



**PL Capital**  
PRABHUDAS LILLADHER

# India Strategy



***On course but headwinds yet to peak out***

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## Top Picks

### Large Cap

Ambuja Cement  
Bharat Electronics  
Bharti Airtel  
HDFC Asset Management Company  
ICICI Bank  
InterGlobe Aviation  
Larsen & Toubro  
Lupin  
Mahindra & Mahindra  
Max Healthcare Institute  
Polycab India  
Reliance Industries  
Titan Company

### Mid / Small Caps

Aster DM Healthcare  
Crompton Greaves Consumer Electricals  
Cyient  
DOMS Industries  
Jindal Stainless  
Lemon Tree Hotels  
Safari Industries (India)  
Triveni Turbine

### Exhibit 1: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	148.9%	125.0%	23.8%
Since Last Report	-2.7%	-3.1%	0.4%
Since Apr'23	46.3%	36.8%	9.5%

Source: PL

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## On course but headwinds yet to peak out

*NIFTY has seen 6% cut since Oct12, showing the impact of Rs720bn FII selling amidst Donald Trump's victory in US presidential elections, sustained Geo political uncertainty, strength of USD and softening of Gold prices. We expect acceleration in growth as 1) results of recent state/Bye elections in Maharashtra, Haryana, UP and Bihar have consolidated the position of ruling NDA which will provide much needed stability and resolve to push for reforms. 2) Trump 2.0 is likely to see some reduction in global wars, lesser geo political uncertainty and stable crude prices and 3) expected revival in government capex as 2Q capex has turned positive and 1H capex is only 37% of FY25 BE.*

*Demand conditions remain mixed with steady uptick in rural demand given low base and normal monsoons. However, rising inflation is affecting demand in urban India (yet to play out fully), more so in Metros and big cities, which account for ~35% of total demand in the economy. All hopes rest on demand surge in festival and wedding season. We expect interest rate cut post budget only as spike in food inflation to 10.9% (CPI increase to 6.2%) takes it much above comfort level of RBI. We suggest stock specific approach given tepid demand scenario. We believe Capital Goods, Infra, EMS, Hospitals, Pharma, Tourism, Auto, New Energy, E-com, Jewellery etc. are good themes to play at current valuations. We cut our base case NIFTY target to 27381 (27867 earlier) on Nifty EPS cut by 0.5/2.0/1.5 for FY25/26/27. We recommend selective buying on dips for LT gains.*

- PL Universe in 2Q reported Sales, EBIDTA, PAT growth of 3.2%, -2.0%, and -5.0% YoY. Coverage universe posted lower sales/EBIDTA and PBT growth by 1.7/2.3/4.3% than estimates. Ex-BFSI EBIDTA declined 6.1% while PBT declined by 4.3%. Ex- O&G EBIDTA increased 0.1% while PBT declined by 3.6% YoY.
- Travel, Consumer Durables, Hospitals and Capital Goods had beat in sales by 1.8-5.3%. Auto, Consumer, Metals, Oil & Gas, Chemicals, Banks and HFC reported decline in sales between 1.9-3.5%.
- Banks, Capital Goods, Hospitals, Logistics, Pharma reported more than 19% EBIDTA growth YoY. Building Material, Cement, Media, Oil & Gas reported more than 20% decline in EBIDTA while Auto, consumer and HFC reported single digit EBIDTA decline. Durables, IT services and chemicals reported single digit EBIDTA growth. Consumer, Cement, Building Material, logistics, Travel and Auto reported decline in PBT.
- There were 26 rating upgrades and 8 rating downgrades. Capital Goods had 9 upgrades while Oil & Gas had 5. Broader consumption space (Consumer, Building Material and Auto) accounted for most downgrades.
- Major Rating Upgrade:** Titan Company, Britannia, Marico, NALCO, Cyient, HPCL, BPCL, IPCA, Hindustan Aeronautics, Bharat Electronics and GE T&D.
- Major Rating Downgrade:** Mahanagar Gas, Gujarat Gas, PVR, Restaurant Brands Asia, Avenue Supermarts, Astral and Tata Motors.

- **Major Estimates Upgrade** – Lupin Lab, HPCL/BPCL, NALCO, KIMS, Engineers India and SBI.
- **Estimate Downgrade** – Ashok Leyland, Tata Motors, CEAT, Exide, IndusInd Bank, Astral, Finolex, Ultratech, Ambuja, Kalpataru, Aarti, SRF, Bajaj Electronics, Asian Paints, Britannia, Jubilant Foodworks, Kansai, Westlife, Restaurant Brands Asia, Healthcare Global, PVR, Hindalco, Tata Steel, JSW steel, Jindal Steel & Power, Manglore Refineries, Zydus, VIP.
- **Major Target Price increase** – ICICI Bank, SBI, GE Vernova T&D India, Triveni Turbine, KIMS, MAX Health, Healthcare Global, IPCA and Divi's Laboratories.
- **Major Target price Cuts** – Hero Motors, Tata Motors, IndusInd Bank, Astral, Century Ply., Aarti, Jubilant Ingrevia, Bajaj Electronics, Asian Paints, Restaurant Brands Asia, Westlife, Navneet, PVR, Tata Steel, Gujarat Gas, Mahanagar Gas, Zydus Lifesciences and VIP.
- NIFTY EEPS has seen a cut of 0.5/2.0/1.5% for FY25/26/27 with 14.4% CAGR over FY24-27 and EPS of Rs1193/1344/1523. Our EPS estimates are lower by 0.5/3/4.6% for FY25/26/27. NIFTY is currently trading at 18.1x 1-year forward EPS, which is at a discount of 5.2% to 15-year average of 19.1x.
- **Base Case:** We value NIFTY at 15-year average PE (19.1x) with Sept 26 EPS of 1434 and arrive at 12-month target of 27381 (27867 earlier). **Bull Case:** We value NIFTY at PE of 20.1x and arrive at bull case target of 28750 (29260 earlier). **Bear Case:** Nifty can trade at 10% discount to LPA with a target of 24643 (24407 earlier).
- **Model Portfolio:** We are cutting weights on Hindustan Uniliver, ITC, Nestle India & Reliance Industries. We are removing L&T Technology Services, Astral, IndusInd Bank from the model portfolio. We are adding POLYCAB in model portfolio. We are increasing weights on L&T, Britannia, Titan, ICICI Bank, HDFC Bank, Infosys, LTIMindtree and Ultratech Cement.
- **High Conviction Picks:** We are removing BEML, Indusind Bank, J.B. Chemicals & Pharmaceuticals and RR Kabel given near term headwinds in RR Kabel and Indusind Bank, stake sale uncertainty in JB Chem and poor performance from BEML. We are adding Lupin, Polycab India, Aster DM Healthcare, DOMS Industries and Triveni Turbine in conviction picks.

**Exhibit 2: Rural Demand, Infra Spends positive: Election Freebies a LT issue**

Headwinds	Tailwinds
Slowdown in Urban demand across top 30 cities	India remains fastest growing economy, GDP growth likely at +7% in FY25
High Inflation impacting demand and delay in interest rate cuts	Normal monsoons, gradual uptick in rural demand
Growing freebies and populism across states can impair capex spends	IH capex muted, expect 2H25 Capex push on Infra, PLI, Defence, Railways, and Energy
Geopolitical uncertainties in Middle East, Ukraine and SE Asia	Improved stability of Union Govt post state elections in Haryana, Maharashtra, UP and Bihar

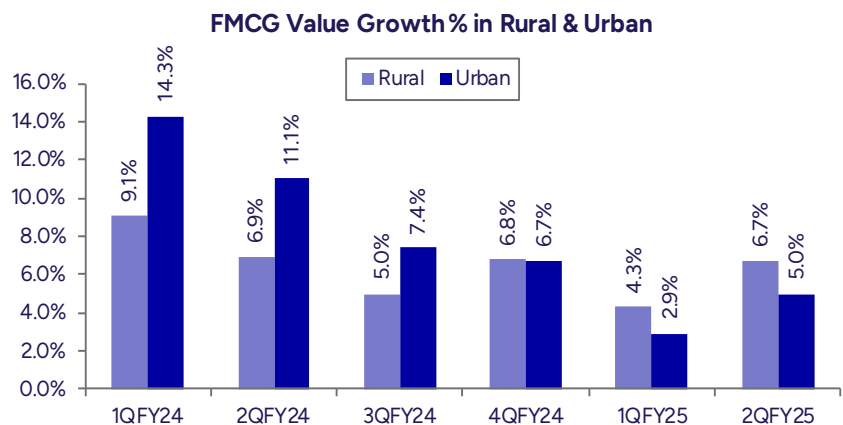
Source: PL

## Urban demand slows down as inflation hits affordability

Urban demand in India has exhibited signs of deceleration over recent quarters, showing the impact of increase in inflation and consumption behavior. This moderation is observed across high-frequency indicators, including retail sales, FMCG consumption, and real estate activity, with various drivers influencing this trend. However, this slowdown is more visible in top 30 cities of India, which account for more than 35% of total domestic demand.

**Urban FMCG sales slowdown:** Urban FMCG sales have seen a slowdown from past few quarters. Sales growth declined from 14.3% in Q1FY24 to 2.9% in Q1 FY25. This drop is indicative of 1) slow tapering of covid time pent up demand 2) impact of post covid inflation 3) cut back in discretionary spending and 4) shift in consumer wallet share. Sharp decline in growth in 1Q25 is also due to impact of Lok Sabha elections and severe heat wave.

### Exhibit 3: Rural resilient, urban demand growth slows down



Source: NIQ, PL

## Decline in PV Sales

- **Entry-Level Passenger Vehicles (PV) Declines Offset by Luxury Surge**
  - **Entry-Level Car Demand Struggling:** Affordability challenges have hurt entry-level PV sales (sub-₹10 lakh price bracket), which experienced, 3% YoY decline in urban markets during H1 FY25. Even in mid-priced segment, sales of compact SUV has surged at the expense of hatchbacks and sedans, which reported double digit decline in volumes.
  - **Luxury Growth Contrast:** Premium automobile providers, like Jaguar Land Rover (JLR) India achieved a 36% YoY increase in retail sales, delivering 3,214 units in H1 FY25. This marks their highest-ever half-yearly performance, driven by strong demand for models like the Range Rover and Defender, driven by higher disposable incomes among the affluent and growing income polarization.

**Exhibit 4: PV sales hit in entry segment, Luxury Car Segments shines**

Segment	Trend	Key Factors	Buyer Insights
Entry-Level Passenger Vehicles	Nearly 3% YoY decline in urban markets during H1 FY25	Affordability challenges, rising loan costs (9.2% avg. interest), higher input costs (+6-8% YoY), heavy monsoons	Urban middle-class buyers facing increased EMI burdens and shifting towards pre-owned vehicles
Premium/Luxury Passenger Vehicles	Premium automobile providers, like Jaguar Land Rover (JLR) India achieved a 36% YoY increase in retail sales	Growing income polarization, aspirational buyers, affordable entry points into luxury market	HNIs relatively insulated from inflation and loan costs, relying less on financing

Source: FADA, PL Research

## Real Estate Market: Some cool off in mid-market segment

2Q25 has seen tepid real estate demand in urban centers led by 1) soft new launches 2) Shradh period in Sept 3) high interest rates and 4) 30% price increase YoY in NCR and Bangalore. The slowdown in sales is at an early stage and more pronounced for low to mid income housing. However, the demand for luxury housing remained strong so far. We note that festival season has seen a number of launches in premium/luxury end of the market. We believe stability in prices can break the cycle of rising investor investment in coming quarters.

- **Affordability Challenges:** Rising loan costs, coupled with increasing rental expenses, are reducing affordability and suppressing housing transactions.
- **Inventory Pressure:** Slowing demand is leading to a buildup of unsold inventory in urban markets, signaling a need for corrective measures in pricing and financing.

**Exhibit 5: Rising interest rates cools housing demand**

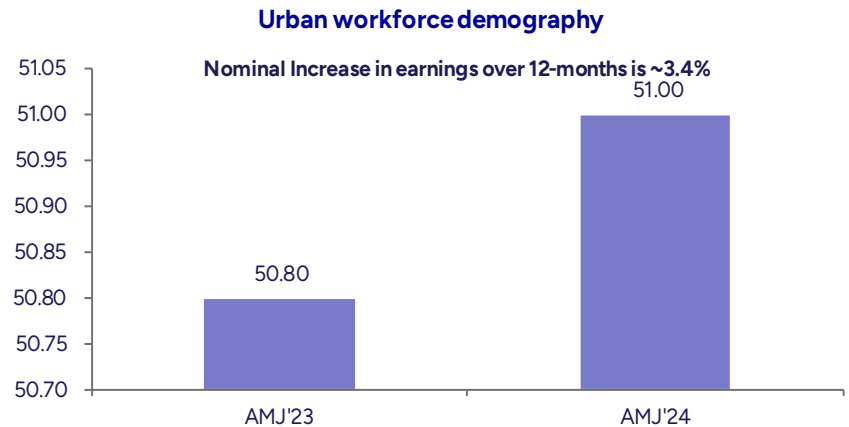
Trend	Data	Key Factors
Decline in Housing Transactions	Knight Frank India reported a 5% YoY increase in sales across eight major cities in Q2 FY25, a slowdown from 8% recorded last year.	Higher home loan rates (9.1% vs. 6.9% in FY22), rising rental costs, and affordability pressures (Index worsened to 3.7).
Unsold Inventory Rising	The average time required to clear this unsold stock, has risen to 15 months in H1 FY25, up from 12 months in FY24.	Slower income growth, higher EMIs, and subdued urban sentiment contributing to weak housing demand.

Source: Company, PL

## Factors contributing to the Urban Slowdown

- **Income Pressures on Urban Consumers;** Non-Salaried Urban Workforce faces Real Income squeeze amid high Inflation and wage stagnation. Data from the Periodic Labour Force Survey (PLFS) indicates that income growth for the non-salaried urban workforce has averaged 3.4% YoY in 1QFY25, compared to CPI inflation at 4.9% (4.6% in 1Q24) and Food Inflation at 8.9% (3.8% in 1Q24), leading to a real wage contraction of ~ 1.5/5.4% respectively.

**Exhibit 6: Income growth for Non-Salaried urban workforce < CPI Inflation**



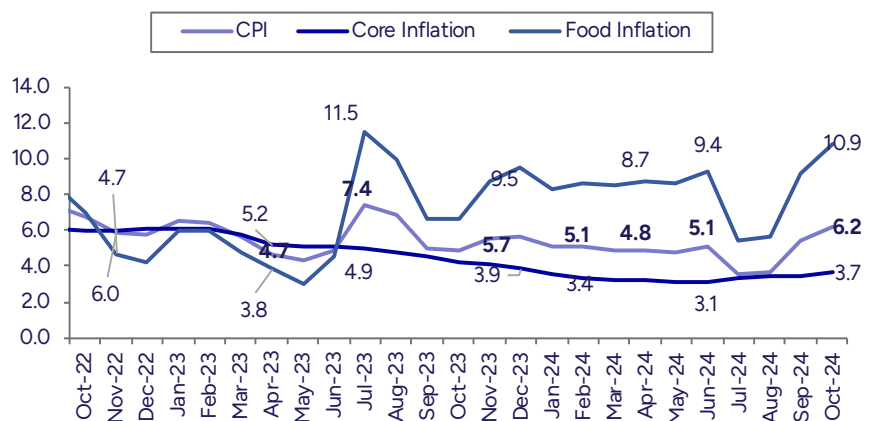
Source: PLFS, MOSPI, PL

- **Elevated Urban Unemployment at 6.8%:** Urban unemployment remains elevated at 6.8%, with higher underemployment in informal sectors. This lack of job security contributes to lower consumer confidence and suppressed spending, more so on discretionary items.

### Inflationary Pressures on the Rise

- **CPI Inflation hits 14-month high of 6.2%:** CPI inflation climbed to a 14-month high of 6.2% YoY in October 2024, driven primarily by food inflation, which surged to 10.9% from 3.4% in March 2024. This marks a stark contrast to the moderate trends of late 2022 to early 2024, underscoring heightened price volatility in the food basket.
- **Squeezed Urban Budgets:** Food inflation, particularly in categories like cereals (up 6.8%) and vegetables (up 36%), is significantly squeezing urban disposable incomes. This sharp rise in cost of essentials is diverting a greater share of income toward necessities, exacerbating affordability challenges for other spending categories.

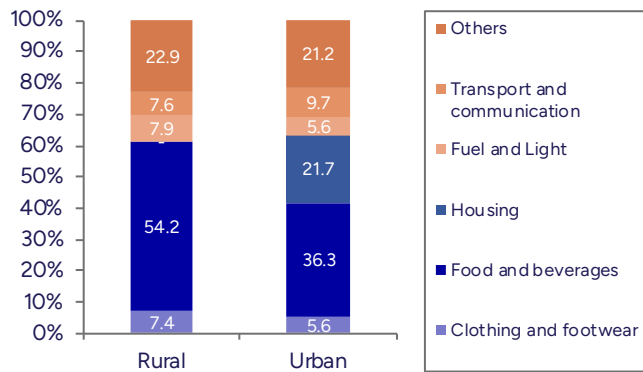
**Exhibit 7: CPI breaches RBI inflation target hitting 14M High of 6.2% in Oct'24**



Source: MOSPI, PL

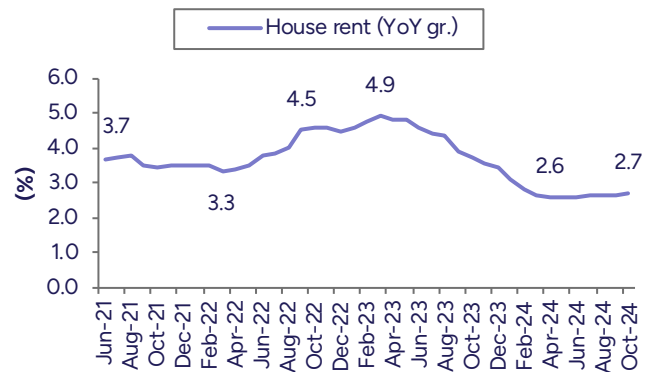
- Urban India Struggles with Housing Costs:** Urban households allocate nearly 22% of their budgets to housing costs, which has seen an escalation as rental inflation has increased to 6-7% YoY in major metro cities. Fuel and utilities (including mobile recharge) now account for 15-17% of household expenses, up from 12-13% two years ago, compressing disposable income available for discretionary spending. We believe 20% mobile tariff hikes have also affected demand at the lower middle section of population.

Exhibit 8: CPI Basket Weight - Urban vs Rural



Source: MOSPI, PL

Exhibit 9: Rental Housing Inflation inching up in recent months



Source: MOSPI, PL

## Urban demand yet to bottom out, expect gradual recovery

Urban demand in India is undergoing a cyclical slowdown, influenced by inflationary pressures, muted wage growth, and cautious consumer behavior among the middle class. 2Q25 numbers show QoQ recovery; however, spike in inflation in Oct/Nov has affected consumer sentiment as prices of essentials have seen a sharp spike. Excluding festive impact, urban demand is yet to bottom out and expect slow and gradual recovery led by following factors:

- Food Inflation to peak out** we expect food inflation to moderate with the arrival of the Kharif harvest and favorable conditions for Rabi sowing. Early signs, such as declining prices of Tomato, Onion and seasonal vegetables indicate that food inflation should be close to peaking out. Given sharp increase in global prices of edible oils, we do not rule out some reduction in duties, which could provide some relief to consumers in coming months.
- Upper middle class remains resilient:** While discretionary demand among the low-middle section of urban middle class has softened, high-income segments continue to show resilience. Demand for premium education, healthcare, automobile, real estate and apparel/footwear is intact and growing. Mass-market demand for essential goods and digital services remains steady, providing a baseline for recovery.
- Structural Support from Policies/capex:** Govt policies resulting in income support for women, graduate students should support basic demand in select states. Pick up in capex in 2H25 on infrastructure should start showing its impact on demand towards fag end of 4Q25.



- **Potential Monetary Easing from February 25:** Lower interest costs could support a gradual recovery in urban consumption through improved credit affordability (Real estate and Auto).

While near-term challenges persist, driven by inflation and cautious spending, urban demand pressure seems to have bottomed out. We believe festival and wedding season in 3Q/4Q should support demand. As inflationary pressures ease and disposable incomes stabilize, urban demand is likely to regain its momentum towards middle to fag end of 4Q25.

### Interest Rate Cut Likely to Be Pushed to Feb-25

The persistent inflationary uptick in September and October is likely to weigh heavily on RBI's policy deliberations. The recent CPI data not only breaches the upper tolerance band of 6.0% but also signals an ongoing trend of inflationary pressures that could hinder an immediate shift to an easing cycle. Given the backdrop, here are the potential considerations for RBI's rate trajectory:

- **Revised Inflation Outlook to 4.8% in FY25:** We expect FY25 CPI inflation forecast to be revised upward by 30 basis points to 4.8%. We expect moderation from November onwards as vegetable prices show signs of correction (e.g., tomato/onion prices down 33% from the October/Nov peak) and the Kharif harvest begins to stabilize supply chains.
- The arrival of Kharif crops and anticipated healthy Rabi sowing due to favorable reservoir levels and high soil moisture content are expected to help ease food inflation in the coming quarters. However, regulatory aspects like import duties, exports and MSP's increases will continue to play an important role.
- **Expect status quo in Dec RBI policy:** Given the current scenario, we expect RBI to maintain a **status quo on rates in December 2024** to better evaluate inflation trends through the year-end, especially in light of potential global volatility with geopolitical shifts, including changes in U.S. administration.
- **Possible Rate Cut in February 2025:** A clear, sustained decline in inflation could open a window for RBI's first-rate reduction of 25 basis points in February 2025.

**Exhibit 10: Inflation Drivers and RBI Policy Implication**

Inflation Driver	October 2024 Level (YoY gr.)	Key Factors	RBI Policy Implications
CPI Inflation (Overall)	6.2%	Adverse base effects and broad-based price pressures	Challenges RBI's upper tolerance limit, may delay easing measures
Food Inflation	9.7%	High vegetable prices (notably tomatoes), customs duty hikes on edible oils	Expected moderation with Kharif crop arrival, could ease policy constraints
Core CPI Inflation	4.0%	Increase in global precious metal prices, higher household goods costs	Core pressures contained except for metals, manageable within current rates
Fuel Inflation	-1.7%	Stable global oil prices, ongoing rupee depreciation impact risk	Deflationary trend supports stability but could face pressure if crude rises

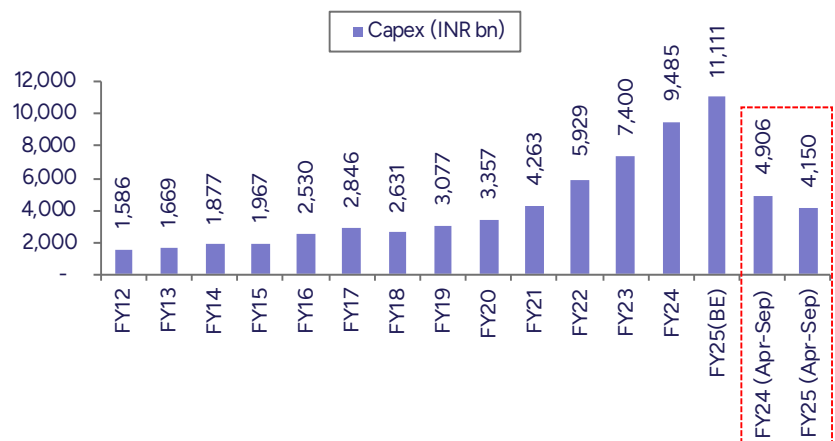
Source: Company, PL

## Govt capex targets might be missed in FY25

Government capital expenditure (capex) has been pivotal for India's economic growth, creating jobs, boosting infrastructure, and crowding in private investment. However, FY25 has witnessed a significant slowdown in capex, both at the central and state levels, with general government capex contracting by 12.7% YoY in H1 FY25, which is just 37% of FY25 budgeted capex (49% in FY24). 29% CAGR in Govt's capex between FY20-24 has been major driver for Indian economy's sharp rebound post covid. However, the capex should show an uptick from 3Q25 onwards, which will have multiplier effect on economy.

- **Election Disruptions:** Code of conduct for Lok Sabha elections in Q1 FY25 delayed procedural approvals and tendering processes, leading to underutilization of budgetary allocations.
- **Global Headwinds:** Geopolitical uncertainties and weaker demand from major economies like China exacerbated commodity price volatility.

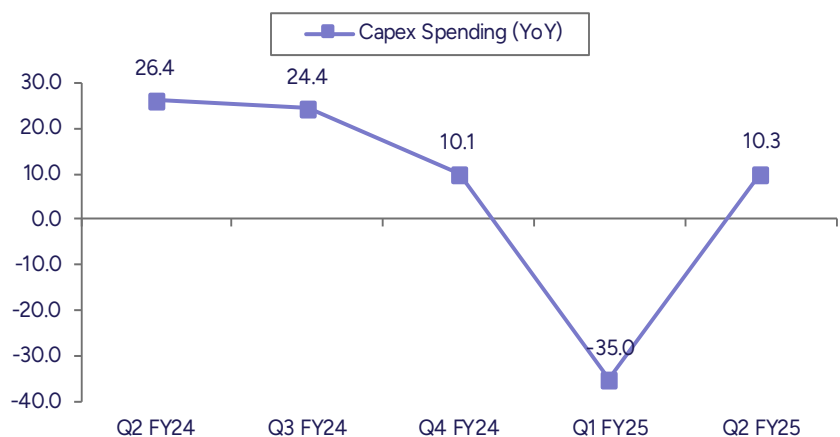
**Exhibit 11: Govt Capex - 29% CAGR since 2020, 12.7% decline in 1H25**



Source: CGA, PL

- **Steep H1 Decline in Capex spending:** Central capex plummeted 35% YoY in Q1 FY25, but partially recovered with a 10.26% YoY increase in Q2 FY25

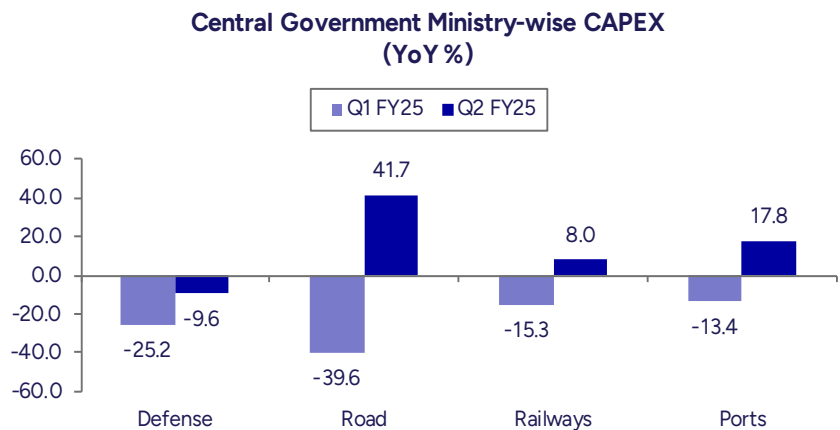
**Exhibit 12: Centre's CAPEX rebounds in 2Q25, expect further recovery in 2H25**



Source: CGA, PL

- **Capex picks up in 2Q, defence capex remains in negative:** 1Q25 saw broadbased decline of 25.2/39.6/15.3/13.4% in capex for Defence, Roads, railways and Ports (**60% of total capex**) reflecting stalled procurement and administrative delays due to elections. Defence capex has declined by 9.6% in 2Q, while Road, Railways and Ports have seen capex growth of 41.7/8.0/17.8% in 2Q25.

**Exhibit 13: Road, Railways and Ports see pick up in CAPEX spending in Q2 FY25**



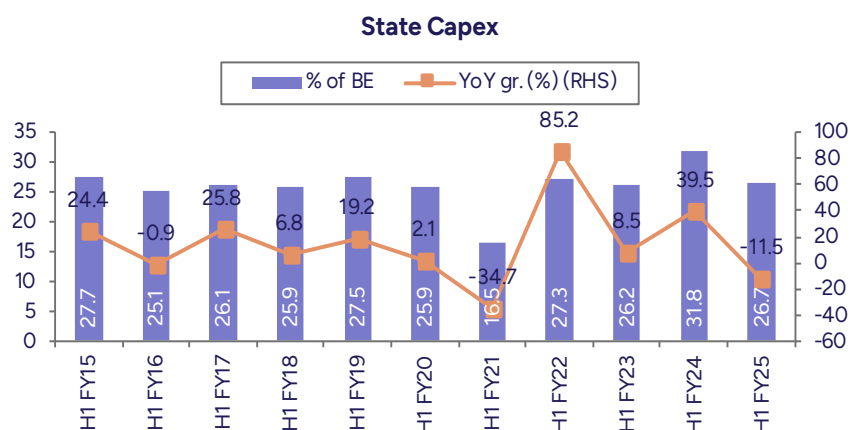
Source: CGA, PL

- **FY25 capex target likely to be missed:** Excluding L&A, the Center's capital expenditure (capex) has been budgeted at INR9.2t in FY25BE. Achieving the ₹9.2 trillion target requires a 50% YoY growth in H2 FY25. Although we expect significant step up in 2H25 capex, fulfilling FY25 BE looks a daunting task.

### State Capex: Welfare over Infrastructure

- **Underwhelming Execution:** States achieved only 26.7% of their BEs in H1 FY25, down from 31.8% in H1 FY24, driven by sluggish disbursements. However, excluding FY24, 1H25 capex at 26.7% seems broadly in line with trend (25-27%) since FY15.

**Exhibit 14: 1H25 Capex declines 11.5% YoY, trend soft versus 1H24**



Source: CMIE, PL

- **The Welfare development Trade-off:** States with significant welfare schemes have seen capex suffer. 4 out of 8 states considered saw absolute decline in capex in FY24 over FY22 while for the rest the growth was in single digit only. Even after considering FY25 BE, two states (Maharashtra and Punjab) will show capex lower than FY22 levels.
- **Punjab:** Has seen 28% decline in absolute capex over FY22-24 as welfare schemes have crippled finances, leaving little for capex. Spending on Free power, loan waivers and other freebies amounts to ~Rs130bn.
- **West Bengal:** Prioritized welfare over industrial capex, with just 5.6% absolute growth in capex. It has schemes like Kanya Shree, free ration and welfare pensions among others.
- **Uttar Pradesh** has seen flattish capex, state has just Rs62bn in freebies which is very little relative to the size of state and population.
- **Karnataka** has seen 4% decline in capex after it started freebies like subsidized power, free rice, bus rides etc from 2023.
- Maharashtra, Haryana and Jharkhand - The impact of recent freebies in will play out in coming 6-12 months.

**Exhibit 15: State-wise Capital Expenditure (Capex) and Freebie Expenditure Analysis**

State Capex (Rs cr)	FY22	FY23	FY24	FY25BE	FY25 (H1)	Key Freebies (H1FY25)	CAGR (FY22–FY25BE)
Punjab	10,400	4,900	7,400	8,000	2,800	₹13,000 Cr (Free power, farm loan waivers, welfare pensions)	-8.37%
Rajasthan	39,900	30,800	43,400	45,000	16,200	₹11,000 Cr (Free electricity, subsidies on LPG)	4.09%
Tamil Nadu	45,600	39,500	47,700	50,000	16,300	₹16,500 Cr (Laptops, gold for marriages, free bus rides)	3.12%
Uttar Pradesh	1,56,300	1,09,100	1,54,700	1,60,000	35,400	₹6,200 Cr (Midday meals, pensions, housing subsidies)	0.78%
Karnataka	45,406	39,482	43,573	52,903	12,400	₹11,200 Cr (Subsidized electricity, free rice schemes)	5.23%
West Bengal	34,000	28,500	35,900	37,000	10,900	₹14,500 Cr (Kanyashree, free rations, welfare pensions)	2.86%
Gujarat	70,100	56,500	75,700	80,000	19,900	₹2,000 Cr (Minimal welfare; MSME and industrial support)	4.50%
Maharashtra	96,200	72,400	84,500	90,000	19,900	₹4,000 Cr (Industrial incentives; minimal freebies)	-2.20%

Source: Company, PL

*Tepid new corporate capex announcements, poor demand and delay in central Govt capex will affect overall growth in FY25*

- Aggregate capex for 1,074 non-financial listed companies remained flat at ₹9.4 trillion in FY24. Major sectors like oil and petrochemicals saw robust growth, while metals and healthcare experienced sharp correction.
- New investment announcements dropped 29.5% YoY in H1 FY25, while project completions fell by 53% YoY. These trends underscore weak private-sector confidence amid high borrowing costs and geopolitical tensions
- Economic Risks: Decelerating capex threatens India's Gross Fixed Capital Formation (GFCF), which was 30.8% of GDP in FY24.
- Welfare-heavy states like Punjab face rising deficits, risking debt traps as borrowings increase 27% YoY in H1 FY25.
- Central Capex is likely to miss BEs by ₹500–700 billion due to underutilization.



## Trump 2.0 – Expect lesser Geopolitical conflicts, stable crude

Donald Trump's re-election as U.S. President is likely to alter global dynamics in trade, geopolitics, and regulatory frameworks. With a strengthened Republican control over the U.S. Senate, House of Representatives, and a conservative majority in the Supreme Court, a Trump-led administration seems uniquely positioned to enact and sustain significant policy changes across trade, geopolitics, and regulatory landscapes.

There are mixed views on the effect of change in White House on trade and other strategic ties with India. We believe China+1, defence, IT/ GCC are some of the segments where India could be better placed. Stable crude prices, restoration of global supply chains and lesser geopolitical conflicts will to India's advantage.

- **De-escalation in Russia – Ukraine Conflict:** Trump's foreign policy has historically favored negotiation over prolonged military engagement. Trump's negotiation-first approach can put an end to Russia Ukraine conflict.
  - Global crude oil prices are likely to stabilize around \$70–\$75 per barrel as energy supply chains normalize.
  - Ease EU food prices as Ukrainian grain exports recover, reducing inflationary pressures.
  - Lead to the gradual rollback of European tariffs on Russian exports, improving trade efficiency and reducing supply-chain bottlenecks.
- **Middle East Stability to Support Energy Markets:** Trump's established rapport with leaders in Saudi Arabia and the UAE, evidenced by the 2020 Abraham Accords and close ties with Crown Prince Mohammed bin Salman, hints at a continuation of diplomatic channels aimed at unifying and stabilizing the Gulf region. Outcomes include:
  - Reduced volatility in oil markets, benefitting energy-importing nations.
  - Potential diversification in Gulf economies through U.S.-backed initiatives in technology and infrastructure.
- **Escalating Tariffs to Drive Strategic Realignment:** Trump's proposed 60% tariff on Chinese goods and secondary tariffs on third-party exporters will likely disrupt global trade flows. These policies are expected to:
  - Accelerate the China+1 strategy, diverting manufacturing investments to countries like India and Vietnam. India, with a 20% rise in FDI in manufacturing last year, stands to gain significantly.
  - Drive higher global inflation, as tariff-imposed cost pressures ripple through supply chains. The Federal Reserve may face challenges balancing inflation with the dollar's likely appreciation.
- **Energy Policy likely to focus on increasing Crude Oil Drilling, lowering oil prices:** Trump's policies to expand domestic oil production, returning to pre-pandemic highs of over 13 million barrels per day, could:

- Undercut OPEC's ability to control prices, driving long-term energy price stability.
- Strengthen the U.S.'s position as a net exporter, reducing reliance on Middle Eastern oil and fostering strategic energy independence.
- Lower global energy costs, easing inflation in emerging and developed markets alike.

### ▪ **Skilled Immigration Reforms to Address Labor Gaps**

While Trump's stricter approach to immigration focuses on limiting unskilled and undocumented migrants, he has indicated support for skilled immigration in critical sectors. Anticipated changes include:

- Streamlining H-1B visas and green cards, particularly for STEM professionals, to address shortages in technology and healthcare.
- Strengthening U.S.-India economic ties, with over 70% of H-1B visas historically awarded to Indian nationals, fostering bilateral trade and remittance flows.

