b>   | <b>812</b>   | <b>614</b>   | <b>1,485</b>  | <b>2,121</b>  |
| <b>Adj PAT</b>               | <b>235</b>   | <b>226</b>   | <b>354</b>   | <b>670</b>   | <b>244</b>   | <b>451</b>   | <b>812</b>   | <b>614</b>   | <b>1,485</b>  | <b>2,121</b>  |
| YoY Change (%)               | 34.5         | 35.1         | -11.4        | 52.4         | 4.0          | 98.9         | 129.5        | -8.4         | 25.7          | 42.8          |
| Margins (%)                  | 10.6         | 10.0         | 12.3         | 20.5         | 8.8          | 14.0         | 20.4         | 16.3         | 13.9          | 15.4          |

**MTAR Technologies****Buy****CMP INR1,892 | TP: 2,310 (+22%)****EPS CHANGE (%): FY25|FY26: -4|-3**

- Revenue is expected to decline 15% YoY due to a slowdown in Bloom Energy (BE)'s order execution.
- EBITDA margin is expected to contract 470bp YoY due to adverse operating leverage.
- Focus will be on recovery of order flows from BE and increasing mix of non-BE orders.
- Large order wins in Nuclear and Aerospace will be the key monitorables.

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

| Y/E March                                     | FY24         |              |              |              | FY25         |              |              |              | FY24         | FY25E        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 1Q           | 2Q           | 3Q           | 4Q           | 1QE          | 2QE          | 3QE          | 4QE          |              |              |
| <b>Gross Sales</b>                            | <b>1,526</b> | <b>1,668</b> | <b>1,184</b> | <b>1,430</b> | <b>1,297</b> | <b>1,522</b> | <b>2,013</b> | <b>2,787</b> | <b>5,808</b> | <b>7,618</b> |
| YoY Change (%)                                | 67.6         | 32.2         | -26.1        | -27.2        | -15.0        | -8.8         | 70.0         | 94.9         | 1.2          | 31.2         |
| Total Expenditure                             | 1,180        | 1,307        | 945          | 1,247        | 1,064        | 1,219        | 1,548        | 2,089        | 4,681        | 5,919        |
| <b>EBITDA</b>                                 | <b>345</b>   | <b>361</b>   | <b>239</b>   | <b>182</b>   | <b>233</b>   | <b>303</b>   | <b>465</b>   | <b>698</b>   | <b>1,127</b> | <b>1,699</b> |
| Margins (%)                                   | 22.6         | 21.6         | 20.2         | 12.7         | 18.0         | 19.9         | 23.1         | 25.0         | 19.4         | 22.3         |
| Depreciation                                  | 56           | 58           | 58           | 59           | 68           | 65           | 67           | 78           | 232          | 278          |
| Interest                                      | 57           | 55           | 56           | 55           | 52           | 53           | 55           | 57           | 223          | 217          |
| Other Income                                  | 41           | 8            | 5            | 4            | 24           | 28           | 30           | 32           | 58           | 114          |
| <b>PBT before EO expense</b>                  | <b>273</b>   | <b>257</b>   | <b>129</b>   | <b>72</b>    | <b>137</b>   | <b>213</b>   | <b>373</b>   | <b>595</b>   | <b>730</b>   | <b>1,318</b> |
| Extra-Ord expense                             | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>PBT</b>                                    | <b>273</b>   | <b>257</b>   | <b>129</b>   | <b>72</b>    | <b>137</b>   | <b>213</b>   | <b>373</b>   | <b>595</b>   | <b>730</b>   | <b>1,318</b> |
| Tax   | 69           | 52           | 24           | 23           | 0            | 0            | 0            | 0            | 169          | 332          |
| Rate (%)                                      | 25.4         | 20.3         | 18.9         | 32.2         | 0.0          | 0.0          | 0.0          | 0.0          | 23.2         | 25.2         |
| Minority Interest & Profit/Loss of Asso. Cos. | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0            |
| <b>Reported PAT</b>                           | <b>203</b>   | <b>205</b>   | <b>104</b>   | <b>49</b>    | <b>137</b>   | <b>213</b>   | <b>373</b>   | <b>595</b>   | <b>561</b>   | <b>986</b>   |
| <b>Adj PAT</b>                                | <b>203</b>   | <b>205</b>   | <b>104</b>   | <b>49</b>    | <b>137</b>   | <b>213</b>   | <b>373</b>   | <b>595</b>   | <b>561</b>   | <b>986</b>   |
| YoY Change (%)                                | 25.4         | -17.1        | -66.8        | -84.3        | -32.8        | 4.3          | 256.7        | 1,122.2      | -45.7        | 75.7         |
| Margins (%)                                   | 13.3         | 12.3         | 8.8          | 3.4          | 10.5         | 14.0         | 18.5         | 21.4         | 9.7          | 12.9         |

