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India Strategy

Recovery in sight, challenges remain

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February 24, 2025

Top Picks

Large Cap

ABB India
Bharat Electronics
Bharti Airtel
Britannia Industries
Cipla
ICICI Bank
Infosys
InterGlobe Aviation
Kotak Mahindra Bank
Larsen & Toubro
Mahindra & Mahindra
Maruti Suzuki
Reliance Industries
Titan Company

Mid / Small Caps

Aster DM Healthcare
Astral Ltd.
Chalet Hotels
Crompton Greaves Consumer Electricals
DOMS Industries
Ingersoll-Rand (India)
Kaynes Technology India
Max Healthcare Institute
Polycab India

Exhibit 1: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	128.9%	109.5%	19.4%
Since Last Report	-5.4%	-3.7%	-1.6%
Since Apr'24	3.0%	2.5%	0.4%

Source: PL

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Recovery in sight, challenges remain

NIFTY has declined by 4.8% since our last report (Jan10,2025) in an environment of tepid consumer demand, weak currency and geopolitical headwinds post resumption of office by President Trump in USA. Currency and FII lead headwinds abound as trade deficit is all set to cross USD250bn while decline in net FDI flows (USD38bn in FY22 to 0.5bn USD in FY25 YTD) is pressuring INR. While RBI has spent USD70bn+ in supporting INR, FII selling has also led to tight liquidity in markets.

We expect gradual recovery in domestic demand as 1) food inflation has peaked (declined from 10.9% in Oct 24 to 6% currently) 2) 25bps cut in repo rate by RBI and OMO will ease liquidity in next 3-6 months 3) Rs1000bn income tax cut for consuming class in India 4) increase in religious tourism and 5) 17% higher Govt capex allocation (including PSU and allocation to states).

India is unlikely to have any meaningful negatives of US policies as soft crude oil prices, geopolitical stability (If Russia-Ukraine war stops) and increased transfer of technology to India will neutralize costs of Trump tariffs. We expect markets to remain volatile in the near term but stabilize towards the end of 4Q25. We expect the impact of various Govt initiatives and monsoons (normal monsoons as per APEC climate center South Korea) to start getting reflected in improved consumer demand in 2Q26.

We believe India Capex story (Capital Goods, Infra, Ports, EMS, New Energy, Data centers, Railways, Defense), Healthcare (Hospitals, Pharma), Tourism (Aviation, Hotels, Accessories), Discretionary consumption (E-com, Jewellery, Food Services, Retail), Financialization (Capital market entities, Digital Public Infra) are some of the key themes to play for long term gains. We cut our base case NIFTY target to 25689 (27172 earlier) on Nifty EPS cut by 0.8/2.0/2.6% for FY25/26/27. We recommend selective buying for LT gains.

3Q25 - PL coverage PBT up 3.3%, FY25-27 EPS cut 0.8-2.6%

- NIFTY EPS has seen a cut in EPS by 8.9% and 8.6% for FY25/26 since July24. The EPS for FY27, which was introduced in Oct24, has seen a cut of 5%. The number of stocks in NIFTY, which have seen downgrades in EPS (Hurdle rate 1% on both sides), has risen from 21 in Feb24 to 30 in 3Q25. NIFTY has shown a decline of 3.5% YTD amidst heavy selling by FII's amidst an environment of slow demand, pressure on currency and tight domestic liquidity.

- PL universe 3QFY25 numbers were in line with sales beat of 1.8% while EBIDTA and PBT grew 5.4% and 3.3% (lower by 0.6%/ 0.8% than PLE). Ex-BFSI EBIDTA increased 3.8% YoY while PBT increased 3.3%. Ex-O&G EBIDTA increased 7.4% while PBT increased 8.1% YoY.

- Hospitals, Media, Telecom and O&G had beat in sales while metals, Telecom and pharma had max beat in EBIDTA. Auto, building material, Logistics and Travel had max miss in EBIDTA. Travel, Hospitals, EMS, Capital Goods,

- Durables, Pharma and Telecom had double digit topline and EBIDTA growth. Cement, building materials had double digit decline in EBIDTA. Margin pressure was intense in Building Materials, cement, Consumer staples, metals and travel. Capital Goods, consumer durables, EMS, Hospitals, Media, Pharma, telecom and Travel had double digit PAT growth.

- Capital Goods have positive outlook, led by sustained GOI focus on capex. Hospitals and Pharma continue to have growth bias. We expect pick up in domestic demand given tax rate cuts, lower inflation and interest rate cuts which should benefit Auto, Hotels, Airlines, Durables/ electronics, QSR, Apparel, Footwear, Building Material, Household Goods, Paints and AMC's.

- There were 27 rating upgrades and 7 rating downgrades aided by steep stock price corrections. Capital Goods, Chemicals, Oil &Gas, Travel and EMS led with 5,4,4,3 and 3 upgrades respectively.

- **Major Rating Upgrade:** Eicher, ABB, Cummins, Havells, SRF, Keynes, Mphasis, ONGC, GAIL, Chalet, Interglobe Aviation and VIP Inds.

- **Major Rating Downgrade:** Bharat Forge, Green Panel, Grindwell Norton, PVR.

- **Major Estimates Upgrade** – Divis, Fortis, Doms, Aarti, Navin and BPCL.

- **Estimate Downgrade** – Tata Motors, Bharat Forge, IIB, Green Panel, BEML, BHEL, carborundum, Grindwell, Praj, Ambuja Cement, Shree Cement, RR Kabel, Havells, SRF, RBA and Jubilant Foods.

- **NIFTY EEPS** has seen a cut of 0.8/2.0/2.6% for FY25/26/27 with 13.1% CAGR over FY24-27 (14.1% earlier) and EPS of Rs1147/1305/1473. Our EPS estimates are lower than consensus by 2/2.4/3.2% for FY25/26/27. NIFTY is currently trading at 17.5x 1-year forward EPS, which is at a discount of 7.4% to 15-year average of 18.9x.

- **Base Case**: We value NIFTY at 5% discount to 15-year average (18.9x) PE at 18 with Dec 26 EPS of 1431 and arrive at 12-month target of 25689 (27172 earlier). **Bull Case:** We value NIFTY at PE of 18.9x and arrive at bull case target of 27041 (29263 earlier). **Bear Case:** Nifty can trade at 10% discount to LPA with a target of 24337 (25082 earlier).

- **Model Portfolio:** We are turning overweight on Consumer on expected uptick in demand following tax cuts, decline in food inflation and cut in repo rate. We increase wight in Banks and Healthcare. We are adding Cipla and Astral Poly in the Model portfolio. We are increasing weight on Maruti Suzuki, ICICI Bank, Kotak Mahindra Bank, ABB, Bharat Electronics, Interglobe Aviation, ITC and Bharti Airtel. We are reducing weights in L&T, Titan, HUL, RIL, HCL Tech, HDFC AMC and small adjustment in others.

- **High Conviction Picks:** We are removing Ambuja Cement, Siemens, Lemon Tree, Praj, Jindal Stainless, Cyient and Cyient DLM from conviction picks, although we remain positive on Siemens, Lemon tree and Praj in LT. we are adding ABB, Astral Poly, Chalet Hotels, Cipla, Ingersoll Rand, Keynes Tech, and Maruti Suzuki in Conviction picks.