## Nifty Valuation

	Weight-age (%)	FY24	FY25E	FY26E	FY27E		Weight-age (%)	FY24	FY25E	FY26E	FY27E
<b>Banking &amp; Fin.</b>	<b>34.6</b>					<b>Telecom</b>	<b>3.9</b>				
PER (x)		19.2	17.7	16.3	14.2	PER (x)		69.7	48.7	34.4	30.9
PAT Growth (%)		22.2	8.8	8.2	15.4	PAT Growth (%)		61.4	43.2	41.6	11.3
<b>Technology</b>	<b>13.9</b>					<b>Cement</b>	<b>1.2</b>				
PER (x)		32.7	30.2	26.6	23.3	PER (x)		46.9	46.0	33.6	27.6
PAT Growth (%)		3.8	8.5	13.3	14.4	PAT Growth (%)		38.3	1.9	37.0	21.8
<b>Oil &amp; Gas</b>	<b>9.3</b>					<b>Others</b>	<b>1.4</b>				
PER (x)		14.0	17.2	16.6	15.5	PER (x)		48.7	33.7	29.3	20.3
PAT Growth (%)		59.9	(18.1)	3.1	7.6	PAT Growth (%)		(4.6)	44.6	15.1	44.5
<b>Consumer</b>	<b>11.6</b>					<b>Ports &amp; Logistics</b>	<b>0.8</b>				
PER (x)		48.9	49.7	44.0	39.4	PER (x)		30.3	23.0	19.6	17.3
PAT Growth (%)		14.3	(1.6)	13.1	11.5	PAT Growth (%)		52.8	31.6	17.6	13.1
<b>Auto</b>	<b>7.7</b>					<b>Nifty as on Nov 25</b>	<b>24,222</b>				
PER (x)		21.6	21.3	18.9	17.5	EPS (Rs) - Free Float - PL		1,018.4	1,192.5	1,344.4	1,522.7
PAT Growth (%)		154.0	1.3	12.7	7.9	Growth (%)		17.7	17.1	12.7	13.3
<b>Eng. &amp; Power</b>	<b>7.9</b>					PER (x)		23.8	20.3	18.0	15.9
PER (x)		25.6	23.4	20.3	18.3	EPS (Rs) - Free Float - Nifty Cons.		1,018.4	1,199.1	1,386.3	1,596.8
PAT Growth (%)		16.9	9.5	15.2	11.3	Var. (PLe v/s Cons.) (%)		0.0	(0.5)	(3.0)	(4.6)
<b>Pharma</b>	<b>3.9</b>					<b>Sensex as on Nov 25</b>	<b>80,110</b>				
PER (x)		37.3	33.3	28.4	27.1	EPS (Rs) - Free Float - PL		3,012.3	3,719.9	4,234.9	4,840.8
PAT Growth (%)		21.5	11.9	17.2	5.0	Growth (%)		9.8	23.5	13.8	14.3
<b>Metals</b>	<b>3.8</b>					PER (x)		26.6	21.5	18.9	16.5
PER (x)		13.9	12.2	9.3	8.1	EPS (Rs) - Free Float - Sensex Cons.		3,012.3	3,761.7	4,365.6	5,030.4
PAT Growth (%)		8.6	13.9	31.7	14.1	Var. (PLe v/s Cons.) (%)		-	(1.1)	(3.0)	(3.8)

Source: Company Data, PL

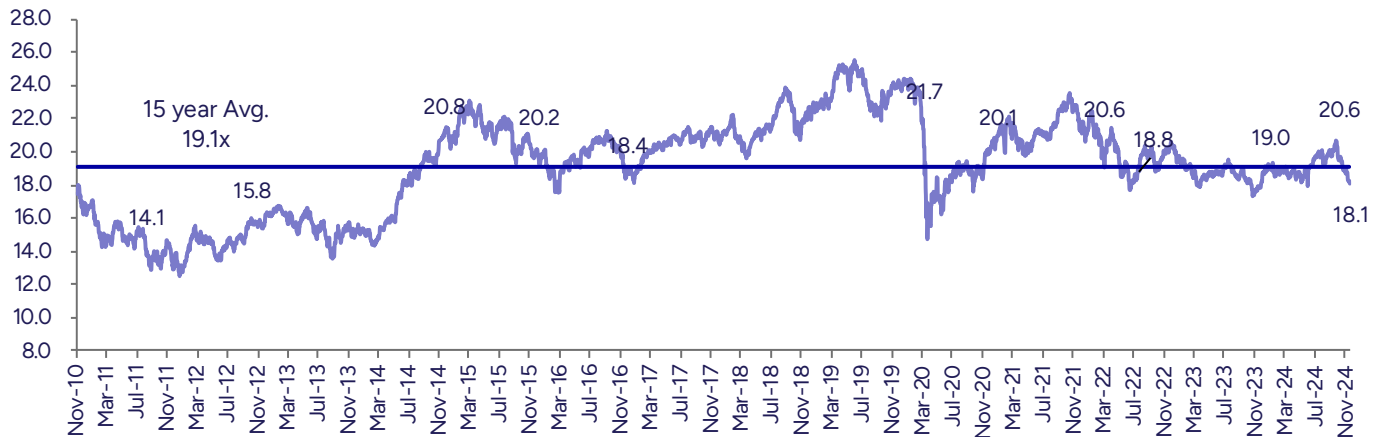
Note: Sector Weightages updated as on November 25, 2024

### Exhibit 16: FY26: Cement, Metals, Telecom to see strong growth; Cap Goods, Healthcare and Ports to see above teens growth

	NIFY Sectoral EPS - PLe (Rs)				% Gr.				% Contribution to total EPS			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Auto	89.4	100.3	112.5	121.2	143.6%	12.1%	12.2%	7.8%	8.8%	8.4%	8.4%	8.0%
BFSI	428.4	517.6	561.5	645.3	12.6%	20.8%	8.5%	14.9%	42.1%	43.4%	41.8%	42.4%
Cement	6.3	7.1	9.7	11.9	29.1%	13.4%	37.0%	21.8%	0.6%	0.6%	0.7%	0.8%
Cosnumner	62.2	68.8	78.0	86.8	6.2%	10.7%	13.4%	11.3%	6.1%	5.8%	5.8%	5.7%
Eng. & Power	69.7	86.4	101.5	114.3	10.3%	23.9%	17.4%	12.6%	6.8%	7.2%	7.5%	7.5%
Healthcare	26.7	33.1	38.6	39.3	15.0%	24.0%	16.6%	1.6%	2.6%	2.8%	2.9%	2.6%
Metals	57.8	79.2	107.7	124.8	-6.2%	37.1%	35.9%	15.9%	5.7%	6.6%	8.0%	8.2%
Oil & Gas	145.4	131.5	135.5	147.1	40.5%	-9.6%	3.1%	8.5%	14.3%	11.0%	10.1%	9.7%
Others	8.7	11.9	14.7	19.9	-17.8%	36.7%	23.2%	36.0%	0.9%	1.0%	1.1%	1.3%
Ports & Logistics	6.3	9.2	10.8	12.2	42.6%	46.5%	17.6%	13.1%	0.9%	1.0%	1.1%	1.3%
Technology	103.2	124.5	141.6	163.9	-5.2%	20.6%	13.7%	15.8%	0.6%	0.8%	0.8%	0.8%
Telecom	14.3	22.9	32.4	36.0	50.6%	59.4%	41.6%	11.3%	10.1%	10.4%	10.5%	10.8%
<b>Nifty</b>	<b>1,018.4</b>	<b>1,192.5</b>	<b>1,344.4</b>	<b>1,522.7</b>	<b>17.7%</b>	<b>17.1%</b>	<b>12.7%</b>	<b>13.3%</b>				

Source: PL

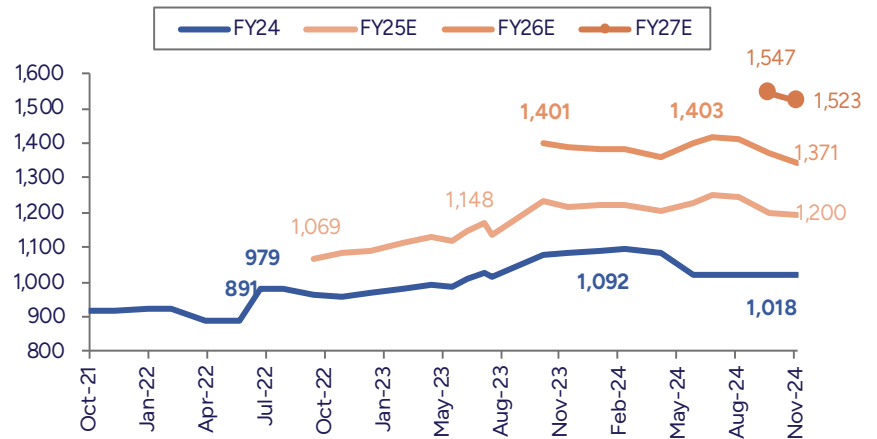
**Exhibit 17: Nifty trading at 5.2% discount to 15- year average 1-year forward PE**



Source: PL

FY25/26/27 EPS has seen a cut of 0.6/2.0/1.6% while consensus EPS has seen a cut of 2.3/2.3/1.2%

**Exhibit 18: NIFTY EPS trend – FY24-27 CAGR at 14.4%**



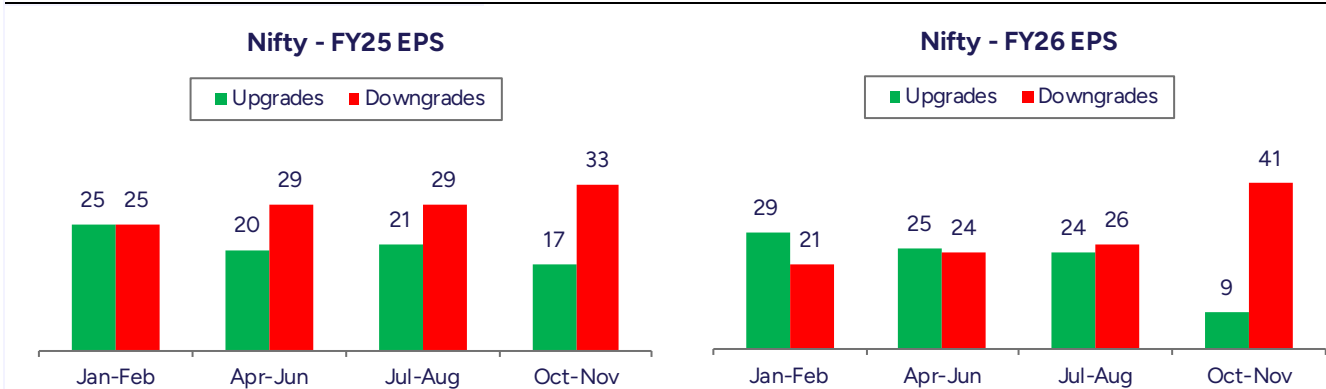
Source: PL



## Nifty50 - EPS downgrades exceeds upgrades

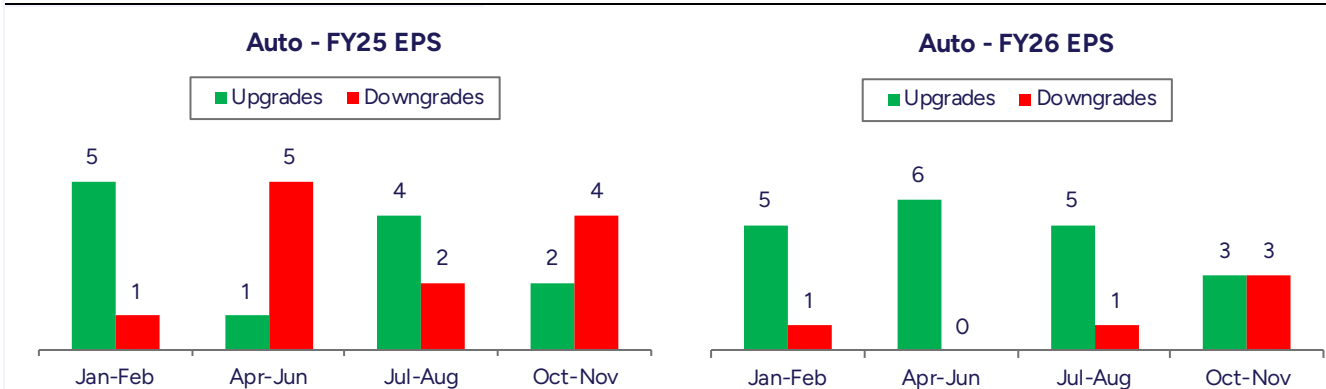
NIFTY EPS has seen a cut of 2.4% and 2.9% since Jan24. However, Nifty EPS was in an upgrade cycle since Oct22 when NIFTY EPS was introduced at 1069 and it rose to 1251 by July24. From July until now, the cut in EPS has been 4.6% and 5.1% for FY25/26. Even the recently introduced EPS for FY27 has seen a cut of 1.5%. The number of stocks in NIFTY, which have seen downgrades, have risen from 25 in Feb24 to 33 in recent quarter. For FY26, the number of downgrades has risen from 21 stocks to 41 stocks.

**Exhibit 19: FY25 has seen an increase in Downgrades to 33 while for FY26 it has a sharp increase to 41 stocks in Nov24**



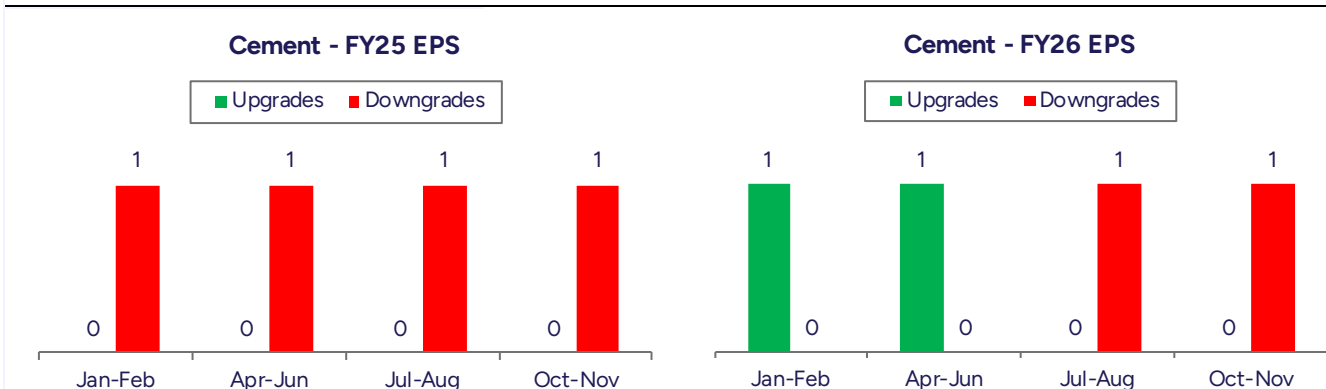
Source: Company, PL

**Exhibit 20: FY25E has seen 4 downgrades, FY26 upgrades momentum is coming off, Jan – Nov26 E are still up across companies**



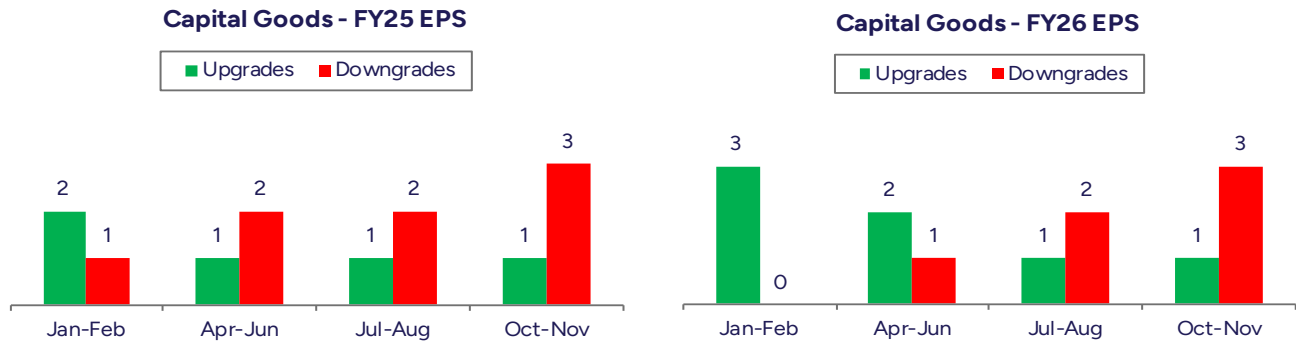
Source: Company, PL

**Exhibit 21: EPS has seen downgrades, UT has seen EPS cut by 24% and 11% during the same period**



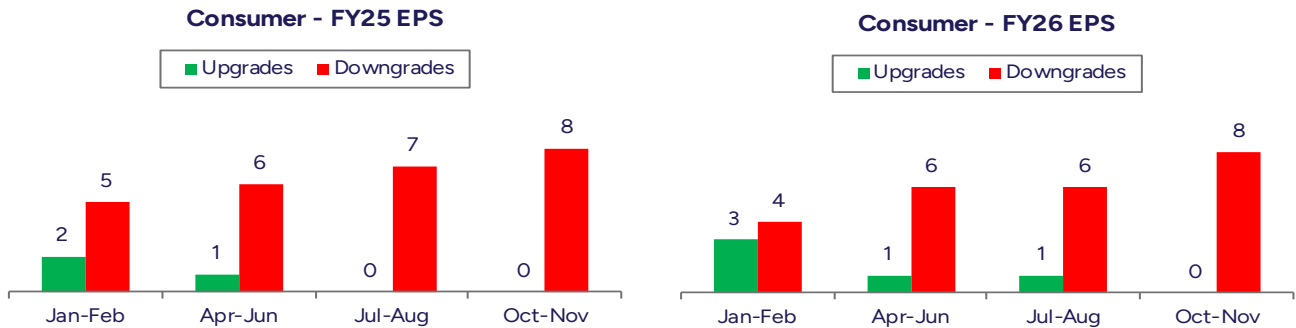
Source: Company, PL

**Exhibit 22: FY25/26 EPS cuts more than upgrades: Jan – Nov24 – FY25 EPS cut for 75% stocks, FY26 EPS up for 75% stocks**



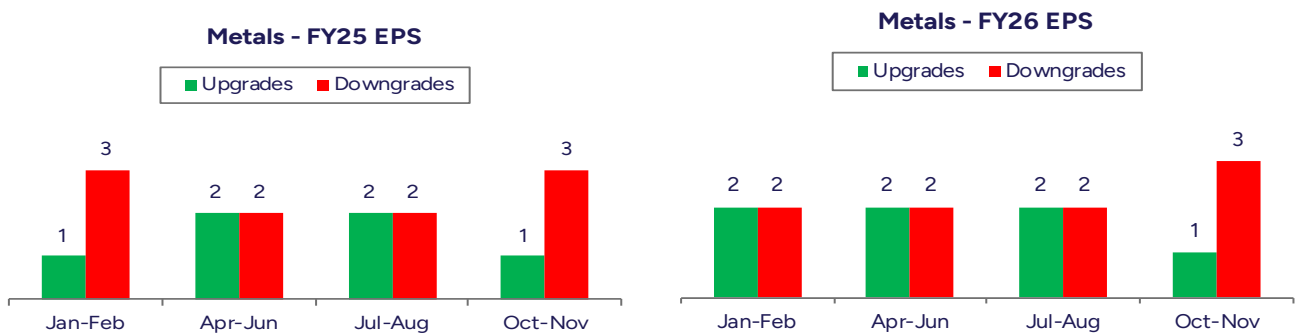
Source: Company, PL

**Exhibit 23: EPS Cut for all stocks in Nov24; Jan-Nov- EPS cut across the board as growth and margins disappoint**



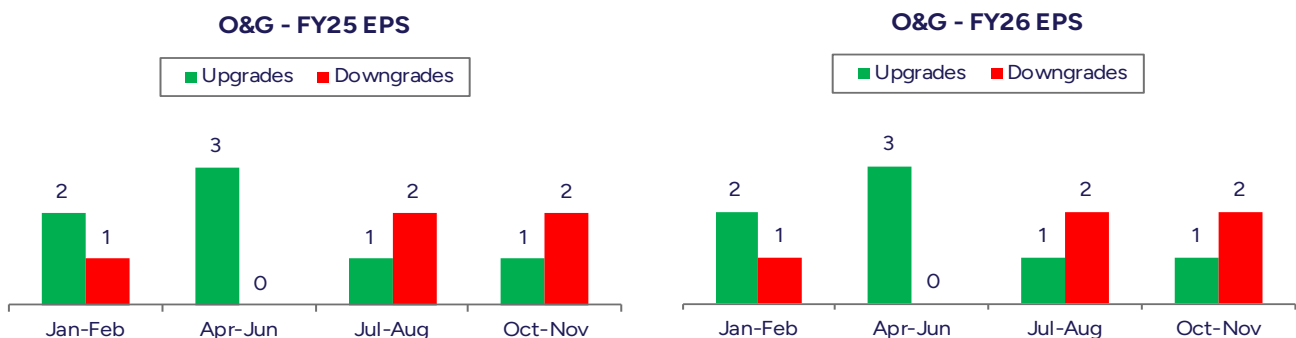
Source: Company, PL

**Exhibit 24: EPS cut cycle continues for FY25/26; Jan-Nov 24 – 50% stocks (Tata Steel/ JSW see EPS cut for FY25/26)**



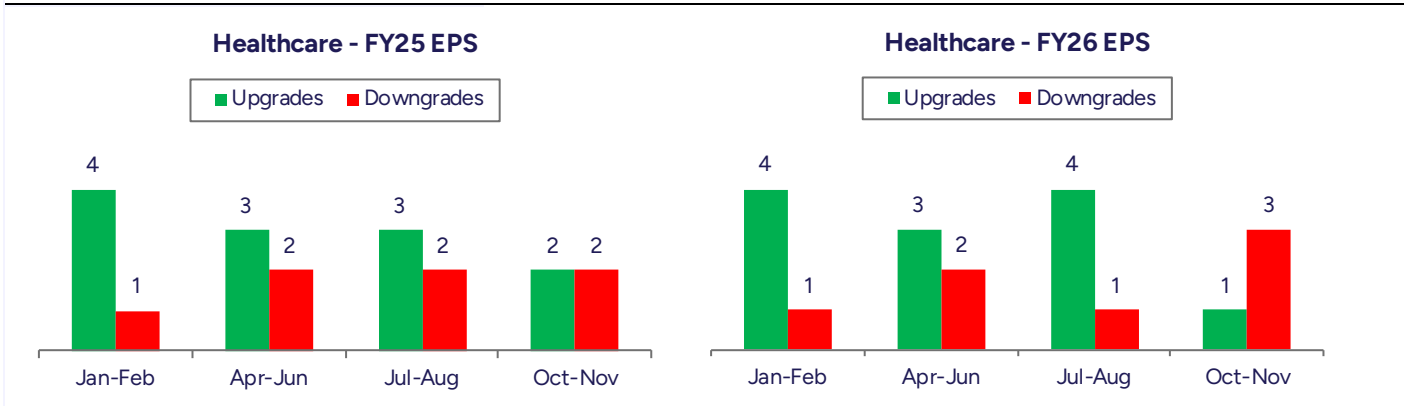
Source: Company, PL

**Exhibit 25: EPS cut cycle sets in as EPS cut for 2/3 companies for FY25/26. Jan-Nov24 – EPS up for ONGC but cut for BPCL/RIL**



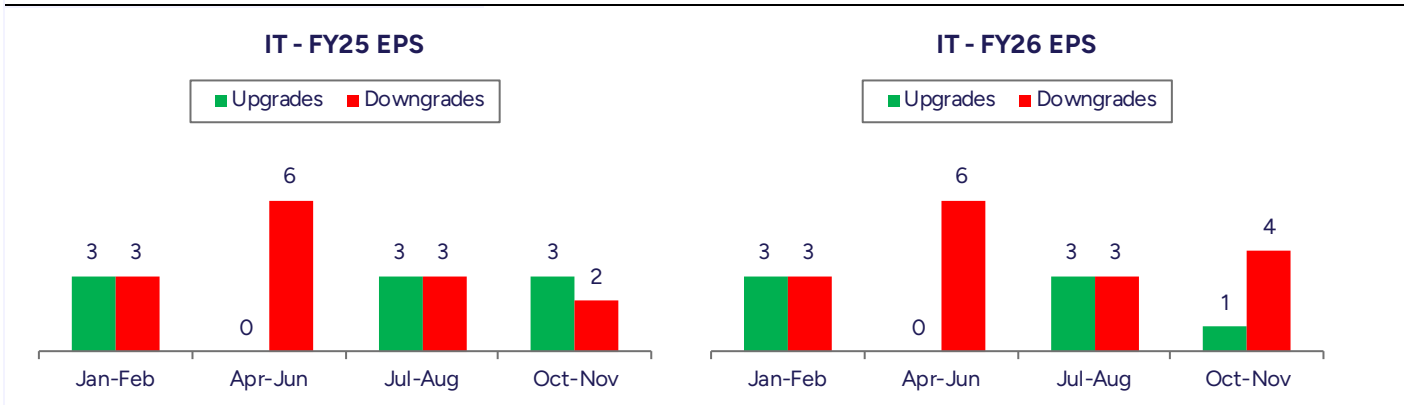
Source: Company, PL

**Exhibit 26: EPS cut cycle setting in for FY25/26. Jan-Nov24 – Pharma stocks saw 5-7% upgrade for FY25, 8-10% for FY26**



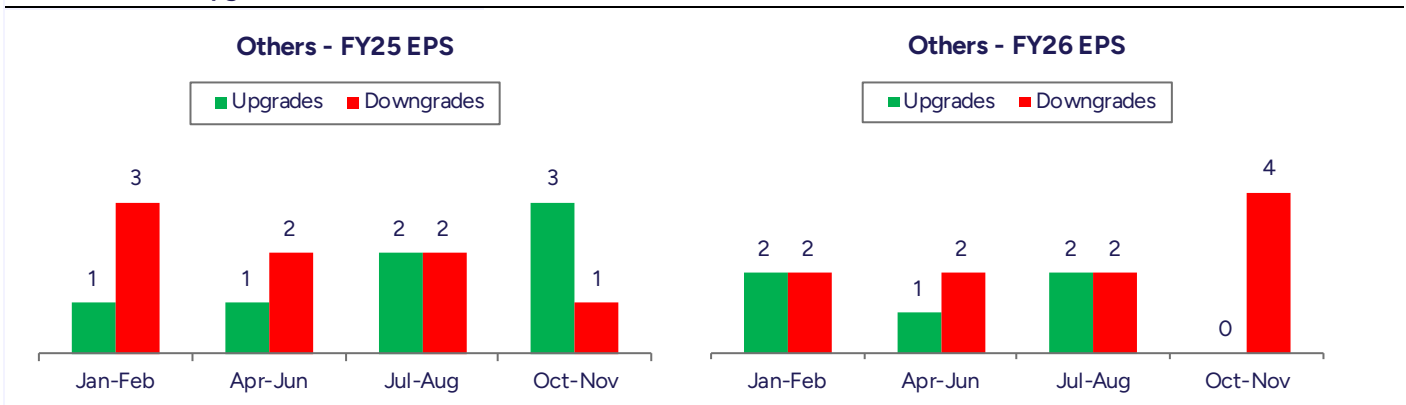
Source: Company, PL

**Exhibit 27: FY25 EPS cuts reduce, FY26 still hazy. Jan-Nov24 – Broadbased 2-19% EPS cut for FY25 and 1-11% for FY26**



Source: Company, PL

**Exhibit 28: More upgrades for FY25, all stocks cut in FY26 EPSxx**



Source: Company, PL

Exhibit 29: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	148.9%	125.0%	23.8%
Since Last Report	-2.7%	-3.1%	0.4%
Since Apr'23	46.3%	36.8%	9.5%

Source: PL

## Model Portfolio

Sectors	Mcap (Rs bn)	Nifty Weightage (%)	PL Weightage (%)	Weights
<b>Automobiles</b>		<b>7.7</b>	<b>8.5</b>	<b>Overweight</b>
Hero Motorcorp	972	0.6	1.0	
Mahindra & Mahindra	3,787	2.5	3.5	
Maruti Suzuki	3,466	1.4	2.5	
Tata Motors	3,337	1.6	1.5	
<b>Banks</b>		<b>30.0</b>	<b>30.0</b>	<b>Equalweight</b>
Axis Bank	3,577	3.1	3.0	
HDFC Bank	13,647	12.6	11.6	
ICICI Bank	9,179	8.4	9.4	
Kotak Mahindra Bank	3,560	2.4	3.0	
State Bank Of India	7,536	2.9	3.0	
<b>Cement</b>		<b>1.2</b>	<b>2.5</b>	<b>Overweight</b>
Ambuja Cement	1,244		1.3	
UltraTech Cement	3,308	1.2	1.3	
<b>Capital Goods &amp; Engineering</b>		<b>7.9</b>	<b>11.9</b>	<b>Overweight</b>
ABB	1,538		2.5	
Larsen & Toubro	5,161	3.9	3.9	
Siemens	2,617		3.0	
Bharat Electronics	2,137	0.9	1.3	
Polycab India	1,018		1.3	
<b>Consumer</b>		<b>11.6</b>	<b>11.6</b>	<b>Equalweight</b>
Britannia Industries	1,181	0.5	2.0	
Avenue Supermarts	2,356		1.0	
Hindustan Unilever	5,807	2.0	1.3	
Interglobe Aviation	1,640		2.0	
ITC	5,965	4.1	1.8	
Nestle India	2,176	0.8	1.0	
Titan Company	2,938	1.3	2.5	
<b>Healthcare</b>		<b>4.0</b>	<b>5.5</b>	<b>Overweight</b>
Max Healthcare	944.67		3.0	
Sun Pharmaceutical Industries	4,316	1.8	2.5	
<b>IT</b>		<b>13.9</b>	<b>13.9</b>	<b>Equalweight</b>
Infosys	7,847	6.3	5.9	
HCL Technologies	5,133	1.9	2.0	
LTI Mindtree	1,811.24		2.0	
Tata Consultancy Services	15,612	4.0	4.0	
<b>Metals</b>		<b>3.8</b>	<b>1.0</b>	<b>Underweight</b>
Hindalco Industries	1,483	0.9	1.0	
<b>Diversified Financials</b>		<b>4.6</b>	<b>2.0</b>	<b>Underweight</b>
HDFC AMC	928		2.0	
<b>Oil &amp; Gas</b>		<b>9.3</b>	<b>8.8</b>	<b>Underweight</b>
Reliance Industries	17,417	7.9	8.8	
<b>Telecom</b>		<b>3.9</b>	<b>4.3</b>	<b>Overweight</b>
Bharti Airtel	9,447	3.9	4.3	
<b>Others</b>		<b>2.2</b>	<b>-</b>	<b>Underweight</b>
<b>Cash</b>			<b>-</b>	

**PL Model Portfolio has outperformed NIFTY by 23.8% since Nov 2018, 9.5% since April 23 and 0.4% since last report.**



- **Automobiles: overweight:** We remain overweight even as we cut weight by 50bps. The demand has been tepid for PV, more so on the entry level. Although festival season has seen some revival, potential cut in interest rates and improving prospects in rural India will revive demand. We believe revival is rural demand and normal monsoons will benefit M&M and Hero Motocorp. Also entry-level segment of Maruti, which has been under pressure from quite some time, may see some gains in coming periods.
- **Banks: Equal weight:** C-D gap has been narrowing which will benefit most private banks, which have higher LDR. Although unsecured loans and MFI remain an issue, valuations remain compelling. We remain over weight in ICICI, KMB, and SBI. We remove IIB from model portfolio and increase weight behind HDFC Bank and ICICI Bank by 160/90bps.
- **Capital Goods – Over weight:** We increase overweight from 280bp to 420bps post sharp correction in key stocks. We turn equal weight on L&T given attractive valuations. We are including Polycab India in model portfolio as a formidable play in cables segment with presence in EHV segment, which is likely to see significant growth in coming years.
- **Consumer: Equal weight:** We turn equal weight given demand headwinds in urban consumption and rising competition. We note that 2Q has seen all Nifty consumer stocks witnessing EPS cut, which may take some time to reverse. We are increasing allocation for Titan and Britannia while we cut weights on HUL, ITC and Nestle. We are also removing Astral Poly from model portfolio.
- **Healthcare: Over weight:** We remain structurally positive on Hospitals led by Max healthcare with huge overweight given expected gains from recent acquisitions and brownfield expansion in Mumbai and NCR. We retain Sun Pharma in model portfolio, as growing specialty portfolio will enable strong growth in earnings in coming years.
- **IT services: Equal weight:** IT services is showing initial signs of recovery in BFSI, telecom and manufacturing. Segments like EDS, Data Analytics, Digital, Artificial intelligence and supply chain etc. will drive growth in next cycle. We are increasing weights behind LTI Mindtree, HCL Tech and Infosys and remove L&T Technology Services from model portfolio given growth pressures in Europe.
- **Oil and Gas: Underweight;** we remain overweight on RIL. We believe sustained growth in retail and expected forays in new energy segments will drive next leg of growth in the company. We believe demerger of Jio Platforms and Retail will unlock value for shareholders.
- **Telecom:** we retain overweight on Bharti Airtel as a structural play on rising data usage in telecom. While recent tariff hikes have been absorbed, we expect more tariff hikes after a lag, which will further improve profitability.
- **Cement – Overweight:** We remain positive on cement demand and industry consolidation. We expect improvement in demand led by government capex and higher profitability in coming quarters. We shift weight by 25bps from Ambuja Cement to Ultratech.

## Conviction Picks Changes

**High Conviction Picks:** We are removing BEML, Indusind Bank, J.B. Chemicals & Pharmaceuticals and RR Kabel given near term headwinds in RR Kabel and Indusind Bank, stake sale uncertainty in JB Chemicals & Pharmaceuticals and poor performance from BEML. We are adding following stocks in conviction picks.

**Lupin:** Lupin's is gaining from higher US and India sales and margins led by better product mix and cost optimization. Lupin saw remarkable turnaround in profitability with ~2x jump in EBITDA over FY23-24 aided by better product mix, niche launches in the US, clearance from USFDA, domestic formulations momentum and cost optimization. We expect margins to sustain given strong pipeline in the US. Any competition in gSpiriva and delay in new launches in the US are key risks to our estimates/call.

**Polycab India:** Polycab should continue healthy W&C revenue growth with stability in commodity prices, pick-up in government spending, continued investments by private players and robust real estate offtake. While higher competitive intensity and institutional business affected margins in H1FY25, it is expected to improve with demand. Polycab targets to achieve Rs200bn revenue by FY25 under Project LEAP, which is likely to be achieved sooner than targeted. We expect revenue/EBITDA/PAT CAGR of 17.5%/17.1%/15.5% over FY24-27E.

**Aster DM Healthcare:** ASTERDM India's EBITDA increased sharply over last 3 years (31% CAGR over FY21-24) and growth momentum should continue in FY25. We believe that margins will improve on India hospitals aided by gross margin expansion, healthy ARPOB, occupancy scale up, faster ramp up in its Whitefield new unit and bed additions. The stock trades at 24.8x and 20.6x EV/EBITDA on FY26E and FY27E (Adj for minority stake and rental). Buy with TP of Rs 500, valuing at 26x EV/EBITDA on Sep2026E EBITDA. Utilization of proceeds, possible merger with a PE player and timely expansion are key factors to watch out for.

**DOMS Industries:** Competitive edge of DOMS stems from 1) superior brand recall 2) innovative products (erasers, two-dooz sharpeners & grove pencils) 3) cost competitiveness from backward integration 4) strong distribution reach with 1,35,000+ retail touch points and 5) superior R&D capabilities & technical know-how (collaboration with FILA). DOMS has a diversified stationary & arts material portfolio and has outlined a capex plan of Rs4.5bn over 2 years to expand capacity in writing instruments, water color pens, markers & highlighters at Umbergaon. Recent entry into diapers market with plans to enter into footwear, apparels, confectionaries, and sports gears & accessories widens the addressable target market for DOMS. We expect revenue/PAT CAGR of 26%/28% over FY24-FY27E.

**Triveni Turbine:** Triveni Turbine is well positioned for sustained growth led by 1) global energy transition and generation gap fueling demand for its industrial and API turbines, 2) healthy order book of Rs18.0bn (1.0x TTM revenue) with robust export/domestic inquiries, 3) large service market with expansion into higher-MW turbines of up to 120 MW, 4) demand from O&G applications in Middle East and industrial generation application led demand from Europe and Americas is driving export growth and 5) improving share of exports (~61%) and aftermarket (~30%) in the order book is expected to further strengthen company's margin profile.

