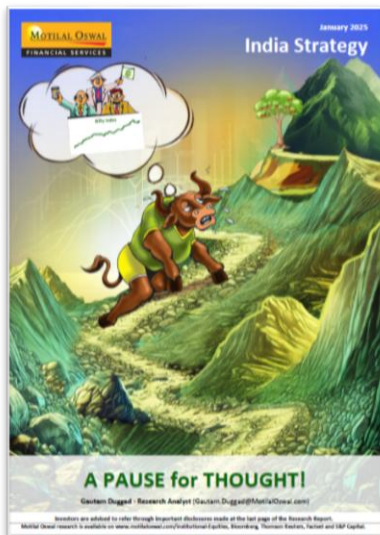


**BSE Sensex: 75,939**

**Nifty-50: 22,929**

Refer to our Dec'24  
Quarter Preview

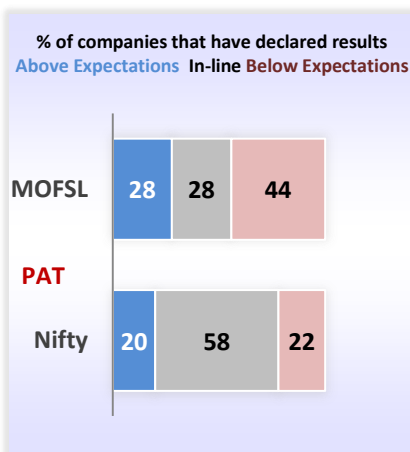


## Earnings review – A modest 3QFY25; Earnings downgrade ratio worst since 1QFY21!

### Valuations still expensive for SMIDs; prefer large-caps

- **A third consecutive quarter of low single-digit earnings growth:** This market correction has coincided with a slowdown in earnings growth, as the Nifty-50 has managed only 4% PAT growth in 9MFY25 (following a healthy 20%+ CAGR during FY20-24). The 3QFY25 corporate earnings scorecard was modest, driven once again by BFSI, with positive contributions from Technology, Telecom, Healthcare, Capital Goods, and Real Estate.
- **BFSI drives with PSU Banks benefitting from lower credit costs:** The aggregate earnings of the MOFSL Universe companies were in line with our estimates and increased 6% YoY (vs. our est. of 7% YoY). Earnings for the Nifty-50 rose 5% YoY (vs. our est. of +5%). The aggregate performance was hit by global commodities (i.e., Metals and O&G). Excluding the same, the MOFSL Universe and Nifty posted 10% and 7% earnings growth vs. our expectations of +11% and +7%, respectively. The earnings growth was driven by BFSI (+11% YoY) with PSU Banks (+24% YoY vs. our est. of 13% growth) leading the charge. Technology (+9% YoY), Telecom (profit of INR9b vs. a loss of INR35b), Healthcare (+25% YoY), Capital Goods (+20% YoY), and Real Estate (+60% YoY) also contributed to the growth. Conversely, earnings growth was hindered by global cyclicals, such as O&G (OMC's profit declined 18% YoY), which dipped 11% YoY, along with Cement (-55% YoY), Chemicals (-12% YoY), and Consumer (-5% YoY).
- **A third successive quarter of single-digit growth for Nifty-50:** Nifty delivered a 5% YoY PAT growth (vs. our est. of +5%). **Nifty reported a single-digit PAT growth for the third successive quarter since the pandemic (Jun'20).** Five Nifty companies – Bharti Airtel, SBI, ICICI Bank, Hindalco, and Reliance Industries – contributed 111% of the incremental YoY accretion in earnings. Conversely, Coal India, ONGC, Tata Motors, JSW Steel, and IndusInd Bank contributed adversely to the earnings.
- **Large-caps in line, mid-caps deliver a beat, while small-caps report a big miss:** Within our MOFSL coverage universe, large-caps (84 companies) posted an in-line earnings growth of 5% YoY. Mid-caps (87 companies) stood out and delivered 26% earnings growth (est. of 17%), led by Financials (PSU Banks and NBFCs), Commodities (Metals and O&G), and Retail. Small-caps (121 companies) experienced a broad-based miss as earnings dipped 24% YoY (est. of: -5%) with 56% of our coverage universe missing the estimates. Conversely, within our large-cap and mid-cap universe, 29%/43% of the companies missed the estimates.
- **The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was unfavorable, with 44% of the companies missing our estimates, while 28% reported a beat at the PAT level. For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has turned weaker for FY26E as 37 companies' earnings have been upgraded by >3%, while 137 companies' earnings have been downgraded by >3%. The earnings upgrade/downgrade ratio of 0.3x was the worst since 1QFY21. Further, the EBITDA margin of the MOFSL Universe (ex-Financials) expanded slightly by 40bp YoY to 17.4%, primarily aided by the Healthcare, Telecom, and Infrastructure sectors but hurt by the Cement, Consumer, Automobiles, and Chemicals sectors.

### Expectations vs. delivery: 3QFY25



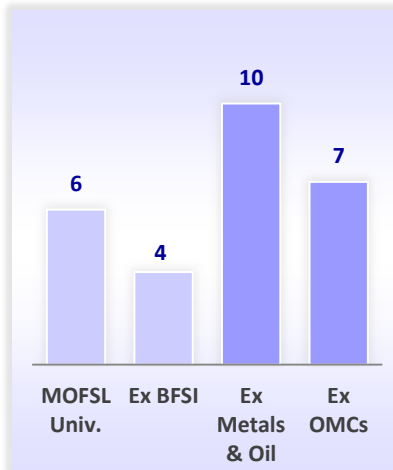
Research Analyst: Gautam Duggad (Gautam.Duggad@MotilalOswal.com) | Deven Mistry (Deven@MotilalOswal.com)

Research Analyst: Abhishek Saraf (Abhishek.Saraf@MotilalOswal.com) | Aanshul Agarawal (Aanshul.Agarawal@MotilalOswal.com)

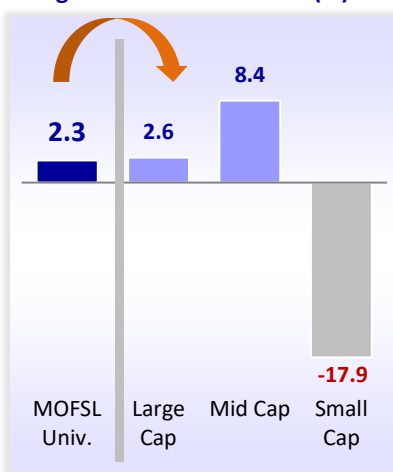
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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.

PAT growth YoY in 3QFY25 (%)



PAT growth YoY in 9MFY25 (%)



- **Report card:** Of the 25 sectors under our coverage, 3/12/10 sectors reported profits above/in line/below our estimates. Of the 292 companies under coverage, 81 exceeded our profit estimates, while 129 posted a miss, and 82 were in line.
- **The 9MFY25 snapshot:** The MOFSL Universe delivered a 2.3% YoY earnings growth in 9MFY25. Excluding Metals, and O&G, it reported an 11.8% YoY earnings growth. **We categorized the coverage stocks based on market capitalization criteria into large-cap, mid-cap, and small-cap segments.** Notably, our large-cap universe saw a 2.6% YoY earnings growth in 9MFY25, while mid-cap delivered an 8.4% YoY growth, and small-cap posted a decline of 17.9% YoY in 9MFY25. For 4QFY25, we estimate a modest earnings growth for the MOFSL and Nifty Universe, at 4.5% and 4.0%, respectively.
- **FY26E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 7%/15%/19% YoY in FY26. The Financials, Oil & Gas, and Metals sectors are projected to be the key growth engines, with 13%, 24%, and 37% YoY earnings growth, respectively. However, we foresee downside risks to our earnings estimates for FY26E/27E.
- **MOFSL Universe experienced a cut of 1.8%/2.3% for FY26E/FY27:** Our MOFSL Universe witnessed a cut of 1.8% for FY26, led by Metals, Private Banks, Consumers, Cement, and Automobiles. Further, our small-cap and mid-cap universes experienced a bigger cut at 5.9% and 3.4%, respectively. The large-cap universe witnessed a cut of 1.2%.
- **Nifty EPS cut by 1.4%/1.8% for FY26E/FY27E:** The Nifty EPS estimate for FY26 was cut by 1.4% to INR1,203, largely owing to ONGC, HDFC Bank, JSW Steel, Axis Bank, and SBI. FY27E EPS was also reduced by 1.8% to INR1,373 (from INR1,398) due to downgrades in SBI, HDFC Bank, ONGC, Tata Steel, and Reliance Industries.
- **The top earnings upgrades in FY26E:** Bharti Airtel (9.2%), Hindalco (4.2%), Tata Motors (4.1%), Kotak Mahindra Bank (3.6%), and Maruti (3.5%).
- **The top earnings downgrades in FY26E:** JSW Steel (-9.5%), Tata Consumer (-6.5%), Tata Steel (-5.9%), Trent (-5.5%), and Dr. Reddy's Labs (-5%).
- **Key sectoral highlights – 1) Banks:** The banking sector reported another soft quarter amid moderation in margins and sustained higher provisioning expenses, mainly for the private banks. NIM continued to dip amid cost pressure, while the competition for deposits continued to remain intensive for banks, and the CASA mix continued to deteriorate. Public sector banks too experienced some NIM compression, albeit very limited. 2) **Autos:** The 3Q performance was weak with a 2% YoY dip in profit. Management commentary on FY26 demand was uncertain, with signs of moderation across segments, while the commentary appeared more optimistic about rural demand outpacing urban demand. 3) **Consumer:** The sector continued to report weak performance, with the profit of our consumer universe posting a decline of 5% YoY. Challenging demand conditions coupled with margin pressures meant that management commentaries did not offer much respite either. 4) **Oil & Gas:** Revenue came in line with our estimate (flat YoY). Adjusted PAT was 7% below est. (down 11% YoY). Adjusted PAT, excluding OMCs, was in line (down 8% YoY). 5) **Technology:** The IT Services companies under our coverage presented a mixed picture in a seasonally weak quarter, with a median revenue growth of 1.8% QoQ CC in 3QFY25 (vs. 2.0%/1.2%/0.7% in 2QFY25/1QFY25/4QFY24). Guidance upgrades by major companies were disappointing. 6) **Healthcare:** The sector stood out once again with a solid 25% earnings growth (est. 19% YoY). Overall performance at the aggregate level was driven by: 1) a sustained

## Sector Review Compendium

Highlights / Surprise /  
Guidance... (Page 20 onwards)

Automobiles  
Capital Goods  
Cement  
Chemicals  
Consumer – FMCG | QSR  
Consumer Durables  
EMS  
Financials – Banks  
Financials – NBFC: Lending  
Financials – NBFC: Non Lending  
Healthcare  
Infrastructure  
Logistics  
Metals  
Oil & Gas  
Real Estate  
Retail  
Technology  
Telecom  
Utilities

contribution from niche products in the US generics segment, 2) a demand tailwind in chronic therapies, and 3) elevated inventory levels of raw materials, which helped keep their prices in check. The aggregate performance was partly hit by reduced support from the acute therapies.

■ **Our view:** The 3QFY25 earnings are in line with modest expectations; however, forward earnings revisions are the weakest in recent times, with downgrades far outpacing upgrades, especially in our non-Nifty 50 universe. Weakness in consumption coupled with a drag from commodities has put severe pressure on earnings even as BFSI, Healthcare, Capital Goods, and Technology have recorded a healthy print. *After a healthy 55% earnings CAGR over FY19-24 by the MOFSL Banking universe, the tailwind is now tapering off with FY25 earnings growing at a healthy but relatively modest 14%, while FY25-27E CAGR is projected at 12% (within which FY26E growth is estimated at a mere 9%).* The expectations for FY26 corporate earnings (19% for the MOFSL Universe and 15% for the Nifty-50) are still somewhat elevated, in our opinion, given the underlying macro-micro backdrop and are thus ripe for further downgrades. The recent correction in broader markets factors into some of the potential disappointments in earnings ahead. That said, the valuations for mid and small-caps are still expensive vis-à-vis their history as well as vs. Nifty-50. The Nifty is trading at a 12-month forward P/E of 19.3x, below its long-period average (LPA) of 20.5x. Thus, we continue to remain biased toward large caps with a 76% allocation in our model portfolio. We are OW on Consumption, BFSI, IT, Industrials, Healthcare, and Real Estate, while we are UW on Oil & Gas, Cement, Automobiles, and Metals.

### Exhibit 1: Our preferred ideas

	MCap	CMP	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
Company	(USDb)	(INR)	FY25E	FY26E	FY27E	FY24-26	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Preferred large cap stocks															
Reliance Inds.	189.6	1,217	50.6	61.0	67.9	8.9	24.0	20.0	17.9	1.9	1.8	1.6	8.3	9.3	9.5
Bharti Airtel	120.4	1,717	36.9	44.9	62.0	51.1	46.5	38.3	27.7	9.8	7.6	6.9	23.5	24.2	28.2
ICICI Bank	102.3	1,258	66.3	71.7	82.0	10.9	19.0	17.5	15.3	3.2	2.8	2.4	18.3	17.0	16.8
State Bank	74.2	722	89.2	97.3	112.6	13.8	8.1	7.4	6.4	1.4	1.2	1.0	18.8	17.2	16.8
Hind. Unilever	62.7	2,318	44.1	49.3	54.1	6.2	52.6	47.0	42.8	10.6	10.5	10.3	20.2	22.4	24.2
Larsen & Toubro	51.3	3,238	106.2	135.4	156.5	19.7	30.5	23.9	20.7	4.6	4.0	3.5	15.9	17.8	17.9
Sun Pharma	47.1	1,705	49.2	59.5	66.6	19.8	34.7	28.7	25.6	5.6	4.7	4.1	17.2	17.9	17.1
Maruti Suzuki	45.9	12,669	462.3	512.4	573.4	10.4	27.4	24.7	22.1	4.2	3.8	3.4	14.8	15.3	15.2
Mahindra & Mahindra	40.6	2,941	99.3	124.6	145.1	18.5	29.6	23.6	20.3	5.7	4.8	4.1	21.0	22.2	21.7
Titan Company	32.9	3,212	42.8	53.4	63.8	16.6	75.0	60.2	50.3	23.7	18.6	14.8	35.5	34.6	32.7
Trent	20.9	5,117	45.0	61.4	78.2	44.9	113.7	83.4	65.4	30.0	21.7	16.0	32.9	32.3	30.1
LTIMindtree	18.8	5,509	158.8	187.0	217.7	9.9	34.7	29.5	25.3	7.2	6.3	5.5	22.0	22.7	23.2
Preferred midcap/smallcap stocks															
Indian Hotels	11.6	710	11.8	15.3	18.1	31.3	59.9	46.5	39.2	9.0	7.6	6.4	16.2	17.7	17.7
Dixon Tech.	9.6	14,004	130.8	174.2	250.6	68.3	107.0	80.4	55.9	34.1	24.0	16.9	37.7	35.1	35.5
JSW Energy	8.8	437	13.7	17.2	18.2	28.1	31.9	25.3	24.0	3.4	3.0	2.7	11.0	12.5	12.0
BSE	8.0	5,121	88.5	137.9	167.7	55.5	57.9	37.1	30.5	18.9	16.4	14.1	32.7	44.2	46.3
Godrej Properties	6.8	1,967	51.3	64.4	64.8	54.8	38.3	30.6	30.4	3.1	2.8	2.6	10.4	9.8	9.0
Coforge	6.0	7,797	133.9	227.1	282.3	32.9	58.2	34.3	27.6	12.3	10.5	8.8	22.2	32.8	34.5
JSW Infra	5.5	229	6.7	7.7	9.8	15.4	34.2	29.6	23.4	5.3	4.7	4.1	16.4	16.7	18.5
Page Industries	5.3	41,064	613.6	709.4	841.0	17.9	66.9	57.9	48.8	26.1	22.5	19.3	39.0	38.8	39.5
IPCA Labs.	4.3	1,462	34.3	45.8	56.5	48.4	42.6	31.9	25.9	5.2	4.6	4.0	13.0	15.4	16.5
Metro Brands	3.6	1,137	13.7	17.1	21.8	16.0	83.3	66.4	52.2	14.1	11.9	10.0	18.5	19.9	21.4
Angel One	2.3	2,210	148.5	160.7	214.6	8.8	14.9	13.8	10.3	3.3	2.9	2.4	28.6	22.2	25.4

Note: LP = Loss to profit; Large Cap, Mid Cap and Small Cap Stocks listed above are as per SEBI Categorization

**Performance in line: BFSI fuels modest earnings growth**

- The MOFSL Universe's sales/EBITDA/PBT/PAT were +6%/+9%/+12%/+6% YoY (vs. our est. of +7%/+9%/+11%/+7%). Excluding Metals and O&G, the MOFSL Universe companies recorded sales/EBITDA/PBT/PAT growth of 10%/11%/16%/10% YoY (v/s est. of +11%/13%/15%/11%) in 3QFY25.
- The modest earnings growth was driven once again by BFSI, with positive contributions from Technology, Telecom, Healthcare, and Real Estate. Conversely, earnings growth was hindered by global cyclical, such as O&G (OMC's profit declined 18% YoY), which dipped 11% YoY, along with Cement (-55% YoY), Chemicals (-12% YoY), and Consumer (-5% YoY).
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded marginally by 40bp YoY to 17.4%, primarily aided by the Healthcare, Telecom, and Infrastructure sectors but dragged down by the Cement, Consumer, Automobiles, and Chemicals sectors.
- The gross margin for two-thirds of the sectors contracted. Ten of the 15 major sectors under MOFSL Coverage reported a contraction in gross margin YoY.

**Exhibit 2: Sector-wise 3QFY25 performance of the MOFSL Universe companies (INRb)**

Sector (nos of companies)	Sales			EBITDA			PAT		
	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %
Automobiles (25)	3,195	7	-1	406	-1	-5	234	-2	-6
Capital Goods (11)	946	17	-2	106	17	-3	65	20	-4
Cement (11)	561	2	0	70	-31	-11	22	-55	-17
Chemicals (12)	159	6	-3	27	-1	-8	14	-12	-15
Consumer (20)	878	6	-1	202	-1	-3	141	-5	-6
Consumer Durables (5)	175	16	1	17	25	2	11	23	-6
EMS (7)	150	87	1	8	77	-1	4	76	-18
Financials (60)	3,032	10	-2	1,700	13	-1	1,056	11	2
Banks-Private (12)	922	9	0	694	10	0	420	2	-1
Banks-PSU (6)	887	4	-2	579	12	-4	378	24	10
Insurance (6)	715	14	-4	36	9	2	23	29	5
NBFC - Lending (22)	437	16	1	352	15	1	205	5	-3
NBFC - Non Lending (14)	71	40	1	39	54	1	30	32	-5
Healthcare (24)	879	11	1	211	22	4	131	25	5
Infrastructure (3)	42	-10	-1	13	4	11	5	14	5
Logistics (8)	167	12	2	64	14	5	37	17	4
Media (3)	45	0	-4	10	0	-12	7	13	-4
Metals (10)	2,844	4	-1	552	9	11	245	3	11
Oil & Gas (15)	7,785	0	-1	952	2	1	417	-11	-7
Ex OMCs (12)	3,609	3	4	720	4	2	319	-8	-4
Real Estate (13)	154	35	-8	44	34	-7	35	60	2
Retail (21)	669	21	-1	77	15	-2	35	15	-6
Staffing (4)	125	14	3	4	8	-2	3	50	-3
Technology (12)	1,967	6	0	448	7	2	309	9	0
Telecom (4)	696	13	0	374	30	5	9	LP	LP
Utilities (5)	694	3	-9	249	8	-8	98	3	-5
Others (19)	688	17	0	126	33	-13	50	28	-21
<b>MOFSL Universe (292)</b>	<b>25,851</b>	<b>6.1</b>	<b>-1.2</b>	<b>5,661</b>	<b>9.2</b>	<b>-0.1</b>	<b>2,927</b>	<b>6.0</b>	<b>-0.7</b>
<b>MOFSL Ex Financials (232)</b>	<b>22,819</b>	<b>5.6</b>	<b>-1.1</b>	<b>3,961</b>	<b>7.8</b>	<b>0.4</b>	<b>1,872</b>	<b>3.6</b>	<b>-2.3</b>
<b>MOFSL Ex Metals &amp; Oil (267)</b>	<b>15,222</b>	<b>9.9</b>	<b>-1.2</b>	<b>4,156</b>	<b>10.8</b>	<b>-1.7</b>	<b>2,265</b>	<b>10.1</b>	<b>-0.6</b>
<b>MOFSL Ex OMCs (289)</b>	<b>21,675</b>	<b>7.8</b>	<b>-0.4</b>	<b>5,429</b>	<b>9.8</b>	<b>-0.1</b>	<b>2,829</b>	<b>7.1</b>	<b>-0.2</b>
<b>Nifty (50)</b>	<b>14,952</b>	<b>5.9</b>	<b>0.8</b>	<b>3,655</b>	<b>8.4</b>	<b>-0.2</b>	<b>1,964</b>	<b>4.7</b>	<b>-0.3</b>
<b>Sensex (30)</b>	<b>10,494</b>	<b>7.3</b>	<b>0.2</b>	<b>2,865</b>	<b>9.2</b>	<b>-0.7</b>	<b>1,540</b>	<b>7.6</b>	<b>-0.2</b>

LP: Loss to profit; PL: Profit to loss



**Exhibit 3: Sector-wise 3QFY25 performance of the MOFSL Mid-cap Universe companies (INR b)**

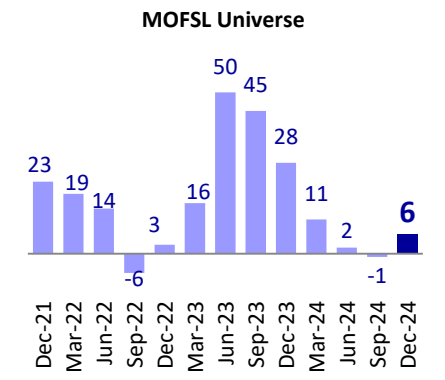
Sector (no of companies)	Sales			EBITDA			PAT		
	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %
Automobiles (9)	335	6	-2	49	0	-3	29	7	-2
Capital Goods (2)	41	15	-9	4	39	-16	2	22	-24
Cement (4)	156	-5	-1	24	-32	-4	7	-61	-18
Chemicals (3)	73	5	-1	13	-8	-4	8	-16	-5
Consumer (5)	88	10	-1	18	8	-3	13	7	-6
Consumer Durables (2)	56	19	7	4	80	0	3	147	-10
EMS (2)	111	109	0	5	91	-3	2	68	-25
Financials (17)	644	10	0	369	12	3	213	14	7
Banks-Private (4)	146	12	-1	81	6	-2	32	-27	-7
Banks-PSU (3)	248	2	-1	201	10	5	116	23	13
Insurance (2)	133	14	-1	3	63	51	8	36	0
NBFC - Lending (4)	89	16	4	65	15	2	43	28	11
NBFC - Non Lending (4)	29	52	3	19	61	4	14	34	-7
Healthcare (11)	396	13	2	85	34	5	46	45	2
Infrastructure (1)	20	3	21	10	13	21	2	18	10
Logistics (2)	34	8	-4	10	5	-9	8	22	15
Metals (4)	475	8	-5	89	15	20	45	2	23
Oil & Gas (5)	1,359	-3	14	106	53	15	56	44	12
Real Estate (4)	50	20	-19	20	29	-12	11	29	-24
Retail (4)	139	22	1	17	19	4	4	71	10
Technology (4)	126	19	1	22	15	1	13	9	-6
Telecom (2)	169	4	-2	59	7	-1	-64	Loss	-6
Others (6)	292	14	0	58	79	6	25	323	16
<b>MOFSL Mid-cap Univ. (87)</b>	<b>4,564</b>	<b>7.0</b>	<b>2.8</b>	<b>963</b>	<b>17.8</b>	<b>4.6</b>	<b>424</b>	<b>26.1</b>	<b>7.4</b>
<b>Ex Financials (70)</b>	<b>3,920</b>	<b>6.5</b>	<b>3.4</b>	<b>593</b>	<b>21.6</b>	<b>5.4</b>	<b>211</b>	<b>42.2</b>	<b>7.7</b>
<b>Ex Metals &amp; Oil (78)</b>	<b>2,730</b>	<b>12.1</b>	<b>-0.6</b>	<b>768</b>	<b>14.5</b>	<b>1.7</b>	<b>322</b>	<b>27.7</b>	<b>4.9</b>

**Exhibit 4: Sector-wise 3QFY25 performance of the MOFSL Small-cap Universe companies (INR b)**

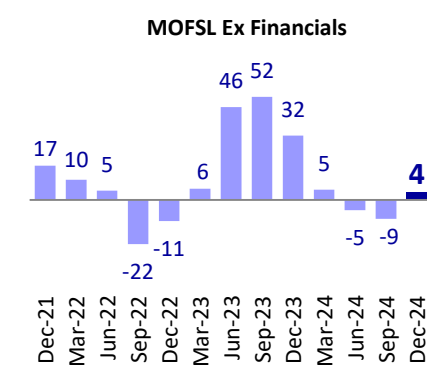
Sector (no of companies)	Sales			EBITDA			PAT		
	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %	Dec-24	Chg. % YoY	Var. over Exp. %
Automobiles (6)	176	10	-1	22	-15	-5	9	-28	-17
Capital Goods (5)	120	11	-6	10	14	-10	5	14	-19
Cement (4)	66	-8	0	5	-52	-22	-2	PL	968
Chemicals (9)	86	7	-5	14	5	-12	6	-5	-26
Consumer (4)	44	10	1	8	4	0	6	1	-4
Consumer Durables (1)	18	9	2	1	-2	8	1	-3	18
EMS (5)	38	44	2	4	62	1	2	89	-7
Financials (28)	209	11	-2	101	8	-9	29	-50	-37
Banks-Private (4)	58	8	-2	36	21	-9	7	-48	-38
Insurance (1)	38	15	0	0	PL	-13	2	-26	-1
NBFC - Lending (13)	72	3	-4	45	-8	-12	5	-84	-72
NBFC - Non Lending (10)	42	32	-1	20	48	-3	16	30	-4
Healthcare (7)	95	8	3	20	13	12	8	-1	2
Infrastructure (2)	22	-19	-14	3	-18	-13	3	10	0
Logistics (5)	54	11	0	5	25	4	2	34	-4
Media (3)	45	0	-4	10	0	-12	7	13	-4
Oil & Gas (5)	269	-10	0	23	-10	18	11	-21	14
Real Estate (7)	47	73	-5	7	106	-36	4	216	-32
Retail (14)	148	15	0	20	3	-9	6	-10	-19
Staffing (4)	125	14	3	4	8	-2	3	50	-3
Technology (2)	33	7	3	5	-7	-4	3	-17	-9
Utilities (1)	1	14	7	1	13	9	1	16	17
Others (9)	74	9	-3	12	16	-6	7	15	-5
<b>MOFSL Small-cap Univ (121)</b>	<b>1,671</b>	<b>6.9</b>	<b>-1.3</b>	<b>276</b>	<b>2.6</b>	<b>-6.2</b>	<b>109</b>	<b>-23.6</b>	<b>-19.8</b>
<b>Ex Financials (93)</b>	<b>1,462</b>	<b>6.2</b>	<b>-1.1</b>	<b>174</b>	<b>-0.1</b>	<b>-4.5</b>	<b>80</b>	<b>-5.5</b>	<b>-11.0</b>
<b>Ex Metals &amp; Oil (116)</b>	<b>1,402</b>	<b>10.8</b>	<b>-1.4</b>	<b>252</b>	<b>3.8</b>	<b>-7.9</b>	<b>99</b>	<b>-23.8</b>	<b>-22.3</b>

LP: Loss to profit; PL: Profit to loss

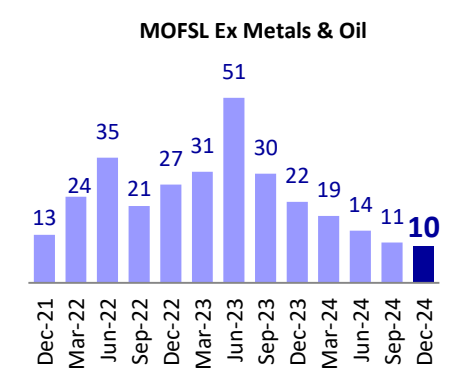
**Exhibit 5: PAT increased 6% YoY for the MOFSL Universe**



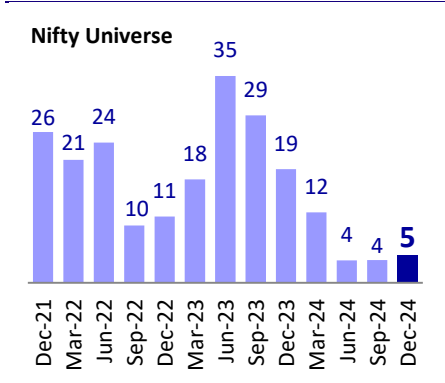
**Exhibit 6: PAT was up 4% YoY for the MOFSL Universe, excluding Financials**



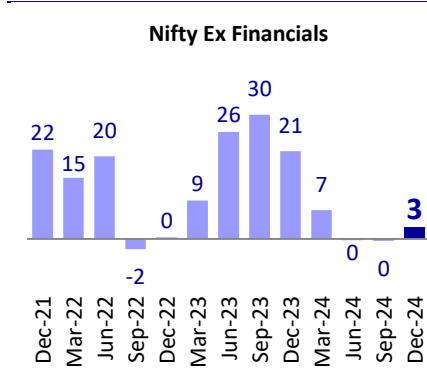
**Exhibit 7: PAT rose 10% YoY for the MOFSL Universe, sans Metals & O&G**



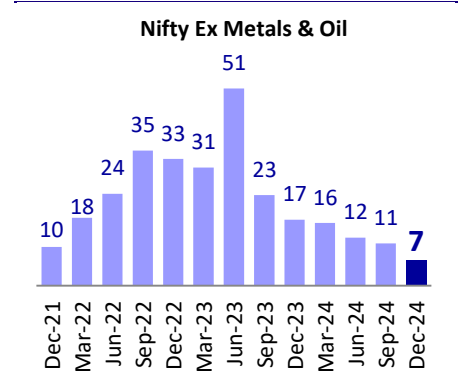
**Exhibit 8: PAT growth for the Nifty Universe stood at 5% YoY**



**Exhibit 9: PAT for the Nifty Universe, sans Financials, was up 3% YoY**



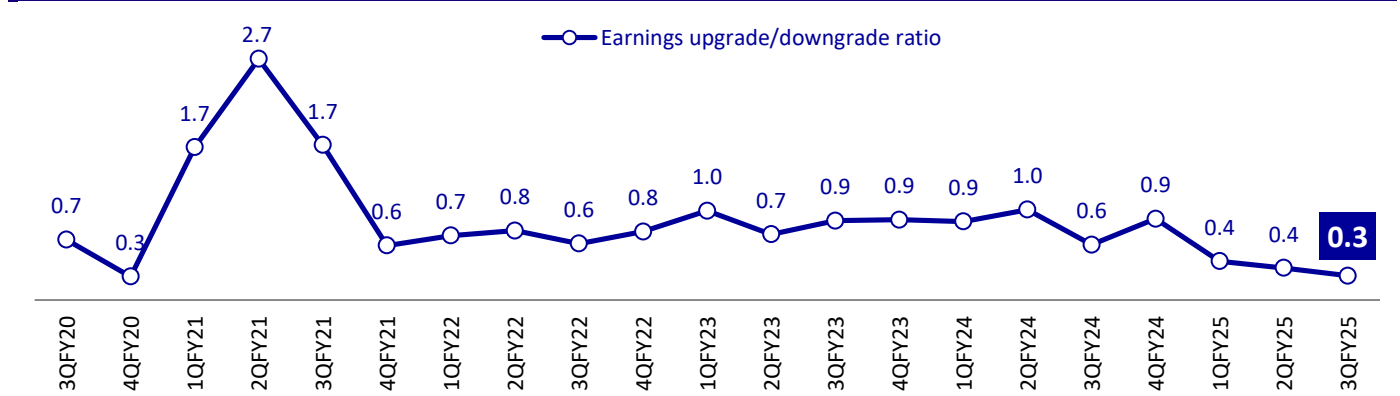
**Exhibit 10: PAT grew 7% YoY for the Nifty Universe, sans Metals & O&G**

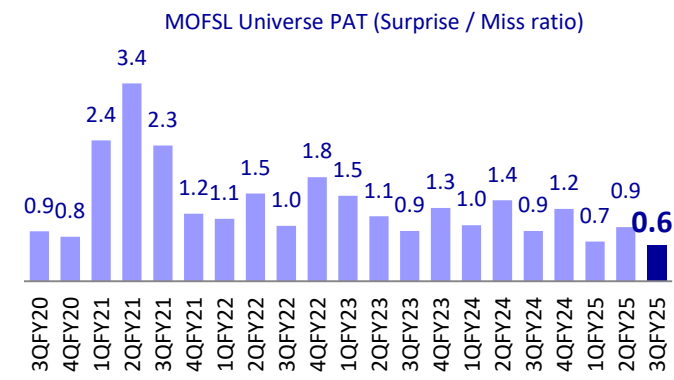
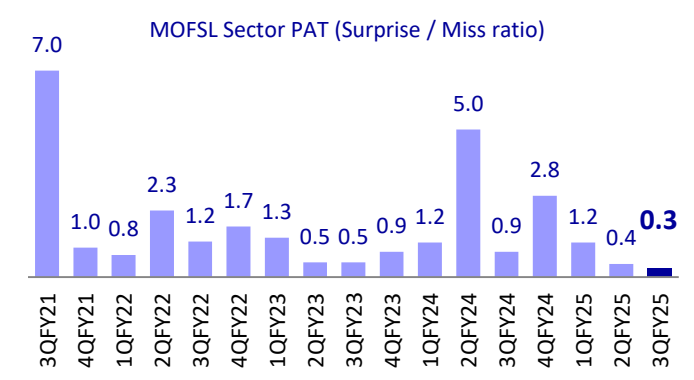


### Earnings upgrade-to-downgrade ratio unfavorable for FY26E

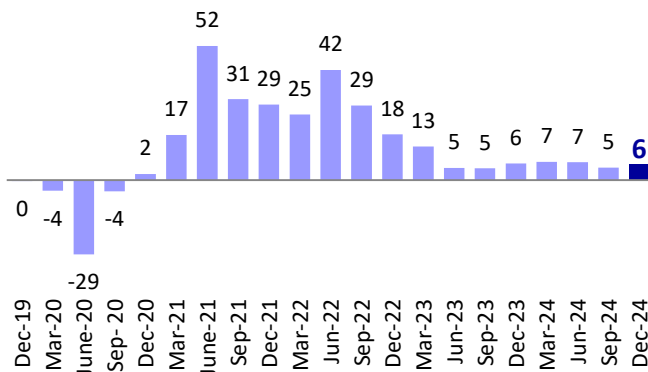
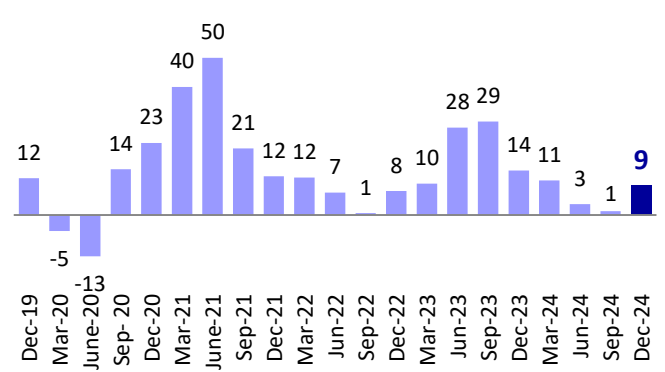
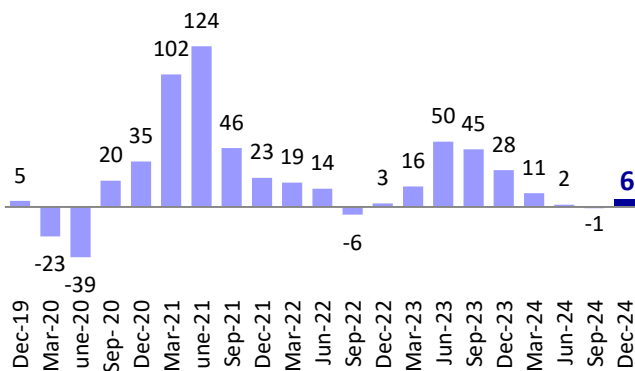
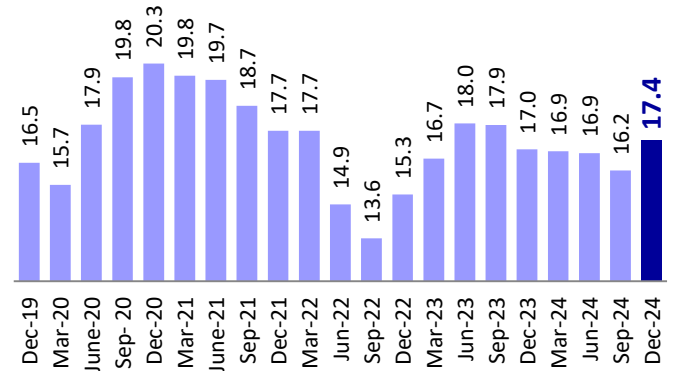
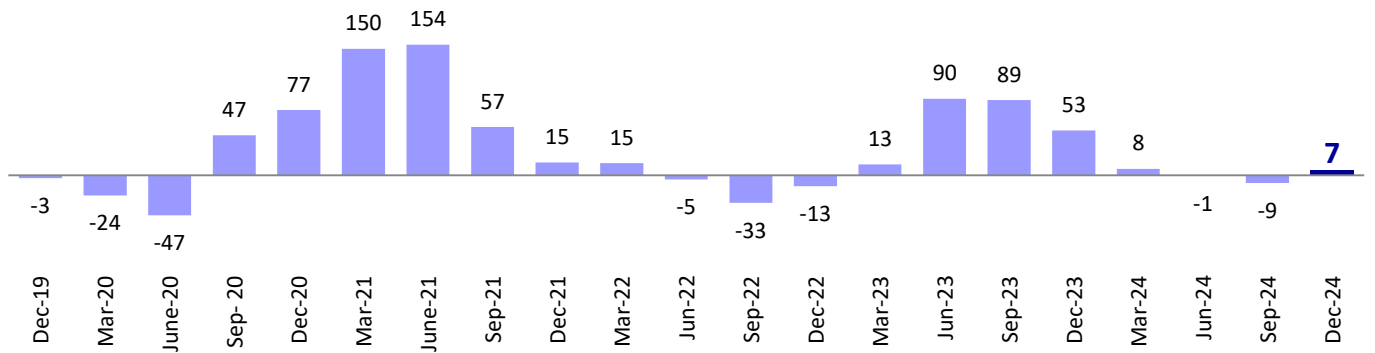
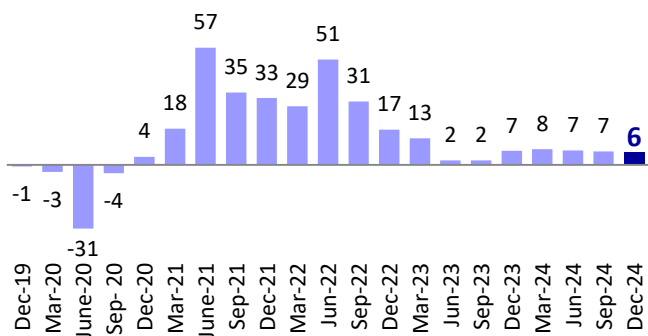
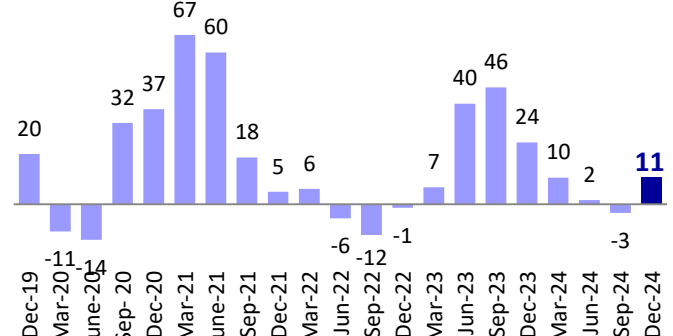
- For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has turned weaker for FY26E as 37 companies' earnings have been upgraded by >3%, while 137 companies' earnings have been downgraded by >3%. The earnings upgrade/downgrade ratio of 0.3x was the worst since 1QFY21.
- The beat-miss ratio for the MOFSL Universe was unfavorable, with 44% of the companies missing our estimates, while 28% reported a beat at the PAT level.
- Of the 25 sectors under our coverage, 3/12/10 sectors reported profits above/in-line/below our estimates.

**Exhibit 11: The upgrade-to-downgrade ratio trend for the MOFSL Universe – the worst since 1QFY21**



**Exhibit 12: Surprise/miss ratio for the MOFSL Universe at 0.6x in 3QFY25****Exhibit 13: Sectoral surprise/miss ratio at 0.3x, for the MOFSL Universe, in 3QFY25****Exhibit 14: Two and three-year profit CAGR for the MOFSL Universe**

Sector	EBITDA (INR b)			CAGR (%)		PBT (INR b)			CAGR (%)		PAT (INR b)			CAGR (%)	
	3QFY22	3QFY23	3QFY25	2-year	3-year	3QFY22	3QFY23	3QFY25	2-year	3-year	3QFY22	3QFY23	3QFY25	2-year	3-year
Automobiles	195	270	406	23	28	90	176	313	33	52	58	140	234	29	59
Capital Goods	70	78	106	17	15	56	66	95	20	19	36	43	65	23	22
Cement	74	64	70	5	-2	49	34	28	-10	-17	33	24	22	-3	-12
Chemicals	28	35	27	-13	-2	23	29	18	-21	-8	18	22	14	-21	-9
Consumer	165	188	202	4	7	157	177	189	3	6	119	132	141	3	6
Consumer Durables	11	13	17	14	15	10	11	15	19	14	7	9	11	13	14
EMS	3	4	8	52	50	2	2	6	63	55	1	2	4	57	51
Financials	1,142	1,421	1,700	9	14	758	1,047	1,400	16	23	564	782	1,056	16	23
Banks-Private	442	552	694	12	16	343	448	553	11	17	258	338	420	12	18
Banks-PSU	433	568	579	1	10	218	352	511	20	33	150	252	378	22	36
Insurance	16	34	36	3	32	6	16	26	27	61	8	16	23	19	42
NBFC - Lending	233	246	352	20	15	171	208	270	14	16	132	160	205	13	16
NBFC - Non Lending	18	20	39	38	30	19	22	40	36	28	15	16	30	35	27
Healthcare	138	152	211	18	15	109	117	171	21	16	87	88	131	22	15
Infrastructure	12	12	13	5	4	5	6	7	9	8	3	4	5	11	19
Logistics	38	43	64	22	19	26	28	44	25	18	23	23	37	26	18
Media	13	11	10	-7	-8	10	9	8	-6	-6	8	6	7	7	-4
Metals	655	402	552	17	-6	498	231	377	28	-9	353	133	245	36	-11
Oil & Gas	730	747	952	13	9	561	458	625	17	4	418	337	417	11	0
Real Estate	24	31	44	20	23	18	24	37	23	28	21	20	35	34	19
Retail	53	55	77	18	13	38	36	47	14	LP	28	27	35	14	LP
Staffing	3	3	4	16	8	2	2	3	34	8	2	2	3	21	12
Technology	369	418	448	4	7	342	381	419	5	7	256	284	309	4	6
Telecom	233	249	374	23	17	-20	-37	83	LP	LP	-45	-59	9	Loss	Loss
Utilities	209	257	249	-2	6	104	127	130	1	8	84	91	98	4	5
Others	63	94	126	16	26	23	50	59	8	LP	19	42	50	10	LP
<b>MOFSL Universe</b>	<b>4,227</b>	<b>4,545</b>	<b>5,661</b>	<b>12</b>	<b>10</b>	<b>2,860</b>	<b>2,974</b>	<b>4,074</b>	<b>17</b>	<b>13</b>	<b>2,092</b>	<b>2,150</b>	<b>2,927</b>	<b>17</b>	<b>12</b>
<b>Nifty Universe</b>	<b>2,716</b>	<b>3,076</b>	<b>3,655</b>	<b>9</b>	<b>10</b>	<b>1,930</b>	<b>2,184</b>	<b>2,744</b>	<b>12</b>	<b>12</b>	<b>1,411</b>	<b>1,571</b>	<b>1,964</b>	<b>12</b>	<b>12</b>

**Exhibit 15: Sales for the MOFSL Universe up 6% YoY (est. 7%)****Exhibit 16: EBITDA for the MOFSL Universe up 9% YoY (est. 9%)****Exhibit 17: PAT for the MOFSL Universe at +6% YoY (est. 7%)****Exhibit 18: EBITDA margin, excluding Financials, expanded slightly by 40bp YoY to 17.4%****Exhibit 19: MOFSL Universe (ex-Nifty) posted a profit growth of 7% YoY****Exhibit 20: Sales growth for the MOFSL Universe, excluding Nifty companies, stood at 6% YoY****Exhibit 21: EBITDA was up 11% YoY for the MOFSL Universe, excluding Nifty companies**



### Margin contracts owing to a high base

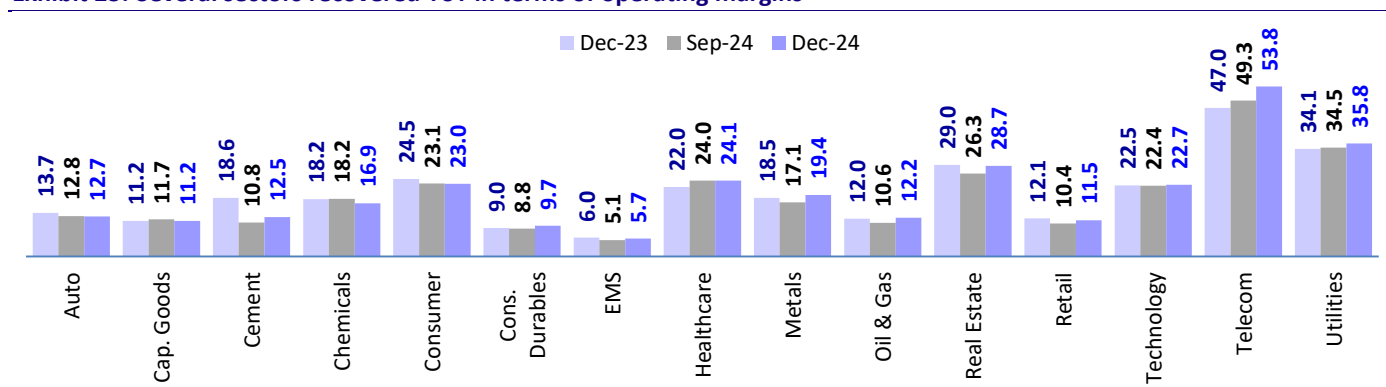
- Sales for the MOFSL Universe companies grew 6% YoY (in line). Excluding Metals and O&G, sales growth was in line at 10% YoY (in line).
- Sectoral sales growth: EMS (87%), NBFC - Non Lending (39%), Real Estate (35%), Retail (21%), and Capital Goods (17%).
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded marginally by 40bp YoY to 17.4%.
- Gross margins for two-thirds of the sectors contracted. In 3QFY25, 10 of the 15 major sectors under MOFSL Coverage posted a contraction in gross margin YoY.

**Exhibit 22: Gross margin contracted in several sectors due to a high base**

	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	Change in GM bps YoY
Others	44.3	41.2	43.7	39.0	43.9	41.8	47.6	42.1	43.5	45.3	46.6	42.0	47.9	436
Healthcare	63.0	62.8	62.4	64.0	64.0	63.7	65.1	65.6	65.9	67.2	68.1	68.1	67.7	177
Oil & Gas	20.8	21.8	16.8	17.0	18.4	22.5	25.2	25.0	22.2	22.7	20.9	22.4	23.3	109
Logistics	18.6	18.5	51.5	49.9	48.4	50.8	52.7	51.7	52.0	52.2	51.8	52.7	52.4	43
Automobiles	29.6	29.2	31.5	31.9	33.2	33.8	34.3	33.9	35.1	35.9	36.1	34.9	35.5	38
Consumer Durables	16.0	14.8	18.8	18.5	19.5	18.4	25.4	27.2	26.6	25.4	25.1	25.7	26.6	-2
Chemicals	53.2	53.8	53.3	51.0	54.8	54.3	54.6	53.3	54.1	54.2	52.6	53.0	53.9	-22
Utilities	0.2	0.2	27.1	27.2	33.1	31.3	47.8	46.8	49.0	49.3	47.0	50.6	48.7	-35
Technology	35.2	34.5	33.1	33.6	34.4	34.5	33.9	34.0	34.4	34.3	35.1	33.7	34.1	-36
Consumer	48.4	48.3	47.3	48.3	49.6	50.8	51.3	52.1	52.5	53.2	52.3	51.2	51.0	-145
Retail	32.9	32.6	32.9	32.5	31.6	31.3	30.4	30.0	30.6	30.6	30.3	29.5	29.0	-153
Metals	55.9	54.1	56.2	47.9	51.1	54.1	52.8	49.9	55.5	53.7	52.7	51.5	53.2	-231
Real Estate	50.6	40.7	44.0	52.2	48.7	43.0	47.9	51.5	53.3	48.8	51.6	48.6	50.2	-310
Cement	61.0	59.7	59.7	56.3	56.1	55.0	62.6	57.4	60.4	57.7	57.8	63.9	56.6	-382
Infrastructure	41.4	36.0	40.7	71.4	39.1	36.6	36.7	40.2	51.7	33.0	39.5	42.2	42.5	-917

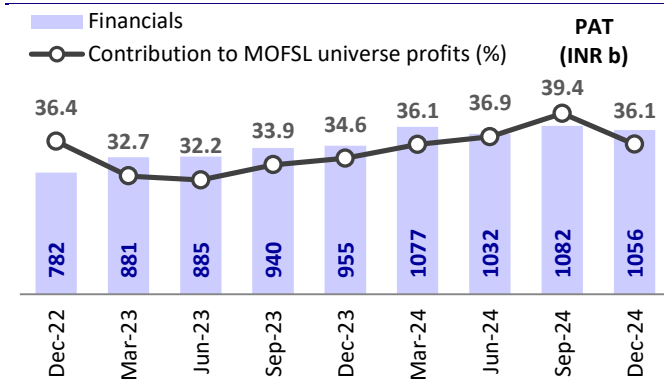
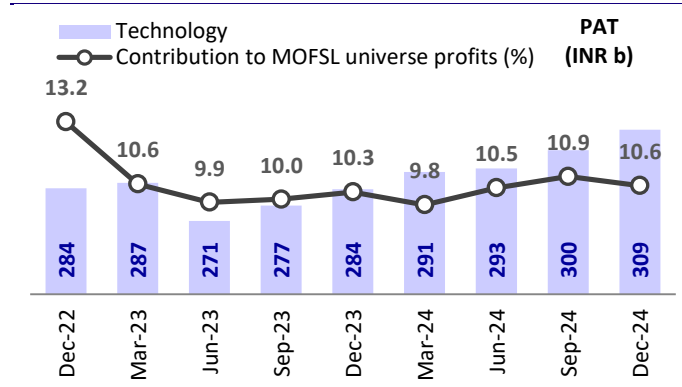
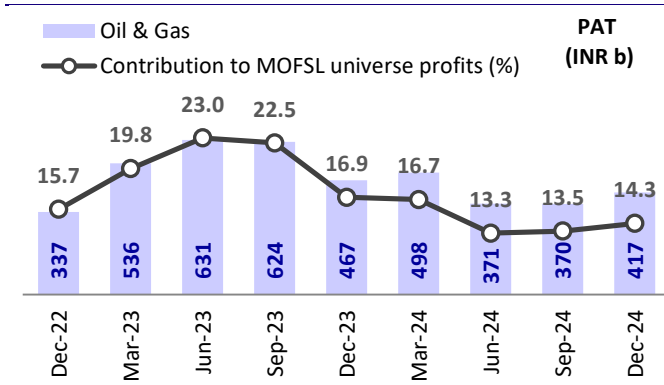
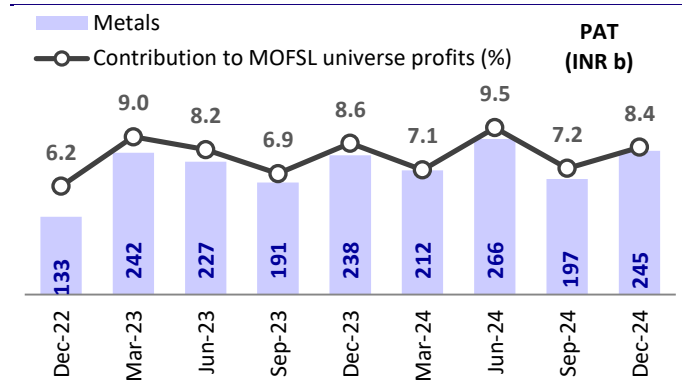
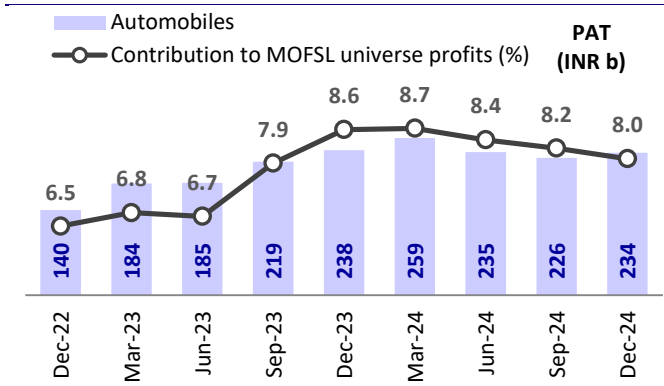
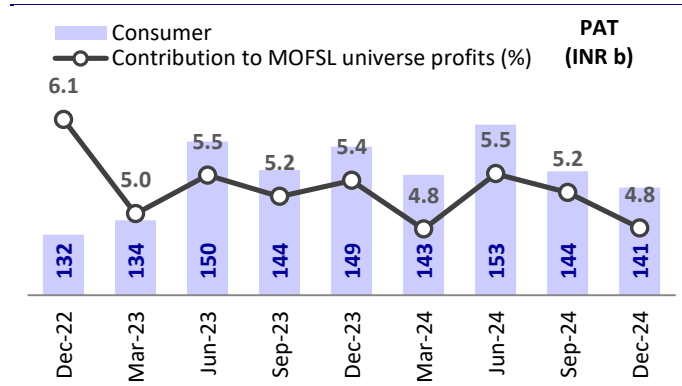
Source: 213 companies that form part of the MOFSL Universe, excluding Financials, Telecom, Media, and Staffing

**Exhibit 23: Several sectors recovered YoY in terms of operating margins**



### Contributions of Oil & Gas in profit pool improve

- The BFSI contribution to the overall MOFSL profit pool accounted for more than one-third of the profits. The contribution declined to 36.1% and was the lowest in the last three quarters.
- The Oil & Gas contribution to the profit pool saw an improvement to 14.3% in 3QFY25 – this was at a three-quarter high.
- The Consumer contribution to the profit pool slipped to a three-quarter low of 4.8% in 3QFY25.