Poor FDI, global headwinds drive FII selloff

India has seen maximum FII selling in the entire emerging Asia YTD amounting to USD 8.2bn. simultaneously we have seen around 5% INR depreciation against USD in the past few months. It is like a chicken and egg situation, and it is very difficult to ascertain the key driver of current FII selling in India. There has been continued FII selling, with India witnessing $8.2B in outflows YTD, the highest in emerging Asia (vs. South Korea: -$0.2B, Taiwan: -$1.3B, ASEAN: -$1.2B). We analyze the probable angles to this entire puzzle:

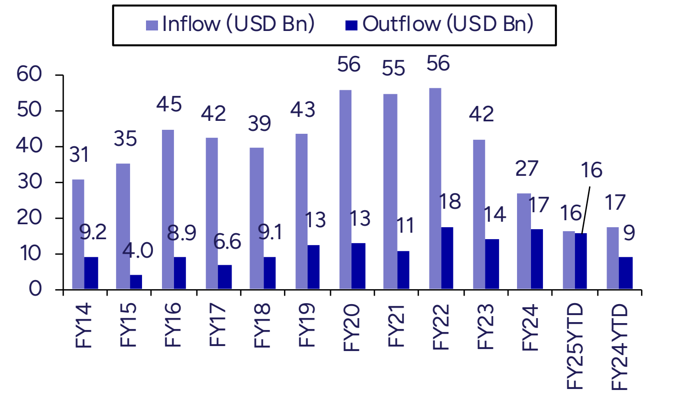
- Indian markets have seen lower attractiveness due to 1) Lower growth and rich valuations in comparison to other markets 2) higher return breakeven as ~4.5% interest rates of US 10 year and natural INR depreciation have raised breakeven returns to more than 10%.
- Net FDI has collapsed to a 17-year low of $10.1 Mn in FY24 ($0.5 Mn in FY25YTD and likely to be below in single digits in full-year FY25). India's FDI flows are putting pressure on INR as rising repatriation and outbound direct investment affect net FDI inflows.
- The RBI is expected to adopt a more intervention-light stance (USD80bn spent to control INR Depreciation), allowing a gradual rupee adjustment while using targeted measures (FX swap windows, export conversion rules) to manage volatility. While the potential inclusion of India in the BBG Global Agg Index in H2CY25 could provide a $3bn inflow, INR weakness is likely to persist in the near term.
- We now forecast USD/INR at 88.50 by Q4 FY25, as persistent capital outflows keep INR fragile.

Poor FDI inflow, stake sale/ PE exits hurt net FDI flows

India's capital account is at the center of external imbalances, with foreign direct investment (FDI) trends turning increasingly unfavorable at a time when the economy needs capital to fund its current account deficit and fund its growth plans. Historically, FDI was seen as a driver of technology transfer, productivity gains, and local industry linkages, but over the past couple of years, these spillover benefits have dissipated as repatriation has outpaced inflows.

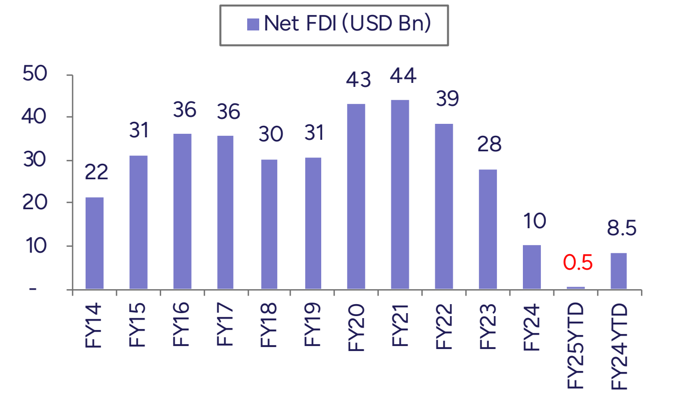
- **Gross Inward FDI Drops 8% YTD, outbound FDI Surges 73.8%:** At $26.8B in FY24, gross inward FDI has fallen to an 11-year low, falling by ~53% from a peak of USD56.2bn in FY22. The FDI in FY25 YTD is $16.0B versus $17.4B in FY24YTD, a decline of 8.15%. However, the real structural shift is in gross FDI outflows, which surged to $15.5B in FY25YTD (vs. $8.9B in FY24YTD), an increase of 73.8% (FY25E > **$22B)**. This surge is largely driven by increased repatriation of foreign investments by MNC's and private equity players and a rising trend of resident companies investing in overseas assets.

Exhibit 2: FDI Inflows Decline to $27 Bn



Source: CMIE, PL

Exhibit 3: Net FDI inflows likely to be below $10 Bn in FY25



Source: CMIE, PL

- **FY24 Net FDI at 17-Year Low, FY25YTD Net FDI turns flattish:** India's net FDI fell to just $10 Bn in FY24, a 77% drop from its FY21 peak ($44B) and well below the long-term average of $27B, marking its lowest level in 17 years. Net FDI as a percentage of GDP declined to 0.27% in FY24, its lowest in 13 years, down from 1.2% in FY12. Rising global protectionism, slowdown in global economy and rising global interest rates led to lower FDI inflows.

Exhibit 4: Slowdown in FDI and Jump in Outflows wipe of Net FDI flows

	Inflow (USD Bn)	Outflow (USD Bn)	Net FDI (USD Bn)
FY14	31	9.2	22
FY15	35	4.0	31
FY16	45	8.9	36
FY17	42	6.6	36
FY18	39	9.1	30
FY19	43	13	31
FY20	56	13	43
FY21	55	11	44
FY22	56	18	39
FY23	42	14	28
FY24	27	17	10
FY25YTD	**16**	**16**	**0.5**
FY24YTD	**17**	**9**	**8.5**

Source: CMIE, PL

- **Big ticket stake sales/ Pvt equity exits inflate FDI outflows:** FDI outflows which stood at USD 6.6bn in FY17 and USD11bn in FY21 increased to USD 17bn in FY24 and have been USD16bn in FY25YTD which is all set to cross USD20-22bn in FY25. We note that several MNC's parents and Private equity players are exiting or have pruned stakes in the listed Indian companies to take advantage of rich valuations and to reduce their debt, undertake buybacks and expand in their home countries. This has resulted in a significant increase in FDI outflows in FY25. We note that there have been big ticket exits like Holcim exit from Ambuja Cement (USD 11bn), Glaxo stake sale in HUL (Rs3.5bn), Hyundai IPO OFS (USD3.3bn), ITC Stake sale by BAT (USD2bn) etc.