## High Conviction Picks

	CMP (Rs.)	TP (Rs)	Upside	Mcap (Rs bn)	Mcap (US\$ m)	Revenue Gr. (%)			Earnings Gr. (%)			RoE (%)			RoCE (%)*			PER (x)			P/BV (x)*		
						2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2026E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Large Cap																							
Ambuja Cement	505	708	40.2%	1,243.8	14,761	6.6	24.3	9.2	(24.1)	88.3	5.2	6.0	9.7	9.4	10.3	14.9	14.8	44.4	23.6	22.4	2.4	2.2	2.0
Bharat Electronics	292	341	16.5%	2,137.0	25,362	17.3	17.9	12.9	14.3	20.4	13.0	26.3	26.7	25.6	30.6	31.5	30.5	46.5	38.6	34.2	11.3	9.5	8.1
Bharti Airtel	1,579	1,782	12.9%	8,966.4	1,06,413	13.3	15.4	9.4	43.2	41.6	11.3	21.6	24.8	21.9	14.0	16.2	16.4	46.5	32.9	29.5	9.3	7.3	5.8
HDFC Asset Management Company	4,343	5,360	23.4%	887.0																			
ICICI Bank	1,301	1,640	26.1%	9,168.1	1,08,807	10.2	12.8	15.7	12.2	9.3	17.9	18.0	17.0	17.3	2.3	2.2	2.2	19.9	18.2	15.5	3.4	2.9	2.6
InterGlobe Aviation	4,245	4,919	15.9%	1,638.3	19,443	12.7	17.4	16.5	(5.5)	15.0	8.7	131.9	62.7	41.2	129.7	72.7	56.2	21.2	18.4	17.0	16.9	8.8	5.8
Larsen & Toubro	3,753	4,088	8.9%	5,160.4	61,243	15.5	12.1	12.9	20.9	28.7	18.6	16.7	18.3	18.4	11.6	13.3	14.2	32.9	25.6	21.6	5.1	4.3	3.7
Lupin	2,107	2,420	14.8%	960.2	11,396	14.2	10.9	8.8	68.5	18.8	13.8	20.4	20.1	19.1	22.4	22.7	22.0	30.0	25.2	22.2	5.6	4.7	3.9
Mahindra & Mahindra	3,046	3,456	13.5%	3,652.4	43,347	14.8	14.7	14.0	17.1	10.8	13.2	22.0	20.7	20.0	21.3	20.7	20.1	29.1	26.2	23.2	5.9	5.0	4.3
Max Healthcare Institute	972	1,200	23.5%	944.5	11,209	23.6	32.6	20.0	15.2	35.6	30.6	14.8	17.5	19.4	16.5	19.2	21.6	64.1	47.3	36.2	9.0	7.7	6.5
Polycab India	6,766	8,741	29.2%	1,016.7	12,066	20.3	17.4	14.8	7.0	24.7	15.3	21.2	21.9	21.0	29.5	30.2	29.0	53.3	42.7	37.0	10.3	8.5	7.1
Reliance Industries	1,287	1,471	14.3%	17,415.7	2,06,690	3.8	6.3	4.3	(15.2)	10.9	12.1	7.2	7.4	7.7	8.6	9.1	9.4	29.5	26.6	23.7	2.0	1.9	1.8
Titan Company	3,309	3,782	14.3%	2,945.1	34,953	16.4	19.0	14.2	5.2	30.9	18.4	23.8	26.3	25.6	21.5	23.2	23.8	80.1	61.2	51.7	17.9	14.6	12.1
Mid / Small Caps																							
Aster DM Healthcare	439	500	13.8%	219.7	2,607	14.1	16.6	16.2	77.0	58.1	28.0	8.0	13.3	15.4	11.4	15.9	18.6	65.9	41.7	32.6	5.8	5.3	4.8
Crompton Greaves Consumer Electric	405	536	32.2%	260.7	3,095	13.0	13.3	12.3	32.6	25.4	17.0	18.2	20.5	21.5	22.4	26.5	28.2	44.7	35.7	30.5	7.7	7.0	6.2
Cyient	1,847	2,120	14.8%	205.0	2,433	6.5	17.2	16.2	(1.1)	21.0	21.2	16.4	18.2	20.0	15.3	17.3	18.6	28.2	23.3	19.2	4.4	4.0	3.7
DOMS Industries	3,069	3,337	8.7%	186.2	2,210	23.1	32.8	23.1	29.1	29.7	26.2	22.7	23.7	23.9	26.5	28.4	29.1	90.4	69.7	55.2	18.5	14.9	11.9
Jindal Stainless	672	814	21.1%	553.6	6,571	15.0	22.2	11.2	19.3	38.5	19.3	19.9	22.6	21.8	21.3	24.7	26.1	17.6	12.7	10.6	3.2	2.6	2.1
Lemon Tree Hotels	126	158	26.0%	99.5	1,181	19.2	14.2	8.7	46.5	36.8	20.0	20.3	22.8	22.3	18.3	22.8	25.6	45.7	33.4	27.9	8.5	6.9	5.6
Safari Industries (India)	2,517	2,989	18.8%	122.7	1,456	18.6	24.0	20.6	0.0	42.8	29.0	19.4	22.8	23.6	19.9	23.7	25.5	69.8	48.9	37.9	12.5	10.1	8.0
Triveni Turbine	764	800	4.6%	242.9	2,883	30.2	29.0	32.5	45.9	32.9	32.7	35.3	37.0	38.4	40.7	42.8	45.4	63.5	47.8	36.0	20.1	15.8	12.3

\* For Banks P/BV = P/ABV & RoCE = RoAA

**Added:** Lupin, Polycab India, Aster DM Healthcare, DOMS Industries and Triveni Turbine

**Removed:** BEML, IndusInd Bank, J.B. Chemicals & Pharmaceuticals and R R Kabel

**Exhibit 30: Current Valuations in ~48% (42% earlier) Nifty50 companies are lower than 2016-20 avg. levels**

12 Month Forward Average PE	2009-11	2011-13	2013-16	2016-20	2022	2023	2024	Current Valuations*
<b>Nifty Index</b>	<b>16.3</b>	<b>14.7</b>	<b>18.8</b>	<b>22.0</b>	<b>20.4</b>	<b>18.4</b>	<b>18.0</b>	<b>18.1</b>
Adani Enterprises	3.0	2.8	4.2	13.4	114.0	112.1	63.0	34.0
Adani Ports & Special Economic Zone Ltd	28.8	18.5	18.3	18.1	31.2	25.4	20.7	20.6
Apollo Hospital Enterprises	24.5	29.9	58.6	81.2	66.5	71.8	65.1	54.9
Asian Paints Ltd	21.5	30.1	39.9	51.7	82.7	61.8	59.8	47.1
Axis Bank Ltd	13.1	9.9	14.0	72.8	20.2	15.0	12.1	12.3
Bajaj Auto Ltd	9.7	15.1	17.5	17.7	17.4	15.6	19.5	26.7
Bajaj Finance Ltd	10.2	10.8	15.5	11.4	10.5	7.2	8.8	10.9
Bajaj Finserv Ltd	5.5	6.6	9.9	26.9	43.2	32.4	27.1	21.4
Bharat Electronics Ltd	15.8	12.7	14.4	17.8	16.8	19.7	24.3	38.2
Bharat Petroleum Corp Ltd	15.6	13.7	8.6	11.0	15.3	7.5	4.8	8.8
Bharti Airtel Ltd	20.9	45.4	29.3	72.6	57.3	54.2	41.1	34.4
Britannia Industries Ltd	28.8	23.3	28.3	47.3	46.9	44.5	52.9	46.7
Cipla Ltd/India	23.5	19.3	34.3	29.8	28.3	24.1	21.6	23.5
Coal India Ltd	2.9	13.7	15.8	14.2	4.0	3.8	5.3	6.7
Dr Reddy's Laboratories Ltd	27.6	16.8	26.8	30.2	24.3	14.3	16.5	17.2
Eicher Motors Ltd	7.0	12.0	NA	34.7	31.9	24.8	22.9	27.4
Grasim Industries Ltd	6.0	8.2	19.1	20.0	14.5	17.1	41.3	83.8
HCL Technologies Ltd	13.3	9.0	14.1	12.9	21.3	18.3	21.3	27.0
HDFC Bank Ltd	20.7	18.5	18.0	21.5	19.9	17.3	17.0	16.6
HDFC Life Insurance Co. Ltd.	NA	NA	-	42.8	103.0	80.4	74.4	63.8
Hero MotoCorp Ltd	16.0	17.5	17.4	18.0	20.4	15.4	15.7	19.1
Hindalco Industries Ltd	9.9	9.0	17.2	9.9	8.6	9.4	8.9	10.1
Hindustan Unilever Ltd	24.3	25.2	37.1	50.1	60.2	58.1	57.3	49.2
ICICI Bank Ltd	19.5	13.6	15.0	30.5	17.7	16.0	15.8	18.0
IndusInd Bank Ltd	12.3	14.4	17.6	26.4	13.0	10.1	12.9	8.0
Infosys Ltd	20.5	16.0	16.5	16.4	29.9	25.2	22.7	26.4
ITC Ltd	20.5	24.2	32.3	25.6	17.1	20.1	26.3	25.1
JSW Steel Ltd	16.2	25.2	25.6	10.2	15.7	26.1	22.0	17.8
Kotak Mahindra Bank Ltd	17.6	18.6	25.9	29.1	27.1	21.8	19.8	18.4
Larsen & Toubro Ltd	20.9	18.0	26.2	19.8	24.7	22.6	27.8	26.6
Mahindra & Mahindra Ltd	12.0	13.5	22.6	34.4	17.5	16.5	16.1	26.5
Maruti Suzuki India Ltd	17.2	15.9	17.5	31.9	38.1	24.5	22.6	21.4
Nestle India Ltd	32.3	40.5	63.5	55.6	78.7	65.4	69.8	60.5
NTPC Ltd	17.9	11.9	10.8	10.7	7.2	8.3	11.1	14.7
Oil & Natural Gas Corp Ltd	10.8	9.2	17.1	10.4	4.3	4.3	5.2	6.2
Power Grid Corp of India Ltd	17.6	12.5	11.5	10.5	8.1	10.0	12.5	18.2
Reliance Industries Ltd	13.5	10.5	9.4	13.4	21.9	22.8	22.5	18.8
SBI Life Insurance Co.	NA	NA	-	32.4	68.3	66.2	64.5	59.9
State Bank of India	11.9	8.9	25.1	200.4	8.9	7.8	7.9	9.2
Sun Pharmaceutical Industries Ltd	18.1	20.6	37.2	42.0	32.8	25.1	27.0	34.0
Tata Consultancy Services Ltd	16.3	16.9	20.1	20.7	32.0	27.5	26.9	27.4
Tata Consumer Products	19.9	18.1	3.7	32.6	65.2	60.5	65.9	50.5
Tata Motors Ltd	5.3	6.5	11.6	-0.8	-13.5	14.7	9.8	11.3
Tata Steel Ltd	-6.7	-1,397.8	-13.6	7.5	7.2	-1.0	-29.1	14.7
Tech Mahindra Ltd	12.9	7.2	15.6	13.4	23.0	27.7	32.4	29.0
Titan Co Ltd	21.2	29.4	38.8	56.5	67.8	64.1	80.5	64.0
Trent Ltd	NA	-117.4	81.6	36.7	140.2	52.5	51.9	101.3
UltraTech Cement Ltd	13.7	16.1	28.4	35.4	33.5	31.7	35.7	36.0
UPL Ltd	5.9	6.7	13.3	33.9	48.6	34.7	30.2	21.1
Wipro Ltd	15.6	13.2	15.1	14.8	27.7	20.3	19.2	22.7

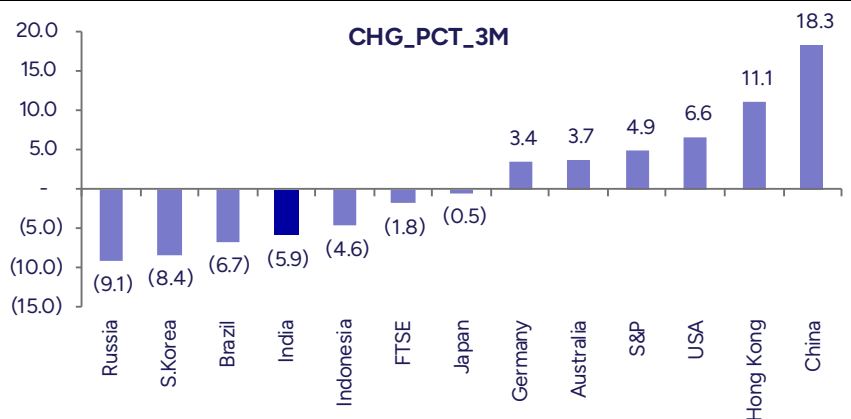
Source: PL \* as of August 21, 2024



## 2H25 hinges on Govt Capex and festival season

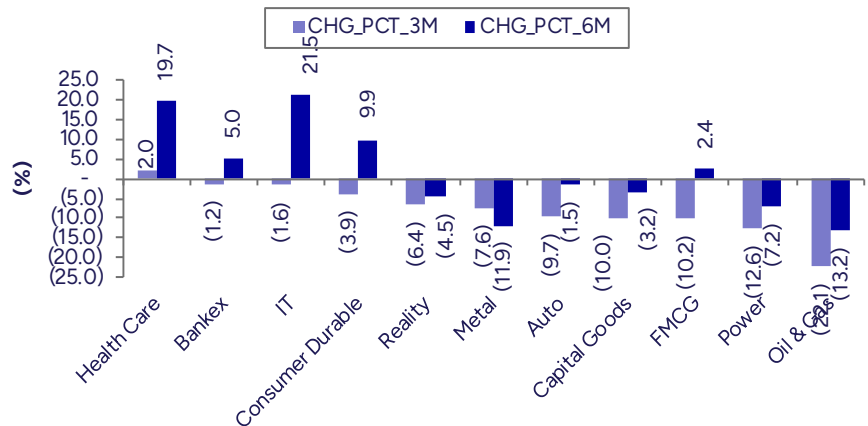
- NIFTY has seen a cut of 6% since Oct12, showing the impact of more than Rs720bn FII selling amidst Donald Trump's victory in US presidential elections, sustained Geo political uncertainty, strength of USD against major currencies and softening of Gold prices. 2Q25 results showed impact of high inflation, prolonged monsoons, slow Govt capex (35% decline in 1Q and 10% growth in 2Q) and tepid commentary on consumer demand. Results of recent state/Bye elections in Maharashtra, Haryana, J&K, UP and Bihar has consolidated the position of ruling NDA which will provide much needed stability to central Govt. However, the impact of rising freebies and welfare schemes needs to be monitored as state Govt achieved only 28% of budgeted capex in 1H25.
- Demand conditions remain mixed with steady uptick in rural demand given low base and normal monsoons. However, rising inflation is affecting demand in urban India, more so in Metros and big cities, which account for ~35% of total demand in the economy. We expect slow recovery as full impact of spike in food inflation is yet to play out. All hopes rest on demand revival in festival and wedding season, which is traditionally associated with significant increase in spending. We expect only one interest rate cut, mostly post budget or April25 as recent spike in food inflation to 10.9% (CPI increase to 6.2%), which is much above comfort level of RBI.
- Market has seen deep cuts across sectors. Most sectors including defensives like FMCG, IT, Power etc. have also seen double digit cut in 3m returns over past 6 weeks. Domestic demand related sectors like FMCG, Consumer Durables and Real Estate have reacted on demand concerns in urban India; Banks have done better placed given comfort on valuations.
- Return variation between large to mid-cap indices has converged considerably in past 3 months. Cut in mid cap and large cap indices shows a divergence of 100-200bps since October, although mid cap and small caps have much superior returns than large caps over 12 month period.
- FII net selling has been Rs716bn in past 6 weeks, DII inflows at Rs929bn continue to remain strong.

**Exhibit 31: Nifty50 down 5.9% YTD amidst high volatility and FII selling**



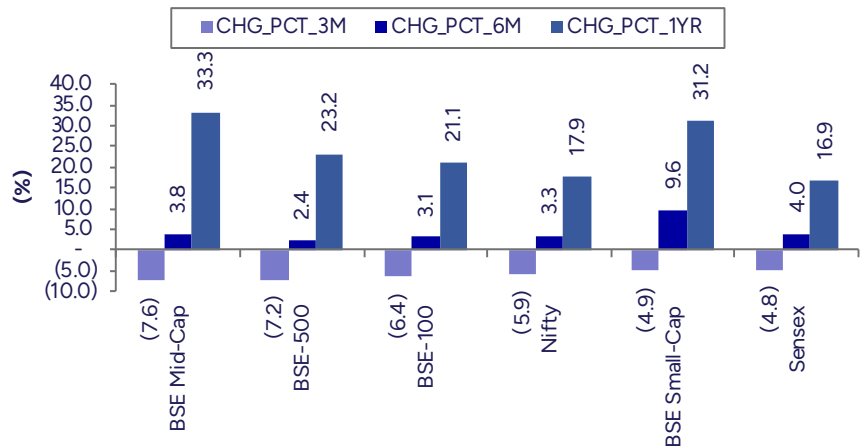
Source: PL

Exhibit 32: O&G, FMCG, Power, CG see max cut in past 3 months



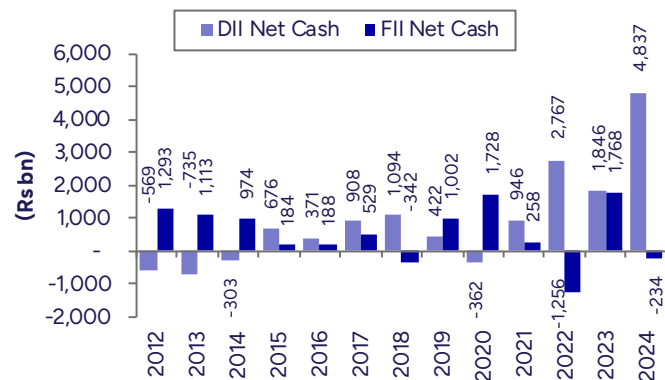
Source: PL

Exhibit 33: All indices in negative, not much divergence in 3m cuts



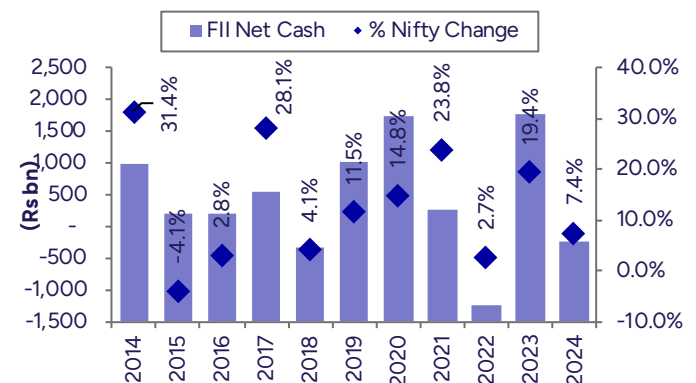
Source: PL

Exhibit 34: DII flows Rs929bn, FII outflows Rs716bn (~6 weeks)



Source: PL

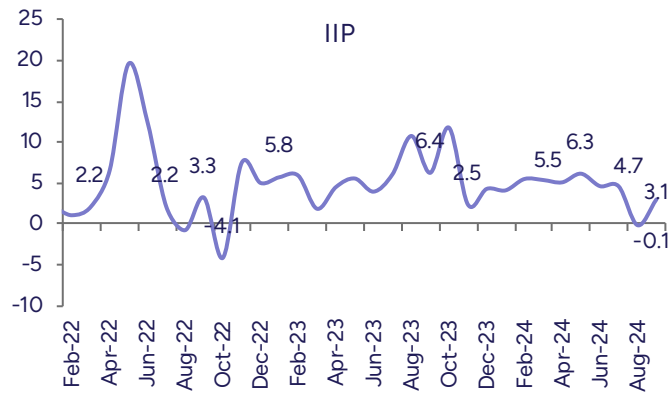
Exhibit 35: NIFTY positive YTD, FII flows remain volatile



Source: PL

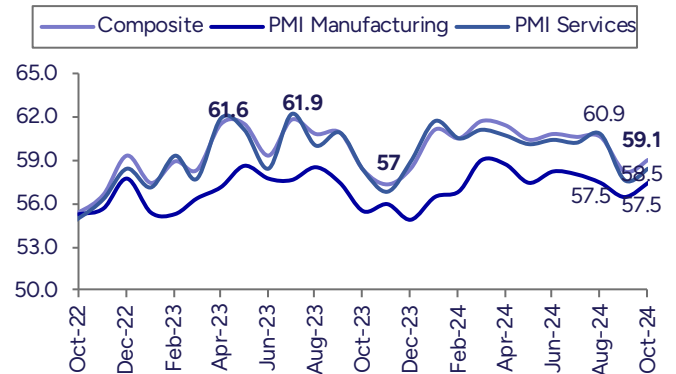
## High Frequency indicators remain resilient

**Exhibit 36: IIP growth rebounds to 3.1% in Sept'24**



Source: Ministry of commerce, PL

**Exhibit 37: PMI up to 59.1 due to uptick in mfg.**



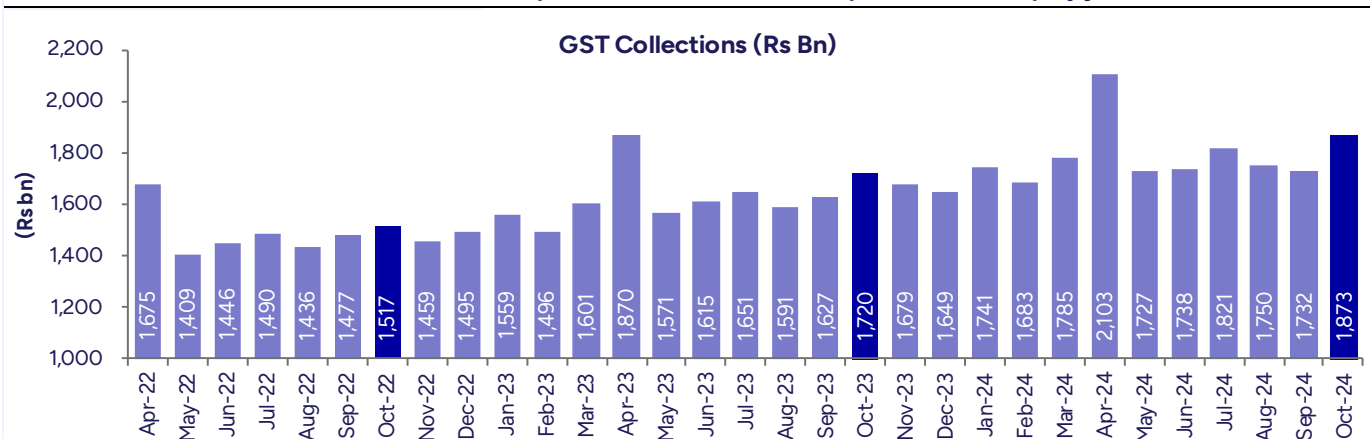
Source: Ministry of commerce, PL

**Exhibit 38: IIP growth in Sept'24 led by Consumer durables (up 6.5%) and Intermediate Goods (4.2%)**

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
<b>General</b>	6.4	11.9	2.5	4.4	4.2	5.6	5.5	5.2	6.3	4.7	4.7	-0.1	3.1
Mining	11.5	13.1	7.0	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.8	-4.3	0.2
Manufacturing	5.1	10.6	1.3	4.6	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9
Electricity	9.9	20.4	5.8	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9	-3.7	0.5
<b>Use-Based</b>													
Basic goods	8.0	11.4	8.4	4.8	2.9	5.9	3.0	7.0	7.3	6.3	5.9	-2.6	1.8
Intermediate goods	6.1	9.5	3.4	3.7	5.3	8.6	6.1	3.8	3.5	3.0	6.4	3.0	4.2
Capital goods	8.4	21.7	-1.1	3.7	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.5	2.8
Infra/Construction Goods	10.1	12.6	1.5	5.5	5.5	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.3
Consumer Durables	1.0	15.9	-4.8	5.2	11.6	12.6	9.5	10.5	12.6	8.7	8.3	5.3	6.5
Consumer Non-durables	2.7	9.3	-3.4	3.0	0.3	-3.2	5.2	-2.5	2.8	-1.5	-4.3	-4.5	2.0

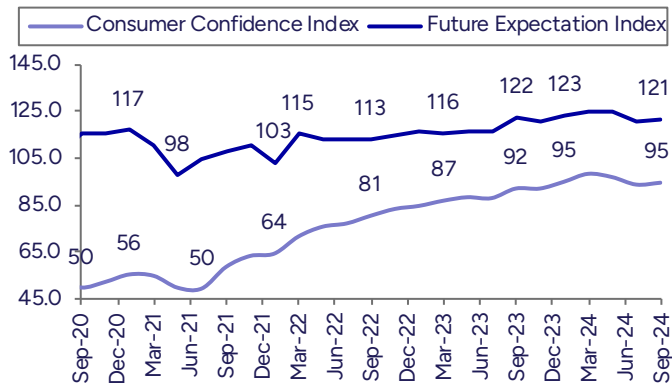
Source: MOSPI, PL

**Exhibit 39: Oct'24 GST Collection at Rs.1.87bn up 8.1% MoM, 8.9% YoY, Compensation cess up by just 0.8%**



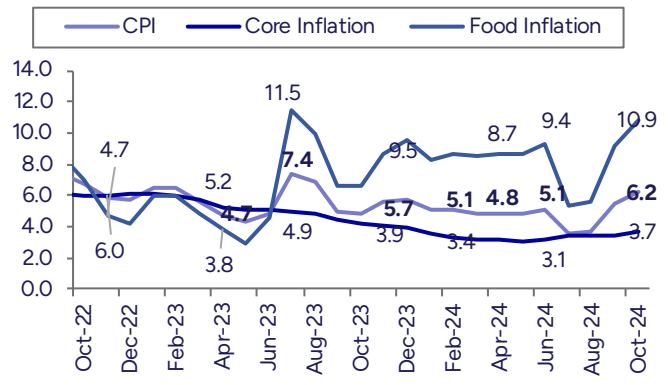
Source: GOI, PL

**Exhibit 40: FEI-CEI gap remain sticky in Sept'24**



Source: CMIE, PL

**Exhibit 41: CPI at 6.2%, breaching RBI's target range**



Source: MOSPI, PL

**Exhibit 42: India's CPI at 6.2% in Oct'24, Food Inflation remains elevated at 10.9% due to prolonged monsoon/floods**

Consumer Price Index (CPI)	Weight	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
		4.9	5.6	5.7	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7	5.5	6.2
Food, Beverages and Tobacco	45.9	6.3	8.0	8.7	7.6	7.8	7.7	7.9	7.9	8.4	5.1	5.3	8.4	9.7
Pan Tobacco and Intoxicants	2.4	3.9	3.8	3.6	3.3	3.1	3.1	3.0	3.0	3.1	3.0	2.7	2.5	2.5
Clothing and Footwear	6.5	4.3	3.9	3.6	3.4	3.1	3.0	2.9	2.7	2.7	2.7	2.7	2.7	2.7
Housing	10.1	3.8	3.6	3.6	3.2	2.9	2.7	2.7	2.6	2.7	2.7	2.7	2.7	2.8
Fuel and Light	6.8	-0.4	-0.8	-1.0	-0.6	-0.8	-3.4	-4.0	-3.7	-3.6	-5.5	-5.3	-1.3	-1.6
Miscellaneous	28.3	4.5	4.4	4.1	3.8	3.6	3.5	3.5	3.4	3.4	3.8	3.9	4.0	4.3
<b>Consumer Food Price Index</b>	<b>39.1</b>	<b>6.6</b>	<b>8.7</b>	<b>9.5</b>	<b>8.3</b>	<b>8.7</b>	<b>8.5</b>	<b>8.7</b>	<b>8.7</b>	<b>9.4</b>	<b>5.4</b>	<b>5.7</b>	<b>9.2</b>	<b>10.9</b>

Source: MOSPI, PL

**Exhibit 43: India's Trade Deficit down 11% YoY on strong exports, MoM jump due to sharp increase in Oil and Gold imports**

Merchandise Trade (USD bn)	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
<b>Exports</b>	33.4	33.7	38.4	37.3	41.4	41.7	35.3	39.6	35.2	33.9	34.7	34.6	39.2
YoY %	6%	-3%	1%	4%	12%	-1%	2%	13%	2%	-2%	-9%	0%	17%
<b>Imports</b>	63.9	54.5	56.4	53.3	60.1	57.3	54.7	62.1	56.7	57.5	64.3	55.3	66.3
YoY %	11%	-4%	-8%	1%	12%	-6%	10%	8%	7%	9%	3%	2%	4%
- Oil	16.1	14.9	14.9	15.5	16.9	17.2	16.5	19.9	15.0	13.9	11.0	12.5	18.3
YoY %	-1%	-8%	-23%	-2%	0%	-4%	9%	28%	20%	18%	-32%	-11%	13%
- Gold	7.2	3.4	3.0	1.9	6.1	1.5	3.1	3.3	3.1	3.1	10.1	4.4	7.1
YoY %	96%	2%	156%	174%	134%	-54%	178%	-10%	-39%	-11%	104%	7%	-1%
- Non Oil Non Gold	40.5	36.1	38.5	35.9	37.1	38.5	35.1	38.8	38.6	40.5	43.3	38.4	40.9
YoY %	8%	-3%	-5%	-1%	9%	-3%	4%	2%	8%	7%	5%	6%	1%
<b>Trade Deficit</b>	<b>(30.4)</b>	<b>(20.7)</b>	<b>(18.1)</b>	<b>(16.0)</b>	<b>(18.7)</b>	<b>(15.6)</b>	<b>(19.4)</b>	<b>(22.5)</b>	<b>(21.5)</b>	<b>(23.6)</b>	<b>(29.6)</b>	<b>(20.7)</b>	<b>(27.1)</b>
YoY %	17%	-6%	-22%	-6%	13%	-18%	28%	0%	15%	28%	23%	3%	-11%

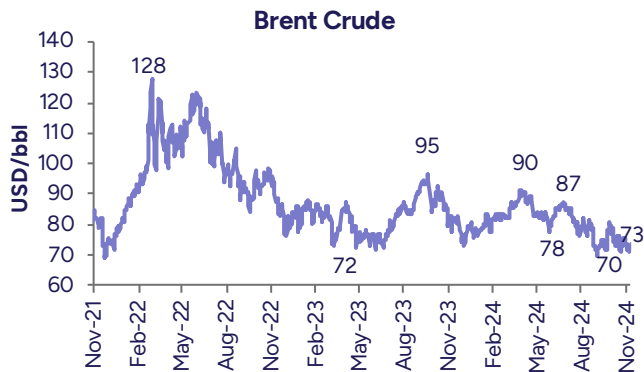
Source: Ministry of Commerce, PL

**Exhibit 44: India's Services exports up 21% YoY and 11% MoM, Services Balance up 18.8% MoM and 16% YoY to USD17bn**

Services	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24
<b>Exports (Receipts)</b>	28.1	28.7	27.9	32.8	32.2	28.5	29.6	30.2	30.3	28.4	30.7	30.6	34.0
YoY %	11%	9%	-11%	2%	17%	-6%	15%	12%	9%	8%	7%	8%	21%
<b>Imports (Payments)</b>	13.5	13.4	13.3	16.1	15.4	15.8	17.0	17.3	17.3	14.6	15.7	16.3	17.0
YoY %	0%	0%	-16%	2%	3%	-7%	22%	9%	11%	6%	4%	12%	26%
<b>Services balance</b>	<b>14.6</b>	<b>15.3</b>	<b>14.6</b>	<b>16.8</b>	<b>16.8</b>	<b>12.7</b>	<b>12.6</b>	<b>12.9</b>	<b>13.0</b>	<b>13.9</b>	<b>15.0</b>	<b>14.3</b>	<b>17.0</b>
YoY %	24%	20%	-5%	2%	35%	-6%	7%	16%	7%	11%	10%	3%	17%

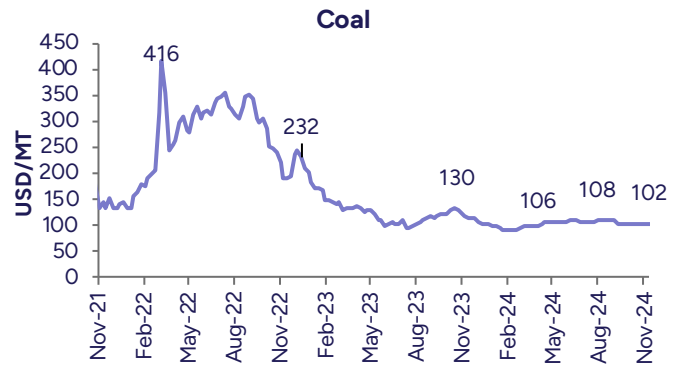
Source: Ministry of Commerce, PL

**Exhibit 45: Crude price stabilises at \$70-73**



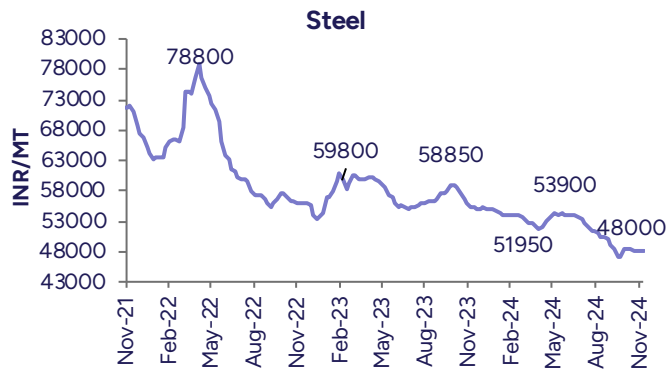
Source: PL

**Exhibit 46: Coal prices decline 8% over past 3 months**



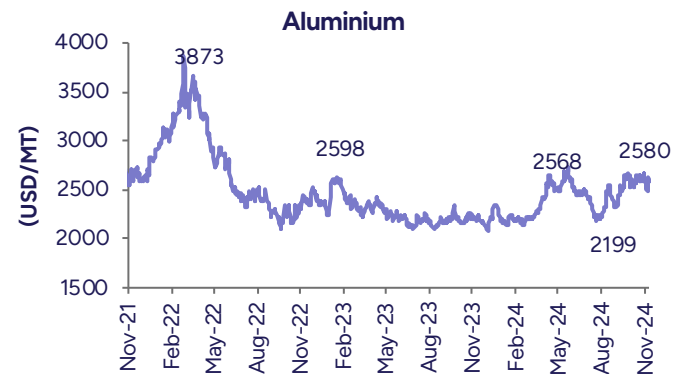
Source: Bigmint, PL

**Exhibit 47: Steel prices soften 5% in past 3 months**



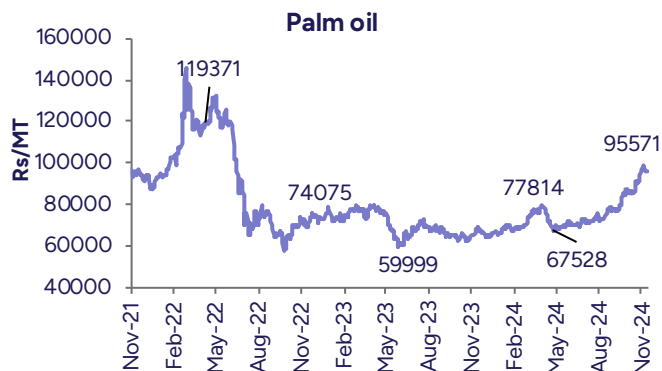
Source: Bigmint, PL

**Exhibit 48: Aluminium price up 17% from recent lows**



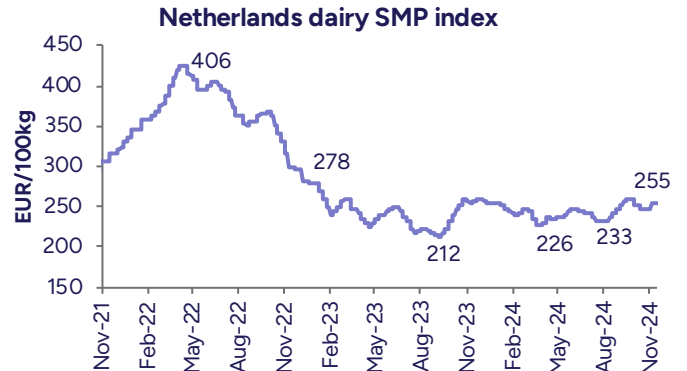
Source: PL

**Exhibit 49: Palm oil prices up 41% from April lows**



Source: PL

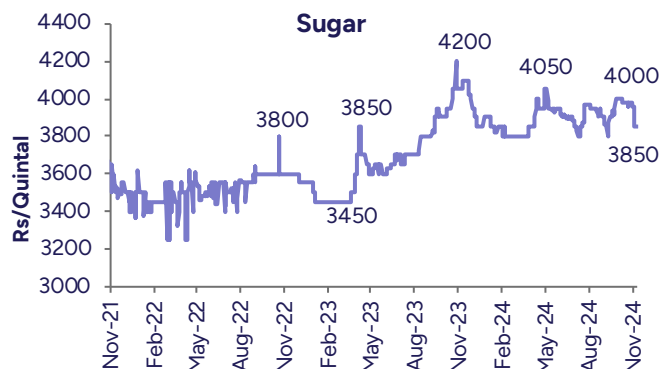
**Exhibit 50: SMP prices up 7% from recent levels**