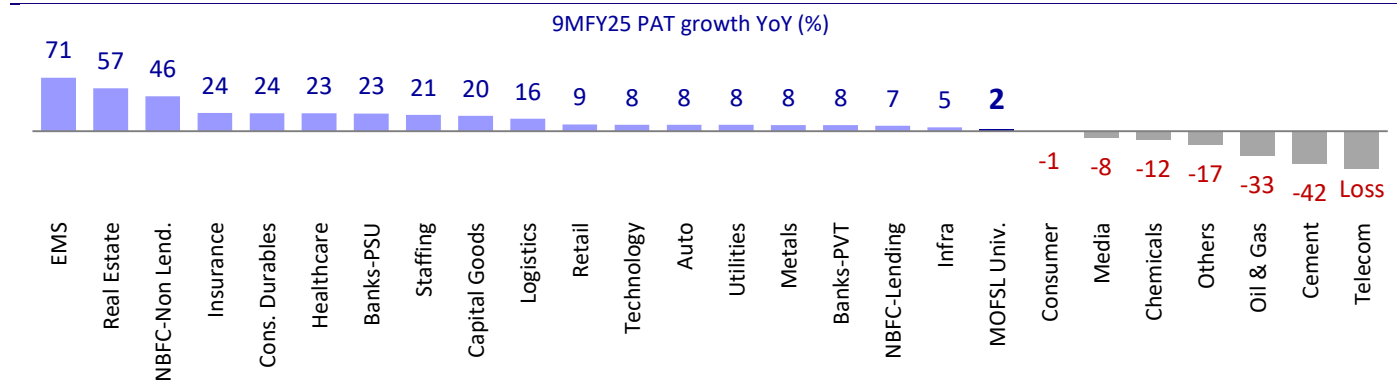
**Exhibit 24: Financials' contribution was down in 3Q; it accounted for more than 1/3<sup>rd</sup> of the overall profit pool****Exhibit 25: The IT sector's contribution to the overall profit pool has been stable since the last few quarters****Exhibit 26: O&G's PAT contribution to the overall profit pool saw an uptick in 3QFY25****Exhibit 27: Metals' PAT contribution to the MOFSL Universe increased in 3QFY25****Exhibit 28: The auto sector's contribution to the overall profit pool declined for the third consecutive quarter****Exhibit 29: The consumer sector's contribution dipped in 3QFY25 – to a three-quarter low****PAT growth YoY in 9MFY25 (%)****The 9MFY25 snapshot: Small-cap profits dip**

- This market correction has coincided with a slowdown in earnings growth, as the Nifty-50 has managed only a modest 4% PAT growth in 9MFY25 (following a 20%+ CAGR during FY20-24).
- The MOFSL Universe delivered a 2.3% YoY earnings growth in 9MFY25. Excluding Metals and O&G, it reported an 11.8% YoY earnings growth.
- **We categorized the coverage stocks based on market capitalization criteria into large-cap, mid-cap, and small-cap segments.** Notably, our large-cap

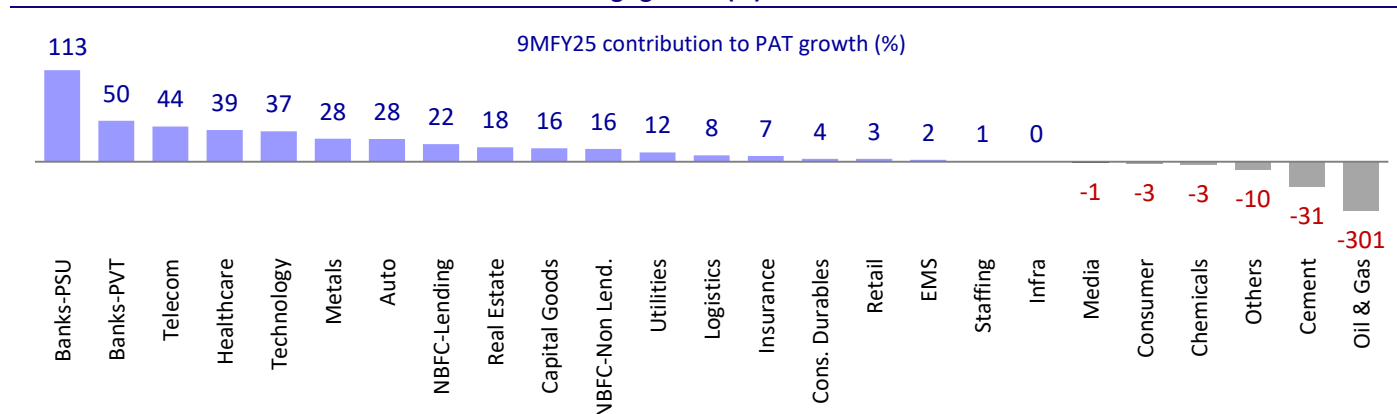
universe saw a 2.6% YoY earnings growth in 9MFY25, and mid-cap delivered an 8.4% YoY growth, while small-cap posted a decline of 17.9% YoY in 9MFY25.

- During 9MFY25, out of 25 sectors under our coverage, 18 sectors saw a YoY growth in PAT, while seven saw a decline. EMS (+71%), Real Estate (+57%), NBFC Non-Lending (+46%), Insurance (+24%), Consumer Durables (+24%), Healthcare (+23%), PSU Banks (+23%), Staffing (+21%), and Capital Goods (+20%) were top gainers. Conversely, Telecom (a loss of INR28b), Cement (-42%), Oil & Gas (-33%), Chemicals (-12%), Media (-8%), and Consumer (-1%) were the laggards.

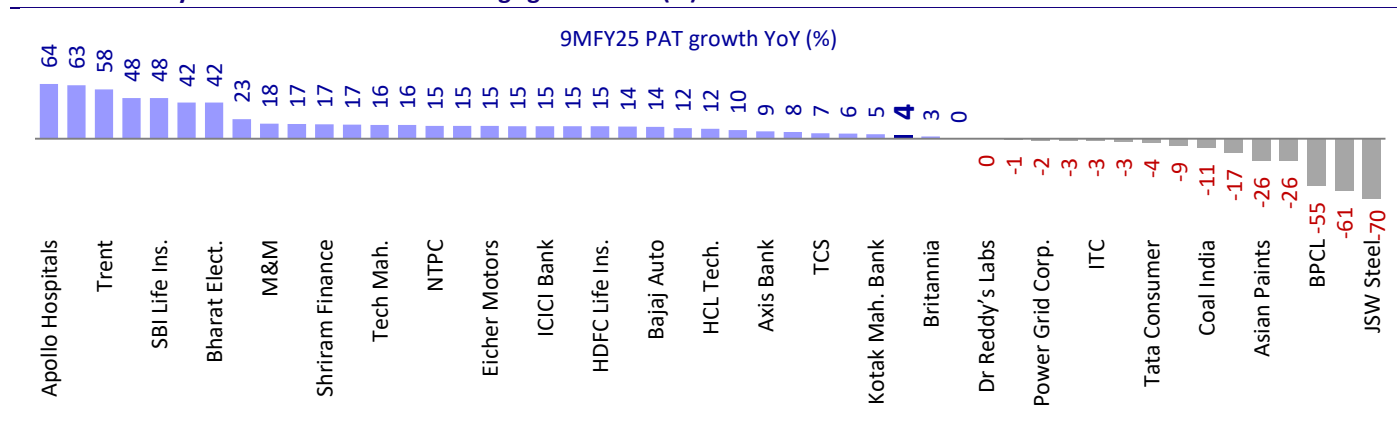
**Exhibit 30: Sector-wise 9MFY25 performance (%) – Telecom, Cement, and Oil & Gas drag**



**Exhibit 31: Sector-wise contribution to 9MFY25 earnings growth (%) – Banks take the lion's share**



**Exhibit 32: Nifty-50 stocks – 9MFY25 earnings growth YoY (%)**



## Performance highlights of the Nifty constituents in 3QFY25

### The top five stocks account for ~111% of the incremental profit YoY

- Sales/EBITDA/PBT/PAT growth for Nifty constituents was in line at +6%/+8%/+12%/+5% YoY in 3QFY25. Excluding Metals and Oil & Gas, profits for Nifty constituents were up 7% YoY (vs. est. of +7% YoY).
- Among Nifty constituents, 20% exceeded our PAT estimates, while 22% missed our estimates.
- Bharti Airtel, Wipro, Ultratech Cement, Cipla, Dr. Reddy's Labs, Bharat Electronics, Hero MotoCorp, Tata Steel, SBI Life Insurance, and Apollo Hospitals delivered higher-than-estimated earnings.
- In contrast, ONGC, Tata Motors, ITC, L&T, M&M, HUL, Nestle, Trent, Tata Consumer, and Grasim Industries missed our profit estimates.
- Seven Nifty companies witnessed earnings upgrades of over 3% in their FY26 EPS estimates, while 17 companies witnessed downgrades of over 3%.

Exhibit 33: Nifty sales up 6% YoY (in line) in 3QFY25

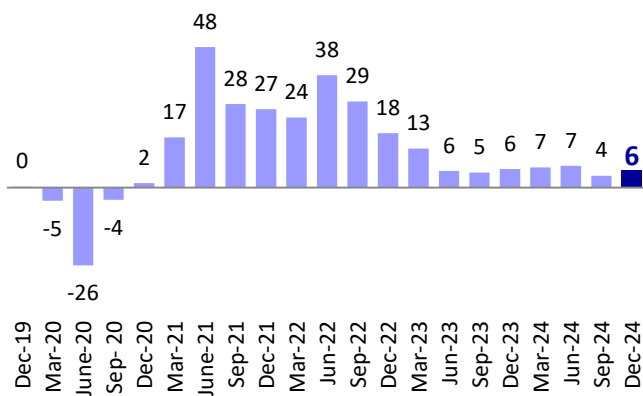


Exhibit 34: Nifty EBITDA up 8% YoY (est. 9%)

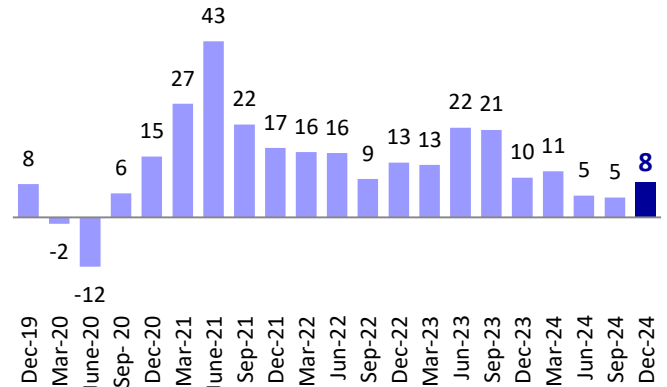


Exhibit 35: Nifty PAT up 5% YoY (est. 5%)

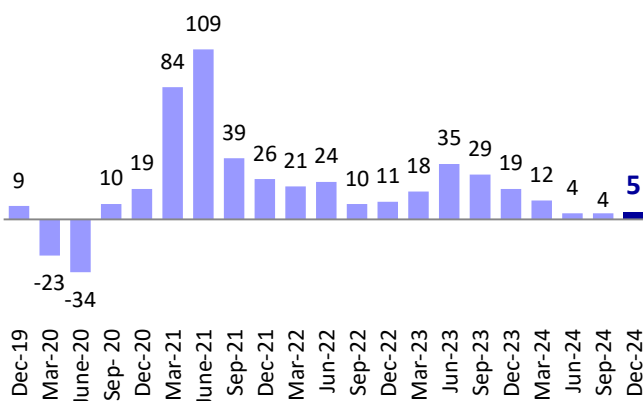
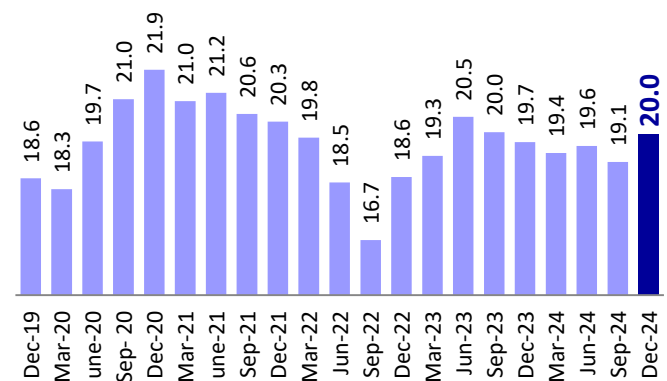


Exhibit 36: Nifty EBITDA margin (ex-Financials) expanded 30bp YoY to 20%



**Exhibit 37: BFSI, Metals, Oil & Gas, and Technology to drive FY26E earnings for the Nifty**

Sector	PAT (INR b)						Growth YoY (%)					
	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY22	FY23	FY24	FY25E	FY26E	FY27E
Automobiles	75	287	621	676	728	791	-57	281	117	9	8	9
BFSI	1,433	2,026	2,541	2,837	3,158	3,689	37	41	25	12	11	17
Capital Goods	108	134	170	195	243	284	22	24	27	15	25	17
Cement	130	115	134	113	152	188	31	-11	16	-15	34	24
Consumer	319	386	437	415	459	504	9	21	13	-5	11	10
Healthcare	143	164	204	236	272	295	31	15	24	16	15	8
Logistics	59	77	89	103	126	151	30	30	16	15	23	20
Metals	926	540	599	588	851	994	169	-42	11	-2	45	17
Oil & Gas	1,107	1,089	1,550	1,263	1,496	1,608	43	-2	42	-18	18	7
Retail	24	37	45	54	69	85	198	54	24	19	28	22
Technology	919	977	1,009	1,106	1,219	1,339	16	6	3	10	10	10
Telecom	35	82	113	212	271	375	Loss	Loss	LP	88	28	38
Utilities	307	323	364	364	422	453	6	5	13	0	16	7
Others	8	27	35	39	39	39	-29	249	30	11	0	0
<b>Nifty</b>	<b>5,592</b>	<b>6,264</b>	<b>7,912</b>	<b>8,203</b>	<b>9,506</b>	<b>10,796</b>	<b>37</b>	<b>12</b>	<b>26</b>	<b>4</b>	<b>16</b>	<b>14</b>

**Exhibit 38: Sectoral upgrades/downgrades for the MOFSL Universe**

Sector	PAT (INR b) - preview			PAT (INR b) - review			Upgrade/downgrade (%)			Growth YoY (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles	983	1,088	1,245	968	1,070	1,195	-1.6	-1.7	-4.1	7.0	10.6	11.6
Capital Goods	284	355	428	274	341	406	-3.4	-4.0	-4.9	19.2	24.1	19.3
Cement	179	260	327	167	237	306	-6.5	-8.6	-6.4	-28.3	41.8	29.1
Chemicals	70	93	114	67	91	113	-4.4	-3.0	-0.8	-2.5	35.8	24.5
Consumer	601	686	764	585	662	738	-2.7	-3.5	-3.4	-0.9	13.1	11.5
Consumer Durables	52	65	81	50	61	74	-4.4	-6.8	-8.5	19.5	21.7	22.0
EMS	20	29	41	18	27	40	-7.9	-5.2	-2.6	72.6	49.2	46.3
Financials	4,408	5,038	5,895	4,421	5,002	5,823	0.3	-0.7	-1.2	13.1	13.2	16.4
Banks-Private	1,781	2,026	2,361	1,782	1,978	2,321	0.0	-2.4	-1.7	6.9	11.1	17.3
Banks-PSU	1,561	1,700	1,943	1,593	1,712	1,936	2.1	0.7	-0.4	23.1	7.4	13.1
Insurance	92	104	129	86	107	132	-7.1	3.0	2.3	15.5	24.2	23.4
NBFC - Lending	845	1,052	1,275	833	1,054	1,255	-1.4	0.2	-1.6	7.0	26.5	19.1
NBFC - Non Lending	128	156	188	126	151	180	-1.3	-2.9	-4.0	34.5	19.9	19.1
Healthcare	519	624	703	518	613	695	-0.2	-1.7	-1.2	20.6	18.4	13.4
Infrastructure	19	26	32	19	27	32	1.4	1.5	1.8	12.0	38.0	20.7
Logistics	142	176	212	140	174	210	-1.6	-1.3	-1.0	15.2	24.5	20.9
Media	23	30	36	23	28	32	-3.1	-7.2	-9.4	-6.8	25.1	14.1
Metals	987	1,412	1,642	995	1,359	1,592	0.8	-3.8	-3.1	14.2	36.6	17.1
Oil & Gas	1,682	2,047	2,216	1,657	2,053	2,176	-1.5	0.3	-1.8	-31.7	23.9	6.0
Excl. OMCs	1,413	1,732	1,889	1,393	1,701	1,840	-1.4	-1.7	-2.6	-12.3	22.1	8.1
Real Estate	128	180	195	114	184	203	-11.1	2.2	4.1	17.1	61.7	10.1
Retail	109	147	187	104	139	175	-4.7	-5.7	-6.4	11.5	34.0	26.0
Staffing	10	13	16	10	13	16	-2.6	-2.9	-2.8	41.7	32.2	19.8
Technology	1,220	1,374	1,521	1,220	1,359	1,502	0.0	-1.1	-1.3	9.3	11.3	10.6
Telecom	-11	54	184	9	40	166	-20.9	-24.6	-9.9	LP	361.2	310.9
Utilities	441	517	553	431	510	545	-2.2	-1.5	-1.4	2.8	18.2	7.0
Others	144	287	384	154	257	345	7.3	-10.5	-10.2	9.2	66.4	34.4
<b>MOFSL Universe</b>	<b>12,010</b>	<b>14,503</b>	<b>16,776</b>	<b>11,943</b>	<b>14,246</b>	<b>16,385</b>	<b>-0.6</b>	<b>-1.8</b>	<b>-2.3</b>	<b>2.8</b>	<b>19.3</b>	<b>15.0</b>

Note: PL: Profit to loss; LP: Loss to profit



## Exhibit 39: Nifty delivered 5% YoY profit growth in 3QFY25

Company	Sales				EBITDA				PBT				PAT				EBITDA Margin	
	Dec 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Dec 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Dec 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Dec 2024	Chg. YoY (%)	Chg. QoQ (%)	Var. (%)	Dec 2024 (%)	Chg. YoY bp
<b>High PAT growth</b>																		
Bharti Airtel	451	19	9	1	246	24	13	0	93	121	38	16	55	121	41	11	54.5	2.2
SBI Life Ins.	250	11	22	-3	19	11	29	5	6	74	5	11	6	71	4	10	7.5	0.0
Tata Steel	536	-3	0	3	72	25	30	58	30	80	93	483	7	69	64	282	13.3	3.0
Hindalco	584	11	0	-2	76	29	-4	-1	53	60	-13	-1	38	61	-12	0	13.0	1.9
Apollo Hospitals	55	14	-1	1	8	24	-7	1	5	47	-4	6	4	52	-2	8	13.8	1.1
Bharat Elect.	58	39	26	16	17	58	19	33	18	50	21	28	13	47	21	28	28.7	3.4
BPCL	1,131	-2	10	12	76	21	68	-6	62	35	93	-4	46	37	94	-3	6.7	1.3
Tech Mah.	133	1	0	1	18	34	3	5	13	46	-25	-9	10	37	-21	-4	13.6	3.3
Trent	45	37	12	-2	8	34	31	-4	6	38	11	-15	5	37	11	-14	18.5	-0.3
Wipro	223	1	0	1	47	12	4	6	45	25	4	14	34	24	5	13	21.3	2.3
Sun Pharma	131	7	-2	-2	36	14	-6	-1	36	22	4	4	30	21	2	1	27.4	1.6
<b>Med/Low PAT growth</b>																		
M&M	305	20	11	-2	45	36	13	0	40	25	-20	-1	30	19	-23	-7	14.6	1.6
Bajaj Finance	94	23	6	1	78	27	7	2	58	18	7	4	43	18	7	5	83.2	3.0
Titan Co.	177	25	22	-4	19	23	26	4	16	20	33	3	12	18	34	2	10.9	-0.2
Eicher Motors	50	19	17	-1	12	10	10	-8	13	10	4	-6	12	18	6	5	24.2	-1.9
SBI	414	4	0	-2	236	16	-20	-13	226	80	-9	3	169	17	-8	4	56.8	5.7
ICICI Bank	204	9	2	-2	169	15	1	1	157	15	1	3	118	15	0	3	82.9	4.1
Shriram Finance	56	14	2	-1	41	11	3	-1	28	13	0	-2	21	14	1	-1	73.1	-2.0
Cipla	71	7	0	2	20	14	5	12	18	15	3	11	14	14	5	15	28.1	1.7
Larsen & Toubro	647	17	5	-3	63	9	-2	-10	53	12	-4	-11	34	14	-1	-11	9.7	-0.8
HDFC Life Ins.	168	10	1	-8	9	9	-1	-4	4	21	2	3	4	14	-4	-4	5.5	-0.1
Adani Ports	80	15	13	6	48	15	10	9	32	5	9	0	27	14	9	2	60.3	-0.2
Maruti Suzuki	385	16	3	0	45	14	1	2	46	14	8	2	35	13	-4	1	11.6	-0.1
Hero Moto	102	5	-2	1	15	8	-3	4	16	12	-1	8	12	12	0	8	14.5	0.5
Infosys	418	8	2	1	100	10	3	3	97	12	5	3	68	11	5	-1	24.0	0.5
Kotak Mah. Bank	72	10	3	1	52	13	2	-1	44	10	-1	-2	33	10	-1	-2	72.0	2.3
Reliance Inds.	2,400	7	4	4	438	8	12	4	286	11	14	4	185	7	12	5	18.2	0.2
NTPC	414	5	3	4	120	20	24	2	66	11	10	7	46	6	10	-4	28.9	3.7
TCS	640	6	0	-1	170	3	1	-1	167	5	4	-2	124	6	4	-2	26.5	-0.6
HCL Tech.	299	5	4	0	69	3	8	1	61	4	8	1	46	6	8	1	23.0	-0.6
Britannia	46	8	-2	1	8	3	8	5	8	2	9	3	6	4	10	4	18.4	-0.9
Axis Bank	136	9	1	0	105	15	-2	2	84	3	-2	-2	63	4	-9	-1	77.4	4.5
Bajaj Finserv	258	6	-7	-11	78	18	0	-4	58	7	-3	-10	22	3	7	-15	30.4	2.9
Bajaj Auto	128	6	-2	-2	26	6	-3	0	28	5	-4	-2	21	3	-5	-3	20.2	0.1
HDFC Bank	307	8	2	1	250	6	1	1	218	12	-1	-1	167	2	-1	1	81.6	-1.5
HUL	158	2	-1	-1	37	1	-3	-4	35	0	-3	-4	26	1	-2	-6	23.4	-0.2
<b>Negative PAT Growth</b>																		
Power Grid Corp.	101	-5	-1	-11	85	-9	-3	-14	49	5	11	1	39	0	10	-3	84.2	-3.8
Dr Reddy's Lab	82	14	3	8	22	7	-1	6	18	-4	-9	12	13	-4	-3	11	26.4	-1.7
ITC	188	4	-9	-2	64	-2	-6	-7	65	-2	-5	-7	48	-10	-4	-9	33.9	-2.2
Nestle	48	4	-6	-1	11	-1	-6	-4	10	-7	-8	-9	7	-10	-9	-11	23.4	-1.1
ONGC	337	-3	0	5	190	11	4	1	110	-13	-27	-13	82	-17	-31	-13	56.3	6.9
Coal India	358	-1	17	-3	104	-13	45	0	117	-11	46	7	85	-17	35	2	29.1	-3.9
Ultratech Cem.	172	3	10	1	29	-11	43	4	18	-22	80	7	15	-17	79	14	16.8	-2.6
Tata Consumer	44	17	5	1	6	-1	-10	2	4	-20	-4	-17	3	-18	-26	-16	12.7	-2.3
Tata Motors	1,136	3	12	-1	130	-15	11	-12	77	2	36	-3	55	-23	64	-17	11.5	-2.4
Asian Paints	85	-6	7	-1	16	-20	32	1	15	-24	33	-3	11	-24	29	-4	19.1	-3.4
IndusInd Bk	52	-1	-2	-1	36	-11	0	0	19	-40	4	-3	14	-39	5	-2	68.9	-7.5
JSW Steel	414	-1	4	-2	56	-22	3	10	13	-62	7	12	8	-66	21	-5	13.5	-3.6
Adani Entep.	228	-9	1	0	31	-5	-18	0	6	-76	-76	0	1	-97	-96	0	13.4	0.5
Grasim Inds	81	27	7	-2	3	-48	-17	-42	-2	PL	PL	PL	-2	PL	PL	PL	3.3	-4.8
<b>Nifty Universe</b>	<b>14,952</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>3,655</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>2,744</b>	<b>12</b>	<b>4</b>	<b>2</b>	<b>1,964</b>	<b>5</b>	<b>2</b>	<b>0</b>	<b>24.4</b>	<b>0.6</b>
<b>Ex Metals &amp; Oil</b>	<b>9,191</b>	<b>8</b>	<b>4</b>	<b>-1</b>	<b>2,644</b>	<b>9</b>	<b>2</b>	<b>-2</b>	<b>2,072</b>	<b>15</b>	<b>1</b>	<b>1</b>	<b>1,512</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>28.8</b>	<b>0.3</b>

Note: PL: Profit to loss; LP: Loss to profit

## MOFSL coverage revision from our preview stance: Cuts in mid- and small-caps severe

- **MOFSL Universe experienced a cut of 1.8%/2.3% for FY26E/FY27E:** Our MOFSL Universe witnessed a cut of 1.8% for FY26, led by Metals, Private Banks, Consumers, Cement, and Automobiles. Further, our small-cap and mid-cap universes experienced a bigger cut at 5.9% and 3.4%, respectively. The large-cap universe witnessed a cut of 1.2%.

### Exhibit 40: Earnings revisions of MOFSL Universe from our preview 3QFY25

Sector	PAT (INR b) @ Preview			PAT (INR b) @ Review			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles	983	1,088	1,245	968	1,070	1,195	-1.6	-1.7	-4.1
Banks-Private	1,781	2,026	2,361	1,782	1,978	2,321	0.0	-2.4	-1.7
Banks-PSU	1,561	1,700	1,943	1,593	1,712	1,936	2.1	0.7	-0.4
Insurance	92	104	129	86	107	132	-7.1	3.0	2.3
NBFC - Lending	845	1,052	1,275	833	1,054	1,255	-1.4	0.2	-1.6
NBFC - Non Lending	128	156	188	126	151	180	-1.3	-2.9	-4.0
Capital Goods	284	355	428	274	341	406	-3.4	-4.0	-4.9
Cement	179	260	327	167	237	306	-6.5	-8.6	-6.4
Chemicals	70	93	114	67	91	113	-4.4	-3.0	-0.8
Consumer	601	686	764	585	662	738	-2.7	-3.5	-3.4
Consumer Durables	52	65	81	50	61	74	-4.4	-6.8	-8.5
EMS	20	29	41	18	27	40	-7.9	-5.2	-2.6
Healthcare	519	624	703	518	613	695	-0.2	-1.7	-1.2
Infrastructure	19	26	32	19	27	32	1.4	1.5	1.8
Logistics	142	176	212	140	174	210	-1.6	-1.3	-1.0
Media	23	30	36	23	28	32	-3.1	-7.2	-9.4
Metals	987	1,412	1,642	995	1,359	1,592	0.8	-3.8	-3.1
Oil & Gas	1,682	2,047	2,216	1,657	2,053	2,176	-1.5	0.3	-1.8
Real Estate	128	180	195	114	184	203	-11.1	2.2	4.1
Retail	109	147	187	104	139	175	-4.7	-5.7	-6.4
Staffing	10	13	16	10	13	16	-2.6	-2.9	-2.8
Technology	1,220	1,374	1,521	1,220	1,359	1,502	0.0	-1.1	-1.3
Telecom	-11	54	184	9	40	166	-179.1	-24.6	-9.9
Utilities	441	517	553	431	510	545	-2.2	-1.5	-1.4
Others	144	287	384	154	257	345	7.3	-10.5	-10.2
<b>MOFSL Universe</b>	<b>12,010</b>	<b>14,503</b>	<b>16,776</b>	<b>11,943</b>	<b>14,246</b>	<b>16,385</b>	<b>-0.6</b>	<b>-1.8</b>	<b>-2.3</b>
<b>Large Cap</b>	<b>9,912</b>	<b>11,673</b>	<b>13,292</b>	<b>9,838</b>	<b>11,531</b>	<b>13,022</b>	<b>-0.7</b>	<b>-1.2</b>	<b>-2.0</b>
<b>Mid Cap</b>	<b>1,555</b>	<b>2,048</b>	<b>2,503</b>	<b>1,610</b>	<b>1,979</b>	<b>2,437</b>	<b>3.5</b>	<b>-3.4</b>	<b>-2.6</b>
<b>Small Cap</b>	<b>543</b>	<b>782</b>	<b>981</b>	<b>496</b>	<b>736</b>	<b>926</b>	<b>-8.6</b>	<b>-5.9</b>	<b>-5.6</b>

## Nifty EPS experiences a downward revision

- **Nifty EPS cut by 1.4%/1.8% for FY26E/FY27E:** The Nifty EPS estimate for FY26 was cut by 1.4% to INR1,203, largely owing to ONGC, HDFC Bank, JSW Steel, Axis Bank, and SBI. FY27E EPS was also reduced by 1.8% to INR1,373 (from INR1,398) due to downgrades in SBI, HDFC Bank, ONGC, Tata Steel, and Reliance Industries.
- **The top earnings upgrades in FY26E:** Bharti Airtel (9.2%), Hindalco (4.2%), Tata Motors (4.1%), Kotak Mahindra Bank (3.6%), and Maruti (3.5%).
- **The top earnings downgrades in FY26E:** JSW Steel (-9.5%), Tata Consumer (-6.5%), Tata Steel (-5.9%), Trent (-5.5%), and Dr. Reddy's Labs (-5%).

### Exhibit 41: FY26E EPS revisions – Seven Nifty constituents saw upgrades of over 3%, while 17 witnessed downgrades of over 3%

Company	Current EPS (INR)			EPS Upgrade / Downgrade (%)			EPS Growth (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Bharti Airtel	36.9	44.9	62.0	6.2	9.2	8.4	87.8	21.6	38.2
HDFC Life Insur.	7.5	9.7	11.1	-10.4	4.7	8.6	3.2	29.2	14.6
Hindalco	69.7	65.8	70.7	1.1	4.2	-4.4	52.7	-5.7	7.6
Tata Motors	65.6	61.9	60.4	0.0	4.1	-6.6	11.7	-5.5	-2.5
Kotak Mahindra Bank	96.0	109.8	131.4	2.3	3.6	4.2	4.8	14.3	19.7
Maruti Suzuki	462.3	512.4	573.4	6.6	3.5	2.2	10.0	10.9	11.9
Mahindra & Mahindra	99.3	124.6	145.1	-1.9	3.3	2.8	11.9	25.4	16.4
Hero MotoCorp	230.2	245.8	267.7	1.1	2.3	2.9	12.5	6.8	8.9
Tech Mahindra	45.2	63.2	74.0	-5.5	1.7	6.3	10.0	39.8	17.1
Eicher Motors	162.3	177.8	204.9	1.3	1.1	5.1	10.9	9.6	15.3
BPCL	26.9	26.3	26.6	-4.6	1.0	-0.7	-57.6	-2.0	1.1
Wipro	12.0	12.3	13.0	5.0	0.4	0.3	18.0	2.3	6.0
Sun Pharma	49.2	59.5	66.6	-0.3	0.4	-1.2	18.7	21.0	11.9
Bajaj Finance	270.9	343.7	435.6	2.4	0.2	-1.0	15.9	26.9	26.7
Titan Company	42.8	53.4	63.8	0.5	0.0	0.2	9.0	24.7	19.5
Coal India	56.8	67.4	70.5	0.1	0.0	0.0	-6.4	18.6	4.7
Reliance Inds.	50.6	61.0	67.9	2.3	-0.3	-2.1	-1.6	20.5	11.4
TCS	138.0	152.0	166.2	-0.7	-0.7	-0.7	9.3	10.1	9.3
Shriram Finance	44.2	52.6	63.6	-1.7	-0.7	-0.6	15.5	19.0	21.0
ICICI Bank	66.3	71.7	82.0	1.1	-0.9	-0.4	13.6	8.2	14.4
Power Grid Corp.	17.9	18.9	19.9	-3.3	-1.1	-1.0	6.8	5.7	5.5
Britannia	90.5	103.8	117.2	-0.9	-1.1	-1.0	2.0	14.8	12.8
Larsen & Toubro	106.2	135.4	156.5	-4.4	-1.3	-2.4	12.4	27.4	15.6
Adani Ports	47.7	58.5	70.0	-2.9	-1.3	-1.0	15.5	22.7	19.8
State Bank	89.2	97.3	112.6	0.2	-1.5	-2.8	18.7	9.1	15.8
NTPC	20.4	25.4	27.6	-1.1	-1.5	-1.3	-4.9	24.5	8.5
IndusInd Bank	82.1	110.4	136.5	-2.8	-1.7	-4.0	-28.9	34.4	23.6
Infosys	63.4	70.0	77.5	-0.3	-2.2	-3.3	0.1	10.4	10.8
Cipla	61.7	61.2	68.2	8.0	-2.3	3.2	17.5	-0.8	11.4
Bajaj Auto	287.3	329.0	377.6	-1.7	-2.4	-2.8	4.0	14.5	14.8
HCL Technologies	63.7	70.0	77.7	0.6	-2.6	-2.5	10.0	9.8	11.0
Hind. Unilever	44.1	49.3	54.1	-1.7	-3.4	-3.6	0.8	11.9	9.8
Grasim Industries	75.1	97.2	116.0	-5.6	-3.4	-2.7	-21.5	29.4	19.4
HDFC Bank	88.7	95.4	109.4	0.8	-3.5	-2.8	10.7	7.6	14.7
Nestle	32.7	36.7	41.1	-3.2	-4.1	-4.7	-20.2	12.2	11.8
Apollo Hospitals	100.3	121.0	156.8	3.1	-4.2	-4.7	60.8	20.5	29.6
Ultratech Cement	222.0	298.6	380.3	3.3	-4.2	-2.7	-9.2	34.5	27.3
Asian Paints	44.6	50.3	57.4	-3.5	-4.3	-3.5	-23.0	12.7	14.2
Bharat Electronics	6.7	7.8	9.4	0.6	-4.5	-4.5	21.7	16.5	21.0
ONGC	36.8	44.4	45.7	-4.9	-4.6	-3.7	-20.5	20.4	3.0
ITC	16.1	17.4	18.7	-3.9	-4.6	-5.2	-2.0	8.1	7.9
Axis Bank	84.6	89.8	104.2	-1.0	-4.6	-3.9	4.8	6.2	16.1
Dr Reddy's Labs	64.7	74.4	68.2	0.6	-5.0	-0.9	2.0	15.0	-8.3
SBI Life Insurance	21.2	24.4	27.4	-15.6	-5.1	-4.7	12.0	15.0	12.5
Trent	45.0	61.4	78.2	-4.2	-5.5	-13.6	54.0	36.5	27.4
Tata Steel	3.4	11.2	16.0	-11.9	-5.9	-9.8	24.3	231.9	43.6
Tata Consumer	14.5	17.7	20.1	-1.6	-6.5	-3.8	1.2	22.0	13.3
JSW Steel	17.0	61.7	82.8	-14.1	-9.5	-3.5	-53.8	263.2	34.1
<b>Nifty (50)</b>	<b>1,047</b>	<b>1,203</b>	<b>1,373</b>	<b>-0.3</b>	<b>-1.4</b>	<b>-1.8</b>	<b>4.2</b>	<b>14.8</b>	<b>14.1</b>

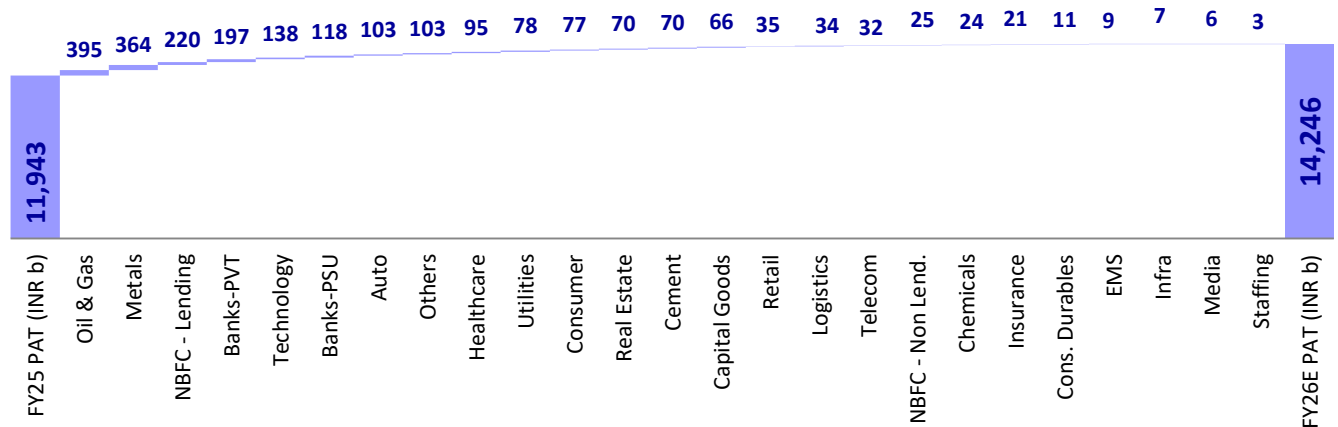
**Exhibit 42: We estimate a 10% CAGR for the Nifty free-float PAT over FY24–26**

Company	Sales CAGR % 24-26	EBIDTA Margin (%)			EBITDA CAGR % 24-26	PAT (INR b)				PAT CAGR % 24-26	Contbn to Delta %
		FY25E	FY26E	FY27E		FY24	FY25E	FY26E	FY27E		
<b>High PAT Growth (20%+)</b>	<b>12</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>20</b>	<b>849</b>	<b>1,051</b>	<b>1,467</b>	<b>1,842</b>	<b>31</b>	<b>39</b>
Tata Steel	4	12	15	17	27	34	42	139	200	103	7
Bharti Airtel	17	54	57	57	22	113	212	271	375	55	10
Trent	35	16	16	17	37	10	16	22	28	45	1
Apollo Hospitals	14	14	14	14	19	9	14	17	23	39	1
JSW Steel	11	14	18	19	16	90	41	151	202	29	4
Tech Mahindra	4	13	16	17	23	36	40	56	66	24	1
Bajaj Finserv	32	67	61	58	20	81	98	122	147	23	3
Bajaj Finance	26	83	80	79	26	144	168	213	270	21	4
Hindalco	7	13	12	12	14	101	155	146	157	20	3
Sun Pharma	10	28	29	29	16	100	118	143	160	20	3
Larsen & Toubro	16	10	11	11	16	130	146	186	215	20	4
<b>Medium PAT Growth (0-20%)</b>	<b>7</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>10</b>	<b>6,024</b>	<b>6,436</b>	<b>7,199</b>	<b>8,064</b>	<b>9</b>	<b>74</b>
Bharat Electronics	17	26	25	25	18	40	49	57	69	19	1
Adani Ports	13	61	61	61	15	89	103	126	151	19	2
Mahindra & Mahindra	16	15	14	14	21	106	119	149	174	19	3
Shriram Finance	19	73	74	74	17	72	83	99	120	17	2
Titan Company	17	10	10	10	18	35	38	48	57	17	1
HDFC Life Insur.	15	6	6	6	18	16	16	21	24	16	0
State Bank	7	65	65	66	17	671	796	868	1,005	14	12
SBI Life Insurance	13	7	7	7	12	19	21	24	27	13	0
Tata Consumer	11	14	14	14	8	14	14	18	20	13	0
Ultratech Cement	13	17	19	20	15	71	64	88	112	12	1
ICICI Bank	9	83	84	85	13	409	466	504	576	11	6
Maruti Suzuki	9	12	12	12	10	132	145	161	180	10	2
Eicher Motors	13	26	25	25	10	40	44	49	56	10	1
HCL Technologies	7	22	22	22	8	157	173	190	211	10	2
Hero MotoCorp	8	14	14	14	9	41	46	49	54	10	1
Kotak Mahindra Bank	11	76	76	76	11	182	191	218	261	9	2
TCS	7	27	28	28	9	462	502	553	604	9	6
Infosys	8	24	24	25	9	243	263	290	322	9	3
Bajaj Auto	13	20	20	20	14	77	80	92	105	9	1
HDFC Bank	10	82	84	85	8	608	673	724	831	9	7
Reliance Inds.	4	18	20	21	9	696	685	825	919	9	8
NTPC	6	29	32	33	14	208	198	247	267	9	2
Dr Reddy's Labs	12	28	28	25	11	53	54	62	57	8	1
Wipro	2	21	21	21	6	110	127	129	137	8	1
Britannia	8	18	18	18	6	21	22	25	28	8	0
Cipla	7	26	25	25	8	42	50	49	55	8	0
Power Grid Corp.	6	85	84	83	4	156	166	176	185	6	1
Hind. Unilever	5	24	24	24	6	103	104	116	127	6	1
Axis Bank	8	78	80	82	12	249	261	277	322	6	2
Adani Enterprises	2	13	13	13	11	35	39	39	39	6	0
Coal India	9	34	35	35	11	374	350	415	435	5	3
ITC	7	35	36	36	5	205	201	217	234	3	1
Grasim Industries	17	4	7	9	5	63	49	64	76	1	0
Tata Motors	3	13	13	13	1	225	241	228	222	1	0
<b>PAT de-growth (&lt;0%)</b>	<b>-8</b>	<b>13</b>	<b>16</b>	<b>16</b>	<b>-6</b>	<b>1,039</b>	<b>717</b>	<b>840</b>	<b>890</b>	<b>-10</b>	<b>-12</b>
ONGC	-7	16	19	19	0	583	463	558	575	-2	-2
IndusInd Bank	8	70	71	73	4	90	64	86	106	-2	0
Nestle	-5	24	24	24	-5	40	32	35	40	-5	0
Asian Paints	2	18	19	19	-5	56	43	48	55	-7	0
BPCL	-11	5	6	6	-30	271	115	112	114	-36	-10
<b>Nifty (PAT free float)</b>	<b>5</b>	<b>23</b>	<b>25</b>	<b>26</b>	<b>10</b>	<b>4,458</b>	<b>4,701</b>	<b>5,398</b>	<b>6,161</b>	<b>10</b>	<b>100</b>

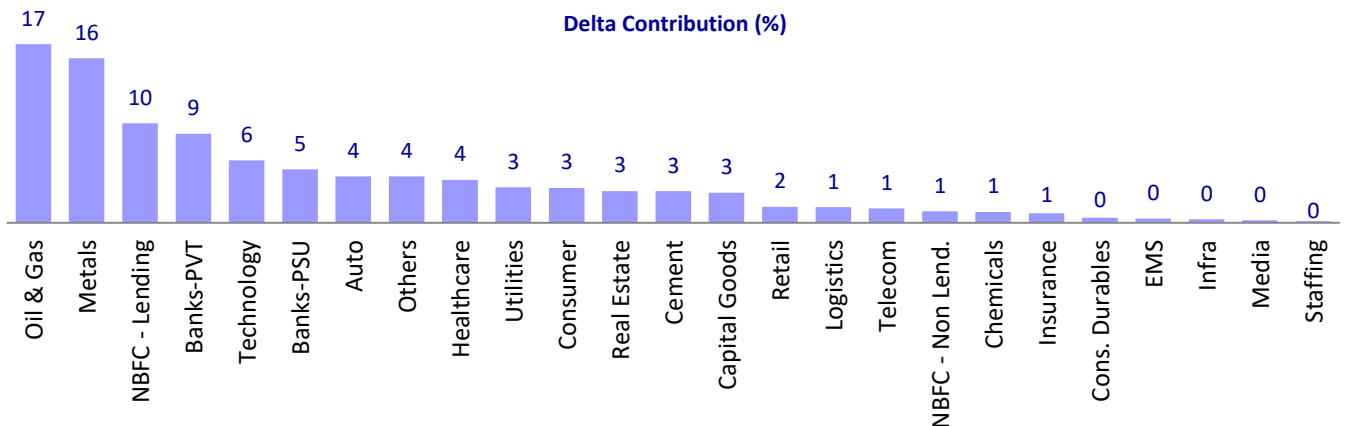
### FY26E earnings highlights: Global commodities, NBFC-Lending, Private Banks, and Technology to drive the incremental earnings

- The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 7%/15%/19% YoY in FY26E. Oil & Gas, Metals, NBFC-Lending, Private Banks, and Technology sectors are projected to be the key growth engines, with 24%, 37%, 26%, 11%, and 11% YoY earnings growth, respectively. They are likely to contribute 57% of the incremental earnings in FY26E.

**Exhibit 43: Oil & Gas, Metals, NBFCs, Private Banks, and Technology to lead the incremental profits for FY26E (PAT, INR b)**



**Exhibit 44: Delta contribution to FY26E profit for the MOFSL Universe (%)**



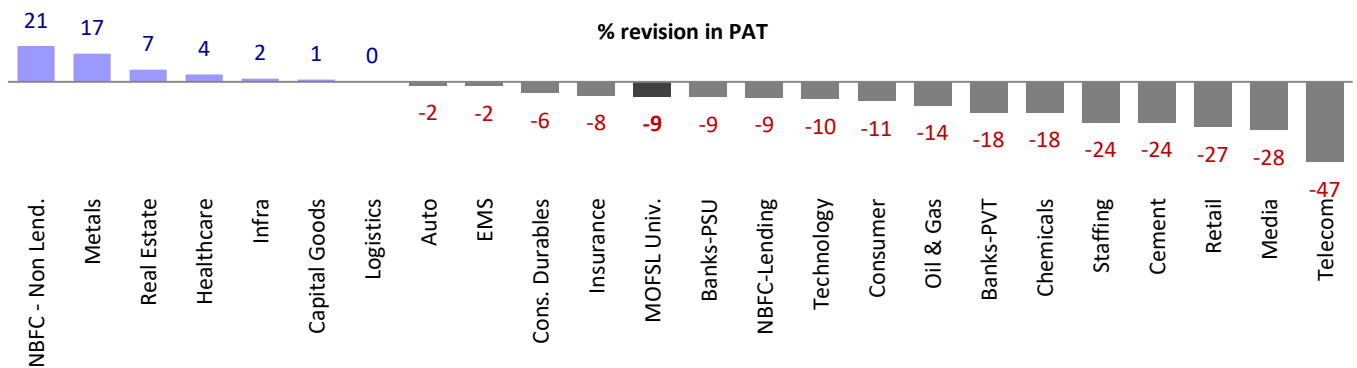


## MOFSL Universe saw a 9% earnings downgrade for FY26E on a TTM basis

### Telecom, Media, Retail, and Cement experience downgrades

- Over the last one year, earnings revisions for the MOFSL Universe saw a cut of 9%.
- NBFC Non-lending, Metals, Real Estate, Healthcare, Infrastructure, and Capital Goods saw upgrades of 21%, 17%, 7%, 4%, 2%, and 1%, while Telecom, Media, Retail, and Cement witnessed significant earnings downgrades of 47%, 28%, 27%, and 24%, respectively.

**Exhibit 45: Metals and Healthcare saw major earnings upgrades, while Telecom witnessed downgrades over the last one year**



Note: Comparable MOFSL Universe of 252 companies

**Exhibit 46: Annual Sales/EBITDA/PAT estimates for the MOFSL Universe**

Sector	Sales			Growth YoY (%)			EBITDA			Growth YoY (%)			PAT			Growth YoY (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles	12,774	13,905	15,235	6	9	10	1,702	1,860	2,070	5	9	11	968	1,070	1,195	7	11	12
Capital Goods	3,835	4,367	4,957	17	14	14	440	522	601	17	18	15	274	341	406	19	24	19
Cement	2,307	2,691	3,009	2	17	12	310	436	540	-18	41	24	167	237	306	-28	42	29
Chemicals	665	754	853	7	13	13	121	154	185	2	27	20	67	91	113	-2	36	24
Consumer	3,534	3,869	4,251	5	9	10	830	922	1,022	1	11	11	585	662	738	-1	13	12
Consumer Durables	743	848	975	16	14	15	72	88	107	18	22	21	50	61	74	20	22	22
EMS	587	775	993	84	32	28	34	47	64	66	39	36	18	27	40	73	49	46
Financials	12,151	13,684	15,781	11	13	15	6,946	7,823	9,137	14	13	17	4,421	5,002	5,823	13	13	16
Banks-Private	3,670	4,055	4,680	11	11	15	2,769	3,092	3,627	10	12	17	1,782	1,978	2,321	7	11	17
Banks-PSU	3,566	3,869	4,331	5	9	12	2,484	2,711	3,078	14	9	14	1,593	1,712	1,936	23	7	13
Insurance	2,911	3,384	3,926	13	16	16	133	165	203	7	24	23	86	107	132	15	24	23
NBFC - Lending	1,721	2,046	2,458	17	19	20	1,404	1,668	2,007	17	19	20	833	1,054	1,255	7	26	19
NBFC - Non Lend.	283	330	385	39	17	17	155	186	222	52	20	19	126	151	180	34	20	19
Healthcare	3,488	3,899	4,332	11	12	11	842	960	1,063	20	14	11	518	613	695	21	18	13
Infrastructure	179	215	255	-6	20	19	51	62	75	1	22	21	19	27	32	12	38	21
Logistics	642	752	885	11	17	18	244	290	339	13	19	17	140	174	210	15	25	21
Media	180	200	217	-4	11	9	37	45	50	-12	21	11	23	28	32	-7	25	14
Metals	11,395	12,982	14,001	2	14	8	2,132	2,635	2,963	13	24	12	995	1,359	1,592	14	37	17
Oil & Gas	35,073	33,721	34,931	-1	-4	4	3,748	4,293	4,570	-19	15	6	1,657	2,053	2,176	-32	24	6
Excl. OMCs	19,156	18,967	19,867	1	-1	5	3,038	3,489	3,757	-4	15	8	1,393	1,701	1,840	-12	22	8
Real Estate	626	752	864	28	20	15	170	235	265	26	38	13	114	184	203	17	62	10
Retail	2,390	2,808	3,284	19	17	17	257	312	371	15	21	19	104	139	175	11	34	26
Staffing	481	547	622	12	14	14	17	21	25	14	23	17	10	13	16	42	32	20
Technology	7,800	8,430	9,138	6	8	8	1,758	1,961	2,164	7	12	10	1,220	1,359	1,502	9	11	11
Telecom	2,692	3,069	3,408	11	14	11	1,364	1,562	1,751	19	15	12	9	40	166	LP	361	311
Utilities	3,170	3,476	3,690	7	10	6	1,148	1,314	1,421	9	14	8	431	510	545	3	18	7
Others	2,595	3,026	3,521	14	17	16	439	558	693	19	27	24	154	257	345	9	66	34
<b>MOFSL Universe</b>	<b>107,310</b>	<b>114,769</b>	<b>125,202</b>	<b>5</b>	<b>7</b>	<b>9</b>	<b>22,663</b>	<b>26,101</b>	<b>29,473</b>	<b>5</b>	<b>15</b>	<b>13</b>	<b>11,943</b>	<b>14,246</b>	<b>16,385</b>	<b>3</b>	<b>19</b>	<b>15</b>

Source: MOFSL

## SECTOR-WISE: Highlights / Surprise / Guidance

### AUTOS: Near-term outlook remains weak, both in domestic and exports

- **Weak auto growth outlook amid mixed segment performance:** The auto segment (excluding tractors) saw ~3% YoY growth in domestic volumes during the quarter, with rural demand outpacing urban. The PV segment led the growth at ~4.5% YoY, driven by ~11.5% YoY/2% YoY increase in SUV/van volumes, while passenger car volumes declined 8% YoY. This growth was partly fueled by festive season discounts and new launches. While demand remained stable, below-normal inventory is likely to drive a wholesale push in 4Q. The recent budgetary support by the government in terms of the income tax cut for the middle-income class is expected to boost demand for both 2Ws and PVs in FY26E. CV demand remained sluggish, with overall volumes up just 1% YoY—MHCVs declined 1% YoY, while LCVs grew 3% YoY. Even within MHCVs, growth was largely driven by the bus segment, while goods segment saw a 5% YoY decline. Given the government's recent shift in focus from "capex" to "consumption", demand is likely to remain subdued at least in the near term. Tractors also saw a trend reversal, with volumes up ~14% YoY growth, supported by strong rural demand, and this momentum is likely to sustain in the coming quarters as well.
- **Export growth on low base; demand outlook remains uncertain:** 2W and PV export volumes grew ~29% and ~19% YoY, respectively, albeit on a low base. While the quarter showed some improvement for most companies, the overall demand outlook remains uncertain. 2W demand is seeing revival in emerging markets, whereas PV demand remains weak in developed markets. PV demand remains weak in EU but appears relatively better in North America. While some near-term recovery is visible in certain regions, a broad-based rebound remains distant. This could prolong challenges for ancillary firms with a global presence. However, 2W OEMs like BJAUT and TVSL provided positive commentary, citing a demand recovery in key markets such as Africa, LatAm, the Middle East, and encouraging developments in parts of Asia.
- **For our coverage universe (excluding CIEINDIA), total revenue grew ~7% YoY, whereas EBITDA/PAT declined 1%/2% YoY.** While revenue was in line with expectations, EBITDA and PAT were lower due to an adverse FX impact, higher festive season discounts, and increased marketing expenses, particularly for OEMs. Consequently, EBITDA margin contracted by 100bp YoY to 12.7% (est. 13.2%). For OEMs, revenue grew ~7%, while EBITDA/PAT fell 1%/2% YoY. For ancillaries, revenue rose ~8% YoY, while EBITDA fell 2% YoY and PAT flattish YoY.
- **Revenue in line, profitability under pressure due to high operating costs and adverse FX:** For our coverage universe (excluding CIEINDIA), total revenue grew ~7% YoY, whereas EBITDA/PAT declined 2%/3% YoY. While revenue was in line with expectations, EBITDA and PAT were lower due to an adverse FX impact, higher festive season discounts, and increased marketing expenses, particularly for OEMs. Consequently, EBITDA margin contracted by 120bp YoY to 13% (est. 13.6%). For OEMs, revenue grew ~7%, while EBITDA/PAT fell 1%/2% YoY. For ancillaries, revenue rose ~8% YoY, while EBITDA/PAT fell 8%/9% YoY.
- **Stable quarter ahead with margins likely to remain stable:** The 3QFY25 earnings calls suggest that while tractors are likely to maintain their momentum, demand for 2Ws, PVs and CVs is likely to grow in low to mid-single digits in 4Q. Most companies have indicated that input costs are likely to remain stable QoQ. Hence, margin trends would largely depend on operating leverage benefits and discounting trends in Q4. Ancillaries, particularly those with global exposure, are likely to continue to face challenges from uncertain demand in certain export markets. Overall, profitability for domestic-focused companies is likely to remain steady, but the same for export-focused companies is likely to be under pressure, like in 3Q.
- **Several EPS downgrades amid demand moderation:** With no strong recovery in demand across segments and an uncertain export outlook, a majority of our coverage companies (~14 out of 25) saw earnings downgrades in 3QFY25. Among OEMs, FY26E EPS downgrades were observed in Hyundai (-9%) and Escorts (-10%). In the auto ancillary space, several companies saw downward revisions, including ARENM (-7%), Exide (-13%), Samvardhana Motherson (-15%), BOS (-8%), Endurance (-6%), BHFC (-17%), Sona Comstar (-5%), Apollo Tyres (-9%), Balkrishna (-6%), MRF (-10%), Motherson Wiring (-6%), Tube Investments (-9%), and Craftsman (-20%).
- **Valuation and view:** After the recent stock price correction over the last quarter, we expect the sector to regain investor interest. The PV segment, having undergone a base correction this fiscal, is poised for a gradual demand recovery from FY26 onward. Given this outlook and relatively attractive valuations, we continue to favor PVs

over 2Ws. MSIL remains our top pick in autos, followed by MM and Hyundai. Among ancillaries, we prefer ENDU, HAPPYFORG and MOTHERSO.