Exhibit 5: **Major foreign promotes/ PE players exit resulting in sharp rise in FDI outflows**

Company	Details	Outflow (US$ bn)	Year	Sector
Jubilant Bhartia Group	Coca-Cola is selling a 40% stake in its Indian bottling arm	1.47	2025	Consumer
Bharti Enterprises	24.5% stake in UK's BT Group	4.00	2024	Telecommunications
Hyundai Motor	IPO - Hyundai Motor Company (HMC) by OFS of 142.2 mn shares	3.30	2024	Automobile
ITC Ltd	British American Tobacco Sold a 3.5% stake (now at 25.5%)	2.00	2024	Consumer
Mankind Pharma	Advent International exits via stake sale (BSV)	1.63	2024	Pharmaceuticals
Ge Vernova	GVTD's sold 20.08% of their stake via Offer for Sales (OFS)	0.86	2024	Capital Goods
Reliance Industries Ltd.	Acquisition of multiple foreign entities	0.66	2024	Multiple
ONGC	Operating 2 oil projects in Venezuela	0.50	2024	Oil & Gas
Whirlpool	Whirlpool Corporation had sold 24.7% stake in Whirlpool India	0.47	2024	Consumer Durables
Axis Bank	Bain Capital sold its entire stake	0.43	2024	Bank
Ambuja Cements & ACC Ltd.	Holcim Sold 63% / 4.5% of Ambuja Cement/ACC Ltd. to Adani group	10.50	2022	Cement
MAXHEALT	KKR (Kohlberg Kravis Roberts & Co.) sold 27.5% of its stake	1.17	2022	Hospital
Hindustan Unilever Ltd..	GSK Sold its entire 5.7% stake	3.35	2020	Consumer

Source: PL

- **Energy, Healthcare and Sea Transport see pick up in FDI:** While broad-based FDI trends remain weak, Renewable Power, Energy, Hospitals, Diagnostics and Medical Equipment have seen sustained traction in FDI inflows. Infra, Software and Hardware and Auto have seen a decline in FDI.

Exhibit 6: **Top 10 High-Growth Sectors by FDI Inflows**

Sectors	FY24 (US$ Bn)	CAGR (3%)
Computer S/W & H/W	7.97	-32.7%
Banking, Insurance etc.	6.64	9.5%
Infrastructure Activities	4.23	-18.7%
Trading	3.86	14.0%
Renewable energy	3.76	67.8%
Electricity energy	1.70	65.8%
Hospital & diagnostic centers	1.53	45.1%
Automobile	1.52	-2.4%
Sea transport	1.10	55.0%
Cement/ gypsum prod	0.61	444%
Medical and surgical appliances	0.48	91.4%
Mechanical/ engineering industries	0.42	72.0%

Source: CMIE, PL

Rising trade balance and decline in Forex reserves add to INR volatility

- The broader external backdrop remains challenging, with rising global fiscal stress, tightening US monetary conditions, and geopolitical risks. The India-US 10-year yield spread narrowing from 450bps in 2022 to 219 bps currently, which has further reduced INR asset attractiveness.

- Against this backdrop, the rupee has continued its depreciation trajectory into 2025, closing January at 86.64/USD and briefly breaching 87.5/USD in early February before RBI interventions provided temporary relief.

Exhibit 7: RBI intervention leads to USD65bn decline in Forex reserves

USD bn	Merchandise Trade deficit	Service Trade balance	Overall Trade Balance	Forex Reserves
FY15	(138)	57	(81)	341
FY16	(118)	69	(49)	356
FY17	(109)	65	(44)	370
FY18	(159)	70	(89)	424
FY19	(182)	78	(104)	412
FY20	(155)	78	(76)	476
FY21	(101)	85	(16)	579
FY22	(191)	108	(84)	618
FY23	(265)	146	(118)	578
FY24	(240)	165	(75)	646
Q1FY25	(63)	38	(25)	652
Q2FY25	(74)	43	(31)	705
Q3FY25	(81)	50	(31)	640

Source: Trade Commerce, CMIE, PL

- RBI's FX stance has shifted toward greater INR flexibility, likely reflecting (a) accumulated rupee overvaluation over the past three quarters, (b) a decline in FX import cover due to USD 80bn interventions since Oct-24, and (c) the necessity for currency realignment given lingering rupee overvaluation. While near-term INR volatility remains elevated, we maintain our USD/INR target of 87 by Mar-25, but FY26 forecast of INR90-92 seems more likely to post RBI's monetary policy easing and a more tolerant stance towards INR weakness.

- Merchandise trade deficit at USD215bn for 9mFY25 indicates an all-time high number for FY25, which will be neutralized by steady growth in services balance of USD180bn+. However, the trade balance at USD87bn seems on the higher side with a likely deficit for the full year at USD125bn+.

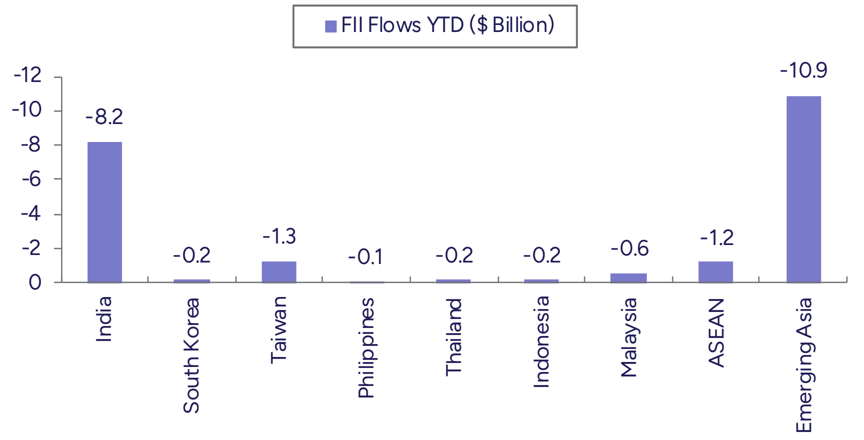
- Trade dynamics will be crucial for FY26, with geopolitical risks and evolving US-India trade relations shaping the outlook. The imposition of reciprocal tariffs by the US from Apr-25 poses an external risk, though India-US trade relations remain constructive, with the two nations working toward "Mission 500" – aiming to more than double total bilateral trade to $500B by 2030. The upcoming Bilateral Trade Agreement (BTA), targeted for initial negotiations by fall 2025, could provide clarity on trade flows, but near-term risks from tariff uncertainty remain. State of global economy, more so in Europe holds key to pick up in exports and trade balance in coming quarters.

FII's selling amid global uncertainty, Weak INR

FIIs have pulled $20.2B from Indian equities and bonds since October 2024, marking one of the steepest outflows in recent history. India has seen an outflow of USD8.2bn, which is loins share of total FII outflows from emerging markets. The lack of strong domestic buffers, persistent global uncertainty, tepid domestic demand and sustained FDI outflows pose a near term risk to volatility in currency and FPI flows in India.

- We have calculated the hurdle rate for FII investments in India and estimate that the cut off rate has risen to 10.5% assuming 4% INR depreciation, capital gains tax and 4.5% 10 -year US treasury rate in India.

Exhibit 8: Within EM Asia, India witnessed the largest FII outflows



Source: CMIE PL

- Historical data suggests that FII outflows peak within 4-9 months, and we have seen one of the sharpest sell offs in recent times. Although uncertainty with regards to global markets sustain, we believe the growth outlook in India looks far better in FY26 than FY25. As the impact of budget starts getting reflected in higher Capex on a low base and tax cuts and monsoons revive consumer demand, we should see FPI flows turning positive. However, FDI outflows remain a lingering problem which can pressurize INR and add to volatility.