Source: PL

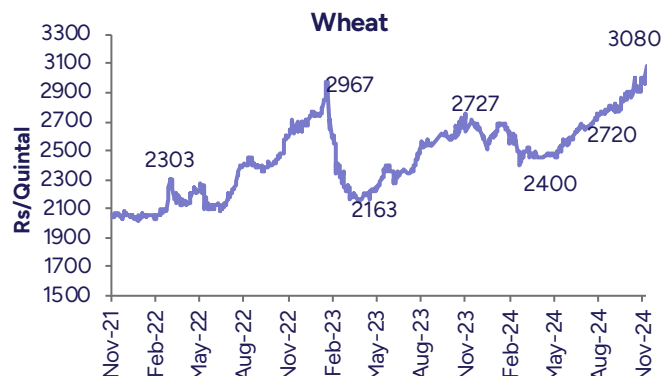


**Exhibit 51: Sugar prices decline 4% from Sept'24 high**



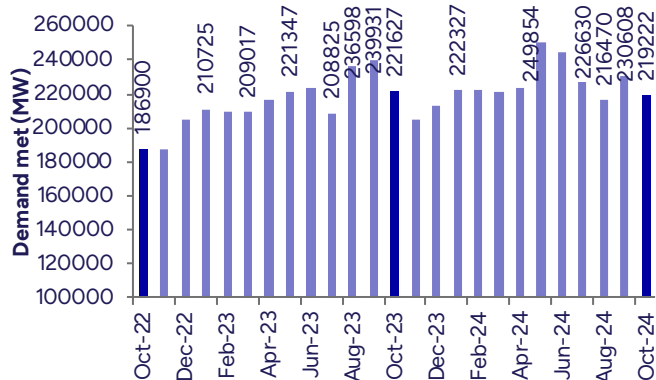
Source: PL

**Exhibit 52: Wheat prices up 28% since April harvesting time**



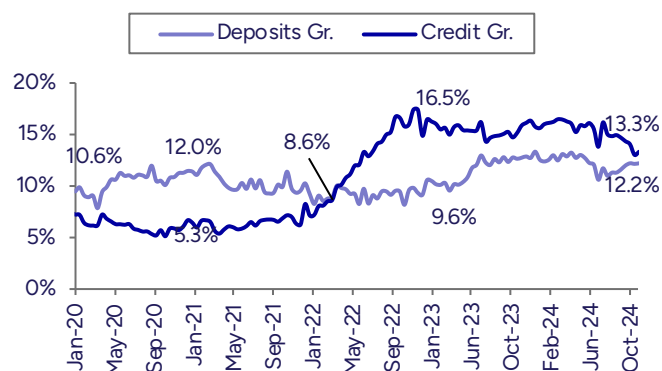
Source: PL

**Exhibit 53: Oct'24 Power demand declined by 1.5% YoY**



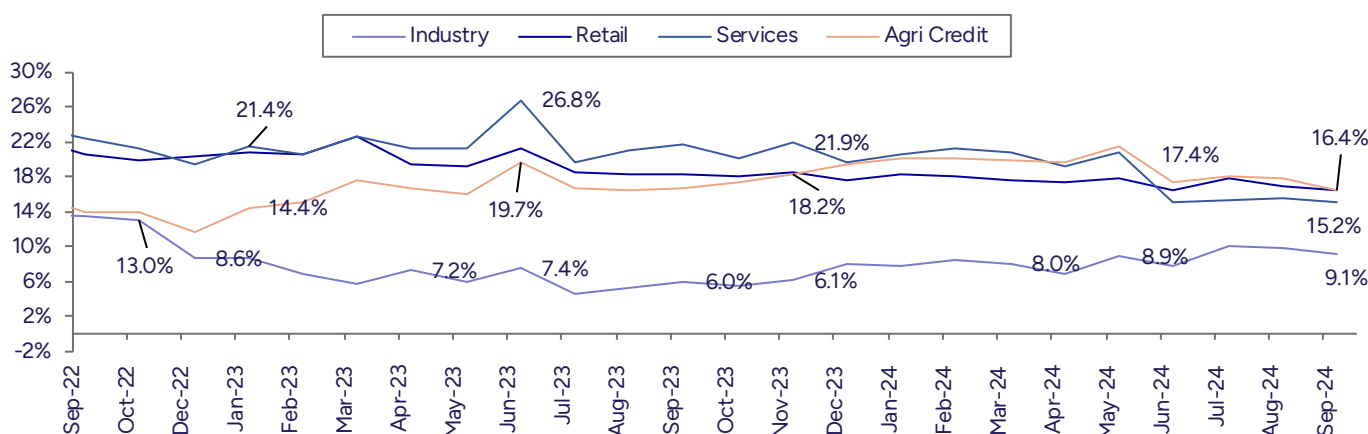
Source: CEA, PL Research

**Exhibit 54: C-D gr. gap reduces to 112bps (186bps earlier)**



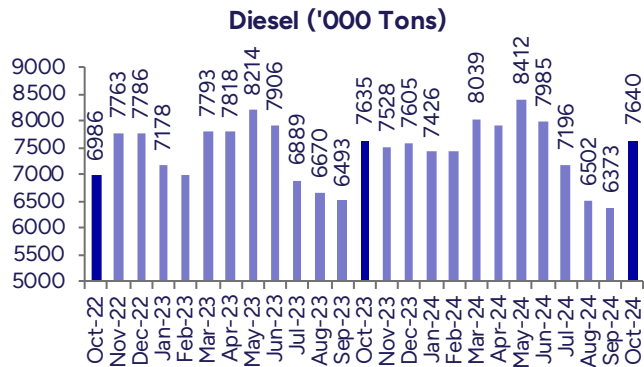
Source: RBI, PL

**Exhibit 55: Industry, Retail and Agri credit growth softens by 120-140bps, services growth remains steady**



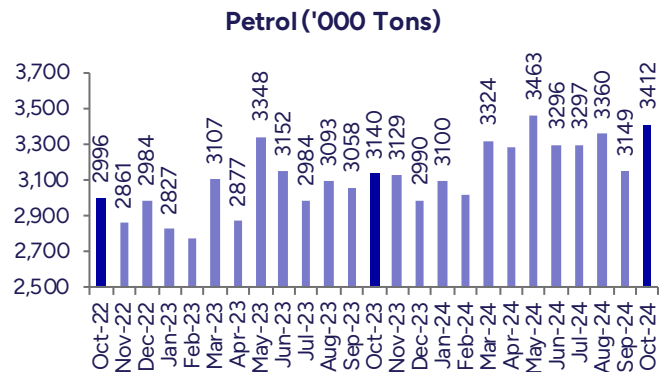
Source: RBI, PL

**Exhibit 56: Diesel usage flattish YoY, up 19.9%MoM**



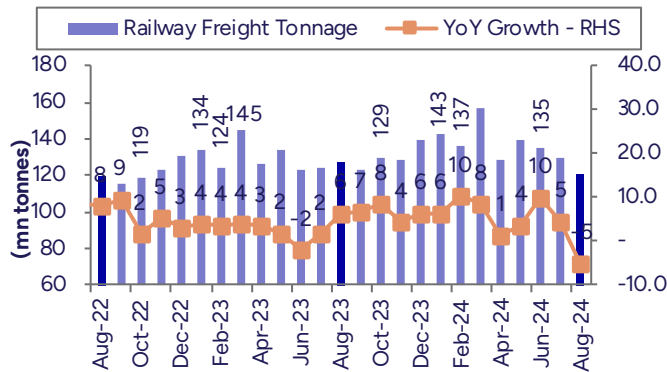
Source: PPAC, PL

**Exhibit 57: Oct'24 consumption rises 8.7%YoY to 3.4mn ton**



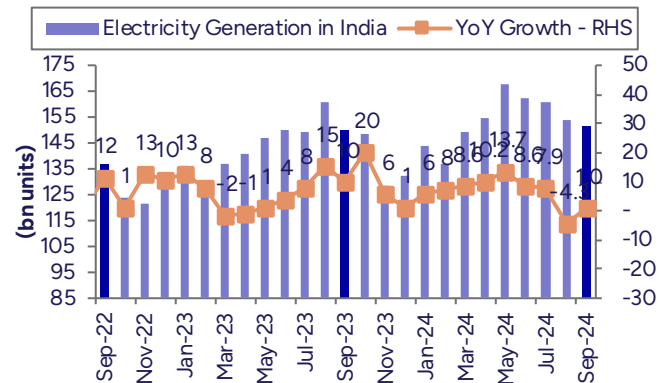
Source: PPAC, PL

**Exhibit 58: Railway haulage down by 5% YoY in Aug'24**



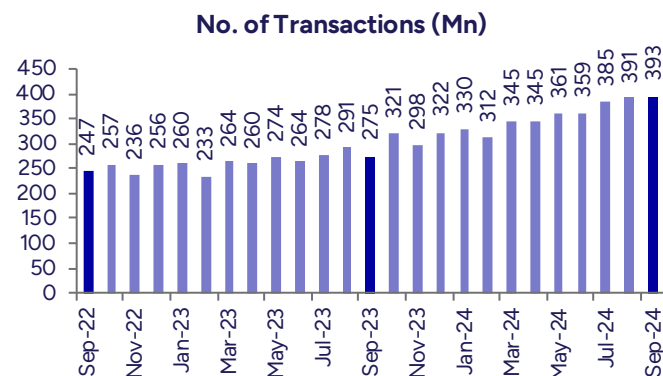
Source: Indian Railway, PL

**Exhibit 59: Energy generation up only 1%YoY in Sept'24**



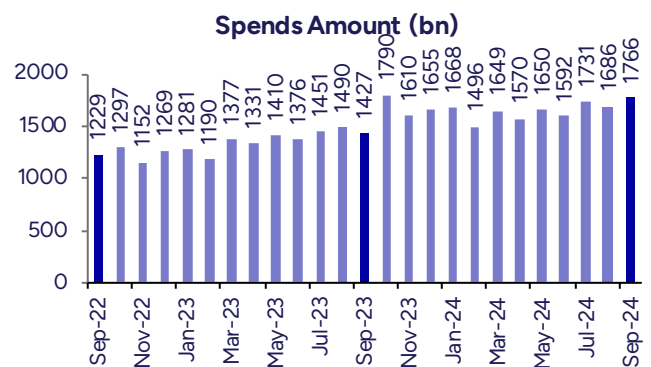
Source: CEA, PL

**Exhibit 60: Sept 24 Credit Card transaction up 43%**



Source: RBI, PL

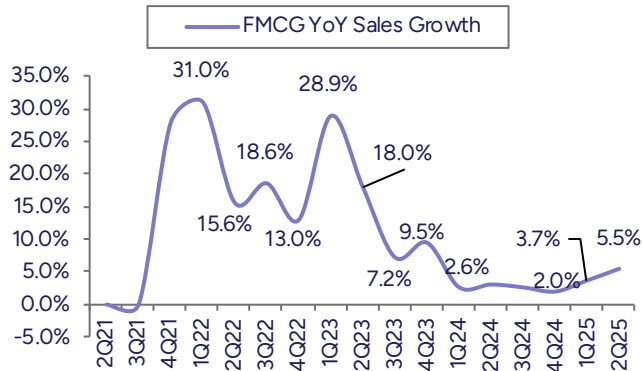
**Exhibit 61: Sept CC Spending up 23.8% YoY**



Source: RBI, PL

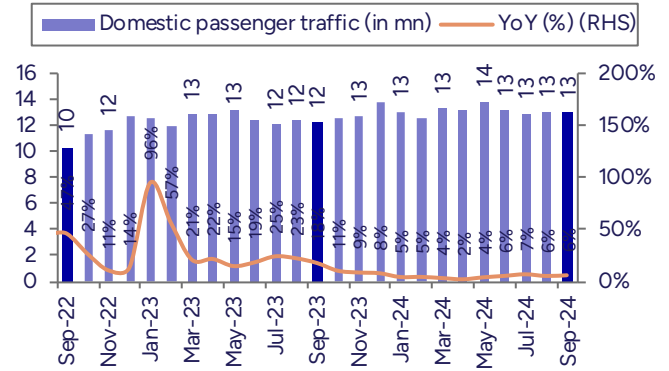


**Exhibit 62: FMCG sales growth improves to 5.5% YoY**



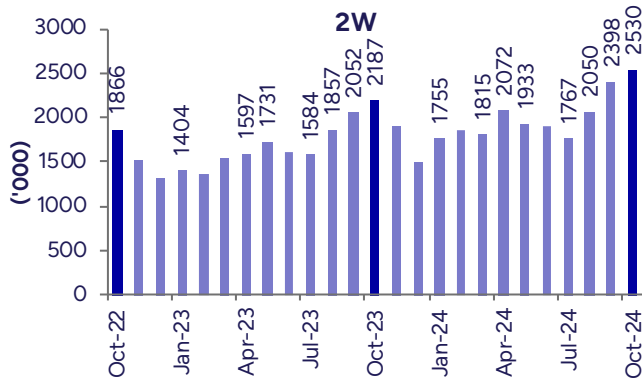
Source: Company, PL

**Exhibit 63: Sept Air traffic rises by 6% YoY to 13mn**



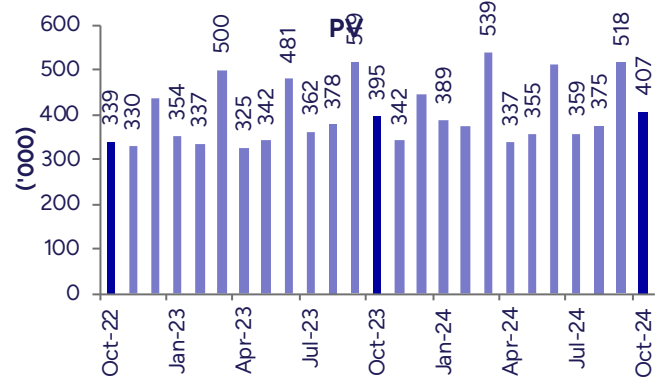
Source: DGCA, PL

**Exhibit 64: Oct'24 2W Sales up by 15.7% YoY**



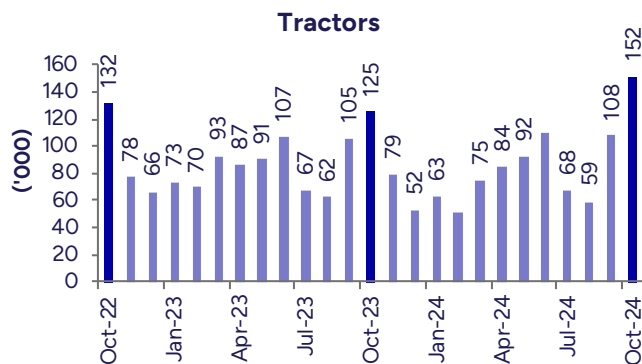
Source: SIAM, PL

**Exhibit 65: .... While PV sales are up 2.9%YoY,**



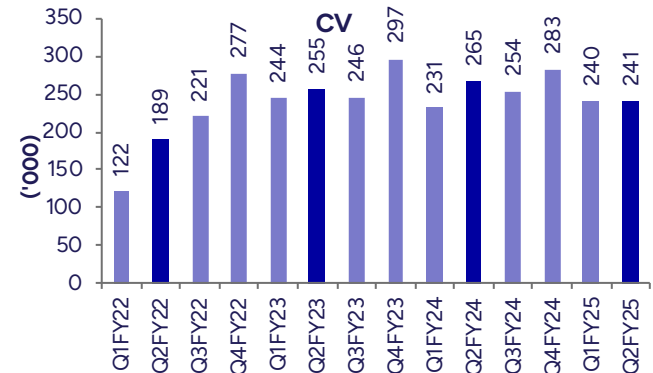
Source: SIAM, PL (\*TATA motors only gives Quarterly numbers)

**Exhibit 66: Oct Tractor volumes at 152,000, up by 21%**



Source: SIAM, PL

**Exhibit 67: 2QFY25 CV volumes up to 241k, down 9.1% YoY**



Source: SIAM, PL

## 2Q25 EBIDTA Ex -BFSI declines 9.4% YoY

- PL universe posted 1.7% lower sales, 2.3% lower EBIDTA and 4.3% lower PBT growth than estimates. Ex-BFSI EBIDTA declined 6.1% while PBT declined by 4.3%. Ex- O&G EBIDTA increased 0.1% while PBT declined by 3.6% YoY.
- Travel, consumer Durables, Hospitals and Capital Goods had beat in sales by 1.8-5.3%. Auto, Consumer, Metals, O&G, Chemicals, Banks and HFC reported decline in sales between 1.9-3.5%. Auto, Bldg. Materials, Cement, Chemicals, Logistics and O&G had double digit miss in EBIDTA. Consumer, Cement, Building Material, logistics, Travel and Auto reported decline in PBT.
- There were 26 rating upgrades and 8 rating downgrades. Capital Goods had 9 upgrades while Oil and Gas had 5. Broader consumption space (Consumer, Building material and auto) accounted for most downgrades.
- Major Rating Upgrade:** Titan Company, Britannia, Marico, NALCO, Cyient, HPCL, BPCL IPCA, HAL, BEL and GE T&D.
- Major Rating Downgrade:** MGL, Guj Gas, PVR, RBA, Avenue Supermarts, Astral and Tata Motors.
- Major Estimates Upgrade** – Lupin Lab, HP/BPCL, Nalco, KIMS, EIL and SBI.
- Estimate Downgrade** – AL, TAMO, CEAT, Exide, Indusind Bank, Astral, Finolex, Ultratech, Ambuja, Kalpataru, Aarti, SRF, Bajaj Elec, APNT, BRIT, JUBI, Kansai, WFL, RBA, HCG, PVR, Hindalco, Tata Steel, JSW, JSPL, MRPL, Zydus, VIP.

**Exhibit 68: Banks, Hospitals and Capital Goods shine, Consumer, Cement, Building Material, Auto a drag**

	Revenue (Rs mn)			EBITDA (Rs mn)			PBT (Rs mn)			PAT (Rs mn)		
	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.	Estimate	Actual	% Var.
Automobiles	23,45,286	22,62,838	-3.5%	3,35,937	2,92,311	-13.0%	2,67,711	2,44,253	-8.8%	1,95,921	1,62,910	-16.8%
Banks	13,53,224	13,27,125	-1.9%	9,38,345	10,18,518	8.5%				6,09,293	6,52,203	7.0%
Building Materials	76,984	76,641	-0.4%	10,591	9,121	-13.9%	8,621	7,219	-16.3%	6,846	5,703	-16.7%
Capital Goods	11,16,231	11,36,285	1.8%	1,36,380	1,38,426	1.5%	1,26,785	1,30,211	2.7%	89,212	90,587	1.5%
Cement	3,26,835	3,26,766	0.0%	47,122	41,569	-11.8%	23,608	18,369	-22.2%	17,161	14,717	-14.2%
Chemicals	1,27,094	1,23,569	-2.8%	22,656	20,376	-10.1%	16,094	13,571	-15.7%	12,309	10,337	-16.0%
Consumer Durables	1,88,077	1,97,610	5.1%	18,435	17,302	-6.1%	17,435	16,445	-5.7%	12,736	11,837	-7.1%
Consumer Staples	9,80,755	9,48,792	-3.3%	2,05,089	1,87,945	-8.4%	1,95,175	1,79,212	-8.2%	1,45,930	1,34,908	-7.6%
Education	3,251	3,092	-4.9%	-425	-548	29.0%	-698	-736	5.4%	-509	-565	11.1%
HFCs	26,476	25,554	-3.5%	22,988	22,244	-3.2%				15,314	16,883	10.2%
Hospitals	1,35,298	1,38,426	2.3%	26,471	27,428	3.6%	19,065	19,871	4.2%	14,245	13,769	-3.3%
Information Technology	18,67,844	18,74,371	0.3%	3,74,066	3,71,107	-0.8%	4,02,300	3,99,014	-0.8%	2,97,829	2,93,085	-1.6%
Logistics	39,663	40,223	1.4%	1,977	1,617	-18.2%	829	451	-45.6%	726	258	-64.5%
Media	39,608	39,817	0.5%	7,432	8,217	10.6%	1,825	2,587	41.7%	1,290	2,015	56.2%
Metals	21,19,790	20,46,640	-3.5%	2,72,384	2,69,740	-1.0%	1,38,748	1,40,194	1.0%	95,896	1,10,475	15.2%
Oil & Gas	73,57,632	71,95,572	-2.2%	8,54,588	7,66,346	-10.3%	5,41,060	5,07,635	-6.2%	3,49,867	3,78,376	8.1%
Pharmaceuticals	5,69,352	5,68,207	-0.2%	1,50,090	1,48,079	-1.3%	1,30,971	1,28,491	-1.9%	1,00,855	96,845	-4.0%
Telecom	4,11,977	4,14,733	0.7%	2,17,112	2,18,462	0.6%	50,124	56,772	13.3%	38,785	44,469	14.7%
Travel & Tourism	1,93,482	1,96,971	1.8%	32,829	30,935	-5.8%	4,277	-3,773	-188.2%	2,834	-7,947	-380.4%
<b>PL Universe</b>	<b>1,92,78,859</b>	<b>1,89,43,231</b>	<b>-1.7%</b>	<b>36,74,068</b>	<b>35,89,195</b>	<b>-2.3%</b>	<b>19,43,930</b>	<b>18,59,785</b>	<b>-4.3%</b>	<b>20,06,541</b>	<b>20,30,865</b>	<b>1.2%</b>
<b>PL Universe (ex-BFSI)</b>	<b>1,78,99,159</b>	<b>1,75,90,553</b>	<b>-1.7%</b>	<b>27,12,735</b>	<b>25,48,433</b>	<b>-6.1%</b>	<b>19,43,930</b>	<b>18,59,785</b>	<b>-4.3%</b>	<b>13,81,934</b>	<b>13,61,779</b>	<b>-1.5%</b>
<b>PL Universe (ex-O&amp;G)</b>	<b>1,19,21,227</b>	<b>1,17,47,659</b>	<b>-1.5%</b>	<b>28,19,480</b>	<b>28,22,849</b>	<b>0.1%</b>	<b>14,02,870</b>	<b>13,52,149</b>	<b>-3.6%</b>	<b>16,56,674</b>	<b>16,52,489</b>	<b>-0.3%</b>

Source: Company, PL

## 2Q25 led by Capital Goods and Healthcare

- 2Q results show Sales, EBIDTA, PAT growth of 3.2%, -2.0%, and -5.0% YoY.
- Banks, Capital Goods, Hospitals, Logistics, Pharma reported more than 19% EBIDTA growth YoY. Building material, Cement, Media, O&G reported more than 20% decline in EBIDTA while Auto, consumer and HFC reported single digit EBIDTA decline. Durables, IT services and chemicals reported single digit EBIDTA growth.

**Exhibit 69: Capital Goods, Pharma, Hospitals and Banks report more than 19% EBIDTA growth**

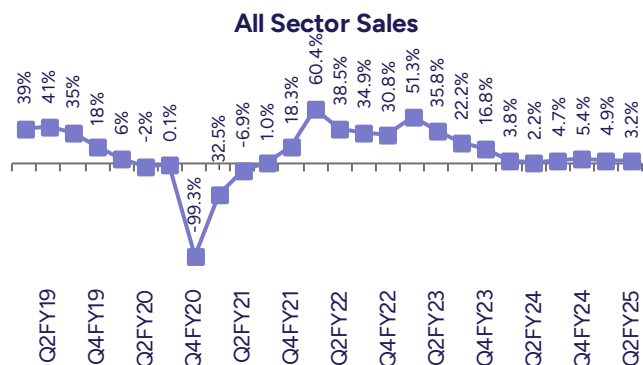
	Revenue Growth (%)		EBIDTA Growth (%)		EBIDTA Margin (bps)		PBT (%)		PAT (%)	
	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Automobiles	1.8%	-1.0%	-2.3%	-11.3%	-55	-150	5.9%	-2.1%	-3.9%	-8.3%
Banks	8.1%	1.2%	22.1%	7.3%	882	440	0.0%	0.0%	13.6%	5.5%
Building Materials	1.7%	-4.7%	-20.6%	-22.8%	-335	-278	-28.4%	-27.7%	-26.5%	-23.9%
Capital Goods	17.7%	13.7%	27.2%	25.8%	91	118	28.5%	27.7%	25.5%	29.6%
Cement	-4.5%	-14.7%	-23.9%	-33.3%	-325	-356	-51.1%	-54.6%	-48.3%	-53.0%
Chemicals	12.7%	-1.6%	6.7%	-5.0%	-92	-59	1.7%	-8.0%	2.3%	-7.1%
Consumer Durables	17.2%	-12.5%	7.5%	-21.2%	-79	-97	10.4%	-21.4%	11.6%	-22.7%
Consumer Staples	5.4%	1.3%	-2.9%	-4.5%	-168	-119	-4.1%	-3.5%	-3.3%	-2.9%
Education	1.8%	-66.0%	1.4%	-124.0%	7	-4,285	-12.4%	-136.0%	-19.8%	-168.1%
HFCs	-3.4%	0.0%	-4.6%	0.2%	-112	14	0.0%	0.0%	15.0%	3.8%
Hospitals	15.4%	8.8%	22.7%	18.2%	118	158	25.8%	23.3%	17.4%	16.3%
Information Technology	5.8%	3.0%	7.6%	3.9%	33	17	9.4%	2.8%	8.5%	2.8%
Logistics	10.9%	3.5%	82.9%	-17.9%	158	-105	-168.1%	-48.4%	-130.9%	-64.9%
Media	-16.5%	6.0%	-23.3%	24.8%	-183	310	-51.2%	168.5%	-52.1%	194.7%
Metals	-3.2%	-2.6%	8.3%	-7.8%	140	-74	21.8%	-10.7%	14.8%	8.0%
Oil & Gas	0.3%	-6.1%	-32.3%	-9.6%	-514	-41	-40.8%	-2.4%	-39.8%	3.1%
Pharmaceuticals	11.7%	2.2%	19.0%	-1.3%	158	-92	21.2%	-2.0%	19.0%	-2.3%
Telecom	12.0%	7.7%	12.0%	10.9%	-0	150	15.3%	29.7%	231.7%	29.8%
Travel & Tourism	13.2%	-12.1%	-0.5%	-52.6%	-216	-1,343	-151.4%	-111.2%	-233.4%	-125.1%
<b>PL Universe</b>	<b>3.2%</b>	<b>-2.0%</b>	<b>-2.2%</b>	<b>-2.2%</b>	<b>-105</b>	<b>-3</b>	<b>-12.0%</b>	<b>-3.0%</b>	<b>-5.0%</b>	<b>0.5%</b>
<b>PL Universe (Ex-BFSI)</b>	<b>2.9%</b>	<b>-2.3%</b>	<b>-9.4%</b>	<b>-5.5%</b>	<b>-196</b>	<b>-50</b>	<b>-12.0%</b>	<b>-3.0%</b>	<b>-12.1%</b>	<b>-1.7%</b>
<b>PL Universe (Ex-Oil &amp; Gas)</b>	<b>5.0%</b>	<b>0.7%</b>	<b>11.2%</b>	<b>0.1%</b>	<b>133</b>	<b>-14</b>	<b>7.6%</b>	<b>-3.2%</b>	<b>9.5%</b>	<b>0.0%</b>

Source: Company, PL

- Ex BFSI sales, EBIDTA and PBT grew 2.9%, -9.4% and -12.0%. Ex Oil and Gas sales, EBIDTA and PBT grew 5%, 11.2% and 7.6%.
- Capital Goods, Pharma, Hospitals, Travel, Telecom, AMC and select Durables have positive outlook. FMCG, Building Materials, QSR and Metals have near term pressures.
- Major Target Price increase** – ICICI bank, SBI, GE T&D, Triveni Turbine, KIMS, MAX Health, HCG, IPCA and Divis.
- Major Target price Cuts** – Hero Motors, TAMO, Indusind Bank, Astral, Century Ply, Aarti, Jubi Ingrevia, Bajaj Elec, APNT, RBA, WFL, Navneet, PVR, Tata Steel, Guj Gas, MGL, Zydus and VIP.

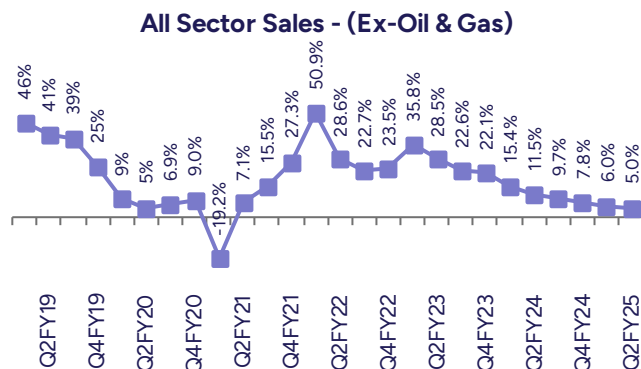
## Tepid Demand, prolonged monsoons impact 2Q25 performance

Exhibit 70: Hospitals, CG, Durables and Travel boost sales



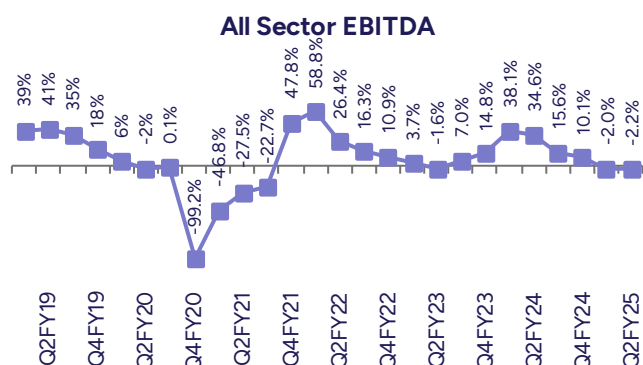
Source: Company, PL

Exhibit 71: Cement, Media drag sales



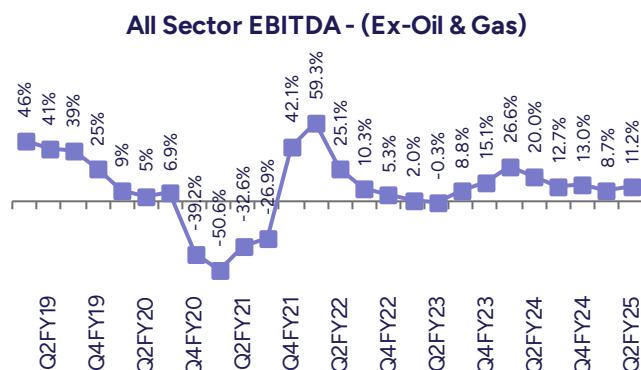
Source: Company, PL

Exhibit 72: CG, Hospitals, Pharma, Banks lead



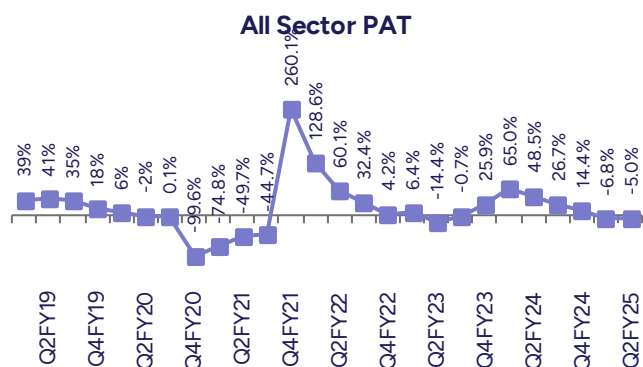
Source: Company, PL

Exhibit 73: Cement, Media, Building Material drag



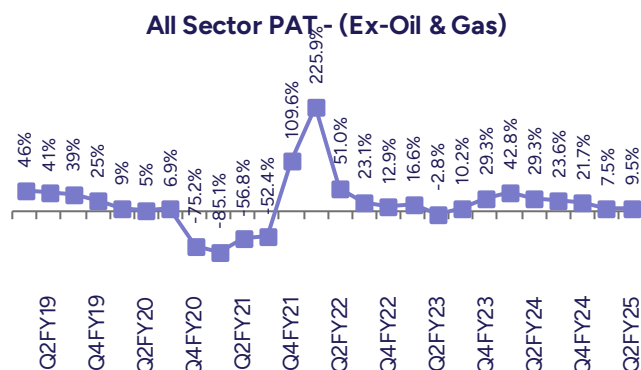
Source: Company, PL

Exhibit 74: Banks, Healthcare, Telecom, CG boost PAT



Source: Company, PL

Exhibit 75: 9.5% PAT growth as O&G PAT declined 39.8%



Source: Company, PL

Exhibit 76: 1QFY25 Result Snapshot

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Automobiles</b>															
Ashok Leyland	87,688	96,380	-9.0	85,985	2.0	10,173	10,798	-5.8	9,109	11.7	6,793	5,758	18.0	5,256	29.3
Bajaj Auto	1,31,275	1,07,773	21.8	1,19,280	10.1	26,522	21,329	24.3	24,153	9.8	20,050	18,361	9.2	19,883	0.8
Bharat Forge	36,885	37,742	-2.3	41,061	-10.2	6,473	6,214	4.2	7,410	-12.6	2,436	2,046	19.1	3,053	-20.2
CEAT	33,045	30,533	8.2	31,928	3.5	3,623	4,561	-20.6	3,829	-5.4	1,219	2,080	-41.4	1,487	-18.0
Divgi Torqtransfer Systems	540	687	-21.5	542	-0.5	113	143	-20.6	87	29.7	78	107	-26.9	60	31.5
Eicher Motors	42,631	41,145	3.6	43,931	-3.0	10,877	10,872	0.1	11,654	-6.7	11,003	10,163	8.3	11,015	-0.1
Endurance Technologies	29,127	25,450	14.4	28,255	3.1	3,820	3,183	20.0	3,741	2.1	2,030	1,546	31.3	2,039	-0.4
Exide Industries	42,673	41,067	3.9	43,128	-1.1	4,836	4,831	0.1	4,943	-2.2	2,978	2,870	3.8	2,796	6.5
Hero Motocorp	1,04,632	94,454	10.8	1,01,437	3.1	15,159	13,283	14.1	14,598	3.8	12,035	10,538	14.2	11,226	7.2
Mahindra & Mahindra	2,75,533	2,43,948	12.9	2,70,388	1.9	39,042	29,928	30.5	40,222	-2.9	38,409	33,931	13.2	26,126	47.0
Maruti Suzuki	3,72,028	3,70,621	0.4	3,55,314	4.7	44,166	47,842	-7.7	45,023	-1.9	30,692	37,165	-17.4	36,499	-15.9
Tata Motors	10,14,500	10,51,282	-3.5	10,80,480	-6.1	1,16,710	1,37,239	-15.0	1,55,090	-24.7	28,560	39,558	-27.8	52,470	-45.6
TVS Motors	92,282	81,446	13.3	83,756	10.2	10,798	8,998	20.0	9,602	12.5	6,626	5,366	23.5	5,773	14.8
<b>Total</b>	<b>22,62,838</b>	<b>22,22,529</b>	<b>1.8</b>	<b>22,85,486</b>	<b>-1.0</b>	<b>2,92,311</b>	<b>2,99,221</b>	<b>-2.3</b>	<b>3,29,460</b>	<b>-11.3</b>	<b>1,62,910</b>	<b>1,69,488</b>	<b>-3.9</b>	<b>1,77,682</b>	<b>-8.3</b>
<b>Banks</b>															
Axis Bank	1,34,832	1,23,146	9.5	1,34,482	0.3	1,07,125	86,319	24.1	1,01,062	6.0	69,176	58,636	18.0	60,346	14.6
Bank of Baroda	1,16,221	1,08,307	7.3	1,16,001	0.2	94,770	80,197	18.2	71,613	32.3	52,379	42,529	23.2	44,582	17.5
City Union Bank	5,825	5,384	8.2	5,452	6.8	4,282	3,866	10.8	3,735	14.6	2,852	2,806	1.6	2,645	7.8
DCB Bank	5,092	4,757	7.0	4,966	2.5	2,551	2,105	21.2	2,054	24.2	1,555	1,268	22.6	1,314	18.4
Federal Bank	23,672	20,564	15.1	22,920	3.3	15,654	13,245	18.2	15,009	4.3	10,567	9,538	10.8	10,095	4.7
HDFC Bank	3,01,139	2,73,852	10.0	2,98,371	0.9	2,47,057	2,26,939	8.9	2,38,846	3.4	1,68,210	1,59,761	5.3	1,61,748	4.0
ICICI Bank	2,00,480	1,83,079	9.5	1,95,529	2.5	1,67,232	1,42,293	17.5	1,60,248	4.4	1,17,459	1,02,610	14.5	1,10,591	6.2
IndusInd bank	53,473	50,767	5.3	54,076	-1.1	35,918	38,809	-7.4	39,267	-8.5	13,255	21,815	-39.2	21,522	-38.4
Kotak Mahindra Bank	70,196	62,966	11.5	68,424	2.6	50,993	46,101	10.6	52,541	-2.9	33,437	31,910	4.8	35,161	-4.9
State Bank of India	4,16,195	3,95,000	5.4	4,11,255	1.2	2,92,937	1,94,166	50.9	2,64,486	10.8	1,83,314	1,43,300	27.9	1,70,352	7.6
<b>Total</b>	<b>13,27,125</b>	<b>12,27,823</b>	<b>8.1</b>	<b>13,11,475</b>	<b>1.2</b>	<b>10,18,518</b>	<b>8,34,039</b>	<b>22.1</b>	<b>9,48,861</b>	<b>7.3</b>	<b>6,52,203</b>	<b>5,74,172</b>	<b>13.6</b>	<b>6,18,354</b>	<b>5.5</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Building Materials</b>															
Astral Ltd.	13,704	13,630	0.5	13,836	-1.0	2,101	2,201	-4.5	2,144	-2.0	1,087	1,317	-17.4	1,195	-9.0
Century Plyboard (I)	11,836	9,968	18.7	10,054	17.7	1,113	1,443	-22.9	1,112	0.1	400	969	-58.7	341	17.2
Cera Sanitaryware	4,926	4,631	6.4	4,007	22.9	721	765	-5.7	581	24.2	686	574	19.5	475	44.6
Finolex Industries	8,284	8,832	-6.2	11,405	-27.4	106	1,030	-89.7	2,067	-94.9	407	980	-58.5	1,671	-75.7
Greenpanel Industries	3,369	3,987	-15.5	3,650	-7.7	299	691	-56.8	360	-17.1	185	410	-54.9	157	17.7
Kajaria Ceramics	11,793	11,216	5.1	11,137	5.9	1,589	1,797	-11.6	1,671	-4.9	872	1,082	-19.4	921	-5.4
Supreme Industries	22,730	23,087	-1.5	26,364	-13.8	3,192	3,562	-10.4	3,873	-17.6	2,066	2,432	-15.0	2,734	-24.4
<b>Total</b>	<b>76,641</b>	<b>75,351</b>	<b>1.7</b>	<b>80,452</b>	<b>-4.7</b>	<b>9,121</b>	<b>11,489</b>	<b>-20.6</b>	<b>11,807</b>	<b>-22.8</b>	<b>5,703</b>	<b>7,762</b>	<b>-26.5</b>	<b>7,494</b>	<b>-23.9</b>
<b>Capital Goods</b>															
ABB	29,122	27,692	5.2	28,309	2.9	5,402	4,385	23.2	5,425	-0.4	4,405	3,620	21.7	4,426	-0.5
Apar Inds Ltd	46,445	39,223	18.4	40,105	15.8	3,565	3,473	2.7	3,766	-5.3	1,939	1,739	11.5	2,025	-4.3
BEML	8,598	9,168	-6.2	6,341	35.6	730	591	23.5	-501	NA	539	518	4.1	-705	NA
Bharat Electronics	45,834	39,933	14.8	41,988	9.2	13,885	10,044	38.2	9,367	48.2	10,913	8,123	34.3	7,761	40.6
BHEL	65,841	51,253	28.5	54,849	20.0	2,750	-1,537	NA	-1,694	NA	967	-583	NA	-2,125	NA
Carborandum Universal	12,241	11,463	6.8	11,975	2.2	1,950	1,675	16.4	1,936	0.7	1,159	1,019	13.7	1,130	2.6
Engineers India	6,889	7,898	-12.8	6,238	10.4	624	985	-36.7	510	22.3	996	1,275	-21.8	916	8.8
GE Vernova T&D India	11,078	6,978	58.8	9,583	15.6	2,047	606	237.5	1,822	12.3	1,446	372	289.1	1,345	7.5
Grindwell Norton	6,939	6,674	4.0	7,056	-1.7	1,292	1,314	-1.7	1,331	-2.9	962	1,019	-5.6	932	3.2
Harsha Engineering	3,526	3,395	3.9	3,432	2.7	418	352	18.7	552	-24.2	290	204	42.0	361	-19.7
Hindustan Aeronautics	59,763	56,357	6.0	43,475	37.5	16,400	15,276	7.4	9,907	65.5	15,061	12,367	21.8	10,898	38.2
KEC International	51,133	44,990	13.7	45,119	13.3	3,202	2,743	16.7	2,704	18.4	854	558	53.0	636	34.3
Cummins India	24,923	18,997	31.2	23,042	8.2	4,810	3,386	42.1	4,673	2.9	4,506	3,285	37.2	4,198	7.3
Kalpataru Power Transmission	41,361	38,439	7.6	37,219	11.1	3,485	3,089	12.8	3,135	11.2	1,323	1,129	17.2	1,166	13.4
Larsen & Toubro	6,15,546	5,05,120	21.9	5,51,198	11.7	63,620	51,200	24.3	56,153	13.3	33,953	28,271	20.1	27,857	21.9
Praj Industries	8,162	8,824	-7.5	6,991	16.7	941	779	20.9	868	8.5	538	624	-13.7	560	-3.9
Siemens	64,440	58,077	11.0	52,035	23.8	9,320	7,002	33.1	6,915	34.8	7,592	5,713	32.9	5,756	31.9
Thermax	25,456	23,025	10.6	21,844	16.5	2,120	2,046	3.6	1,412	50.2	1,479	1,577	-6.3	1,158	27.7
Triveni Turbine	5,011	3,878	29.2	4,633	8.2	1,114	744	49.8	956	16.5	909	642	41.5	800	13.6
Voltamp Transformers	3,977	3,814	4.3	4,282	-7.1	750	688	9.0	758	-1.1	757	684	10.7	794	-4.7
<b>Total</b>	<b>11,36,285</b>	<b>9,65,197</b>	<b>17.7</b>	<b>9,99,714</b>	<b>13.7</b>	<b>1,38,426</b>	<b>1,08,841</b>	<b>27.2</b>	<b>1,09,994</b>	<b>25.8</b>	<b>90,587</b>	<b>72,156</b>	<b>25.5</b>	<b>69,891</b>	<b>29.6</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Cement</b>															
ACC	46,135	44,347	4.0	51,549	-10.5	4,364	5,493	-20.6	6,791	-35.7	2,244	3,879	-42.2	3,614	-37.9
Ambuja Cement	40,752	39,698	2.7	45,158	-9.8	5,425	7,734	-29.9	6,460	-16.0	3,965	6,438	-38.4	5,771	-31.3
Dalmia Bharat	30,870	31,490	-2.0	36,210	-14.7	4,340	5,890	-26.3	6,690	-35.1	460	1,190	-61.3	2,255	-79.6
Nuvoco Vistas Corporation	22,686	25,730	-11.8	26,365	-14.0	2,188	3,300	-33.7	3,434	-36.3	-852	15	NA	28	NA
Shree Cement	37,270	45,600	-18.3	48,347	-22.9	5,925	8,701	-31.9	9,164	-35.3	931	4,913	-81.0	3,177	-70.7
Ultratech Cement	1,49,052	1,55,170	-3.9	1,75,324	-15.0	19,327	23,502	-17.8	29,810	-35.2	7,969	12,057	-33.9	16,501	-51.7
<b>Total</b>	<b>3,26,766</b>	<b>3,42,034</b>	<b>-4.5</b>	<b>3,82,953</b>	<b>-14.7</b>	<b>41,569</b>	<b>54,619</b>	<b>-23.9</b>	<b>62,348</b>	<b>-33.3</b>	<b>14,717</b>	<b>28,492</b>	<b>-48.3</b>	<b>31,346</b>	<b>-53.0</b>
<b>Chemicals</b>															
Aarti Industries	16,280	14,540	12.0	18,550	-12.2	1,960	2,340	-16.2	3,060	-35.9	510	920	-44.6	1,380	-63.0
Clean Science and Technology	2,381	1,811	31.5	2,240	6.3	897	748	19.8	947	-5.3	587	522	12.6	659	-10.8
Deepak Nitrite	20,320	17,781	14.3	21,668	-6.2	2,975	3,023	-1.6	3,092	-3.8	1,942	2,051	-5.3	2,025	-4.1
Fine Organic Industries	5,955	4,717	26.2	5,083	17.1	1,429	1,044	36.9	1,218	17.4	1,131	794	42.5	990	14.3
Gujarat Fluorochemicals	11,880	9,468	25.5	11,760	1.0	2,950	1,631	80.9	2,620	12.6	1,210	527	129.5	1,080	12.0
Jubilant Ingrevia	10,452	10,199	2.5	10,243	2.0	1,246	1,177	5.9	1,095	13.7	590	575	2.6	487	21.1
Laxmi Organic Industries	7,713	6,523	18.2	7,182	7.4	747	389	91.8	712	4.9	281	108	161.5	344	-18.1
Navin Fluorine International	5,186	4,718	9.9	5,237	-1.0	1,074	983	9.2	1,004	7.0	588	606	-2.9	512	14.9
NOCIL	3,627	3,509	3.4	3,722	-2.5	378	453	-16.5	411	-7.9	421	272	55.2	271	55.7
SRF	34,243	31,774	7.8	34,641	-1.1	5,380	6,262	-14.1	6,034	-10.8	2,014	3,008	-33.0	2,522	-20.1
Vinati Organics	5,533	4,629	19.5	5,247	5.4	1,340	1,048	27.9	1,251	7.1	1,061	725	46.4	859	23.5
<b>Total</b>	<b>1,23,569</b>	<b>1,09,669</b>	<b>12.7</b>	<b>1,25,574</b>	<b>-1.6</b>	<b>20,376</b>	<b>19,098</b>	<b>6.7</b>	<b>21,443</b>	<b>-5.0</b>	<b>10,337</b>	<b>10,106</b>	<b>2.3</b>	<b>11,129</b>	<b>-7.1</b>
<b>Consumer Durables</b>															
Bajaj Electricals	11,183	11,128	0.5	11,549	-3.2	516	581	-11.1	754	-31.6	129	378	-65.9	281	-54.1
Crompton Greaves Consumer Electricals	18,960	17,823	6.4	21,377	-11.3	2,034	1,745	16.6	2,324	-12.5	1,249	972	28.5	1,517	-17.7
Havells India	45,393	39,003	16.4	58,062	-21.8	3,751	3,734	0.5	5,722	-34.5	2,678	2,491	7.5	4,075	-34.3
KEI Inds	22,796	19,466	17.1	20,605	10.6	2,206	2,039	8.2	2,146	2.8	1,548	1,402	10.4	1,502	3.0
Polycab India	54,984	42,177	30.4	46,980	17.0	6,316	6,089	3.7	5,834	8.3	4,398	4,256	3.3	3,960	11.1
R R Kabel	18,101	16,097	12.5	18,081	0.1	858	1,209	-29.0	949	-9.7	495	741	-33.2	644	-23.1
Voltas	26,191	22,928	14.2	49,210	-46.8	1,622	703	130.8	4,238	-61.7	1,340	367	265.3	3,342	-59.9
<b>Total</b>	<b>1,97,610</b>	<b>1,68,620</b>	<b>17.2</b>	<b>2,25,865</b>	<b>-12.5</b>	<b>17,302</b>	<b>16,099</b>	<b>7.5</b>	<b>21,967</b>	<b>-21.2</b>	<b>11,837</b>	<b>10,607</b>	<b>11.6</b>	<b>15,321</b>	<b>-22.7</b>