■ **Surprises:** AL

■ **Misses:** ARENM, BHFC, EIM, ESCORTS, EXID, HYUNDAI, MSUMI, MRF, TTMT

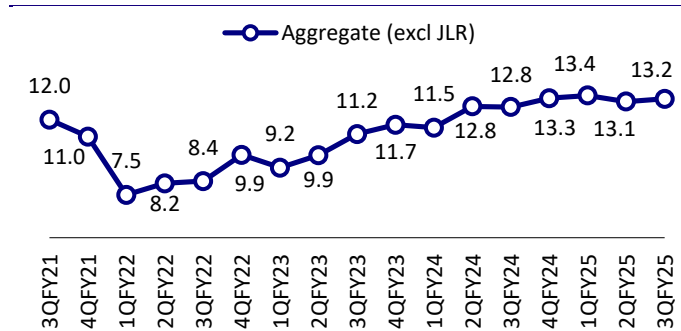
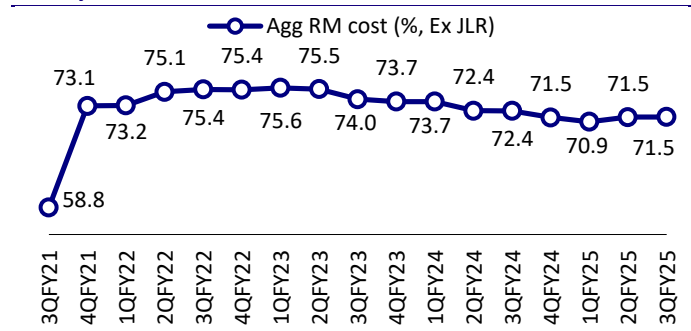
**Guidance highlights:**

- **MSIL:** 3Q marked the company's best-ever performance, led by festive momentum and higher discounting. This resulted in 3.5% retail growth for MSIL over 9M. The company expects to deliver similar retail growth in 4Q. Rural (+15%) is performing better than urban (+2.5%) for MSIL. MSIL continues to witness strong growth across many export regions, including Africa, LatAm, ME, and ASEAN.
- **MM: Auto** – Its market share in the below-3.5T PikUp segment improved 230bp YoY to 51.9%. Management is hopeful of a demand recovery in the PikUp segment in the coming quarters, despite the current slowdown. **Tractors** – Given strong rural sentiment led by favorable indicators, management expects the tractor industry to grow by 15%+ in 4Q, resulting in 10% growth in FY25E. While management has refrained from providing guidance for FY26, it expects the industry to post growth in FY26 as well.
- **Hyundai (HMI):** HMI expects stability in export markets in the coming quarters. Growth drivers: 1) Hyundai India is an export hub for Latin America, the Middle East and Africa; 2) HMI intends to evaluate global export opportunities for Creta EV; and 3) Exter left-hand drive should see huge opportunities in key markets. Management expects the domestic PV industry to post low-single-digit growth in CY25 as well.
- **TTMT: JLR** - Management has maintained its EBIT margin guidance for FY25 at 8.5%. This translates into a 10.2% EBIT margin for 4Q (vs. 9.2% YoY) – which we think is a tough ask, especially in the current adverse macro in its key markets. **CV** - It believes there are positive tailwinds for the sector, which include improving fleet operator profitability, led by improving utilization levels and higher freight rates. **PV** - It expects the PV industry to post 2% YoY growth in FY25E, in line with the trend for 9M. TTMT PV business was able to improve market share by 70bp on a QoQ basis in retail terms in 3Q. Dealer inventory has now been reduced to less than 25 days.
- **AL:** While the company has good visibility for the next six months, management is hopeful that all segments within the CV industry will post growth in FY26. Management has also indicated that it continues to make good progress toward its medium-term targets, which include: 1) a 35% share in MHCV, 2) mid-teens EBITDA margin, 3) strong growth in non-CV businesses, 4) leadership in alternate fuels, and 5) value unlocking in subsidiaries.
- **BJAUT: Domestic 2W** - Management expects the industry to post 6-8% growth in the near term. Given its focus on 125cc+ segment, BJAUT targets to outperform industry growth. **Exports 2W** - It expects exports to grow 20%+ for the next couple of quarters. The fastest-growing markets for BJAUT are Latin America (+30% YoY) and ASEAN. Even Africa has recovered, with Nigeria now clocking close to 30k units per month.
- **HMCL:** After the festive season, 2W demand saw a temporary slowdown but is expected to pick up in the upcoming wedding season and March festivities. It expects this momentum to continue even in FY26, given positive rural sentiment.
- **TVSL:** Expects growth momentum to continue in FY26. The 2W retail market grew ~9% YoY in FY25YTD, with rural growth slightly higher at ~10%. Healthy reservoir levels, improved crop outlook, and higher infrastructure investments are expected to support demand going forward. **Exports:** During 3Q, Africa showed improvement, with expectations for further growth in 4Q. LATAM continued to perform well, with consistent MoM growth.
- **EIM: Domestic** - Management has indicated that it will continue prioritizing growth and will start shortlisting products that need marketing support to drive growth. It intends to push brand-building activities for models like Hunter and Guerilla to drive demand. **Exports-** While sentiment in export markets remains weak, management maintains a cautiously optimistic outlook for export growth in FY26.
- **BHFC: CV** - The Indian CV market is expected to post slightly better growth QoQ in 4Q, while FY26 is likely to be flat. Demand for US Class-8 CV is projected to grow 10% in FY26, largely back-ended. Uncertainty remains regarding potential tariff changes. **Global demand:** Weakness in the EU and the US persists due to the industry transition to EVs and economic uncertainty.
- **BIL:** The management has maintained its guidance of minor volume growth in FY25. The market scenario remains challenging. While volumes during the quarter grew despite channel de-stocking, management clarified that there are still no major market share gains.

Exhibit 45: Key operating indicators

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	3Q FY25	3Q FY24	YoY (%)	2Q FY25	QoQ (%)	3Q FY25	3Q FY24	YoY (bp)	2Q FY25	QoQ (bp)	3Q FY25	3Q FY24	YoY (%)	2Q FY25	QoQ (%)
Bajaj Auto	1,224	1,201	2.0	1,222	0.2	20.2	20.1	10	20.2	-10	21,087	20,419	3.3	22,160	-4.8
Hero MotoCorp	1,464	1,460	0.3	1,520	-3.7	14.5	14.0	50	14.5	0	12,028	10,734	12.1	12,035	-0.1
TVS Motor	1,212	1,101	10.1	1,228	-1.3	11.9	11.2	70	11.7	20	6,185	5,934	4.2	6,626	-6.7
Maruti Suzuki	566	501	13.0	542	4.6	11.6	11.7	-10	11.9	-30	35,250	31,300	12.6	39,068	-9.8
Hyundai	186	191	-2.4	192	-2.9	11.3	12.9	-160	12.8	-150	11,607	14,252	-18.6	13,755	-15.6
M&M	344	292	17.8	301	14.0	14.6	13.0	160	14.3	30	29,643	24,897	19.1	38,409	-22.8
TTMT India CV**	98	99	-0.4	86	14.4	12.2	11.1	110	10.7	150	17,260	16,560	4.2	13,140	31.4
TTMT India PV**	140	139	0.9	131	7.1	7.6	6.5	110	6.2	140	2,860	4,060	-29.6	2,290	24.9
TTMT (JLR)	111	114	-2.4	97	14.4	14.2	16.2	-200	11.7	240	375	592	-36.7	283	32.5
Ashok Leyland	46	47	-1.4	46	1.7	12.8	12.0	80	11.6	120	7,617	5,804	31.2	6,933	9.9
Eicher (Consol)						24.9	27.5	-260	26.3	-130	11,705	9,960	17.5	11,003	6.4
Eicher - RE	272	228	19.4	228	19.5	24.9	27.5	-260	26.3	-130	10,562	9,137	15.6	10,099	4.6
Eicher - VECV	21	21	1.5	21	1.1	8.8	8.0	80	7.1	160	3,010	2,110	42.6	2,090	44.0
Aggregate **	5,663	5,336	6.1	5,610	1.0	13.2	12.8	50	13.1	20	135,123	142,798	-5.4	149,990	-9.9

\*\* PBT instead of PAT; JLR in GBP m; Source: MOFSL, Company

Exhibit 46: Aggregate EBITDA margin for OEM expanded  
10bp QoQ to 13.2%, led by a better mix and favorable Fx for 2WsExhibit 47: Gross margins for OEMs coverage universe  
steady QoQ, amid stable RM costs

Revised EPS Estimates (INR)

	FY25E			FY26E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	287.3	292.3	-1.7	329.0	337.1	-2.4
HMCL	230.2	227.6	1.1	245.8	240.3	2.3
TVSL	52.5	53.5	-1.9	64.4	66.1	-2.6
EIM *	162.3	160.2	1.3	177.8	175.8	1.1
MSIL *	462.3	461.1	0.3	512.4	512.4	0.0
HYUNDAI*	65.3	67.3	-2.9	68.9	75.6	-8.9
MM	99.3	101.3	-1.9	124.6	120.6	3.3
TTMT *	65.6	65.6	0.0	61.9	59.5	4.1
AL	9.9	9.3	6.8	11.7	11.3	3.6
ESCORTS	86.6	102.0	-15.1	102.7	113.8	-9.7
ARE&M	51.4	54.6	-5.9	55.4	59.6	-7.0
EXID	13.1	13.9	-5.3	14.2	16.3	-13.1
BOSCH	695	722	-3.8	785	855.8	-8.3
ENDU*	8,230.9	8,465.0	-2.8	9,991.5	10,612.5	-5.9
BHFC*	21.0	28.0	-24.9	32.6	39.5	-17.4
MOTHERSO *	5.2	5.1	2.3	5.9	7.0	-14.9
SONACOMS*	9.7	9.8	-1.8	10.7	11.3	-5.3
CEAT*	119.5	131.0	-8.7	170.3	176.1	-3.3
APTY *	20.7	21.5	-3.8	27.7	30.3	-8.7
BIL	88.4	85.0	4.0	102.8	108.7	-5.5
MRF	4,082.5	4,423.8	-7.7	4,532.7	5,040.9	-10.1
MSUMI	1.4	1.4	-5.7	1.6	1.7	-5.9
TIINDIA*	44.4	46.0	-3.5	58.7	64.2	-8.7
CRAFTSMA*	81.5	120.1	-32.1	153.8	193.3	-20.4
HAPPYFORG*	27.9	28.7	-2.9	35.3	36.4	-3.1

\* Consolidated; Source: Company, MOFSL

## CAPITAL GOODS: Execution broadly matches expectations

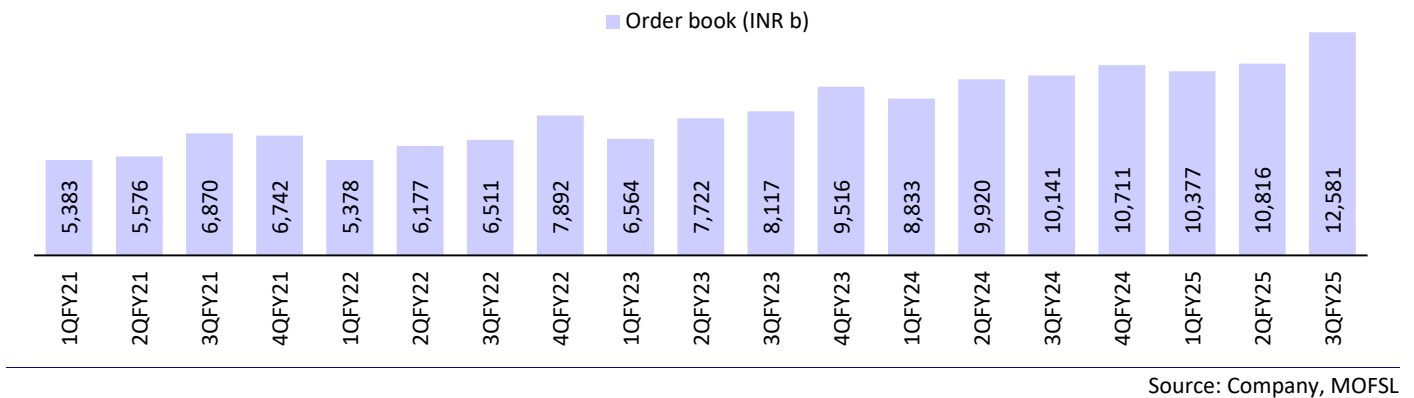
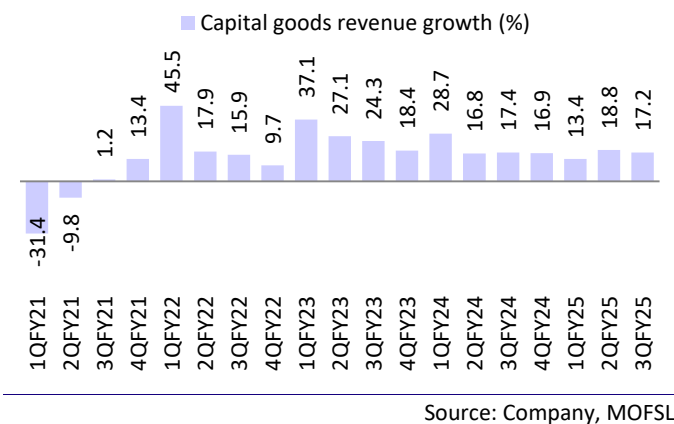
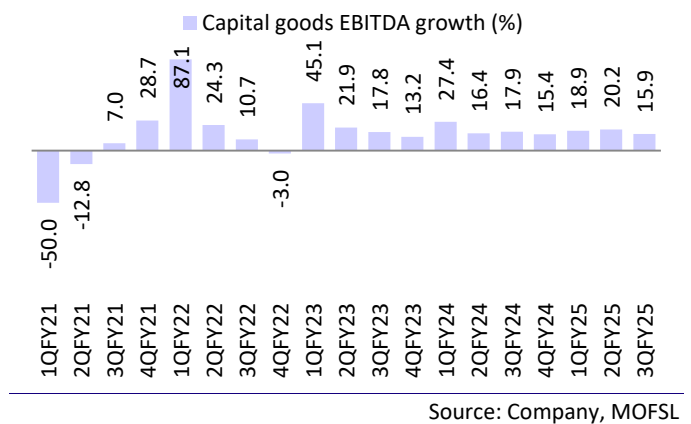
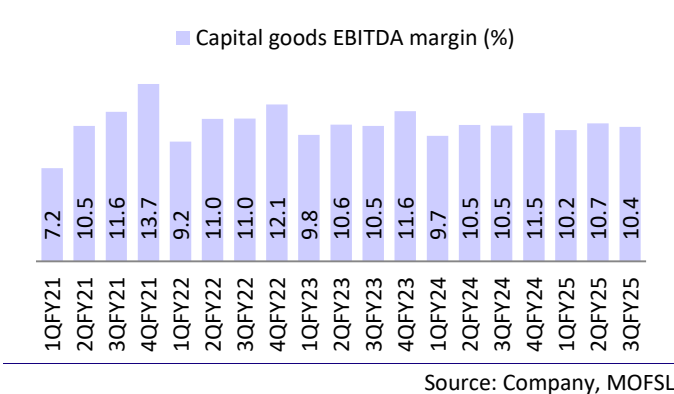
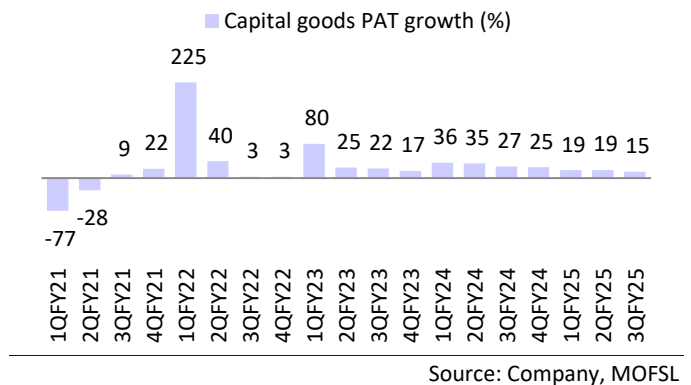
- **Healthy improvement in ordering for new-age segments:** Order inflow growth was healthier than expected, particularly buoyed by the continued momentum in power T&D. Domestic ordering improved for LT, KEC, and KPIL, while private capex-led ordering was weak for SIEM (excl. Energy), TMX and TRIV. The pipeline from cement, steel, and petrochemicals is yet to fructify into firm orders, while select sectors such as power T&D, renewable energy, data centers, real estate, and defense continued to witness healthy traction. The defense sector pipeline is strong on various AoNs and DAC approvals, and companies expect order finalization in the coming quarter.
- **Execution growth broadly meets expectations for key players:** Overall execution of our coverage universe (excl. ABB) grew by 17% YoY (vs. our estimates of 19%) on the back of healthy opening order books. LT, SIEM, KPIL, and TRIV saw largely in-line revenue growth. KEC saw slightly lower-than-expected execution owing to delays in water payments. Positive surprise came from BHE and KKC, which saw healthy revenue growth, while KECI, TMX, KOEL, and ZEN were noticeably weaker.
- **Flat margin performance:** With relatively benign commodity prices, margins remained largely flat for EPC players, with FY26 poised to see a healthy recovery as legacy projects are largely completed. Product companies (excl. ABB) saw a mixed quarter, with some companies reporting a miss on margins vs. our expectations owing to lower volumes and weaker product mix. POWERIND, BHE, and TRIV reported healthy margin expansion, while TMX and KOEL reported muted margins.
- **Exports continue to improve sequentially:** LT and TRIV reported a good uptick in international ordering. KKC continued to witness a sequential improvement in export revenue, while on a YoY basis it grew on a low base. Given the uncertainty around global trade wars, macroeconomic conditions and geopolitical factors, the export trajectory needs to be monitored closely.
- **Top picks:** With the recent correction in stock prices, we remain positive on LT, BHE and KKC.
- **Surprises:** BHE, KKC
- **Misses:** KECI, TMX, KOEL, KPIL, ZEN

### Guidance highlights:

Most managements were confident about a healthy tendering pipeline materializing into order finalization, which is expected to pick up in 4QFY25, though the private sector ordering is still subdued.

- **LT:** Increased FY25 order inflow growth guidance to 15% and revenue growth guidance to over 15% while maintaining core E&C margin guidance of 8.25%. The remainder of 4QFY25 has an order pipeline of ~INR5.5t.
- **BHE:** Retained FY25 revenue growth guidance of 15%, margin guidance of 23-25% and order inflow guidance of INR250b.
- **KKC:** Maintained double-digit revenue growth guidance for FY25 and FY26 at 2x the GDP growth rate.
- **KOEL:** Maintained its aim of “2B2B” – to achieve USD2b in revenue in the next five years with margins in double digits.
- **KECI:** Initial FY25 order inflow guidance at ~INR250b is on track to be surpassed, while revenue growth will be slightly lower at 12-14%. Margin guidance of 7.5% was maintained.
- **KPIL:** FY25 revenue growth guidance was trimmed to 13-14% while reiterating PBT margin at 4.5-5% and NWC below 100 days.
- **TRIV:** Domestic ordering is expected to pick up 4QFY25 onward, while export opportunities continue to be strong.



**Exhibit 48: Aggregate order book seeing a steady build-up (INR b)****Exhibit 49: Aggregate revenue growth (%)****Exhibit 50: Aggregate EBITDA growth (%)****Exhibit 51: Aggregate EBITDA margin (%)****Exhibit 52: Aggregate PAT growth (%)****CEMENT: Volume in line; EBITDA miss led by lower realization and higher opex/t vs. estimates**

- **Volume grew ~8% YoY, while realization declined ~9%:** Cement demand grew across segments, including IHB, infrastructure, and real-estate during 3QFY25. Aggregate sales volume of our coverage universe grew ~8% YoY (in line), higher than the industry volume growth of ~5%, led by market share gains by leading players. Conversely, cement realization declined ~9% YoY (up 1% QoQ) to INR5,258 (~1% below our estimate). ACEM reported the highest volume growth of ~17% YoY, followed by UTCEN at ~11% and TRCL at 9%. In contrast, the rest of the players under our coverage universe posted a volume growth in the range of 2-7% YoY, except SRCM and DALBHARA, which posted a volume decline of ~1-2% YoY. Aggregate revenue (excl. GRASIM) declined 2% YoY to INR427b. GRASIM's standalone revenue rose ~27% YoY to INR81.2b in 3QFY25, backed by incremental revenue from its new growth businesses (Birla Opus and Birla Pivot combined revenue stood at INR15.9b). GRASIM's VSF/chemical segments' revenue rose 6%/12% YoY.

- **Gross margin for our cement coverage dipped 2.8pp YoY to ~58%**, as the impact of weak realizations was partly offset by lower variable costs (average variable cost/t declined ~3% YoY to INR2,228, +2% vs. estimates). Total opex/t declined 3% YoY to INR4,486. **Aggregate EBITDA for coverage companies declined 30% YoY (including GRASIM, which registered an EBITDA decline of 48%), and OPM dipped 5.7pp YoY to ~13% (1.3pp below our estimate)**. EBITDA of ACC/ACEM (adjusted for prior period incentive incomes) and GRASIM declined 48-49% YoY, while that of BCORP/DALBHARA/JKLC declined 33-34%. EBITDA of JKCE/TRCL/SRCM declined 21-29% YoY, while EBITDA of UTCCEM declined 11% YoY. ICEM reported an operating loss of INR1.9b vs. EBITDA of INR490m in 3QFY24. **Avg. EBITDA/t declined 34% YoY to INR772 (vs. estimated INR842).**
- **Aggregate PAT declined 54% YoY (excl. Grasim, PAT down ~48%)**: Aggregate interest/depreciation expenses for our coverage universe grew 19%/33% YoY, and other income increased 12% YoY. **Aggregate profit declined 48% YoY to INR21.9b for cement companies (profit down 54% YoY to INR20.2b, including GRASIM as it posted loss of INR1.7b vs. PAT of INR2.4b in 3QFY24)**. Profits declined ~97% YoY for TRCL, ~69-78% for BCORP/DALBHARA/SRCM, ~33-57% for ACC/ACEM/JKCE/JKLC and ~17% for UTCCEM. ICEM/GRASIM reported net losses during the quarter.
- **Several earnings downgrades due to weak margins**: We cut our aggregate EBITDA estimates by ~6% for FY25/FY26 (each) and ~4% for FY27, but there were no rating downgrades. We saw EBITDA downgrades for FY25/26 in ACC (18%/13%), ACEM (22%/18%), BCORP (~5% each), DALBHARA (7%/4%), TRCL (10%/8%) and GRASIM (22%/11%). We maintained our EBITDA estimates for UTCCEM, SRCM, JKCE and JKLC.
- **Top picks**: UTCCEM is our preferred pick among largecaps and JKCE in the midcap space.
- **Surprises**: SRCM, JKCE and JKLC
- **Misses**: ACC, ACEM, BCORP, DALBHARA, and TRCL

#### Guidance highlights:

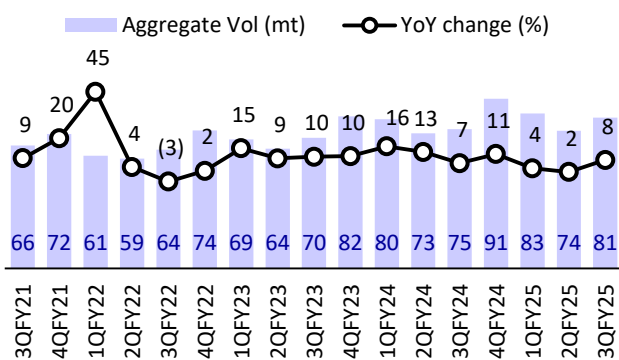
Most of the management teams guided for industry demand growth of ~4% YoY in FY25 and ~7-8% YoY in 4QFY25. We believe demand growth will be driven by pent-up demand, pick-up in construction activities, infrastructure projects, and stable strong demand from IHB and real estate segments. Further, rural demand is estimated to be positive given the good monsoon. Improvement in cement demand also led to price increases in 3QFY25. Current cement prices are up ~1-2% as compared to 3QFY25 average. North, west and central regions saw higher price improvements.

- **UTCCEM**: Guided for double-digit volume growth in FY26 vs. industry growth of ~6-7% YoY. Capacity utilization is estimated at ~80-85% on expanded capacity in FY26. Its domestic grey cement capacity is expected to increase to ~185mtpa by FY25 end (including ICEM and Kesoram). Consolidated net debt stood at INR161.6b, including the cost of the open offer for ICEM. Net debt is expected to peak in FY26 and start reducing thereafter.
- **ACEM**: Higher consolidated volumes were driven by inorganic growth (Sanghi and Penna Cement). Both (Sanghi and Penna Cement) are in the transition and ramp-up phase, and ACEM is implementing various cost-reduction measures. It expects plant capacity utilization for both companies to increase 70%+ in FY26 vs. sub-40% currently.
- **DALBHARA**: It indicated cement demand recovery was below expectations due to slippages in government capex, unseasonal rains, and state elections. Cement prices rose in Dec'24 and have sustained so far. It expects additional price hikes in 4QFY25. However, heightened competitive intensity may cap the potential for higher growth. It focuses on cost reduction (targeting cost savings of INR150-200/t through internal measures by FY27E).
- **JKCE**: It expects volume growth of ~7-8% in 4QFY25 and ~10% in FY26. In FY25, it will realize cost savings of INR40-50/t and the rest of INR75/t will be realized over the next few quarters. JKCE announced the acquisition of Saifco Cements, which has a grinding capacity of 0.42mtpa in Srinagar, and EBITDA/t of this plant is INR1,500/t.
- **JKLC**: It anticipates ~8% volume growth in 4QFY25, aligning with industry growth estimates of ~6-8% in 4QFY25. It indicated that it is working on brand rejuvenation to improve its price positioning and expects these measures

will help to improve its cement prices by INR80-100/t. Capacity utilization at UCWL stood at ~57% on expanded capacity in 3QFY25. It targets to ramp up capacity utilization at UCWL to ~65% in FY26.

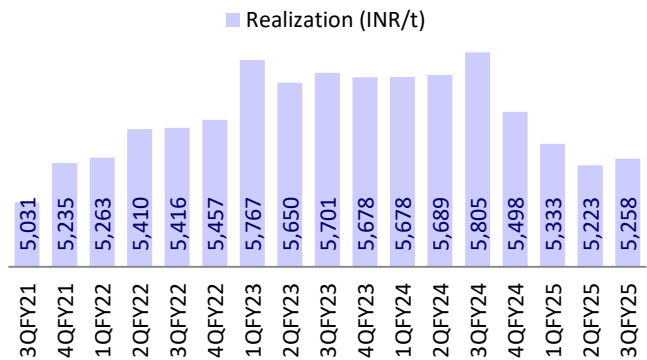
- **BCORP:** It indicated that within regions, the North has outperformed, driven by better pricing and strong volume growth. However, it faced challenges in Central India, its core market, where intense competition led to pricing pressure. Mukutban plant's capacity utilization stood at +60% and is expected to increase further. This plant's performance is improving QoQ and has started contributing positively to the company's overall performance.
- **GRASIM:** The paint business under the Birla Opus brand continued to gain market share, led by the expansion of the distribution network, strong brand visibility, and superior product quality. It has reiterated its target of exiting FY25 with a high-single-digit market share for the paint business. Lyocell (specialty Fibre) capacity at Harihar, Karnataka, will be increased by 110ktpa, with the first phase of 55ktpa expansion set to be completed in the next two years at a capex of INR13.5b.

Exhibit 53: Sales volume grew ~8% YoY in 3QFY25



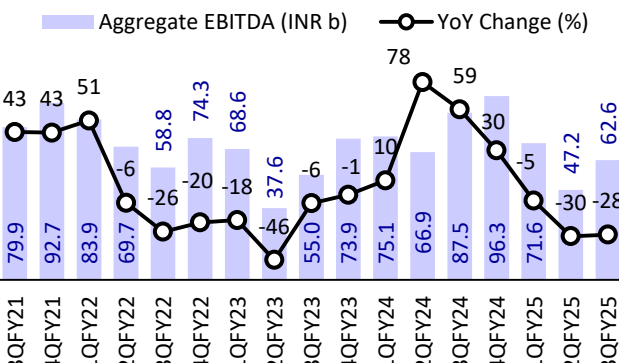
Source: Company, MOFSL

Exhibit 54: Blended realization was down 9% YoY in 3QFY25



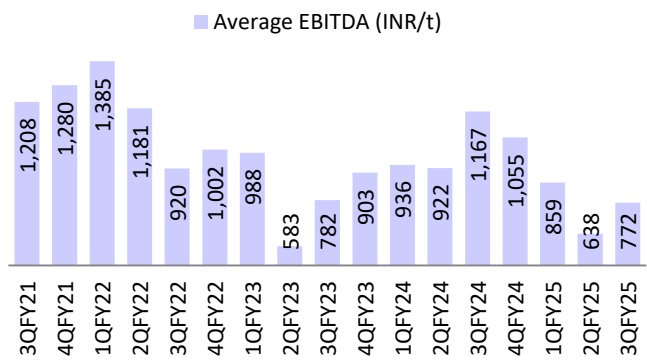
Source: Company, MOFSL

Exhibit 55: Aggregate EBITDA declined 28% YoY in 3QFY25



Source: Company, MOFSL; Note: \*EBITDA excluding Grasim

Exhibit 56: Average EBITDA/t was down 34% YoY in 3QFY25



Source: Company, MOFSL

### CHEMICALS: EBITDA declines sequentially; margin pressure persists

- **Overall performance:** Revenue was in line with our estimates (ATLP beat our estimates while FINEORG, NFIL, NOCIL, TTCH, and VO missed our estimates). EBITDA was below our estimates (AACL, CLEAN, NFIL, and SRF beat our estimates while DN, FINEORG, GALSURF, NOCIL, PI, and TTCH missed our estimates). Adj. PAT was below our expectation (AACL, CLEAN, NFIL, and SRF beat our estimates, while the rest were below our estimates; ATLP in line). Aggregate revenue increased 6% YoY to INR159.2b, EBITDA declined 1% YoY to INR26.9b, and adj. PAT declined 12% YoY to INR13.5b.
- Aggregate gross margin for our coverage universe declined 20bp YoY in 3QFY25 (vs. a decline of 40bp YoY in 2QFY25). AACL, ATLP, NFIL, TTCH, and VO saw gross margin expansions YoY, while the rest of the companies saw a contraction. Aggregate EBITDA margin contracted 130bp YoY (decline of 160bp YoY in 2QFY25). AACL, ATLP,

NFIL, and VO reflected an expansion in their EBITDAM YoY, while the remaining companies in our coverage universe experienced a YoY contraction.

- **Ratings and earnings revisions:** There has been one rating change for our coverage universe after the 3QFY25 earnings, with SRF upgraded to BUY (from Neutral) with a TP of INR3,540 on an SoTP basis, given the strong business outlook despite past underperformance. We have revised down our estimates for FINEORG, GALSURF, PI, TTCH, NFIL, NOCIL, and VO after the 3QFY25 earnings. AACL, ATLP, and SRF saw an upward revision in estimates following the 3QFY25 earnings season.
- **Top picks: SRF:** The Chemicals business (CAGR 29% FY25-27E) is recovering, driving margin expansion, while Packaging (CAGR 14%) and Technical Textiles (CAGR 8%) are expected to show steady growth with improving profitability. **ATLP:** With rising demand in 9MFY25, ATLP is driving growth through efficiency projects, capacity expansions, and market share gains, including a 50ktpa liquid epoxy resins plant (INR8b potential), a stabilized caustic soda unit (300tpd), and improved Anaven offtake. **VO:** VOPL's new products (MEHQ, Guaiacol, Anisole, 4-MAP, Iso Amylene) are likely to start in 4QFY25, driving growth, while VO, now India's only double-integrated AO maker post the VAPL merger, is expected to grow on the back of robust ATBS demand.
- **Surprises:** AACL, CLEAN, SRF
- **Misses:** DN, FINEORG, GALSURF, NOCIL, PI, TTCH

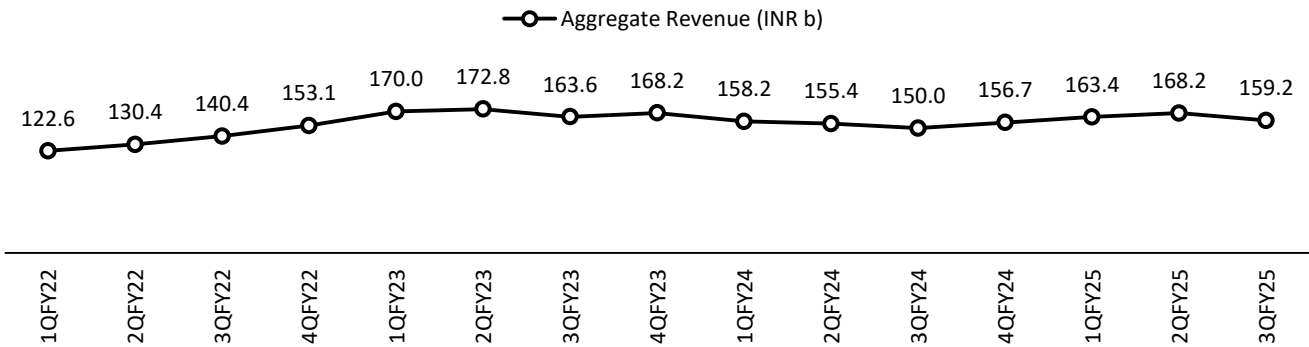
#### Guidance highlights:

- **CLEAN:** Around 3-4ktpa of sales volumes in HALS are expected in FY26, with a selling price of USD5.5-6/kg. For BHT, the peak revenue guidance is INR600-800m, with all approvals expected in the next six months, followed by an additional 1.5 years to ramp up to 70-80% utilization. The company is undertaking the production of Barbituric Acid, an intermediate used in the production of pigment yellow. The pilot plant has been approved by Sudarshan Chemicals and is expected to be commercialized within the next three months. With acetone prices coming down, margin expansion is anticipated starting from 4QFY25.
- **DN:** Industry demand is improving, with international recovery leading and domestic demand expected to normalize by 4QFY25. Agrochemical de-stocking is easing, polymer demand is strengthening with new projects, and margin expansion is likely as feedstock costs decline. Agrochemical volumes are rising internationally, with domestic demand expected to follow by quarter-end. Key projects, including Acetophenone and nitric acid, will be commissioned in 1HFY26, while increased domestic Phenol supply may reduce imports.
- **GALSURF:** Softness in terms of performance is likely to continue in 4Q as well. Rural and urban spending will pick up from 1QFY26. Structural story remains intact according to the management. Capex will be focused on equipping the company for the future. Fatty alcohol prices are likely to remain stable in 4Q but may reach ~USD1,500/mt next year. Supply chain issues have eased compared to 1HFY25 and may ease further going forward. Management has retained volume growth guidance of 6-8% for the next 2-3 years, along with EBITDA/kg guidance.
- **NFIL:** Additional R32 capacity at a capex of INR840m is progressing as scheduled, with the commissioning expected by Feb'25. AHF capex for INR4.5b is on schedule and expected to be commissioned by early FY26. The Dahej Fluorospecialty product (Project Nektar) has a capex of INR5.4b, with revenue of ~INR5.2b spread over two years (reaching closer to this peak by FY27). Around 40-50% of the revenue is expected to come in FY26. NFIL has already secured the Fermion order book for CY25. Management expects to exit FY25 with an EBITDAM of ~25% but has not provided guidance on the future margin trajectory.
- **PI:** The company maintains its guidance of single-digit revenue growth for FY25 and is cautiously progressing toward achieving it. The pharma revenue guidance for FY25 remains unchanged from the previous quarter, projected at ~INR2.5-INR2.75b. Management anticipates revenue growth to accelerate further in 4QFY25, driven by the current order visibility.
- **SRF:** The management anticipates robust demand from agro in 4QFY25 with a significant performance improvement over 3QFY25. Going forward, SRF anticipates to clock a revenue growth of ~20% in FY26. The

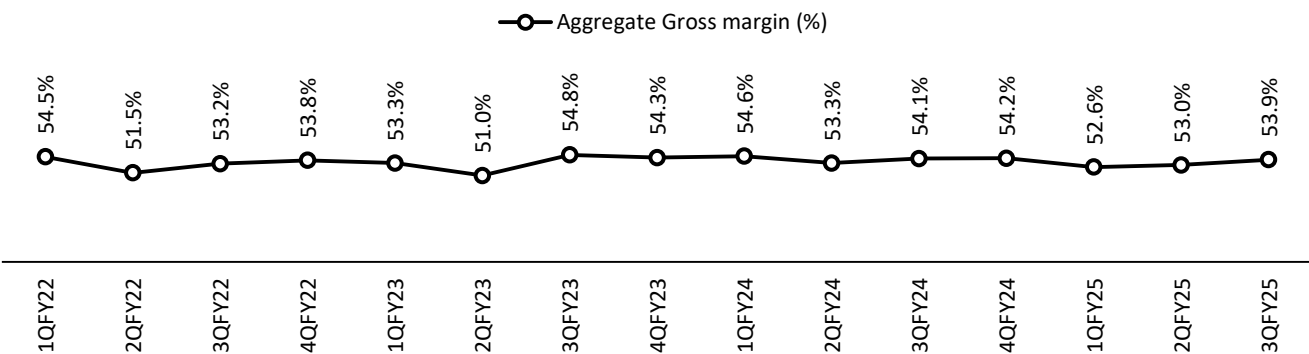
company expects positive traction from FY26 onwards in PTFE. For FY25 the company plans to incur a capex of ~INR15b, while future projects will have a capex in the range of ~INR15b-20b.

- **TTCH:** India, Asia, and the US are expected to continue their growth momentum, with the western parts of Europe likely to be flat or experience a slight decline. Pricing in the domestic market has remained steady in India, and the management expects the same in 4QFY25. Management expects volumes in 4QFY25 to be much better compared to 3QFY25.

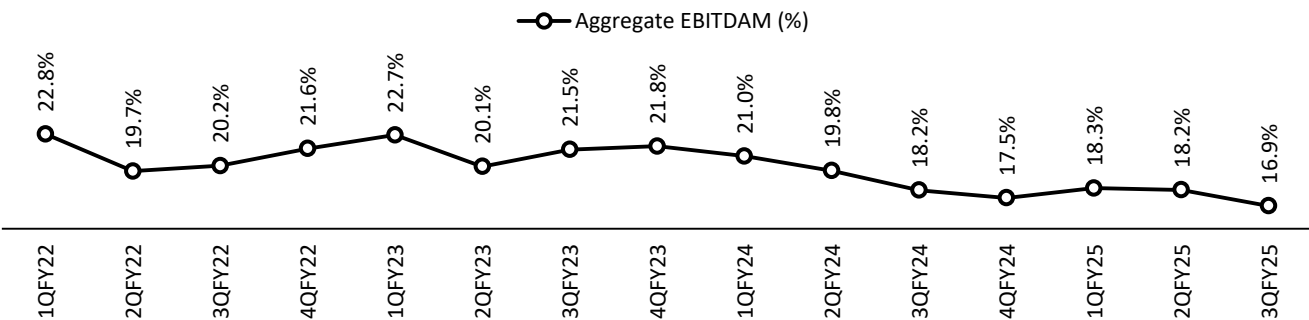
**Exhibit 57: Revenue for our coverage universe**



**Exhibit 58: Gross margin for our coverage universe**



**Exhibit 59: EBITDAM for our coverage universe**



**Exhibit 60: EBIT margin for our coverage universe**

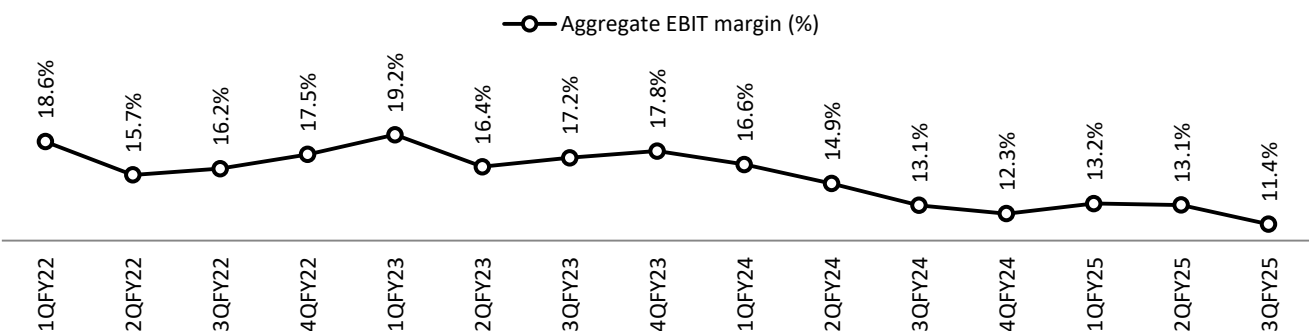
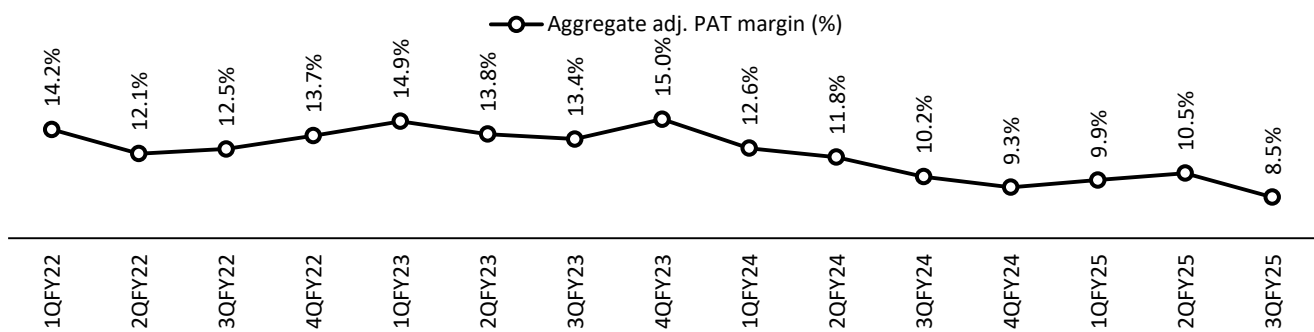




Exhibit 61: PAT margin for our coverage universe



### CONSUMER – FMCG: Largely in-line revenue print; deceleration in margins

- **Moderate demand trend continues:** Our coverage universe reported 6.8% YoY revenue growth (vs. est. 6.5%). Excluding ITC, our consumer sector grew 6.1% YoY (est. 6.4%) as demand remained subdued. Volume growth for most companies was limited to low- to mid-single digits (see Exhibit-1). Urban growth continued to moderate, while rural demand sustained recovery. It was also reflected in Nielsen's data—rural volume growth at 9.9% vs. 5% in urban. High palm oil prices impacted volume performance (grammage reduction), particularly for personal wash. Higher LUP mix (even witnessed in urban) further impacted underlying volume growth. Winter portfolio was also muted due to delay in season, impacted healthcare, HI, personal care categories. Paint companies were affected by delayed monsoon and early festive season, which further impacted the industry growth trends. Liquor companies saw strong growth, driven by new Andhra Pradesh liquor policy, healthy P&A demand, and higher number of weddings in 2HFY25. Innerwear demand saw an initial festive boost but failed to sustain growth momentum. Traditional channels remained sluggish, whereas emerging channels continued to drive growth and improve the sales mix. Overall, in our coverage, seven companies posted double-digit revenue growth, while both paint companies (Asian & Indigo) saw revenue decline. Overall, 19 out of 20 companies reported revenue in line with estimates.
- **Gross margin pressure impacted EBITDA:** Rising commodity costs, particularly in the agri basket, combined with insufficient price hikes, led to gross margin pressure across most categories and companies. With tighter operating costs (particularly ad spending), companies could restrict margin pressure at the EBITDA level. Companies have initiated price hikes to counter RM inflation, and full benefits of those hikes will be visible in 4Q. Our coverage universe reported flat YoY EBITDA growth in 3QFY25 (vs. est. +2.5%). Excluding ITC, EBITDA declined marginally by 0.3% (est. +1.4%).
- **PBT and PAT below expectations:** For 10 of the 20 coverage companies, PBT was either ahead of or in line with our estimates, with a better-than-expected performance by PG and UNSP. Conversely, there were notable misses by CLGT, GCPL, INDIGOPN, NESTLE, TATACONSUMER, UBBL and VBL. Aggregate PBT declined by 2.6% YoY (est. +2.7%). Aggregate PAT declined 5.3% (est. +1.1%).
- **Outperformer (3Q): UNSP, PAGE and PG**
- **Under performer (3Q): APNT, CLGT, GCPL, BRIT and VBL**
- **Near-term outlook:** While the slowdown persists across consumer segments, demand trends are expected to improve gradually, supported by income tax benefits, interest rate cuts, and gradual improvement in the macro environment. We anticipate a steady recovery in volume growth in urban and rural areas. Companies are focusing on traditional strategies to drive growth such as expanding distribution, launching new products, and offering consumer incentives. Companies have implemented price hikes in 3Q and looking to take further increases in 4Q to offset raw material inflation. Price hikes and expected volume pickup should improve the revenue acceleration in ensuing quarters. Our top picks are HUL, GCPL, Dabur, and PAGE.

**Guidance highlights:** Consumption trends remain weak. Rural demand is doing better than urban demand. Most companies have started to take calibrated price hikes across categories to pass on RM inflation.

- **APNT:** The management expects revenue weakness to persist for at least two more quarters. The company is targeting to achieve single-digit volume growth in the near term. APNT is more worried about industry challenges than competition.

- **BRIT:** The company is implementing strategic price hikes (2% in 3Q, further 2.5% in 4Q and 1.5% in 1QFY26) and cost efficiency (~2.5% in FY26) to offset cost inflation. It has guided that EBITDA margin will be in the range of 17-18%. No major capital expenditure is planned, with only INR1.5-2b allocated for FY26.
- **DABUR:** Dabur had taken 3% price hike to offset inflation, but it was neutralized by trade schemes and promotions. The company anticipates sequential improvement in demand and mid-single digit value growth in 4QFY25, driven by both pricing and volume growth. For FY26, the company aims to maintain margins, with a potential for marginal improvement through cost initiatives and pricing actions.
- **HMN:** The impact of the 1.5-2.5% price increase is expected to reflect in 4Q, contributing positively to margins. The company aims for high single-digit revenue growth and double-digit EBITDA growth in FY25. The effective tax rate stood at 8-9% in FY25 due to MAT credit, with the company anticipating a rate of 10% in FY26.
- **HUVR:** HUVR has implemented price hikes to mitigate the impact of raw material price inflation. It will continue to raise prices by low-single digits if commodity prices remain at the current level. EBITDA to be maintained at the lower end of 23-24%.
- **GCPL:** The company has taken mid-single-digit price hikes in 3Q, with further increases expected in 4QFY25 to offset palm oil inflation. Margins are expected to improve sequentially, with normalization expected in 1HFY26.
- **MRCO:** The company expects double-digit revenue growth (unlike other FMCG peers) in the medium term, and has maintained its operating margin guidance at ~20% for FY25.
- **PIDI:** EBITDA margin is expected to be 20-24% in the medium term. It targets growth at 1-2x GDP in its core categories and 2-4x GDP in its high-growth categories.
- **VBL:** VBL currently operates in 4 million outlets across India, out of a total of 12 million outlets. The company aims to expand its presence by 10% annually. India business is expected to maintain margins at ~21% over the long term. Management expects to incur a capex of INR31b for CY25. As of 31st Dec'24, about INR16.5b has already been incurred through capital work in progress (CWIP) and capital advances.

#### Exhibit 62: Quarterly volume growth

Volume growth (%)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Asian Paints	37.0	10.0	0.0	16.0	10.0	6.0	12.0	10.0	7.0	-0.5	1.6
Britannia	-2.0	5.0	3.0	3.0	0.0	0.0	5.5	6.0	8.0	8.0	6.0
Colgate	-2.5	-2.5	-4.5	0.5	3.0	-1.0	-1.0	1.0	7.0	8.0	4.0
Dabur	5.0	1.0	-3.0	1.0	3.0	3.0	4.0	3.0	5.2	-7.0	1.2
Emami	9.6	-1.0	-3.9	2.0	3.0	2.0	-1.0	6.4	8.7	1.7	4.0
Godrej Consumer	-6.0	-5.0	3.0	13.0	10.0	4.0	5.0	9.0	8.0	7.0	0.0
HUL	6.0	4.0	5.0	4.0	3.0	2.0	2.0	2.0	4.0	3.0	0.0
ITC	26.0	20.0	15.0	11.5	8.0	5.0	-2.0	2	3.0	3.5	6.0
Jyothy Labs	3.0	1.4	2.1	3.3	9.0	9.0	11.0	10.0	10.8	3.0	8.0
Marico	-5.0	3.0	4.0	5.0	3.0	3.0	2.0	3.0	4.0	5.0	6.0
Page Industries	150.0	1.0	-11.0	-15.0	-11.5	-8.8	4.6	6.1	2.6	6.7	4.7
UBBL	121.0	23.0	4.0	3.1	-12.4	7.0	8.0	10.9	5.0	5.0	8.0
United Spirits	17.9	8.3	-25.0	-27.3	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2

Source: Company, MOFSL

**Exhibit 63: Revenue/EBITDA/PAT growth for 3QFY25**

Company Name	Revenue	3QFY25 YoY %	EBITDA	3QFY25 YoY %	PAT	3QFY25 YoY %
Asian Paints	85,494	-6%	16,367	-20%	11,284	-23%
Britannia	45,926	8%	8,449	3%	5,823	4%
Colgate	14,618	5%	4,544	-3%	3,228	-2 %
Dabur	33,553	3%	6,819	2%	5,306	2%
Emami	10,495	5%	3,387	8%	3,006	6%
Godrej Consumer	37,684	3%	7,559	-16%	5,025	-14%
HUL	1,58,180	2%	36,950	1%	25,561	1%
Indigo Paints	3,426	-3%	572	-8%	360	-3%
ITC	1,87,902	4%	63,619	-2%	48,098	-10%
Jyothy	7,045	4%	1,158	-2%	874	-34%
LT Foods	22,748	17%	2,498	5%	1,433	-5%
Marico	27,940	15%	5,330	4%	3,990	4%
Nestle	47,797	4%	11,193	-1%	7,014	-10%
P&G Hygiene	12,476	10%	3,709	20%	2,686	17%
Page Industries	13,131	7%	3,025	32%	2,047	34%
Pidilite	33,689	8%	7,984	7%	5,575	9%
Tata consumer	44,436	17%	5,647	-1%	2,835	-18%
United Breweries	19,984	10 %	1,411	-3 %	640	-24%
United Spirits	34,320	15%	5,880	20%	4,203	21%
Varun Beverages	36,888	38%	5,800	39%	1,858	41%

Source: Company, MOFSL

**Exhibit 64: Gross and EBITDA margin expansion in 3QFY25**

Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
<b>Staples</b>						
Britannia	38.7%	-515	-280	18.4%	-89	161
Colgate	69.9%	-226	137	31.1%	-248	36
Dabur	48.1%	-55	-128	20.3%	-19	208
Emami	70.3%	153	-40	32.3%	67	415
Godrej Consumer	54.1%	-175	-145	20.1%	-466	-72
HUL	51.3%	-64	-28	23.4%	-19	-46
ITC	57.6%	-330	172	33.9%	-224	125
Jyothy	49.8%	1	-42	16.4%	-108	-244
LT Foods	30.8%	-13	-156	11.0%	-131	10
Marico	49.5%	-178	-129	19.1%	-210	-52
Nestle	56.4%	-221	-24	23.4%	-112	13
P&G Hygiene	64.8%	459	191	29.7%	240	414
Tata consumer	41.1%	-273	-253	12.7%	-234	-215
Varun Beverages	56.1%	-56	54	15.7%	4	-824
<b>Paints</b>						
Asian Paints	42.4%	-116	167	19.1%	-344	370
Indigo Paints	46.6%	-156	292	16.7%	-90	283
Pidilite	54.3%	145	-3	23.7%	-2	-7
<b>Liquor</b>						
United Breweries	43.1%	-86	-72	7.1%	-92	-366
United Spirits	44.7%	131	-47	17.1%	69	-70

Source: Company, MOFSL

**CONSUMER – QSR: Growth on a favorable base; store expansion continues**

- **Gradual improvement in demand:** QSR companies experienced a slight improvement in demand trends during 3Q, particularly toward the end of the quarter. With a favorable base, same-store sales growth (SSSG) showed an uptick. The revenue gap between dine-in and delivery has narrowed due to increased dine-in footfall. However, weak underlying growth continued to impact operating margins, putting pressure on restaurant and EBITDA margins for most brands. Enhancements in menu offerings and promotional activations have increased footfalls. While delivery channels remain strong, dine-in is showing gradual improvement. Our coverage universe posted revenue growth of 12% YoY (organic growth) in 3QFY25 vs. 6% in 2QFY25 and 4% in 3QFY24. Jubilant delivered robust LFL growth of 13%, Westlife saw 3% SSSG and Sapphire PH posted 5% SSSG. Devyani KFC/

Devyani PH/Sapphire KFC/RBA/BBQ registered same-store sales decline of 4%/1%/3%/1%/2%. The healthy pace of store addition continued during the quarter.