Exhibit 9: Impact of FII Outflows on Rupee Depreciation

Event	Time	FII Outflow ($B)	Months of Selling	Rupee Depreciation (%)
Global Tariff Wars/ Currency weakness	Current	20.2	3 out of 4 months	2.7% (₹84.03 → ₹86.27)
Fed Tapering & Russia - Ukraine War	Oct 2021- June 22	33.3	9 out of 9	4.2% (₹74.92 → ₹78.07)
COVID Crash	March- May 2020	8.4	2 out of 2 Months	2.5% (₹75.35 → ₹76.24)
US - China Trade War, Domestic Slowdown	Mar-19	4.1	2 out of 2 Months	3.4% (₹68.81 → ₹71.15)
Fed Tapering	August - Oct 2018	5.3	3 out of 3 months	5.9% (₹69.55 → ₹73.63)

Source: PL

Exhibit 10: Nifty USD returns negative in 3Q and CYTD, forcing valuations to correct

	Net FPI (US$ mn)	USD/INR	YE India G-sec (%)	YE US 10 Year (%)	India - US gap (%)	Nifty Return (%)	Capital Gains tax (%)	Return after CGT (%)	USD Returns (%)
FY18	3,381	65.2	7.40	2.74	4.66	10.2	10.0	9.22	8.67
FY19	1,543	69.2	7.35	2.41	4.95	14.9	10.0	13.44	6.90
FY20	(595)	75.6	6.14	0.67	5.47	-26.0	10.0	-23.43	-29.98
FY21	37,302	73.1	6.17	1.74	4.43	70.9	10.0	63.78	69.42
FY22	(17,093)	75.8	6.84	2.34	4.50	18.9	10.0	16.99	12.86
FY23	(5,971)	82.2	7.31	3.47	3.84	-0.6	10.0	-0.54	-8.27
FY24	25,267	83.4	7.06	4.20	2.86	28.6	10.0	25.75	23.90
Q1FY25	(1,009)	83.4	7.01	4.40	2.61	7.54	12.5	6.60	6.62
Q2FY25	10,569	83.8	6.75	3.78	2.97	7.50	12.5	6.56	6.04
Q3FY25	(11,788)	85.5	6.77	4.53	2.24	-8.39	12.5	-7.34	-9.22
CYTD	(9,575)	88.0	6.69	4.51	2.19	-3.03	12.5	-2.65	-5.38

Source: PL

India-US Trade: Beyond Tariffs, a Strategic Alliance Beckons

India’s trade relationship with the US is entering a phase of recalibration, marked by temporary tariff volatility but deepening long-term strategic relationship. The reciprocal tariffs announced by the Trump 2.0 administration, incorporating non-tariff barriers (NTBs), VAT structures, and exchange rate deviations, makes the process more complex and its economic cost harder to quantify as of now. With India's weighted average MFN tariff at 12%—the highest among G20 nations—it is a prime candidate for scrutiny. India, alongside China, has been identified as having some of the highest NTBs in Asia, including antidumping measures, technical barriers, and sanitary regulations, as highlighted by the 2024 USTR National Trade Estimate Report. However, structural factors mitigate the risk of a major economic setback and showdown between India and USA

- Even if US tariffs on India rise to 15%-20% by April 2025, India’s key export sectors—pharmaceuticals, electronics, jewelry, and textiles—operate within low tariff differentials, reducing exposure to tariff escalation. India’s exports are mitigated by a highly diversified export base by new trade routes through Europe and the Middle East (IMEC).

Exhibit 11: Higher-Export Share Items to the U.S. Currently Face Lower Reciprocal Tariff Risks

FY24 Exports to USA $77.53	Exports Value	Export Basket Mix (%)	Tarriff Differentials
Share of above 3% in India's exports to USA			
Drugs, Pharma	8.76	11.30%	9.30%
Pearls, precious, stones	6.57	8.48%	9.10%
Petroleum & crude products	5.83	7.52%	6.80%
Share of below 3% in India's exports to USA			
Auto components/parts	1.86	2.40%	13.80%
Paper/wood products	0.95	1.22%	7.40%
Leather manufactures	0.85	1.10%	15.50%

Source: PL Research

- More importantly, broad tariff escalation contradicts US geopolitical objectives, particularly in the Indo-Pacific strategy, which prioritizes supply chain diversification away from China. Disrupting India’s trade flows would not only undermine US efforts to counterbalance Chinese economic dominance but would also destabilize US retail supply chains—especially in textiles, where Bangladesh (Key supplier) is already in turmoil.

- The Modi-Trump summit underscored the broader economic and strategic imperative - **trade friction is a means to renegotiate terms, not a signal of trade deterioration**. Beyond tariffs, India and US are securing a trade deal by end CY25 and strengthening its role as a key geopolitical and economic partner to the US. **These long-term gains outweigh short-term tariff pressures**.

- In a pre-emptive move, India's FY26 Union Budget reduced import duties on motorcycles among other items, a gesture Trump welcomed as a step toward balanced trade. The joint statement from the US-India summit indicates that India has committed to lowering tariffs on select US goods, including pharmaceuticals, machinery, textiles, and farm products, while increasing purchases of US oil, gas, and defense equipment.

Exhibit 12: Union Budget FY26 saw major reductions in custom duties

Commodities	From	To	% Change
Precious Metals	25	6.4	-74%
IT and Electronics	9.4	3.8	-60%
Motorcycles	30	21.7	-28%
Jewelry	25	20	-20%
Motor vehicles	40	20	-50%
Laboratory Chemicals	150	70	-53%

Source: Budget Documents, PL Research

While tariff negotiations will remain a short-term market overhang, the structural foundation of India-US trade remains intact, with high growth potential in technology, defense, and nuclear energy. India's ability to navigate tariff negotiations, leverage its geopolitical positioning, and realign supply chains ensures that this phase is a momentary recalibration, not a retreat.

Exhibit 13: Key highlights of Modi – Trump Summit: A Strengthened India-US Trade & Strategic Partnership

1. India-US trade to more than double to $500 billion by 2030, up from ~$190 billion currently (including services)
2. India to increase oil and LNG imports from the US to $25 billion, up from $15 billion in 2024.
3. A 10-year US-India defence cooperation framework is signed, focusing on joint production and technology transfer .
4. Increased US investments in India's infrastructure, manufacturing, and renewable energy sectors, including nuclear energy and hydrogen projects.
5. High-Tech & Semiconductor Manufacturing ($50B+ India Semiconductor Mission, US positioning as primary partner)
6. U.S. – India commit to Reduce China's Influence in Trade & Security through QUAD, I2U2, and IMEC