(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Consumer Staples</b>															
Asian Paints	80,275	84,786	-5.3	89,697	-10.5	12,395	17,162	-27.8	16,938	-26.8	9,111	12,058	-24.4	11,713	-22.2
Britannia Industries	46,676	44,329	5.3	42,503	9.8	7,834	8,724	-10.2	7,537	3.9	5,317	5,865	-9.3	5,295	0.4
Colgate Palmolive	16,191	14,711	10.1	14,967	8.2	4,974	4,821	3.2	5,083	-2.2	3,530	3,401	3.8	3,607	-2.1
Dabur India	30,286	32,038	-5.5	33,491	-9.6	5,526	6,609	-16.4	6,550	-15.6	4,175	5,070	-17.7	4,944	-15.5
Avenue Supermarts	1,44,445	1,26,244	14.4	1,40,691	2.7	10,938	10,050	8.8	12,213	-10.4	6,596	6,236	5.8	7,737	-14.7
Emami	8,906	8,649	3.0	9,061	-1.7	2,505	2,337	7.2	2,165	15.7	2,127	1,800	18.2	1,527	39.3
Hindustan Unilever	1,55,080	1,52,760	1.5	1,53,390	1.1	36,470	36,940	-1.3	36,060	1.1	26,110	26,680	-2.1	25,720	1.5
ITC	1,93,277	1,65,501	16.8	1,70,001	13.7	63,352	60,416	4.9	62,955	0.6	50,795	49,270	3.1	49,205	3.2
Jubilant FoodWorks	14,669	13,448	9.1	14,396	1.9	2,842	2,807	1.3	2,782	2.2	521	721	-27.8	515	1.1
Kansai Nerolac Paints	18,638	18,456	1.0	20,504	-9.1	2,150	2,699	-20.3	3,344	-35.7	1,302	1,799	-27.6	2,411	-46.0
Metro Brands Asia	5,855	5,557	5.4	5,761	1.6	1,548	1,554	-0.4	1,804	-14.2	698	667	4.6	917	-24.0
Marico	26,640	24,760	7.6	26,430	0.8	5,220	4,970	5.0	6,260	-16.6	3,880	3,600	7.8	4,740	-18.1
Mold Tech Packaging	1,913	1,704	12.3	1,967	-2.8	336	321	4.4	357	-6.0	141	157	-10.0	165	-14.6
Nestle India	51,040	50,368	1.3	48,140	6.0	11,677	12,287	-5.0	11,023	5.9	7,595	8,055	-5.7	7,346	3.4
Pidilite Industries	32,349	30,760	5.2	33,954	-4.7	7,688	6,797	13.1	8,127	-5.4	5,403	4,585	17.8	5,713	-5.4
Restaurant Brands Asia	4,922	3,698	33.1	4,906	0.3	701	479	46.4	626	11.9	-165	-112	NA	-268	NA
Titan Company	1,11,450	1,16,600	-4.4	1,20,530	-7.5	11,030	13,550	-18.6	12,110	-8.9	7,770	9,400	-17.3	7,700	0.9
Westlife Development	6,180	6,147	0.5	6,145	0.6	760	982	-22.6	768	-1.1	4	224	-98.4	15	-75.5
<b>Total</b>	<b>9,48,792</b>	<b>9,00,516</b>	<b>5.4</b>	<b>9,36,533</b>	<b>1.3</b>	<b>1,87,945</b>	<b>1,93,505</b>	<b>-2.9</b>	<b>1,96,702</b>	<b>-4.5</b>	<b>1,34,908</b>	<b>1,39,475</b>	<b>-3.3</b>	<b>1,39,001</b>	<b>-2.9</b>
<b>Education</b>															
Navneet Education	2,718	2,658	2.3	7,978	-65.9	26	-43	NA	2,199	-98.8	-49	-302	NA	851	NA
S Chand & Co	374	380	-1.5	1,107	-66.2	-574	-498	NA	84	NA	-517	-403	NA	-21	NA
<b>Total</b>	<b>3,092</b>	<b>3,038</b>	<b>1.8</b>	<b>9,085</b>	<b>-66.0</b>	<b>-548</b>	<b>-541</b>	<b>NA</b>	<b>2,283</b>	<b>NA</b>	<b>-565</b>	<b>-705</b>	<b>NA</b>	<b>831</b>	<b>NA</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Healthcare</b>															
Apollo Hospitals Enterprise	55,893	48,469	15.3	50,856	9.9	8,155	6,275	30.0	6,751	20.8	3,788	2,310	64.0	3,052	24.1
Aster DM Healthcare	10,864	9,340	16.3	10,019	8.4	2,227	1,480	50.5	1,659	34.2	968	499	94.2	734	32.0
Fortis Healthcare	19,884	17,700	12.3	18,588	7.0	4,348	3,302	31.7	3,424	27.0	1,765	1,737	1.6	1,659	6.4
HealthCare Global Enterprises	5,535	4,869	13.7	5,256	5.3	1,023	846	20.8	909	12.5	180	136	32.6	121	48.9
Jupiter Life Line Hospitals	3,226	2,632	22.6	2,871	12.3	750	610	22.9	639	17.4	515	337	52.9	446	15.5
Krishna Institute of Medical Sciences	7,773	6,525	19.1	6,884	12.9	2,181	1,773	23.0	1,794	21.6	1,074	920	16.7	866	24.0
Max Healthcare Institute	21,250	17,320	22.7	19,350	9.8	5,660	4,980	13.7	4,990	13.4	3,490	3,520	-0.9	2,950	18.3
Narayana Hrudayalaya	14,000	13,052	7.3	13,410	4.4	3,084	3,081	0.1	3,039	1.5	1,990	2,268	-12.3	2,016	-1.3
<b>Total</b>	<b>1,38,426</b>	<b>1,19,907</b>	<b>15.4</b>	<b>1,27,233</b>	<b>8.8</b>	<b>27,428</b>	<b>22,347</b>	<b>22.7</b>	<b>23,205</b>	<b>18.2</b>	<b>13,769</b>	<b>11,726</b>	<b>17.4</b>	<b>11,843</b>	<b>16.3</b>
<b>Housing Finance</b>															
Aavas Financiers	2,418	2,223	8.8	2,446	-1.1	1,948	1,631	19.5	1,695	14.9	1,479	1,217	21.5	1,261	17.3
Can Fin Homes	3,398	3,168	7.3	3,214	5.7	2,878	2,702	6.5	2,796	3.0	2,115	1,581	33.8	1,996	5.9
LIC Housing Finance	19,739	21,066	-6.3	19,891	-0.8	17,417	18,993	-8.3	17,715	-1.7	13,289	11,881	11.9	13,002	2.2
<b>Total</b>	<b>25,554</b>	<b>26,457</b>	<b>-3.4</b>	<b>25,551</b>	<b>0.0</b>	<b>22,244</b>	<b>23,325</b>	<b>-4.6</b>	<b>22,206</b>	<b>0.2</b>	<b>16,883</b>	<b>14,678</b>	<b>15.0</b>	<b>16,260</b>	<b>3.8</b>
<b>Information Technology</b>															
Cyient	18	18	4.0	17	10.3	2	3	-11.3	2	15.7	2	2	-2.2	1	24.7
HCL Technologies	289	267	8.2	281	2.9	54	49	8.7	48	11.8	42	38	10.5	43	-0.5
Infosys	410	390	5.1	393	4.3	86	83	4.5	83	4.4	65	62	5.0	64	2.3
LTIMindtree	94	89	5.9	91	3.2	15	14	2.5	14	6.4	13	12	7.7	11	10.2
Mphasis	35	33	7.9	34	3.3	5	5	7.4	5	6.0	4	4	8.0	4	4.6
Persistent Systems	29	24	20.1	27	5.8	4	3	22.8	4	5.8	3	3	23.4	3	6.1
Tata Consultancy Services	643	597	7.7	626	2.6	155	145	6.8	154	0.1	119	113	5.0	120	-1.1
Tech Mahindra	133	129	3.5	130	2.4	13	9	36.1	11	16.2	13	10	27.8	9	46.8
Wipro	223	225	-1.0	220	1.5	37	33	11.4	36	3.0	32	26	21.3	30	6.8
<b>Total</b>	<b>1,874</b>	<b>1,771</b>	<b>5.8</b>	<b>1,819</b>	<b>3.0</b>	<b>371</b>	<b>345</b>	<b>7.6</b>	<b>357</b>	<b>3.9</b>	<b>293</b>	<b>270</b>	<b>8.5</b>	<b>285</b>	<b>2.8</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Logistics</b>															
Delhivery	21,897	19,418	12.8	21,723	0.8	573	-156	NA	971	-41.0	102	-1,029	NA	596	-82.9
Mahindra Logistics	15,211	13,648	11.5	14,200	7.1	664	536	23.9	663	0.2	-107	-159	NA	-93	NA
TCI Express	3,115	3,200	-2.7	2,930	6.3	381	505	-24.5	335	13.5	263	356	-26.0	231	13.8
<b>Total</b>	<b>40,223</b>	<b>36,265</b>	<b>10.9</b>	<b>38,853</b>	<b>3.5</b>	<b>1,617</b>	<b>884</b>	<b>82.9</b>	<b>1,969</b>	<b>-17.9</b>	<b>258</b>	<b>-833</b>	<b>NA</b>	<b>734</b>	<b>-64.9</b>
<b>Media</b>															
Imagicaaworld Entertainment	400	358	11.5	1,840	-78.3	-38	43	NA	1,104	NA	-69	-130	NA	691	NA
Nazara Technologies	3,189	2,972	7.3	2,501	27.5	252	279	-9.8	249	1.0	238	181	31.4	226	5.3
PVR Inox	16,221	19,999	-18.9	11,907	36.2	4,793	7,068	-32.2	2,515	90.6	-118	1,663	NA	-1,787	NA
Zee Entertainment	20,007	24,378	-17.9	21,305	-6.1	3,210	3,328	-3.5	2,717	18.2	1,964	2,497	-21.3	1,554	26.4
<b>Total</b>	<b>39,817</b>	<b>47,708</b>	<b>-16.5</b>	<b>37,553</b>	<b>6.0</b>	<b>8,217</b>	<b>10,717</b>	<b>-23.3</b>	<b>6,585</b>	<b>24.8</b>	<b>2,015</b>	<b>4,210</b>	<b>-52.1</b>	<b>684</b>	<b>194.7</b>
<b>Metals &amp; Mining</b>															
Hindalco Industries	582	542	7.4	570	2.1	79	56	40.5	75	5.1	49	21	131.8	37	32.3
Jindal Stainless	98	98	-0.2	94	3.7	12	12	-3.6	12	-2.1	6	8	-21.0	6	-5.7
Jindal Steel & Power	111	122	-8.5	136	-18.2	21	22	-4.0	28	-24.9	9	14	-38.0	13	-35.8
JSW Steel	397	446	-11.0	429	-7.6	54	79	-31.1	55	-1.3	7	24	-69.9	8	-14.8
National Aluminium Co.	40	30	31.5	29	40.1	15	4	290.7	9	65.8	11	2	415.0	6	76.7
NMDC	49	40	22.5	54	-9.1	14	12	16.4	23	-40.8	12	10	16.7	20	-39.1
Steel Authority of India	230	280	-17.6	240	-4.0	13	21	-40.2	22	-42.9	8	12	-32.8	0	7,704.5
Tata Steel	539	557	-3.2	548	-1.6	61	43	43.9	67	-8.3	8	5	74.9	11	-24.1
<b>Total</b>	<b>2,047</b>	<b>2,114</b>	<b>-3.2</b>	<b>2,100</b>	<b>-2.6</b>	<b>270</b>	<b>249</b>	<b>8.3</b>	<b>292</b>	<b>-7.8</b>	<b>110</b>	<b>96</b>	<b>14.8</b>	<b>102</b>	<b>8.0</b>
<b>Travel &amp; Tourism</b>															
Chalet Hotels	3,771	3,145	19.9	3,610	4.4	1,495	1,260	18.7	1,402	6.6	-1,385	364	NA	607	NA
InterGlobe Aviation	1,69,696	1,49,439	13.6	1,95,707	-13.3	23,947	23,958	-0.0	57,833	-58.6	-9,867	1,889	NA	27,288	NA
Indian Railway Catering and Tourism Corporation	10,640	9,924	7.2	11,176	-4.8	3,728	3,666	1.7	3,749	-0.6	3,079	2,947	4.5	3,055	0.8
Lemon Tree Hotels	2,844	2,294	24.0	2,680	6.1	1,307	1,041	25.6	1,151	13.6	296	226	30.9	198	49.6
Safari Industries (India)	4,578	3,700	23.7	4,500	1.7	479	635	-24.5	659	-27.3	297	398	-25.4	444	-33.2
V.I.P. Industries	5,443	5,461	-0.3	6,389	-14.8	-22	529	NA	493	NA	-366	133	NA	40	NA
<b>Total</b>	<b>1,96,971</b>	<b>1,73,963</b>	<b>13.2</b>	<b>2,24,062</b>	<b>-12.1</b>	<b>30,935</b>	<b>31,088</b>	<b>-0.5</b>	<b>65,287</b>	<b>-52.6</b>	<b>-7,947</b>	<b>5,957</b>	<b>NA</b>	<b>31,632</b>	<b>NA</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Oil &amp; Gas</b>															
Bharat Petroleum Corporation	1,027.9	1,029.9	-0.2	1,131.0	-9.1	45.5	129.1	-64.8	56.5	-19.5	24.0	85.0	-71.8	30.1	-20.5
GAIL (India)	329.3	318.2	3.5	336.9	-2.3	37.4	34.9	7.3	45.3	-17.3	26.7	24.0	11.1	27.2	-1.9
Gujarat Gas	37.8	38.5	-1.7	44.5	-15.0	5.1	5.0	3.5	5.4	-4.0	3.1	3.0	3.1	3.3	-6.9
Gujarat State Petronet	2.4	4.5	-47.5	3.4	-29.1	1.9	4.1	-53.0	3.0	-35.9	3.9	5.3	-26.8	2.1	83.6
Hindustan Petroleum Corporation	916.4	887.8	3.2	1,067.5	-14.2	27.2	82.2	-66.8	21.1	29.3	6.3	51.2	-87.7	3.6	77.4
Indraprastha Gas	37.0	34.6	6.9	35.2	5.0	5.4	6.6	-18.4	5.8	-7.8	4.3	5.4	-19.4	4.0	7.5
Indian Oil Corporation	1,738.5	1,797.4	-3.3	1,932.4	-10.0	37.7	213.1	-82.3	86.3	-56.3	1.8	129.7	-98.6	26.4	-93.2
Mahanagar Gas	17.1	15.7	9.0	15.9	7.7	4.0	4.8	-16.8	4.2	-4.7	2.8	3.4	-16.4	2.8	-0.5
Manglore Refinery Petrochemicals	249.7	192.3	29.8	232.5	7.4	-4.7	22.4	NA	6.1	NA	-6.8	10.6	NA	0.7	NA
Oil India	55.2	59.1	-6.7	58.4	-5.5	21.8	24.9	-12.3	24.7	-11.5	18.3	26.9	-31.8	14.7	25.0
Oil & Natural Gas Corporation	338.8	351.6	-3.6	352.7	-3.9	182.4	183.6	-0.7	186.2	-2.0	119.8	102.4	17.1	89.4	34.1
Petronet LNG	130.2	125.3	3.9	134.2	-2.9	12.0	12.1	-1.2	15.6	-23.2	8.5	8.2	3.6	11.4	-25.8
Reliance Industries	2,315.4	2,318.9	-0.2	2,317.8	-0.1	390.6	409.7	-4.7	387.7	0.8	165.6	173.9	-4.8	151.4	9.4
<b>Total</b>	<b>7,195.6</b>	<b>7,173.8</b>	<b>0.3</b>	<b>7,662.2</b>	<b>-6.1</b>	<b>766.3</b>	<b>1,132.5</b>	<b>-32.3</b>	<b>847.7</b>	<b>-9.6</b>	<b>378.4</b>	<b>628.9</b>	<b>-39.8</b>	<b>367.2</b>	<b>3.1</b>
<b>Pharma</b>															
Aurobindo Pharma	77,960	72,194	8.0	75,670	3.0	15,661	14,034	11.6	16,196	-3.3	8,169	7,528	8.5	9,182	-11.0
Cipla	70,510	66,781	5.6	66,939	5.3	18,800	17,337	8.4	17,158	9.6	13,029	11,309	15.2	11,776	10.6
Divis Lab	23,380	19,090	22.5	21,180	10.4	7,160	4,790	49.5	6,230	14.9	5,100	3,480	46.6	4,300	18.6
Dr. Reddy's Laboratories	80,162	68,802	16.5	76,727	4.5	21,466	19,916	7.8	21,270	0.9	13,415	14,800	-9.4	13,920	-3.6
Eris Lifesciences	7,412	5,053	46.7	7,197	3.0	2,646	1,811	46.0	2,500	5.8	916	1,234	-25.8	832	10.2
Indoco Remedies	4,327	4,817	-10.2	4,315	0.3	403	714	-43.6	478	-15.7	-104	351	NA	26	NA
IPCA Labs	23,549	20,340	15.8	20,926	12.5	4,498	3,195	40.8	3,875	16.1	2,462	1,451	69.7	1,922	28.1
JB Chem & Pharma	10,006	8,817	13.5	10,044	-0.4	2,705	2,435	11.1	2,804	-3.5	1,746	1,506	15.9	1,768	-1.3
Lupin	56,727	50,386	12.6	56,003	1.3	13,083	9,232	41.7	12,864	1.7	8,526	4,897	74.1	8,013	6.4
Sun Pharmaceutical Industries	1,32,914	1,21,924	9.0	1,26,528	5.0	38,109	32,135	18.6	36,581	4.2	30,402	23,755	28.0	28,356	7.2
Torrent Pharma	28,890	26,600	8.6	28,590	1.0	9,390	8,250	13.8	9,040	3.9	4,530	3,860	17.4	4,570	-0.9
Zydus Lifesciences	52,370	43,688	19.9	62,075	-15.6	14,160	10,639	33.1	21,092	-32.9	8,655	7,195	20.3	14,451	-40.1
<b>Total</b>	<b>5,68,207</b>	<b>5,08,492</b>	<b>11.7</b>	<b>5,56,195</b>	<b>2.2</b>	<b>1,48,079</b>	<b>1,24,488</b>	<b>19.0</b>	<b>1,50,086</b>	<b>-1.3</b>	<b>96,845</b>	<b>81,365</b>	<b>19.0</b>	<b>99,117</b>	<b>-2.3</b>

(Rs mn)	Revenue					EBITDA					PAT				
	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)	Q2FY25	Q2FY24	YoY gr. (%)	Q1FY25	QoQ gr. (%)
<b>Telecom</b>															
Bharti Airtel	4,14,733	3,70,438	12.0	3,85,064	7.7	2,18,462	1,95,137	12.0	1,97,076	10.9	44,469	13,407	231.7	34,249	29.8
<b>Total</b>	<b>4,14,733</b>	<b>3,70,438</b>	<b>12.0</b>	<b>3,85,064</b>	<b>7.7</b>	<b>2,18,462</b>	<b>1,95,137</b>	<b>12.0</b>	<b>1,97,076</b>	<b>10.9</b>	<b>44,469</b>	<b>13,407</b>	<b>231.7</b>	<b>34,249</b>	<b>29.8</b>
<b>Total (Rs bn)</b>	<b>18,903</b>	<b>18,321</b>	<b>3.2</b>	<b>19,295</b>	<b>-2.0</b>	<b>3,588</b>	<b>3,670</b>	<b>-2.2</b>	<b>3,667</b>	<b>-2.2</b>	<b>2,031</b>	<b>2,138</b>	<b>-5.0</b>	<b>2,020</b>	<b>0.5</b>

Source: Company, PL

Exhibit 77: Change in Estimates - Pre-Quarterly to Current

Sector / Company Name	Rating	Current	Rating	Price (Rs)	Target	Target	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change		Pre Quarterly	(Rs)				FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles																		
Ashok Leyland	Accumulate	Accumulate	Maintained	235	257	240	-6.6	2.2	689.8	11.7	13.3	14.0	10.2	11.5	12.6	▼ -12.9%	▼ -13.7%	▼ -10.4%
Bajaj Auto	HOLD	HOLD	Maintained	9,421	11,146	11859	6.4	25.9	2,630.1	327.1	371.3	410.9	320.0	374.6	416.0	▼ -2.2%	▲ 0.9%	▲ 1.2%
Eicher Motors	BUY	BUY	Maintained	5,009	5,416	5299	-2.2	5.8	1,371.5	176.9	200.2	225.4	166.3	189.0	211.7	▼ -6.0%	▼ -5.6%	▼ -6.1%
Hero Motocorp	Accumulate	Accumulate	Maintained	4,858	5,906	5162	-12.6	6.3	970.9	251.8	283.8	309.0	237.7	254.4	279.2	▼ -5.6%	▼ -10.4%	▼ -9.6%
Mahindra & Mahindra	BUY	BUY	Maintained	3,046	3,458	3456	-0.1	13.5	3,652.4	106.3	117.0	133.3	104.7	116.0	131.3	▼ -1.5%	▼ -0.8%	▼ -1.5%
Maruti Suzuki	BUY	BUY	Maintained	11,025	15,045	14586	-3.1	32.3	3,466.3	513.8	575.5	628.1	474.6	555.6	611.3	▼ -7.6%	▼ -3.5%	▼ -2.7%
Tata Motors	Accumulate	HOLD	Downgrade	797	1,058	847	-19.9	6.4	3,053.0	70.1	84.2	89.7	70.8	78.4	79.9	▲ 1.1%	▼ -6.9%	▼ -10.9%
TVS Motor Company	HOLD	HOLD	Maintained	2,458	2,784	2628	-5.6	6.9	1,167.8	56.5	67.4	77.5	54.9	65.2	76.5	▼ -2.8%	▼ -3.3%	▼ -1.2%
Auto Ancillary																		
Bharat Forge	Accumulate	Accumulate	Maintained	1,320	1,639	1501	-8.4	13.7	614.4	37.2	47.1	55.4	33.3	46.7	55.0	▼ -10.4%	▼ -0.7%	▼ -0.6%
CEAT	HOLD	HOLD	Maintained	2,914	3,107	3063	-1.4	5.1	117.9	167.5	208.4	235.4	139.8	183.2	225.2	▼ -16.6%	▼ -12.1%	▼ -4.3%
Divgi Torqtransfer Systems	HOLD	HOLD	Maintained	634	633	632	-0.2	(0.4)	19.4	12.3	16.4	19.8	11.3	15.7	19.4	▼ -8.3%	▼ -4.1%	▼ -2.0%
Endurance Technologies	Accumulate	BUY	Upgrade	2,400	2,569	2835	10.3	18.1	337.6	65.0	84.7	105.6	62.6	80.8	102.1	▼ -3.7%	▼ -4.6%	▼ -3.3%
Exide Industries	HOLD	HOLD	Maintained	428	520	456	-12.3	6.5	364.1	15.6	19.1	19.6	14.1	16.1	19.1	▼ -9.5%	▼ -15.5%	▼ -2.4%
Banks																		
Axis Bank	BUY	BUY	Maintained	1,156	1,425	1530	7.4	32.4	3,567.7	85.1	97.6	113.4	85.6	93.6	111.2	▲ 0.6%	▼ -4.1%	▼ -1.9%
Bank of Baroda	BUY	BUY	Maintained	247	300	315	5.0	27.5	1,279.4	33.7	35.1	38.6	34.9	34.3	38.0	▲ 3.6%	▼ -2.3%	▼ -1.7%
City Union Bank	Accumulate	BUY	Upgrade	174	185	190	2.7	9.3	128.7	14.7	15.9	17.2	14.7	15.9	17.3	▬ 0.0%	▼ -0.4%	▲ 0.6%
DCB Bank	BUY	BUY	Maintained	117	180	155	-13.9	32.0	37.1	19.6	20.5	24.9	19.4	21.1	25.4	▼ -0.7%	▲ 2.7%	▲ 1.8%
Federal Bank	BUY	BUY	Maintained	213	210	220	4.8	3.3	518.4	16.8	19.7	22.6	17.2	20.0	22.9	▲ 2.5%	▲ 1.2%	▲ 1.6%
HDFC Bank	BUY	BUY	Maintained	1,786	2,000	2000	0.0	12.0	13,565.0	89.4	97.7	109.4	90.8	96.2	105.1	▲ 1.5%	▼ -1.6%	▼ -3.9%
ICICI Bank	BUY	BUY	Maintained	1,301	1,520	1640	7.9	26.1	9,137.1	63.6	70.7	82.3	65.3	71.4	84.2	▲ 2.6%	▲ 0.9%	▲ 2.3%
IndusInd Bank	BUY	BUY	Maintained	1,004	1,750	1600	-8.6	59.4	781.0	123.7	145.8	168.3	103.4	136.3	163.0	▼ -16.4%	▼ -6.6%	▼ -3.1%
Kotak Mahindra Bank	BUY	BUY	Maintained	1,791	2,125	2230	4.9	24.5	3,559.9	70.5	76.8	89.9	70.2	76.6	88.7	▼ -0.4%	▼ -0.3%	▼ -1.4%
State Bank of India	BUY	BUY	Maintained	844	960	1025	6.8	21.4	7,536.4	73.0	74.3	83.2	76.8	75.2	84.7	▲ 5.3%	▲ 1.3%	▲ 1.8%
Housing Finance																		
AAVAS Financiers	Accumulate	Accumulate	Maintained	1,653	1,875	1900	1.3	14.9	196.2	75.3	90.0	112.4	72.6	87.0	102.9	▼ -3.5%	▼ -3.3%	▼ -8.5%
Can Fin Homes	BUY	BUY	Maintained	842	930	1000	7.5	18.7	112.2	62.4	67.9	75.2	61.8	67.3	76.4	▼ -0.9%	▼ -0.8%	▲ 1.6%
LIC Housing Finance	HOLD	HOLD	Maintained	628	660	675	2.3	7.6	518.1	88.6	89.7	93.8	91.4	90.5	94.7	▲ 3.2%	▲ 0.8%	▲ 0.9%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Building Materials																		
Astral Ltd.	BUY	Accumulate	Downgrade	1,783	2,214	1929	-12.9	8.2	479.5	25.2	34.0	40.9	22.7	31.1	38.1	▼-10.0%	▼-8.7%	▼-6.7%
Century Plyboard (I)	HOLD	HOLD	Maintained	714	881	784	-11.0	9.8	158.8	14.7	19.0	24.9	12.1	17.6	23.2	▼-17.9%	▼-7.6%	▼-6.8%
Cera Sanitaryware	Accumulate	Accumulate	Maintained	7,039	9,190	7854	-14.5	11.6	91.5	191.3	226.3	262.6	184.0	222.9	261.8	▼-3.8%	▼-1.5%	▼-0.3%
Finolex Industries	HOLD	HOLD	Maintained	267	288	302	4.9	13.1	165.1	9.5	11.7	13.0	8.0	10.9	12.4	▼-16.3%	▼-6.7%	▼-4.1%
Greenpanel Industries	Accumulate	Accumulate	Maintained	334	450	450	0.0	34.5	41.0	10.7	16.6	22.3	10.0	16.6	22.1	▼-6.9%	▼-0.1%	▼-0.7%
Kajaria Ceramics	Accumulate	Accumulate	Maintained	1,228	1,651	1604	-2.8	30.7	195.6	30.4	36.1	41.3	27.6	33.4	40.1	▼-9.5%	▼-7.4%	▼-2.8%
Supreme Industries	Accumulate	BUY	Upgrade	4,609	6,069	5752	-5.2	24.8	585.6	102.7	121.3	138.3	96.0	115.0	132.5	▼-6.6%	▼-5.2%	▼-4.2%
Capital Goods																		
ABB India	Accumulate	Accumulate	Maintained	7,260	8,833	8133	-7.9	12.0	1,538.4	89.1	106.1	126.3	86.8	99.3	117.6	▼-2.6%	▼-6.4%	▼-6.9%
Apar Industries	BUY	Accumulate	Downgrade	9,562	10,399	10353	-0.4	8.3	384.1	225.4	279.4	317.4	211.5	265.3	311.8	▼-6.2%	▼-5.1%	▼-1.7%
BEML	Accumulate	Accumulate	Maintained	3,941	4,484	4332	-3.4	9.9	164.1	94.4	128.1	167.7	83.8	124.4	164.4	▼-11.2%	▼-2.9%	▼-1.9%
Bharat Electronics	Accumulate	BUY	Upgrade	292	341	341	0.0	16.5	2,137.0	6.3	7.6	8.6	6.3	7.6	8.6	▬0.0%	▬0.0%	▬0.0%
BHEL	Reduce	Accumulate	Upgrade	241	264	260	-1.5	7.9	839.9	3.5	10.6	14.1	3.5	10.4	14.1	▲0.2%	▼-1.5%	▬0.0%
Carborundum Universal	HOLD	Accumulate	Upgrade	1,406	1,650	1601	-2.9	13.9	267.5	29.6	36.4	41.3	26.8	34.9	42.0	▼-9.5%	▼-4.0%	▲1.6%
Grindwell Norton	Accumulate	BUY	Upgrade	2,102	2,749	2528	-8.0	20.3	232.7	40.8	50.0	58.2	37.8	46.0	55.1	▼-7.3%	▼-8.0%	▼-5.5%
Cummins India	Accumulate	Accumulate	Maintained	3,536	4,081	4138	1.4	17.0	980.1	66.8	77.0	88.5	67.7	77.0	88.5	▲1.4%	▬0.0%	▬0.0%
Engineers India	Accumulate	BUY	Upgrade	183	250	247	-1.1	34.8	102.9	7.5	10.3	12.5	8.6	11.5	13.5	▲15.5%	▲12.2%	▲7.8%
GE Vernova T&D India	HOLD	Accumulate	Upgrade	1,919	1,601	1946	21.5	1.4	491.5	18.8	29.1	40.5	20.2	30.4	40.4	▲7.5%	▲4.4%	▼-0.3%
Harsha Engineers Internatio	HOLD	Accumulate	Upgrade	481	566	561	-0.9	16.6	43.8	17.7	21.8	26.6	15.9	21.0	25.8	▼-10.0%	▼-3.6%	▼-3.1%
Hindustan Aeronautics	HOLD	Accumulate	Upgrade	4,290	4,515	4692	3.9	9.4	2,869.0	97.5	112.9	127.0	97.5	112.1	127.0	▼0.0%	▼-0.7%	▬0.0%
KEC International	HOLD	HOLD	Maintained	1,040	880	997	13.3	(4.1)	276.8	30.6	51.8	64.2	29.6	50.0	62.0	▼-3.4%	▼-3.4%	▼-3.4%
Kalpataru Projects Internatic	Accumulate	Accumulate	Maintained	1,120	1,413	1368	-3.2	22.1	181.9	46.1	74.6	90.0	40.4	62.7	86.0	▼-12.3%	▼-15.9%	▼-4.4%
Larsen & Toubro	BUY	BUY	Maintained	3,753	4,130	4088	-1.0	8.9	5,160.4	114.4	149.2	175.8	114.0	146.7	174.0	▼-0.3%	▼-1.7%	▼-1.0%
Praj Industries	BUY	BUY	Maintained	800	804	804	-0.1	0.4	147.1	17.6	23.6	31.2	17.2	23.6	31.5	▼-2.6%	▼-0.1%	▲0.8%
Siemens	Accumulate	Accumulate	Maintained	7,349	7,374	7374	0.0	0.3	2,616.1	68.1	87.0	105.7	68.1	87.0	105.7	▬0.0%	▬0.0%	▬0.0%
Thermax	Reduce	Reduce	Maintained	4,449	4,186	4275	2.1	(3.9)	530.1	58.0	69.7	75.1	53.2	68.3	76.9	▼-8.3%	▼-2.1%	▲2.4%
Triveni Turbine	BUY	BUY	Maintained	764	719	800	11.2	4.6	242.9	12.0	16.0	21.2	12.0	16.0	21.2	▼-0.1%	▬0.0%	▬0.0%
Voltamp Transformers	Accumulate	BUY	Upgrade	9,915	14,922	14326	-4.0	44.5	100.3	316.4	373.1	406.2	309.0	358.1	397.2	▼-2.4%	▼-4.0%	▼-2.2%



Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Cement																		
ACC	BUY	BUY	Maintained	2,145	3,457	3262	-5.6	52.1	403.2	112.1	135.7	132.8	101.1	123.3	127.6	🔴 -9.9%	🔴 -9.2%	🔴 -4.0%
Ambuja Cement	BUY	BUY	Maintained	505	756	708	-6.4	40.2	1,109.7	14.4	21.8	23.7	11.4	21.4	22.5	🔴 -21.3%	🔴 -1.7%	🔴 -5.0%
Dalmia Bharat	Accumulate	Accumulate	Maintained	1,827	2,076	2073	-0.2	13.5	342.6	44.0	66.6	72.8	45.4	71.4	77.2	🟢 3.3%	🟢 7.2%	🟢 6.1%
Nuvoco Vistas Corporation	Accumulate	Accumulate	Maintained	346	386	372	-3.6	7.6	123.5	4.1	12.1	18.2	3.6	11.5	16.9	🔴 -12.3%	🔴 -4.7%	🔴 -7.3%
Shree Cement	Accumulate	Accumulate	Maintained	25,467	27,481	25815	-6.1	1.4	918.9	591.8	779.9	775.4	536.6	685.9	683.3	🔴 -9.3%	🔴 -12.0%	🔴 -11.9%
Ultratech Cement	Accumulate	Accumulate	Maintained	11,457	13,084	12401	-5.2	8.2	3,307.7	299.8	422.1	477.8	271.0	391.9	454.2	🔴 -9.6%	🔴 -7.2%	🔴 -4.9%
Chemicals																		
Aarti Industries	Reduce	Reduce	Maintained	438	512	411	-19.8	(6.2)	158.5	13.3	18.3	24.4	9.3	12.1	17.2	🔴 -30.5%	🔴 -33.7%	🔴 -29.4%
Clean Science and Technolo	HOLD	HOLD	Maintained	1,289	1,561	1526	-2.3	18.3	137.0	26.5	32.1	34.3	25.4	31.3	35.0	🔴 -4.3%	🔴 -2.5%	🟢 2.0%
Deepak Nitrite	Reduce	Reduce	Maintained	2,696	2,564	2438	-4.9	(9.6)	367.8	63.1	64.0	70.9	63.1	66.9	71.7	🟡 0.0%	🟢 4.4%	🟢 1.1%
Fine Organic Industries	Accumulate	BUY	Upgrade	5,194	5,568	5852	5.1	12.7	159.2	134.9	156.7	161.5	144.7	167.7	187.0	🟢 7.3%	🟢 7.0%	🟢 15.8%
Gujarat Fluorochemicals	Reduce	Reduce	Maintained	3,876	3,771	3770	0.0	(2.7)	425.8	41.4	51.8	64.2	42.9	53.0	63.0	🟢 3.8%	🟢 2.2%	🔴 -1.8%
Jubilant Ingrevia	HOLD	HOLD	Maintained	704	770	695	-9.8	(1.3)	111.3	13.2	16.5	21.4	13.2	16.1	20.1	🟡 0.0%	🔴 -2.3%	🔴 -6.3%
Laxmi Organic Industries	SELL	Reduce	Upgrade	255	218	240	9.8	(6.1)	70.4	5.8	7.4	8.2	5.3	7.1	8.0	🔴 -8.8%	🔴 -4.4%	🔴 -2.1%
Navin Fluorine International	Accumulate	Accumulate	Maintained	3,431	3,680	3523	-4.2	2.7	170.0	54.3	74.0	89.5	55.4	69.1	87.4	🟢 2.0%	🔴 -6.6%	🔴 -2.3%
NOCIL	Reduce	Reduce	Maintained	263	270	256	-5.3	(2.7)	43.9	6.6	7.4	9.0	7.7	8.7	10.3	🟢 16.6%	🟢 17.1%	🟢 14.7%
SRF	Reduce	Reduce	Maintained	2,224	2,217	2036	-8.1	(8.4)	659.1	46.6	59.9	63.9	40.5	50.0	61.3	🔴 -13.1%	🔴 -16.6%	🔴 -4.0%
Vinati Organics	Accumulate	Accumulate	Maintained	1,874	2,220	2055	-7.5	9.7	194.2	33.5	40.7	43.1	33.7	40.9	44.7	🟢 0.6%	🟢 0.5%	🟢 3.7%
Consumer Durables																		
Bajaj Electricals	HOLD	HOLD	Maintained	750	980	901	-8.1	20.2	86.3	19.0	25.1	28.0	16.0	22.5	25.7	🔴 -15.6%	🔴 -10.2%	🔴 -8.1%
Crompton Greaves Consum	BUY	BUY	Maintained	405	536	536	0.1	32.2	260.7	9.2	11.4	13.3	9.1	11.4	13.3	🔴 -1.8%	🔴 -0.5%	🟡 0.1%
Havells India	Accumulate	Accumulate	Maintained	1,708	2,036	2036	0.0	19.2	1,070.5	26.0	31.7	37.6	24.9	31.7	37.6	🔴 -4.3%	🟡 0.0%	🟡 0.0%
KEI Industries	BUY	BUY	Maintained	4,021	5,265	5265	0.0	30.9	362.9	80.1	93.6	117.0	80.1	93.6	117.0	🟡 0.0%	🟡 0.0%	🟡 0.0%
Polycab India	BUY	BUY	Maintained	6,766	8,741	8741	0.0	29.2	1,016.7	132.5	158.5	182.7	127.0	158.5	182.7	🔴 -4.1%	🔴 0.0%	🟡 0.0%
R R Kabel	BUY	BUY	Maintained	1,472	2,178	2151	-1.2	46.2	166.0	34.4	51.6	62.2	29.5	51.1	61.5	🔴 -14.2%	🔴 -1.1%	🔴 -1.2%
Voltas	Accumulate	Accumulate	Maintained	1,644	1,945	1980	1.8	20.4	543.9	25.4	33.5	41.3	26.2	34.5	42.1	🟢 3.1%	🟢 2.8%	🟢 1.8%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consumer Staples																		
Asian Paints	Reduce	Reduce	Maintained	2,460	2,605	2230	-14.4	(9.4)	2,359.3	52.9	55.1	60.4	44.2	45.0	49.4	🔻-16.4%	🔻-18.4%	🔻-18.3%
Avenue Supermarts	Accumulate	Hold	Downgrade	3,621	5,166	4748	-8.1	31.1	2,356.3	47.6	57.4	68.2	45.3	54.2	64.9	🔻-5.0%	🔻-5.5%	🔻-4.9%
Britannia Industries	Accumulate	BUY	Upgrade	4,904	6,397	5845	-8.6	19.2	1,181.4	100.9	112.1	127.9	90.9	101.1	116.9	🔻-10.0%	🔻-9.8%	🔻-8.6%
Restaurant Brands Asia	Accumulate	Hold	Downgrade	81	129	109	-15.6	33.8	40.3	-0.8	0.0	0.9	-1.6	-0.5	0.2	🟢112.4%	#####	🔻-77.4%
Colgate Palmolive	Reduce	Reduce	Maintained	2,835	3,130	2973	-5.0	4.9	771.0	56.3	60.3	64.9	54.1	59.6	64.4	🔻-4.0%	🔻-1.3%	🔻-0.8%
Dabur India	HOLD	HOLD	Maintained	522	603	589	-2.2	13.0	924.0	10.9	12.5	13.8	10.9	12.5	13.8	🟡0.0%	🟡0.0%	🟡0.0%
Emami	Hold	Hold	Maintained	678	836	761	-8.9	12.2	296.0	20.9	23.4	24.0	18.7	20.8	23.8	🔻-10.3%	🔻-11.0%	🔻-0.5%
Hindustan Unilever	Hold	HOLD	Maintained	2,471	2,811	2744	-2.4	11.0	5,807.9	46.4	50.9	56.2	44.5	48.3	53.0	🔻-4.1%	🔻-5.2%	🔻-5.7%
ITC	Accumulate	Accumulate	Maintained	477	541	539	-0.3	13.0	5,952.7	17.3	18.7	20.1	16.5	18.5	20.0	🔻-4.3%	🔻-1.3%	🔻-0.5%
Jubilant FoodWorks	Hold	Hold	Maintained	633	582	589	1.2	(6.8)	417.5	3.9	6.0	8.7	3.2	5.4	8.0	🔻-18.1%	🔻-11.0%	🔻-7.7%
Kansai Nerolac Paints	Reduce	Reduce	Maintained	265	286	269	-5.8	1.6	214.2	9.4	10.1	10.6	8.2	9.6	10.3	🔻-12.0%	🔻-4.1%	🔻-3.2%
Marico	Hold	Accumulate	Upgrade	608	681	693	1.8	14.0	784.1	12.8	14.1	15.5	12.5	13.8	15.1	🔻-2.1%	🔻-2.1%	🔻-2.9%
Metro Brands	Hold	Hold	Maintained	1,179	1,268	1208	-4.7	2.5	320.6	13.9	16.5	19.6	13.5	15.7	18.6	🔻-3.1%	🔻-4.6%	🔻-5.1%
Mold-tek Packaging	Accumulate	Accumulate	Maintained	676	853	803	-5.8	18.8	22.5	22.0	28.8	35.5	22.0	28.8	35.5	🟡0.0%	🟡0.0%	🟡0.0%
Nestle India	Accumulate	Accumulate	Maintained	2,257	2,862	2689	-6.0	19.1	2,176.1	34.7	38.5	41.9	32.6	36.1	39.1	🔻-6.0%	🔻-6.3%	🔻-6.8%
Pidilite Industries	Accumulate	Accumulate	Maintained	2,988	3,454	3339	-3.4	11.7	1,519.0	43.7	50.2	54.8	44.0	49.7	53.9	🟢0.7%	🔻-1.2%	🔻-1.5%
Titan Company	Accumulate	BUY	Upgrade	3,309	3,969	3782	-4.7	14.3	2,945.1	41.1	55.2	67.1	41.3	54.1	64.0	🟢0.6%	🔻-2.1%	🔻-4.6%
Westlife Foodworld	HOLD	HOLD	Maintained	717	889	797	-10.4	11.1	111.9	4.1	7.1	10.1	1.4	4.6	6.6	🔻-65.3%	🔻-35.6%	🔻-34.8%
Education																		
DOMS Industries	NA	BUY	NA	3,069	NA	3337	NA	8.7	186.2	NA	NA	NA	34.0	44.1	55.6	NA	NA	NA
Navneet Education	HOLD	HOLD	Maintained	137	164	139	-15.4	1.6	31.0	8.5	10.1	11.6	7.8	9.3	10.8	🔻-7.8%	🔻-7.3%	🔻-6.7%
S Chand and Company	BUY	BUY	Maintained	203	312	322	3.2	59.1	7.1	19.7	25.8	27.5	19.7	25.8	27.5	🟡0.0%	🟡0.0%	🟡0.0%
HealthCare																		
Apollo Hospitals Enterprise	BUY	BUY	Maintained	7,075	7,150	8000	11.9	13.1	1,017.4	105.6	142.7	188.2	101.0	145.0	188.1	🔻-4.4%	🟢1.6%	🔻-0.1%
Aster DM Healthcare	BUY	BUY	Maintained	439	400	500	25.0	13.8	219.7	7.5	11.0	13.3	6.7	10.5	13.5	🔻-11.6%	🔻-4.4%	🟢1.3%
Fortis Healthcare	BUY	BUY	Maintained	698	515	710	37.9	1.7	526.8	10.4	13.6	16.4	10.1	12.7	15.8	🔻-3.0%	🔻-6.4%	🔻-3.9%
HealthCare Global Enterpris	BUY	BUY	Maintained	473	420	535	27.4	13.1	65.9	5.5	9.4	15.2	4.8	9.2	14.7	🔻-11.9%	🔻-1.5%	🔻-3.5%
Jupiter Life Line Hospitals	BUY	BUY	Maintained	1,538	1,475	1660	12.5	7.9	100.8	33.8	42.1	44.3	30.8	39.5	44.8	🔻-9.0%	🔻-6.1%	🟢1.3%
Krishna Institute of Medical	BUY	BUY	Maintained	597	480	675	40.6	13.1	238.8	8.6	10.2	13.4	9.5	10.8	14.3	🟢10.9%	🟢6.6%	🟢6.3%
Max Healthcare Institute	BUY	BUY	Maintained	972	975	1200	23.1	23.5	944.5	15.3	20.6	26.0	15.2	20.5	26.8	🔻-0.7%	🔻-0.4%	🟢3.0%
Narayana Hrudayalaya	BUY	BUY	Maintained	1,256	1,420	1420	0.0	13.1	256.6	38.0	46.5	56.5	38.0	46.5	56.5	🟡0.0%	🟡0.0%	🟡0.0%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Information Technology																		
Cyient	Accumulate	BUY	Upgrade	1,847	2,120	2120	0.0	14.8	0.2	64.4	78.3	94.8	65.5	79.2	96.0	▲ 1.7%	▲ 1.1%	▲ 1.3%
HCL Technologies	BUY	BUY	Maintained	1,892	2,080	2130	2.4	12.6	5.1	63.4	71.3	82.3	63.9	72.0	83.0	▲ 0.7%	▲ 1.0%	▲ 0.9%
Infosys	BUY	BUY	Maintained	1,890	2,180	2260	3.7	19.6	7.8	64.2	71.4	82.3	62.9	70.7	82.6	▼ -2.1%	▼ -1.0%	▲ 0.4%
LTIMindtree	BUY	BUY	Maintained	6,115	7,200	7360	2.2	20.4	1.8	169.5	198.2	228.6	164.9	196.3	227.5	▼ -2.7%	▼ -0.9%	▼ -0.5%
Mphasis	HOLD	HOLD	Maintained	2,982	3,020	3050	1.0	2.3	0.6	90.2	103.1	121.5	91.6	105.4	123.0	▲ 1.6%	▲ 2.2%	▲ 1.2%
Persistent Systems	Accumulate	Accumulate	Maintained	5,918	5,770	5810	0.7	(1.8)	0.9	86.4	106.2	132.8	87.3	107.9	135.0	▲ 1.1%	▲ 1.6%	▲ 1.6%
Tata Consultancy Services	BUY	BUY	Maintained	4,315	4,920	4920	0.0	14.0	15.8	138.9	158.3	177.5	138.9	158.3	177.5	▬ 0.0%	▬ 0.0%	▬ 0.0%
Tech Mahindra	Accumulate	Accumulate	Maintained	1,733	1,720	1790	4.1	3.3	1.5	43.8	60.8	79.9	46.4	61.9	81.2	▲ 6.0%	▲ 1.9%	▲ 1.6%
Wipro	Accumulate	Accumulate	Maintained	582	580	580	0.0	(0.4)	3.1	22.3	24.4	27.0	23.1	24.6	27.1	▲ 3.6%	▲ 0.9%	▲ 0.2%
Logistics																		
Delhivery	Accumulate	Under Review	NA	344	430	NA	NA	NA	253.3	2.4	4.1	8.2	2.1	3.8	6.7	▼ -14.5%	▼ -8.7%	▼ -18.0%
Mahindra Logistics	Hold	Hold	Maintained	390	500	493	-1.5	26.3	28.1	3.9	12.0	21.2	4.5	12.6	22.0	▲ 14.4%	▲ 5.5%	▲ 3.6%
TCI Express	Accumulate	Accumulate	Maintained	807	1,250	1119	-10.5	38.7	30.9	31.3	41.5	54.0	30.9	40.0	51.9	▼ -1.3%	▼ -3.6%	▼ -3.9%
Media																		
Nazara Technologies	BUY	BUY	Maintained	948	1,185	1182	-0.2	24.7	72.6	16.1	20.0	23.9	17.3	20.4	22.8	▲ 7.9%	▲ 2.0%	▼ -4.5%
PVR Inox	BUY	HOLD	Downgrade	1,484	1,983	1598	-19.4	7.7	145.3	4.8	43.9	62.2	9.9	35.3	58.1	▲ 107.3%	▼ -19.6%	▼ -6.6%
Zee Entertainment Enterpri:	HOLD	HOLD	Maintained	118	143	145	1.6	22.7	113.8	9.0	11.9	14.5	9.0	11.9	14.5	▲ 0.3%	▼ -0.1%	▼ -0.1%
Metals & Mining																		
Hindalco Industries	BUY	BUY	Maintained	660	847	741	-12.5	12.2	1,464.9	68.0	76.7	80.6	65.0	71.7	75.8	▼ -4.4%	▼ -6.5%	▼ -5.9%
Jindal Stainless	Accumulate	Accumulate	Maintained	672	849	814	-4.2	21.1	553.6	41.0	53.8	62.1	38.2	52.9	63.1	▼ -6.8%	▼ -1.6%	▲ 1.6%
Jindal Steel & Power	Accumulate	Accumulate	Maintained	877	1,090	1017	-6.7	15.9	879.4	60.5	89.9	124.5	51.7	85.0	114.8	▼ -14.6%	▼ -5.5%	▼ -7.8%
JSW Steel	Accumulate	Accumulate	Maintained	953	1,106	1014	-8.4	6.3	2,304.3	46.1	74.2	85.6	36.3	66.5	80.0	▼ -21.3%	▼ -10.4%	▼ -6.6%
National Aluminium Co.	Sell	Reduce	Upgrade	251	186	201	7.6	(20.2)	461.7	15.7	19.3	24.3	21.3	21.5	25.6	▲ 35.4%	▲ 11.6%	▲ 5.1%
NMDC	Accumulate	Accumulate	Maintained	227	266	253	-5.0	11.7	664.7	23.4	27.2	30.7	23.7	25.4	29.7	▲ 1.3%	▼ -6.7%	▼ -3.0%
Steel Authority of India	Reduce	Reduce	Maintained	114	131	104	-20.2	(8.6)	471.3	9.3	12.6	13.5	3.9	10.0	10.7	▼ -58.2%	▼ -20.6%	▼ -21.0%
Tata Steel	Accumulate	Accumulate	Maintained	144	181	161	-11.1	11.8	1,792.2	8.6	16.6	21.8	7.0	14.8	19.8	▼ -19.4%	▼ -11.3%	▼ -9.2%

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Oil & Gas																		
Bharat Petroleum Corporatic	SELL	HOLD	Upgrade	297	279	316	13.2	6.6	1,286.6	26.9	23.9	24.5	37.5	23.6	24.6	▲ 39.5%	▼ -1.3%	▲ 0.4%
Gujarat Gas	HOLD	SELL	Downgrade	466	646	389	-39.7	(16.5)	320.9	18.5	20.5	22.6	18.1	18.9	20.1	▼ -1.9%	▼ -7.9%	▼ -11.1%
GAIL (India)	SELL	HOLD	Upgrade	199	205	204	-0.9	2.2	1,309.7	15.0	14.3	14.2	13.8	13.9	14.1	▼ -8.0%	▼ -2.6%	▼ -0.8%
Gujarat State Petronet	HOLD	HOLD	Maintained	340	422	380	-9.9	11.9	191.4	16.9	18.1	18.6	16.3	17.7	18.7	▼ -3.1%	▼ -2.2%	▲ 0.9%
Hindustan Petroleum Corpor	SELL	Accumulate	Upgrade	377	363	412	13.6	9.4	801.9	33.9	44.3	44.6	52.9	45.2	45.6	▲ 55.9%	▲ 2.1%	▲ 2.2%
Indian Oil Corporation	Reduce	HOLD	Upgrade	136	156	156	0.1	14.5	1,878.4	14.0	14.8	16.2	15.1	14.8	16.2	▲ 8.5%	▼ -0.1%	▼ -0.3%
Indraprastha Gas	SELL	SELL	Maintained	324	407	321	-21.1	(0.8)	226.9	23.9	24.5	26.5	21.9	22.3	24.1	▼ -8.2%	▼ -9.0%	▼ -9.0%
Mahanagar Gas	HOLD	SELL	Downgrade	1,188	2,050	1046	-49.0	(11.9)	117.3	109.5	110.2	117.6	111.9	112.6	119.8	▲ 2.2%	▲ 2.2%	▲ 1.9%
Mangalore Refinery & Petroc	SELL	Accumulate	Upgrade	156	129	169	30.9	8.6	272.6	5.9	13.0	13.2	0.3	13.0	12.9	▼ -95.8%	▲ 0.3%	▼ -1.8%
Oil & Natural Gas Corporati	Accumulate	Accumulate	Maintained	258	305	271	-11.4	5.0	3,309.8	38.9	41.7	42.4	38.8	41.5	42.6	▼ -0.4%	▼ -0.6%	▲ 0.6%
Oil India	BUY	BUY	Maintained	519	780	678	-13.1	30.7	843.8	50.2	59.7	64.9	49.2	57.0	62.1	▼ -2.1%	▼ -4.6%	▼ -4.4%
Petronet LNG	Sell	Sell	Maintained	334	272	272	0.0	(18.7)	500.8	25.6	27.2	29.6	26.2	27.2	29.6	▲ 2.4%	▲ 0.0%	▲ 0.0%
Reliance Industries	Accumulate	Accumulate	Maintained	1,287	2,966	1471	-50.4	14.3	17,415.7	44.2	49.7	56.4	43.6	48.4	54.2	▼ -1.2%	▼ -2.7%	▼ -3.9%
Pharma																		
Aurobindo Pharma	Accumulate	Accumulate	Maintained	1,242	1,525	1475	-3.3	18.8	727.5	67.7	76.2	83.2	60.6	74.7	83.6	▼ -10.5%	▼ -2.0%	▲ 0.5%
Zydus Lifesciences	Accumulate	Accumulate	Maintained	964	1,305	1050	-19.5	8.9	970.1	51.9	52.2	46.2	45.4	47.2	41.7	▼ -12.5%	▼ -9.6%	▼ -9.7%
Cipla	Accumulate	Accumulate	Maintained	1,503	1,680	1615	-3.9	7.4	1,213.7	58.7	64.4	64.8	56.9	62.8	61.9	▼ -3.1%	▼ -2.4%	▼ -4.6%
Dr. Reddy's Laboratories	Reduce	Reduce	Maintained	1,209	6,000	1335	-77.8	10.4	1,008.6	67.3	72.0	54.3	67.2	74.2	53.4	▼ -0.2%	▲ 3.1%	▼ -1.7%
Divi's Laboratories	Accumulate	Accumulate	Maintained	6,138	5,000	6000	20.0	(2.3)	1,626.7	78.9	97.6	116.7	76.7	97.9	119.4	▼ -2.8%	▲ 0.3%	▲ 2.3%
Eris Lifesciences	BUY	BUY	Maintained	1,474	1,250	1420	13.6	(3.6)	200.4	27.9	39.8	54.6	28.0	39.9	54.7	▲ 0.3%	▲ 0.2%	▲ 0.2%
Indoco Remedies	Accumulate	Accumulate	Maintained	321	320	320	0.0	(0.2)	29.6	8.6	15.5	20.7	3.4	12.5	19.6	▼ -60.1%	▼ -19.3%	▼ -5.4%
Ipca Laboratories	Reduce	Accumulate	Upgrade	1,607	1,250	1700	36.0	5.8	407.7	32.7	42.1	52.9	33.2	43.6	53.5	▲ 1.5%	▲ 3.5%	▲ 1.1%
J.B. Chemicals & Pharmaceu	BUY	BUY	Maintained	1,755	2,100	2250	7.1	28.2	272.3	45.0	56.0	67.1	45.0	56.0	67.1	▲ 0.0%	▲ 0.0%	▲ 0.0%
Lupin	BUY	BUY	Maintained	2,107	2,300	2420	5.2	14.8	960.2	64.9	82.4	94.9	70.2	83.5	95.0	▲ 8.2%	▲ 1.3%	▲ 0.2%
Sun Pharmaceutical Industri	BUY	BUY	Maintained	1,799	1,885	2100	11.4	16.7	4,316.1	44.7	53.8	63.8	45.5	54.6	65.1	▲ 1.9%	▲ 1.5%	▲ 2.1%
Torrent Pharmaceuticals	Accumulate	Accumulate	Maintained	3,267	3,300	3600	9.1	10.2	1,104.1	59.1	77.5	94.2	59.2	77.6	95.9	▲ 0.3%	▲ 0.0%	▲ 1.8%
Real Estate																		
Sunteck Realty	BUY	BUY	Maintained	520	700	670	-4.3	28.7	76.2	23.9	33.6	NA	9.8	32.3	39.4	▼ -58.8%	▼ -4.0%	NA

Sector / Company Name	Rating	Current	Rating	Price	Target	Target	Change	Upside	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating	Change	(Rs)	Pre Quarterly	(Rs)	%	(%)		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Travel & Tourism																		
Chalet Hotels	Accumulate	Accumulate	Maintained	898	922	921	-0.1	2.6	184.4	16.4	21.3	25.4	16.4	21.4	25.7	▼ -0.1%	▲ 0.3%	▲ 1.1%
Imagicaaworld Entertainmer	BUY	BUY	Maintained	72	116	110	-5.1	53.0	34.7	1.6	1.7	2.3	1.5	1.7	2.2	▼ -1.3%	▼ 0.0%	▼ -3.6%
InterGlobe Aviation	Accumulate	Accumulate	Maintained	4,245	5,177	4919	-5.0	15.9	1,638.3	237.6	257.4	254.9	200.2	230.3	250.2	▼ -15.7%	▼ -10.6%	▼ -1.9%
Indian Railway Catering and	Reduce	HOLD	Upgrade	812	822	833	1.4	2.6	649.7	16.2	17.3	18.6	16.3	17.5	18.9	▲ 1.0%	▲ 1.4%	▲ 1.6%
Lemon Tree Hotels	BUY	BUY	Maintained	126	159	158	-0.4	26.0	99.5	2.8	3.8	4.5	2.7	3.8	4.5	▼ -3.1%	▼ -0.7%	▲ 0.5%
Safari Industries (India)	BUY	BUY	Maintained	2,517	3,005	2989	-0.5	18.8	122.7	40.1	55.0	66.8	36.1	51.5	66.4	▼ -10.0%	▼ -6.4%	▼ -0.5%
V.I.P. Industries	HOLD	HOLD	Maintained	499	547	494	-9.6	(1.0)	70.8	5.6	15.1	18.2	-1.5	13.6	16.5	▼ #####	▼ -10.2%	▼ -9.6%
Telecom																		
Bharti Airtel	Accumulate	Accumulate	Maintained	1,579	1,831	1782	-2.7	12.9	8,966.4	34.9	48.3	53.7	33.9	48.1	53.5	▼ -2.8%	▼ -0.5%	▼ -0.4%

Source: Company, PL

## 2Q Sectoral Snapshot

**Conviction Picks:**

HDFC AMC

## AMCs

- Coverage AMCs saw a good quarter; core PAT at Rs8.6bn was 4.5% above PLe due to higher revenue and lower tax rate. QAAuM growth was broadly in-line, while yields were a beat.
- QAAuM growth for coverage AMCs was 12.6% QoQ. NAM/HDFCAMC (+13.5%/+13% QoQ) both outpaced industry growth of 12.3% QoQ.
- Equity + bal QAAuM for the industry grew by healthy 14.9% QoQ to Rs36.7trn. HDFCAMC/NAM/UTIAM grew by 14.8%/16.8%/11.2% QoQ.
- Revenue yield was a beat at 44.3bps (PLe 43.2bps) due to (1) increase in equity mix and (2) rationalization of distributor payouts in case of HDFCAMC.
- Opex was 3% higher than PLe due to higher other opex; staff cost was broadly in-line. Core income was higher at Rs12.2bn (PLe Rs11.9bn) led by better yields.
- Other income was ahead at Rs4.6bn (PLe Rs3.8bn) led by MTM gains.
- The quarter saw one-time DTL impact due to withdrawal of indexation benefit, which was offset by lower CG tax (due to higher other income). Tax rate for coverage AMCs was lower at 28.6% (PLe 30.6%); it jumped QoQ for HDFCAMC to 32.8% from 19.7%, while NAM/UTIAMC saw a minor increase.
- While we remain structurally positive on the AMC space, we turn slightly cautious for the short term given the recent correction in equity markets due to global factors. HDFCAMC/NAM continue to gain market share in net flows due to better performance and reach.

### Exhibit 78: Q2FY25 Result Snapshot

(Rs mn)	Revenue			Opex			Core PAT			AAuM		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2Y25	YoY gr.	QoQ gr.
HDFCAMC IN	8,872	38.0%	14.4%	1,991	13.1%	1.7%	4,623	33.3%	-0.6%	7,589,755	44.6%	13%
NAM IN	5,713	43.7%	13.1%	2,060	24.9%	4.6%	2,705	47.9%	16.0%	5,492,960	56.6%	13.5%
UTIAM IN	3,730	27.9%	10.7%	2,044	10%	6.2%	1,321	50.1%	13.9%	3,437,118	28.8%	10.3%

Source: Company, PL \*Hyperlink on Bloomberg Code

### Exhibit 79: Conviction Picks Commentary

Name	Commentary
HDFC AMC	We expect core PAT to grow at a CAGR of 27% driven by upgrade in closing equity AuM as equity performance has been best-in-class in 1-yr and 3-yr buckets leading to increased market share in net flows. We maintain our 'BUY' rating with a TP of Rs5,360.

Source: PL



**Conviction Picks:**

Maruti Suzuki

Mahindra & Mahindra

Eicher Motors

## Automobiles

- Q2FY25 performance was a mixed bag against PLe and consensus expectations. The aggregate revenue for our coverage OEM universe grew by a merely 1.2% YoY while realizations growth was in the range of -2-8% over Q2FY24.
- Large part of the raw material basket remained stable for OEMs (barring a few OEMs), which led to a healthy gross margin expansion. However, companies reported higher other expenses due to increased promotional activities ahead of the festive season, aimed at boosting sales and managing elevated inventory levels. This contributed to a slowdown in the growth of EBITDA margins as aggregate margin declined by ~48bps YoY.
- 2W OEMs are well positioned to benefit from the upcoming marriage season and the ongoing recovery in rural demand, is expected to drive double-digit growth in FY25. In contrast, the outlook for 4W OEMs remains cautious, as key sales drivers appear to have peaked. The transition in model year changes may further affect dispatches, potentially leading to a modest growth of 2-3% for FY25. Meanwhile, CV OEMs are optimistic about a demand recovery in H2FY25, driven by improved fleet utilization, increased government infrastructure spending, and replacement demand. The strong demand momentum for tractors is expected to continue, supported by a favorable base effect. Additionally, a good monsoon season and higher minimum support prices (MSP) for farmers are likely to further aid the demand outlook.
- Our coverage universe of auto ancillary companies reported aggregate topline growth of 5% in Q2FY25. However, EBITDA margins contracted by 71bps YoY, and PAT saw a decline of 2% YoY. ENDU and BHFC are well positioned to benefit from their diversified revenue streams, while EXID, CEAT, and DIVGI may face challenges due to demand pressures and elevated input costs.

**Exhibit 80: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
AL IN	87,688	-9.0%	2.0%	10,173	-5.8%	11.7%	8,785	-1.1%	25.2%	6,793	18.0%	29.3%
BHFC IN	36,885	-2.3%	-10.2%	6,473	4.2%	-12.6%	3,858	14.0%	-14.4%	2,436	19.1%	-20.2%
BJAUT IN	1,31,275	21.8%	10.1%	26,522	24.3%	9.8%	29,252	21.9%	11.6%	20,050	9.2%	0.8%
CEAT IN	33,045	8.2%	3.5%	3,623	-20.6%	-5.4%	1,622	-40.0%	-17.0%	1,219	-41.4%	-18.0%
DIVGIITT IN	540	-21.5%	-0.5%	113	-20.6%	29.7%	105	-27.2%	30.4%	78	-26.9%	31.5%
EIM IN	42,631	3.6%	-3.0%	10,877	0.1%	-6.7%	12,483	3.5%	-1.4%	11,003	8.3%	-0.1%
ENDU IN	29,127	14.4%	3.1%	3,820	20.0%	2.1%	2,658	29.3%	-0.8%	2,030	31.3%	-0.4%
EXID IN	42,673	3.9%	-1.1%	4,836	0.1%	-2.2%	3,991	3.7%	6.7%	2,978	3.8%	6.5%
HMCL IN	1,04,632	10.8%	3.1%	15,159	14.1%	3.8%	16,003	14.6%	7.2%	12,035	14.2%	7.2%
MM IN	2,75,533	12.9%	1.9%	39,042	30.5%	-2.9%	49,310	14.1%	44.8%	38,409	13.2%	47.0%
MSIL IN	3,72,028	0.4%	4.7%	44,166	-7.7%	-1.9%	51,005	6.3%	8.8%	30,692	-17.4%	-15.9%
TTMT IN	10,14,500	-3.5%	-6.1%	1,16,710	-15.0%	-24.7%	56,210	-8.0%	-35.4%	28,560	-27.8%	-45.6%
TVSL IN	92,282	13.3%	10.2%	10,798	20.0%	12.5%	8,972	24.0%	14.6%	6,626	23.5%	14.8%

Source: Company, PL

\*Hyperlink on Bloomberg Code

## Exhibit 81: Conviction Picks Commentary

Name	Commentary
Maruti Suzuki	The higher penetration of SUVs is expected to help offset the pressures in the small car segment. Additionally, strong exports and increased exposure to hybrid and CNG models will continue to life ASP higher and profitability.
Mahindra & Mahindra	New launches gathering strong response from customers in terms of bookings as well enquiries shall lead the company to outperform its peers in terms of volume growth. Additionally, the positive impact of monsoon in the subsequent year shall aid its Tractors business
Eicher Motors	The company's new launches in India and international markets have garnered strong customer response, likely to boost volumes and improving mix of premium products driving ASP and revenue growth.

Source: PL

**Conviction Picks:**

ICICI Bank

HDFC Bank

## Banks

- Coverage banks saw a steady quarter as core PAT at Rs570.3bn was largely in-line. Core PPoP was 2.1% higher than PLe at Rs887bn as lower NII was offset by better fees, TWO recovery and opex; higher provisions dragged core PAT. BoB, ICICIB, HDFCB, FB and CUB were outliers on core PAT.
- Loan growth was soft at 3.0% QoQ and 12.6% YoY, tad lower than the system (12.9%), driven by muted loan growth for HDFCB at 7.0%. Among large banks, HDFCB, ICICIB and FB saw higher retail growth QoQ, while the rest witnessed superior corporate growth.
- System deposits grew by 11.7% YoY, and deposit accretion for covered banks was 4.3% QoQ and 11.9% YoY largely driven by TD (+15.6% YoY). CASA ratio fell QoQ to 37.6% from 38.3%. LDR for Q2FY25 declined by 101bps QoQ to 84.5% driven by HDFCB.
- NIM for coverage banks fell by 10bps QoQ to 3.52% (6bps lower than PLe) driven by HDFCB, BOB and IIB. Drivers for NIM dilution within large banks were (1) excess liquidity build-up for HDFCB, (2) impact of RBI circular on penal interest for BOB, and (3) reduction in MFI for IIB.
- Other income was a beat at Rs521bn due to higher treasury, fees and TWO recoveries (for PSUs). Fee income was 1.8% ahead at Rs363bn. Opex was lower at Rs830bn (1.9% beat) due to softer staff cost.
- Asset quality was mixed as GNPA reduced by 8bps QoQ to 1.92% due to lower slippages and higher write-offs, while provisions were a miss at 61bps (PLe 49bps) and increased by 12bps QoQ. Barring ICICIB, HDFCB and FB, all banks saw higher credit costs.