- **Pressure on profitability:** With underlying growth remaining weak, companies witnessed an adverse impact on their unit economics. Both restaurant margin and EBITDA margin saw YoY contraction.
- **Outperformer (3Q):** Jubilant Foodworks
- **Underperformer (3Q):** Devyani, Westlife

#### Guidance highlights:

- **JUBI:** JUBI aims for a ~100bp improvement in gross margin over the next three quarters, backed by cost optimization initiatives and lowering discounting. The company maintains a payback period of 2-2.5 years for its new stores as well.
- **Devyani:** Pizza Hut margin continued to see contraction, but management expects margin improvement in the coming quarters, led by marketing cost optimization. KFC ROM can reach 19-20% with ADS of INR100k over the next few quarters. Devyani is adopting some strategic measures to achieve the same.
- **Westlife:** A 50bp price increase was implemented at the portfolio level in Nov'24. GP improved sequentially despite RM inflation led by efficient supply chain and cost initiatives. The company expects its gross margin to revive to 70%+ levels in the near term. Management has guided for an 18-20% EBITDA margin by FY27.
- **Sapphire:** KFC's restaurant margins are expected to remain ~18% in the near term. The company plans to open 70-80 new KFC stores per year. For Pizza Hut, management remains cautious about store expansion and plans to add 20-25 stores per year.
- **RBA:** The company aims to achieve a gross profit margin of ~69% by FY27. This improvement is expected to be driven by initiatives such as optimized sourcing, menu mix adjustments, and pricing strategies. RBA's immediate focus in Indonesia is to reach cash breakeven at a country level.
- **Barbeque:** The company has implemented a 2% price hike in the current period, aligning with its strategy of maintaining a 2-3% price increase over the long term to offset inflationary pressures. In FY26, the company plans to open 22-25 new restaurants in India, 5-6 new restaurants in international markets, and 6-7 new premium CDR outlets, taking the total restaurant count to 270. The company expects a total cash requirement of INR1.4b for FY25, including INR0.2b for maintenance expenses and INR1.2b for new store openings. If operating cash flows are insufficient, the company may consider raising debt to meet capex requirements.

#### Exhibit 65: Quarterly trends

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
<b>Revenue Growth (%)</b>											
Barbeque Nation	209%	41%	14%	12%	3%	-3%	1%	6%	-6%	1%	-1%
Devyani (Consol)	100%	45%	27%	28%	20%	10%	7%	39%	44%	49%	54%
-KFC	109%	47%	27%	26%	22%	15%	14%	11%	7%	7%	9%
-Pizza hut	71%	36%	18%	16%	11%	2%	-2%	-4%	-1%	0%	6%
Jubilant (Standalone)	41%	17%	10%	8%	6%	5%	3%	6%	10%	9%	19%
Sapphire	80%	36%	17%	13%	20%	14%	12%	13%	10%	8%	14%
-KFC	98%	36%	26%	24%	21%	19%	16%	16%	11%	9%	12%
-Pizza hut	85%	60%	20%	18%	12%	-6%	-4%	-3%	3%	3%	10%
Restaurant Brands (Consol)	64%	47%	21%	29%	25%	19%	15%	16%	6%	1%	6%
Restaurant Brands (Standalone)	125%	50%	32%	36%	25%	23%	20%	20%	16%	9%	11%
Westlife	108%	49%	28%	22%	14%	7%	-2%	1%	0%	1%	9%
<b>SSSG</b>											
Barbeque Nation	182%	23%	-1%	-3%	-8%	-11%	-5%	1%	-7%	-3%	-2%
Devyani - KFC	64%	13%	3%	2%	-1%	-4%	-5%	-7%	-7%	-7%	-4%
Devyani - PH	32%	3%	-6%	-3%	-5%	-10%	-13%	-14%	-9%	-6%	-1%
Jubilant (LFL)	28%	8%	0%	-1%	-1%	-1%	-3%	0%	3%	3%	13%
Sapphire - KFC	65%	15%	3%	2%	0%	0%	-2%	-3%	-6%	-8%	-3%
Sapphire - PH	47%	23%	-4%	-4%	-9%	-20%	-19%	-15%	-7%	-3%	5%
Restaurant Brands	66%	27%	9%	8%	4%	4%	3%	2%	3%	-3%	-1%
Westlife	97%	40%	20%	14%	7%	1%	-9%	-5%	-7%	-7%	3%

Particulars	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
<b>Gross profit margin (%)</b>											
Barbeque Nation	66.8%	66.1%	66.7%	65.8%	64.0%	65.9%	67.9%	68.9%	68.1%	68.1%	68.2%
Devyani (Consol)	71.1%	70.2%	69.3%	69.6%	70.8%	70.8%	70.6%	69.2%	69.2%	69.3%	68.7%
-KFC	69.0%	67.9%	67.6%	68.6%	69.7%	69.0%	69.4%	69.9%	69.5%	69.0%	68.6%
-Pizza hut	76.2%	74.5%	73.6%	73.2%	74.9%	75.7%	75.8%	77.3%	76.8%	76.7%	76.2%
Jubilant (Standalone)	76.7%	76.2%	75.5%	75.3%	76.0%	76.4%	76.7%	76.6%	76.1%	76.1%	75.1%
Sapphire	67.9%	66.4%	67.1%	67.9%	68.5%	68.7%	68.9%	68.9%	68.6%	68.8%	68.6%
-KFC	67.3%	65.6%	66.5%	66.8%	68.1%	67.9%	68.4%	68.3%	68.2%	68.3%	68.2%
-Pizza hut	75.3%	74.7%	74.4%	74.3%	75.1%	76.1%	75.7%	75.5%	76.1%	76.5%	75.6%
Restaurant Brands (Consol)	64.3%	64.6%	63.6%	64.1%	64.0%	64.2%	64.4%	64.2%	64.5%	64.9%	65.6%
Restaurant Brands (Standalone)	66.4%	66.4%	66.4%	66.4%	66.5%	66.8%	67.1%	67.7%	67.6%	67.5%	67.8%
Westlife	68.0%	69.3%	70.2%	71.9%	70.6%	70.1%	70.3%	70.2%	70.6%	69.7%	70.1%
<b>EBITDA Pre-Ind AS margins (%)</b>											
Barbeque Nation	13.7%	10.0%	10.3%	3.8%	5.5%	4.5%	11.0%	8.0%	6.9%	5.4%	10.3%
Devyani (Consol)	16.1%	15.1%	14.8%	12.1%	13.2%	11.5%	9.3%	9.2%	11.6%	9.4%	10.1%
Jubilant	17.4%	17.2%	14.7%	12.3%	13.4%	13.3%	12.9%	10.9%	11.6%	11.7%	12.4%
Sapphire	13.2%	11.1%	12.4%	10.0%	11.8%	10.6%	10.8%	8.6%	9.8%	8.5%	10.7%
Restaurant Brands (Consol)	-2.2%	-2.9%	-2.4%	-3.6%	-0.3%	1.5%	2.8%	-0.5%	1.3%	0.6%	2.1%
Restaurant Brands (India)	1.1%	3.2%	4.2%	1.5%	2.4%	5.4%	6.8%	2.4%	3.6%	5.0%	6.2%
Westlife	13.0%	13.4%	14.3%	12.0%	12.9%	11.9%	11.4%	8.7%	8.1%	7.7%	9.1%
<b>ADS ('000')</b>											
Barbeque Nation	179	168	172	144	170	158	175	153	155	153	162
Devyani											
-KFC	127	121	116	106	117	109	104	93	104	96	96
-Pizza hut	44	45	43	39	40	39	37	32	36	35	35
Jubilant (Standalone)	85	84	84	78	79	78	78	75	79	78	84
Sapphire											
-KFC	144	134	136	127	138	125	125	114	122	111	115
-Pizza hut	61	64	58	50	52	48	45	41	48	47	48
Restaurant Brands (India)	120	127	120	108	120	126	119	105	119	118	114
Westlife	181	189	199	173	189	185	176	157	170	168	173
<b>Store (India)</b>											
Barbeque Nation	195	205	212	216	212	212	210	217	219	222	226
Devyani India	961	1,047	1,120	1,184	1,230	1,298	1,387	1,429	1,473	1,557	1,658
-KFC	391	423	461	490	510	540	590	596	617	645	689
-Pizza hut	436	466	483	506	521	535	565	567	570	593	644
Jubilant	1,676	1,753	1,814	1,863	1,891	1,949	2,007	2,096	2,148	2,199	2,266
Sapphire	516	550	599	627	660	692	725	748	762	784	835
-KFC	281	301	325	341	358	381	406	429	442	461	496
-Pizza hut	235	249	274	286	302	311	319	319	320	323	339
Restaurant Brands	328	334	379	391	396	404	441	455	456	464	510
Westlife	331	337	341	357	361	370	380	397	403	408	421
<b>PBT Margins</b>											
Barbeque Nation	6.6%	2.2%	2.0%	-4.5%	-1.7%	-5.0%	2.3%	-0.3%	-1.8%	-3.3%	1.4%
Devyani (Consol)	10.9%	9.4%	9.3%	5.5%	7.1%	4.0%	1.1%	0.4%	3.1%	-0.1%	0.4%
Jubilant (Standalone)	13.2%	12.6%	9.1%	7.4%	7.7%	7.2%	6.0%	3.8%	4.7%	4.8%	4.9%
Sapphire	6.5%	4.8%	5.6%	2.2%	5.1%	3.3%	2.1%	0.1%	1.6%	0.8%	2.2%
Restaurant Brands (Consol)	-10.4%	-10.5%	-10.6%	-15.6%	-8.8%	-7.3%	-6.2%	-12.4%	-7.5%	-10.3%	-8.6%
Restaurant Brands (Standalone)	-6.7%	-3.6%	-3.0%	-6.7%	-5.2%	-2.1%	-1.4%	-7.1%	-5.5%	-3.4%	-3.8%
Westlife	5.9%	7.4%	7.9%	5.1%	6.6%	4.9%	3.9%	0.4%	0.7%	0.1%	1.0%

### CONSUMER DURABLES: Cables and wires drive growth; UCP margins disappoint

- **Revenue growth largely in line with our estimates:** Revenue for our consumer durables coverage universe increased 16% YoY to INR175b in 3QFY25 (+1% vs. our estimates). As expected, cable demand remained strong, while wire demand was impacted by high channel inventory at the beginning of the quarter and a decline in copper prices. The C&W segment's aggregate revenue grew ~14% YoY (down 3% QoQ) to INR100b (-2% vs. our estimates) in 3QFY25. The UCP segment's aggregate revenue (coverage companies) grew 18% YoY to INR25b (+3% vs. our estimate) in 3QFY25. In other ECD segment, demand growth was strong across categories in Oct'25, led by the festive season. After Diwali to mid-Dec'25, weak consumer spending led to softness in demand.



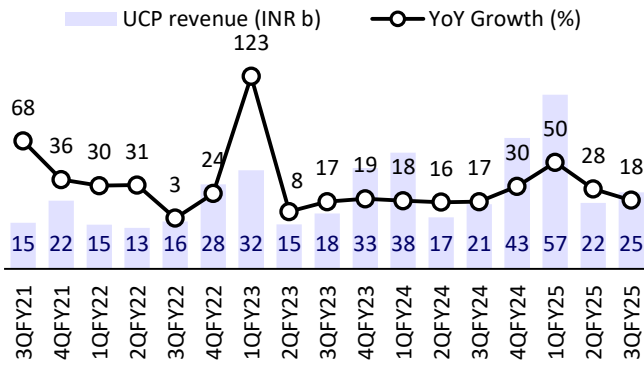
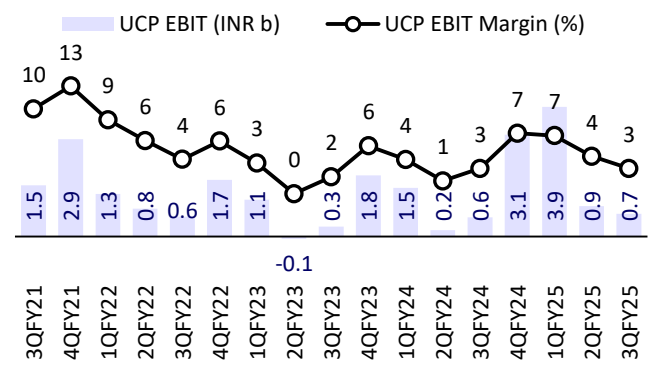
Revenue growth for Polycab/KEII/VOLT/HAVL/RRKABEL stood at 20%/20%/18%/11%/9% YoY. Demand in C&W segment is anticipated to remain strong, led by infrastructure, industrial demand and strong real estate growth. Early summer trends and an expected increase in consumer spending drive a positive demand outlook for cooling products.

- **C&W margin gains, UCP margins under pressure:** Margins in C&W improved sequentially as the wire business has normalized and the contribution from international business has increased. Margins in UCP segment were under pressure due to higher spending toward advertisement, branding and promotions. Aggregate EBITDA for our coverage universe grew ~25% YoY to INR17.0b (+2% vs. our estimates) and EBITDA margin improved 70bp YoY to 9.7% (in line). VOLT's EBITDA surged 6.7x YoY to INR2.0b, albeit on a low base (generating profits in EMPS segment vs. huge losses in 2HFY24). Its UCP margin dipped 2.4pp YoY to 5.9%. EBITDA of POLYCAB/KEII surged ~26%/12% YoY, while it declined for HAVL and RRKABEL by 1-2% YoY.
- **EPS downgrades due to cut in margin estimates:** We cut our EPS estimates for HAVL (5-8% for FY25-27), POLYCAB (3-5% for FY25-27), KEII (6-7% for FY25-27), VOLT (8-14% for FY25-27) and RRKABEL (~12% for FY26/FY27, each).
- **Top picks:** We remain positive on POLYCAB and VOLT
- **Surprises:** POLYCAB, RRKABEL
- **Misses:** HAVL and VOLT

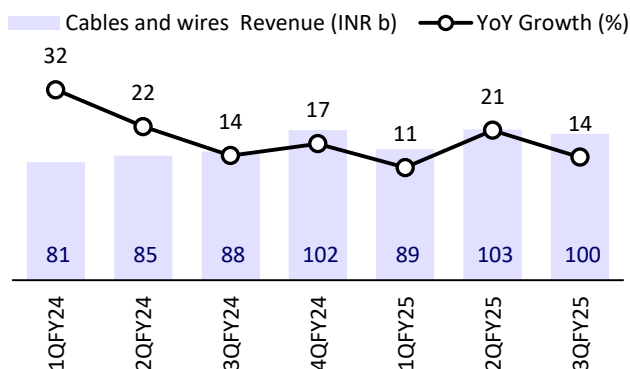
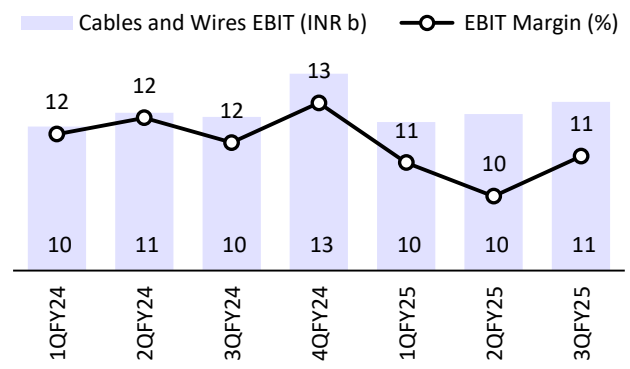
#### Guidance highlights:

- **POLYCAB:** It indicated that the C&W industry is estimated to grow at 1.5x-2.0x the real GDP growth (10-13% CAGR). Within Project Spring, the company targets to grow at 1.5x the industry (translating into ~15-20% CAGR). Additionally, it targets a sustainable EBITDA margin of 11%-13% in the long term. It has guided for a cumulative capex of INR60-80b over the next five years.
- **KEII:** It remains optimistic about the demand outlook in the domestic and export markets. KEII expects revenue growth of 19-20% YoY in FY26 and EBITDA margin of ~11%. It aims to clock a revenue CAGR of 20%+ over FY26-30 to reach INR250b by FY30. EBITDA margin should improve to 12.5% by FY28 (vs. ~10% in FY25E).
- **RRKABEL:** It indicated that volume growth in 9MFY25 was ~6%, led by ~21% YoY growth for cables; however, wire volumes declined ~3% YoY. With normalization in RM prices, it expects ~15% YoY volume growth in 4QFY25 with a segment EBIT margin of ~8% (vs. 7% in 3QFY25). The target is to improve this segment margin by 100-120bp every year and achieve a margin of ~10% in FY28 (the earlier target was to achieve this in FY27).
- **HAVL:** It indicated the company has gained market share in all consumer-facing categories. It expects margins to improve in the Switchgear, ECD, and Lloyd segments in the coming quarters. Further, after destocking in wires due to lower copper prices, restocking is anticipated in 4QFY25. Management targets EBIT margin (excl. Lloyd) of 12-13% in FY26. In the Lighting segment, volume growth was 13-14% YoY, but price erosion adversely impacted growth. Currently, price erosion is bottoming out, and growth should start improving.
- **VOLT:** It indicated that the pressure on UCP's margins is due to its focus on gaining market share, which involved significant spending on advertising, promotions, and in-store demonstrations. It aims to retain the UCP segment's margin in the high-single digits in 4QFY25. With the upcoming summer season, management remains optimistic about strong demand across product categories, aided by positive consumer sentiment.



**Exhibit 66: Aggregate\* UCP revenue and growth****Exhibit 67: Aggregate\* UCP EBIT and margin**

Source: Company, MOFSL; Note: \*In UCP revenue and EBIT we consider VOLT and HAVL

**Exhibit 68: Aggregate\* C&W revenue and growth****Exhibit 69: Aggregate\* C&W EBIT and margin**

Source: Company, MOFSL; Note: \*In Cables and Wires revenue and EBIT we considered Polycab, KEII, HAVL and RRRKABEL

**EMS: Robust revenue growth and margin stability fuel performance**

- Continued strong revenue growth across EMS players:** The EMS sector reported another robust quarter with aggregate surging 87% YoY to INR149.5b. This superlative growth was driven by the execution of a strong order book at hand. Dixon led the pack with revenue surging 2.2x YoY, followed by Amber (65%), and Cyient DLM (38%). While Avalon too witnessed a strong recovery with revenue up 31% YoY. DATAPATT continued to be the only outlier with revenue declining ~16% YoY due to deferment of completed orders by the client. Going ahead, we expect the strong revenue momentum to continue, led by healthy demand traction and execution of the large order in hand (~INR161.8b as of Dec'24; excluding Dixon and Amber, i.e., ~1.7x of TTM revenue of these companies). We expect aggregate revenue growth of ~72% for our coverage universe in 4QFY25 and a CAGR of 46% over FY24-FY27.
- The order book (ex-Dixon, Amber) continues to remain healthy, with new clients to drive the order book going forward:** The sector continued to witness healthy order inflows (INR39b) in 3QFY25. The intensity of the inflows witnessed strong traction with order inflows growing ~33% YoY. Most companies expect order inflows to accelerate going forward, fueled by inflows from newly added clients and robust market conditions led by favorable regulatory policy. Among our coverage universe, Kaynes saw the highest order book growth of ~60% YoY, followed by Avalon/Syrma at ~+25%/18% YoY.
- Operating efficiency gains driven by favorable business mix, barring Cyient DLM and Dixon:** EBITDA margin for our coverage universe dipped 30bp YoY; the contraction was fully attributable to Cyient DLM (EBITDA margin contracted 100bp) and Dixon (EBITDA margin contracted 9bp YoY). Excluding Dixon and Cyient DLM, the coverage universe witnessed a margin expansion of ~120bp YoY, with all the companies witnessing margin expansion. Avalon witnessed the highest EBITDA margin expansion of ~460bp YoY, due to an increase in domestic manufacturing (88% vs. 77% in 3QFY24) and favorable operating leverage. It was followed by Syrma (EBITDA margin up 360bp YoY), which benefitted from a favorable business mix during the quarter (lower share of low-

margin consumer business at 31% in 3QFY25 vs. 36% in 3QFY24). Going forward, we expect the margins for our coverage universe to remain broadly stable.

- **The quarter experienced one earnings upgrade:** We have upgraded our earnings estimates for Avalon by 9%/6% for FY25/FY26 while largely retaining our FY27 estimates as we expect the long-term revenue trajectory to be strong, backed by the addition of new customers in the US and Indian markets and order inflows from high-growth/high-margin industries.
- Further, we broadly maintain our FY25/FY26/FY27 EPS estimates for Syrma SGS led by margin expansions fueled by the higher contribution from the exports, ODM, and high-margin verticals.
- Apart from these, we cut our estimates for Kaynes (down 11%/8%/10% for FY25/FY26/FY27) to factor in a guidance cut for FY25, and Cyient DLM (down 14%/25%/26% for FY25/FY26/FY27) due to the uncertainty about large order flows.
- We cut our FY25/FY26E EPS by 7%/5%, while largely maintaining our FY27E EPS for Data Patterns to factor in the new programs sanctioned by DRDO along with management's focus on expanding the addressable market.
- Further, we tweak our earnings estimates for Dixon (down 8%/4% for FY25/FY26 and up 7% for FY27 to factor in higher mobile segment revenue and lower consumer electronics revenue), and downgrade the same for Amber (down 9%/3%/2% for FY25/FY26/FY27 to bake in slower growth in the railways segment).
- **Surprises:** AVALON and SYRMA SGS
- **Misses:** KAYNES, CYIENT DLM, DATA PATTERN, and DIXON

#### Guidance highlights:

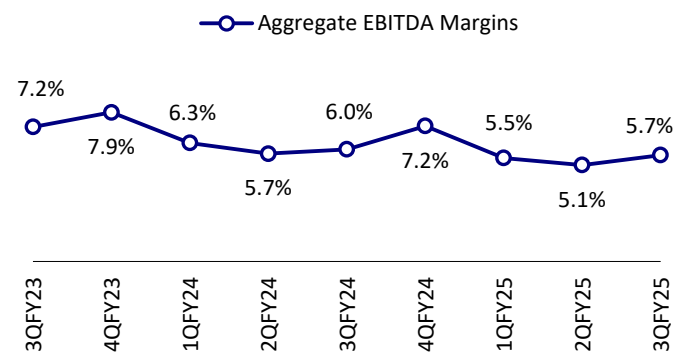
- **Kaynes** reduced its revenue guidance to INR28-29b from the earlier guidance of over INR30b for FY25, while its EBITDA margin guidance remains intact at ~15%. For FY26, management expects INR45b of revenue (ex-inorganic revenue) with further improvement in margins led by better gross margin and operating leverage.
- **Avalon** raised its FY25 revenue growth guidance to 22-24% (from 16-20%) and expects EBITDA margins to sustain over 12%. The gross margin is likely to be in the range of 33-35% going forward.
- **Syrma SGS** aims to achieve an EBITDA of approximately INR3b in FY25, with a 7% margin. For FY26, it targets a revenue growth rate of 30-35%, along with a focus on margin expansion. Going forward, the company plans to bring its export mix to ~25-30%
- **Cyient DLM:** The company maintains its guidance of a ~30% revenue CAGR over the next three to five years; however, FY26 consol. revenue growth would be in the mid-teens due to the lack of BEL orders. EBITDA margin may remain flat in FY25, with margin expansion expected after 1HFY26.
- **DATAPATT** maintains its guidance of ~20-25% revenue growth in FY25, with EBITDA margins of ~35-40%. The company also reaffirms its near-term growth outlook, targeting a 20-25% CAGR.
- **Amber Enterprises** maintains its guidance of doubling the revenue in the next three years, backed by strong order book visibility and an increase in wallet share. It revised its EMS division growth guidance for FY25 to +55% YoY (vs. +45% YoY earlier) propelled by both PCBA and bare board verticals. The company expects revenue from the railways segment to be muted in FY25, though its new products in the railway segment are expected to have a margin profile of 15-18%.
- **Dixon Technologies** expects total mobile phone volumes to ramp up and reach around 30m units in FY25, with exports of 0.5-0.6m units of mobile phones likely in Feb and Mar'25. It is expanding capacity in the telecom segment due to increased volumes and expects to double the segment's revenue in FY26. Further, the company expects revenue from laptops to be in the range of INR25-30b in FY26.

Exhibit 70: Key operating indicators

	Revenue (INR m)					EBITDA margins (%)					Adj PAT (INR m)				
	3Q FY25	3Q FY24	YoY (%)	2Q FY25	QoQ (%)	3Q FY25	3Q FY24	YoY (bp)	2Q FY25	QoQ (bp)	3Q FY25	3Q FY24	YoY (%)	2Q FY25	QoQ (%)
Kaynes	6,612	5,093	30	5,721	16	14.2	13.7	50	14.4	-10	665	452	47	602	10
Avalon	2,809	2,143	31	2,750	2	12.3	7.7	460	11.0	140	240	66	265	175	37
Cyient DLM	4,442	3,210	38	3,895	14	8.1	9.2	-100	8.1	0	168	184	-9	155	9
Syrma SGS	8,692	7,067	23	8,327	4	9.1	5.5	360	8.5	60	509	155	228	362	41
Data Patterns	1,170	1,395	-16	910	29	46.2	43.0	310	37.7	850	447	510	-12	303	47
Dixon	104,537	48,183	117	115,341	-9	3.7	3.8	-10	3.7	0	1,712	964	78	2,144	-20
Amber	21,333	12,948	65	16,847	27	7.4	6.1	140	6.8	70	359	-5	NA	192	86
<b>Agg.</b>	<b>149,595</b>	<b>80,038</b>	<b>87</b>	<b>153,791</b>	<b>-3</b>	<b>5.7</b>	<b>6.0</b>	<b>-30</b>	<b>5.1</b>	<b>50</b>	<b>4,099</b>	<b>2,327</b>	<b>76</b>	<b>3,933</b>	<b>4</b>
<b>Agg. (ex. Dixon, Amber)</b>	<b>23,725</b>	<b>18,908</b>	<b>25</b>	<b>21,603</b>	<b>10</b>	<b>12.6</b>	<b>11.4</b>	<b>120</b>	<b>11.5</b>	<b>100</b>	<b>2,029</b>	<b>1,367</b>	<b>48</b>	<b>1,597</b>	<b>27</b>

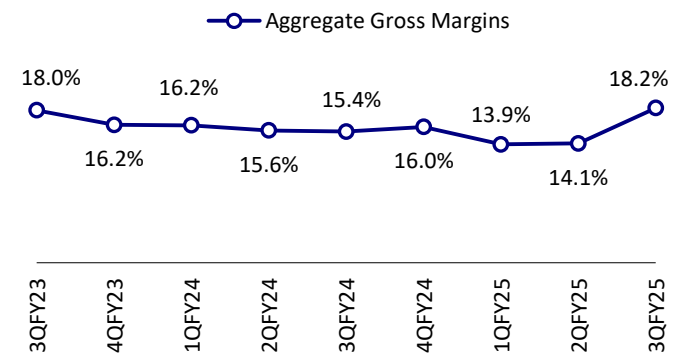
Source: MOFSL, Company

Exhibit 71: Aggregate EBITDA margin



Source: MOFSL, Company

Exhibit 72: A favorable product mix positively impacted the aggregate gross margin



Source: MOFSL, Company

Exhibit 73: Our revised EPS estimates (INR)

	FY25E			FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Dixon	130.8	143.0	-9	174.2	182.0	-4	250.6	235.0	7
Amber	70.8	78.0	-9	109.5	113.0	-3	168.7	172.3	-2
Kaynes	47.4	53.5	-11	85.4	92.5	-8	136.1	150.6	-10
Avalon	9.5	8.8	9	16.8	15.9	6	25.2	25.2	0
Cyient DLM	9.6	11.3	-14	16.3	21.7	-25	22.4	30.2	-26
Syrma SGS	9.6	9.5	1	15.3	14.7	4	21.4	22.1	-3
Data Patterns	36.1	38.9	-7	48.6	51.0	-5	62.2	65.0	-4

## FINANCIALS – BANKS: Earnings remain muted; NIM and credit cost challenges continue; unsecured delinquencies remain elevated

- The banking sector reported another soft quarter amid moderation in margins and sustained higher provisioning expenses, mainly for the private banks. NIM continued to decline amid cost pressure, while the competition for deposits continued to remain intensive for banks, and the CASA mix continued to deteriorate. Public sector banks too experienced some NIM compression, albeit very limited. Opex continued to grow in a narrow range as banks had seen a reduction in employee-related expenses, while other income too declined, mainly due to the absence of the treasury gain in 3QFY25. Business momentum stood weak for most of the banks, while the CD ratio continued to remain elevated for banks. Growth in corporate stood sluggish, while growth in unsecured saw a sharp moderation amid stress in MFI, PL, and CC. We have cut our earnings and growth estimates for most banks amid a moderation in credit growth and elevated provisions. Most banks have indicated a bottoming of stress in 4QFY25 and gradual recovery from 2HFY26 onwards. We remain watchful of the asset quality in the unsecured segment. We estimate credit growth at 12% for the sector for FY26E.
- NII growth stood at 9% YoY for private banks and 3.6% YoY for PSBs. In our coverage universe, KMB, PNB, Federal, and DCB reported healthy NII growth sequentially, whereas Bandhan, IIB, and RBL reported a sequential

decline in NII. Further, we believe that NII growth should grow at a moderate pace given slow business momentum and cost pressure piling up. As a result, we believe that NII growth should be 100-200bp lower than the credit growth over the upcoming FY26E. The NIM trajectory is likely to witness pressure in 1HFY26, while a mild moderation can be seen in 2HFY26 as the reduction in repo rates should benefit the COF. In 3QFY25, NIM continued to contract with some banks continuing to see a double-digit dip (e.g., Bandhan and RBL). Among PSBs too, BoB, Canara, and SBI saw a double-digit contraction in NIMs.

- Fresh slippages stood elevated for most of the banks amid sustained stress in microfinance. Most of the lenders have slowed their growth in unsecured loans and adopted a cautious approach. SMA for the PSBs was elevated; however, most of the banks have guided that it was due to one account, which has been out of SMA and is a regular paying account at present. Credit costs for select private players stood elevated, while PSBs continued to remain at a comfortable range. Private Banks with exposure to the MFI should continue to experience elevated credit costs as most of the bulky recoveries are now behind. PCR for the banks remained healthy, while the restructured book continued a declining trend.
- **Private Sector Banks – Business momentum weak; margin pressure continues:** Advances growth stood at 2.8% QoQ for our banking universe coverage, of which HDFCB grew 0.9% QoQ, while Federal Bank reported a flat advances growth. For a few banks, such as RBL Bank, Federal Bank, and IndusInd, deposits declined in 3Q. As a result, the overall deposit growth for our banking universe stood at 2% QoQ. DCB and IDFC First Bank posted healthy business growth. CASA ratio continued to moderate for most of the banks, and our banking coverage's CASA now stands at 37.2%. NIM continued to see moderation as yields declined due to slower growth in MFI for most banks. Slippages stood elevated amid stress in unsecured segments, while others were under control.
- **Public Sector Banks – NIM trends mixed; asset quality continues to improve:** NII for the PSBs stood largely flattish at +0.4% QoQ, as NIMs dipped for SBI, BoB, and Canara; while NII posted a mild increase for Union Bank and PNB and was up 8bp QoQ for Indian Bank. Slippages remained under control for most banks, reflecting no imminent signs of stress for the banks. Hence, the GNPA ratio improved 6-51bp QoQ. Overall, PCR continued to be at healthy levels of ~74-90%. SMA for the PSBs was elevated; however, most of the banks have guided that it was due to one account, which has been out of SMA and is a regular paying account at present. However, the restructured book witnessed a sequential decline.
- **Small Finance Banks – Business growth steady; asset quality deteriorates:** AUBANK reported healthy business growth as advances grew 49% YoY (merged basis, 5% QoQ), led by healthy traction in retail and commercial. Deposit growth was modest at 2.3% QoQ, whereas the CASA ratio moderated to 31%. Asset quality saw a deterioration with GNPA increasing 33bp QoQ, while credit costs also stood elevated amid continued stress in unsecured (MFI and Credit Cards). EQUITASB reported healthy advances growth of 21% YoY/4.2% QoQ, while the bank reduced its MFI book and also remained cautious about the growth in MFI. Deposit growth was modest at 2.2% QoQ. While NIMs declined sharply by 18bp QoQ to 7.36%. Slippages were elevated, while the bank continued to make provisions to sustain the sub-1% NNPA levels.
- **Our view:** While we have already reduced our growth estimates post-1HFY25 earnings, further earnings cuts in 3QFY25 were led by a miss on margins, slower business momentum, and elevated credit costs for the MFI-heavy banks. We estimate a credit growth of 12% YoY for FY26. We maintain a cautious view on margins and the delinquency cycle of the unsecured loans, while we expect credit costs to remain elevated for private banks. After a sharp earnings cut during our 3QFY25 preview, we have further cut our earnings for private banks by 3%/2% for FY26/27E. We thus expect private bank's aggregate earnings to report 13.9% CAGR for FY25-27E. For PSBs, we have raised our estimates marginally by 0.8% for FY26E. We estimate aggregate earnings growth for PSBs to grow at a moderate pace of 8% over FY25-27E. While the balance sheet remains healthy, healthy PCR and contingent buffers with many large private banks along with reasonable valuations keep us positive on the sector. **Our preferred picks** are ICICIB, HDFCB, SBIN, and AUBANK.
- **Surprises: KMB, AUSFB, PNB, and UNBK**
- **Misses: BANDHAN, CBK, BOB, and IDFCFB**

**Guidance highlights**

- **HDFCB** continues to focus on healthy traction in deposit growth to bring the CD ratio down at an accelerated pace; the bank expects to achieve an LDR of 85-90% within the next 1-1.5 years. The bank is motivated to decrease its LDR thus forgoing credit growth while ensuring profitability.
- **KMB** is making efforts to build its deposit franchise while retaining healthy deposit growth along with maintaining lower costs. NIM exhibited resilience despite the absence of growth from a high-yielding asset mix, while as the RBI's embargo uplifts and the share of unsecured increases, the bank can see an improvement in the yields. With the embargo getting lifted, the bank aims to achieve a ROA of over 2%.
- **ICICIB** continues to have a strategic focus on growing PBT through a 360-degree customer approach. The bank continues to optimize its opex by streamlining its internal process with an ongoing journey of leveraging the cost base much better, which has led to lower opex consistently. A steady mix of high-yielding portfolios and broad-based growth across product lines are enabling profitable growth while maintaining healthy business diversification.
- **AXSB's** business growth has been a laggard to peers. Loan growth – HL, VF, and corporate have been lagging behind the system average growth, and the bank is expecting a pick-up in the loan growth on the retail side. The bank expects to continue operating within a similar range of CD ratio. While the credit costs have normalized, the bank considers the current cycle as reflecting normalized credit costs.
- **SBIN** delivered a healthy 13.8% credit growth and guides for 14-16% growth, backed by broad-based sector growth. Deposits growth guidance is at 10%+ YoY, with the bank's aim to enhance its CA share and further strengthen its SA deposits base. SMA-2 accounts increased in 3Q, but only one major account was affected as of Dec'24. This account has since been regularized, reducing the risk of further stress. The bank maintains guidance of ~50bp credit costs through the cycle.
- **IIB** has slowed its loan growth to 12%. It is cautiously optimistic about loan growth and will accelerate growth as the credit environment improves. NIMs are affected and lower at 3.93% amid slower growth in the high-yielding business. The MFI and Card businesses may continue to report stress in the near term, keeping credit costs elevated.
- **BOB's** advances growth stood healthy at 12%, with the bank maintaining its advances growth guidance at 12-13%. While the bank maintains its deposits growth guidance at 9-11% YoY. The bank has slightly lowered its NIMs guidance at 3.1% (+/- 5bp), despite the expected rate cuts. PCR was broadly stable at 76% as slippages were under control. BOB expects the annualized credit cost to remain below 0.75%.

**Exhibit 74: Earnings decline was led by NIM moderation and a rise in credit costs for select private banks; benign credit costs led to steady earnings for PSBs**

INR b	NII			PPOP			PAT		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)
AUBANK	20.2	52.7	2.4	12.0	83.4	6.5	5.3	40.8	(7.5)
AXSB	136.1	8.6	0.9	105.3	15.2	(1.7)	63.0	3.8	(8.9)
BANDHAN	28.3	12.1	(4.0)	20.2	22.1	9.0	4.3	(41.8)	(54.5)
BoB	114.2	2.8	(1.8)	76.6	9.3	(19.1)	48.4	5.6	(7.6)
CBK	91.5	(2.9)	(1.8)	78.4	15.2	2.4	41.0	12.3	2.2
DCBB	5.4	14.5	6.6	2.7	28.2	6.3	1.5	19.6	(2.6)
FB	24.3	14.5	2.7	15.7	9.2	0.3	9.6	(5.1)	(9.6)
HDFCB	306.5	7.7	1.8	250.0	5.7	1.2	167.4	2.2	(0.5)
ICICIB	203.7	9.1	1.6	168.9	14.7	1.0	117.9	14.8	0.4
IDFCB	49.0	14.4	2.4	17.6	12.6	(10.3)	3.4	(52.6)	69.1
IIB	52.3	(1.3)	(2.2)	36.0	(10.9)	0.0	14.0	(39.1)	5.3
INBK	64.1	10.3	3.6	47.5	15.9	0.4	28.5	34.6	5.4
KMB	72.0	9.8	2.5	51.8	13.5	1.6	33.0	10.0	(1.2)
PNB	110.3	7.2	4.9	66.2	4.6	(3.4)	45.1	102.8	4.8
RBK	15.9	2.5	(1.9)	10.0	30.2	9.5	0.3	(86.0)	(85.3)
SBIN	414.5	4.1	(0.4)	235.5	15.8	(19.6)	168.9	17.3	(7.9)
UNBK	92.4	0.8	2.1	74.9	2.9	(7.7)	46.0	28.2	(2.5)
EQUITASFB	8.2	4.2	2.0	3.3	(7.6)	(4.8)	0.7	(67.2)	415.0
<b>Total Banking Coverage</b>	<b>1808.8</b>	<b>6.3</b>	<b>0.9</b>	<b>1272.7</b>	<b>11.0</b>	<b>(5.7)</b>	<b>798.4</b>	<b>10.9</b>	<b>(3.4)</b>

Source: MOFSL, Company



**Exhibit 75: NIMs continue to moderate with some banks reporting a double-digit compression**

NIM (%)	2QFY25	3QFY25	YoY (bp)	QoQ (bp)
AUBANK	6.05	5.90	40	(15)
AXSB	3.99	3.93	(8)	(6)
BANDHAN	7.40	6.90	(30)	(50)
BoB	3.10	2.94	(16)	(16)
CBK	2.86	2.71	(32)	(15)
DCBB	3.27	3.30	(18)	3
FB	3.12	3.11	(8)	(1)
HDFCB	3.46	3.43	3	(3)
ICICIBC	4.27	4.25	(18)	(2)
IDFCFB	6.18	6.04	(38)	(14)
IIB	4.08	3.93	(36)	(15)
INBK	3.49	3.57	8	8
KMB	4.91	4.93	(29)	2
PNB	2.92	2.93	(22)	1
RBK	5.04	4.90	(62)	(14)
SBIN	3.14	3.01	(21)	(13)
UNBK	2.90	2.91	(17)	1

Source: MOFSL, Company

**Exhibit 76: Overall business momentum weakens for our banking coverage universe**

INR b	Loans			Deposits			CASA ratio (%)		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)
AUBANK*	996	49.2	5.0	1,123	40.1	2.3	25.6	(261)	(131)
AXSB	10,146	8.8	1.5	10,959	9.1	0.8	39.0	(300)	(200)
BANDHAN	1,274	15.6	1.1	1,410	20.1	(1.1)	31.7	(439)	(145)
BoB	11,513	12.4	2.7	13,925	11.8	2.1	39.7	(101)	(16)
CBK	10,237	11.2	4.0	13,695	8.4	1.6	30.0	(165)	(127)
DCBB	478	22.7	7.5	567	20.3	3.9	25.1	(103)	(51)
FB	2,304	15.7	0.0	2,664	11.2	(1.0)	30.2	(47)	9
HDFCB	25,182	3.0	0.9	25,638	15.8	2.5	34.0	(370)	(130)
ICICIBC	13,144	13.9	2.9	15,203	14.1	1.5	40.5	86	(15)
IDFCFB	2,231	20.3	3.7	2,369	29.8	5.9	47.7	90	(114)
IIB	3,669	12.2	2.7	4,094	11.0	(0.7)	34.9	(360)	(99)
INBK	5,421	10.7	1.7	7,023	7.4	1.3	38.3	(135)	(54)
KMB	4,138	15.1	3.6	4,735	15.9	2.6	42.3	(540)	(130)
PNB	10,700	16.8	4.9	15,297	15.6	4.9	38.1	(435)	(119)
RBK	904	13.1	2.9	1,068	15.1	(1.1)	32.8	(98)	(75)
SBIN	40,046	13.8	3.8	52,294	9.8	2.2	39.2	(198)	(83)
UNBK	9,202	6.7	2.6	12,166	3.8	(2.0)	33.4	(97)	71
<b>Total Banking Coverage</b>	<b>1,51,584</b>	<b>11.2</b>	<b>2.8</b>	<b>1,84,227</b>	<b>11.6</b>	<b>2.0</b>	<b>37.2</b>		

\* AU Bank Nos on merged with Fincare, Source: MOFSL, Company



**Exhibit 77: Asset quality deteriorates for select banks**

Asset quality (%)	2QFY25 (%)			3QFY25 (%)			QoQ change (bp)		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AUBANK	1.98	0.75	62.8	2.31	0.91	61.2	33	16	(161)
AXSB	1.44	0.34	76.6	1.46	0.35	76.2	2	1	(46)
BANDHAN	4.68	1.29	73.5	4.68	1.28	73.5	-	(1)	5
BoB	2.50	0.60	76.3	2.43	0.59	76.0	(7)	(1)	(28)
CBK	3.73	0.99	74.1	3.34	0.89	74.1	(39)	(10)	1
DCBB	3.29	1.17	65.2	3.11	1.18	62.9	(18)	1	(224)
FB	2.09	0.57	72.9	1.95	0.49	75.2	(14)	(8)	223
HDFCB	1.36	0.41	71.2	1.42	0.46	67.8	6	5	(207)
ICICIBC	1.97	0.42	79.0	1.96	0.42	78.7	(1)	-	(29)
IDFCFB	1.92	0.48	75.3	1.94	0.52	73.6	2	4	(168)
IIB	2.11	0.64	70.1	2.25	0.68	70.2	14	4	8
INBK	3.48	0.27	92.5	3.26	0.21	93.8	(22)	(6)	136
KMB	1.49	0.43	71.4	1.50	0.41	73.2	1	(2)	175
PNB	4.48	0.46	90.2	4.09	0.41	90.2	(39)	(5)	5
RBK	2.88	0.79	73.0	2.92	0.53	82.2	4	(26)	919
SBIN	2.13	0.53	75.7	2.07	0.53	74.7	(6)	-	(100)
UNBK	4.36	0.98	78.4	3.85	0.82	79.3	(51)	(16)	92

**Exhibit 78: Snapshot of the restructured book across banks (%)**

INR b	Restructured book									
	Absolute	Dec'22	Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24
AXSB	12.7	0.30	0.22	0.21	0.20	0.18	0.16	0.14	0.13	0.12
BANDHAN	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
DCBB	8.6	4.94	4.51	3.97	3.40	3.00	2.62	2.34	2.07	1.81
HDFCB	NA	0.42	0.31	NA	0.22	NA	NA	NA	NA	NA
ICICIBC	21.1	0.50	0.40	NA	0.32	0.29	0.26	0.22	0.20	0.16
IIB	6.6	1.25	0.84	0.66	0.54	0.48	0.40	0.34	0.29	0.18
KMB	2.3	0.25	0.22	0.19	0.15	0.13	0.10	0.08	0.06	0.05
FB	15.6	1.81	1.62	1.40	1.30	1.10	0.97	0.83	0.71	0.68
RBK	2.9	1.67	1.21	1.05	0.89	0.63	0.51	0.44	0.38	0.32
AUBANK	3.0	1.40	1.20	1.00	0.80	0.70	0.60	0.40	0.40	0.30
BOB	NA	1.87	1.5	1.31	NA	1.0	NA	NA	NA	NA
SBIN	137.1	0.85	0.8	0.69	0.62	0.54	0.47	0.38	0.38	0.34
INBK	66.8	3.37	2.51	2.19	2.12	1.93	1.67	1.51	1.34	1.23
PNB	NA	1.54	1.32	NA	NA	NA	NA	NA	NA	NA
UNBK	102.5	2.38	2.20	2.00	1.71	1.57	1.48	1.30	1.21	1.08
CBK	NA	1.75	NA	NA	NA	NA	NA	NA	NA	NA

**Exhibit 79: We cut our earnings estimates for private banks by 2-3% for FY26-27; earnings estimate of PSBs witnessed a decline of ~1.5% for FY26E and FY27E**

PAT (INR b)	Old estimates			Revised estimates			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
<b>Private Banks</b>									
AXSB	263.7	290.7	334.8	261.0	277.2	321.8	-1.0%	-4.6%	-3.9%
BANDHAN	36.6	38.5	44.6	32.8	35.2	41.4	-10.3%	-8.5%	-7.1%
DCBB	5.8	7.4	9.4	6.0	7.5	9.6	3.1%	1.5%	1.3%
HDFCB	667.9	750.6	855.0	668.1	711.8	821.4	0.0%	-5.2%	-3.9%
ICICIBC	460.7	508.7	578.6	465.8	503.9	576.3	1.1%	-0.9%	-0.4%
IDFCFB	21.3	35.7	49.3	15.8	32.2	49.1	-25.6%	-9.9%	-0.5%
IIB	65.8	87.4	110.6	63.9	85.9	106.2	-2.8%	-1.7%	-4.0%
KMB	141.1	156.0	184.8	142.9	159.7	190.2	1.3%	2.4%	2.9%
FB	41.0	48.1	59.2	40.6	46.4	57.6	-1.0%	-3.5%	-2.6%
RBK	7.7	13.6	21.6	7.2	12.4	19.5	-7.4%	-8.6%	-10.1%
AUBANK	21.1	27.7	36.0	21.0	27.9	36.2	-0.6%	0.5%	0.4%
EQUITASB	3.0	7.3	11.1	3.0	7.3	11.1	0.0%	0.0%	0.0%
<b>Total Private Banks</b>	<b>1,735.7</b>	<b>1,971.6</b>	<b>2,295.1</b>	<b>1,728.1</b>	<b>1,907.3</b>	<b>2,240.3</b>	<b>-0.4%</b>	<b>-3.3%</b>	<b>-2.4%</b>
<b>YoY growth</b>	<b>7.0%</b>	<b>13.6%</b>	<b>16.4%</b>	<b>6.5%</b>	<b>10.4%</b>	<b>17.5%</b>			
<b>PSU Banks</b>									
BOB	186.7	197.6	218.2	191.9	195.1	218.4	2.8%	-1.3%	0.1%
CBK	161.7	170.5	191.0	160.4	170.6	187.4	-0.8%	0.0%	-1.9%
INBK	103.3	112.0	122.9	106.7	113.1	124.3	3.4%	1.0%	1.2%
PNB	156.3	174.1	196.4	167.1	190.5	214.4	6.9%	9.4%	9.2%
SBIN	710.8	763.3	869.4	712.0	750.5	840.1	0.2%	-1.7%	-3.4%
UNBK	158.3	164.3	179.7	171.0	174.1	186.0	8.0%	5.9%	3.5%
<b>Total PSU Bank</b>	<b>1,477.1</b>	<b>1,581.8</b>	<b>1,777.6</b>	<b>1,509.2</b>	<b>1,593.9</b>	<b>1,770.6</b>	<b>2.2%</b>	<b>0.8%</b>	<b>-0.4%</b>
<b>YoY growth</b>	<b>19.7%</b>	<b>7.1%</b>	<b>12.4%</b>	<b>22.3%</b>	<b>5.6%</b>	<b>11.1%</b>			
<b>Total for Banks</b>	<b>3,212.8</b>	<b>3,553.4</b>	<b>4,072.7</b>	<b>3,237.3</b>	<b>3,501.2</b>	<b>4,010.9</b>	<b>0.8%</b>	<b>-1.5%</b>	<b>-1.5%</b>
<b>YoY growth</b>	<b>12.5%</b>	<b>10.6%</b>	<b>14.6%</b>	<b>13.3%</b>	<b>8.2%</b>	<b>14.6%</b>			
<b>Other Financials</b>									
SBICARD	21.1	29.8	37.2	19.6	28.7	37.8	-6.7%	-3.9%	1.6%
PAYTM	-28.4	-2.2	8.9	-1.5	-2.2	8.9	NA		

**FINANCIALS – NBFC: Weak macros led to asset quality stress and demand moderation across segments**

- NBFCs (incl. HFCs) under our coverage reported AUM growth of ~16% YoY/4% QoQ in 3QFY25. Vehicle financiers (VFs) clocked AUM growth of 22% YoY, but we expect growth to moderate by end-FY25 and further in FY26. Large HFCs (PNBHF and LICHF) grew 7% YoY; affordable and small-ticket HFCs saw ~14% YoY growth; NBFC-MFIs' AUM was flat YoY (down 6% QoQ); and gold loan NBFCs grew ~31% YoY (despite weak QoQ AUM growth in MGFL). NII/PPoP/PAT grew 15%/15%/5% YoY for our coverage companies (excl. PIEL). Excluding MFI, NII/PPoP/PAT grew 16%/17%/15% YoY.
- NIM for HFCs (including affordable HFCs) showed divergent trends because of company-specific nuances. Large HFCs, such as PNBHF and LICHF, reported stable NIM QoQ. For Aavas and Repco, NIM expanded ~10bp QoQ and ~40bp QoQ, respectively, since both companies took PLR hikes in the quarter. HomeFirst reported ~25bp QoQ compression in NIMs due to higher liquidity on the balance sheet, a rise in the cost of borrowings and a minor compression in yields.
- The RBI's recent ~25bp rate cut will benefit VFs, given that a decent proportion of their borrowings are on floating rates, while their vehicle finance loan book is fixed rate in nature. PV demand gained momentum during the quarter, whereas CV demand remained subdued. The used vehicle financing segment also faced some headwinds primarily due to the limited supply of used vehicles. Asset quality saw a marginal deterioration across vehicle sub-segments, driven by weak macros and spillover effects of rainfall in 3Q. However, VFs expect a recovery in asset quality in the seasonally strong 4Q.
- Except for power financiers and select HFCs, a vast majority of NBFCs, including MFIs, reported a deterioration in asset quality, attributable to customer overleveraging, floods/extended monsoons, sluggishness in customer

cashflows, and weak macros. Unlike earlier, this time around, the asset quality deterioration was observed across both secured (such as micro-LAP and vehicle) and unsecured product segments.