Source: PL

Exhibit 14: Key Sectoral Impact from Tariffs

Sector	Impact Overview	Key Risks	Potentially Impacted Companies
Capital Goods	Increased risk of Chinese dumping in India, potential tariffs on steel. US reciprocal tariffs and local manufacturing incentives could impact Indian exporters of industrial/ electrical goods.	Dumping from China in industrial consumables and machinery. Reduce exports of electrical and industrial goods.	Apar (Cables and conductors), Praj (oil & gas modular process equipment), Triveni turbine (Turbine aft mkt business), Elgi Equipment (oil-free air compressors).
Automobiles	Minimal impact on Indian OEMs and 2W manufacturers due to limited US exposure. Tractor OEMs (M&M) face risk as US customers may switch to domestic brands. Auto component suppliers may be affected by global OEMs shifting supply chains.	Tractor OEMs (M&M) are vulnerable to customer shifts due to price rises. Component suppliers are at risk if global OEMs alter sourcing strategies to avoid tariffs.	M&M (Tractors), Indian auto component manufacturers supplying to global OEMs.
Pharma	Higher tariffs will increase export costs, reducing Indian generics' competitiveness in the US market. Pharma companies may consider US-based production, incurring higher regulatory and labor costs. Market adaptation through cost-cutting and diversification is necessary.	Increased costs and potential loss of price competitiveness in US. Higher operational expenses if production shifts to the US. $8.7bn pharma exports to the US need strategic adjustments.	Indian generic drug manufacturers exporting to the US.
Metals & Mining	US steel and aluminum tariffs raised to 25% may disrupt global trade flows. Indian steel exports to the US remain low, but improved US demand may benefit Indian producers. Aluminum price hikes may impact on US user industries. India's coking coal imports from the US (8mt of 55mt total) face minimal impact due to low 2.5% duty.	Global trade realignment could redirect material flows, impacting global steel and aluminum markets. Possible price hikes in US industries, affecting automotive and beverage sectors. India's 10% tariff advantage over China could be a competitive edge.	Beneficiaries: Jindal Stainless, JSW if US demand rises. Limited impact on coking coal imports due to alternative sourcing and low duty.
EMS	US semiconductor import tariffs could increase production costs for Indian electronics firms.	Tariff-driven cost increases in chip imports may raise overall electronics production costs.	Avalon Technologies (46% US revenue), Cyient DLM (major exposure to US, France, Israel) if US tariffs extend to PCBA/box build

Source: PL

Tax Relief to Fuel Consumption

The Union Budget 2025-26 brought substantial relief to middle-income taxpayers by restructuring personal income tax regime, raising the nil tax slab to ₹12 lakh and rationalizing slabs, enhancing disposable incomes and reviving urban consumption. The move reduces tax liabilities for 5.65 crore taxpayers, unlocking ~₹1 Lakh crore in savings.

Exhibit 15: Income Tax cuts likely to provide ₹3.3 Lakh Crore Consumption Boost

Tax slabs	Tax rate	No. of Tax Payers (in Cr)	Total tax savings (in Crore)	Total boost to consumption (in Rs Crore)
4L-8L	5%	3.73	11,222	37,032.60
8L-12L	10%	1.12	43,800	1,44,540.00
12L-16L	15%	0.42	11,589	38,243.70
16-20L	20%	0.19	13,009	42,929.70
20L-24L	25%	0.095	9,415	31,069.50
>24L	30%	0.098	10,788	35,600.40
Total	**-**	**5.658**	**99,103**	**3,29,415.9**

Source: PL

- **Income Tax Cuts to provide ₹1 Lakh Crore in Tax Relief:** The policy provides ~₹1 Lakh crore in direct tax savings to 5.65 crore individuals, with the highest individual benefit accruing to those earning above ₹24 lakh (₹1.1 lakh per taxpayer). While this significantly enhances discretionary spending power, the RBI's latest monthly bulletin estimates a direct tax buoyancy of 1.25 in FY26, down from 1.47 in FY25, reflecting revenue foregone due to tax cuts. Govt is pinning hopes that increased consumption and secondary tax inflows will largely compensate for the lower direct tax intake. Moreover, higher consumption will increase capacity utilization and revive private sector capex.

- **₹3.3 Lakh Crore Consumption Boost:** The estimated multiplier effect (3.33x, based on MPC of 0.7) translates into a ₹3.29 lakh crore demand injection. Taxpayers in the > 12 lakh bracket alone drive ₹1.47 lakh crore of this boost. The effectiveness of this demand surge will depend on sectoral absorption capacity.

- **Progressive Increase in Per Capita Tax Savings Across Income Brackets, Strengthening Urban Demand:** Taxpayers in the ₹4-8 lakh bracket see a modest per capita saving of ₹3,010, which escalates sharply to ₹39,107 for those earning ₹8-12 lakh—a more than 12-fold increase. The savings continue to rise significantly in higher brackets, reaching ₹67,056 for the ₹16-20 lakh segment and exceeding ₹1.1 lakh per taxpayer in the >₹24 lakh category.

- **Tax cuts could boost GST revenue by ₹40,000 crore, partially offsetting direct tax losses:** The ₹3.3 lakh crore consumption boost stemming from tax savings will have a direct spillover into indirect tax revenues, primarily through Goods and Services Tax (GST). Assuming an average effective GST rate of 12%, this incremental spending could generate approximately ₹40,000 crore in additional GST collections. Of this, ₹20,000 crore would accrue to the central government, while the remaining ₹20,000 crore would flow to the states. Furthermore, under the devolution formula, 41% of the Centre's ₹20,000 crore share—amounting to ₹8,000 crore—would also be transferred to states, effectively increasing their total gain to ₹28,000 crore. This indirect revenue boost partially offsets the ₹1 lakh crore direct tax revenue foregone, reinforcing fiscal stability while ensuring that increased household consumption contributes back to government finances.

Domestic consumption on the cusp of revival

Domestic consumption has seen a tepid growth in the past few quarters as effect of severe summer, prolonged rains and high food inflation dampened the consumer sentiments. Rural demand has been picking up led by gains from normal monsoons, while urban demand remains tepid. We expect demand scenario to play out as follows:

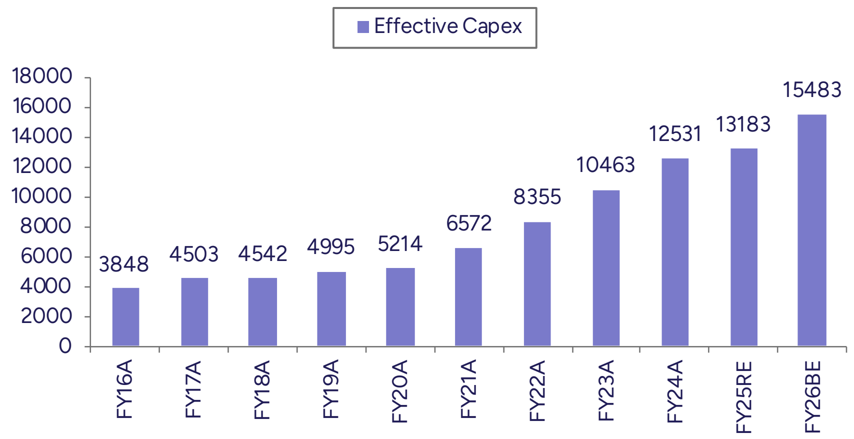
- We expect the impact of tax cuts to start reflecting in improved sentiment and sales from June 25 or from onset of festival season from Raksha Bandhan and Ganesh Chaturthi. By that time, we expect monsoons to set in fully, giving more clarity on inflation and rural demand. As per APEC, South Korea, India is likely to have normal onset and progress of monsoons which can provide a big boost to consumption.
- As against no marriage season from June to Nov (including south India) in FY25, FY26 marriage season will be staggered and help boost demand in 1Q/2Q, which have a low base.
- Food inflation has peaked out and has declined from a peak of 10.8% to the current 6.0% and should further moderate in coming periods given robust harvest season. We don't expect any external shocks in oil and other commodities which should work to the advantage of consumers, thus boosting demand.
- Given that major beneficiaries of tax cuts will be consumers with income brackets of more than Rs. 8 lakhs, we expect a bigger demand boost for discretionary consumption. We believe sectors like Tourism, Retail, QSR, Housing, Durables, white Goods, Apparel, Footwear, Quick Commerce, Auto – PV and 2W, Paints, Home décor, Jewellery as key beneficiaries.