**UPL****Neutral****CMP INR566 | TP: INR540 (-5%)****EPS CHANGE (%): FY25|FY26: -2|-4**

- LATAM and India are expected to witness YoY decline in revenue.
- Revenue is likely to remain flat YoY, while EBITDA is expected to decline 12% YoY.
- The price trend in raw materials, debt levels, and capex plans are the key monitorables.
- Global demand-supply scenario will be a key monitorable.

**Cons.: Quarterly Earnings Model**

| Y/E March                              | FY24        |              |              |              | FY25        |              |              |              | FY24         | FY25E        |
|--|-------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|
|  | 1Q          | 2Q           | 3Q           | 4Q           | 1QE         | 2QE          | 3QE          | 4QE          |              |              |
| <b>Net Sales</b>                       | <b>89.6</b> | <b>101.7</b> | <b>98.9</b>  | <b>140.8</b> | <b>89.5</b> | <b>103.5</b> | <b>106.8</b> | <b>155.9</b> | <b>431.0</b> | <b>455.8</b> |
| YoY Change (%)                         | -17.2       | -18.7        | -27.7        | -15.0        | -0.1        | 1.8          | 8.0          | 10.8         | -19.6        | 5.8          |
| Total Expenditure                      | 73.7        | 86.0         | 94.7         | 121.5        | 75.5        | 86.7         | 87.8         | 125.7        | 375.8        | 375.7        |
| <b>EBITDA</b>                          | <b>15.9</b> | <b>15.8</b>  | <b>4.2</b>   | <b>19.3</b>  | <b>14.0</b> | <b>16.8</b>  | <b>19.0</b>  | <b>30.3</b>  | <b>55.2</b>  | <b>80.1</b>  |
| Margins (%)                            | 17.8        | 15.5         | 4.2          | 13.7         | 15.7        | 16.2         | 17.8         | 19.4         | 12.8         | 17.6         |
| Depreciation                           | 6.4         | 6.6          | 6.8          | 7.9          | 6.3         | 6.5          | 7.5          | 8.7          | 27.6         | 29.0         |
| Interest                               | 7.0         | 8.7          | 11.9         | 10.9         | 10.5        | 9.0          | 8.5          | 8.0          | 38.5         | 36.0         |
| Other Income                           | 1.0         | 1.1          | 1.5          | 1.3          | 1.0         | 1.0          | 1.4          | 1.2          | 4.8          | 4.6          |
| Exch. difference on trade rec./payable | 3.2         | 2.5          | 3.2          | 0.8          | 0.0         | 0.0          | 0.0          | 0.0          | 9.8          | 0.0          |
| <b>PBT before EO expense</b>           | <b>0.4</b>  | <b>-1.0</b>  | <b>-16.2</b> | <b>0.9</b>   | <b>-1.8</b> | <b>2.3</b>   | <b>4.4</b>   | <b>14.8</b>  | <b>-15.9</b> | <b>19.7</b>  |
| Extra-Ord expense                      | 0.4         | 0.9          | 0.2          | 1.1          | 0.0         | 0.0          | 0.0          | 0.0          | 2.5          | 0.0          |
| <b>PBT</b>                             | <b>0.0</b>  | <b>-1.9</b>  | <b>-16.4</b> | <b>-0.1</b>  | <b>-1.8</b> | <b>2.3</b>   | <b>4.4</b>   | <b>14.8</b>  | <b>-18.5</b> | <b>19.7</b>  |
| Tax                                    | -1.6        | -1.0         | -0.6         | 1.1          | -0.3        | 0.4          | 0.8          | 2.7          | -2.1         | 3.5          |
| Rate (%)                               | 3,280.0     | 51.9         | 3.6          | -733.3       | 18.0        | 18.0         | 18.0         | 18.0         | 11.3         | 18.0         |
| MI & P/L of Asso. Cos.                 | -0.1        | 1.0          | -3.6         | -1.7         | -0.1        | 1.1          | -4.0         | -1.7         | -4.4         | -4.7         |
| <b>Reported PAT</b>                    | <b>1.7</b>  | <b>-1.9</b>  | <b>-12.2</b> | <b>0.4</b>   | <b>-1.4</b> | <b>0.8</b>   | <b>7.6</b>   | <b>13.9</b>  | <b>-12.0</b> | <b>20.9</b>  |
| <b>Adj PAT</b>                         | <b>4.0</b>  | <b>1.1</b>   | <b>-5.9</b>  | <b>3.6</b>   | <b>-1.4</b> | <b>0.8</b>   | <b>7.6</b>   | <b>13.9</b>  | <b>2.8</b>   | <b>20.9</b>  |
| YoY Change (%)                         | -61.7       | -89.8        | -144.2       | -65.1        | -135.5      | -25.9        | -229.3       | 280.8        | -93.7        | 646.4        |
| Margins (%)                            | 4.5         | 1.0          | -6.0         | 2.6          | -1.6        | 0.8          | 7.2          | 8.9          | 0.6          | 4.6          |