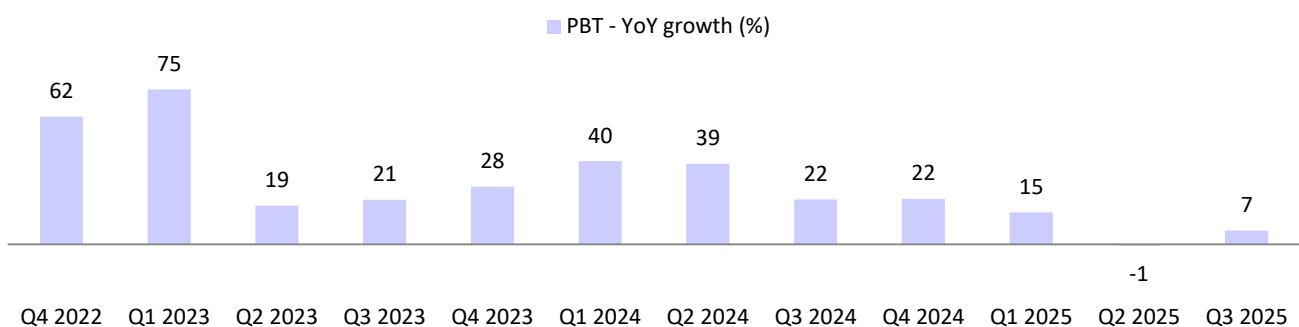
- **NBFC-MFIs** faced further asset quality deterioration during the quarter; however, early green-shoots of recovery emerged in Dec'24 and Jan'25, with improvement in collection efficiencies and reduction in new flows/slippages. Most NBFC-MFIs now expect normalization in asset quality and profitability within the next 2-3 quarters. PNBHF, LICHF, PFC, REC, Repco and ABFL reported a QoQ improvement in asset quality, while credit costs were significantly high for NBFC-MFIs, which posted a sequential decline in loan growth and a sharp deterioration in asset quality. Notably, CREDAG/Fusion reported a sequential rise in GS3 of ~155bp/~320bp, resulting in high credit costs in 3QFY25.
- **HFCs/AHFCs – Regional headwinds impact disbursements; NIM could see transitory compression in a declining rate cycle:** Disbursements and loan growth for HFCs were impacted by the Karnataka E-Khata and Hyderabad (Project Hydra) issues, resulting in delays in property registrations and operational challenges. AAVAS was the only player to report a healthy sequential growth in disbursements, while PNBHF and HomeFirst reported broadly flat sequential disbursements. In contrast, LICHF, CANF, and Repco reported a sequential decline, impacted by the aforementioned factors. Affordable HFCs (excluding HomeFirst and CANF) saw a sequential improvement in margins, driven by higher yields. Margins for larger HFCs like PNBHF and LICHF remained stable QoQ. HomeFirst reported ~25bp compression in NIMs. In an interest rate cut cycle, large HFCs could see a transitory NIM contraction, driven by pressure on yields from higher competitive intensity. During the quarter, asset quality saw a slight deterioration in the mortgage sector, particularly in the micro-LAP segment, due to weak macroeconomic conditions. However, mortgage financiers expect improvement in asset quality in the seasonally strong 4Q.
- **Vehicle financiers – PVs tracking better than CVs; asset quality slightly weakens amid macro weakness and relatively low utilization levels:** The demand in CV segment remained subdued during the quarter, impacted by weak government spending and capex. The used vehicle segment also faced sluggish demand, primarily due to limited supply. However, overall disbursements saw a marginal improvement, driven by positive momentum in the PV and tractor segments. Asset quality exhibited a slight deterioration, primarily in the HCV segment, due to low utilization levels and broader macroeconomic weakness. Disbursements grew 14% YoY and ~11% QoQ for three VFs in our coverage universe. While SHFL and CIFIC have a diversified AUM mix, we have classified them under VFs for this exercise. SHFL exhibited a sequential NIM compression due to higher liquidity on its balance sheet. In contrast, MMFSL and CIFIC saw a slight NIM improvement, supported by better yields in 3Q.
- **Diversified financiers – Focused on strengthening secured segments; unsecured stress likely to peak in two quarters:** Diversified lenders reported a decent performance and showed confidence in beginning to grow their unsecured loan book (after almost 4-5 quarters of calibration in unsecured loans). Within personal loans and unsecured loans, diversified lenders are targeting salaried individuals and prime-segment borrowers with strong CIBIL scores, which shows a more risk-conscious lending approach. LTFH performed significantly better than the overall industry and its NBFC-MFI peers. BAF, in our view, would look to pivot toward growth in its unsecured segments, given that it is now past the hump of asset quality stress in its B2C segments.
- **Gold financiers – Robust gold loan growth supported by rising gold prices and non-availability of unsecured loans:** Gold loan growth over the last two quarters has been accompanied by decent gold tonnage growth, higher gold prices and non-availability of unsecured loans. MUTH/MGFL reported ~34%/18% YoY growth in gold loans. Asirvad MFI (subsidiary of MGFL) and Belstar (subsidiary of MUTH) acknowledged the stress in the MFI segment, which resulted in higher credit costs in their respective MFI businesses. Going forward, we need to closely monitor the trajectory of gold prices and the regulatory changes, including LTV monitoring (during the tenor of the loan) and repredging of gold/rollover of loans at the time of maturity.
- **Microfinance (MFI) – Loan book declines amid asset quality challenges; early signs of recovery visible in Dec'24 and Jan'25:** Asset quality continued to deteriorate across the MFI sector, with all NBFC-MFIs, SFBs and even larger banks acknowledging the problem of customer overleveraging, which has resulted in higher delinquencies and lower collection efficiencies. The Karnataka government recently enacted an ordinance aimed

at curbing unregistered lenders from exploiting borrowers. While this ordinance is not applicable to NBFCs and other lending institutions registered with the RBI, we could see continued disruptions for one-two months in Karnataka. Upcoming implementation of MFIN guardrails in Apr'25 will temper loan growth and put some pressure on asset quality in the short term. However, the implementation of these guardrails will strengthen the industry in the long run. Credit costs for NBFC-MFIs remained elevated because of a sustained deterioration in asset quality. However, MFIs witnessed some early green shoots with collection efficiency improving in Dec'24 and Jan'25. That said, it would take another 2-3 quarters before the situation stabilizes, with recovery now anticipated by 2QFY26.

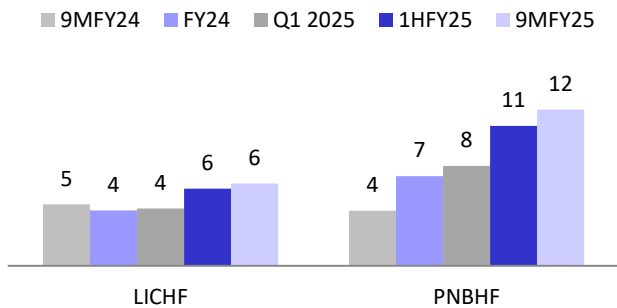
- **Power financiers – Weak disbursement/loan growth due to delays in signing PPAs and slowdown in economic activity; asset quality improved from resolutions of stressed exposures:** PFC/REC reported a decent quarter, but disbursements/loan growth were weak due to a slowdown in economic activity, with PFC/REC reporting loan growth of ~10%/14% YoY. NIM rose ~20bp QoQ for PFC due to a favorable product mix and slightly better yields. For REC, NIM was broadly stable. Asset quality continued to improve, driven by resolution of stressed assets like Lanco Amarkantak and Nagai Power. Given expected resolution of stressed assets like KSK Mahanadi, Sinnar Thermal, Hiranmayee Energy and few others, credit costs will remain benign in 4QFY25 as well.
- **Our view:** The stress in unsecured retail segment appears to have peaked. While the existing stress on the balance sheet will have to be provided for/written-off, we will start seeing NBFCs pivoting from moderation (over the last four/five quarters) to growth after two quarters. The interest rate cut cycle, in addition to being margin-accretive for certain products, will also give strength to demand and consequent loan growth. Further, the regulatory environment, going ahead, could be less overwhelming than it has been in the recent past. The microfinance sector will continue to go through a difficult patch for the next 2-3 quarters before the situation normalizes, and we now expect a recovery by 2QFY26. Additional income in the hands of individuals thanks to the income tax reduction in the Union Budget will not all flow into consumption or savings. Higher disposable income will also spur some discretionary lifestyle purchases and the higher net income will also improve the eligibility of individuals for loans. Our preferred ideas are **SHFL, MMFS, and REC and HomeFirst**.
- **Positive Surprises:** MUTH, MMFS, BAF
- **Misses:** CREDAG, Spandana, Poonawalla, IIFL Finance, Fusion, MGFL
- **Rating Change:** NA

**Guidance highlights:** a) MMFS guided for mid- to high-teen loan growth in FY26; b) MUTH continued to guide for ~25% YoY gold AUM growth for FY25 and conservative gold loan growth of ~15% for FY26; c) BAF guided for ~25% AUM growth in FY26 and credit costs of <2% with PAT growth of ~22%-23%; d) PNBHF guided for retail recoveries to continue for the next 4-5 quarters; and e) NBFC-MFIs saw some early green shoots with improving collection efficiencies during the quarter; expect things to normalize within next 2-3 quarters.

**Exhibit 80: PBT (excl. PIEL) grew 7% YoY for our NBFC coverage universe\***

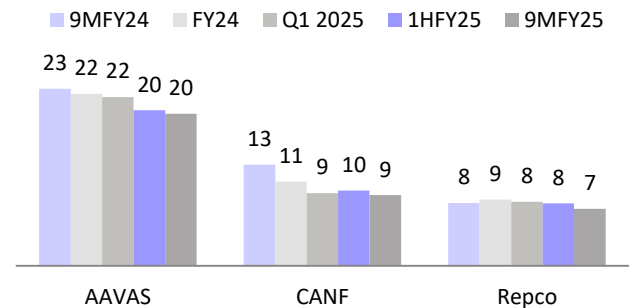


Source: MOFSL, Company, \*MOFSL universe excl. PIEL and Indostar

**Exhibit 81: LICHF loan growth has lagged the industry, while PNBHF retail loan growth has been gaining momentum**

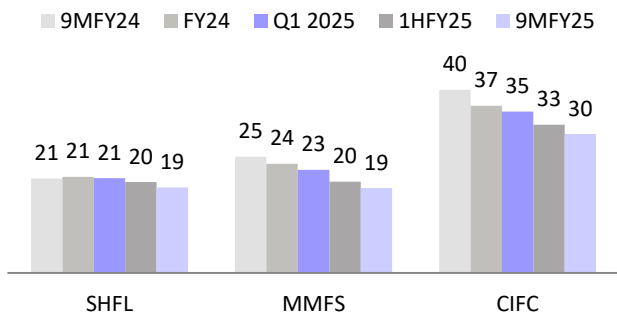
Source: MOFSL, Company;

Note: YoY AUM growth for large HFCs

**Exhibit 82: Loan growth moderated for Repco and Canfin, while it was largely stable for Aavas**

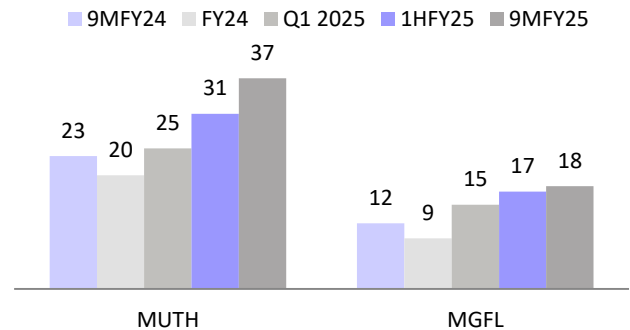
Source: MOFSL, Company;

Note: YoY AUM growth for affordable housing financiers

**Exhibit 83: AUM growth for VFs moderated slightly because of weak macros**

Source: MOFSL, Company

Note: YoY AUM growth for vehicle financiers

**Exhibit 84: Gold loan growth picking up pace, aided by higher gold prices, tonnage growth and customer additions**

Source: MOFSL, Company

Note: YoY AUM growth for gold financiers

**Exhibit 85: PAT (excl. PIEL) grew 5% YoY for our NBFC coverage universe\***

INR m	NII			PPOP			PAT			NIM		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (bp)	QoQ (bp)
AAVAS	2,533	15	5	1,945	23.3	-0.2	1,464	25.5	-1.0	6.7	-0.2	0.1
ABCAP (NBFC)	17,339	5	1	11,929	6.8	1.1	6,000	4.9	-4.6	5.9	-0.9	-0.2
ABCAP (HFC)	2,900	39	6	1,208	25.6	4.3	1,098	9.6	5.8	4.1	-0.6	-0.2
BAF	93,826	23	6	78,057	27.1	6.8	43,082	18.4	7.3	9.7	-0.5	0.0
CANF	3,447	5	1	2,913	1.7	1.2	2,121	6.0	0.3	3.7	-0.2	-0.0
CFC	28,869	33	6	21,276	40.4	10.7	10,865	24.0	12.8	6.8	0.1	0.0
Fivestar	5,399	28	5	3,884	29.4	2.2	2,739	26.3	2.2	19.5	-0.0	0.1
HomeFirst	1,631	21	4	1,396	27.2	10.7	974	23.5	5.6	5.6	-0.6	-0.1
IIFL Finance	12,352	-22	-8	5,925	-38.2	-30.5	408	-91.7	-125.9	3.4	-0.7	-0.4
LTHF	25,283	16	-1	14,781	10.5	-7.0	6,257	-2.1	-10.2	10.8	-0.1	-0.4
LICHF	20,001	-5	1	17,495	-7.2	0.4	14,320	23.1	7.8	2.7	-0.3	-0.0
MMFSL	19,113	13	6	12,217	15.0	2.1	8,995	62.7	143.4	6.7	-0.4	0.1
MASFIN	1,487	47	12	1,383	25.4	7.7	781	25.1	2.0	7.2	0.5	0.1
MGFL	15,909	10	-3	9,307	-0.6	-9.9	2,785	-51.6	-51.3	14.4	-0.9	-0.3
Muthoot	27,214	43	8	20,593	47.7	7.5	13,631	32.7	8.9	11.9	0.7	0.1
PIEL	8,248	1	6	3,380	-53.8	6.7	386	-101.6	-76.3	7.1	0.7	0.5
PNBHF	6,905	16	4	5,795	16.0	3.6	4,833	42.8	2.9	3.7	0.2	0.0
PFL	6,141	25	10	3,731	6.5	33.6	187	-92.9	-	9.3	-1.2	0.2
REPCO	1,978	11	5	1,443	5.4	5.6	1,066	7.2	-5.3	5.5	0.2	0
SHFL	55,896	14	2	40,850	10.7	2.5	20,804	14.4	0.5	9.0	-0.4	-0.2
CRETAG	4,749	8	-2	6,229	3.5	-7.3	-995	-128.2	-153.5	12.5	-0.6	-1.0
FUSION	2,245	-34	-44	648	-75.1	-77.2	-7,193	-668.9	-	8.9	-2.6	-2.6
SPANDANA	2,739	-13	-21	784	-67.4	-65.6	-4,402	-445.5	-	13.1	-0.8	-0.9
PFC	46,942	13	6	51,538	16.8	-3.3	41,549	23.0	-4.9	3.8	-0.0	0.2
REC	51,331	20	3	50,206	20.4	2.6	40,291	23.2	0.6	3.7	0.1	-0.0
<b>Total (excl. PIEL)</b>	<b>4,56,228</b>	<b>15</b>	<b>3</b>	<b>3,65,533</b>	<b>15.1</b>	<b>0.6</b>	<b>2,11,657</b>	<b>5.4</b>	<b>1.8</b>			

Source: MOFSL, Company, \*MOFSL universe excl. Indostar

Exhibit 86: Advances/AUM growth

INR b	Advances/AUM		
	3QFY25	YoY (%)	QoQ (%)
AAVAS	192	19.6	4.6
ABCAP (NBFC)	1,194	21.1	4.1
ABCAP (HFC)	267	61.5	15.0
BAF	3,980	28.0	6.5
CANF	372	9.1	1.5
CIFC	1,746	30.5	6.0
Fivestar	112	25.2	2.3
HomeFirst	119	32.6	6.4
IIFL Finance	714	-7.8	6.6
LTHF	951	16.3	2.3
LICHF	2,991	6.4	1.5
MMFSL	1,151	18.6	2.4
MASFIN	117	20.7	6.0
MGFL	442	9.5	-3.3
Muthoot	975	37.0	8.1
PIEL	784	10.6	4.9
PNBHF	768	12.1	2.8
PFL	310	41.2	9.1
REPCO	142	7.4	1.4
SHFL	2,545	18.8	4.7
CREDAG	248	6.1	-1.3
FUSION	106	-0.9	-8.4
SPANDANA	89	-14.1	-15.2
PFC	5,038	10.2	2.1
REC	5,656	13.7	3.6
<b>Total</b>	<b>31,011</b>	<b>16.0</b>	<b>3.7</b>

Source: MOFSL, Company

Exhibit 87: Asset quality snapshot

Asset quality (%)	As on 2QFY25 (%)			As on 3QFY25 (%)			QoQ change (bp)		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AAVAS	1.1	0.8	28.7	1.1	0.8	29.8	6	3	115
ABCAP (NBFC)	2.5	1.4	46.0	2.3	1.2	45.6	-23	-12	-40
ABCAP (HFC)	1.3	NA	NA	1.0	NA	NA	-31	-	-
BAF	1.06	0.5	57.1	1.12	0.5	57.2	7	3	8
CANF	0.9	0.5	46.0	0.9	0.5	45.2	4	3	-76
CIFC	2.8	1.6	44.5	2.9	1.7	44.1	8	6	-40
HomeFirst	1.7	1.3	26.7	1.7	1.3	25.5	2	4	-126
IIFL Finance	2.4	1.1	55.5	2.4	1.0	58.8	2	-7	330
LTFH	3.2	1.0	70.6	3.2	1.0	70.6	4	1	-1
LICHF	3.1	1.6	49.3	2.8	1.5	47.5	-31	-11	-185
MMFSL	3.8	1.6	59.5	3.9	2.0	50.1	7	41	-938
MASFIN	2.4	1.6	39.1	2.4	1.6	37.9	5	5	-120
MGFL	2.4	2.1	NA	2.5	2.3	NA	10	20	-
Muthoot	4.3	NA	NA	4.2	NA	NA	-8	-	-
PIEL	2.8	1.4	53.5	2.6	1.4	49.3	-18	2	-418
PNBHF	1.2	0.8	32.7	1.2	0.8	33.3	-5	-4	54
PFL	2.1	0.3	84.5	1.9	0.8	56.8	-25	48	-2767
REPCO	4.0	1.6	60.7	3.9	1.5	61.8	-10	-8	108
SFL	5.3	2.6	51.7	5.4	2.7	51.6	6	4	-6
CREDAG	2.4	0.8	69.5	4.0	1.3	68.7	155	54	-77
FUSION	9.4	2.5	76.2	12.6	1.8	87.8	318	-69	1163
SPANDANA	4.9	1.1	79.7	4.8	1.1	79.8	-2	0	9
PFC	2.7	0.7	73.6	2.7	0.7	73.4	-3	-1	-23
REC	2.5	0.9	65.1	2.0	0.7	61.9	-58	-14	-325

Source: MOFSL, Company



## **FINANCIALS – CAPITAL MARKETS AND INSURANCE: Weak momentum for capital market players; elevated claims impact profitability of general insurers; subdued VNB margins for life insurers**

- **Slowdown in capital market activity:** Activity in the capital market space was mixed across segments during 3QFY25. F&O/cash volumes, which followed a decent trend in Oct'24/Nov'24, saw a decline of 35%/7% YoY in Dec'24. The slowdown was also reflected in demat account additions at 9.9m in 3QFY25 vs 13.1m in 2QFY25. The implementation of F&O regulations led to a 20% YoY/14% QoQ decline in the number of orders for ANGELONE. ANGELONE now expects an 18-20% hit on income due to the implementation of F&O regulations, compared to a 13-14% hit guided earlier.
- **Minimal impact of regulations for exchanges:** Stable options premium ADTO during the quarter, an improvement in the premium-to-notional turnover ratio despite regulatory impacts, and market share gains benefitted BSE's top-line and profitability. Star MF continued to report healthy performance, with a 67% YoY jump in volumes and revenue surging 2x. A surge in commodity volumes during 3QFY25 (102% YoY growth in total ADT), driven by rising participation, new product launches, and an increase in turnover/client, led to strong revenue growth for MCX. Options ADT surged 116% YoY to INR2.1t, largely propelled by 394%/89% YoY growth in bullion/energy contracts. Futures ADT rose 32% YoY to INR289b, fueled by 28%/26%/91% YoY growth in bullion/energy contracts/base metals.
- **Robust flow trajectory in asset management:** QAAUM of the MF Industry reached INR68.6t at the end of Dec'24, +39% YoY, with the share of equity QAAUM growing to 57% from 53% as of Dec'24. Industry SIP flows continued to gain traction, with INR771b flows in 3QFY25 vs. INR714b in 2QFY25. All AMCs maintained an upward growth outlook for SIP flows (INR265b), despite weak market sentiments. The yield trajectory for the industry has been improving (flattish to marginal decline), owing to: 1) corrective actions for commissions, 2) increased TER in a few debt schemes, and 3) a decline in AUM due to MTM, leading to an increase in TER. Other income for all players was impacted due to adverse equity market movements. The consistent growth momentum in the industry resulted in a 40% YoY growth in CAMS' PAT, supported by strong growth in the MF business and an improving mix of equity AUM in the total MF AUM (55.3% vs 49.8% in 3QFY24). 360ONE continued to witness strong ARR flows, offsetting the sequential decline in ARR yields.
- **Surrender charges hit lower than expected; VNB margins impacted by product mix:** Private life insurance players reported decent premium growth. The impact of surrender charges on the margins of private life insurers was minimal, as guided by managements. However, the shift in product mix towards ULIPs led to a contraction in VNB margins during the quarter. HDFCLIFE/SBILIFE/ IPRU reported APE growth of 12%/13%/28% YoY. VNB margins for HDFCLIFE/ SBILIFE/ IPRU contracted 140bp/46bp/170bp YoY.
- **Weak growth in premiums, partly due to regulations:** The general insurance industry's growth rate is currently on a slow trajectory, due to 1) weak infrastructure investments, 2) slow credit growth, 3) weak trends in motor sales growth, and 4) change in accounting norms for the long-term business. STARHEAL has repriced 65% of its retail health portfolio to offset the impact of medical inflation. It has already adopted the 1/365 method for URR and, hence, expects no significant impact of the 1/n regulation. ICICIGI's retail health segment saw strong growth due to new product launches, while its group health segment posted weak growth due to lower attachment of credit-linked products and rising competitive intensity. The motor segment's loss ratios improved considerably due to reserve releases. ICICIGI/STARHEAL registered a YoY NEP growth of 17%/15%, while their PAT grew 68%/dipped 26% YoY.

**Valuation and view:** Capital market activities slowed down due to weak market sentiments and regulatory changes. We believe that the impact of F&O regulations will be transient in nature and affect the profitability of players like ANGELONE in the short term. Following the resetting of the base in 4QFY25, we expect a gradual recovery in activity. While ANGELONE would be a big beneficiary of the recovery, BSE is expected to sustain its outperformance going forward. Given the market correction, AUM growth for AMCs, CAMS, and KFin will be restricted. However, the rising share of non-MF businesses and stable yields should help cushion the impact. Wealth managers will be impacted by MTM, but inflows are expected to remain strong. Life insurance companies should see an improvement in VNB margins as the product mix shifts towards retail protection and annuities. Slower auto sales growth and weak capex are likely to impact growth prospects for general insurance players. Our top picks in capital markets are BSE, ANGELONE, and HDFC AMC. In insurance, our preference continues to be HDFCLIFE and SBILIFE.

- **Surprises:** HDFCAMC, ABSL AMC, 360 ONE WAM
- **Misses:** IPRU, CDSL, NAM, MCX

#### Guidance highlights:

- **360ONE:** The acquisition of B&K Securities (4.2% dilution) adds research capabilities and provides an entry into IB. With cost alignment, the acquisition is expected to be EPS accretive. Revenue mix outlook: TBR at 20-25%, NII at 20%, and core ARR income at 60%. AUM growth guidance is 20-25%, with 10-12% from net flows. The ET Money acquisition has secured regulatory approval, with a target of 25-30% revenue growth and 30-40% PAT growth.
- **ANGELONE:** Management expects ~18-20% impact on broking revenue from F&O regulations, with mitigation possible through pricing actions and other levers. Additionally, the increase in lot size regulation is expected to drive higher activity in the cash segment, thus positively impacting revenues. Customer addition growth is expected to remain intact. The company has been actively progressing in diversified streams.
- **CAMS:** Non-MF revenue share declined to 12.3%, as growth in the MF segment outpaced that of non-MF revenues. The company aims to raise non-MF contribution to 20% in 2-3 years, with strong growth expected in the CAMPay/CAMSKRA/AIF segments. It expects a >3.5% decline in yields in FY26, (a periodic industry adjustment every 6-7 years), with no major EBITDA margin impact. The expenses are expected to largely remain stable, with employee/opex at 32-33%/8-8.5% of revenue.
- **BSE:** Growth will be driven by improved premium turnover quality, lower settlement fees from reduced contracts, increased participation in long-term contracts, and colocation rack implementation. The impact of regulations led to a 95% decline in Bankex notional volumes, while Sensex volumes saw a minimal decline. Premium turnover remained stable, with higher turnover on non-expiry days.
- **NUVAMA:** Continued focus on annuity and ARR assets in the private business, along with MPIS in the wealth business, resulted in robust flows and an increase in clients. Investment in technology, RM additions, and geographic expansions continue to remain key focus areas across businesses.
- **HDFC AMC:** It aims to establish a presence across all SEBI-approved segments, catering to both institutional and individual investors. Management plans to strengthen its market share by revamping its existing product suite rather than launching new products. The company is optimistic about new asset class regulations, viewing them as an opportunity for greater flexibility and risk-reward optimization. Expense growth is expected to be in the range of 12-15% YoY.
- **NIPPON AMC:** NAM has rationalized the Large and Multi-Cap schemes (~50% of AUM Book) to mitigate the impact of the telescopic structure on yields. Further rationalizations will be evaluated to manage yield decline. On the product side, the focus will be on launching more passive funds. Internationally, NAM is collaborating with subsidiaries and planning additional launches to drive revenue and profit growth.
- **ICICI:** The impact of 1/n regulation has been passed on to distributors. The company will continue to evaluate price hikes in the health segment while maintaining a comfortable retail indemnity loss ratio of 65-70%. It follows a calibrated approach in the employer-employee segment due to pricing pressure. Competitive intensity in the motor segment has slowed growth. A motor TP price hike is expected, subject to MORTH and IRDAI approval.
- **STARHEAL:** The company already follows the 1/365 method for URR, thus no significant impact is expected. The claims ratio remains high due to increased claims and medical inflation; however, the repricing of 65% of the retail health portfolio may offer relief over the next few quarters. The newly launched 'Super Star' is the top-selling product on digital platforms, web aggregators, and digital partners.
- **HDFCLIFE:** Management expects a 20-30bp margin impact from surrender charge regulation, well below the 100bp guidance. 4Q growth and margins are expected to remain stable with seasonality and an unchanged product mix. ULIP traction may decline with weak market sentiment for 9-12 months, but the company maintains a balanced diversification strategy.
- **SBILIFE:** No changes have been made to the commission structure due to the minimal impact of the new surrender guidelines, as the product mix is skewed towards ULIP. The company plans to add 40 (40 added in the last 12 months) additional agents in tier 3 and 4 locations, further increasing the number of agents. It has guided for individual APE/ total APE/absolute VNB/VNB margins at 15-17%/10-11%/higher single digit/27-29%.

- **LIC:** Management expects VNB margin to expand, driven by: 1) a shift to non-par products, 2) commission payout changes, 3) premium rate revisions for lower-margin products, and 4) a higher minimum ticket size for low-persistency products. APE growth will be supported by an increase in both ticket size and policy count. The focus on non-par growth has driven its share in individual APE to 27.3% (vs. 14% in 9MFY24).

INR m AMCs	Revenue			EBITDA			PAT		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)
HDFC	9,346	39	3	7,639	49	9	6,414	31	11
NAM	5,879	39	3	3,857	49	3	2,953	4	-18
ABSL	4,451	30	5	2,743	41	10	2,245	7	-7
UTI	3,754	29	1	1,906	68	4	1,736	-15	-34
<b>Broking/Exchanges</b>									
ANGELONE	8,895	29	-9	4,141	14	-31	2,816	8	-34
BSE	7,736	110	4	4,358	140	12	2,187	111	-37
MCX	3,014	57	6	1,931	NA	8	1,600	NA	4
<b>Wealth Management</b>									
360 ONE WAM	6,050	38	3	2,856	37	-1	2,749	42	11
Nuvama	7,229	30	-2	3,335	45	-4	2,527	43	-2
Anand Rathi	2,370	30	-2	1,070	34	3	773	33	1
Prudent Corporate	2,850	36	0	659	32	-4	482	35	-6
<b>RTA</b>									
CAMS	3,697	28	1	1,728	34	2	1,241	40	3
KFIN Technologies	2,900	33	3	1,306	33	3	902	35	1
CDSL	2,781	30	-14	1,606	22	-20	1,298	21	-20
<b>General Insurance</b>	<b>Gross Premium</b>			<b>Underwriting Profit/(Loss)</b>			<b>PAT</b>		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)
ICICI	64,745	1	-7	-1,523	NA	NA	7,244	68	4
STARHEAL	37,961	5	-13	-490	-143	NA	2,151	-26	93
<b>Life Insurance</b>	<b>APE</b>			<b>VNB</b>			<b>PAT</b>		
	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)	3QFY25	YoY (%)	QoQ (%)
HDFCLIFE	35,690	12	-7	9,300	9	-1	4,149	14	-4
IPRU	24,380	28	-3	5,170	19	-12	3,249	43	29
SBILIFE	69,400	13	29	18,700	11	29	5,508	71	4
MAXFIN	21,080	17	-3	4,890	0	-4	698	-54	-50
LIC	99,500	-24	-40	19,260	-27	-35	1,10,565	17	45

### HEALTHCARE: In line 3Q; sustained EBITDA growth despite seasonal headwinds/decline in US sales

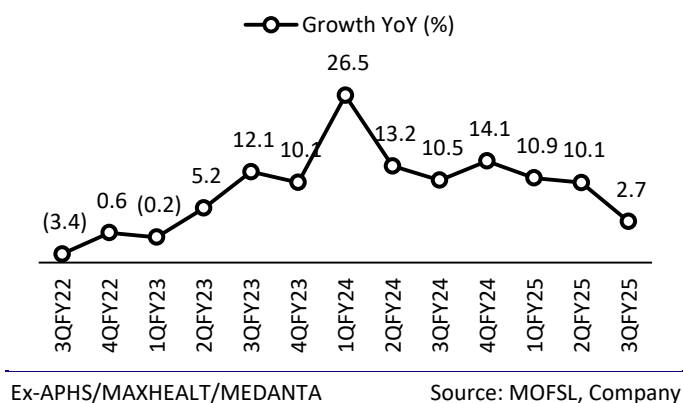
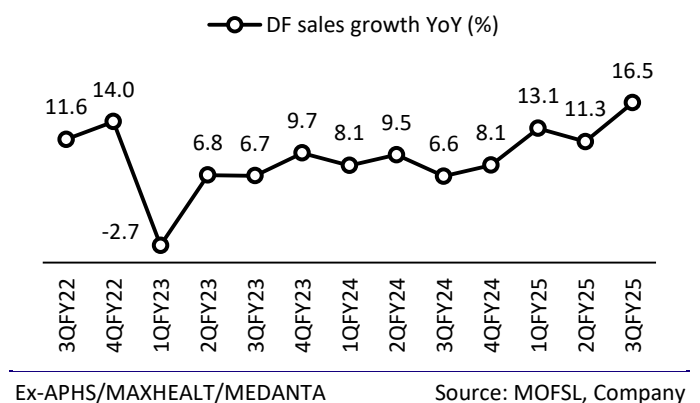
- Our coverage companies (excluding hospitals) reported in line sales/EBITDA/PAT in 3QFY25. On an aggregate basis for the pharma segment, despite moderate growth of 2.7% in the US, sales/EBITDA/PAT grew 10.5%/21.3%/24.6% YoY. EBITDA margins expanded 460bp YoY for 3QFY25. While FY24 was strong with Sales/EBITDA/PAT growth of 17%/26%/30%, 9MFY25 saw further momentum with revenue/EBITDA/PAT growth of 10%/20%/23% on a YoY basis.
- Overall performance at the aggregate level was driven by: a) a sustained contribution from niche products in the US generics segment, b) demand tailwind in chronic therapies, and c) elevated inventory levels of raw materials, which helped keep their prices in check. The aggregate performance was partly affected by reduced support from acute therapies.
- In the overall listed hospital space, Revenue/EBITDA growth has been on a robust uptrend, recording 22%/24% YoY, driven by an increase in volume growth (up 14% YoY) and supported by an ARPOB growth of 7% YoY. Occupancy inched up 100bp YoY to 61% for 3QFY25. During the quarter, there was an addition of ~4,800 operating beds in the listed hospital space on a YoY basis. Notably, ~1,690 beds were added on a QoQ basis. From the 3QFY25 performance perspective, APHS/MAX/MEDANTA were above our estimates. Medanta revenue growth was largely driven by volume, while ARPOBs remained largely stable.
- On the operational level, 13 companies reported better-than-expected EBITDA performance. PIRAMAL/LAURUS/GLAND/ALKEM beat our earnings estimates by 48%/24%/19%/15% for the quarter. ERIS and ZYDUS missed our EBITDA estimates by 8%/7% for 3QFY25.

- Out of 24 companies, 12 reported a better-than-expected performance. LAURUS/IPCA/CIPLA beat our earnings estimates by 47%/25.1%/15% for the quarter. 5 out of 20 companies delivered a miss on estimates. Despite strong operational growth, PIRAMAL missed our estimates by 65.8% for the quarter, owing to the high tax burden. Further, MANKIND missed our estimates by 24.1% owing to the high interest burden.
- **US sales** witnessed moderate growth of 2.7% YoY (in cc terms) to USD2.2b, on an aggregate basis, for companies under our coverage. Temporary lower off-take of niche products, lack of approvals (43 approvals in 3QFY25 vs 49 in FY24), increased USFDA observations, and steady price erosion in the base business led to a YoY moderation in US generics sales for the quarter.
- Among our coverage companies, despite a lower off-take of g-Revlimid, ZYDUSLIF delivered the highest YoY growth of 29% in US sales, led by Mirabegron sales, volume expansion in the base business, and new launches. LUPIN's US segment delivered 14% YoY growth, aided by the strong momentum in respiratory products, including Tiotropium/Albuterol, and new product launches like Mirabegron/Doxycycline. SUNP reported a 0.6% YoY decline in growth in US sales, owing to lower g-Revlimid sales. ALKEM contracted 7.3% YoY during the quarter. ARBP witnessed a 3.5% decline in US sales, driven by lower business from g-Revlimid, reduced production at the Eugia site, and lower transient product sales. Further, TRP declined 3% YoY due to slow approval and the ramp-up of the Dahej facility and Indrad plant, which was offset by new launches.
- On an overall basis, our coverage companies received approvals for 58 ANDAs (43 final approvals and 15 tentative approvals) in 3QFY25.
- On an aggregate basis, **Domestic Formulation (DF)** exhibited YoY growth of 16.5% in 3QFY25, driven by strong growth in Chronic therapies, which was offset by lower off-take in acute therapy. Among therapies, Urology/Cardiac/Derma/Ophthal /Anti Diabetic delivered 14.2%/12.1%/11%/9.9%/8.9% YoY growth, outperforming IPM (7.4% YoY growth). However, Anti-infectives/Respiratory/Gynae underperformed IPM by 530bp/300bp/440bp. Among our coverage companies, LUPIN/DRRD/IPCA delivered 14.8%/14.1%/13.4% YoY for 3QFY25. ERIS delivered 49.6% YoY growth, partly due to acquisitions.
- Among our coverage companies that have reported earnings so far, eight have seen marginal earnings upgrades, while 10 have seen earnings downgrades, with five experiencing massive downgrades. Moderate upgrades in FY25/FY26/FY27 earnings were seen for MEDANTA (2.6%/4%/2.5%), LAURUS (4.7%/2.3%/2.7%), and MAXH (2.6%/4.8%/2.8%). Conversely, PIRAMAL (62%/52.7%/43.5%) and BIOCON (83.2%/13%/3.5%) witnessed maximum downgrades, while GRANULES (8.2%/6.3%/6.2%), MANKIND (12.3%/8.5%/5.8%), and APOLLO (3.1%/4.2%/4.7%) witnessed marginal downgrades in earnings estimates.
- **Top picks:** Sun Pharma, Max Healthcare, Medanta, IPCA Lab
- **Surprises:** LAURUS, IPCA, CIPLA, GLAND, ALKEM, MEDANTA
- **Misses:** PIRAMAL, BIOS

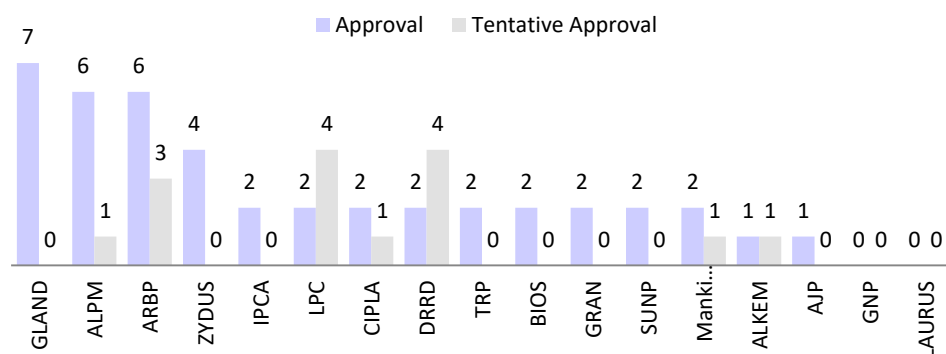
#### Guidance highlights

- **SUNP** has reduced its guidance for R&D spending to sub-7% from 7-8% earlier. The trial related to Leqselvi is expected to start in Apr'25. SUNP remains focused on new introductions, which will be one of the growth drivers for the DF market.
- **DRRD** expects to file abatacept biosimilar in Dec'25 for US markets. It expects steady growth momentum in the Russian market. DRRD indicated that Canada, India, and Brazil will be the initial focus markets for Semaglutide over the next 12-18 months. It expects SGA expenses to be 28% of sales in FY25.
- **DIVI's** Phase 2 of Kakinada will be commissioned in the next six months. The company has shifted to the new tax regime, resulting in a lower tax rate of 19% in 3QFY25. DIVI indicated that logistics costs are softening, given the ease of geopolitical pressures and gradual return to the shorter route of the global supply chain.
- **CIPLA** aims to end FY25 with higher-than-guided EBITDA margin of 24.5%- 25.5%. It has filed g-Advair from its US facility and expects a launch in 1HFY26, subject to the USFDA inspection and approval. The company expects to launch g-Abraxane in 2HFY26, indicating some delays. CIPLA expects Symbicort approval in 18 months.
- **BIOS** maintains growth outlook for 2HFY25 and FY26 at the group level. It expects to sustain EBITDA margin at 22-23% over the next 18-24 months at the BBL level. It plans to launch bUstekinumab in the US/EU market in Feb'25.

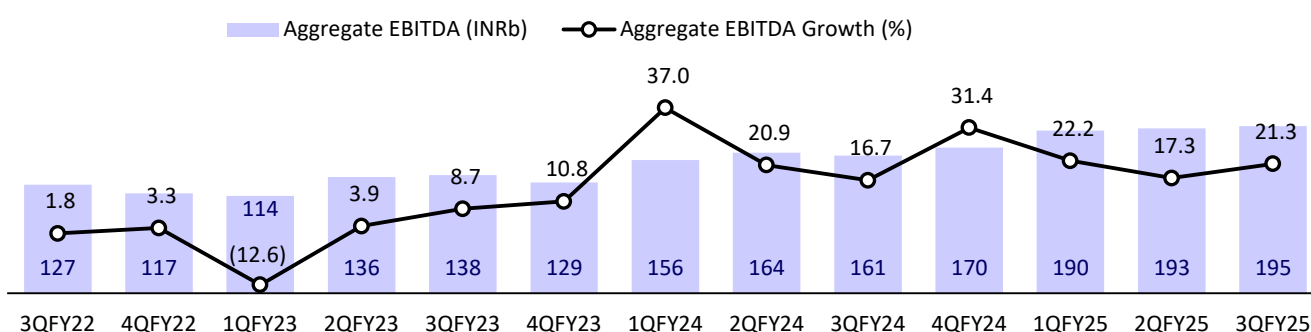
- **LPC** expects EBITDA margin to be 23-23.5% for FY25. It expects a double-digit YoY growth in the US business vs. the earlier guidance of a single-digit YoY growth for FY25. R&D spending will be INR18b for FY25, implying R&D expense to be higher for 4QFY25.
- **ZYDUSLIF** aims to maintain momentum in g-Revlimid sales in FY26. It expects high single-digit growth in the US business over the next 12-15 months. ZYDUSLIF is set to commercialize CUTX-101 after the USFDA approval.
- **APHS** has secured all the necessary regulatory approvals for insurance products through Apollo 24/7, and the business will be reflected from 4QFY25 onwards. Pune, Kolkata, and Delhi are set to begin in 1HFY26, followed by Gurgaon and Hyderabad in 2H. Kolkata/Delhi are expected to achieve EBITDA break-even in 12M.
- **LAURUS** has reiterated its 20% EBITDA margin guidance for FY25. It expects 4QFY25 to witness a further scale-up in business compared to 3Q. The tech transfer for the KRKA JV is on track, with fully expanded formulation lines set to come online by Dec'25.
- **GLAND** intends to add one more line to produce 100m dosages per annum, with the capex largely completed. Some capacity will be commercialized in FY26 for the ROW/Canadian markets, while the majority will start by end-FY27. Gland remains confident that the Cenexi business will be EBITDA positive in FY26.
- **TRP** will commence the dispatches of insulin CMO sales in Jan'25. 4QFY25 will witness additional business due to the spillover from the earlier quarter. It aims to maintain a 32.5% EBITDA margin in 4QFY25. The company expects high single-digit YoY growth in its Germany revenue in FY25, led by incremental tender wins.
- **IPCA** has guided a standalone EBITDA margin of 23-24% and a consolidated EBITDA margin of 19.0-19.5% for FY25. IPCA has seven to eight products in the pipeline for the US market. Unichem – 3/4 product launches can be expected on an annual basis for the next 4-5 years.
- **MAXHEALTH** expects the Dwarka hospital to achieve break-even within six months of launch in Dec'24. MAXH plans to commission its 500-bed 'built-to-suit' Thane hospital by CY28. By 3QFY26, 300 beds at the Sector 56 Gurgaon hospital are likely to be completed.
- **MEDANTA** will lease a 110-bed newly-built hospital in Ranchi. It aims to invest about INR500m in medical equipment at this site and commence operations from 1QFY26. The Noida Hospital will commence in the next 1Q/2QFY26.

**Exhibit 88: US sales up 2.7% YoY in 3QFY25 (CC terms)****Exhibit 89: DF sales grew 16.5% YoY in 3QFY25**



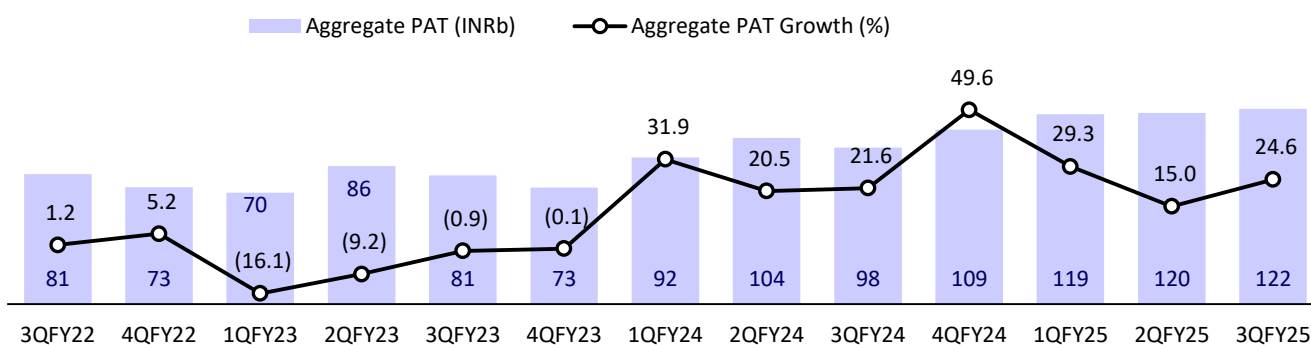
**Exhibit 90: 43 final ANDAs approved on an aggregate basis for our coverage universe in 3QFY25**

Source: MOFSL, Company

**Exhibit 91: Aggregate EBITDA up 21.3% YoY to INR195b in 3QFY25 for the pharma universe**

Ex-APHS/MAXHEALT/MEDANTA/SOLARA

Source: MOFSL, Company

**Exhibit 92: Aggregate PAT up 24.6% YoY in 3QFY25 for pharma companies under our coverage**

Ex-APHS/MAXHEALT/MEDANTA/SOLARA

Source: MOFSL, Company

**Exhibit 93: USFDA inspection history of our coverage companies for the quarter**

Company	Inspection Date	Inspection Facility	Outcome	Observations
Alembic	Nov-24	OSD F4- Jarod	Form 483	5
	Oct-24	Injectable and oral solid F-2 -Panelav	No Form 483	0
Granules	Jun-24	FD - Gagillapur	EIR	OAI
	Nov-24	Unit V Facility	EIR	NAI
Biocon	Sep-24	Drug Substance Facility- Bengaluru	EIR	VAI
Zydus Lifesciences	Oct-24	Transdermal manufacturing facility	EIR	VAI
Cipla	Nov-24	Virgonagar- Bengaluru	Form 483	8
	Oct-24	Goa	EIR	VAI
Lupin	Oct-24	Biotech Facility- Pune	Form 483	5

Source: MOFSL, Company



**Exhibit 94: Performance of top therapies in Dec'24 - (INR b)**

Company	MAT Dec'24 value	Market share (%)	Growth (%)	YoY growth (%) in the last eight quarters								One month
				Mar'23	Jun'23	Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Dec'24
<b>IPM</b>	2,293	100.0	7.6	3.5	9.2	7.1	8.1	5.7	9.0	8.2	7.4	6.5
Cardiac	294	12.8	11.9	7.0	10.4	9.3	8.4	10.9	12.5	12.1	12.1	10.3
Anti-Infectives	251	10.9	3.4	6.0	10.4	0.1	7.8	-3.1	6.5	8.0	2.2	4.4
Gastro Intestinal	246	10.7	8.7	-1.9	5.5	8.6	9.4	5.5	11.5	9.9	7.6	5.7
Anti Diabetic	204	8.9	8.2	0.5	6.6	4.8	5.7	7.1	7.6	9.1	8.9	7.4
Respiratory	182	7.9	1.5	30.2	11.6	0.0	5.5	-2.8	1.7	2.8	4.4	7.7
Pain / Analgesics	183	8.0	7.5	-1.6	11.0	7.3	8.3	5.9	8.4	7.7	7.7	5.5
Vitamins/Minerals/Nutrients	179	7.8	7.9	-4.5	6.5	7.4	8.6	6.6	8.8	8.0	7.9	6.5
Derma	160	7.0	9.7	-3.0	8.5	5.6	3.5	8.1	9.8	9.7	11.0	7.5
Neuro / Cns	138	6.0	8.3	2.9	9.3	8.2	8.8	8.0	8.4	9.3	7.7	5.7
Gynaec.	112	4.9	4.3	-1.6	5.5	8.3	6.8	5.2	6.2	2.8	3.0	0.0
Antineoplast/Immunomodulator	60	2.6	15.9	11.0	21.7	25.6	24.3	21.6	21.1	11.8	10.5	9.1
Ophthal / Otologicals	44	1.9	3.5	2.2	10.0	20.0	0.9	4.0	5.2	-3.8	9.9	8.7
Urology	51	2.2	13.8	5.4	14.8	14.4	12.4	14.0	13.8	13.2	14.2	10.4
Hormones	35	1.5	5.4	10.2	11.7	8.0	6.1	3.2	8.7	5.3	4.5	4.3

Source: IQVIA, MOFSL

**Infrastructure: Sluggish awarding activity during 9MFY25; delays in appointed dates hurt execution**

- **Execution deteriorates YoY in 3Q amid delays in appointed dates and sluggishness in awarding activity:** Infrastructure companies within our coverage universe (excluding IRB) reported 19% YoY revenue de-growth in 3Q FY25, primarily because of delays in land acquisition and subsequent delays in Appointed Date (AD) for several projects and sluggishness in project awarding by NHA. KNR/GRIL's revenue declined 22%/17% YoY during 3QFY25. GRIL faced a slowdown in execution primarily due to fewer projects under execution. NHA awarding was sluggish over 9MFY25, and both KNR and GRIL are exploring non-road infrastructure opportunities such as power transmission projects, water projects, and solar EPC projects to diversify their order book. The management teams of KNR and GRIL have guided a decline in FY25. Execution is likely to improve from FY26E onwards across our coverage companies.
- **Awarding activity remains subdued in YTD FY25; pipeline robust:** Awarding activity by NHA has been subdued with ~1,600km of projects awarded in YTD FY25 vs. a target of ~5,000km of awarding in FY25. While there is a huge tender pipeline, order inflows could kick in materially only in FY26. Management of GRIL has guided an order inflow target of INR170b in FY25, while that of KNR has guided an order inflow of INR60-80b in the next 3-4 months. Despite sluggishness in awarding activity by NHA, both companies will be focused on diversification of the order book towards non-roads segments.
- **Elevated input costs keep margins under check:** Companies within our coverage reported a 20bp YoY improvement in EBITDA margin. Though steel and aluminum prices have corrected ~30% from their highs in Apr'22, the prices continue to remain at elevated levels. Cement prices have dipped ~10% from their highs in Oct'23.
- **Focus on asset monetization:** NHA had set a monetization target of ~INR540b at the beginning of FY25 and has established an asset monetization cell for the same. NHA sets up an asset monetization cell for the same. The cell will advise on planning, conduct market analysis, and identify high-revenue assets. In line with the National Monetization Plan (NMP), NHA's total asset monetization program has surpassed INR1t, which includes INR499b through TOT, INR259b through Infrastructure Investment Trust (InvIT), and INR420b through securitization.
- **Top picks:** Awarding activities by NHA and execution have been muted and are expected to improve only in FY26. Companies with decent order backlogs, a solid financial position, and involvement in multiple segments are well-positioned to benefit in the near to medium term. Our preferred choice in the space is KNR.

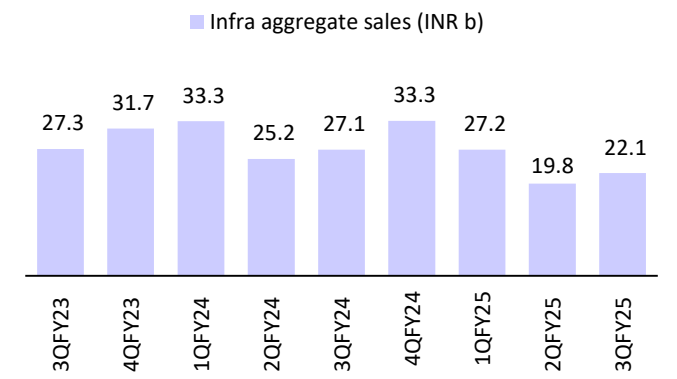
**Guidance**

- **GRIL:** The company has bid for projects worth ~INR140b and expects awarding of INR21b in roads by Feb'25. FY25 order inflow is revised downwards to INR170b from INR200b earlier, with FY26 guidance at INR200b,

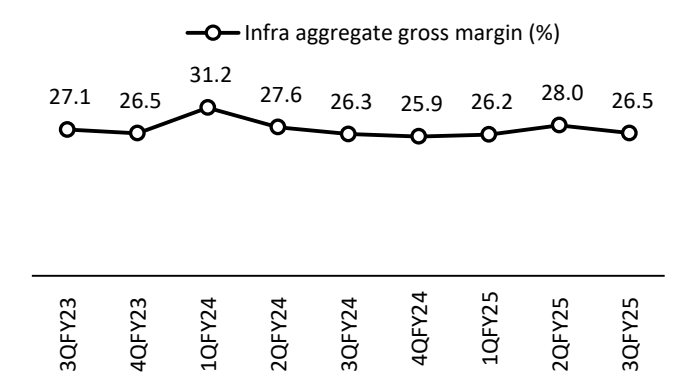
including 25-30% from transmission and ~40% from roads. It forecasts a ~10-12% decline in revenue in FY25 but a 9-12% growth in FY26 driven by the EPC projects.

- **KNR:** Management expects a 10-15% revenue decline in FY25 due to a lower order book and payment delays but anticipates recovery to INR35-40b in FY26 and further growth in FY27. It targets INR80-100b in new orders and monetization of four HAM assets by Dec'25. KNRC plans to expand into mine development and BOT toll projects with Adani and Cube Highways while bidding across highways, irrigation, and urban infrastructure projects in South India.

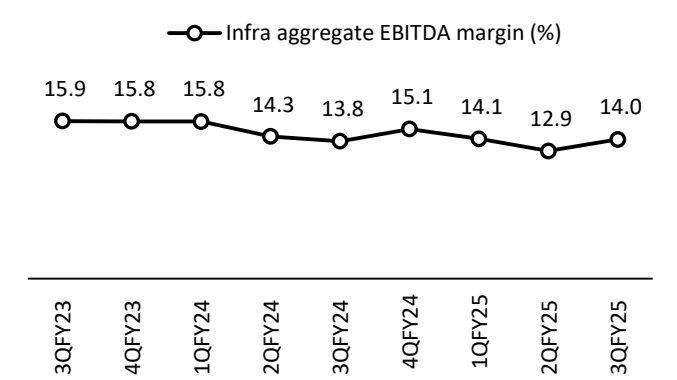
**Exhibit 95: Revenue dipped ~19% YoY for our coverage universe**



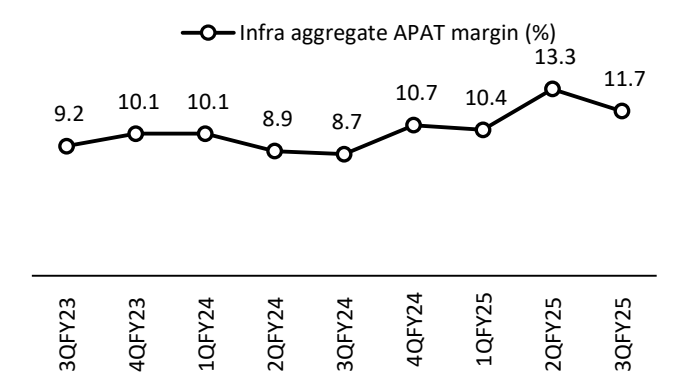
**Exhibit 96: Gross margin remained flat on a YoY basis**



**Exhibit 97: EBITDA expanded on YoY and QoQ basis**



**Exhibit 98: APAT margin improved on a YoY basis**



Note: Data in charts above is for our coverage universe excluding IRB

## Logistics: Volumes remain muted amid a slowdown in consumption; private port operators witness a soft growth in tonnage

- **Logistics activity remains muted; cargo volumes at ports remain subdued due to geopolitical challenges:** Logistics activity remained subdued due to challenges like a slowdown in consumption, market fluctuations, and rising labor costs. Express logistics saw volume decline owing to muted demand and competitive pressure. Logistics companies (excluding APSEZ and JSWINFRA) achieved ~8% YoY revenue growth. Volume growth improved in Jan'25, and organized freight operators expect the volume momentum to improve in the remaining months of FY25. Multimodal logistics operators outperformed pure freight and express logistics. APSEZ and JSWINFRA reported 4% and 5% YoY growth in cargo volumes, respectively. In 9MFY25, APSEZ managed ~27% of the country's total cargo and ~45% of container cargo. With volume ramp-up at recently acquired ports/terminals, volumes are expected to be strong ahead for APSEZ and JSWINFRA.
- **Margins remain flattish on a YoY basis due to muted volume growth and high operating expenses:** Gross margin for our coverage universe, barring APSEZ and JSWINFRA, stood at 29.4% in 3QFY25 (up 10bp YoY but down 80bp QoQ). Flat margins on a YoY basis could be attributed to muted volumes during the quarter while operating expenses such as fuel prices and toll charges remained high. EBITDA margin for our coverage universe,

excluding APSEZ and JSWINFRA, contracted 10bp YoY and 90bp QoQ to 13.2%. APSEZ's margin stood at 60.3% (down 20bp YoY and 150bp QoQ), while JSWINFRA's margin was ~50% (down 150bp YoY and 240bp QoQ).