Capex Boost: India Bets Big on Infrastructure

The Government of India (GoI) has set an ambitious capital expenditure target of ₹11.2 trillion (excluding grants in aid) for FY2026, marking a 10.1% increase over the revised estimate (RE) of ₹10.2 trillion in FY2025. However, this increase comes on the back of a lower-than-initially-budgeted capex in FY2025 (₹11.1 trillion BE), trimmed due to less spending in H1 FY25 due to elections and adverse weather conditions.

However, the Government of India's effective capex is projected to rise by 17.4% to ₹15.5 trillion in FY2026, significantly driven by the sharp increase in grants-in-aid to states for the creation of capital assets. These grants, which are essentially off-budget support to state-level capex, are budgeted at ₹4.3 trillion in FY2026, reflecting an exceptionally high 42.4% growth, the fastest in 14 years.

Exhibit 16: Effective Capex (Including Grant-in-aid) rises by 17% in FY26 BE



Source: PL

- **Emphasis on State-Led Capex Growth:** The effective capex includes the ₹1.5 trillion interest-free capex loans to states, enabling a more decentralized investment thrust. However, the extent of state-level capex acceleration will only be clear post their budget presentations. Given that state capex accounts for nearly 40% of total public capital formation, this move could significantly amplify investment multipliers.

- **Targeted Infrastructure Spending - Strengthened Multi-Modal Connectivity, Defense, and Clean Energy Transition:** The Government of India's (GoI) infrastructure capex remains robust, with key sectors receiving targeted allocations to enhance connectivity, security, and energy transition. The capital goods sector, a key beneficiary of this sustained infrastructure thrust, has already seen a strong order book uptick in H2FY2025, and this momentum is expected to accelerate further in FY2026

  - The defense outlay has risen to ₹1.8 trillion (vs. ₹1.6 trillion in FY2025 RE), with notable jumps in aircraft and aeroengine procurement (₹486 billion) and defense equipment (₹631 billion), boosting HAL and Bharat Electronics.

- A defining move is the launch of the Nuclear Energy Mission, targeting 100 GW of nuclear capacity by 2047, which will drive domestic manufacturing of small modular reactors (SMRs), benefiting heavy manufacturing and EPC players like L&T and BHEL.

- Additionally, metro and rail capex remain a key growth driver, with sustained allocations to the Ministry of Railways supporting rolling stock manufacturing, track renewals, and the Kavach safety system, benefiting BEML, HBL Power, Kernex, and Bharat Electronics.

- The budget's strong push for clean technology manufacturing—including solar PV cells, electrolyzers, wind turbines, EV batteries, high-voltage transmission, and grid-scale storage—is set to expand domestic industrial capacity and global competitiveness, favoring firms such as Siemens, GVTD, Suzlon, and Inox Wind.

- Critically, the capex-to-revenue expenditure ratio has improved to 0.39 from 0.38 in FY2025 RE.

India is in the midst of big multi decadal transitions in Renewables, EV, smart Infra, Ports, Railways, Roads, Data Centers etc. India needs massive amounts of investment in above mentioned areas to sustain current ~6.5% GDP growth and accelerate it to beyond 7% in coming years. While the growth rates might normalize in few segments, revival of private capex will further boost the sustainability of capex story in India.

Exhibit 17: Continued strong order intakes drive robust order books of companies in the Capital Goods universe

Order Book (Rs mn)	FY21	FY22	FY23	FY24	FY25E	YoY gr. (%)	FY26E	YoY gr. (%)
ABB India (ex. Power Grid)	41,140	49,770	64,680	84,040	93,800	*11.6%*	1,01,636	*8.4%*
BEML	1,13,630	91,920	85,700	1,18,730	1,77,265	*49.3%*	2,76,615	*56.0%*
Bharat Electronics	5,34,340	5,75,700	6,06,900	7,59,340	8,17,321	*7.6%*	10,62,834	*30.0%*
BHEL	10,20,900	10,25,420	9,13,360	13,15,980	17,22,505	*30.9%*	18,83,585	*9.4%*
Engineers India	79,819	76,549	76,946	78,235	1,27,776	*63.3%*	1,33,742	*4.7%*
GE Vernova T&D	45,900	37,200	36,995	62,729	1,08,375	*72.8%*	1,35,923	*25.4%*
Hindustan Aeronautics	8,06,400	8,21,540	8,17,850	9,41,290	13,17,806	*40.0%*	16,70,736	*26.8%*
KEC International	1,91,090	2,37,160	3,05,530	2,96,440	3,32,285	*12.1%*	3,46,513	*4.3%*
Kalpataru Projects	2,78,990	3,28,980	4,37,680	5,48,740	6,07,547	*10.7%*	6,58,701	*8.4%*
Kirloskar Pneumatic	9,250	12,500	11,500	14,750	19,195	*30.1%*	22,765	*18.6%*
L&T	32,74,000	35,76,000	39,95,260	47,58,090	56,65,190	*19.1%*	65,02,157	*14.8%*
Praj Industries	17,480	28,775	34,140	38,550	44,430	*15.3%*	56,919	*28.1%*
Siemens	1,23,600	1,35,198	1,49,055	4,07,332	4,07,742	*0.1%*	4,14,587	*1.7%*
Thermax	52,270	87,983	97,520	1,01,110	1,06,646	*5.5%*	1,02,071	*-4.3%*
Triveni Turbine	6,389	9,703	13,281	15,525	21,065	*35.7%*	26,441	*25.5%*
Voltamp	6,536	6,050	6,027	8,407	13,452	*60.0%*	19,322	*43.6%*
Total	**66,01,734**	**71,00,448**	**76,52,424**	**95,49,288**	**1,15,82,401**	***21.3%***	**1,34,14,547**	***15.8%***

Source: Company, PL

Nifty Valuation

	Weight-age (%)	FY24	FY25E	FY26E	FY27E
Banking & Fin.	**35.5**				
PER (x)		19.3	18.1	16.9	14.8
PAT Growth (%)		22.2	6.7	6.7	14.5
Technology	**13.8**				
PER (x)		30.4	28.0	24.7	21.8
PAT Growth (%)		3.8	8.3	13.4	13.6
Oil & Gas	**9.6**				
PER (x)		13.7	17.3	15.7	14.6
PAT Growth (%)		59.9	(21.2)	10.6	7.0
Consumer	**10.9**				
PER (x)		44.3	45.9	41.0	36.8
PAT Growth (%)		14.3	(3.5)	11.8	11.5
Auto	**7.5**				
PER (x)		20.7	22.0	19.2	18.2
PAT Growth (%)		154.0	(6.2)	14.6	5.5
Eng. & Power	**7.3**				
PER (x)		22.5	21.2	18.2	16.1
PAT Growth (%)		16.9	6.3	16.2	13.7
Pharma	**3.9**				
PER (x)		35.2	30.2	27.2	25.3
PAT Growth (%)		21.5	16.4	11.4	7.4
Metals	**3.7**				
PER (x)		13.3	13.6	9.7	8.5
PAT Growth (%)		8.6	(1.9)	39.9	14.6