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

# Motilal Oswal India Strategy Gallery

**MOTILAL OSWAL**  
FINANCIAL SERVICES

April 2024  
**India Strategy**

**INDIA: BIG, BOLD, AND BLAZING!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

January 2024  
**India Strategy**

**On a roll!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

October 2023  
**India Strategy**

**Mastering the game!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

July 2023  
**India Strategy**

EASING INFLATION  
CORPORATE EARNINGS  
ABUNDANT LIQUIDITY

**Clouds of Joy!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

April 2023  
**India Strategy**

**Indian Performers League**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

January 2023  
**India Strategy**

**Stem the Game!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

October 2022  
**India Strategy**

**Braving the storm!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

July 2022  
**India Strategy**

**A glass half-full!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

April 2022  
**India Strategy**

**Holding the Fort!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

January 2022  
**India Strategy**

**Bullheaded resilience**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

October 2021  
**India Strategy**

**Gaining strength**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**MOTILAL OSWAL**  
FINANCIAL SERVICES

July 2021  
**India Strategy**

**Vaccinated to grow!**

Gautam Duggal - Research Analyst (Gautam.Duggal@MotilalOswal.com)  
Investors are advised to refer through important disclosures made at the last page of the Research Report.  
Motilal Oswal research is available on [www.motilaloswal.com/institutional-equities](http://www.motilaloswal.com/institutional-equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| 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 be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

| Contact Person     | Contact No.                 | Email ID                     |
|--------------------|-----------------------------|------------------------------|
| Ms. Hemangi Date   | 022 40548000 / 022 67490600 | query@motilaloswal.com       |
| Ms. Kumud Upadhyay | 022 40548082                | servicehead@motilaloswal.com |
| Mr. Ajay Menon     | 022 40548083                | am@motilaloswal.com          |

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CD SL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.