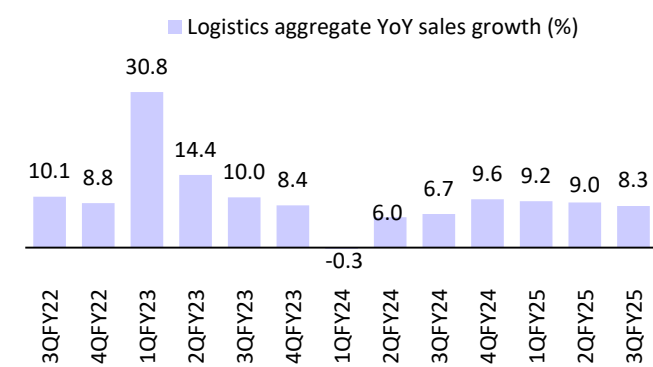
- **Organized players with a pan-India network and technological advantage to gain higher market share:** The introduction of GST and e-way bills, and reduced e-invoicing turnover limits have driven businesses to partner with organized logistics providers. Express companies are expanding their infrastructure and digitalizing operations. This positions them to capture higher volumes. The government's port privatization efforts offer opportunities, with APSEZ and JSWINFRA well-placed to benefit due to their strong balance sheets.
- **Top picks:** JSWINFRA is our preferred choice in this space.

#### Guidance

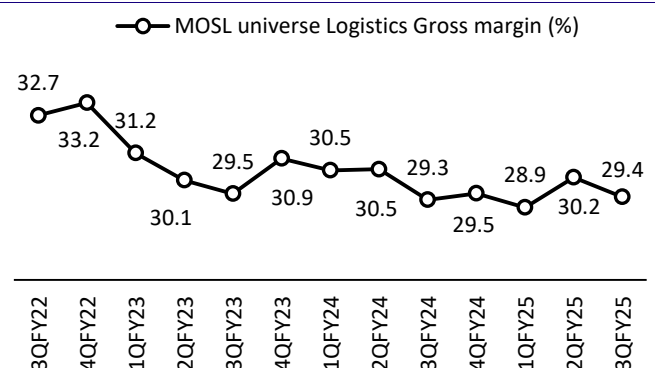
- **APSEZ:** In FY25, APSEZ expects cargo volumes of 460-480mmt, revenue of INR290-310b, EBITDA of INR188-190b, and a net debt-to-EBITDA ratio of 2.2-2.5x. It plans a capex of INR115b, primarily for ports, logistics, and renewables, including 1,000MW of solar and wind power with imported panels from China.
- **JSWINFRA:** Port capacity is set to reach 400 MTPA by FY30, with the current capacity rising to 174 MTPA. Management targets INR80b revenue, INR20b EBITDA, and INR90b capex for JSW Ports Logistics Ltd. EBITDA margins stand at 50-53% for port cargo and over 85% for the UAE oil tank terminal, boosting overall profitability.
- **VRLL:** Management expects 12-13% revenue growth in 4QFY25, driven by better realizations, with 1% volume growth. In FY26, revenue is projected to grow 12-13%, with volume growth normalizing to 8-10%. EBITDA margins should remain around 18%, aided by bulk fuel savings. Capex will normalize to INR1.5-1.6b in FY26 after higher spending on hub acquisitions in FY25.
- **TRPC:** It expects 10-15% revenue and PAT growth in FY25, driven by the supply chain segment. The company plans INR2.5b in capex for FY25, including INR800m for advance payments for new ships. Capex for FY26/FY27 is expected to be around INR2.5b.
- **BDE:** CY24 capex was INR622m, far below the INR13b budget due to market conditions. Margins are expected to remain stable or improve. Surface express is expected to grow in double digits, while air express is anticipated to grow at ~5%.
- **CCRI:** EXIM volumes saw double-digit growth in Jan'25, a trend expected to continue through Mar'25. CCRI has commissioned five MMLPs under DFC to drive future growth. With robust EXIM and domestic demand, CCRI aims to handle 5M TEUs in FY26.
- **MAHLOG:** The B2B express business is expected to achieve EBITDA breakeven in the next two quarters. MLL aims for INR100b revenue and 18% RoE by FY26, driven by 3PL growth and network expansion. Enterprise mobility growth is anticipated to benefit from new airports in Noida and Navi Mumbai.
- **TCIE:** Weak volume growth, particularly from MSME customers, and higher costs led to a weak performance in 3Q. TCIE has outlined a capex plan of INR5b over FY23-FY27, with INR3.1b allocated for 4QFY26 and FY27. The multimodal express segment is expected to contribute 20-22% of total revenue over the next 2-3 years.

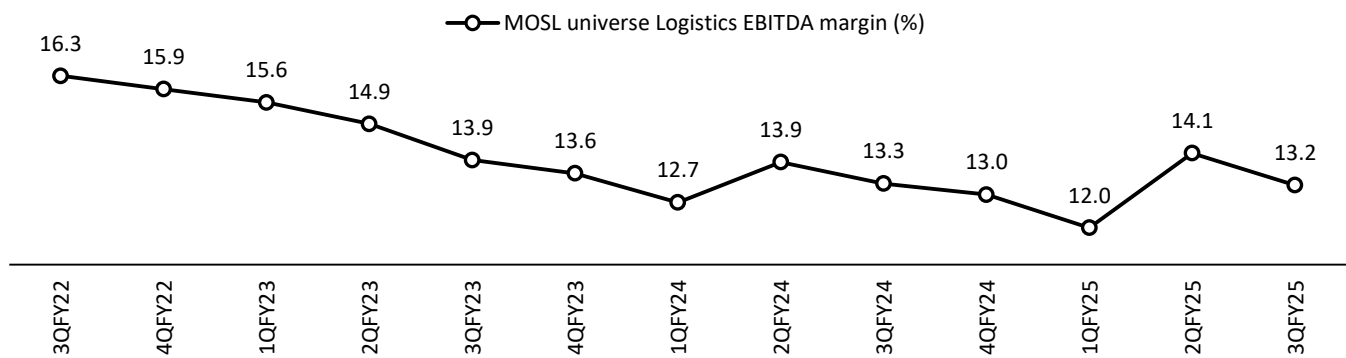
#### Exhibit 99: Sales improved ~8% YoY for our Coverage

##### Universe



#### Exhibit 100: Gross margin remained flattish on a YoY basis



**Exhibit 101: EBITDA margin remained flattish on a YoY basis primarily due to muted volume growth**

Note: Data in charts above is for our coverage universe excluding APSEZ &amp; JSWINFRA

Source: Company, MOFSL

**METALS: Weak NSR drags operating performance; muted input costs cushion margin contraction****■ Volumes improve QoQ across the board**

**Ferrous:** The companies within our coverage universe reported sales volume growth of 11% YoY and 6% QoQ. This growth was primarily driven by the resuming of construction activity and softening imports, coupled with a low base effect. Various management teams guided healthy volumes in 4QFY25 on account of the busy construction period.

**Non-Ferrous:** HNDL's domestic aluminum volume grew 2% YoY (+3% QoQ), while copper volume remained flat YoY (+3% QoQ). Novelis (HNDL's overseas aluminum business) saw a marginal volume dip of 1% YoY and 4% QoQ, caused by moderate demand. Vedanta posted 3% YoY and 1% QoQ volume growth for the aluminum business, while the domestic zinc business (HZ) saw a volume decline of 1% YoY (+2% QoQ) on account of the planned maintenance shutdown. NACL reported alumina sales growth of 9% YoY and 32% QoQ due to demand-supply mismatch, while metal sales dipped 7% YoY and 12% QoQ.

**Mining:** COAL's sales (dispatches) inched up 1% YoY and 16% QoQ to 194mt, driven by the resumption of mining activity, while NMDC's sales rose +5% YoY and 20% QoQ to 11.9mt.

**■ Ferrous ASP declines QoQ; non-ferrous has benefitted from favorable pricing:** Aggregate revenue for the ferrous companies under coverage grew 3% YoY and was flat QoQ as healthy volume growth was offset by weak NSR. Apart from JSPL, the industry average realization declined by ~10% YoY and ~3% QoQ (JSPL ASP +2% QoQ led by a higher long product mix). The weakness in ferrous pricing, especially flats was due to the higher imports. Aggregate revenue for non-ferrous companies increased 12% YoY and 3% QoQ led by favorable pricing during the quarter. HNDL reported revenue growth of +11% YoY and flat QoQ, whereas the HZ/VEDL revenue grew by +18/10% YoY and +4% QoQ for both in 3QFY25.

**■ Ferrous EBITDA/t has been hit by weak ASP QoQ; non-ferrous delivers strong growth:** a) **Ferrous:** Aggregate EBITDA for our coverage company declined 5% YoY due to weak ASP, while it grew 17% QoQ aided by healthy volume growth. EBITDA/t for JSTL stood at INR8,314/t (down 30% YoY and 6% QoQ); similarly, JSPL reported an EBITDA/t of INR11,494/t (down 27% YoY and 3% QoQ). Tata Steel's EBITDA/t came in strong at INR9,268/t (+15% YoY and 26% QoQ) led by a one-off other expense reversal of INR14b. Further, the EU's operating loss reduction from USD77/t to USD42/t benefited the company. b) **Non-ferrous:** EBITDA for non-ferrous companies surged ~37% YoY and 9% QoQ due to strong pricing and muted costs during the quarter. The biggest improvement was visible in NACL, which benefited from higher alumina sales and favorable pricing.

**■ Weak operating profit drags PAT for ferrous companies:** Aggregate APAT for ferrous companies declined 49% YoY but jumped 64% QoQ in 3QFY25, fueled by better volumes. In contrast, non-ferrous companies' aggregate APAT increased 69% YoY and 8% QoQ during the quarter.

**Capacity enhancement:** a) **Ferrous:** TATA is doubling its domestic crude steel capacity to 40mt from 21mt. The 2BF at Kalinganagar was commissioned, and other associate facilities will be commissioned in the coming years. Similarly, JSP is doubling its finished steel capacity to 13.75mt (with a capex INR310b) from 7.25mt by FY26. JSTL's 5MTPA Vijayanagar integrated facility (Sinter and BF) was commissioned, and SMS has been under commissioning. JSTL's other expansions, such as Dolvi phase-III and debottlenecking, are likely to take the capacity to 42mtpa by Sep'27E. SAIL plans to increase its capacity from 20mtpa of crude steel to 35mtpa by the end of FY31 in a phased manner.

**b) Non-ferrous:** Novelis's (HNDL) Bay Minette facility is expected to be completed in 2HCY26 and would take 18-24 months to fully ramp up. VEDL's Lanjigarh Train-1 is ramping up steadily, and the ongoing Train-2 expansion of 1.5mtpa is expected to be completed in Q4FY25. NACL's 1mtpa 5th stream alumina refinery expansion is underway and is expected by Dec'25, also planned for a new aluminum smelter capacity of 0.5mtpa by FY30.

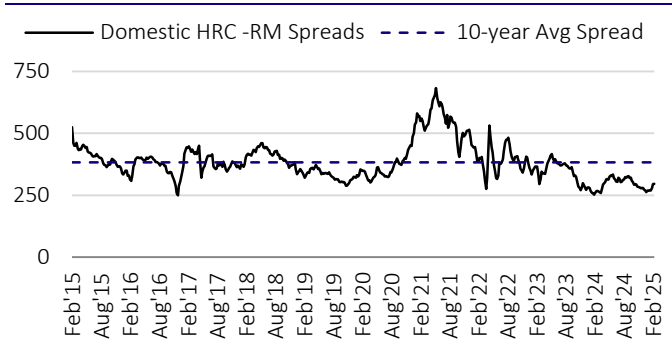
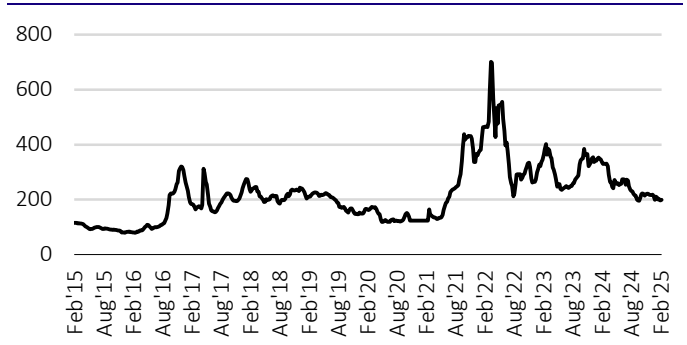
■ **Top picks:** COAL and JSTL

■ **Surprises:** SAIL and NACL

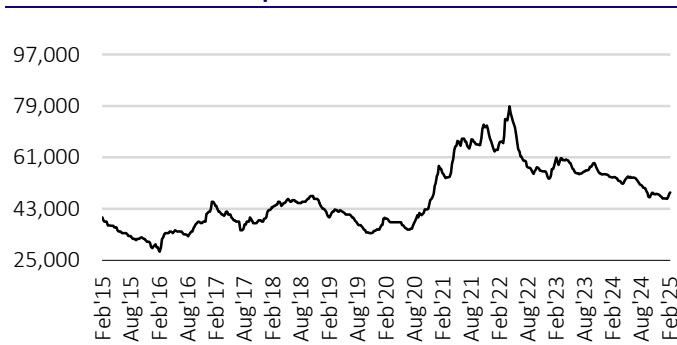
#### Guidance highlights:

- **TATA:** Management expects NSR for domestic operations to be flat QoQ in 4QFY25, while the Netherlands/UK NSR to decline GBP60/t QoQ in 4QFY25 due to the renewal of annual contracts. Coal costs on a consumption basis will fall by USD10/t QoQ for India operations and in the Netherlands costs are anticipated to be USD20/t QoQ lower in 4QFY25. Considering the current pricing/demand environment, management expects the UK business to break even soon.
- **JSTL:** Management foresees the coking coal costs to be USD10-15/t lower QoQ for 4QFY25 and indicated that iron ore prices might soften. JSTL has guided for consolidated capex of ~INR160b in FY25. The commissioning of three new mines is on track; one mine will be commissioned in 4QFY25 and the other two mines in 1QFY26.
- **JSP:** Coking coal cost is expected to be USD10/t lower in 4QFY25, and earnings are likely to be better in 4QFY25 driven by better volumes and realization. Management indicated that NSR will remain flat QoQ and iron ore costs will moderate INR100-200/t in 4QFY25. Of the total ~INR310b capex announced for Angul, JSPL has spent ~INR236b so far, and the remaining INR74b will be spent in FY26. Management has proposed an additional capex of INR160b for efficiency to be spent over FY26-28.
- **SAIL:** For 4QFY25, management expects coking coal costs to decline further by INR1,000/t QoQ. Management guided to achieve a sales volume of 17.5mt for FY25. SAIL plans to expand capacity by 15mtpa with a total outlay of INR1.1-1.15t by FY31, with phase-wise approvals. In Phase I, three plants (IISCO-Greenfield, Bokaro, and Durgapur) have received Stage-1 approvals, and SAIL will be adding ~7.5mtpa with a capex outlay of INR550-560b.
- **NMDC:** Management has guided for a volume of 16mt in 4QFY25, achieving its volume guidance of 50mt for FY25. Going forward, management expects a volume of 53mt in FY26 and 60mt in FY27, with an incremental loading of ~6-7mt from two new lines (line-4 in Bacheli and line-13 in Kirandul). Management indicated that NMDC was able to hold up iron ore prices in a steel price downturn and aims to maintain the prices amid severe headwinds. Management targets to complete the 2mtpa pellet plant (which could be upgraded to 6mtpa) by CY25-end.
- **HNDL:** Hindalco's coal cost remained stable, with 50% sourced through linkage and 50% from e-auctions. Management guided that the new captive coal mines (Chakla + Meenakshi coal mine) will reduce the company's coal costs by 30% for FY28. HNDL hedged ~35% of its aluminum at USD2,600/t for 4QFY25 and secured 12% hedging at USD2,700/t for FY26. Global beverage cans' demand remains strong. Strong demand in beverage packaging shipments offsetting muted specialty and Europe and China automotive.
- **VEDL/HZ:** Earlier, the Gamsberg mine faced production constraints due to geotechnical issues and under-stripping, which have now been largely resolved. Management expects alumina costs to be close to USD320-325/t for the coming year. Management targets to exit Zinc COP at USD1,000/t by FY26-end and below USD1,000/t by FY27-end. Konkola Copper Mines (KCM) is ramping up steadily, with the current run rate of 160-175 KT copper per year, expected to reach 200 KT per year in FY26.



**Exhibit 102: Domestic spot steel spreads (USD/t) contracted and currently below the LTA****Exhibit 103: Coking coal (USD/t) moderated significantly from the peak and now range-bound at USD200-210/t**

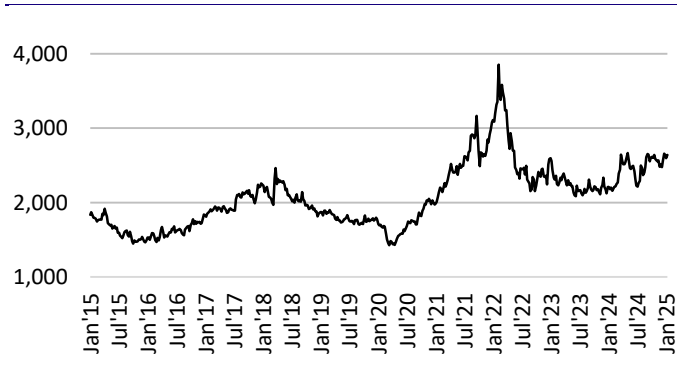
Source: MOFSL, Steelmint

**Exhibit 104: HRC (INR/t) has fallen to INR46,500/t on account of elevated imports**

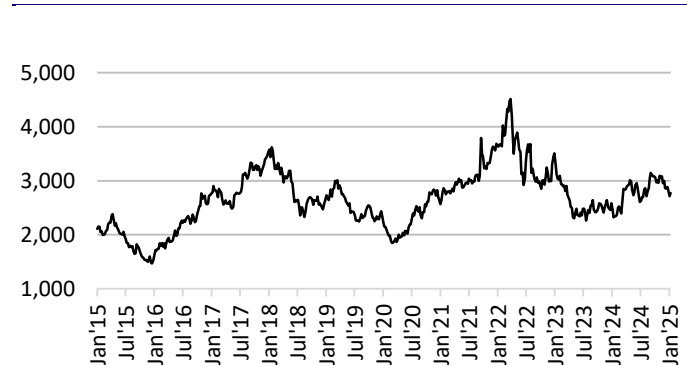
Source: MOFSL, Steelmint

**Exhibit 105: Rebar (INR/t) prices resilient at 53,000/t level with increasing construction activities post-monsoon.**

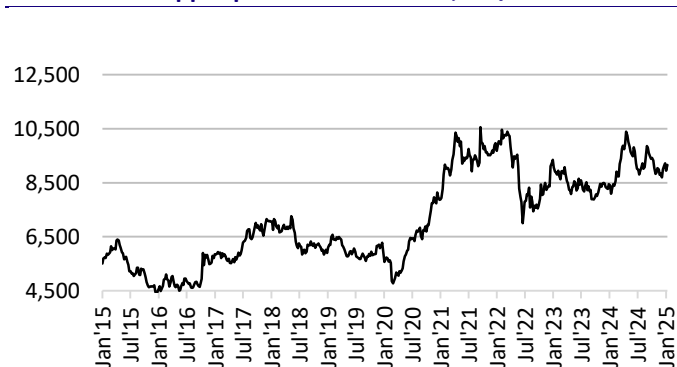
Source: MOFSL, Steelmint

**Exhibit 106: Aluminum prices at ~USD2,600/t**

Source: MOFSL, Bloomberg

**Exhibit 107: Zinc prices slipped from USD3,100/t levels**

Source: MOFSL, Bloomberg

**Exhibit 108: Copper prices back to USD9,000/t levels**

Source: MOFSL, Bloomberg

**Exhibit 109: Lead prices softened below USD2,000/t**

Source: MOFSL, Bloomberg



**Exhibit 110: EBITDA/t for steel companies under our coverage (consolidated)**

EBITDA/t	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
JSW Steel	12,340	12,438	11,967	9,100	9,003	8,869	8,314
Tata Steel	7,186	6,037	8,031	8,271	9,059	7,343	9,268
SAIL	4,250	4,429	5,638	3,879	5,536	3,111	4,582
JSPL	14,283	11,372	15,705	12,162	13,585	11,893	11,494

Source: MOFSL, Company

**OIL & GAS: OMCs – refining recovers, marketing remains robust; APM de-allocation dents CGD margins**

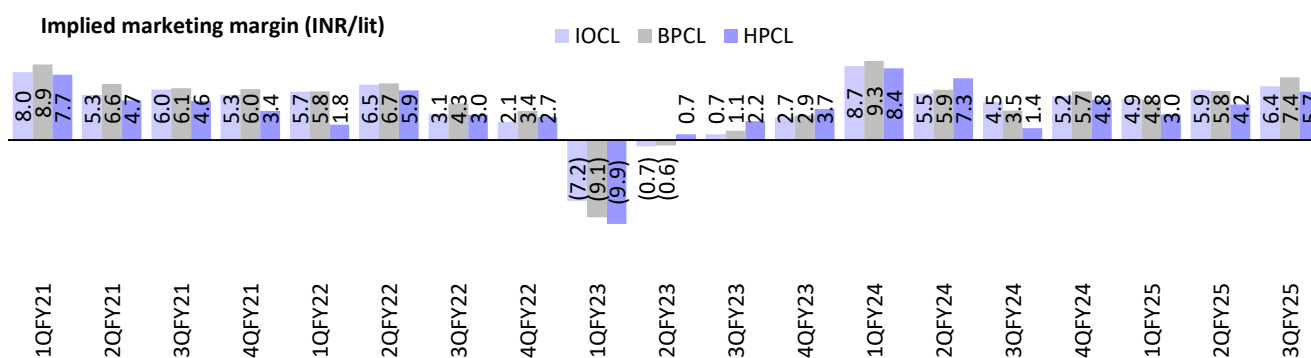
- **Overall performance:** Revenue came in line with our estimate (flat YoY). Excluding OMCs, revenue was again in line (flat YoY). EBITDA was also in line (flat YoY), with BPCL, GAIL, IOCL, and AEGISLOG missing our estimates. Conversely, CSTR, HPCL, IGL, and MRPL beat our estimates. Excluding OMCs, EBITDA was also in line (flat YoY). Adjusted PAT was 7% below est. (down 11% YoY). Adjusted PAT, excluding OMCs, was in line (down 8% YoY).
- **RIL:** Its 3QFY25 standalone EBITDA was up 13% QoQ (4% YoY), driven by a slight improvement in volumes, higher gasoil and ATF cracks, higher domestic product placement, and maximization of ethane feedstock cracking. Consolidated EBITDA was also 4% above our estimate, driven by a recovery in Retail (EBITDA grew 9% YoY; 8% beat) and O2C (+16% QoQ; 10% beat).
- **Upstream: ONGC/OINL's** 3QFY25 EBITDA was in line with our estimate, as crude oil/gas sales came in line. Both crude oil and natural gas production trends were flat QoQ/YoY.
- **OMCs – LPG under-recovery drags performance:** While **HPCL's** EBITDA beat our estimate by 30%, primarily led by a higher-than-estimated GRM, **IOCL's** EBITDA missed our estimate by 11%, due to a lower-than-expected reported GRM and high inventory losses. **BPCL's** performance was largely in line with our expectations, as weaker-than-expected refining performance was offset by robust marketing margins. In addition, their earnings continue to take a significant hit due to the LPG under-recovery, amounting to INR31b/INR55b/INR31b for HPCL/IOCL/BPCL.
- **CGDs: MAHGL/GUJGA's** EBITDA came in line with our estimate on account of steady margins and strong volume growth. **IGL's** EBITDA beat our estimate by 12% due to higher margins and strong volume growth. EBITDA/scm margins contracted to INR8.3/INR4.3/INR4.4 for MAHGL/IGL/GUJGA on account of APM twin de-allocation. Volumes for MAHGL/IGL/GUJGA increased 12%/7%/3% YoY to 4.1/9.1/9.5mmcmd.
- **Gas utilities: GAIL's** EBITDA was 25% below our estimate, primarily due to weak gas marketing segment performance. Petchem's EBITDA fell 27% YoY. **PLNG's** EBITDA marginally missed our estimate by 5%; however, its total volumes declined to 228Tbtu (est. of 249.5Tbtu, -2% YoY). **GUJS'** 3QFY25 EBITDA was in line with our estimate, as lower-than-estimated volumes were offset by higher-than-estimated tariffs.
- **Ratings and earnings revisions: IGL upgraded to Neutral:** Since the downgrade in Feb'23, IGL has delivered a negative return of 12% over the past two years. After the APM reallocation, the net reduction in APM allocation now stands at ~0.9mmcmd, of which IGL is expected to receive 0.5mmcmd New Well (NW) gas from Feb'25. We also believe that IGL's current valuations are inexpensive. Hence, with volume and margin expectations at a weak level, we upgrade the stock to neutral. **OMCs –** We raise our FY26 adjusted PAT estimates for HPCL/IOCL by 18%/16%, as we adjust opex for the current run rate.
- **Top picks: GAIL –** During FY24-27, we estimate a 15% PAT CAGR driven by: 1) an increase in natural gas transmission volumes to 154mmcmd in FY27 (120mmcmd in FY24); 2) a substantial improvement in the petchem segment's profitability over 2HFY25-FY27, as the new petchem capacity will be operational; and 3) healthy trading segment profitability with guided EBIT of at least INR45b. **HPCL –** It remains our preferred pick among the three OMCs. We see the following as key catalysts for the stock: 1) the demerger and potential listing of the lubricant business, 2) the commissioning of its bottom upgrade unit, and 3) the commencement of the Rajasthan refinery in 4QFY25-end. **OINL's** production growth guidance remained robust, with drilling activity and development wells in old areas contributing to this growth. OINL is also implementing new technologies to increase production besides pursuing the Indradhanush Gas Grid connectivity. Capacity expansion for NRL (from 3mmt to 9mmt) is also expected to be completed by Dec'25, which will drive further growth.
- **Surprise:** CSTR, GUJGA, HPCL, IGL, and MRPL

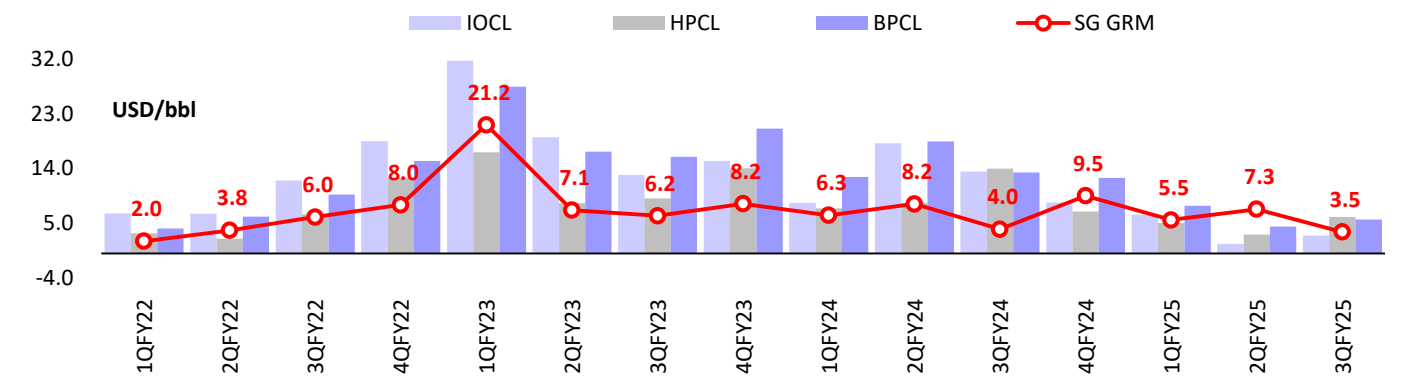
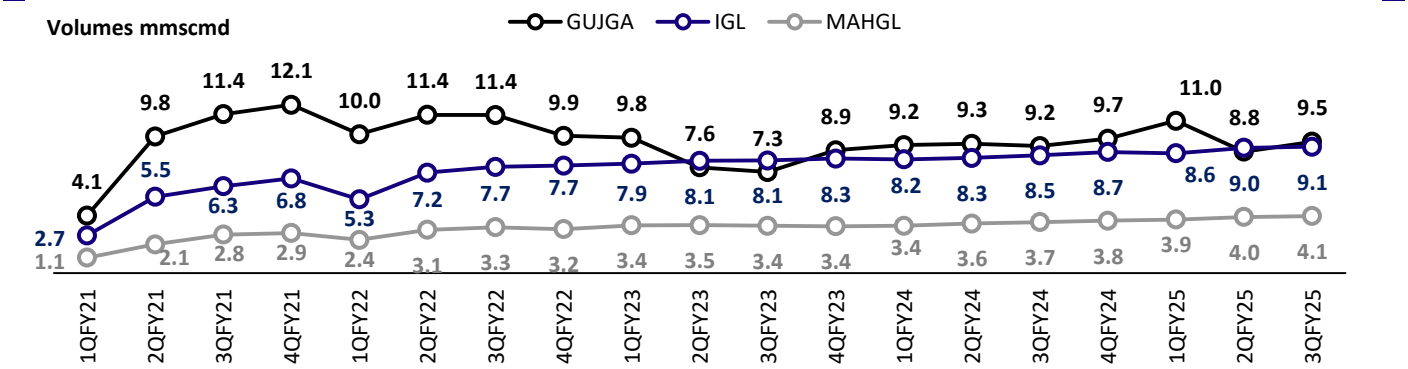
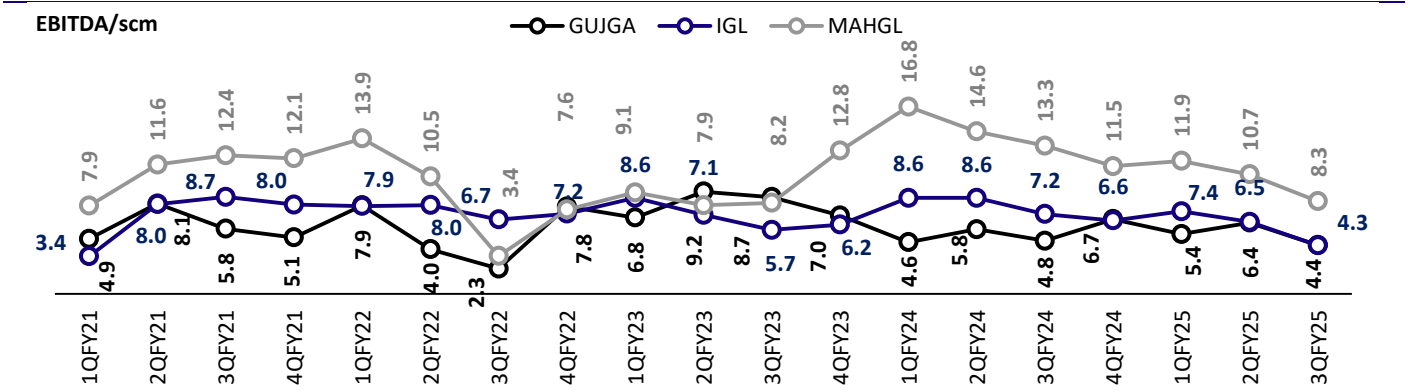
■ **Misses:** AEGISLOG, BPCL, GAIL, GUJS, IOCL, OINL, and ONGC

**Guidance highlights:**

- **GAIL:** Management expects transmission volumes to grow ~10mmscmd in FY26 and remains hopeful of tariff hike approval for the transmission business in 1QFY26. LPG production could drop 75tmt due to APM de-allocation in 4QFY25.
- **Upstream: ONGC** aims to increase production at ~3.4% CAGR, reaching 42.44/ 44.51/45.61mmtoe in FY25/FY26/FY27. In FY26, crude oil/gas production shall be 21.96/22.63mmtoe. This volume growth will be driven by offshore projects: KG-DWN-98/2, Cluster –II. MHN redevelopment is expected to be commissioned in 4QFY25 itself, and the Daman Upside project is likely to be commissioned in Feb'26. Production from DSF II shall also come up in Apr'27. **OINL's** production volume guidance: FY25/FY26/FY27 oil production is likely to be 3.48mmt/ 3.65mmt/4.0mmt. FY25/FY26/FY27 gas production is anticipated to be 3.3bcm/4.0bcm /5.0bcm. NRL's petrochemical project is expected to achieve completion by Dec'28.
- **OMCs: HPCL's** management expects the mid-cycle SG GRM to be ~USD5-6/bbl, and its GRM would be at some premium to SG GRM + USD2-3/bbl post-RUF unit commissioning at Visakh. Around INR130-140b p.a. capex shall be incurred going forward (INR40b/ INR60b/ INR40b on Refining/Marketing/Equity contribution in JVs). **BPCL's** petchem product slate post-Bina refinery expansion- PE/PP/PTA shall be 1.2mmt/0.45mmt/1.35mmt. The total capex for the Andhra Pradesh coastal refinery project might be ~INR950b if approved. Further, management stated that an annual capex of INR200b is expected in FY26. Capex shall increase from FY27 and amount to ~INR250b-260b going forward.
- **CGDs: IGL** has secured ~1.65mmscmd contracts at competitive rates for sourcing R-LNG gas. Management expects to end FY25 with volumes reaching 9.5mmscmd. Further, it expects volumes to grow 1mmscmd p.a., reaching 10.5mmscmd/11.5mmscmd in FY26/FY27. **MAHGL's** management expects ~12.5%-13% YoY growth in volumes in FY25. Further, it has guided for 10% YoY volume growth for FY26, with CNG being the key growth driver. EBITDA margins are expected to range between INR9 and INR11 per scm moving forward. **GUJGA:** Amid the recent APM de-allocation and elevated spot LNG prices, management has marginally downgraded its margin guidance back to INR4.5-INR5.5 per scm. Management also guided a capex of INR8.5b/INR10b for FY25/FY26.

**Exhibit 111: Implied gross marketing margin (INR/lit)**



**Exhibit 112: Reported refining margin (USD/bbl)****Exhibit 113: Sales volume of CGDs (mmscmd)****Exhibit 114: EBITDA/scm trend for CGDs (INR)****REAL ESTATE: Premium and Luxury mix to derive sales; launch delays drag estimates**

- **Pre-sales increased 15% YoY:** In 3QFY25, our coverage universe reported bookings of INR353b, a 15% increase YoY, due to seasonality as well as exceptional performance by a few key listed players contributing majorly to pre-sales (DLFU, LODHA, OBER, BRGD, SRIN, and SIGNATUR), even when sales from other listed players were considerably lower. These key players contributed ~70% of total reported bookings of our coverage universe and DLF alone contributed to ~35%, mainly due to its ultra-luxury launch 'The Dahlias', which made ~INR120b. Even though the overall booking area of listed players in our coverage universe was down ~17%, pre-sales were up 15% YoY, reflecting higher sales from the Premium and Luxury segment with higher ticket sizes. This indicates that the demand for Premium and Luxury was strong.
- Oberoi and Signature performed the best in terms of YoY growth, posting 144% and 119%, respectively, whereas DLF performed best in terms of value, i.e. INR121b out of total reported bookings from our coverage universe of INR353b.
- Realization also improved 38% YoY due to higher sales from the Luxury and Premium segment.

- **Double-digit growth aspiration intact:** Our coverage universe posted a 43% CAGR in cumulative bookings over FY21-24 and they aspire for 20-30% growth in FY25 despite a high base. Of this target, 9MFY25 has already achieved ~67% of projected FY25 pre-sales. In 9MFY25, business development remained equally strong, led by GPL, LODHA, and MLIFE, which added new projects worth GDV of INR235b, INR194b, and INR141b, respectively. Consequently, companies have identified a vast launch pipeline for Q4FY25 and FY26, which can support their future growth aspirations.
- **Launches dominated by few players:** Unlike 9MFY24, launches were low in 9MFY25 due to a delay in approvals impacted by the state and national elections. Launches were up 13% and 38% for DLF and Godrej Properties, while other listed players in our coverage universe experienced either a flat or declining trend. Prestige Estate showcased a 60% decline in 9MFY25 launches over the previous period due to a lack of approvals. However, it has ~INR300b of planned launches for Q4FY25, which will help achieve its FY25 pre-sales guidance. We expect our coverage universe to launch ~130msf of projects in FY25.
- **Collections:** Total collections for 3QFY25 increased 28% YoY to INR208b. However, collection efficiency (collections-to-sales) was down to 59% from 82% in 2QFY25, mainly due to a lack of completions caused by elections, vs. TTM average of 64%. With progress in construction, we expect efficiency to further move north going forward, resulting in higher collections.
- **P&L performance – mixed bag:** Aggregate revenue for the coverage universe increased 34% YoY to INR152b (8% below our estimate). The individual performance was a mixed bag as Godrej / Macrotech / Brigade / Sobha / Mahindra reported healthy revenue growth, while other players in our coverage were affected by lower project deliveries. Cumulative EBITDA stood at INR43b, up 33% YoY, with an EBITDA margin of 28% (flat vs 3QFY24).
- **View:** The operational performance of our coverage universe was below our expectations due to the impact of delayed launches in pre-sales. We retain our FY25 pre-sales estimates (except for the upward revision for DLF and OBER and reduction for Prestige and Sobha) for all the companies, but we will critically monitor launches as many companies have expressed concerns regarding approval delays. We prefer BRGD, and SIGNATUR as our top picks.
- **Positive Surprises:** DLF
- **Negative Surprises:** Sobha

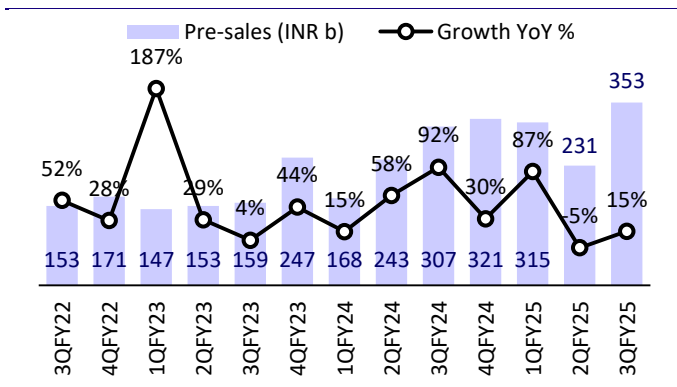
#### Company commentary:

- **LODHA:** LODHA has ended its growth phase in Bengaluru with the success of two projects and plans to increase its market share to 15% in a decade's time as it did in other markets. It also executed a recent data center deal at INR210m/acre (10m/acre more than guidance), which clearly showcases Palava as the data center hub for LODHA. Additionally, the management is now evaluating a new city that can be a potential market and will decide on it by FY25 end.
- **OBER:** The Jardin OGC launch at Pokhran Road, Thane, drove 70% of the sales, for which it witnessed strong bookings of INR13.2b. Occupancy in the commercial portfolio increased to 77%, whereas ARR rose 24% YoY for Hospitality. Retail malls saw a 12% YoY increase in revenue. Additionally, OBER plans to launch a new tower in Borivali and Goregaon in 4QFY25 or FY26. It will launch its Gurugram, Adarsh Nagar, Worli, and Tardeo projects in FY26.
- **DLFU:** DLFU launched its Ultra Luxury project named 'The Dahlias' with a total revenue potential of INR350b and +70% gross margins. ~98% of sales in 3QFY25 were from this project, enabling the company to surpass FY25 pre-sales guidance. DLF is confident of launching its Mumbai project in 4QFY25. Privana phase-3 and Goa will be launched in FY26. Total projects with GDV INR704b are planned beyond FY25.
- **GPL:** GPL achieved a record-breaking pre-sales of INR288b in CY24, securing the top position amongst its peers. The management remains confident about the sustainability of demand for a couple of years and highlighted that it is in the early- to mid-stage of the cycle. GPL remains on track to meet or exceed its guidance for all key parameters. The remaining inventory, set to be launched in Q4, is currently at INR64b. Upcoming launches are expected in Hyderabad, Noida, Gurgaon, MMR, Pune, and Indore.
- **PEPL:** Lack of launches in residential led to poor pre-sales. However, realization improved 40% YoY. Launches for The Prestige City Indrapuram NCR, Southern Star & Sunset Park Bangalore, Pallava Gardens Chennai, Prestige Spring Heights Hyderabad, Beach Gardens Goa, and some small projects in Bangalore and Hyderabad have been

delayed to 4Q. Nautilus is also expected to be launched in 4QFY25. Overall PEPL guided for launches of GDV INR300b in 4Q. An additional GDV of INR500b is in the planning stage.

- **BRGD:** Bel reported 60% YoY growth in pre-sales, which was in line with our estimate. With launches of 1.9msf projects in Bengaluru, Hyderabad, and Mysore, BRGD recorded its highest-ever quarterly realization of INR11,364/sft, up 26% YoY. The company's 12msf of the launch pipeline creates growth visibility in the near term.
- **MLIFE:** The management aims to launch over INR30-35b worth of inventories across 6-7 projects by Q4 / Q1FY25. Key projects include Kandivali Phase 2, Malad redevelopment, Navi, Zen Phase II, Crown Phase 2, Bhandup, Borivali redevelopment, and the plotted project in Jaipur.
- **SOBHA:** Approval delays prompted the management to reduce its pre-sales guidance to INR66b in FY25 (earlier INR85b). The management targets 28% embedded PBT margins at a project level and 15-18% excluding overheads and interest. Overall margins were down in 3Q due to losses incurred from contractual business. The inventory of 8.9msf across ongoing projects (including completed) provides healthy visibility. Additionally, SOBHA has 22.41msf under forthcoming projects at different stages of approval. SOBHA now intends to foray into Mumbai and Noida but will remain calibrated in the approach.
- **SIGNATUR:** For 9MFY25, the company reported pre-sales of INR86.7b, achieving 87% of FY25 pre-sales guidance. Additionally, the company has launched projects worth GDV of INR135b against the full-year guidance of INR160b. Collections stood at INR32b in 9MFY25, achieving 52% of the collection guidance, and management is confident to achieve the target for FY25. SIGNATUR intends to launch a project of IN350b GDV (21.6msf) over FY26-27E and plans to keep replenishing the inventory.
- **KPDL:** Management has reiterated its business development guidance of INR80b and expects a 25% CAGR in pre-sales over FY25-27. KPDL has pushed its launches of Laxmi Ratan Versova, Jal Mangal Deep Goregaon, Vishwakarma Nagar, and Jal Nidhi projects with overall GDV of INR20b from the Mumbai portfolio to FY26 due to a delay in approvals. KPDL expects to recognize INR18b in revenue in FY25 and will report blended EBITDA margin of 12.5%.
- **SRIN:** Sunteck Realty reported pre-sales of INR6.35b in 3QFY25, up 40% YoY. Traction in uber-luxury projects nearly tripled, with bookings of INR4.2b, or 66% of overall pre-sales. SRIN achieved 65% of the total pre-sales guidance for FY25 (INR25b). Aided by the strong launch pipeline, management guided a pre-sales growth of 25-30% for FY26. SRIN added the Nepean Sea project-2 with a total GDV of INR24b, which translated into a total GDV of INR54b for the said project. Cumulative GDV as of 9MFY25 stood at INR402b, with the acquisition of a recent project.
- **PHNX:** Total consumption stood at ~INR40b, up 21% YoY, driven by a healthy ramp-up in Palladium, Millennium, and Mall of Asia at Ahmedabad, Pune, and Bengaluru, respectively. LfL growth was 10% in 3Q (excluding new malls) and 7% overall in 9M, guided by jewelry, hypermarkets, and fashion. The company expanded Phoenix Palladium Mumbai by 0.25msf and PMC Bangalore by 0.6msf. With new acquisitions in 2Q in Coimbatore & Chandigarh Mohali totaling 22.1 acres, PHNX is set to double its portfolio by FY30.

**Exhibit 115: Pre-sales for the coverage universe increased 15% YoY...**



**Exhibit 116: ...while volumes declined 17% YoY**

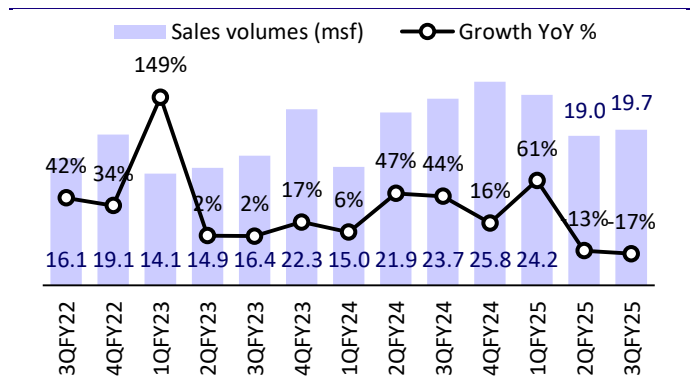




Exhibit 117: Collections improved 28% YoY

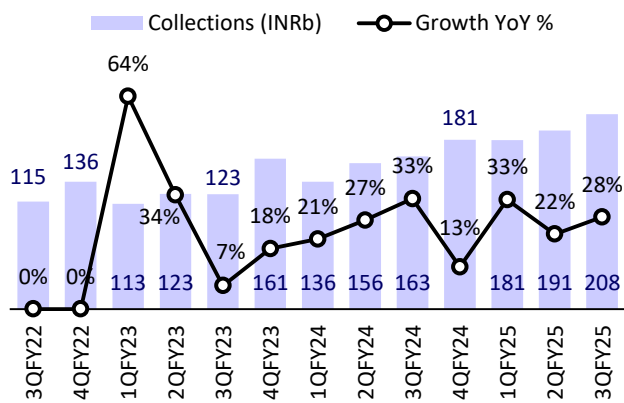


Exhibit 118: Expect coverage stocks to deliver 28% YoY growth in bookings

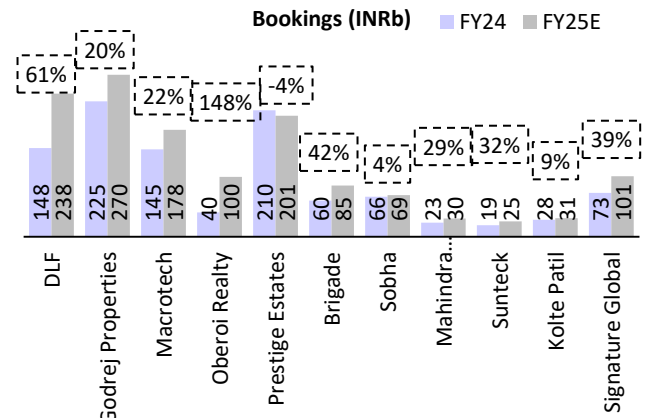


Exhibit 119: Estimate changes for our coverage universe

INR b	Revenue					
	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	68	75	68	75	0%	0%
Godrej Properties	35	36	35	36	0%	0%
Macrotech	138	181	138	181	0%	0%
Oberoi Realty	56	69	56	69	0%	0%
Prestige Estates	104	114	104	114	0%	0%
Brigade	50	50	50	50	0%	0%
Sobha	42	50	42	50	0%	0%
Mahindra Lifespaces	4	5	4	5	0%	0%
Sunteck	11	21	11	21	0%	0%
Kolte Patil	20	30	20	29	0%	-4%
Signature Global	37	52	37	52	0%	0%

INR b	EBITDA					
	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	14	28	16	26	14%	-7%
Godrej Properties	2	2	2	2	0%	0%
Macrotech	37	52	37	52	0%	0%
Oberoi Realty	33	40	33	40	0%	0%
Prestige Estates	28	31	28	31	0%	0%
Brigade	16	18	16	18	0%	0%
Sobha	6	11	3	8	-49%	-26%
Mahindra Lifespaces	-2	-1	-2	-1	0%	0%
Sunteck	2	6	2	6	0%	0%
Kolte Patil	3	6	3	6	0%	-5%
Signature Global	3	10	3	10	0%	0%

INR b	PAT					
	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	26	45	15	43	-42%	-3%
Godrej Properties	14	9	14	18	0%	101%
Macrotech	22	33	22	33	0%	0%
Oberoi Realty	24	30	24	30	0%	0%
Prestige Estates	8	8	8	8	0%	0%
Brigade	8	9	8	9	0%	0%
Sobha	3	7	1	5	-62%	-27%
Mahindra Lifespaces	1	1	1	1	0%	0%
Sunteck	2	5	2	5	0%	0%
Kolte Patil	1	3	1	3	0%	-6%
Signature Global	3	8	3	8	0%	0%



INR b	Pre-sales					
	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	181	232	238	240	31%	4%
Godrej Properties	270	321	270	321	0%	0%
Macrotech	178	213	178	213	0%	0%
Oberoi Realty	73	98	100	98	37%	0%
Prestige Estates	260	305	201	262	-23%	-14%
Brigade	85	105	85	105	0%	0%
Sobha	85	110	69	104	-19%	-5%
Mahindra Lifespaces	30	36	30	36	0%	0%
Suntech	25	31	25	31	0%	0%
Kolte Patil	35	43	31	41	-12%	-3%
Signature Global	101	130	101	130	0%	0%

INR b	Collections					
	Old		New		Change	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
DLF	102	137	101	165	-1%	21%
Godrej Properties	218	263	218	263	0%	0%
Macrotech	125	144	125	144	0%	0%
Oberoi Realty	60	76	60	76	0%	0%
Prestige Estates	152	218	130	165	-15%	-24%
Brigade	56	78	56	78	0%	0%
Sobha	66	76	58	70	-13%	-9%
Mahindra Lifespaces	22	31	22	31	0%	0%
Sunteck	17	24	17	24	0%	0%
Kolte Patil	25	34	23	33	-5%	-5%
Signature Global	62	94	62	94	0%	0%

## RETAIL: No festive cheers as demand remains subdued

### ■ Apparel and grocery retail: No festive cheer; value retailers continued to outperform premium retailers

Demand trends saw some improvement during the festive period, but overall 3Q demand trends were weaker than expectations as demand tapered off after the festive period. The aggregate revenue for the six apparel stocks in our coverage grew 14% YoY (vs. 17% YoY in 2Q) to INR136b (~1% miss), driven largely by: 1) continued robust growth for Trent (+37% YoY), and 2) continued growth momentum for V-mart (+16% YoY). Including DMart, the aggregate revenue was up ~16% YoY (similar to ~16% YoY growth in 2Q) to INR290b (in line). Value retailers continued to outperform premium retailers, with value retailers (V-Mart, Trent, DMart) reporting high single-digit to double-digit SSSGs and premium retailers (ABFRL, SHOP, Vedant, and Raymond) reporting weaker growth trends. Store productivity/LFL growth witnessed some improvement in 3Q at the aggregate level, as retailers focused more on improving store productivity and closing unprofitable stores. Aggregate gross profit for grocery and apparel retailers was up 13% YoY (vs. 17% YoY in 2Q) to INR87b (2% miss) as gross margin contracted 70bp YoY (40bp miss), led by Trent (-124bp), Raymond (-290bp) and DMart (-15bp). The aggregate EBITDA was up 12% YoY (vs. 14% YoY in 2Q) to INR35b (~3% miss) as aggregate margin contracted 40bp YoY (25bp miss). Weaker margins for DMart (-55bp), Trent (-34bp), Vedant (-365bp), and Raymond (-620bp) offset better performances by ABFRL (+150bp) and VMart (+325bp).

### ■ Footwear: Demand subdued; RM inflation and non-BIS inventory liquidation offset by strong cost control

The aggregate revenue for the four footwear stocks under our coverage grew ~3% YoY (vs. 4% YoY in 2Q) to INR28b (4% miss), largely led by 9-11% YoY growth for Metro and Campus. Relaxo continued to underperform with a 6% YoY revenue decline. Aggregate gross profit was up by a modest ~2% YoY (~7% miss), as gross margin contracted ~35bp YoY (~135bp miss) on account of raw material inflation and non-BIS inventory liquidation. Bata and Relaxo witnessed ~10bp YoY gross margin expansion, which was offset by sharper GM contraction for Metro and Campus. The aggregate EBITDA grew ~12% YoY (6% miss), largely led by better performances by Metro and Campus (on a low base). Aggregate EBITDA margin expanded ~180bp YoY (30bp miss), led by strong cost control.

### ■ Retailers increase focus on boosting store productivity over store additions

The aggregate revenue for the 11 stocks in our retail coverage (apparel, grocery, and footwear) stood at INR318b, growing 15% YoY (vs. 14% YoY in 2Q, 1% miss). The revenue growth during Q3 for our retail coverage was driven by improvement in store productivity (+7% YoY vs 3.5% YoY in 2Q), as retailers rationalized unprofitable stores. **Net store additions in 3QFY25 for the MOFSL retail sector stood at 171, bringing the total count to 12,486 stores (+4% YoY), with additions mainly driven by Zudio (Trent), Raymond, and Metro.** Most retailers continued to focus on improving store productivity and closing unprofitable stores. Retailers such as Metro and Vedant Fashions indicated that they would go slow on store expansions, given the elevated store rentals and weaker demand environment.

■ **Earnings downgrades continued in 3Q:** Given a weaker-than-expected festive quarter, we have cut our FY25-26E EBITDA by 5-8% and PAT by 10-11% since the 2Q results. The earnings downgrades were broad-based across footwear, apparel, and grocery retailers, with V-Mart and Campus the only outliers with marginal estimate upgrades.