	Weight-age (%)	FY24	FY25E	FY26E	FY27E
Telecom	**4.3**				
PER (x)		73.0	54.3	35.5	30.1
PAT Growth (%)		61.4	34.6	52.9	17.9
Cement	**1.3**				
PER (x)		46.5	49.6	34.8	27.8
PAT Growth (%)		38.3	(6.2)	42.5	25.3
Others	**1.4**				
PER (x)		47.2	31.7	26.9	24.6
PAT Growth (%)		(4.6)	48.8	18.1	9.4
Ports & Logistics	**0.8**				
PER (x)		29.6	23.1	19.7	17.2
PAT Growth (%)		52.8	28.2	17.3	14.3
Nifty as on Feb 24	**22,553**				
EPS (Rs) - Free Float - PL		**1,018.4**	**1,147.6**	**1,304.9**	**1,472.7**
Growth (%)		***17.7***	***12.7***	***13.7***	***12.9***
PER (x)		**22.1**	**19.7**	**17.3**	**15.3**
EPS (Rs) - Free Float - Nifty Cons.		**1,018.4**	**1,170.8**	**1,337.3**	**1,521.1**
Var. (PLe v/s Cons.) (%)		***-***	***(2.0)***	***(2.4)***	***(3.2)***
Sensex as on Feb 24	**74,454**				
EPS (Rs) - Free Float - PL		**3,012.3**	**3,556.6**	**4,072.2**	**4,652.1**
Growth (%)		***9.8***	***18.1***	***14.5***	***14.2***
PER (x)		**24.7**	**20.9**	**18.3**	**16.0**
EPS (Rs) - Free Float - Sensex Cons.		**3,012.3**	**3,625.7**	**4,162.4**	**4,778.0**
Var. (PLe v/s Cons.) (%)		***-***	***(1.9)***	***(2.2)***	***(2.6)***

Source: Company Data, PL

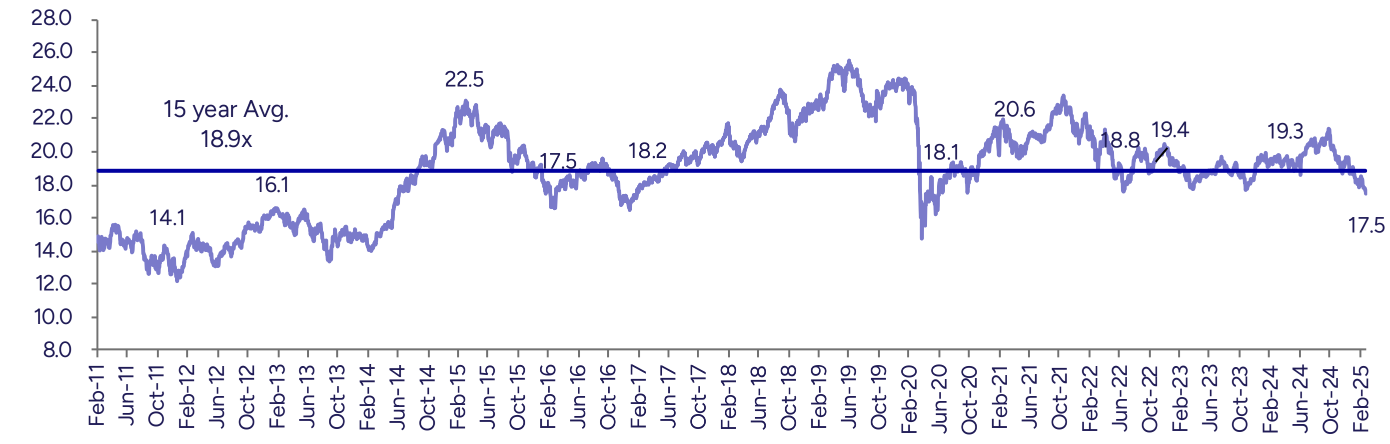
Note: Sector Weightages updated as on January 10, 2025

Exhibit 18: FY26: Most Sectors ex of BFSI to achieve double digit EPS growth, Cement, Metals and Telecom to lead

	NIFY Sectoral EPS - PLe (Rs)				*% Gr.*				*% Contribution to total EPS*			
	2024	2025	2026	2027	*2024*	*2025*	*2026*	*2027*	*2024*	*2025*	*2026*	*2027*
Auto	88.8	91.7	104.6	110.1	*142.6%*	*3.2%*	*14.1%*	*5.2%*	*8.7%*	*8.0%*	*8.0%*	*7.5%*
BFSI	428.6	506.2	543.1	619.7	*12.7%*	*18.1%*	*7.3%*	*14.1%*	*42.1%*	*44.1%*	*41.6%*	*42.1%*
Cement	6.3	6.5	9.3	11.6	*29.2%*	*4.0%*	*42.5%*	*25.3%*	*0.6%*	*0.6%*	*0.7%*	*0.8%*
Consumer	62.1	67.0	75.1	83.8	*6.2%*	*7.9%*	*12.1%*	*11.5%*	*6.1%*	*5.8%*	*5.8%*	*5.7%*
Eng. & Power	69.8	83.0	98.9	114.5	*10.3%*	*19.0%*	*19.1%*	*15.8%*	*6.8%*	*7.2%*	*7.6%*	*7.8%*
Healthcare	26.8	34.0	37.8	39.6	*15.1%*	*27.2%*	*11.2%*	*4.7%*	*2.6%*	*3.0%*	*2.9%*	*2.7%*
Metals	57.8	67.1	97.7	113.2	*-6.1%*	*16.1%*	*45.6%*	*15.9%*	*5.7%*	*5.9%*	*7.5%*	*7.7%*
Oil & Gas	145.5	125.5	138.6	149.9	*40.6%*	*-13.8%*	*10.5%*	*8.1%*	*14.3%*	*10.9%*	*10.6%*	*10.2%*
Others	8.8	11.9	15.0	17.7	*-17.5%*	*35.9%*	*25.9%*	*18.2%*	*0.9%*	*1.0%*	*1.2%*	*1.2%*
Ports & Logistics	6.3	8.9	10.4	11.9	*42.7%*	*42.0%*	*17.3%*	*14.3%*	*0.9%*	*1.0%*	*1.2%*	*1.2%*
Technology	103.4	124.3	141.5	162.0	*-5.1%*	*20.3%*	*13.8%*	*14.5%*	*0.6%*	*0.8%*	*0.8%*	*0.8%*
Telecom	14.4	21.4	32.7	38.6	*50.7%*	*49.2%*	*52.9%*	*17.9%*	*10.2%*	*10.8%*	*10.8%*	*11.0%*
Nifty	**1,018.4**	**1,147.6**	**1,304.9**	**1,472.7**	***17.7%***	***12.7%***	***13.7%***	***12.9%***				

Source: PL

Exhibit 19: Nifty trading at 7.4% discount to 15- year average 1-year forward PE

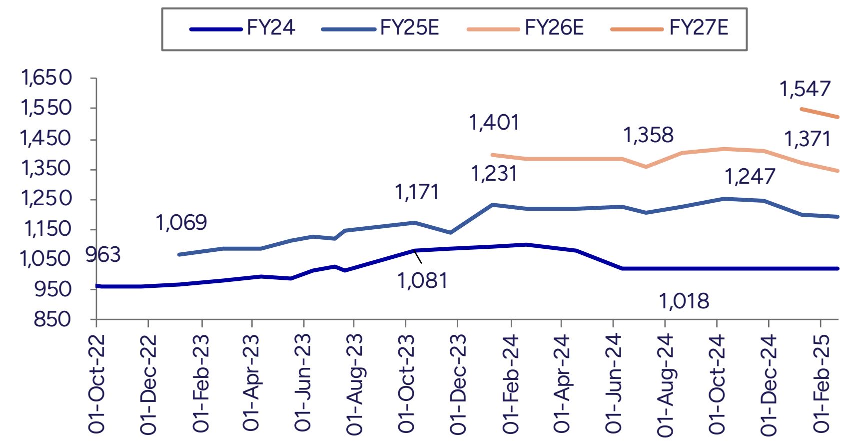


Source: PL

FY25/26/27 EPS has seen a cut of 3/1/0.6% while consensus EPS has seen a cut of 0.3/0.5/1.1%

PL estimates for FY25/26/27 are 3.2/3.5/4.3% lower than consensus.