### Exhibit 82: Q2FY25 Result Snapshot

(Rs mn)	NII			Operating Profit			Adj. PAT		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<a href="#">AXSB IN</a>	1,34,832	9.5%	0.3%	1,07,125	24.1%	6.0%	69,176	18.0%	14.6%
<a href="#">BOB IN</a>	1,16,221	7.3%	0.2%	94,770	18.2%	32.3%	52,379	23.2%	17.5%
<a href="#">CUBK IN</a>	5,825	8.2%	6.8%	4,282	10.8%	14.6%	2,852	1.6%	7.8%
<a href="#">DCBB IN</a>	5,092	7.0%	2.5%	2,551	21.2%	24.2%	1,555	22.6%	18.4%
<a href="#">FB IN</a>	23,672	15.1%	3.3%	15,654	18.2%	4.3%	10,567	10.8%	4.7%
<a href="#">HDFCB IN</a>	3,01,139	10.0%	0.9%	2,47,057	8.9%	3.4%	1,68,210	5.3%	4.0%
<a href="#">ICICIB IN</a>	2,00,480	9.5%	2.5%	1,67,232	17.5%	4.4%	1,17,459	14.5%	6.2%
<a href="#">IIB IN</a>	53,473	5.3%	-1.1%	35,918	-7.4%	-8.5%	13,255	-39.2%	-38.4%
<a href="#">KMB IN</a>	70,196	11.5%	2.6%	50,993	10.6%	-2.9%	33,437	4.8%	-4.9%
<a href="#">SBIN IN</a>	4,16,195	5.4%	1.2%	2,92,937	50.9%	10.8%	1,83,314	27.9%	7.6%

Source: Company, PL *\*Hyperlink on Bloomberg Code*

### Exhibit 83: Conviction Picks Commentary

Name	Commentary
ICICI Bank	Core PPoP could see an upgrade due to NIM and opex; it is well poised to sustainably deliver core RoA of 2.1%.
HDFC Bank	Faster LDR reduction and higher liquidity would make the balance sheet stronger, while NIM could improve.

Source: PL

**Conviction Picks:**

Supreme Industries

## Building Materials

- **EBITDA margin stood at 11.9% vs. our estimates 13.9%:** In Q2FY25, aggregate revenue grew by 1.7% (PLe: +2.2%), whereas EBITDA/PAT declined by 20.6%/27.2% YoY in our coverage universe (PLe: -7.8/-11.8%), with the woodpanel & pipes segment underperforming and tiles segment reporting moderate growth in a challenging quarter. Plastic pipe coverage companies' volume grew by 2.0% YoY, CPBI plywood /MDF volume grew by 19.3%/75.2%, Greenpanel volume declined by 17.9% YoY, and Kajaria tiles volume increased 8.4% YoY (PLe: 7.0%). EBITDA margin of our coverage universe contracted by ~335bps to 11.7% on account of higher timber prices in the woodpanel segment, volatility in PVC resin prices in the plastic pipe segment, and increase in brass prices in the faucetware segment.
- **Plastic pipe reported poor volume:** Our plastic pipe universe sales volume grew 2.0% YoY (PLe: 8.9% YoY) mainly on account of destocking at the distribution level due to fluctuations in PVC resin prices. However, SI and Astral had indicated demand pick up in H2FY25 from plumbing & agriculture while reduction in the spending on infrastructure by government expected to impact growth. Plastic pipe companies' revenue declined by of 1.8% YoY led by poor volume growth. EBITDA margins contracted by ~280bps YoY to 12.1% (PLe: 13.9%) because of inventory loss and volatility in PVC prices. Finolex Ind. outperformed the sector with healthy volume growth of 10.2% YoY.
- **Tiles & bathware – soft performance:** Cera Sanitaryware (CRS) revenue increase by 6.4% YoY due to a soft demand and extended monsoon. EBITDA/PAT stood at -5.7%/+16.4%, due to increase in brass prices and higher discounts offered. KJC reported volume growth of 8.4% due to continued slowdown in demand. The tiles & bathware segment is anticipated to see a gradual increase in volume in H2FY25, driven by growing real estate demand.
- **Woodpanel – margin pressure continues:** CPBI outperformed the segment with better performance in plywood (revenue/volume up +20.9%/19.3% YoY) and MDF (revenue/volume up +36.4%/75.2% YoY). EBITDA margin contracted by ~510bps to 9.4%YoY (PLe: -12.4%) due to increase timber cost and correction in realization. Greenpanel delivered weak performance (revenue/PAT down 15.5%/54.9% YoY), due to rising domestic competition, impacting MDF realization. Further, exports were impacted by lower availability of containers and increase in freight cost.

**Exhibit 84: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
ASTRA IN	13,704	0.5%	-1.0%	2,101	-4.5%	-2.0%	1,488	-15.8%	-8.8%	1,087	-17.4%	-9.0%
CPBI IN	11,836	18.7%	17.7%	1,113	-22.9%	0.1%	580	-55.1%	-18.2%	400	-58.7%	17.2%
CRS IN	4,926	6.4%	22.9%	721	-5.7%	24.2%	765	-2.8%	20.1%	686	19.5%	44.6%
FNXP IN	8,284	-6.2%	-27.4%	106	-89.7%	-94.9%	600	-51.8%	-73.8%	407	-58.5%	-75.7%
GREENP IN	3,369	-15.5%	-7.7%	299	-56.8%	-17.1%	134	-75.9%	-37.3%	185	-54.9%	17.7%
KJC IN	11,793	5.1%	5.9%	1,589	-11.6%	-4.9%	1,235	-16.4%	-5.3%	872	-19.4%	-5.4%
SI IN	22,730	-1.5%	-13.8%	3,192	-10.4%	-17.6%	2,417	-18.2%	-24.3%	2,066	-15.0%	-24.4%

Source: Company, PL

\*Hyperlink on Bloomberg Code

Exhibit 85: Conviction Picks Commentary

Name	Commentary
Supreme Industries	SI has revised the guidance for volume growth to 16-18% for FY25 from 25%, due to volatility in PVC resin prices, low spending on infrastructure by governments and extended monsoon. To meet this revised guidance, the company must achieve a volume growth of 21-24% in H2FY25, and we believe, restocking at the distributor level with normalization in PVC resin prices and increase in infra spending from Gol in H2FY25, will drive volume. The company is likely to get orders for polyethylene pipes for gas piping systems from Q3FY25 and plans to launch ready-made windows by H1FY26.

Source: PL



**Conviction Picks:**

Triveni Turbine

Cummins India

Apar Industries

Bharat Electronics

## Capital Goods

- **Healthy quarterly performance** in our coverage universe with revenue growth of 17.7% YoY to Rs1.1trn (13.2% YoY ex. L&T) and EBITDA/Adj. PAT growth of 27.2%/27.6% YoY to Rs138.4bn/Rs90.6bn. Order inflow grew 6.7% YoY to ~Rs1.5bn largely driven by data centers, railways, thermal power, power T&D, renewable energy and O&G.
- **Product/consumables companies** reported healthy cumulative revenue growth (+13.8% YoY) led by robust domestic demand. Exports were largely impacted by heightened competition from China and geopolitical uncertainties while demand for power T&D equipment and turbines remained healthy. Overall exports are expected to recover in H2FY25. EBITDA margin improvement in most companies was aided by better product mix, operating leverage and better pricing. Order inflows were driven by sectors like data centers, T&D, O&G and industrial power generation.
- **Project companies** reported healthy cumulative revenue growth of 18.8% YoY (12.7% YoY ex. L&T) aided by healthy execution in Power T&D and infrastructure segments. L&T's adj. revenue growth of 21.9% YoY was largely driven by better execution in international markets. EBITDA margins for project companies largely improved during the quarter owing to benefits of operating leverage and better revenue mix.
- **Order enquiries/tendering pipeline** continue to remain healthy across areas such as power T&D, renewable energy, data centers, rail & metro, oil & gas, thermal power, biofuels, infrastructure and metals & mining in domestic market as well as in Middle East, Africa, Latin America and South East Asia.

**Exhibit 86: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
ABB IN	29,122	5.2%	2.9%	5,402	23.2%	-0.4%	5,973	23.4%	0.6%	4,405	21.7%	-0.5%
APR IN	46,445	18.4%	15.8%	3,565	2.7%	-5.3%	2,567	8.2%	-5.1%	1,939	11.5%	-4.3%
BHE IN	45,834	14.8%	9.2%	13,885	38.2%	48.2%	14,509	35.2%	39.9%	10,913	34.3%	40.6%
BEML IN	8,598	-6.2%	35.6%	730	23.5%	-245.5%	547	29.8%	-172.6%	539	4.1%	-176.5%
BHEL IN	65,841	28.5%	20.0%	2,750	-278.9%	-262.4%	1,319	-166.9%	-147.1%	967	-265.8%	-145.5%
CU IN	12,241	6.8%	2.2%	1,950	16.4%	0.7%	1,506	10.4%	3.3%	1,159	13.7%	2.6%
ENGR IN	6,889	-12.8%	10.4%	624	-36.7%	22.3%	991	-25.9%	25.0%	996	-21.8%	8.8%
GVTD IN	11,078	58.8%	15.6%	2,047	237.5%	12.3%	1,938	285.2%	7.7%	1,446	289.1%	7.5%
GWN IN	6,939	4.0%	-1.7%	1,292	-1.7%	-2.9%	1,275	-5.7%	2.0%	962	-5.6%	3.2%
HARSHA IN	3,526	3.9%	2.7%	418	18.7%	-24.2%	409	38.0%	-18.7%	290	42.0%	-19.7%
HNAL IN	59,763	6.0%	37.5%	16,400	7.4%	65.5%	20,048	21.7%	44.4%	15,061	21.8%	38.2%
KECI IN	51,133	13.7%	13.3%	3,202	16.7%	18.4%	1,135	72.5%	28.9%	854	53.0%	34.3%
KKC IN	24,923	31.2%	8.2%	4,810	42.1%	2.9%	5,944	39.4%	7.9%	4,506	37.2%	7.3%
KPIL IN	41,361	7.6%	11.1%	3,485	12.8%	11.2%	1,836	14.7%	11.9%	1,323	17.2%	13.4%
LT IN	6,15,546	21.9%	11.7%	63,620	24.3%	13.3%	55,551	24.0%	18.8%	33,953	20.1%	21.9%
PRJ IN	8,162	-7.5%	16.7%	941	20.9%	8.5%	744	-12.2%	-5.6%	538	-13.7%	-3.9%
SIEM IN	64,440	11.0%	23.8%	9,320	33.1%	34.8%	9,639	26.5%	27.7%	7,592	32.9%	31.9%
TMX IN	25,456	10.6%	16.5%	2,120	3.6%	50.2%	2,003	-8.0%	23.8%	1,479	-6.3%	27.7%
TRIV IN	5,011	29.2%	8.2%	1,114	49.8%	16.5%	1,241	49.2%	15.1%	909	41.5%	13.6%
VAMP IN	3,977	4.3%	-7.1%	750	9.0%	-1.1%	1,035	23.8%	2.2%	757	10.7%	-4.7%

Source: Company, PL

\*Hyperlink on Bloomberg Code

**Exhibit 87: Conviction Picks Commentary**

Name	Commentary
Triveni Turbine	We believe TRIV's prospects continue to remain strong due to 1) healthy enquiry pipeline across markets, 2) growing share of higher margin exports & aftermarket sales, 3) strong traction in both industrial & API drive turbines, and 4) robust order book with strong inflows across businesses.
Cummins India	We expect Cummins' outlook to remain intact given 1) strong domestic demand in Powergen across sectors with CPCB IV+ products witnessing traction, 2) improving margin profile and 3) ample room for growth in the Distribution business.
Apar Industries	We are positive on APR owing to of 1) robust T&D capex driving demand across segments, 2) focus on premium conductors in domestic market, 3) healthy traction in elastomeric cables used in renewables, defence and railways, and 4) market leadership in the growing T-oils business.
Bharat Electronics	We remain positive on long-term growth story of BEL given 1) strong order backlog & order pipeline 2) diversification in newer business verticals like, hydrogen fuel cell, EV batteries etc., 3) focus on export markets (Egypt, Malaysia etc.) and 4) govt's focus on product indigenization.

Source: PL

**Exhibit 88: Strong domestic demand led to cumulative order inflow growth of 6.7% YoY to Rs1.5trn**

Order Inflow (Rs mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY245	Q2FY25	YoY gr.	QoQ gr.
ABB	30,040	31,470	36,070	34,350	33,420	11.3%	-2.7%
Bharat Electronics	72,901	116,091	80,341	48,761	23,153	-68.2%	-52.5%
BHEL	178,790	25,690	418,590	94,880	315,990	76.7%	233.0%
Engineers India	11,442	6,371	3,597	23,791	27,577	141.0%	15.9%
KEC International	45,000	38,500	52,520	76,640	58,180	29.3%	-24.1%
Kalpataru Power Transmission	54,960	74,490	119,570	31,820	86,830	58.0%	172.9%
Larsen & Toubro	891,530	759,900	721,500	709,360	800,450	-10.2%	12.8%
Siemens	44,980	59,710	51,840	62,450	62,589	39.1%	0.2%
Thermax	19,730	25,060	23,090	25,690	33,530	69.9%	30.5%
Voltamp Transformers	2,825	4,890	4,740	6,390	3,697	30.9%	-42.1%
GE T&D India	10,816	23,681	13,349	10,290	46,824	332.9%	355.0%
Triveni Turbine	4,587	5,313	4,351	6,363	5,719	24.7%	-10.1%
Praj Industries	10,630	10,370	9,240	8,880	9,210	-13.4%	3.7%
BEML - Comprehensive	38,530	5,280	22,770	6,130	4,440	-88.5%	-27.6%
<b>Total</b>	<b>1,416,761</b>	<b>1,186,816</b>	<b>1,561,568</b>	<b>1,145,795</b>	<b>1,511,610</b>	<b>6.7%</b>	<b>31.9%</b>

Source: Company, PL



**Conviction Picks:**

*Ambuja Cement*

*ACC*

*Ultratech Cement*

## Cement

- Earnings of cement companies under coverage deteriorated further in Q2FY25 due to falling prices amidst monsoon quarter. The universe revenue declined 4% YoY as cement prices kept falling during the quarter. Volume grew just 4.5% YoY due to muted demand across geographies owing to various festivals affecting labor availability and delayed spending of governmental budgetary allocation. Heatwaves at start, excess monsoon in a few regions, and shortage of sand due to closure of ghats during monsoon also played spoilsport for construction activities. Recent channel checks, however, indicate a modest uptick in demand following good monsoon, with optimism surrounding the commencement of government projects.
- Average realization declined 2.2% QoQ as cement prices remained under severe pressure in Q2FY25. Price hikes could not be sustained due to tepid demand and overall slowdown in economic activities. Average Q2FY25 prices declined by Rs24/bag YoY. The most affected were DALBHARA and SRCM as prices weakened the most in their core East and South markets.
- Power and fuel costs softened further by 3% QoQ, driven by increased green energy share and soft pet coke prices.
- Freight costs/t remained muted due to reduction in lead distance. SRCM was the only company whose lead distance was up 1% QoQ. Freight costs/t declined the most for ACC and ACEM by 6% and 9% QoQ, respectively, due to improving plant network.
- EBITDA/t declined 22% QoQ to Rs673 for the universe due to lower NSR and weak operating leverage. Average EBITDA/t declined by Rs196 QoQ to Rs673. EBITDA for the coverage universe declined 24% YoY to Rs41.5bn.
- Capex plans of industry players remain on track, with market leaders adopting aggressive strategies to strengthen their market positions. Notably, ACEM and UTCEN have undertaken total 3 major inorganic acquisitions over the past 5 months. Brownfield expansion was subdued during the quarter, with a total of just 1.9mtpa added – 1mtpa by DALBHARA from our coverage universe and 0.9mtpa by TRCL.
- With the festive season and monsoon behind us, cement demand is expected to improve going forward, driven by GOI's focus on infrastructure and higher rural demand. Consequently, realizations are likely to improve, supported by anticipated price hikes as volumes pick up.
- We maintain a positive outlook on industry leaders (UTCEN and ACC/ACEM) taking into consideration their proactive capacity expansion plans, capacity share gains, and focus on cost optimization. Companies within the universe have reiterated their confidence in cost optimization and efficiency improvements, supported by the increasing share of green power in their energy mix. ACEM achieved ~Rs150/t of cost savings out of ~Rs500/t targeted by FY28E. NUVOCO's EBITDA/t is likely to improve by Rs75 led by the development of railway sidings and usage of WHRS. Share of RE in DALBHARA and SRCM is expected to reach 45% by the end of FY25 and 60% by Q1FY26, respectively.

**Exhibit 89: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<u>ACC IN</u>	46,135	4.0%	-10.5%	4,364	-20.6%	-35.7%	3,194	-38.3%	-34.2%	2,244	-42.2%	-37.9%
<u>ACEM IN</u>	40,752	2.7%	-9.8%	5,425	-29.9%	-16.0%	5,355	-39.1%	-31.0%	3,965	-38.4%	-31.3%
<u>DALBHARA IN</u>	30,870	-2.0%	-14.7%	4,340	-26.3%	-35.1%	730	-57.6%	-76.2%	460	-61.3%	-79.6%
<u>NUVOCO IN</u>	22,686	-11.8%	-14.0%	2,188	-33.7%	-36.3%	-1,176	297.3%	-2411.2%	-852	-5666.7%	-3098.9%
<u>SRCEM IN</u>	37,270	-18.3%	-22.9%	5,925	-31.9%	-35.3%	448	-92.5%	-87.2%	931	-81.0%	-70.7%
<u>UTCCEM IN</u>	1,49,052	-3.9%	-15.0%	19,327	-17.8%	-35.2%	9,819	-39.4%	-53.8%	7,969	-33.9%	-51.7%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Exhibit 90: Conviction Picks Commentary**

Name	Commentary
Ambuja Cement	In the past 2 years, ACEM has grown its capacity by 15%+ CAGR to 97mtpa through inorganic expansions. Ongoing projects will add 33mtpa by FY27E, targeting 140mtpa by FY28E, with a focus on maximizing throughput for above-industry volume growth. ACEM targets cost savings of ~Rs500/t by FY28E through initiatives like 1) increasing green power mix, 2) utilizing captive coal mines, 3) securing long-term raw material supplies, and 4) enhancing logistics with more railway wagons and an expanded plant network.
ACC	With Adani Group's execution capabilities, we expect faster capacity additions and higher capex on efficiency improvements at ACC. WHRS projects at various clinker units and 100MW solar capacity will drive cost reductions over the next 2 years, while upgrades to older plants could deliver an Rs400-500/t EBITDA improvement.
UltraTech Cement	With high-cost fuel contracts expiring, UTCCEM's power & fuel costs are expected to decline over the next few quarters. Once its 16mtpa capacity is commissioned in FY25E, we anticipate UTCCEM to grow faster than the industry as demand recovers. Cost efficiencies are expected to improve over the next few years, driven by a higher green power mix, increased AFR %, improved blending ratio, and higher volumes, which will enhance operating leverage.

Source: PL

**Conviction Picks:**

*Fine Organic Industries*

*Vinati Organics*

*Navin Fluorine International*

## Chemicals

- **YoY performance improved, although there was sequential decline:** Chemical companies under our coverage showed a YoY growth due to lower base in FY24, while most of the companies under our coverage showed a sequential decline or modest improvement in performance. Low price inventory is no longer an issue for most of the companies. Although realizations remained stable sequentially, they were much lower than the historical higher realization. Pricing pressure is expected to continue, as low price dumping from China remains a major concern for many companies. For Q2FY25, the chemical companies under our coverage reported an aggregate sale of Rs123bn, reflecting a 2% decline QoQ but a 13% increase YoY. The aggregate EBITDA stood at Rs20bn, down 5% QoQ but increased 7% YoY. The aggregate EBITDAM came in at 18.7%, marking a decline of 50bps QoQ and 20 bps YoY. Among the companies, Laxmi Organics reported the lowest EBITDAM at 9.7%, while Clean Science recorded the highest margins at 37.7%.
- **Volume growth visible across the sector:** Management across most companies indicated that despite ongoing pricing pressures, they have seen an improvement in volumes and expect growth momentum to continue in H2FY25. Agrochemical-focused companies remain uncertain about demand revival and anticipate poor sector performance at least until end of FY25. Many companies expect H2FY25 to be better than H1FY25.
- **Competition from China to continue:** Companies like NOCIL, Laxmi Organics, SRF, Aarti Industries, Deepak Nitrate and Jubilant Ingrevia continue to face threat from Chinese competition, impacting both prices & volumes.
- **CAPEX Announcements:** Jubilant Ingrevia received an USD300mn multi-year contract for agrochemical intermediate. Deepak Nitrate announced a capex of Rs50bn to manufacture polycarbonate resins. Fine Organic announced a capex of Rs7.5bn to set up a new manufacturing plant at the SEZ land recently allocated to the company. Clean Science announced Rs1.5bn capex for a water-treatment performance chemical to be commercialized in Dec'25, in addition to Rs1.5bn capex announced for another performance chemical last quarter. Gujarat Fluorochemicals has guided cumulative capex for battery chemical segment is expected to be Rs50bn by FY27 and Rs60bn by FY28. Laxmi Organics announced Rs914mn capex to set up 70ktpa n-butyl acetate plant to be operational in Q4FY26 and Rs905mn capex to expand ethyl acetate capacity by 70ktpa. SRF Rs11bn capex to establish next-generation refrigerants and Rs4.45bn capex to establish a hybrid BOPP-BOPE film line in India.

## Exhibit 91: Q2FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
ARTO IN	16,280	12.0%	-12.2%	1,960	-16.2%	-35.9%	310	-62.7%	-78.8%	510	-44.6%	-63.0%
CLEAN IN	2,381	31.5%	6.3%	897	19.8%	-5.3%	832	19.8%	-6.2%	587	12.6%	-10.8%
DN IN	20,320	14.3%	-6.2%	2,975	-1.6%	-3.8%	2,640	-4.7%	-3.9%	1,942	-5.3%	-4.1%
FINEORG IN	5,955	26.2%	17.1%	1,429	36.9%	17.4%	1,518	42.7%	13.5%	1,131	42.5%	14.3%
FLUOROCH IN	11,880	25.5%	1.0%	2,950	80.9%	12.6%	1,720	129.8%	15.4%	1,210	129.5%	12.0%
JUBLINGR IN	10,452	2.5%	2.0%	1,246	5.9%	13.7%	804	0.8%	21.8%	590	2.6%	21.1%
LXCHEM IN	7,713	18.2%	7.4%	747	91.8%	4.9%	462	163.8%	-14.3%	281	161.5%	-18.1%
NFIL IN	5,186	9.9%	-1.0%	1,074	9.2%	7.0%	768	-0.6%	12.4%	588	-2.9%	14.9%
NOCIL IN	3,627	3.4%	-2.5%	378	-16.5%	-7.9%	323	-11.5%	-12.1%	421	55.2%	55.7%
SRF IN	34,243	7.8%	-1.1%	5,380	-14.1%	-10.8%	2,837	-31.6%	-17.5%	2,014	-33.0%	-20.1%
VO IN	5,533	19.5%	5.4%	1,340	27.9%	7.1%	1,357	39.6%	18.7%	1,061	46.4%	23.5%

Source: Company, PL \*Hyperlink on Bloomberg Code

## Exhibit 92: Conviction Picks Commentary

Name	Commentary
Fine Organic Industries	Fine Organics, the only established oleo chemical manufacturer in India and among the top 5-6 globally, holds a significant competitive advantage with its unique product portfolio. Fine has seen continuous improvement in its export volumes as global demand for its product portfolio is high. The company has announced Rs7.5bn capex to establish a new greenfield manufacturing facility. We believe the upcoming facility will be a key driver of future growth for the company and is expected to have a peak revenue Rs22bn at 3x asset turnover and will start contributing to topline majorly from FY28 .
Vinati Organics	Management has maintained guidance of 20% revenue growth in FY25. ATBS which is the key products for the company (30-35% of the total revenue) is expected to rise as Oil and gas companies are focusing more on Enhanced Oil Recovery (EOR) rather than drilling in new fields and it also finds application in water treatment. The company is expanding its ATBS capacity from 40,000mtpa to 60,000mtpa which is expected to commission in H2FY25. Antioxidants segment revenue, which is expected to double in FY25 from Rs1.3bn in FY24, has already done Rs1bn in H1FY25. New antioxidants are expected to be launched in H2FY25. New products such as MEHQ and Guaiacol will start contributing from FY26.
Navin Fluorine International	Navin Fluorine guided strong order visibility in H2FY25 and FY26 and aims to double revenue by FY28. HFO plant is operating at optimal utilization as well as R32 demand continues to remain strong. Expansion of R-32 capacity on track for commissioning in Feb' 25. Specialty segment continue to remain soft but there is strong order visibility going ahead. Navin's CDMO vertical, which underperformed in FY24 due to deferred sales of key molecules, has shown improvement in H1FY25. This segment has strong order book position for H2FY25 and USD100mn revenue target for FY27.

Source: PL

**Conviction Picks:**

*Titan Company*

*Britannia Industries*

## Consumer

- Consumption across FMCG, QSR and retail remained tepid due to jump in food inflation and prolonged rains. All hopes rest on festival and wedding season demand, even as full impact of food inflation is yet to play out fully. Aggregate sale grew 5.4% YoY whereas EBIDTA and PBT de-grew by 2.9% & 4.1% YoY.
- FMCG** universe earnings missed estimates due to dual impact of demand slowdown across urban & metro cities and escalating input cost inflation. Rural demand continued to improve steadily & outpaced urban growth. BRIT, MRCO, CLGT and PIDI outperformed in volume terms.
- Paint** companies reported muted quarter with tepid volumes and margin pressure. APNT reported decline in volumes by 0.5% while most others reported 3-4% volume growth. Industrial Paints supported demand with growth across automotive & general Industrial paints. Birla Opus's entry impact is yet to play out fully as we expect competitive intensity to remain high.
- QSR** - All players except Jubilant Foodworks reported negative SSG amidst heightened competition and sustained impact of geopolitical issues. Demand trends in 3Q are critical due to expectations around festival/wedding season and cricket world cup boost in the base Qtr.
- Retail** companies reported poor sales growth amid tepid demand environment across Jewellery, Apparel and footwear. However, sales of plain gold saw a bump up as consumers flocked to purchase Gold as sharp cut in import duty cooled off prices for a while.

**Exhibit 93: Q2FY25 Result Snapshot**

(Rs mn)	Vol. Gr. (%)		Sales		EBITDA			PBT			Adj. Pat		
	Q2FY25	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
APNT IN	-0.5	80,275	84,786	-5.3%	-10.5%	12,395	-27.8%	-26.8%	11,081	-31.7%	-29.3%	9,111	-24.4%
BRIT IN	8.0	46,676	44,329	5.3%	9.8%	7,834	-10.2%	3.9%	7,187	-10.1%	1.7%	5,317	-9.3%
CLGT IN	8.0	16,191	14,711	10.1%	8.2%	4,974	3.2%	-2.2%	4,740	3.5%	-2.2%	3,530	3.8%
DABUR IN	-7.5	30,286	32,038	-5.5%	-9.6%	5,526	-16.4%	-15.6%	5,457	-16.2%	-15.1%	4,175	-17.7%
DMART IN		144,445	126,244	14.4%	2.7%	10,938	8.8%	-10.4%	9,032	6.0%	-14.3%	6,596	5.8%
HMN IN	1.7	8,906	8,649	3.0%	-1.7%	2,505	7.2%	15.7%	2,251	14.6%	24.7%	2,127	18.2%
HUVR IN	3.0	155,080	152,760	1.5%	1.1%	36,470	-1.3%	1.1%	35,520	-2.3%	2.1%	26,110	-2.1%
ITC IN	3.3	193,277	165,501	16.8%	13.7%	63,352	4.9%	0.6%	67,547	3.7%	3.1%	50,795	3.1%
JUBI IN	11.4	14,669	13,448	9.1%	1.9%	2,842	1.3%	2.2%	698	-27.5%	2.1%	521	-27.8%
METROBRA IN		5,855	5,557	5.4%	1.6%	1,548	-0.4%	-14.2%	939	-0.8%	-23.6%	698	4.6%
KNPL IN	4.0	18,638	18,456	1.0%	-9.1%	2,150	-20.3%	-35.7%	1,921	-21.2%	-40.6%	1,302	-27.6%
MRCO IN	5.0	26,640	24,760	7.6%	0.8%	5,220	5.0%	-16.6%	5,100	7.1%	-15.7%	3,880	7.8%
MTEP IN	6.9	1,913	1,704	12.3%	-2.8%	336	4.4%	-6.0%	187	-12.3%	-15.8%	141	-10.0%
NEST IN		51,040	50,368	1.3%	6.0%	11,677	-5.0%	5.9%	10,208	-8.8%	2.4%	7,595	-5.7%
PIDI IN	8.1	32,349	30,760	5.2%	-4.7%	7,688	13.1%	-5.4%	7,263	16.6%	-5.7%	5,403	17.8%
RBA IN		4,922	3,698	33.1%	0.3%	701	46.4%	11.9%	-165	47.1%	-38.6%	-165	47.1%
TTAN IN	8.0	111,450	116,600	-4.4%	-7.5%	11,030	-18.6%	-8.9%	10,240	-18.8%	0.3%	7,770	-17.3%
WESTLIFE IN	-6.5	6,180	6,147	0.5%	0.6%	760	-22.6%	-1.1%	7	-97.7%	-74.2%	4	-98.4%

Source: Company, PL \*Hyperlink on Bloomberg Code

## Exhibit 94: Conviction Picks Commentary

Name	Commentary
Titan Company	Margins near bottom across segments, We expect recovery in demand in 2H led by wedding & festive season coupled with recent fall in gold prices. We expect TTAN's expansion strategy in Tier2/3 cities will help gain market share from unorganized segment. We estimate 16.6%/18.2% Sales/EPS CAGR over FY24-27.
Britannia Industries	BRIT's long term drivers remain intact given 1) Sustained leadership in Biscuits and Bakery 2) No incremental threat from B2C players in its business as this market segment always had large number of local, and regional players 3) innovation pipeline remains strong with 4 new launches 4) cost saving and GTM initiatives are on track. We estimate just 2.3% EPS growth in FY25 but 13.4% PAT CAGR over FY25-27. We believe BRIT provides an attractive entry price post 22% correction from recent high.

Source: PL

**Conviction Picks:**

Crompton Greaves Consumer  
Electricals

Polycab India

## Consumer Durables

- **Revenue better than estimates, margins contract:** Aggregate sales / EBITDA / Adj PAT in our coverage universe grew 17.2% /6.5% /12.6% YoY (PLe: 11.5%/14.5%/20.1% YoY), led by healthy growth in revenue, largely from the UCP and C&W segments, which grew by 27.3% and 20.4% YoY, respectively. FMEG segment grew by 10.6% YoY (PLe: 7.0%). Bajaj Electricals and RR Kabel were the major underperformers in our coverage universe, reporting EBITDA/PAT decline of 31.4%/52.6% and 29.0%/33.2% YoY, respectively. Voltas and Crompton outperformed on profitability, with YoY growth of 265.3% and 27.0%, respectively. Both companies reported better-than-expected EBITDA and PAT.
- **C&W continues to grow, while margins contract:** Polycab/Havells/KEI/RR Kabel reported 23.2% /22.8% /20.0%/11.1% YoY growth in W&C segment with EBIT margin change of -240bps/-300bps/-35bps/-410bps. The C&W segment reported healthy revenue growth because of strong growth momentum in the domestic institutional business, while margins were impacted by fluctuations in RM prices and product mix changes. However, strong demand is expected to continue from the real estate and infrastructure sectors, as well as from export opportunities.
- **FMEG growth driven by appliance & pump segment:** Havells/Crompton/Polycab/RR Kabel/Bajaj reported revenue growth of 13.9%/11.5%/20.5%/24.1%/flat YoY. Overall coverage segment reported 10.6% YoY growth, driven by: 1) sustainable growth in fans led by strong performance in non-ceiling fans, 2) new product launches across various segments, 3) healthy growth in appliances led by robust performance in e-com and modern trade channels, and 4) increased distribution and advertising expenses.
- **RAC delivers strong growth in a seasonally weak quarter:** Voltas reported robust volume growth in the UCP segment (45% YoY), mix of primary & secondary sales, resulted normalized channel inventory and sustained its market share in the RAC segment (exit market share 21.2%). Havells' Lloyd reported revenue growth of +18.5% YoY.

**Exhibit 95: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<u>BJE IN</u>	11,183	0.5%	-3.2%	516	-11.1%	-31.6%	147	-70.8%	-61.6%	129	-65.9%	-54.1%
<u>CROMPTON IN</u>	18,960	6.4%	-11.3%	2,034	16.6%	-12.5%	1,707	25.8%	-16.1%	1,249	28.5%	-17.7%
<u>HAVL IN</u>	45,393	16.4%	-21.8%	3,751	0.5%	-34.5%	3,633	8.3%	-33.8%	2,678	7.5%	-34.3%
<u>KEI IN</u>	22,796	17.1%	10.6%	2,206	8.2%	2.8%	2,079	10.3%	2.5%	1,548	10.4%	3.0%
<u>POLYCAB IN</u>	54,984	30.4%	17.0%	6,316	3.7%	8.3%	5,903	6.0%	10.7%	4,398	3.3%	11.1%
<u>RRKABEL IN</u>	18,101	12.5%	0.1%	858	-29.0%	-9.7%	599	-42.9%	-30.1%	495	-33.2%	-23.1%
<u>VOLT IN</u>	26,191	14.2%	-46.8%	1,622	130.8%	-61.7%	2,377	101.2%	-50.6%	1,340	265.3%	-59.9%

Source: Company, PL

\*Hyperlink on Bloomberg Code



**Exhibit 96: Conviction Picks Commentary**

Name	Commentary
Crompton Greaves Consumer Electricals	Crompton 2.0 continues to deliver results, reporting 5th consecutive quarter of double-digit revenue growth with healthy margin in Q2FY25. The company aims to continue sustainable growth through volume & price hikes, and EBITDA margin is expected to be in the 10-12% range over the coming years. The company continued to see momentum in channel expansion (alt channel grew by 21% YoY), A&P spends (+69% YoY), and new product launches with increasing premium portfolio and corrective price actions. We estimate revenue/EBITDA/ PAT CAGR of 12.8%/20.3%/25.0% over FY24-27E.
Polycab India	Polycab is expected to continue to witness healthy W&C revenue growth with stability in commodity prices, pick-up in government spending, continued investments by private players and robust real estate offtake. In W&C, wires growth outpaced cables, while higher competitive intensity and higher institutional business against distribution business, impacted margins in H1FY25, which is expected to improve with demand. Polycab targets to achieve Rs200bn revenue by FY25 under Project LEAP, which is likely to be achieved sooner than targeted. We expect revenue/EBITDA/PAT CAGR of 17.5%/17.1%/15.5% over FY24-27E.

Source: PL

**Conviction Picks:**

*S Chand & Company*

## Education

- Both Navneet Education (NELI) and S CHAND reported weak set of numbers in a seasonally weak quarter. While NELI's performance was impacted by pricing pressure in stationary and publishing division, S CHAND's EBITDA loss widened due to higher than expected other expenses. On the other hand, DOMS reported strong performance aided by capacity expansion, introduction of new SKUs and consolidation of Uniclax.
- DOMS:** DOMS reported strong operational performance in 2QFY25 with EBITDA margin of 18.8% due to increase in ASP's and accrual of operating leverage benefits arising from rising scale. However, operational performance in 2HFY25 will be under radar as Uniclax's consolidation is likely to be margin dilutive. Led by the ongoing the expansion of product basket and distribution network, we expect sales and PAT CAGR of 28% over FY25E-FY27E. DOMS trades at 62x/49x our FY26E/FY27E and earnings surprise will be a key lever for re-rating. Retain BUY with a TP of Rs3,337.
- Navneet Education:** NELI reported weak set of numbers with revenue miss of 5% as publishing and domestic stationary business suffered due to fall in realizations. The publishing business is facing near term growth challenges due to increase in usage of 2<sup>nd</sup> hand books while rising competitive intensity is hurting the prospects of domestic stationary segment. Though ~15 subjects from Grade 1 to 4 in Gujarat are likely to undergo a curriculum change in FY26E, we believe material volume delta will accrue only when higher grades witness a syllabus change. We expect sales/PAT CAGR of 11%/18% over FY25E-FY27E and retain HOLD on the stock with a TP of Rs139.
- S Chand:** In a non-seasonal quarter, GM improved to 53.1% aided by content licensing partnership. Adoption rate for new books has been low as NCERT has announced new syllabus only for grades 3 & 6 till now. We expect further announcements for additional grades during the year, which is likely to result in higher adoption rate of new books. For FY25E, management is guiding for a double digit growth in top-line with EBITDA margin of 17-19%. S Chand trades at attractive valuation of 7.9x/7.5x our FY26E/FY27E EPS estimates and we maintain BUY with a TP of Rs322.
- Despite delay in NEP implementation, we expect strong growth for S Chand over next 2 years as adoption rate of new syllabus books is likely to rise. However, for Navneet, near-term prospects appear challenging given growth headwinds in both publishing and stationary division. In case of DOMS, margin trajectory and growth in core stationary business will be keenly eyed in the near term.

### Exhibit 97: Q2FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
NELI IN	2,718	2.3%	-65.9%	26	-159.3%	NA	-60	-70.8%	NA	-49	NA	NA
SCHAND IN	374	-1.5%	-66.2%	-574	15.3%	NA	-676	6.5%	NA	-517	28.2%	NA

Source: Company, PL \*Hyperlink on Bloomberg Code

### Exhibit 98: Conviction Picks Commentary

Name	Commentary
S Chand & Company	Implementation of NEP will result in strong growth for next 2-3 years. Further, core business is now on a path of sustained profitability with sharp improvement in BS and NWC metrics. We expect sales/PAT CAGR of 12%/18% over FY25E-FY27E and maintain 'BUY' on the stock with a revised TP of Rs322 (12x Sep-26 EPS).