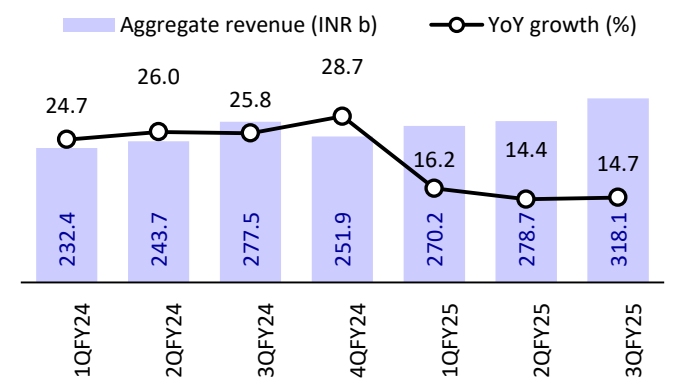
■ **Top picks:** TRENT, DMart, and Metro Brands

■ **Positive surprises:** ABFRL and VMart

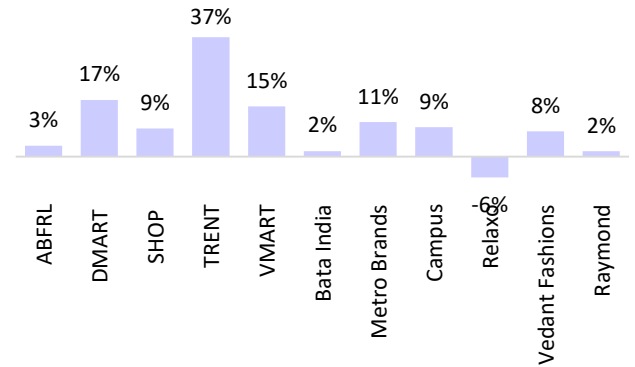
■ **Negative surprises:** Raymond Lifestyle, Vedant Fashions, Relaxo

### Guidance highlights:

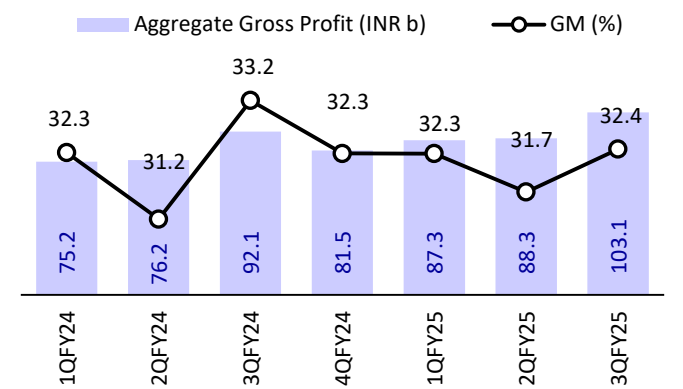
- **ABFRL:** Management's focus was on consolidating unprofitable stores in FY25. However, it expects to roll out 300+ stores in the next 12 months across the ABLBL portfolio, with plans to accelerate value fashion play (to be part of the demerged ABFRL) after the recent fund raise.
- **Shoppers Stop:** Management reiterated its guidance of ~5% LFL growth in 2HFY25 (delivered 4% LFL in 3Q), driven by the wedding season. The company expects to sustain ~5% LFL over the medium term. It plans to open 32 stores in Q4 across all formats (6 Department/26 INTUNE). Further, the company aims to add gross 12-15 department stores (closure of 2-3) and ~80-90 INTUNE stores in FY26.
- **Vedant Fashion:** Store expansion plans have been impacted by inflation in rentals. VFL aims to open the right stores at the right prices as these are long-term commitments. However, over the longer term, management expects stable store additions in line with its earlier guidance.
- **VMART:** Management expects to end the year with 50+ net store additions and some closures in 4Q. A one-time correction on stores was implemented last year, and going forward, management expects only 1-2% closures annually. It also highlighted that moving forward, it expects to implement price corrections on certain products, with a greater focus on volume growth over margin expansion. Further, it indicated that margins are unlikely to improve to pre-COVID levels due to higher competition from organized value retailers.
- **BATA:** Gross store additions during 3Q remained in line, while there was an aggressive focus on closing unprofitable stores. Management indicated that store closures will continue for the next couple of quarters. However, BATA intends to add 30-40 stores per quarter, including through franchises.
- **Campus Activewear:** Management reiterated its aspiration to improve EBITDA margins to 17-19% over the medium term. Non-BIS inventory liquidation affected GM by 20-40bp in 3Q, which should further reduce to ~10-20bp in 4Q. Non-BIS inventory still accounts for 10% of overall inventory. However, management expects to clear majority of the non-BIS inventory by Mar'25.
- **Metro Brands:** Management expects to clock ~15-18% revenue CAGR over the long term, with gross margins in the ~55% plus range and EBITDA in the ~30% plus range. Management indicated that its target of 100 store additions for FY25 will likely be missed. However, it reiterated its guidance of opening ~225 stores over FY25-26, with ~140-145 store additions expected in FY26 (ex-FILA).
- **Raymond Lifestyle:** Management expects margins to gradually recover to ~15% on a sustainable basis once the headwinds and store expansions stabilize. The key margin driver will be an improvement in Branded Textiles margin to 21-22%. Further, the company expects ~12-13% margins in the long run in the branded apparel segment and double-digit margins in Garmenting.

**Exhibit 120: Aggregate revenue for retailers under our coverage grew 15% YoY**

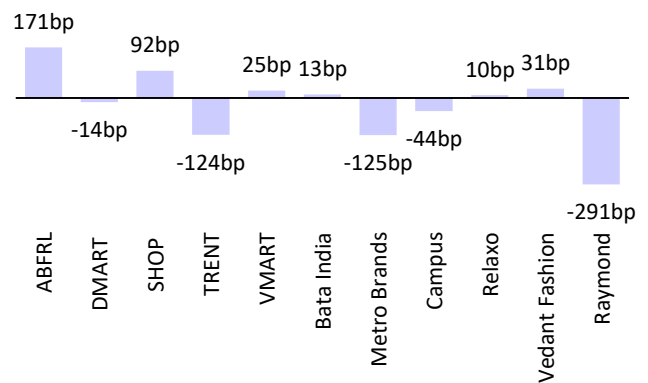
Source: Company, MOFSL

**Exhibit 121: Trent continued to outperform in 3QFY25**

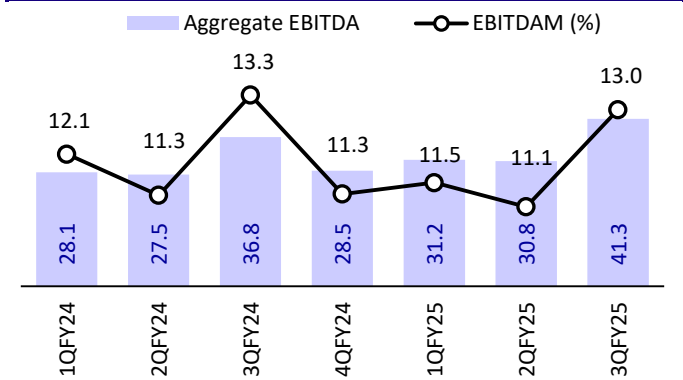
Source: Company, MOFSL

**Exhibit 122: Aggregate gross profit was up 11% YoY (vs. 16% YoY in 2Q) as margins contracted 80bp YoY**

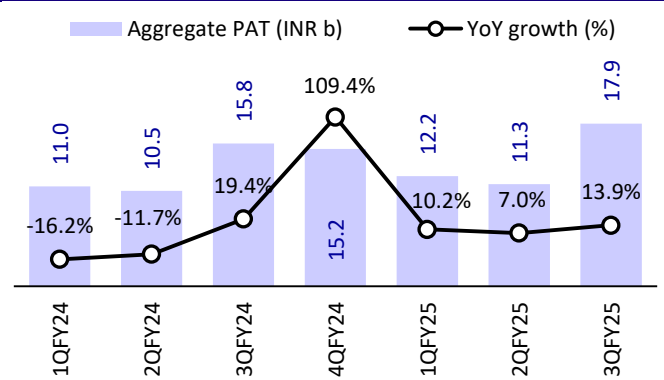
Source: Company, MOFSL

**Exhibit 123: Gross margin contraction was driven by weaker GMs for Trent, Raymond, and DMart**

Source: Company, MOFSL

**Exhibit 124: Aggregate EBITDA grew ~12% YoY (vs. 12% YoY in 2Q) as EBITDA margin contracted ~30bp YoY**

Source: Company, MOFSL

**Exhibit 125: Aggregate PAT rose ~14% YoY (~8% YoY excl. Trent)**

Source: Company, MOFSL

**Exhibit 126: Store additions moderated on rationalization of unprofitable stores by apparel retailers**

Total Stores	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY	QoQ
ABFRL	4,056	4,753	4,664	4,607	4,538	4,492	-5.5	-1.0
DMART	336	341	365	371	377	387	13.5	2.7
SHOP	281	290	306	320	341	345	19.0	1.2
TRENT	661	715	811	823	831	907	26.9	9.1
VMART	437	454	444	448	467	488	7.5	4.5
Raymond Lifestyle	1453	1512	1518	1539	1592	1653	9.3	3.8
Vedant Fashion	669	673	676	662	650	666	-1.0	2.5
Metro	817	840	839	854	873	895	6.5	2.5
Campus	240	250	268	275	280	290	16.0	0.7
Bata	1,781	1,835	1,862	1,916	1,955	1,953	6.4	-0.1
Relaxo	394	399	405	399	403	410	2.8	1.7
<b>Total coverage stores</b>	<b>11,125</b>	<b>12,062</b>	<b>12,158</b>	<b>12,214</b>	<b>12,315</b>	<b>12,486</b>	<b>3.5</b>	<b>1.4</b>
QoQ net store adds	49	937	96	56	101	171		

Note: Excluding Reliance Retail stores

Source: Company, MOFSL

**Retail - Jewelry: Robust revenue growth; moderation in margins**

- Jewelry companies continued to deliver robust sales growth, driven by robust festive demand, wedding purchases and higher gold prices. Titan (Jewelry standalone), Kalyan, Senco and P N Gadgil delivered revenue growth of 27%, 40%, 27% and 24%, respectively. SSSG of Titan, Kalyan and Senco was 22%, 24%, and 16%, respectively. There was an improvement in the studded mix across the companies, except for Senco. The reduction in customs duty resulted in an inventory loss of INR2.5b for Titan, INR548m for Kalyan, and ~INR276m for Senco, which hurt the reported profitability of companies. Demand was robust in Jan'25, though there was softness in the last 7-10 days due to a sharp rise in gold prices. Our top picks are Titan, and PN Gadgil.
- Outperformer (3Q) – PN Gadgil Jewellers, Kalyan Jewellers
- Underperformer (3Q): Senco Gold

**Guidance highlights:**

- **TTAN:** The company expects EBIT margin of 11% to 11.5% for FY25. Gold lease rates are rising due to US tariff-related changes, leading banks to increase lease costs. The company is monitoring this closely. GC margin dilution in studded jewelry was due to a shift in the gold-to-diamond ratio within diamond jewelry amid rising gold prices and stable diamond prices. TTAN plans to offset this through better material sourcing and cost efficiencies
- **Kalyan Jewelers** – In FY26, Kalyan plans to launch 170 showrooms across Kalyan and Candere formats - 75 Kalyan showrooms (all FOCO) in non-south India, 15 Kalyan showrooms (all FOCO) across south India and international markets and 80 Candere showrooms in India.
- **Senco:** The company maintains its revenue growth guidance of 18-20% and remains on track to open 18-20 new stores in FY25, having already launched 12 stores YTD. An additional 8-10 stores are planned in 4Q, including 5-7 franchised outlets.
- **P N Gadgil:** In FY26, the company plans to add 25 stores, including a mix of COCO, FOCO, and Lifestyle by PNG formats. The expansion plan includes 8 COCO stores, 7 FOCO stores, and 10 'LiteStyle by PNG' stores (split equally between COCO and FOCO), along with two stores in the US.

**TECHNOLOGY: Anticipating a steady demand recovery in selected pockets**

- **Aggregate performance:** The IT Services companies under our coverage presented a mixed picture in a seasonally weak quarter, with a median revenue growth of 1.8% QoQ CC in 3QFY25 (vs. 2.0%/1.2%/0.7% in 2QFY25/1QFY25/4QFY24). Guidance upgrades by major companies were disappointing, i.e., INFO guidance implies a QoQ decline of ~1.0% in 4Q and HCLT guidance implies ~0.6% 4Q CC QoQ growth for ITB&S. We believe that after 3Q results, revenue expectations for FY26/FY27 have been pared back across the Street. However, the commentary in some pockets turned incrementally positive. We believe the tech spending recovery, which was previously driven primarily by BFSI over the past six months, is now expanding into other verticals such as Hi-Tech and Retail. This quarter, deal win trends indicate a gradual rebound in shorter-term deals, signaling a return of discretionary spending by clients and setting the stage for an improved revenue conversion. The

softness in some verticals and geographies continued in 3QFY25, with Communications and Manufacturing reporting muted growth. We believe the cycle is gradually turning (might not be a J-curve recovery) as clients are beginning to reinvest their savings from cost-reduction programs to reduce technological debt.

- **Tier-2 pack outpaced tier-1:** Tier-1 companies saw a median revenue growth of 1.5% QoQ CC, while tier-2 companies reported a growth of 2.8% QoQ CC, driven by strong performance by Coforge (8.4% CC QoQ growth) and Persistent (4.6% QoQ CC). WPRO (0.1% QoQ CC), MPHL (0.1% QoQ CC) and ZENT (0.7% QoQ CC) reported muted growth. HCLT (+3.8% QoQ CC in seasonally strong quarter) and Coforge (+8.4% QoQ CC vs. 4.9% est.) outperformed their peers with strong executions in 3Q. On the margin front, tier-1 and tier-2 companies both reported ~20bp QoQ expansion. The margin expansion for Tier-1 was majorly attributed to productivity efficiencies, seasonality in P&P margins (HCLT), deferred wage hikes (INFO), and improved utilization and offshoring. For Tier-2, the margin expansion came from stronger margin performance in 2H for LTTS, better-than-expected Cigniti's margins (COFORGE), and growth leverage.
- **Steady TCV performance:** A majority of Tier-1 companies reported stable TCV performance, except for LTIM/TCS (up 29.2%/18.6% QoQ). Tier-2 companies also reported robust growth in TCV, with MPHL posting a growth of 69.6% QoQ and five large deals. TCS reported a deal TCV of USD10.2b, up 18.6% QoQ and 25.9% YoY. LTIM's order inflows stood at USD1.68b, up ~30% sequentially. TECHM reported robust net new TCV of USD745m, up 23% QoQ/95% YoY. Within Tier-2, MPHL's TTM TCV was USD351m, up 70% QoQ and 46% YoY. COFORGE's order intake was USD501m – the second consecutive quarter of USD500m+ order intake. It signed four large deals during the quarter. The 12-month executable order book stood at USD1.3b, up 40% YoY. The 3Q book-to-bill was decent at ~1.0x for Tier-1 firms and ~1.3x for Tier-2 players.
- **Headcount movement:** Hiring activity was muted in 3Q; the net headcount declined by ~250 for Tier-1, while Tier-2 saw a net addition of ~600. The attrition rate remained range-bound at lower levels for a majority of companies, while utilization also remained stable QoQ, except for PSYS and LTIM. For PSYS, utilization stood at 87% (up 260bp QoQ) and we believe this margin lever is now maxed out.
- **Top picks:** We prefer LTIM and HCLT among large-caps and COFORGE and PSYS in the mid-cap space. Our positive outlook on LTIMindtree is based on its best-in-class offerings in data and ERP modernization, with a recovery in US banks' discretionary spending expected to further support its growth. We believe HCLT's diversified portfolio is well-positioned. Often perceived as defensive, its strengths in data, product engineering, and modernization should enable it to benefit from the recovering demand environment. We believe Coforge's healthy executable order book and a rebound in BFS client spending bode well for its organic business. Cigniti could prove to be an effective long-term asset. Persistent Systems, with its strong product engineering background, remains the fastest-growing IT services company in our coverage and is well-positioned to benefit from the long-term GenAI investments.
- **Significant beat:** INFO (revenue growth and margin), LTIM (margin), TECHM (revenue growth and margin), Coforge (revenue growth), Persistent (revenue growth and margin)
- **Significant miss:** TCS (revenue growth), LTTS (revenue growth)
- **Significant surprise:** Cyient (downgraded revenue and margin guidance)
- **Rating changes and major EPS upgrades/downgrades:** TECHM's FY26/FY27 EPS estimates were upgraded by 1.7%/6.3%. CYL's DET business FY25/FY26/FY27 EPS estimates were cut by 9%/12%/16%. For COFORGE/ZENT, their FY25 EPS estimates were upgraded by 5.4% each. We downgraded CYL to Sell while maintaining unchanged ratings for other stocks in our coverage universe.

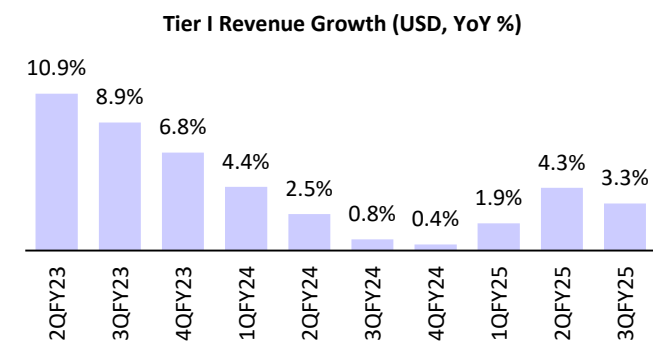
#### Guidance highlights

- **TCS:** TCS is seeing improvement in discretionary spending. Client conversations are showing early signs of revival in discretionary spending. The company notices that deal cycles have shortened by a few weeks in 3Q compared to the last quarter, indicating improved decision-making cycles by clients. The company expects to compensate for BSNL revenue in multiple geographies in CY25. Growth will be driven by core markets and regional markets outside India. The manufacturing sector is expected to bottom out in 4Q. Life sciences and healthcare sectors, which are waiting for policy clarifications, should start performing better as near-term headwinds subside. The margin aspiration of 26-28% in the near term remains intact. In 4Q, margin expansion is expected to exceed 3Q levels.

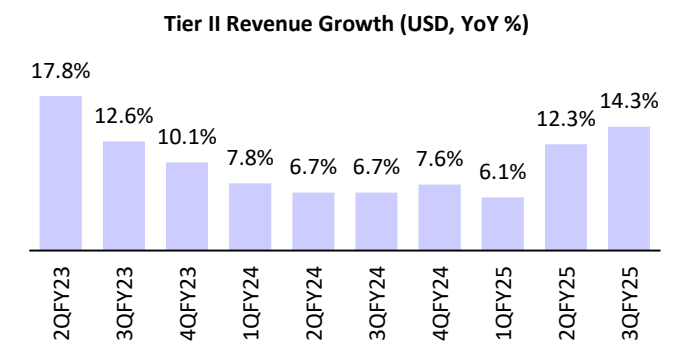


- **INFO:** For Infosys, clients continue to prioritize cost take-out over discretionary spending. The company has observed strong momentum in BFSI, with Europe joining the growth trajectory alongside the US. It is also seeing good traction in the US retail sector. The revenue growth guidance has been upgraded to 4.5-5.0% from the earlier range of 3.75-4.5%. Furloughs are expected in 4Q. Factors such as third-party pass-through and fewer working days in 4Q have been considered in the guidance. Wage hikes will be implemented in two phases, starting in Jan'25 and followed by the second phase in Apr'25. Wage growth in India is expected to be 6-8%, while overseas growth will be in the low single digits.
- **WPRO:** Wipro observed that many clients are currently in the budgeting phase, with ongoing discussions to finalize agreements. Client hunting and account mining remain strategic priorities for WPRO. Discretionary spending in the Americas is evident in BFSI, though it is not widespread at this point. 4Q guidance was in the range of -1% to 1% in CC. Growth in the last two quarters has been above the midpoint of guidance. For 4QFY25, margins are expected to remain in a narrow band (+/- 17.5%), with no significant headwinds anticipated.
- **HCLT:** HCLT anticipates increased technology spending in CY25, driven by transformation and efficiency-related initiatives. Discretionary spending is expected to improve overall. For FY25, the revenue growth guidance has been upgraded to 4.5%- 5.0% YoY cc (including ~50bp contribution from the HPE CTG acquisition, with organic growth at 4.0%-4.5%) from the earlier range of 3.5%-5.0%. EBIT margin guidance is unchanged at 18% to 19%.
- **TECHM:** TECHM is focused on enhancing its capabilities and optimizing its revenue mix to achieve better pricing outcomes. The outlook for discretionary spending in manufacturing is conservative, reflecting softness in the sector. Wage hikes planned for 4QFY25 could impact margins by 100-150bp. Levers for margin improvement are better pricing, improved performance in fixed price contracts, reduced seasonality in the Comviva business, and lean automation in fixed-price contracts to enhance cost efficiency.
- **LTIM:** Growth momentum continued in 3Q, building on trends from the last few quarters, and is expected to continue in 4Q. The company recorded YoY growth across all verticals, with notable traction in BFSI. FY26 is projected to be better than FY25. Clients are in the process of finalizing their budgets for CY25. There are specific short-cycle deals, such as regulatory deals in BFS, alongside some discretionary spending in this vertical. Margins are expected to improve in FY26, assuming double-digit revenue growth, which remains the biggest lever for margin expansion. The absorption of wage hikes may take 2-3 more quarters in the current environment.

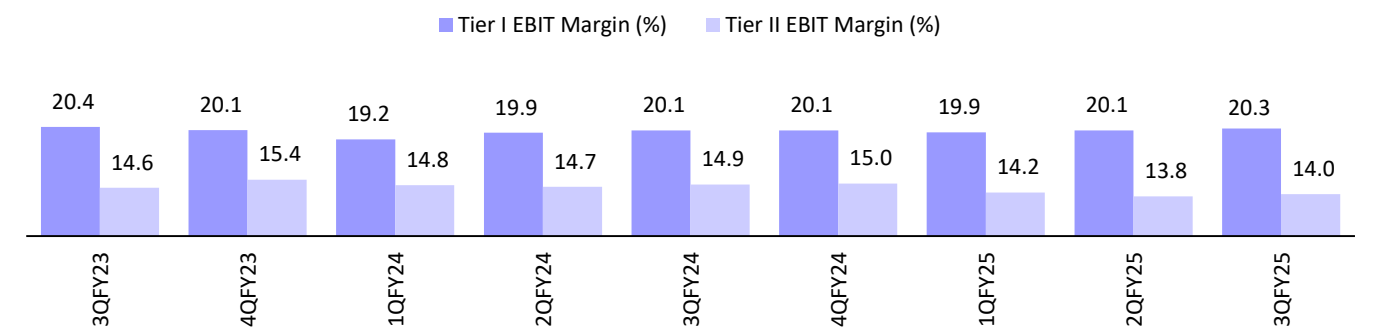
**Exhibit 127: For Tier-1 companies growth slowed down in seasonally weak quarter**



**Exhibit 128: Tier-2 continued to post mid-teen growth for the second consecutive quarter**

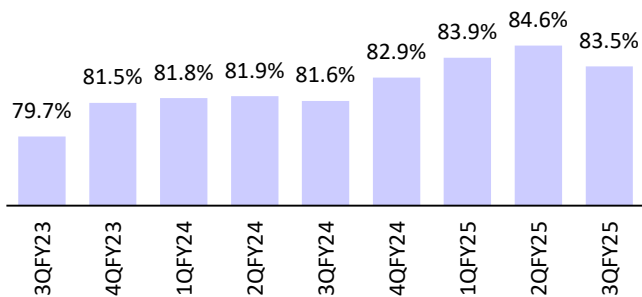


**Exhibit 129: Tier-1 and Tier-2 continue to show marginal improvements in EBIT margins**

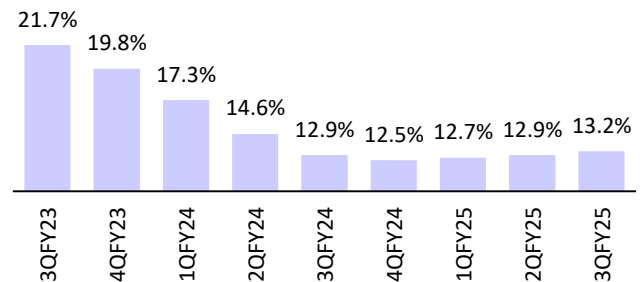


Source: Company, MOFSL



**Exhibit 130: Median utilization (%) declined 90bp in 3Q due to furloughs impact****IT Sector - Median Utilization (incl. trainees %)**

Figures excl. LTTS. from 1QFY23; MPHL (Offshore); Source: Company, MOFSL

**Exhibit 131: Median attrition (%) inched up by 30bp in 3Q****IT Sector - Median Attrition (%)**

Figures exclude MPHL; Source: Company, MOFSL

**TELECOM: Growth sustained led by residual flow-through of tariff hikes; Bharti continued to outperform**

Growth momentum sustained in 3Q, driven by the residual flow-through of tariff hikes and normalization of subscriber trends. The combined wireless revenue for three private telcos grew 4% QoQ (15% YoY, inline). Blended wireless ARPU for the three private telcos was up 5% QoQ (+15% YoY), while subscriber trends showed improvement with ~1m net adds (vs. 21m decline in 2Q). EBITDA for private telcos was up ~6% QoQ (+21% YoY, in line), driven by healthy ~80% incremental margins. Among private telcos, Bharti was again the biggest gainer in 3QFY25, with a ~80bp QoQ gain (~225bp YoY) in Revenue Market Share (RMS) and ~45bp QoQ (+105bp YoY) Subscriber Market Share (SMS) gains. RJio lost a further ~50bp QoQ (-70bp YoY) RMS, while its SMS was up by a modest ~10bp QoQ (up 50bp YoY) in 3Q. Vi continued to lose market share, with RMS down ~30bp QoQ (-160bp YoY) and SMS down ~50bp QoQ (-155bp YoY). We believe the bulk of the tariff hike benefits are now reflected, with additional ARPU growth likely to be driven by subscriber mix improvements. Vi commenced its network expansion in 3Q and expects to invest ~INR500-550b over the medium term. With the completion of accelerated 5G rollouts, we expect wireless capex to moderate further for Bharti and RJio, with the focus now shifting to driving greater adoption of home broadband through accelerated fiber rollouts and the scale-up of FWA offerings.

**Residual tariff hike flow-through continues to drive growth; Bharti once again the biggest gainer**

Driven by the residual flow-through of tariff hikes, the blended wireless ARPU of private telcos was up ~5% (after a ~8% QoQ uptick in 2Q). Bharti led once again with ~5% QoQ growth, followed by ~4-4.5% QoQ increase for RJio and Vi. The subscriber migration to BSNL, following tariff hikes, appears to be reversing now. The combined reported subscriber base for private telcos grew by a modest ~1m (vs. ~21m net decline in 2Q), with Bharti reporting robust ~5m net adds, followed by ~1.3m for RJio. Vi continued to lose subscribers in 3Q. However, management indicated signs of improvement in Dec'24 and Jan'25, with VLR net adds in 11 circles. Following the ~8% QoQ increase in 2Q, the combined wireless revenue of private telcos rose ~4% QoQ, with Bharti once again leading with ~6% growth, followed by 3% for RJio and 2% for Vi. Bharti gained an additional ~80bp QoQ in revenue market share, with incremental RMS of 62% in 3Q (vs. ~53% incremental RMS in 2Q and overall RMS of ~41.4%) among private telcos.

**Robust incremental margin drives 6% sequential growth in combined EBITDA for three private telcos**

Driven by tariff hike flow-through, the incremental margin for private telcos improved to ~80% (from 70% QoQ). As a result, combined EBITDA grew ~6% QoQ (~21% YoY), with Bharti once again leading with ~9% growth, followed by 4% growth for Vi and 3% for RJio. Driven by astonishing 90% incremental margins, Bharti's wireless EBITDA margin expanded by further ~180bp QoQ. Vi followed with ~75bp QoQ EBITDA margin expansion driven by lower costs, while EBITDA margin declined QoQ by ~25bp for RJio (for the first time since 1QFY23). We note that Bharti's reported India wireless EBITDA is now largely similar to RJio's standalone EBITDA, which also includes the contribution from the home broadband business.

**Vi commences its investment phase; leverage ratio dipped sharply for Bharti**

- Vi's capex increased sharply to INR32b (vs. INR14b QoQ) as it rolled out ~4k MBB towers (its highest since the merger). Further, management has guided for a capex of INR100b in FY25 (vs. INR53b in 9M) and ~INR500-550b over the medium term.
- Bharti's India capex (excl. Indus) declined ~12% YoY, largely on the completion of accelerated 5G rollouts. Management reiterated its guidance of FY25 capex (INR199b in 9M) to be lower than FY24 (INR330b), with a further unwind anticipated in FY26.
- Driven by robust FCF generation, Bharti's consolidated net debt (excl. leases) declined by INR74b QoQ (INR110b excluding the Indus Towers' consolidation impact) to INR1.34t, with India net debt (excl leases) to EBITDAaL improving to 1.3x (vs. 2.1x YoY).
- On the other hand, Vi's net debt (excl. leases) increased by INR55b QoQ to INR2.17t. However, its banking debt declined further to a modest ~INR23b (vs. INR77b YoY).

**FCF generation picked-up sharply for Indus Towers:** 3Q reported financials were ahead of our estimate, driven by the higher-than-expected prior-period bad debt provision reversal (INR30b vs. our estimate of INR12.5b).

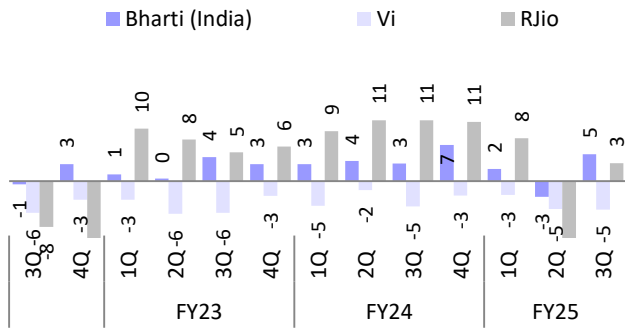
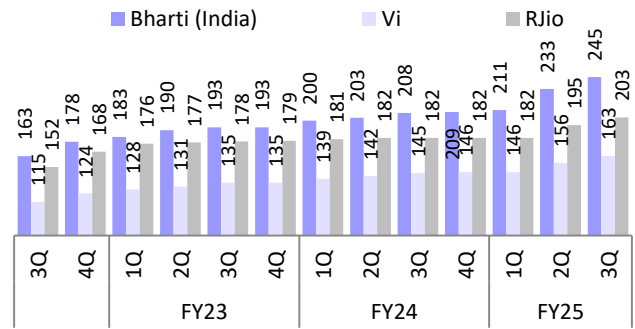
Operationally, core performance was in line, with Indus' recurring EBITDA rising 4% QoQ as tower/tenancy additions picked up on account of higher share in Bharti's rollouts and the commencement of Vi's rollouts. Indus' 9M FCF stood at INR60b (of which INR27.5b was used for buyback in 1H). Given the large collection of Vi's past dues in Jan'25, we expect Indus' FCF to sustain at elevated levels in 4Q, which should enable the company to declare an INR20+/share dividend for FY25.

**TCOM's subdued performance continued:** TCOM's data revenue grew 1% QoQ (+6% YoY), with core connectivity revenue declining ~1% QoQ (+3% YoY), while the digital portfolio revenue grew ~4% QoQ (+10% YoY). Adjusted consolidated EBITDA margin expanded ~150bp QoQ (-65bp YoY) to 20%, driven by seasonality benefits in Kaleyra and the deconsolidation of TCPSL and NetFoundry. Reported financials were also boosted by INR0.3b in prior-period revenue recognition and rupee depreciation; adjusting the same, growth in the core business remained subdued.

- **Top picks:** BHARTI, RIL
- **Positive surprises:** Bharti Airtel, Airtel Africa
- **Negative surprises:** Reliance Jio, Tata Communication

**Guidance highlights:**

- **RJio:** After ~13m wireless subscriber declines in 2Q, subscriber net adds picked up towards the exit month (Dec'24). According to the management, the full impact of the tariff hike is still to play out for RJio. 70%+ of incremental JioAirFiber additions are coming from beyond the top 1,000 cities/towns, and the overall pace of home connects for RJio continues to accelerate, with a total installed base of ~17m (~2m adds in 3QFY25).
- **Bharti:** The management reiterated its guidance for the FY25 India capex (INR199b in 9M) to be lower than FY24 (INR330b). India's capex is likely to further unwind in FY26, with capex as a percentage of revenue trending lower and soon aligning with global telcos. Bharti added 674k users in Home Broadband through a combination of FTTH/FWA. Further, management indicated that the broadband business is seeing increased momentum MoM, with Jan'25 ending better than Dec'24. Management believes that the Indian fixed broadband market size can potentially double from ~45m to 80-90m homes over the medium term.
- **Vi:** Management indicated that the benefits of tariff hikes are largely reflected in 3Q (~12% customer ARPU growth since 1Q). It expects another round of tariff hike soon (possibly in the next 3-6 months). Further, there are some green shoots from network rollouts, with VLR net adds in 11 circles in Dec'24 and Jan'25.
- **TCOM:** Management indicated that funnel additions remained robust, especially in the international business, with the large deals funnel growing 50% YoY. However, the pace of order-booking was slower in 3Q (as compared to 1HFY25) as the large deal conversion cycle remains elongated.
- **Indus:** Tower and tenancy additions improved due to a pickup in rollouts by Bharti and Vi. The order book remains healthy for the next 3-4 quarters and management expects to maintain a dominant share in Vi's network rollouts.

**Exhibit 132: Subscriber trends improved for the industry in 3Q****Exhibit 133: Bharti continued to outperform peers on ARPU growth****Exhibit 134: Wireless KPI comparison**

	FY22				FY23				FY24				FY25			YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q		
EOP Wireless SUBS (m)																	
Bharti (India)	321	323	323	326	327	328	332	335	339	342	346	352	355	352	357	3.2	1.4
Idea	255	253	247	244	240	234	229	226	221	220	215	213	210	205	200	-7.2	-2.5
RJio	441	430	421	410	420	428	433	439	449	460	471	482	490	479	482	2.4	0.7
Avg. Wireless Subs (m)																	
Bharti (India)	321	322	323	324	327	328	330	334	337	340	344	349	353	353	354	3.0	0.3
Idea	262	254	250	246	242	237	232	227	224	221	218	214	211	208	202	-6.9	-2.5
RJio	433	435	425	416	415	424	430	436	444	454	465	476	486	484	480	3.3	-0.8
ARPU (INR/month)																	
Bharti (India)	146	153	163	178	183	190	193	193	200	203	208	209	211	233	245	18.0	5.3
Vi	104	109	115	124	128	131	135	135	139	142	145	146	146	156	163	12.4	4.5
RJio	138	144	152	168	176	177	178	179	181	182	182	182	182	195	203	11.9	4.2
MOU/Sub (min)																	
Bharti (India)	1,044	1,053	1,061	1,083	1,104	1,082	1,094	1,122	1,138	1,123	1,127	1,158	1,128	1,135	1,160	3.0	2.2
Idea	642	629	620	614	620	601	611	623	626	613	615	626	607	586	593	-3.5	1.1
RJio	815	835	901	962	1001	968	984	1004	1002	979	981	1008	974	977	1013	3.2	3.6
Wireless traffic (B min)																	
Bharti (India)	1,002	1,020	1,030	1,051	1,079	1,063	1,082	1,124	1,149	1,148	1,161	1,210	1,195	1,200	1,233	6.2	2.8
Idea	504	480	465	452	450	428	424	425	420	406	401	402	385	365	360	-10.2	-1.4
RJio	1060	1090	1150	1200	1246	1230	1270	1313	1335	1334	1370	1440	1420	1420	1460	6.6	2.8
Data usage/Sub (Gb)																	
Bharti (India)	18.5	18.6	18.3	18.8	19.5	20.3	20.3	20.3	21.6	22.2	22.5	23.1	24.3	24.5	25.1	11.6	2.5
Idea	13.0	13.2	12.5	12.6	13.0	13.7	13.9	13.9	14.4	14.6	14.2	14.3	14.5	14.4	14.2	-0.4	-1.2
RJio	15.6	17.6	18.4	19.7	20.8	22.2	22.4	23.1	24.9	26.6	27.3	28.6	30.3	31.0	32.3	18.2	4.2
Data traffic (B Gb)																	
Bharti (India)	10.3	10.7	10.8	11.3	12.0	12.9	13.2	13.6	15.3	16.1	16.8	17.8	19.2	19.8	20.7	23.2	4.5
Idea	5.5	5.5	5.2	5.2	5.4	5.7	5.8	5.8	6.0	6.1	6.0	6.0	6.1	6.0	5.9	-2.4	-2.2
RJio	20.3	23.0	23.5	24.6	25.9	28.2	29.0	30.3	33.2	36.3	38.1	40.9	44.1	45.0	46.5	22.0	3.3

Source: MOFSL, Company

## Exhibit 135: Financials

	FY22				FY23				FY24				FY25			YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	(%)	(%)
<b>Revenue (INR b)</b>																	
Bharti (India wireless)	143	152	161	175	181	189	194	195	204	210	216	221	225	248	263	21.4	5.8
Bharti (consolidated)	269	283	299	315	328	345	358	360	374	370	379	376	385	415	451	19.1	8.8
Idea	92	94	97	102	104	106	106	105	107	107	107	106	105	109	111	4.2	1.7
RJio	180	187	193	209	219	225	230	234	240	248	254	260	265	283	293	15.5	3.4
<b>EBITDA (INR b)</b>																	
Bharti (India wireless)	70	75	79	89	93	99	104	105	112	115	119	122	125	142	155	29.6	9.1
Bharti (consolidated)	130	138	147	160	165	176	185	187	196	195	198	194	197	218	246	24.1	12.6
Idea	37	39	38	46	43	41	42	42	42	43	44	43	42	45	47	8.3	3.6
RJio	86	90	95	105	110	115	120	122	126	130	133	136	139	150	155	16.6	2.9
<b>EBITDA Margin (%)</b>																	
Bharti (India wireless)	49.2	49.2	49.4	50.6	51.1	52.3	53.8	53.8	54.8	54.9	55.1	55.1	55.6	57.1	58.8	374bps	179bps
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	51.2	52.7	54.5	222bps	183bps
Idea	40.5	41.1	39.3	45.4	41.6	38.6	39.4	40.0	39.0	40.0	40.8	40.9	40.0	41.6	42.4	163bps	77bps
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	52.6	53.1	52.8	48bps	-25bps
<b>Reported PAT (INR b)</b>																	
Bharti (consolidated)	2.8	11.3	8.3	20.1	16.1	21.5	15.9	30.1	16.1	13.4	24.4	20.7	41.6	35.9	147.8	505.2	311.4
Idea	(75.0)	(71.5)	(72.2)	(65.5)	(73.0)	(76.0)	(79.9)	(64.0)	(78.4)	(87.4)	(77.4)	(76.7)	(64.3)	(71.8)	(66.1)	-14.6	-7.9
RJio	35.0	35.3	36.2	41.7	43.4	45.2	46.4	47.2	48.6	50.6	52.1	53.4	54.5	62.3	64.8	24.4	3.9
<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	3.6	7.2	6.2	25.5	497.7	311.3
Idea	(2.5)	(2.5)	(2.5)	(2.0)	(2.3)	(2.4)	(2.5)	(1.3)	(1.6)	(1.8)	(1.4)	(1.6)	(1.0)	(1.0)	(1.0)	-34.0	-7.8

Source: MOFSL, Company

## UTILITIES: 3QFY25 – a mixed bag; TPWR and IEX beat our PAT estimates

- **Overall performance:** For our coverage universe, revenue was 8% below our estimates (mainly due to a 20%/28% miss for JSWE/TPWR), EBITDA was 6% below (mainly due to a 28%/14% miss for JSWE/TPWR), while adj. PAT (APAT) was only 3% below our estimates (due to an 18%/16% beat for TPWR/IEX).
- **Overall, a mixed 3Q with TPWR and IEX surpassing our PAT estimates:** IEX's standalone revenue and PAT both surpassed our estimate, primarily due to a 15.9% YoY rise in electricity volumes and other income. IEX saw strong volume growth in Q3, with overall volumes up 17% year-over-year, including a 15.9% rise in electricity and a 31% surge in renewables. NTPC's standalone revenue and EBITDA came in line with our estimate. PAT was marginally below due to higher-than-expected tax rates, previous year adjustments, and changes in regulatory account balances. Gross generation was up 2% YoY in 3QFY25, while plant availability across both coal and gas plants improved on a YoY basis. TPWR's EBITDA came in 4% below our estimate but was up 38% on a YoY basis driven by robust growth in the standalone business amid strong PLFs and regulatory upside in Mundra and rising contribution from the renewables business amid progressive commissioning of renewable generation capacity and earnings contribution from the cell and module business. Profitability at the PAT level was driven by other income, which came in higher than our estimates. JSWE substantially missed our EBITDA estimates due to lower short-term merchant spreads and higher opex, while APAT was adversely impacted by higher finance costs and lower other income. The commissioning of the 377MW wind capacity during the lean season led to higher capitalization, finance costs, and depreciation. PWGR's reported SA PAT was in line, aided by higher other income (partly attributable to the gain on the monetization of the remaining stake in some InvIT assets), while on a consolidated basis, its reported PAT was flat YoY.
- **Ratings and earnings revisions:** TPWR – While the 3QFY25 APAT was above our expectations, overall, we trimmed our FY26-27 EPS by 7%/7%, mainly due to a slower-than-expected pace of commissioning in the RE generation business. PWGR – Following the 3QFY25 results, we moderate our DPS estimates to INR9.0/INR10.0/INR13.5 for FY25/FY26/FY27. JSWE – Considering the weak financial performance, we cut our FY25 APAT by ~5%. However, we believe the core story remains intact, and the company is on track to nearly double its capacity to ~14GW by Jun'25 (assuming the KSK Mahanadi and O2 Power acquisitions are consummated).
- **Top picks:** JSWE and PWGR remain our preferred picks.
- **Surprises:** TPWR and IEX.

- **Misses:** JSWE, PWGR and NTPC.

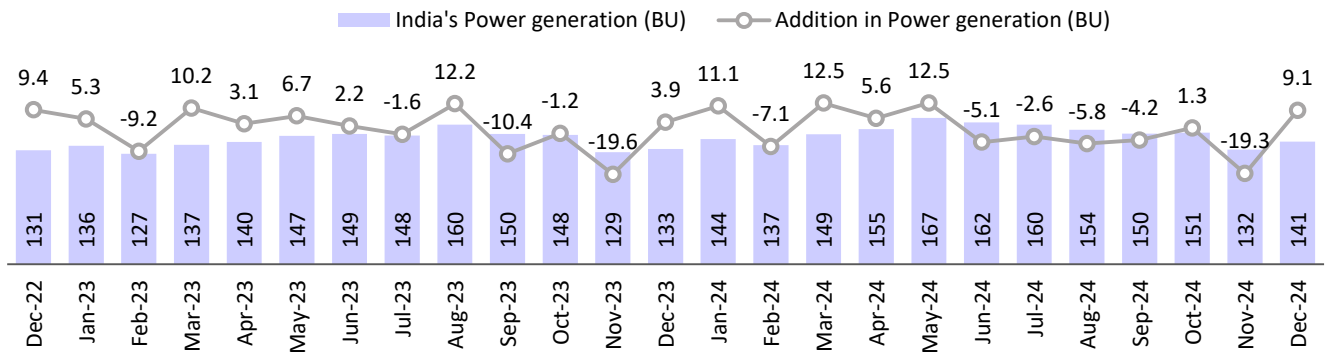
#### Guidance highlights:

- **JSWE:** Management maintained its guidance of achieving 10GW in operational capacity by FY25 end and highlighted that the company has 7.8GW of projects under construction with PPAs, while an additional 3.9GW capacity is awaiting PPA agreements. Management also highlighted that the company has incurred a capex of INR62b during 9MFY25 while the FY25 capex target was revised to INR100b from the earlier estimate of INR150b due to the inorganic growth route. JSWE remains hopeful of consummating both the KSK Mahanadi and O2 Power acquisitions by 2QFY26. The company is on track to achieve 14GW of operational capacity by Jun'25, well ahead of its 2030 target of becoming a 20GW generation company. JSWE has appealed CERC's decision to reject the tariff adoption for its BESS project and remains optimistic.
- **PWGR:** Management raised its FY25 capex guidance to INR230b (from INR200b), capex and capitalization for FY26 were guided at INR280-300b, while the same for FY27 was guided at INR350b. Management guided that the dividend payout may see some moderation given mounting capex. It was highlighted that currently ~INR520b worth of projects are under bidding. Assuming a project win rate of ~50%, about INR250-270b worth of projects are likely to be won by PWGR, in addition to the current work in hand (at INR1.43t). This would take the total value of projects to INR1.7t.
- **NTPC:** Management guided the conventional capacity (thermal + hydro) commissioning targets at 3GW/2.2GW/1.9GW in FY25/FY26/FY27 and is actively considering the awarding of 7.2GW of thermal capacity by FY27 (all of this would be under JVs). The expansion would primarily be brownfield in nature, with no recent developments in greenfield thermal projects. NGEL aims to achieve an RE capacity target of 60GW by FY32 with plans to commission 3,088 MW of RE capacity in FY25, 5GW in FY26, and 8GW in FY27. Resources for FY25 and FY26 RE capacity commissioning, including land, are in place. NTPC also established Anushakti Vidyut Megham Limited, a JV with NPCIL, to develop nuclear projects and transferred the 2,800 MW Mahi Banswara Atomic Power Project to the JV.
- **TPWR:** Management has highlighted that INR120b was spent in 9MFY25, with an additional INR100b planned for 4QFY25, bringing the total to ~INR220b for FY25. The company has a target of commissioning 600 MW in 4QFY25 with plans to add 2-2.5GW annually in FY26 and FY27, comprising solar and wind capacity, and is targeting a 70% clean energy mix by FY30 (currently at 43%). The 2GW Solar Cell Line, commissioned in Nov'24, is operating at 90% capacity. An additional 2GW Cell Line, commissioned in Jan'25, is undergoing stabilization and is expected to be fully operational by Feb'25. The company is actively exploring new bidding opportunities for DISCOM privatization across India, including UP DISCOMs, under a potential public-private partnership model. TPWR is also evaluating opportunities in the nuclear space.
- **IEX:** Management highlighted that gas prices are projected to decline to USD8-9/MMBTU by 2026-27, enhancing affordability and consumption, and emerging models, such as battery storage arbitrage and Virtual Power Purchase Agreements (VPPAs), are expected to drive market evolution. Pending approvals for the 11-month contract and the Green RTM market are expected to enhance trading opportunities. Plans are underway to establish India's first coal exchange by 2025 under a regulatory framework.

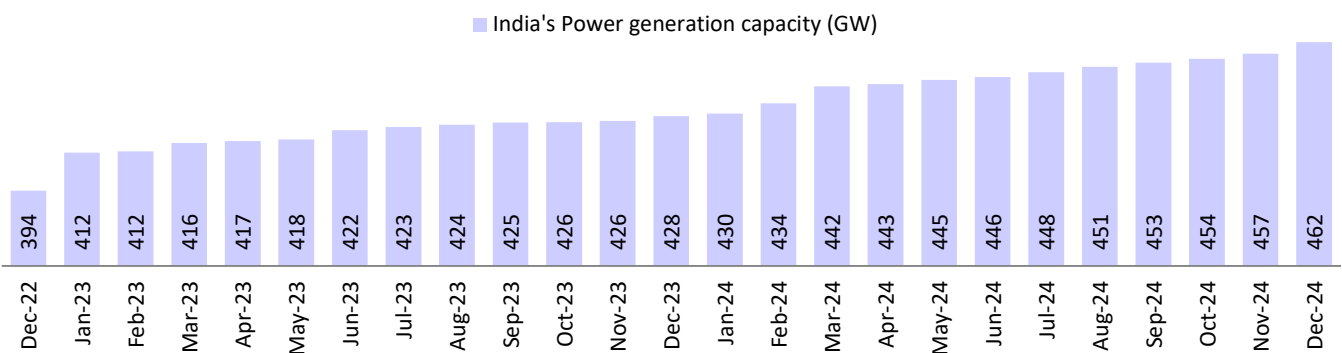
#### Exhibit 136: Key snapshot

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1QFY25	2QFY25	3QFY25
<b>Total generation growth (%)</b>	<b>5.4</b>	<b>5.2</b>	<b>0.7</b>	<b>-0.6</b>	<b>8.1</b>	<b>9.0</b>	<b>7.2</b>	<b>10.9</b>	<b>1.3</b>	<b>3.4</b>
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	11.5	0.3	2.3
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	7.0	7.3	11.4
<b>All India Peak Demand (GW)</b>	<b>161</b>	<b>176</b>	<b>183</b>	<b>189</b>	<b>201</b>	<b>212</b>	<b>240</b>	<b>250</b>	<b>230</b>	<b>224</b>
<b>Capacity addition (GW)</b>										
Net Coal	6.0	3.6	4.1	4.2	1.4	1.2	5.7	0.0	0.1	1.4
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	3.7	5.3	7.1
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	0.8	0.7	0.8
<b>Total capacity addition</b>	<b>17.2</b>	<b>12.1</b>	<b>14.0</b>	<b>12.0</b>	<b>17.3</b>	<b>16.6</b>	<b>25.9</b>	<b>4.2</b>	<b>6.5</b>	<b>9.4</b>

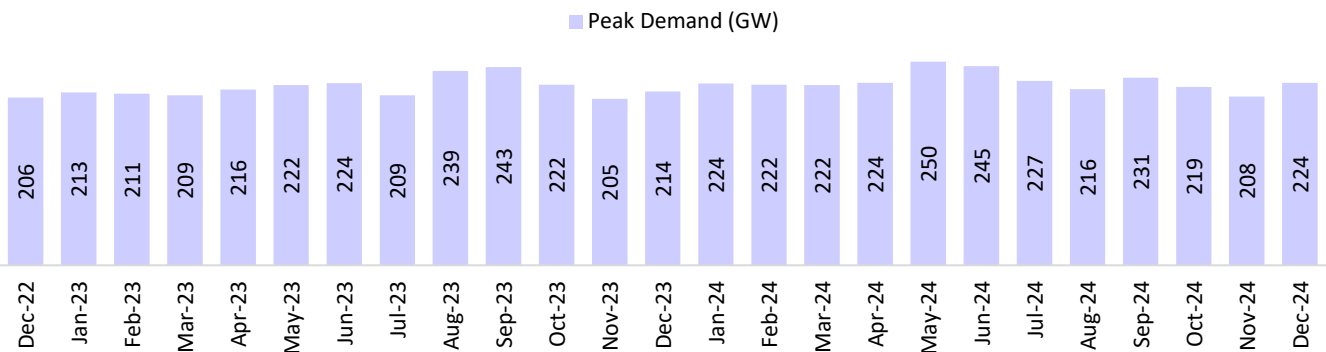
Source: NPP, CEA, MOFSL

**Exhibit 137: India's power generation**

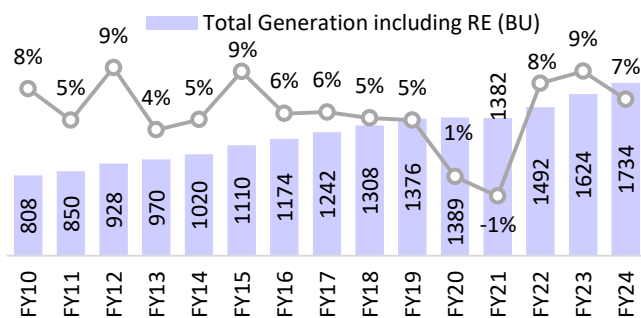
Source: NPP, CEA, MOFSL

**Exhibit 138: India's power generation capacity (GW)**

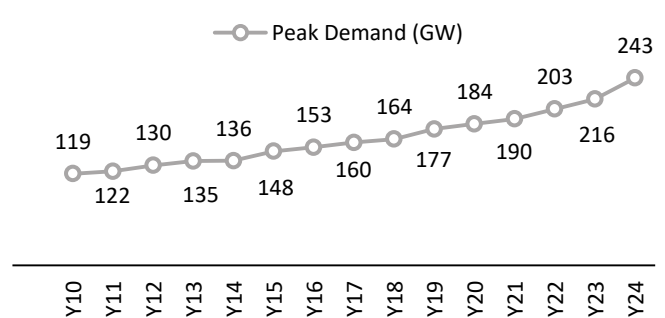
Source: NPP, MOFSL

**Exhibit 139: India's peak demand**

Source: CEA, MOFSL

**Exhibit 140: India's power demand growth**

Source: NPP, CEA, MOFSL

**Exhibit 141: Peak demand growth**

Source: CEA, MOFSL



**ANNEXURE: MOFSL UNIVERSE (ACTUAL V/S EXPECTATIONS)**

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
<b>Automobiles</b>	<b>3,195.5</b>	<b>7.2</b>	<b>5.7</b>	<b>-1.3</b>	<b>405.9</b>	<b>-0.9</b>	<b>4.9</b>	<b>-4.8</b>	<b>233.8</b>	<b>-1.8</b>	<b>3.6</b>	<b>-6.0</b>
Amara Raja Energy	31.6	9.8	0.9	-0.2	4.2	-4.4	-5.6	-8.3	2.3	-9.1	-4.5	-10.1
Apollo Tyres	69.3	5.0	7.6	2.3	9.5	-21.6	7.9	-4.3	3.4	-32.9	13.0	-16.1
Ashok Leyland	94.8	2.2	8.1	4.7	12.1	8.8	19.1	14.8	7.6	31.2	9.9	20.7
Bajaj Auto	128.1	5.7	-2.4	-1.7	25.8	6.2	-2.7	-0.1	21.1	3.3	-4.8	-2.6
Balkrishna Inds	25.7	11.0	4.3	2.0	6.4	8.9	3.3	1.8	4.4	42.6	25.8	14.7
Bharat Forge	21.0	-7.4	-6.7	-13.1	6.1	-5.5	-2.5	-9.0	3.5	-4.8	-1.2	-11.8
Bosch	44.7	6.2	1.6	-1.7	5.8	0.7	3.9	-3.9	4.9	4.8	-0.7	-9.1
CEAT	33.0	11.4	-0.1	-1.4	3.4	-18.3	-5.9	-3.0	1.0	-46.5	-20.3	-19.5
Craftsman Auto	15.8	39.5	29.8	-7.2	2.0	-9.6	3.2	1.8	0.2	-67.0	-60.9	-59.4
Eicher Motors	49.7	19.0	16.7	-1.3	12.0	10.2	10.4	-8.2	11.7	17.5	6.4	4.6
Endurance Tech.	28.6	11.6	-1.8	-2.5	3.7	24.6	-2.5	-4.3	1.8	21.1	-9.2	-12.1
Escorts Kubota	29.4	8.5	29.6	-5.7	3.4	3.5	44.0	-10.3	2.9	7.7	-4.0	-7.4
Exide Inds.	38.5	0.2	-9.8	-10.5	4.5	2.0	-7.2	-9.3	2.4	2.0	-17.7	-13.0
Happy Forgings	3.5	3.6	-1.9	-1.3	1.0	6.6	-3.7	-3.2	0.6	11.4	-3.2	-5.5
Hero Motocorp	102.1	5.0	-2.4	0.8	14.8	8.4	-2.6	3.8	12.0	12.1	-0.1	7.9
Hyundai Motor	166.5	-1.3	-3.5	0.3	18.8	-13.7	-15.0	-8.1	11.6	-18.6	-15.6	-6.1
Mahindra & Mahindra	305.4	20.3	10.8	-2.2	44.7	35.6	13.1	0.5	29.6	19.1	-22.8	-7.3
Maruti Suzuki	384.9	15.6	3.5	0.0	44.7	14.4	1.2	2.0	35.3	12.6	-4.0	1.3
Motherson Wiring	23.0	8.8	-1.1	-4.9	2.4	-9.3	-4.8	-12.1	1.4	-16.6	-8.0	-16.4
MRF	68.8	13.8	1.8	0.7	8.0	-22.9	-17.6	-15.9	3.1	-39.6	-32.7	-25.6
Samvardhana Motherson	276.7	7.9	-0.5	-4.3	26.9	16.0	9.7	1.5	8.8	62.2	17.7	10.4
Sona BLW Precis.	8.7	11.8	-6.2	0.6	2.3	3.1	-8.1	0.2	1.6	17.1	1.2	11.8
Tata Motors	1,135.8	2.7	12.0	-1.2	130.3	-15.0	11.0	-11.6	54.7	-23.0	63.6	-16.5
Tube Investments	19.1	0.6	-7.5	-7.2	2.4	1.5	-1.2	0.1	1.6	2.1	-4.2	-5.9
TVS Motor	91.0	10.3	-1.4	-0.1	10.8	17.0	0.2	2.7	6.2	4.2	-6.7	-4.8
<b>Capital Goods</b>	<b>946.4</b>	<b>16.8</b>	<b>4.6</b>	<b>-2.2</b>	<b>106.3</b>	<b>16.6</b>	<b>0.4</b>	<b>-3.3</b>	<b>64.9</b>	<b>20.3</b>	<b>-0.3</b>	<b>-3.9</b>
Bharat Electronics	57.6	39.1	25.6	15.9	16.5	57.5	19.1	33.2	13.2	47.3	20.6	27.7
Cummins India	30.9	21.8	23.8	14.8	6.0	11.5	24.7	14.5	5.1	12.7	14.1	9.5
Hitachi Energy	16.2	27.2	4.3	-5.0	1.7	145.5	52.1	6.4	0.9	272.1	63.5	-3.7
Kalpataru Proj.	48.3	16.4	16.7	-2.3	4.0	16.8	15.3	-4.3	1.6	9.3	18.9	-19.6
KEC International	53.5	6.8	4.6	-7.6	3.7	21.6	16.9	-3.5	1.3	33.7	51.7	-13.7
Kirloskar Oil	11.6	2.5	-2.6	-11.4	1.2	-12.0	-29.1	-24.5	0.7	-20.9	-41.4	-35.7
Larsen & Toubro	646.7	17.3	5.1	-2.5	62.5	8.6	-1.7	-9.7	33.6	14.0	-1.1	-11.5
Siemens	50.2	4.0	-22.3	-8.6	7.2	21.4	-22.8	0.8	6.1	21.5	-26.1	2.9
Thermax	25.1	7.9	-4.0	-11.2	1.9	0.8	-32.0	-28.6	1.1	-19.0	-42.6	-34.0
Triveni Turbine	5.0	16.6	0.5	0.3	1.1	30.6	-1.9	3.7	0.9	35.0	1.8	3.8
Zen Technologies	1.4	44.3	-41.4	-38.7	0.4	-17.0	-53.7	-57.3	0.4	21.9	-40.8	-39.3
<b>Cement</b>	<b>560.5</b>	<b>2.2</b>	<b>10.2</b>	<b>0.0</b>	<b>70.1</b>	<b>-31.1</b>	<b>28.0</b>	<b>-10.6</b>	<b>22.5</b>	<b>-54.7</b>	<b>2.1</b>	<b>-17.0</b>
ACC	52.6	6.9	14.1	6.4	4.7	-47.7	10.1	-20.3	2.3	-57.3	-3.6	-28.2
Ambuja Cements	85.0	4.6	15.2	2.8	8.9	-48.9	-9.0	-35.2	4.1	-49.7	-10.7	-28.1
Birla Corporation	22.6	-2.4	15.6	3.4	2.5	-34.5	39.9	-6.6	0.3	-71.4	LP	-29.8
Dalmia Bharat	31.8	-11.7	3.0	-5.9	5.1	-34.4	17.7	-11.0	0.6	-78.1	7.3	-60.1
Grasim Industries	81.2	26.9	6.5	-2.2	2.7	-48.2	-16.8	-41.8	-1.7	PL	PL	PL
India Cements	9.0	-16.5	-11.2	-6.7	-1.9	PL	Loss	Loss	-2.6	Loss	Loss	Loss
J K Cements	29.3	-0.2	14.5	2.1	4.9	-21.3	73.3	7.0	1.9	-33.3	426.8	20.8
JK Lakshmi Cem.	15.0	-12.1	21.3	1.2	2.0	-33.2	126.0	6.5	0.6	-56.8	LP	18.3
Ramco Cements	19.8	-6.2	-3.0	-2.4	2.8	-29.3	-10.5	-13.6	0.0	-96.6	-87.6	-90.3
Shree Cement	42.4	-13.6	13.6	-8.1	9.5	-23.3	59.8	4.8	2.3	-68.8	146.3	-2.9
Ultratech Cement	171.9	2.7	10.0	0.9	28.9	-11.3	43.0	3.6	14.7	-17.3	79.2	13.8
<b>Chemicals-Specialty</b>	<b>159.2</b>	<b>6.2</b>	<b>-5.3</b>	<b>-3.0</b>	<b>26.9</b>	<b>-1.4</b>	<b>-12.2</b>	<b>-8.0</b>	<b>13.5</b>	<b>-11.7</b>	<b>-23.6</b>	<b>-15.1</b>
Alkyl Amines	3.7	15.3	-10.5	-1.4	0.7	19.5	-3.1	35.0	0.4	30.9	-7.8	46.9
Atul	14.2	24.5	1.7	7.1	2.2	47.7	-7.7	0.9	1.2	62.5	-16.1	-0.6

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Clean Science	2.4	23.7	1.1	2.0	1.0	13.7	9.8	14.1	0.7	4.8	11.7	8.9
Deepak Nitrite	19.0	-5.3	-6.3	2.5	1.7	-44.7	-43.4	-28.3	1.0	-51.4	-49.5	-32.4
Fine Organic	5.2	22.5	-12.4	-18.8	1.0	12.8	-27.1	-34.2	0.9	27.8	-21.3	-28.6
Galaxy Surfactants	10.4	10.8	-2.0	-4.6	1.1	-6.2	-17.3	-14.8	0.6	-9.5	-23.7	-19.0
Navin Fluorine	6.1	21.2	16.9	-7.1	1.5	94.7	37.2	6.2	0.8	131.2	42.1	12.2
NOCIL	3.2	-6.6	-12.3	-9.8	0.2	-50.1	-35.9	-32.2	0.2	-37.8	-55.4	-22.7
P I Industries	19.0	0.2	-14.4	-2.6	5.1	-7.5	-18.5	-6.3	3.7	-16.9	-26.7	-8.4
SRF	34.9	14.4	2.0	-1.4	6.5	12.0	16.6	7.8	3.1	12.4	36.3	15.7
Tata Chemicals	35.9	-3.8	-10.2	-6.3	4.3	-19.9	-29.8	-24.2	0.0	PL	PL	PL
Vinati Organics	5.2	16.4	-5.7	-6.5	1.4	24.5	6.5	-0.1	1.0	24.1	-10.0	-7.4
<b>Consumer</b>	<b>877.7</b>	<b>5.7</b>	<b>-1.4</b>	<b>-0.8</b>	<b>201.9</b>	<b>-0.9</b>	<b>-2.0</b>	<b>-3.3</b>	<b>140.8</b>	<b>-5.3</b>	<b>-2.2</b>	<b>-6.4</b>
Asian Paints	85.5	-6.1	6.5	-1.1	16.4	-20.4	32.0	0.9	11.3	-23.5	29.1	-3.5
Britannia	45.9	7.9	-1.6	0.8	8.4	2.9	7.9	4.8	5.8	4.3	9.5	4.2
Colgate	14.6	4.7	-9.7	-2.1	4.5	-3.0	-8.6	-7.1	3.2	-2.2	-9.2	-8.2
Dabur	33.6	3.1	10.8	0.4	6.8	2.1	23.4	0.9	5.3	1.6	22.5	1.1
Emami	10.5	5.3	17.8	-0.3	3.4	7.6	35.2	0.9	3.0	6.3	28.8	-1.3
Godrej Consumer	37.7	3.0	2.8	0.4	7.6	-16.4	-0.8	-3.7	5.0	-14.3	1.4	-8.8
Hind. Unilever	158.2	1.6	-0.7	-1.5	37.0	0.8	-2.6	-3.7	25.6	1.0	-1.8	-5.5
Indigo Paints	3.4	-3.2	14.4	-7.8	0.6	-8.1	37.8	-3.9	0.4	-3.3	59.0	-1.6
ITC	187.9	4.3	-9.4	-2.2	63.6	-2.2	-5.9	-6.7	48.1	-9.9	-3.7	-9.2
Jyothy Labs	7.0	4.0	-4.0	-1.4	1.2	-2.4	-16.4	-7.8	0.9	-3.9	-16.8	-8.3
L T Foods	22.7	17.2	7.9	3.1	2.5	4.7	9.0	2.7	1.4	-5.2	-3.5	-6.9
Marico	27.9	15.4	4.9	0.0	5.3	3.9	2.1	-8.1	4.0	4.2	-3.4	-7.8
Nestle	47.8	3.9	-6.4	-1.4	11.2	-0.8	-5.8	-4.2	7.0	-10.2	-8.9	-11.3
P&G Hygiene	12.5	10.1	9.9	1.0	3.7	19.8	27.7	8.1	2.7	17.3	26.8	4.8
Page Industries	13.1	6.9	5.4	-2.6	3.0	31.7	7.5	13.7	2.0	34.3	4.8	12.3
Pidilite Inds.	33.7	7.6	4.1	-0.3	8.0	7.5	3.8	-4.0	5.6	9.2	3.0	-5.5
Tata Consumer	44.4	16.8	5.4	0.7	5.6	-1.3	-9.8	2.4	2.8	-18.4	-26.3	-15.6
United Breweries	20.0	9.6	-5.5	-2.1	1.4	-3.0	-37.8	-23.7	0.6	-24.5	-51.6	-43.0
United Spirits	34.3	14.8	20.7	1.9	5.9	19.7	16.0	2.6	4.2	20.7	25.5	8.3
Varun Beverages	36.9	38.3	-23.2	2.4	5.8	38.7	-49.6	-1.2	1.9	41.0	-70.0	-10.2
<b>Consumer Durables</b>	<b>174.7</b>	<b>15.9</b>	<b>4.3</b>	<b>1.4</b>	<b>17.0</b>	<b>24.9</b>	<b>14.9</b>	<b>2.4</b>	<b>11.0</b>	<b>23.4</b>	<b>5.3</b>	<b>-5.5</b>
Havells India	48.9	10.8	7.7	-0.9	4.3	-1.4	13.7	-6.5	2.8	-3.5	3.8	-12.7
KEI Industries	24.7	19.8	8.2	3.2	2.4	12.3	9.2	-3.4	1.6	9.4	6.5	-5.7
Polycab India	52.3	20.4	-5.0	-1.7	7.2	26.4	14.0	9.3	4.6	10.8	4.0	-0.7
R R Kabel	17.8	9.1	-1.5	1.9	1.1	-1.8	28.9	7.8	0.7	-3.4	38.4	17.6
Voltas	31.1	18.3	18.6	9.6	2.0	594.5	21.7	4.4	1.3	LP	-1.4	-13.8
<b>EMS</b>	<b>149.6</b>	<b>86.9</b>	<b>-2.7</b>	<b>0.8</b>	<b>8.5</b>	<b>77.4</b>	<b>7.3</b>	<b>-1.3</b>	<b>4.1</b>	<b>76.2</b>	<b>4.2</b>	<b>-18.0</b>
Amber Enterp.	21.3	64.8	26.6	15.9	1.6	102.2	39.6	21.8	0.4	LP	86.4	1.2
Avalon Tech	2.8	31.1	2.1	0.8	0.3	109.2	14.9	7.6	0.2	264.7	37.2	18.7
Cyient DLM	4.4	38.4	14.1	-1.2	0.4	22.8	14.2	-16.6	0.2	-8.7	8.9	-36.5
Data Pattern	1.2	-16.1	28.6	-39.2	0.5	-10.0	57.5	-33.7	0.4	-12.4	47.5	-32.4
Dixon Tech.	104.5	117.0	-9.4	1.6	3.9	111.8	-8.4	2.6	1.7	77.5	-20.2	-24.2
Kaynes Tech	6.6	29.8	15.6	-16.2	0.9	34.6	14.5	-21.4	0.7	47.1	10.4	-25.5
Syrma SGS Tech.	8.7	23.0	4.4	-13.4	0.8	103.8	11.4	12.3	0.5	228.2	40.6	38.7
<b>Financials</b>	<b>3,032.1</b>	<b>9.9</b>	<b>3.0</b>	<b>-1.5</b>	<b>1,700.0</b>	<b>12.6</b>	<b>-4.0</b>	<b>-1.3</b>	<b>1,055.8</b>	<b>10.6</b>	<b>-2.4</b>	<b>2.3</b>
<b>Banks-Private</b>	<b>921.9</b>	<b>9.0</b>	<b>1.3</b>	<b>-0.3</b>	<b>693.6</b>	<b>10.5</b>	<b>0.7</b>	<b>0.1</b>	<b>420.4</b>	<b>1.5</b>	<b>-2.9</b>	<b>-0.8</b>
AU Small Finance	20.2	52.7	2.4	-0.1	12.0	83.4	6.5	8.5	5.3	40.8	-7.5	8.1
Axis Bank	136.1	8.6	0.9	-0.4	105.3	15.2	-1.7	2.3	63.0	3.8	-8.9	-1.3
Bandhan Bank	28.3	12.1	-4.0	-5.6	20.2	22.1	9.0	-15.7	4.3	-41.8	-54.5	-46.4
DCB Bank	5.4	14.5	6.6	1.7	2.7	28.2	6.3	15.2	1.5	19.6	-2.6	9.4
Equitas Small Fin.	8.2	4.2	2.0	-1.3	3.3	-7.6	-4.8	-6.5	0.7	-67.2	415.0	-17.3
Federal Bank	24.3	14.5	2.7	-0.4	15.7	9.2	0.3	1.2	9.6	-5.1	-9.6	-7.2
HDFC Bank	306.5	7.7	1.8	1.0	250.0	5.7	1.2	1.0	167.4	2.2	-0.5	0.5
ICICI Bank	203.7	9.1	1.6	-1.6	168.9	14.7	1.0	1.0	117.9	14.8	0.4	3.2

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
IDFC First Bank	49.0	14.4	2.4	-1.1	17.6	12.6	-10.3	-13.2	3.4	-52.6	69.1	-32.2
IndusInd Bank	52.3	-1.3	-2.2	-1.0	36.0	-10.9	0.0	-0.1	14.0	-39.1	5.3	-2.3
Kotak Mahindra Bank	72.0	9.8	2.5	0.9	51.8	13.5	1.6	-1.0	33.0	10.0	-1.2	-2.2
RBL Bank	15.9	2.5	-1.9	2.0	10.0	30.2	9.5	0.3	0.3	-86.0	-85.3	-53.4
<b>Banks-PSU</b>	<b>887.0</b>	<b>3.6</b>	<b>0.4</b>	<b>-1.7</b>	<b>579.1</b>	<b>11.7</b>	<b>-12.4</b>	<b>-4.3</b>	<b>378.0</b>	<b>23.6</b>	<b>-3.9</b>	<b>9.5</b>
Bank of Baroda	114.2	2.8	-1.8	-5.1	76.6	9.3	-19.1	-2.6	48.4	5.6	-7.6	9.9
Canara Bank	91.5	-2.9	-1.8	-4.8	78.4	15.2	2.4	4.5	41.0	12.3	2.2	2.2
Indian Bank	64.1	10.3	3.6	1.1	47.5	15.9	0.4	4.6	28.5	34.6	5.4	10.5
Punjab National Bank	110.3	7.2	4.9	2.4	66.2	4.6	-3.4	0.6	45.1	102.8	4.8	23.6
State Bank	414.5	4.1	-0.4	-2.0	235.5	15.8	-19.6	-12.9	168.9	17.3	-7.9	4.0
Union Bank	92.4	0.8	2.1	0.6	74.9	2.9	-7.7	7.0	46.0	28.2	-2.5	26.5
<b>Insurance</b>	<b>715.0</b>	<b>13.7</b>	<b>9.1</b>	<b>-4.3</b>	<b>36.0</b>	<b>9.5</b>	<b>15.2</b>	<b>2.4</b>	<b>23.0</b>	<b>28.8</b>	<b>6.5</b>	<b>4.5</b>
HDFC Life Insur.	167.7	10.1	1.2	-8.3	9.3	8.6	-0.9	-3.8	4.1	13.7	-4.2	-4.3
ICICI Lombard	50.5	17.2	0.4	3.5	-1.5	Loss	Loss	Loss	7.2	67.9	4.4	14.2
ICICI Pru Life	126.6	23.1	4.8	-5.2	5.2	18.6	-11.8	-13.5	3.2	42.8	29.1	27.5
Max Financial	82.2	12.7	6.3	-2.9	4.9	0.0	-4.5	0.6	0.7	-53.8	-49.9	-55.6
SBI Life Insurance	250.0	11.3	22.5	-3.5	18.7	11.3	29.0	4.5	5.5	71.2	4.0	9.7
Star Health	38.0	15.4	2.6	0.2	-0.5	PL	Loss	Loss	2.2	-25.7	93.3	-1.2
<b>NBFC - Lending</b>	<b>437.3</b>	<b>15.6</b>	<b>3.2</b>	<b>0.6</b>	<b>352.4</b>	<b>15.3</b>	<b>0.6</b>	<b>0.5</b>	<b>204.5</b>	<b>5.4</b>	<b>2.1</b>	<b>-2.5</b>
AAVAS Financiers	2.5	14.8	4.8	-0.7	1.9	23.3	-0.2	2.7	1.5	25.5	-1.0	2.6
Bajaj Finance	93.8	22.6	6.2	0.6	78.1	27.1	6.8	2.0	43.1	18.3	7.3	4.8
Can Fin Homes	3.4	4.8	1.5	-0.3	2.9	1.7	1.2	-0.9	2.1	6.0	0.3	-4.2
Chola. Inv & Fin.	28.9	33.0	6.4	-0.8	21.3	40.4	10.7	4.0	10.9	24.0	12.8	1.6
CreditAccess	8.6	7.5	-7.5	-6.4	6.2	3.5	-7.3	-5.6	-1.0	PL	PL	PL
Five-Star Business	5.4	28.3	4.6	0.8	3.9	29.4	2.2	-0.6	2.7	26.3	2.2	0.6
Fusion Finance	2.2	-33.7	-43.7	-39.4	0.6	-75.1	-77.2	-74.5	-7.2	PL	Loss	Loss
Home First Fin.	1.6	21.4	4.2	2.9	1.4	27.2	10.7	7.2	1.0	23.5	5.6	1.4
IIFL Finance	12.4	-21.6	-7.8	-7.4	5.9	-38.2	-30.5	-27.8	0.4	-91.7	LP	-79.7
L&T Finance	22.4	14.6	2.7	6.0	14.8	10.5	-7.0	2.2	6.3	-2.3	-10.2	5.9
LIC Housing Fin	20.0	-4.6	1.3	0.2	17.5	-7.2	0.4	0.3	14.3	23.1	7.8	11.6
M & M Financial	19.1	12.5	5.6	1.7	12.2	15.0	2.1	-1.4	9.0	62.7	143.4	30.6
Manappuram Finance	15.9	9.5	-2.7	-2.3	9.3	-0.6	-9.9	-9.3	2.8	-51.6	-51.3	-44.2
MAS Financial	2.1	31.0	7.3	1.6	1.4	25.4	7.7	1.7	0.8	25.1	2.0	-1.7
Muthoot Finance	27.2	42.8	8.1	5.9	20.6	47.7	7.5	5.9	13.6	32.7	8.9	2.1
PFC	46.9	12.9	6.5	3.1	51.5	16.8	-3.3	8.7	41.5	23.0	-4.9	4.9
PNB Housing	6.9	16.5	4.3	1.4	5.8	16.0	3.6	0.0	4.8	42.8	9.2	0.5
Poonawalla Fincorp	6.1	25.1	9.8	2.9	3.7	6.5	33.6	1.8	0.2	-92.9	LP	-87.7
REC	51.3	19.6	3.3	3.4	50.2	20.4	2.6	0.3	40.3	23.2	0.6	-2.1
Repco Home Fin	1.8	9.0	7.7	5.4	1.4	5.4	5.6	4.1	1.1	7.2	-5.3	-2.4
Shriram Finance	55.9	13.8	2.3	-1.2	40.8	10.7	2.5	-0.9	20.8	14.4	0.5	-1.2
Spandana Sphoorty	2.7	-13.4	-21.4	-4.5	0.8	-67.4	-65.6	-45.3	-4.4	PL	Loss	Loss
<b>NBFC - Non Lending</b>	<b>71.0</b>	<b>39.5</b>	<b>0.1</b>	<b>0.6</b>	<b>38.9</b>	<b>54.4</b>	<b>-1.8</b>	<b>0.5</b>	<b>29.9</b>	<b>31.7</b>	<b>-11.2</b>	<b>-5.3</b>
360 ONE WAM	6.0	37.7	2.8	6.6	2.9	37.4	-1.3	5.6	2.7	41.7	11.2	17.4
Aditya Birla AMC	4.5	30.4	4.9	4.6	2.7	41.2	9.5	10.3	2.2	7.2	-7.4	4.2
Anand Rathi Wealth	2.4	29.9	-2.2	-6.0	1.1	34.1	2.9	-2.1	0.8	33.2	1.4	-3.0
Angel One	8.9	29.4	-9.0	5.4	3.9	10.4	-32.3	-9.6	2.8	8.2	-33.5	-11.3
BSE	7.7	109.5	3.7	1.9	4.4	140.4	12.0	3.7	2.2	111.2	-36.8	-40.8
Cams Services	3.7	27.6	1.3	-0.7	1.7	33.6	1.5	-0.9	1.2	40.2	2.7	-1.1
CDSL	2.8	29.7	-13.7	-9.9	1.6	22.2	-19.6	-14.8	1.3	20.8	-19.9	-19.6
HDFC AMC	9.3	39.2	5.3	2.6	7.6	49.4	8.6	5.8	6.4	31.0	11.2	5.7
KFin Technologies	2.9	32.6	3.4	-1.5	1.3	33.4	3.2	-3.4	0.9	34.9	1.0	-5.8
MCX	3.0	57.4	5.5	-5.2	1.9	LP	7.6	-5.1	1.6	LP	4.2	-7.4
Nippon Life AMC	5.9	38.9	2.9	0.4	3.9	48.8	3.0	-0.1	3.0	4.0	-18.0	-9.3
Nuvama Wealth	7.2	29.5	-2.3	-2.5	3.3	44.7	-4.1	2.1	2.5	43.4	-1.9	4.0
Prudent Corp.	2.9	35.8	-0.4	-2.5	0.7	31.8	-4.1	-5.8	0.5	35.0	-6.4	-8.0

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
UTI AMC	3.8	29.4	0.6	-0.6	1.9	67.5	4.2	4.4	1.7	-14.6	-34.0	7.7
<b>Healthcare</b>	<b>878.8</b>	<b>11.3</b>	<b>0.9</b>	<b>1.2</b>	<b>211.5</b>	<b>21.5</b>	<b>1.3</b>	<b>4.1</b>	<b>131.5</b>	<b>24.9</b>	<b>2.2</b>	<b>4.6</b>
Ajanta Pharma	11.5	3.7	-3.4	3.2	3.2	-0.3	-4.7	5.0	2.2	3.3	-6.8	6.7
Alembic Pharma	16.9	3.8	2.7	0.0	2.6	-2.4	8.8	-2.7	1.4	-23.5	-2.8	-14.4
Alkem Lab	33.7	1.5	-1.2	2.1	7.6	7.3	0.9	14.8	6.3	-2.6	-9.1	13.3
Apollo Hospitals	55.3	13.9	-1.1	1.4	7.6	24.1	-6.6	0.5	3.7	51.8	-1.7	7.9
Aurobindo Pharma	79.8	8.5	2.3	4.8	16.3	1.7	3.9	-0.1	8.8	-2.8	7.3	-2.9
Biocon	38.2	6.0	6.4	2.8	7.9	36.2	14.5	8.4	0.4	LP	20.3	-38.5
Cipla	70.7	7.1	0.3	1.5	19.9	13.8	5.5	11.9	13.6	14.0	4.7	15.0
Divis Labs	23.2	25.0	-0.8	-0.7	7.4	51.9	3.8	5.7	5.8	68.5	18.4	12.9
Dr Reddy's Labs	82.3	14.1	2.7	7.9	21.7	7.1	-1.4	6.3	13.2	-4.3	-3.0	10.7
ERIS Lifescience	7.3	49.6	-1.9	-5.9	2.5	42.6	-5.4	-8.3	0.8	-18.6	-8.7	-17.0
Gland Pharma	13.8	-10.4	-1.5	-1.5	3.6	-3.8	21.2	19.1	2.0	0.4	25.2	13.4
Glenmark Pharma	33.9	35.1	-1.3	-1.8	6.0	LP	-0.3	-3.4	3.5	LP	-0.3	-6.2
Global Health	9.4	12.8	-1.4	7.3	2.4	8.9	2.9	12.0	1.5	18.4	6.8	13.0
Granules India	11.4	-1.5	17.7	8.9	2.3	-8.1	13.3	-2.0	1.2	-6.4	21.0	-4.0
GSK Pharma	9.5	17.9	-6.1	11.8	2.8	29.7	-12.0	14.1	2.2	5.7	-10.9	15.6
Ipca Labs.	22.5	9.4	-4.7	-2.1	4.6	39.9	4.7	13.5	2.5	122.5	7.7	25.1
Laurus Labs	14.2	18.4	15.6	6.1	2.9	57.2	59.9	23.6	0.9	298.9	365.2	47.0
Lupin	56.9	9.5	2.7	-0.9	13.8	34.7	11.3	10.4	8.6	42.6	11.3	13.2
Mankind Pharma	32.3	23.9	5.0	-3.8	8.9	47.5	5.2	-2.8	4.3	-5.2	-34.2	-24.1
Max Healthcare	22.7	34.9	7.1	7.1	6.2	32.7	8.8	12.0	4.0	16.5	7.4	7.2
Piramal Pharma	22.0	12.5	-1.7	6.4	3.4	25.8	-1.1	48.1	0.0	-89.5	-83.7	-65.8
Sun Pharma	130.6	7.4	-1.6	-2.4	35.7	14.2	-5.5	-0.7	30.0	21.3	2.4	1.3
Torrent Pharma	28.1	2.8	-2.8	-4.2	9.1	5.2	-2.7	-4.9	5.0	31.9	11.0	0.1
Zydus Lifesciences	52.7	17.0	0.6	-1.6	13.0	20.2	-8.2	-7.0	9.5	26.3	8.0	4.7
<b>Infrastructure</b>	<b>42.3</b>	<b>-9.5</b>	<b>18.6</b>	<b>-0.5</b>	<b>12.9</b>	<b>3.9</b>	<b>26.6</b>	<b>10.5</b>	<b>4.8</b>	<b>13.9</b>	<b>32.2</b>	<b>4.6</b>
G R Infraproject	15.0	-16.9	33.0	-11.2	1.9	-15.7	64.2	-9.0	1.7	13.0	45.2	-0.8
IRB Infra	20.3	2.9	27.7	20.5	9.8	13.2	28.4	21.0	2.2	18.4	122.2	10.2
KNR Constructions	7.1	-21.8	-17.3	-20.0	1.2	-20.4	-15.0	-19.6	0.9	5.6	-38.8	2.4
<b>Logistics</b>	<b>167.2</b>	<b>12.3</b>	<b>7.5</b>	<b>2.0</b>	<b>63.8</b>	<b>13.9</b>	<b>7.4</b>	<b>5.4</b>	<b>37.1</b>	<b>16.5</b>	<b>11.0</b>	<b>3.8</b>
Adani Ports	79.6	15.1	12.7	6.2	48.0	14.7	9.9	9.3	26.7	13.6	8.6	1.6
Blue Dart Express	15.1	9.3	4.4	0.1	1.5	8.9	20.0	2.8	0.8	-3.0	30.2	3.7
Concor	22.0	-0.1	-3.6	-10.4	4.6	-10.4	-20.3	-19.8	3.4	2.7	-13.3	-2.4
JSW Infra	11.8	25.7	18.0	11.0	5.9	22.1	12.6	1.9	4.4	43.2	67.7	34.5
Mahindra Logistics	15.9	14.1	4.8	1.2	0.7	41.1	11.0	-6.5	-0.1	Loss	Loss	PL
TCI Express	3.0	-4.9	-4.8	-10.0	0.3	-36.6	-21.4	-27.4	0.2	-40.4	-23.7	-28.4
Transport Corp.	11.5	14.5	2.3	0.8	1.2	18.6	1.2	-3.1	1.0	27.1	-5.2	-2.6
VRL Logistics	8.3	12.0	3.2	0.9	1.7	76.3	25.1	25.6	0.6	333.9	65.8	41.9
<b>Media</b>	<b>44.9</b>	<b>0.3</b>	<b>-0.7</b>	<b>-4.1</b>	<b>9.9</b>	<b>0.2</b>	<b>-4.8</b>	<b>-11.5</b>	<b>6.6</b>	<b>12.8</b>	<b>6.6</b>	<b>-4.1</b>
PVR Inox	17.2	11.1	5.9	3.0	2.4	16.9	26.6	4.6	0.7	65.5	204.5	34.8
Sun TV	7.9	-10.4	-11.8	-15.9	4.3	-24.7	-18.3	-26.7	3.5	-20.6	-12.8	-22.7
Zee Entertainment	19.8	-3.3	-1.1	-4.5	3.2	52.2	-0.8	6.3	2.4	129.5	23.1	29.9
<b>Metals</b>	<b>2,844.0</b>	<b>4.2</b>	<b>4.7</b>	<b>-0.9</b>	<b>552.4</b>	<b>9.3</b>	<b>19.2</b>	<b>10.8</b>	<b>245.4</b>	<b>3.2</b>	<b>24.3</b>	<b>10.7</b>
Coal India	357.8	-1.0	16.6	-2.5	104.0	-12.8	45.4	0.2	85.1	-17.0	35.2	1.8
Hindalco	583.9	10.6	0.3	-1.9	75.8	29.3	-3.8	-1.1	37.6	61.5	-11.8	-0.1
Hindustan Zinc	86.1	17.8	4.4	5.0	45.0	27.8	9.1	11.0	26.8	32.1	11.1	16.1
JSPL	117.5	0.4	4.8	-12.5	21.8	-23.2	-0.7	-18.2	9.5	-50.7	10.4	-14.4
JSW Steel	413.8	-1.3	4.3	-1.8	55.8	-22.3	2.6	10.1	7.8	-65.8	20.9	-4.9
Nalco	46.6	39.3	16.5	15.5	23.3	201.1	50.3	63.3	15.7	232.8	49.7	66.3
NMDC	65.7	21.4	33.5	-0.9	23.7	18.2	71.2	6.0	19.0	13.2	58.6	5.4
SAIL	244.9	4.9	6.3	-4.7	20.3	-5.3	59.1	87.9	1.1	-69.1	LP	LP
Tata Steel	536.5	-3.0	-0.5	2.6	71.5	24.6	29.6	58.1	7.4	68.8	64.1	281.5
Vedanta	391.2	10.1	3.9	1.9	111.0	30.2	13.0	3.4	35.5	76.2	20.2	16.2
<b>Oil &amp; Gas</b>	<b>7,784.8</b>	<b>0.1</b>	<b>6.5</b>	<b>-1.2</b>	<b>952.2</b>	<b>2.4</b>	<b>22.7</b>	<b>1.2</b>	<b>417.3</b>	<b>-10.7</b>	<b>12.7</b>	<b>-6.7</b>

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
<b>Oil Ex OMCs</b>	<b>3,609.4</b>	<b>2.5</b>	<b>1.9</b>	<b>3.5</b>	<b>720.3</b>	<b>4.4</b>	<b>8.9</b>	<b>1.8</b>	<b>318.6</b>	<b>-8.2</b>	<b>-8.9</b>	<b>-4.4</b>
Aegis Logistics	17.1	-8.9	-2.5	-14.7	2.3	10.0	4.0	-19.8	1.2	-4.5	-1.4	-15.4
BPCL	1,131.4	-2.0	10.1	11.6	75.8	20.7	68.0	-6.1	46.5	36.9	93.9	-3.2
Castrol India	13.5	7.1	5.1	-2.6	3.8	14.2	31.4	24.6	2.7	12.2	30.8	18.1
GAIL	349.4	2.0	6.2	7.1	28.4	-25.8	-24.2	-25.3	14.3	-49.8	-46.6	-43.4
Gujarat Gas	41.5	5.7	9.8	0.9	3.8	-5.0	-26.0	0.3	2.2	0.6	-27.8	19.8
Gujarat State Petronet	2.4	-48.2	-0.7	-5.7	1.9	-49.3	-0.2	-0.8	1.4	-48.3	-65.2	-8.3
HPCL	1,105.1	-0.7	10.6	18.7	64.5	203.3	133.0	30.3	30.2	471.4	378.9	29.0
Indraprastha Gas	37.6	5.9	1.7	6.7	3.6	-34.9	-32.1	12.1	2.9	-27.1	-33.7	41.0
IOC	1,939.0	-2.6	11.5	-20.6	91.7	-41.2	118.6	-10.8	21.9	-72.8	LP	-48.6
Mahanagar Gas	17.6	12.0	2.7	-1.2	3.1	-29.9	-21.1	-2.9	2.3	-28.9	-20.3	3.4
MRPL	218.7	-11.3	-12.4	1.3	11.9	0.7	LP	41.9	3.0	-21.4	LP	59.1
Oil India	52.4	-9.9	-5.1	-1.8	21.3	1.3	-2.3	-3.0	12.2	-22.9	-33.4	-13.0
ONGC	337.2	-3.1	-0.5	5.1	189.7	10.5	4.0	1.4	82.4	-16.7	-31.2	-12.9
Petronet LNG	122.3	-17.1	-6.1	-8.7	12.5	-26.9	3.9	-5.5	8.7	-27.2	2.3	-3.2
Reliance Inds.	2,399.9	6.6	3.6	4.0	437.9	7.7	12.1	4.0	185.4	7.4	11.9	4.6
<b>Real Estate</b>	<b>153.5</b>	<b>35.2</b>	<b>9.7</b>	<b>-8.1</b>	<b>44.1</b>	<b>33.9</b>	<b>19.9</b>	<b>-7.1</b>	<b>35.0</b>	<b>60.3</b>	<b>24.3</b>	<b>1.7</b>
Anant Raj	5.3	36.3	4.2	49.8	1.3	48.3	18.4	-49.8	1.1	53.7	4.6	-30.8
Brigade Enterpr.	14.6	24.7	36.5	9.2	4.1	57.9	41.7	-3.6	2.4	221.5	98.6	6.8
DLF	15.3	0.5	-22.6	-10.5	4.0	-21.7	-20.3	12.8	10.6	61.5	36.5	31.8
Godrej Properties	9.7	193.2	-11.4	16.2	0.3	LP	-13.7	-63.4	1.6	152.2	-52.6	-43.2
Kolte Patil Dev.	3.5	361.4	13.4	-38.6	0.3	LP	58.0	-64.8	0.3	LP	159.8	-24.6
Macrotech Developers	40.8	39.3	55.5	5.4	13.1	47.9	85.3	27.2	9.4	64.9	122.2	57.8
Mahindra Lifespace	1.7	104.0	2098.2	60.9	-0.3	Loss	Loss	Loss	-0.2	PL	Loss	PL
Oberoi Realty	14.1	33.9	6.9	-3.7	8.6	68.1	5.2	-0.3	6.2	71.7	4.9	-1.9
Phoenix Mills	9.8	-1.1	6.2	-6.4	5.5	0.2	6.8	-10.3	2.6	-5.2	21.4	-5.8
Prestige Estates	16.5	-7.9	-28.2	-41.2	5.9	7.0	-6.5	-21.7	0.2	-84.8	-90.8	-91.2
SignatureGlobal	8.3	193.7	10.5	-25.9	0.1	LP	LP	-86.0	0.3	1195.7	612.9	-63.7
Sobha	12.2	78.7	31.1	4.1	0.7	-9.3	-12.8	-61.9	0.2	43.8	-16.9	-76.3
Sunteck Realty	1.6	281.1	-4.3	-46.1	0.5	LP	29.4	-25.2	0.4	LP	22.8	-8.4
<b>Retail</b>	<b>669.2</b>	<b>21.0</b>	<b>17.1</b>	<b>-1.0</b>	<b>76.7</b>	<b>14.9</b>	<b>29.1</b>	<b>-2.1</b>	<b>34.7</b>	<b>14.8</b>	<b>45.5</b>	<b>-6.4</b>
Aditya Birla Fashion	43.0	3.3	18.1	-0.1	6.3	14.8	75.7	11.2	-0.4	Loss	Loss	Loss
Avenue Supermarts	159.7	17.7	10.6	0.0	12.2	8.7	11.3	-4.8	7.2	4.7	9.7	-9.9
Barbeque Nation	3.3	-0.6	7.6	-3.9	0.6	-7.2	35.0	-5.9	0.1	4.5	LP	-8.2
Bata India	9.2	1.7	9.8	-4.1	2.0	9.4	14.3	-4.5	0.7	15.4	28.7	-11.5
Campus Activewear	5.1	9.1	54.5	-0.8	0.8	46.1	115.3	-11.1	0.5	86.7	225.0	-14.5
Devyani Intl.	12.9	53.5	5.9	1.6	2.2	49.9	10.3	2.7	0.0	PL	Loss	PL
Jubilant Foodworks	16.1	18.9	9.8	3.4	3.1	10.6	10.0	-3.0	0.6	-2.2	14.5	-19.1
Kalyan Jewellers	72.9	39.5	20.1	0.8	4.9	33.5	24.6	0.5	2.6	43.8	42.7	-1.7
Metro Brands	7.0	10.6	20.1	-1.0	2.3	13.1	45.4	0.3	1.2	21.6	67.3	-0.3
P N Gadgil Jewellers	24.4	23.5	21.7	4.3	1.2	33.3	70.3	2.4	0.9	49.4	62.6	12.0
Raymond Lifestyle	17.5	1.6	2.7	-2.4	1.8	-36.6	-16.3	-26.0	0.6	-60.3	-36.5	-36.8
Relaxo Footwear	6.7	-6.4	-1.8	-10.5	0.8	-4.3	-4.9	-16.5	0.3	-14.4	-10.1	-27.2
Restaurant Brands	5.0	11.2	0.7	1.8	0.8	11.5	12.8	6.6	-0.2	Loss	Loss	Loss
Sapphire Foods	7.6	13.7	8.7	0.8	1.4	14.9	24.8	8.4	0.1	29.5	145.7	-28.4
Senco Gold	21.0	27.3	40.1	1.8	1.1	-40.6	31.6	-49.5	0.5	-50.4	57.1	-58.4
Shoppers Stop	13.1	8.7	22.8	1.4	2.4	11.4	63.4	1.3	0.5	37.2	LP	19.6
Titan Company	177.4	25.2	22.1	-3.6	19.3	23.1	26.3	3.9	12.5	18.3	33.8	2.4
Trent	45.3	36.9	12.4	-2.2	8.4	34.4	30.7	-3.9	4.7	36.6	10.8	-13.9
Vedant Fashions	5.1	7.8	90.8	-2.3	2.4	0.1	98.5	-11.0	1.6	0.2	136.1	-12.0
V-Mart Retail	10.3	15.5	55.3	0.0	1.7	43.2	343.7	12.0	0.7	153.7	LP	78.5
Westlife Foodworld	6.5	8.9	5.8	-0.4	0.9	-4.8	16.3	-3.4	0.1	-59.1	1786.4	-43.9
<b>Staffing</b>	<b>125.0</b>	<b>13.6</b>	<b>4.8</b>	<b>2.6</b>	<b>4.4</b>	<b>7.9</b>	<b>4.2</b>	<b>-2.2</b>	<b>2.6</b>	<b>50.4</b>	<b>23.6</b>	<b>-3.1</b>
Qess Corp	55.2	14.0	6.6	6.5	2.0	9.0	0.9	-0.5	1.0	22.5	11.4	0.0
SIS	33.6	9.4	2.9	-0.9	1.6	3.6	8.3	-2.3	1.0	176.5	48.4	-1.7

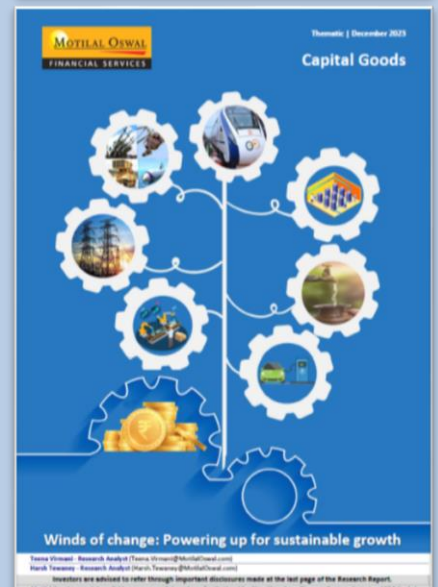
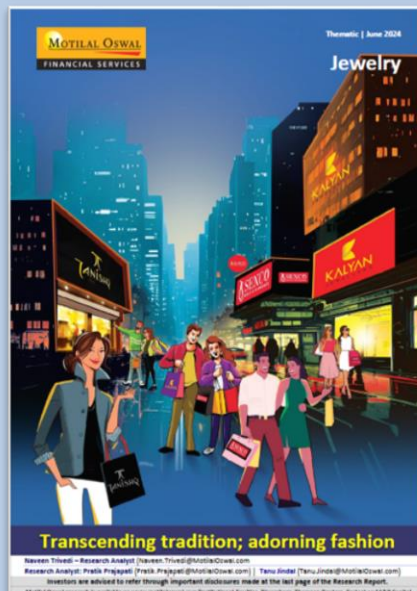
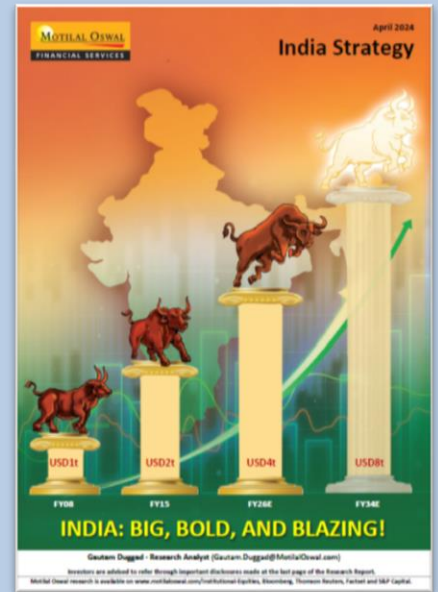
Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)	Dec-24	Gr (%)		Var. over Exp. (%)
		YoY	QoQ			YoY	QoQ			YoY	QoQ	
Team Lease Serv.	29.2	19.5	4.4	2.2	0.3	-3.2	4.3	-14.0	0.3	3.2	14.1	-26.3
Updater Services	6.9	9.3	2.2	-6.9	0.5	32.9	5.7	1.5	0.3	13.5	11.2	12.9
<b>Technology</b>	<b>1,967.4</b>	<b>5.9</b>	<b>1.2</b>	<b>0.1</b>	<b>447.5</b>	<b>6.9</b>	<b>2.9</b>	<b>1.6</b>	<b>309.1</b>	<b>8.8</b>	<b>2.9</b>	<b>-0.1</b>
Coforge	33.2	42.8	8.4	2.0	5.2	29.4	7.2	-6.6	2.3	-2.6	0.3	-22.4
Cyient	19.3	5.8	4.2	3.7	2.9	-12.1	-3.3	-7.5	1.3	-30.1	-28.1	-24.9
HCL Technologies	298.9	5.1	3.6	-0.2	68.7	2.6	7.8	1.4	45.9	5.5	8.4	1.4
Infosys	417.6	7.6	1.9	0.8	100.4	9.8	2.9	3.0	68.1	11.5	4.6	-0.5
L&T Technology	26.5	9.5	3.1	-1.1	4.9	1.4	6.2	-2.4	3.2	-5.8	-0.9	-9.3
LTIMindtree	96.6	7.1	2.4	0.7	15.9	0.5	-6.2	3.8	10.9	-7.1	-13.2	-0.7
Mphasis	35.6	6.7	0.7	0.1	6.8	12.9	4.6	8.9	4.3	14.5	1.1	-1.3
Persistent Systems	30.6	22.6	5.7	1.2	5.4	21.7	11.9	4.5	3.7	30.3	14.7	5.1
TCS	639.7	5.6	-0.4	-0.8	169.7	3.4	1.1	-0.8	124.4	5.7	4.1	-2.2
Tech Mahindra	132.9	1.4	-0.2	0.7	18.1	33.5	3.4	5.5	9.8	36.8	-21.4	-4.4
Wipro	223.2	0.5	0.1	0.7	47.4	12.5	4.0	6.5	33.5	24.5	4.5	13.5
Zensar Tech	13.3	10.1	1.3	0.7	2.1	-0.3	2.9	1.4	1.6	-1.2	2.5	11.6
<b>Telecom</b>	<b>695.6</b>	<b>13.3</b>	<b>6.2</b>	<b>0.1</b>	<b>374.2</b>	<b>29.6</b>	<b>15.8</b>	<b>4.9</b>	<b>8.7</b>	<b>LP</b>	<b>LP</b>	<b>LP</b>
Bharti Airtel	451.3	19.1	8.8	1.4	246.0	24.1	12.6	0.1	55.1	121.3	41.0	11.4
Indus Towers	75.5	4.8	1.1	-2.3	69.6	94.1	43.1	34.3	17.4	13.0	22.7	17.5
Tata Comm	57.7	2.4	2.3	-3.0	11.5	1.6	10.5	-3.8	2.2	-3.5	127.2	-23.8
Vodafone Idea	111.2	4.2	1.7	-1.5	47.1	8.3	3.6	-0.5	-66.1	Loss	Loss	Loss
<b>Utilities</b>	<b>694.3</b>	<b>3.0</b>	<b>-0.3</b>	<b>-9.4</b>	<b>248.6</b>	<b>8.2</b>	<b>3.5</b>	<b>-7.5</b>	<b>97.8</b>	<b>2.9</b>	<b>0.4</b>	<b>-4.7</b>
Indian Energy Exch.	1.3	13.9	-5.7	6.8	1.1	13.0	-6.2	9.1	1.0	15.5	-2.8	16.5
JSW Energy	24.4	-4.1	-24.7	-37.7	9.1	-17.7	-45.8	-45.1	1.7	-27.4	-80.3	-69.4
NTPC	413.5	4.8	2.5	4.1	119.6	20.3	23.6	2.1	46.2	6.0	9.9	-3.5
Power Grid Corp.	101.2	-5.2	-1.4	-11.5	85.2	-9.3	-3.0	-13.9	38.6	-0.4	10.2	-2.6
Tata Power	153.9	5.1	-2.0	-28.1	33.5	38.7	-10.5	-4.3	10.3	8.2	-4.3	17.6
<b>Others</b>	<b>687.9</b>	<b>16.8</b>	<b>11.7</b>	<b>0.2</b>	<b>126.2</b>	<b>33.2</b>	<b>57.4</b>	<b>-12.8</b>	<b>50.4</b>	<b>27.9</b>	<b>2022.9</b>	<b>-21.3</b>
APL Apollo Tubes	54.3	30.0	13.8	-6.5	3.5	23.6	150.3	3.9	2.2	31.1	303.2	6.3
Cello World	5.6	5.7	13.6	-2.2	1.3	-3.6	7.3	-11.1	0.9	1.8	5.8	-8.0
Coromandel International	69.4	26.9	-6.7	7.7	7.2	101.7	-26.0	8.7	5.1	121.6	-22.9	13.4
Dreamfolks Services	3.4	11.5	7.3	1.0	0.2	-16.1	-0.6	-11.5	0.2	-15.5	5.6	-10.7
EPL	10.1	4.0	-6.6	-4.9	2.0	9.9	-8.6	-9.2	0.9	8.6	7.5	1.4
Godrej Agrovet	24.5	4.5	0.0	-6.0	2.2	38.3	-1.5	-13.4	1.1	21.4	16.4	-20.9
Gravita India	10.0	31.5	7.4	4.3	1.0	14.0	0.7	-5.1	0.8	29.3	8.2	3.5
Indiamart Inter.	3.5	16.0	1.9	-1.3	1.4	62.1	2.7	29.0	1.2	48.5	-10.5	34.5
Indian Hotels	25.3	29.0	38.7	1.0	9.6	31.3	91.8	-3.4	5.8	28.8	79.7	-2.4
Info Edge	6.7	12.8	2.4	-1.8	2.9	20.4	5.6	4.3	2.0	-6.3	133.1	-20.2
Interglobe Aviation	221.1	13.7	30.3	0.8	59.2	8.7	148.5	-15.5	24.4	-18.6	LP	-33.9
Kajaria Ceramics	11.6	1.0	-1.3	-5.0	1.5	-16.8	-6.4	-14.2	0.8	-25.4	-7.7	-24.6
Lemon Tree Hotel	3.6	23.0	24.9	0.7	1.8	31.8	40.9	3.7	0.6	76.5	110.8	-5.8
MTAR Tech	1.7	47.4	-8.3	3.1	0.3	39.4	-9.7	-7.3	0.2	52.8	-15.0	-17.2
One 97 Comm.	18.3	-35.9	10.1	1.5	-2.2	Loss	Loss	Loss	-2.1	Loss	Loss	Loss
SBI Cards	15.7	13.2	4.6	0.2	18.3	13.0	4.2	0.8	3.8	-30.2	-5.2	-11.1
Swiggy	39.9	31.0	10.9	3.0	-7.3	Loss	Loss	PL	-8.0	Loss	Loss	Loss
UPL	109.1	10.3	-1.7	-0.5	21.6	419.7	37.3	8.6	9.9	LP	LP	22.0
Zomato	54.1	64.4	12.6	-1.1	1.6	217.6	-28.3	-37.3	0.6	-57.2	-66.5	-77.9

Investment in securities market are subject to market risks. Read all the related documents carefully before investing



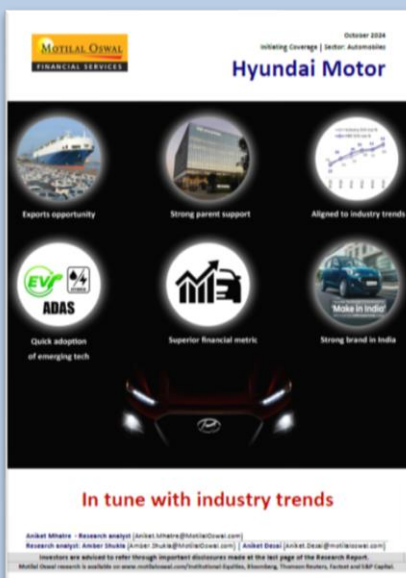
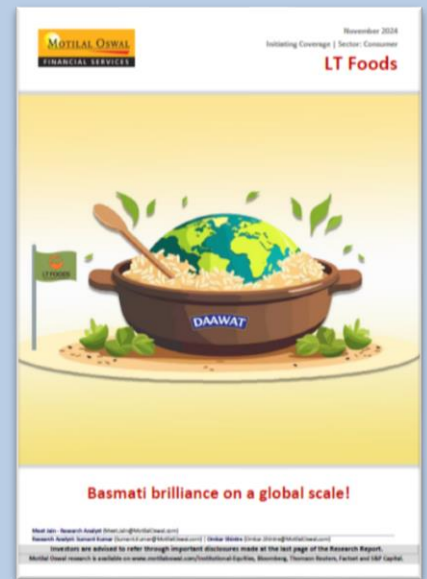
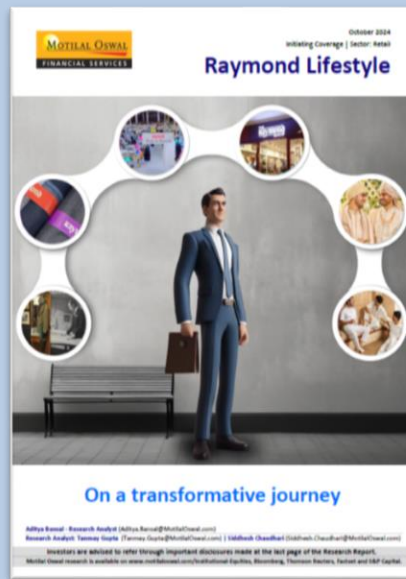
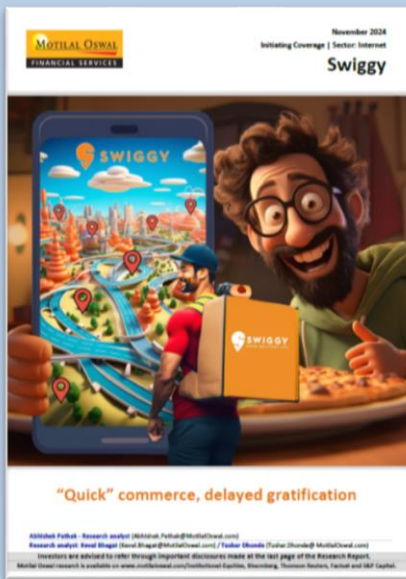
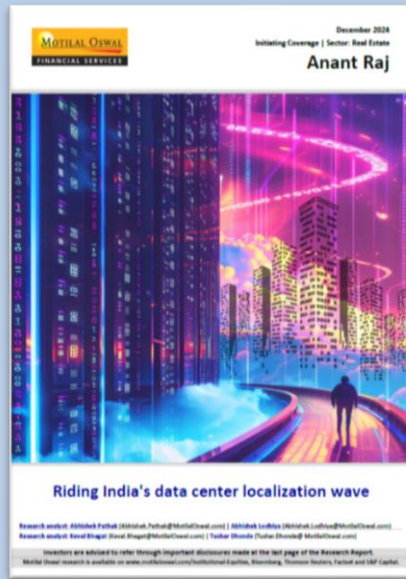
# REPORT GALLERY

## RECENT STRATEGY/THEMATIC REPORTS





# RECENT INITIATING COVERAGE REPORTS



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< -10\%$
NEUTRAL	$-10\% \text{ to } 15\%$
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://online.reports.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

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

Rajani

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.



8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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); CDSL 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.