Source: PL

**Conviction Picks:**

HCL Technologies

Infosys

LTIMindtree

## Information Technology

- Q2FY25 saw further recovery in the operating performance (Tier-1 and Tier-2) of IT services companies with median sequential growth of 2.0% CC (vs 1.2% in Q1). Reported USD growth also improved (2.6% QoQ & 4.3% YoY), aided by currency tailwinds.
- Tier-2, with 2.9% QoQ CC revenue growth, outpaced Tier-1, at +1.4% QoQ CC.
- BFS growth momentum continues, while other verticals are yet to achieve stability.
- Volatility within segments seems to have subsided with broad-based recovery continuing for the second consecutive quarter, but heavy-asset-oriented and consumer-centric verticals were soft for a few companies.
- Operating margin was flat (+10bps QoQ) at 19.6%, with Tier-1 improving by 20bps, while Tier-2 declining 30bps.
- Although margin recovery in Q2 was fairly above our estimates, anticipated softness with deferral of wage hikes to H2 (for a few names), and fully optimized levers provide limited room for further improvement in FY25.
- Deal TCV (Tier-1 + Tier-2) during the quarter was relatively flat at ~USD20bn (down 3.5% QoQ). Elongated decision cycle and continued scrutiny on large transformation deals are leading to delays in closure.
- Net headcount addition turned positive after 7 quarters with Q2FY25 net headcount addition coming to 18.3k.

### Exhibit 99: Q2FY25 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
CYL IN	18	4.0%	10.3%	2	-11.3%	15.7%	3	3.1%	30.6%	2	-2.2%	24.7%
HCLT IN	289	8.2%	2.9%	54	8.7%	11.8%	57	10.9%	-0.4%	42	10.5%	-0.5%
INFO IN	410	5.1%	4.3%	86	4.5%	4.4%	93	5.5%	2.6%	65	5.0%	2.3%
LTIM IN	94	5.9%	3.2%	15	2.5%	6.4%	17	11.0%	10.6%	13	7.7%	10.2%
MPHL IN	35	7.9%	3.3%	5	7.4%	6.0%	6	7.8%	4.7%	4	8.0%	4.6%
PSYS IN	29	20.1%	5.8%	4	22.8%	5.8%	4	22.1%	8.5%	3	23.4%	6.1%
TCS IN	643	7.7%	2.6%	155	6.8%	0.1%	160	4.6%	-1.2%	119	5.0%	-1.1%
TECHM IN	133	3.5%	2.4%	13	36.1%	16.2%	17	54.7%	45.4%	13	27.8%	46.8%
WPRO IN	223	-1.0%	1.5%	37	11.4%	3.0%	43	21.9%	6.4%	32	21.3%	6.8%

Source: Company, PL

\*Hyperlink on Bloomberg Code

### Exhibit 100: Conviction Picks Commentary

Name	Commentary
HCL Technologies	Strong H1 narrows lower-end of the guidance from 3-5% to 3.5-5%, further de-risking to achieve growth at the up-end of the band
Infosys	Pick up discretionary spending in FS and traction in sub US\$ 50 mn deals indicate demand recovery. Guidance for FY25 increased further to 3.75-4.5% in CC terms (3-4% earlier)
LTIMindtree	Deal wins was steady at US\$ 1.3 bn incl. a large deal of US\$ 200 mn TCV (its largest deal till date). Healthcare reported robust growth while BFSI sustained its momentum.

Source: PL

**Conviction Picks:**

Max Healthcare Institute

Krishna Institute of Medical Sciences

Aster DM Healthcare

## Hospitals

- As expected, Q2, a seasonally strong quarter for hospital companies, leading to increased occupancy QoQ. Hospital companies under PL coverage experienced robust EBITDA growth of 23% YoY and 18% QoQ. Adjusted for 24x7 losses in APHS and EBITDA growth for our coverage universe was at 18% YoY and ~17% QoQ.
- Hospital companies reported healthy revenue growth of 15% YoY driven by higher ARPOB. Overall occupancy improved between 500 and 1050bps QoQ for our coverage except for HCG; which remained flat QoQ.
- ARPOB remains stable QoQ due to lower surgical volumes, as higher footfalls from seasonal acute infections offset impact. Companies like KIMS have seen sharp increase in ARPOB due to reduction in ALOS and change in case mix. International patient revenues impacted by political unrest in Bangladesh, affected footfalls for some coverage companies such as MAXHEALTH, APHS, NARH and HCG in Q2. Most companies international patient revenues remain below pre-COVID levels.
- Management have guided for flat to moderate ARPOB increase in FY25 compared to previous 2 years. As price increases in the insurance segment were already factored in during FY23 and FY24, ARPOB growth is expected to remain moderate in FY25.
- Expansion and capex plan for companies like MAXHEALT, APHS, ASTERDM, FORH, KIMS and NARH is largely on track. Given a strong cash flow generation; companies will continue to explore inorganic and greenfield expansion. We remain structurally positive on hospitals space over medium term and expect momentum to continue with improvement in occupancy, better case - payor mix and new capacity additions.

### Exhibit 101: Q2FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
APHS IN	55,893	15.3%	9.9%	8,155	30.0%	20.8%	5,517	47.1%	31.8%	3,788	64.0%	24.1%
ASTERDM IN	10,864	16.3%	8.4%	2,227	50.5%	34.2%	1,642	144.6%	31.3%	968	94.2%	32.0%
FORH IN	19,884	12.3%	7.0%	4,348	31.7%	27.0%	3,166	39.0%	38.2%	1,765	1.6%	6.4%
HCG IN	5,535	13.7%	5.3%	1,023	20.8%	12.5%	277	54.4%	45.7%	180	32.6%	48.9%
JLHL IN	3,226	22.6%	12.3%	750	22.9%	17.4%	689	63.5%	14.6%	515	52.9%	15.5%
KIMS IN	7,773	19.1%	12.9%	2,181	23.0%	21.6%	1,622	17.0%	27.6%	1,074	16.7%	24.0%
MAXHEALT IN	21,250	22.7%	9.8%	5,660	13.7%	13.4%	4,640	0.4%	15.7%	3,490	-0.9%	18.3%
NARH IN	14,000	7.3%	4.4%	3,084	0.1%	1.5%	2,318	-6.7%	0.0%	1,990	-12.3%	-1.3%

Source: Company, PL \*Hyperlink on Bloomberg Code

### Exhibit 102: Conviction Picks Commentary

Name	Commentary
Max Healthcare Institute	Strong quarter aided by ramp up in new units. Occupancy was improved QoQ and ARPOB growth was in lower single digit YoY. Expansion plan is largely on track where +3500 beds will be operational by end of FY27E. Growth will be aided from expansion and ramping up of newly operationalized Dwarka, Lucknow and Nagpur units.
Krishna Institute of Medical Sciences	Reported robust EBITDA growth of 27% YoY. 23% YoY ARBOB growth was strong in Q2 (Rs38,263/day) aided by rate revision and insurance renewal, case mix and lower ALOS. Nashik and Vizag got commercialized in Q2. New leadership team hiring across Karnataka and Kerala cluster provides comfort for faster ramp up in these clusters. Comfortable net Debt to EBITDA at ~2x.
Aster DM Healthcare	Strong quarter led by higher ARPOB growth, improved margins and strong performance across clusters. Mgmt reiterated consolidated margin target of 20% at consol level in the next 3 years and guided ARPOB growth of 7-8% YoY. Expansion plan of 1,800 beds (46% is brownfield expansion) with capex requirement of Rs 14.5bn.

Source: PL

**Conviction Picks:**

Can Fin Homes

## HFCs

- Our coverage HFCs saw a mixed quarter. While AuM growth was largely in-line, NII/NIM was below PLe (due to LICHF/AAVAS), leading to a miss on PPoP. However, PAT was higher as provisions were lower for LICHF.
- AuM growth was a slight beat at 7.0% YoY. Disbursals were a tad higher at Rs201.5bn (PLe Rs200.5bn) due to jump in developer disbursals for LICHF. Repayments were lower at Rs126.4bn (PLe Rs139.2bn).
- NII at Rs25.6bn was a 3.6% miss as NIM was lower at 3.02% (PLe 3.14%) driven by (1) LICHF's focus on growth, leading to credit flow at lower yields and (2) slower yield repricing for AAVAS. CANF reported better-than-expected NIM due to favorable loan yields and funding cost.
- Other income was a beat at Rs1.76bn. Opex was higher at Rs5.1bn (PLe Rs4.9bn) due to increased staff cost & other opex for LICHF. PPoP at Rs22.2bn was 3.2% below PLe led by softer NII.
- Lower provisions at Rs0.96bn (PLe Rs3.7bn) were mainly led by improved asset quality for LICHF; provision cost was lower at 11bps (PLe 44bps). Overall PAT at Rs16.9bn was 10.2% ahead of PLe (led by LICHF).
- Stage-3 was better at 2.72% (PLe 2.91%) due to improved Stage-3 for LICHF; AAVAS saw an increase in Stage-3 by 7bps QoQ.

### Exhibit 103: Q2FY25 Result Snapshot

(Rs mn)	NII			Operating Profit			PAT		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<a href="#">AAVAS IN</a>	2,418	8.8%	-1.1%	1,948	19.5%	14.9%	1,479	21.5%	17.3%
<a href="#">CANF IN</a>	3,398	7.3%	5.7%	2,878	6.5%	3.0%	2,115	33.8%	5.9%
<a href="#">LICHF IN</a>	19,739	-6.3%	-0.8%	17,417	-8.3%	-1.7%	13,289	11.9%	2.2%

Source: Company, PL \*Hyperlink on Bloomberg Code

### Exhibit 104: Conviction Picks Commentary

Name	Commentary
CanFin Homes	With AUM projected to clock a CAGR of 13.7% over FY24-27E, CANF looks positive with upside risks to growth due to renewal of CLSS and focus on SENP. Valuation is attractive at 1.9x FY26E. We retain 'BUY' with TP at Rs1,000.

## Logistics

- Our logistics coverage universe reported a muted performance in 2QFY25. While TCI Express' volume growth was down for 2<sup>nd</sup> quarter in a row, Delhivery's express parcel volume growth has stagnated since last 3 quarters. As far as Mahindra logistics is concerned, profitability challenges in the B2B express business continued.
- Delhivery:** Delhivery reported weak operational performance in 2QFY25 with EBITDA margin of 2.6% as performance in the B2C segment was impacted by capacity expansion ahead of the festive season and losses in the SCS segment. Since 4QFY24, Delhivery's B2C volumes have struggled and growth from hereon will hinge on consumption recovery. Further, in order to cater to the Q-com market, the company plans to launch an intra-city rapid delivery product. We put our recommendation and TP, "Under Review" temporarily and shall revisit our rating soon.
- TCI Express:** TCI Express reported modest operational performance with EBITDA margin of 12.2% led by 1) weak demand as evident from capacity utilization of 83%, 2) inflation in transportation costs and 3) longer delivery lead time amid heavy monsoons. We expect the demand environment to improve with a double-digit volume growth in FY26E resulting in revenue/PAT CAGR of 13%/30% over FY25E-FY27E. We maintain ACCUMULATE with a TP of Rs1,119 (28x FY26E EPS).
- Mahindra Logistics:** Mahindra Logistics Ltd's (MLL) operating performance was lower than our estimate with an EBITDA margin of 4.4% led by 1) unabsorbed white space of 1.1mn sqft, 2) additional hit of Rs30-40mn coming from hiring 6,900 contractual employees due to seasonality, and 3) losses of Rs242mn in B2B express segment. While unabsorbed white space would come down as demand revives, delay in break-even timeline within the B2B express segment is a concern. Incremental volume of 35-40% is required to achieve break-even, which may be challenging in the near term. Retain HOLD on the stock with a TP of Rs493 (39x FY26E EPS).

Exhibit 105: Q2FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
DELHIVER IN	21,897	12.8%	0.8%	573	-467.3%	-41.0%	151	-114.3%	-74.6%	102	-109.9%	-82.9%
MAHLOG IN	15,211	11.5%	7.1%	664	23.9%	0.2%	-50	-39.2%	98.8%	-107	-32.5%	15.3%
TCIEXP IN	3,115	-2.7%	6.3%	381	-24.5%	13.5%	350	-25.8%	14.8%	263	-26.0%	13.8%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Conviction Picks:**

*Imagicaaworld Entertainment*

## Media & Entertainment

- **Media:** Within our media universe, PVR-Inox reported better than expected performance in 2QFY25 led by healthy BO collections from Stree-2. Even ZEEL's operating performance was better than our estimate with EBITDA margin of 16.0% aided by cost optimization efforts and narrowing losses in ZEE5.
- **Entertainment:** In our entertainment universe, Nazara reported a muted performance amid rising growth challenges within Early Learning, Real Money Gaming and Ad-Tech segments. Nonetheless, a new leg of inorganic growth journey has begun with acquisition of PokerBaazi, Freaks 4U Gaming and Fuse-Box Games, which should drive growth from here on. Imagicaaworld Entertainment Ltd (IEL) reported weak performance in seasonally weak quarter. However, we believe IEL is on a strong growth path led by consolidation of promoter owned parks at Lonavala & Shirdi, while organic growth will be driven by launch of new parks in Indore & Ahmedabad.
- **PVR-Inox:** PVR-Inox reported better than performance in 2QFY25 with pre-IND AS EBITDA margin of 11.5% led by better cost control and strong performance from Stree-2. We believe PVR-Inox is in reset mode, where the focus is on rationalizing cost, reducing capex and debt, which should yield results once content flow stabilizes. Retain HOLD with a TP of Rs1,598 (12x Sep-26E EBITDA).
- **ZEEL:** ZEEL reported better than expected performance with EBITDA margin of 16.0% led by cost optimization efforts and narrowing losses in ZEE5. We believe benefit of cost rationalization is partly overshadowed by a weak operating environment as evident from decline in domestic ad-revenue since 2QFY23 barring one quarter. While cost frugality is commendable, recovery in ad-environment is critical for re-rating. Retain HOLD with a TP of Rs147 (11x Sep-26 EPS).
- **Nazara Technologies:** The organic growth of Nazara has been under pressure since last 2-3 quarters amid ongoing challenges in Ad-Tech (loss of a large client), Kiddopia (subscriber loss since last 6 quarters), and Real Money Gaming (GST levy of 28% on full bet value). However, a new leg of inorganic growth journey has started with the acquisition of Freaks 4U, PokerBaazi, and Fuse-Box Games. Further, margin trajectory is also expected to improve amid measured approach on new user spends and better margin profile of the newly acquired entities. Retain BUY with SoTP based TP of Rs1,182.
- **Imagicaaworld Entertainment Limited:** IEL reported subdued performance in a seasonally weak quarter with EBITDA loss of Rs38mn. However, we expect sharp recovery in 2HFY25E aided by 1) addition of 8 new rides at Lonavala, 2) launch of 2 new shows at Sai Teerth and 3) inauguration of a new trampoline park at Khopoli with 15+ new attractions. We expect sales/EBITDA CAGR of 12.9%/15.6% over FY25E-FY27E and retain 'BUY' on the stock with an SOTP-based TP of Rs110.



**Exhibit 106: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<a href="#">IMAGICAA IN</a>	400	11.5%	-78.3%	-38	-188.4%	-103.4%	-250	46.5%	-127.4%	-69	-46.8%	-110.0%
<a href="#">NAZARA IN</a>	3,189	7.3%	27.5%	252	-9.8%	1.0%	230	8.2%	-33.8%	238	31.4%	5.3%
<a href="#">PVRINOX IN</a>	16,221	-18.9%	36.2%	4,793	-32.2%	90.6%	-147	-106.6%	-93.8%	-118	-107.1%	-93.4%
<a href="#">Z IN</a>	20,007	-17.9%	-6.1%	3,210	-3.5%	18.2%	2,754	-9.4%	32.1%	1,964	-21.3%	26.4%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Exhibit 107: Conviction Picks Commentary**

Name	Commentary
Imagicaaworld Entertainment	We believe IEL is a classic turnaround candidate post BS restructuring and takeover by the Malpani Group. IEL is on a strong growth path led by the consolidation of parks at Lonavala and Shirdi. Beyond the inorganic growth catalyst, plans to launch new parks in Indore and Ahmedabad will drive organic growth from here on. We expect sales/EBITDA CAGR of 12.9%/15.6% over FY25E-FY27E and retain BUY on the stock with an SOTP-based TP of Rs110.

Source: PL

**Conviction Picks:**

*Hindalco Industries*

*Jindal Stainless*

*Jindal Steel & Power*

## Metals & Mining

- Metals coverage universe reported ~3% YoY decline in revenue due to muted volume growth during the quarter on weak domestic demand amidst monsoon. Domestic steel demand is expected to improve in H2FY25 as government-related infrastructure projects pick up pace. Steel imports remained elevated grown at 2.69mt, up 39% QoQ, in Q2FY25 keeping pricing in check.
- Steel companies' average realizations declined by ~6% QoQ due to lower steel product prices as import pressure remained. Flat steel avg. prices declined 6% QoQ to ~Rs50.3k/t, while long steel avg. prices fell by ~10% to Rs51.2k/t. Prices for long products picked up in Oct'24 to ~Rs54.5k/t as of end of Oct'24, whereas flat products continue to decline and stood at Rs48.2k/t. In Q3FY25, NSR is expected to remain lower QoQ due to weak flat products prices.
- EBITDA/t declined QoQ for steel companies under coverage, except for JSTL, due to lower realizations and weak volume growth. Average coking coal prices declined 13% QoQ to USD211/t in Q2FY25. As per companies, consumption cost is expected to decline by USD20-25/t in Q3FY25, aiding margins.
- Iron ore pricing cuts in Jul/Aug'24 led NMDC to report 4.7% QoQ decline in NSR, while volume declined to 9.7mt amid a seasonally weak quarter. Volume growth is expected to improve once steel demand improves in H2FY25. NMDC has taken price hikes twice in Oct'24, cumulative by Rs1,000/t in lumps and Rs800/t in fines, which is expected to improve NSR in Q3FY25.
- Jindal Stainless reported 3% QoQ improvement in EBITDA/t as product mix deteriorated due to lower exports. Volume grew 4% YoY to 565kt as export volumes kept declining due to weak demand from Europe and the US. JDSL has lowered its guidance for FY25 to 10-15% from ~20% earlier citing global challenges. EBITDA/t is expected to be Rs18k/t for FY25.
- In Q2FY25, HNDL and NACL delivered strong results aided by uptick in alumina pricing on supply tightness /volume disruptions and cost push led by bauxite supply disruption. Average LME aluminum prices fell 6% QoQ to USD2382/t but have moved up again due to increase in alumina prices.
- EBITDA for our metals coverage universe grew 8% YoY to Rs270bn, whereas PAT was up by 15% YoY at Rs110bn. On QoQ basis, EBITDA margins contracted by 74bps QoQ to 13.2% due to lower realizations, while lower coal prices provided some relief.
- With Tata and JSTL blast furnaces commissioned during the last quarter, volumes are expected to grow in H2FY25 as demand improves. Timely commissioning of JSP assets would aid its volumes from Q2FY26.
- China's stimulus measures along with US president's thrust to improve economy are expected to aid long-term demand. However, the near-term pricing scenario is still bleak unless China cuts production. Steel companies have taken price hikes across products in Oct'24, which would aid Q3FY25 NSR to inch up, but still fall short sequentially if flat products prices continue to remain weak. With monsoon and festivities behind us, domestic demand is expected to improve in H2FY25, driving pricing higher. We maintain positive stance on Hindalco, JDSL and JSP.

**Exhibit 108: Q2FY25 Result Snapshot**

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<u>HNDL IN</u>	582.0	7.4%	2.1%	78.8	40.5%	5.1%	61.6	92.5%	19.0%	49.4	131.8%	32.3%
<u>JDSL IN</u>	97.8	-0.2%	3.7%	11.9	-3.6%	-2.1%	8.3	-5.7%	-6.0%	6.1	-21.0%	-5.7%
<u>JSP IN</u>	111.4	-8.5%	-18.2%	21.2	-4.0%	-24.9%	11.4	-13.3%	-38.5%	8.6	-38.0%	-35.8%
<u>JSTL IN</u>	396.8	-11.0%	-7.6%	54.4	-31.1%	-1.3%	11.9	-70.3%	-14.3%	7.2	-69.9%	-14.8%
<u>NACL IN</u>	40.0	31.5%	40.1%	15.5	290.7%	65.8%	14.4	422.4%	75.8%	10.6	415.0%	76.7%
<u>NMDC IN</u>	49.2	22.5%	-9.1%	13.9	16.4%	-40.8%	16.1	15.0%	-38.1%	12.0	16.7%	-39.1%
<u>SAIL IN</u>	230.4	-17.6%	-4.0%	12.7	-40.2%	-42.9%	-5.2	-244.9%	-260.8%	8.3	-32.8%	7704.5%
<u>TATA IN</u>	539.0	-3.2%	-1.6%	61.4	43.9%	-8.3%	21.7	3722.8%	-17.8%	8.3	74.9%	-24.1%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Exhibit 109: Conviction Picks Commentary**

Name	Commentary
Hindalco Industries	We expect Novelis to deliver ~3.5% volume CAGR over the next 2 years as beverage can segment, which account for 58-60% of volume, remains strong. India operations are expected to benefit from higher LME, alumina prices and lower coal costs.
Jindal Stainless	We expect JDSL to achieve 15%+ CAGR in volume, driven by rising stainless steel demand across sectors, supported by GoI initiatives like coastal carbon steel replacement, railway modernization, and metro expansion. With its new Indonesian capex plan and Chromeni asset acquisition, JDSL has ample capacity to meet strong domestic demand growth.
Jindal Steel & Power	We expect JSP to benefit from higher pricing in long products in the near term. Over the medium term, as its blast furnace gets commissioned in Q4FY25, volume growth would start improving. Ramping up of HSM would help improve product mix by cutting down proportion of semis. Further, ramping up of coal mines and slurry pipeline would aid EBITDA/t.

Source: PL

**Conviction Picks:**

Oil India

Oil & Natural Gas Corporation

## Oil & Gas

- In Q2FY25, oil and gas sector reported an EBITDA/PAT of Rs766.3bn (down 9.6% QoQ)/Rs378.4bn (up 3.1% QoQ) on account of lower refining margins for OMCs, weaker oil and gas production for upstream companies and lower margins for CGDs.
- **RIL's standalone segment** reported an EBITDA of Rs134.3bn, down 6.2% QoQ on account of lower refining and petchem margins. Retail EBITDA came in flat QoQ with a margin of 8.5%. Jio EBITDA grew 8% QoQ aided by tariff hikes undertaken, with a 7.4% QoQ increase in ARPU, although there was a net subscriber loss of 10.9mn due to sim consolidation.
- **On the upstream front**, ONGC's EBITDA fell 2% QoQ, oil production fell 1.5/1.7% QoQ/YoY while gas production fell 2.5% YoY but grew 1% QoQ. OINL's operating profit declined 11.5% QoQ due to weak production and higher other expenses. Oil production grew 0.5/4.8% QoQ/YoY while gas production fell 2.3/1.4% QoQ/YoY as offtake issues impacted gas production and sales
- **OMCs' operating profit at Rs110.4bn was down 33% QoQ** on account of weak refining performance amid decline in product cracks, and under recoveries on LPG sales.
- **CGDs reported mixed set of numbers-** CGD players' operating profit came in at Rs14.5bn, down 6% QoQ. MGL reported a volume growth of 13.1% YoY, however EBITDA/scm declined 10.1% QoQ to Rs10.7. Similarly, IGL's volume grew 8.7% YoY but EBITDA/scm fell 12.8% QoQ to Rs6.5. On the other hand, Gujarat Gas reported a volume decline of 6% however EBITDA/scm improved 19% QoQ to Rs6.4
- **Going forward**, we expect OMCs' refining margins to rebound back to long term average of US\$5-7/bbl and gross marketing margins continue to remain strong. Ramp up in production would be key monitorable for Oil India and ONGC. For CGD companies, any price hike/cuts undertaken by them would remain a key monitorable.

**Exhibit 110: Q2FY25 Result Snapshot**

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
BPCL IN	1,027.9	-0.2%	-9.1%	45.5	-64.8%	-19.5%	31.9	-71.8%	-20.8%	24.0	-71.8%	-20.5%
GAIL IN	329.3	3.5%	-2.3%	37.4	7.3%	-17.3%	34.5	10.3%	-5.2%	26.7	11.1%	-1.9%
GUJGA IN	37.8	-1.7%	-15.0%	5.1	3.5%	-4.0%	4.2	3.6%	-6.3%	3.1	3.1%	-6.9%
GUJS IN	2.4	-47.5%	-29.1%	1.9	-53.0%	-35.9%	4.3	-30.8%	53.3%	3.9	-26.8%	83.6%
HPCL IN	916.4	3.2%	-14.2%	27.2	-66.8%	29.3%	8.4	-87.6%	77.3%	6.3	-87.7%	77.4%
IGL IN	37.0	6.9%	5.0%	5.4	-18.4%	-7.8%	5.7	-17.7%	5.0%	4.3	-19.4%	7.5%
IOCL IN	1,738.5	-3.3%	-10.0%	37.7	-82.3%	-56.3%	-9.8	-105.7%	-128.5%	1.8	-98.6%	-93.2%
MAHGL IN	17.1	9.0%	7.7%	4.0	-16.8%	-4.7%	3.7	-17.8%	-2.7%	2.8	-16.4%	-0.5%
MRPL IN	249.7	29.8%	7.4%	-4.7	-121.1%	-178.3%	-10.4	-164.8%	-1134.6%	-6.8	-164.4%	-1140.6%
OINL IN	55.2	-6.7%	-5.5%	21.8	-12.3%	-11.5%	23.1	-9.6%	16.7%	18.3	-31.8%	25.0%
ONGC IN	338.8	-3.6%	-3.9%	182.4	-0.7%	-2.0%	150.4	11.4%	25.8%	119.8	17.1%	34.1%
PLNG IN	130.2	3.9%	-2.9%	12.0	-1.2%	-23.2%	11.4	3.5%	-25.0%	8.5	3.6%	-25.8%
RELIANCE IN	2,315.4	-0.2%	-0.1%	390.6	-4.7%	0.8%	250.4	-5.5%	7.8%	165.6	-4.8%	9.4%

Source: Company, PL

\*Hyperlink on Bloomberg Code

**Exhibit 111: Conviction Picks Commentary**

Name	Commentary
Oil India	Significant volume CAGR of 6%/11% in oil/gas expected over FY24-27E
Oil & Natural Gas Corporation	Peak production from KG Basin expected by FY25 end. We build in 2%/5% CAGR oil and gas volume growth over FY24-27E

Source: PL

**Conviction Picks:**

Sun Pharmaceutical Industries

J.B. Chemicals & Pharmaceuticals

Lupin

Eris Lifesciences

## Pharma

- Pharmaceutical coverage universe registered healthy revenue growth of 11.7% YoY. This was on the back of higher contributions from niche products/complex generics in US and steady domestic business.
- While companies experienced slow seasonal growth in acute therapies, domestic players witnessed increased market share in chronic therapies, supported by the launch of new products. Performance was also enhanced by an expanded sales force and improved productivity of MR's.
- The US business performed well both in terms of base business as well as in constant currency terms. It delivered 12.9% growth YoY on overall basis and 11% YoY on constant currency terms. New launches complemented by ANDA approvals supported growth.
- API business was impacted due to high supply and weak demand. Price stabilization is expected in 2HY25.
- On operational front, EBITDA margins increased 158 bps YoY to 26.1% for our coverage universe. Factors played out 1) Better product mix 2) Benign price erosion in US and 3) Softening of input costs. In value terms, it grew 19% YoY to Rs148bn. PAT grew 17.3% YoY to Rs 96.8bn, aided by higher other income and debt repayment.
- Employee expenses saw an increase both YoY and QoQ across the coverage universe. However, capex plans for most companies remain on track.
- US business is likely to pick up meaningfully with receipt of new ANDA approvals and launches. Domestic formulation business poised to sustain growth momentum in coming quarters.
- R&D expenses for our coverage companies are expected to remain steady as they optimise their spending, focusing more on complex molecules and specialty products, against generics. This is likely to support revenue growth.

**Exhibit 112: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
ARBP IN	77,960	8.0%	3.0%	15,661	11.6%	-3.3%	12,071	12.2%	-8.9%	8,169	8.5%	-11.0%
CIPLA IN	70,510	5.6%	5.3%	18,800	8.4%	9.6%	17,835	11.9%	10.7%	13,029	15.2%	10.6%
DIVI IN	23,380	22.5%	10.4%	7,160	49.5%	14.9%	7,220	53.9%	19.5%	5,100	46.6%	18.6%
DRRD IN	80,162	16.5%	4.5%	21,466	7.8%	0.9%	20,030	4.6%	6.7%	13,415	-9.4%	-3.6%
ERIS IN	7,412	46.7%	3.0%	2,646	46.0%	5.8%	1,292	2.3%	12.0%	916	-25.8%	10.2%
INDR IN	4,327	-10.2%	0.3%	403	-43.6%	-15.7%	-48	-110.5%	-169.4%	-104	-129.7%	-497.3%
IPCA IN	23,549	15.8%	12.5%	4,498	40.8%	16.1%	3,615	60.4%	24.5%	2,462	69.7%	28.1%
JBCP IN	10,006	13.5%	-0.4%	2,705	11.1%	-3.5%	2,365	13.3%	-1.4%	1,746	15.9%	-1.3%
LPC IN	56,727	12.6%	1.3%	13,083	41.7%	1.7%	10,549	67.5%	6.2%	8,526	74.1%	6.4%
SUNP IN	1,32,914	9.0%	5.0%	38,109	18.6%	4.2%	34,698	22.8%	-0.1%	30,402	28.0%	7.2%
TRP IN	28,890	8.6%	1.0%	9,390	13.8%	3.9%	6,610	18.2%	0.8%	4,530	17.4%	-0.9%
ZYDUSLIF IN	52,370	19.9%	-15.6%	14,160	33.1%	-32.9%	12,255	32.5%	-36.3%	8,655	20.3%	-40.1%

Source: Company, PL

\*Hyperlink on Bloomberg Code

Exhibit 113: Conviction Picks Commentary

Name	Commentary
Sun Pharma Industries	Growth trajectory to continue on the back of specialty portfolio with 6 products under clinical trials with competitive profile. Strong growth visibility remains in ROW and Domestic business.
J.B. Chemicals & Pharmaceuticals	Scale up in the acquired portfolio and its well positioning in the domestic market will continue to drive its growth momentum.
Lupin	Continued niche launches with strong pipeline in US, its domestic formulation regaining momentum and various cost optimization measures provides comfort.
Eris Lifesciences	Eris has opted for inorganic route to diversify and scale up existing portfolio. This has been implemented without diluting margins. The company has multiple growth levers such as broad-based offerings in the derma segment, opportunities in the cardiometabolic market with patent expirations and benefits of operating leverage, as revenue scales up from these acquisitions.

Source: PL



## Telecom

- In Q2FY25, Bharti Airtel reported an EBITDA/PAT of Rs218bn (up 10.9%QoQ) and Rs44.5bn (up 29.8% QoQ)
- Subscribers stood at ~352mn, with a net subscriber loss of 2.9mn QoQ. ARPU increased to Rs 233, up 10.6% QoQ on the back of tariff hikes
- India mobile Q1 Revenue/ EBITDA were Rs248.4bn (+10.3%QoQ) and Rs141.7bn (+13.1%QoQ). 4G net customer addition was an impressive 4.2mn. Average ARPU of Rs233 (+15%YoY). For comparison, Jio's ARPU came in at Rs195, up 7.4%QoQ while net subscriber loss was 10.9mn QoQ.
- Enterprise segment's revenue rose 3.3% QoQ at Rs56.6bn while EBITDA grew 1.8% QoQ to Rs20.2bn with 50bps decline in margins to 35.7%. DTH revenue declined 2.4% QoQ to Rs7.6bn, similarly EBITDA at Rs4.2bn was down 3.6%QoQ. Home services revenue grew steadily by 4.8% QoQ to Rs14.3bn with an EBITDA of Rs7.2bn (+4.9% QoQ) and margin of 50.3%.
- Africa mobile revenue grew 5% QoQ to USD1.2bn with an ARPU of USD2.3 and subscriber additions of 2mn
- Airtel enterprise remains a leader in B-B space, by gaining revenue market share. Company sees lots of opportunities in IOT, CPaaS and cyber security.

Exhibit 114: Q2FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
BHARTI IN	4,14,733	12.0%	7.7%	2,18,462	12.0%	10.9%	56,772	15.3%	29.7%	44,469	231.7%	29.8%

Source: Company, PL \*Hyperlink on Bloomberg Code

**Conviction Picks:**

Safari Industries

Lemon Tree Hotels

## Travel & Tourism

**Luggage:** VIP reported a muted performance with bottom-line loss of Rs366mn led by deterioration in GM amid heavy discounting on e-com channel. Unless slow moving SL inventory is fully liquidated within next 1-2 quarters warehousing, freight and interest cost will remain high pressurizing profitability. Retain HOLD on the stock with a TP of Rs494 (30x FY27E EPS).

Safari reported a subdued performance with EBITDA margin of 10.5% due to 1) higher A&P spends to the tune of ~Rs100mn on e-com channel and 2) an additional brand building expense of ~Rs50mn in order to create visibility for Urban Jungle. We believe pricing pressure would prevail in the near term given aggressive discounting by a leading player but Safari will be in a better position to counter this challenge once greenfield plant at Jaipur begins operations. Retain BUY with a TP of Rs2,989 (45x FY27E EPS).

- **Hotels:** Chalet Hotels reported a decent performance in a non-seasonal quarter with EBITDA margin of 39.7%. After being in single digit for last 2 quarters, RevPAR increased 10% YoY to Rs7,756 allaying concerns surrounding waning pricing power. Even Lemon Tree reported a decent performance with EBITDA margin of 46.0% despite the ongoing renovation exercise. We expect Lemon Tree's performance to improve in 2HFY25 led by improvement in KPIs of Aurika and benefits that would accrue from the ongoing renovation exercise. Retain ACCUMULATE on Chalet Hotels with a TP of 921 and a BUY on Lemon Tree with a TP of Rs158.
- **Aviation:** IndiGo reported weaker-than-expected performance with FX-adjusted loss of Rs7.5bn led by higher fuel cost and escalating AoG issue. While the cost structure problem will get resolved soon with the reduction in AoG, early signs of pricing pressure are visible as passenger RASK is likely to witness a correction by early to mid-single digit in 3QFY25E. Nonetheless, we do not foresee a major correction in yields, despite easing capacity constraints and rising competitive intensity given the market leadership position of IndiGo. Retain ACCUMULATE with a TP of Rs4,919 (10x FY26E EBITDA).
- **IRCTC:** We believe growth in internet ticketing division has plateaued with e-booking penetration at ~83% and expectation of a mid-single digit growth in volumes over FY25E-FY27E. In addition, rising share of low yielding UPI transactions (47% share in 2QFY25) will limit the scope for margin expansion. Overall, we believe scope for earnings surprise is limited given growth in high margin internet ticketing division has plateaued. We expect sales/PAT CAGR of 8% over FY25E-FY27E and retain HOLD on the stock with a TP of Rs833 (47.5x FY26E EPS).

**Exhibit 115: Q2FY25 Result Snapshot**

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.	Q2FY25	YoY gr.	QoQ gr.
<a href="#">CHALET IN</a>	3,771	19.9%	4.4%	1,495	18.7%	6.6%	794	78.6%	2.2%	-1,385	NA	NA
<a href="#">INDIGO IN</a>	1,69,696	13.6%	-13.3%	23,947	0.0%	-58.6%	-9,071	NA	NA	-9,867	NA	NA
<a href="#">IRCTC IN</a>	10,640	7.2%	-4.8%	3,728	1.7%	-0.6%	4,166	5.4%	1.7%	3,079	4.5%	0.8%
<a href="#">LEMON TRE IN</a>	2,844	24.0%	6.1%	1,307	25.6%	13.6%	451	29.5%	55.1%	296	30.9%	49.6%
<a href="#">SII IN</a>	4,578	23.7%	1.7%	479	-24.5%	-27.3%	378	-27.1%	-34.2%	297	-25.4%	-33.2%
<a href="#">VIP IN</a>	5,443	-0.3%	-14.8%	-22	NA	NA	-492	NA	NA	-366	NA	NA

Source: Company, PL

\*Hyperlink on Bloomberg Code

**Exhibit 116: Conviction Picks Commentary**

Name	Commentary
Lemon Tree Hotels	Lemon Tree's 2QFY25 performance was better than expected with EBITDA margin of 46.0% led by better cost control. While occupancy in Aurika, MIAL was at 50%+ in 2QFY25, management expects sharp recovery in 2HFY25 with EBITDA margin of 60%+. Led by stabilization of Aurika, MIAL and improvement in RevPAR amid the ongoing renovation exercise we expect revenue/EBITDA CAGR of 11%/21% over FY25E-FY27E. Retain BUY with a TP of Rs158 (24x FY26E EBITDA).
Safari Industries	Safari's EBITDA margin succumbed to 10.5% in 2QFY25 due to higher A&P spends amid rising competition. We believe pricing pressure would prevail in the near term given aggressive discounting by a leading player but Safari will be in a better position to counter this challenge once greenfield plant at Jaipur begins operations. Progress at the site is satisfactory and commercial production is expected to begin soon. Operationalization of new plant will bring in cost competitiveness by optimizing freight & power cost enabling Safari to compete better at mass end of the curve that is most price sensitive. We expect sales/PAT CAGR of 22%/36% over FY25E-FY27E and retain BUY on the stock with a TP of Rs2,989.

Source: PL

## Notes

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<b>Buy</b>	:	> 15%
<b>Accumulate</b>	:	5% to 15%
<b>Hold</b>	:	+5% to -5%
<b>Reduce</b>	:	-5% to -15%
<b>Sell</b>	:	< -15%
<b>Not Rated (NR)</b>	:	No specific call on the stock
<b>Under Review (UR)</b>	:	Rating likely to change shortly

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