Exhibit 20: NIFTY EPS trend – FY24-27 CAGR at 14.1%

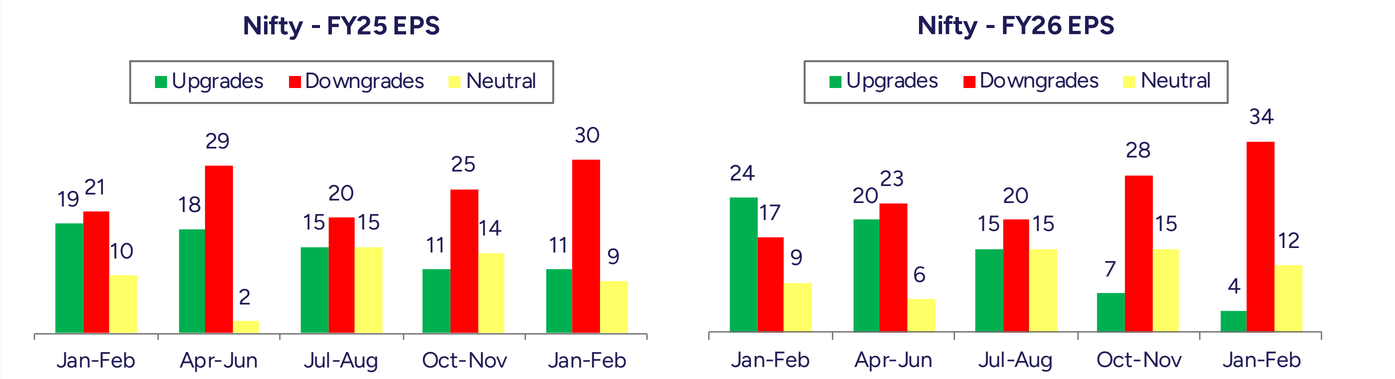


Source: PL

Nifty 50 – Weak near-term trend

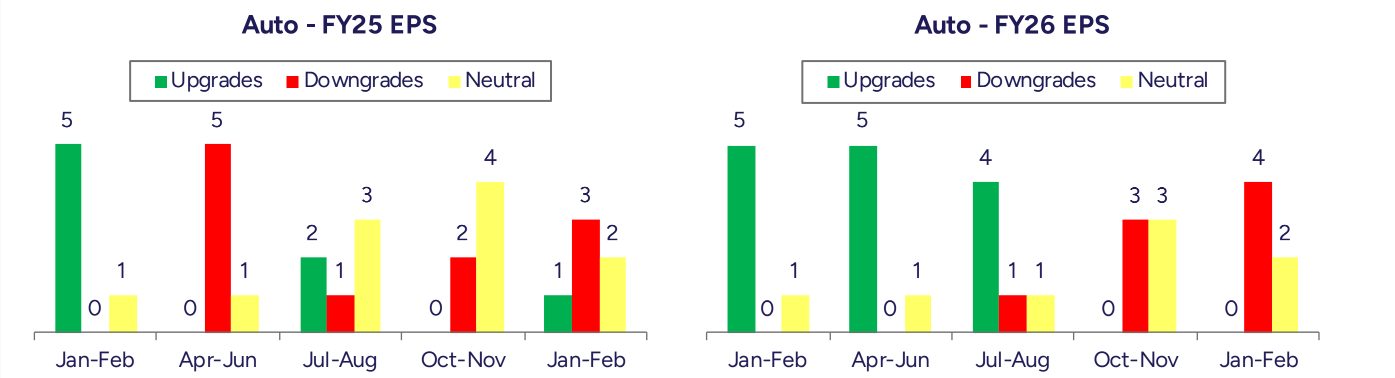
NIFTY consensus EPS for FY25/26has seen a cut of 3.2% and 4.9% since Jan24. Nifty EPS was in an upgrade cycle since Oct22 when NIFTY EPS was introduced at 1069 and it rose to 1251 by July24. From July until now, the cut in EPS has been 8.9% and 8.6% for FY25/26. The EPS for FY27, which was introduced in Oct24, has seen a cut of 5%. The number of stocks in NIFTY, which have seen downgrades in EPS (Hurdle rate 1% on both sides), has risen from 21 in Feb24 to 30 in 3Q25. For FY26, the number of downgrades has risen from 17 stocks to 34 stocks. High QoQ downgrades indicate deterioration in trend.

Exhibit 21: 3Q25: FY25 has seen an increase in Downgrades to 30, while for FY26 downgrades increased to 34



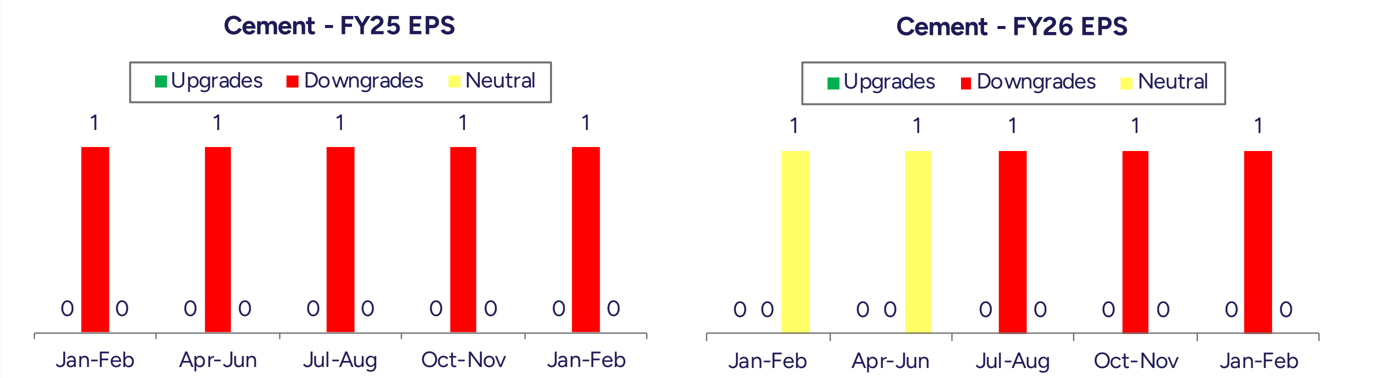
Source: Company, PL

Exhibit 22: Downgrades continue to increase both for FY25/26, no upgrades in FY26 despite hopes of demand revival



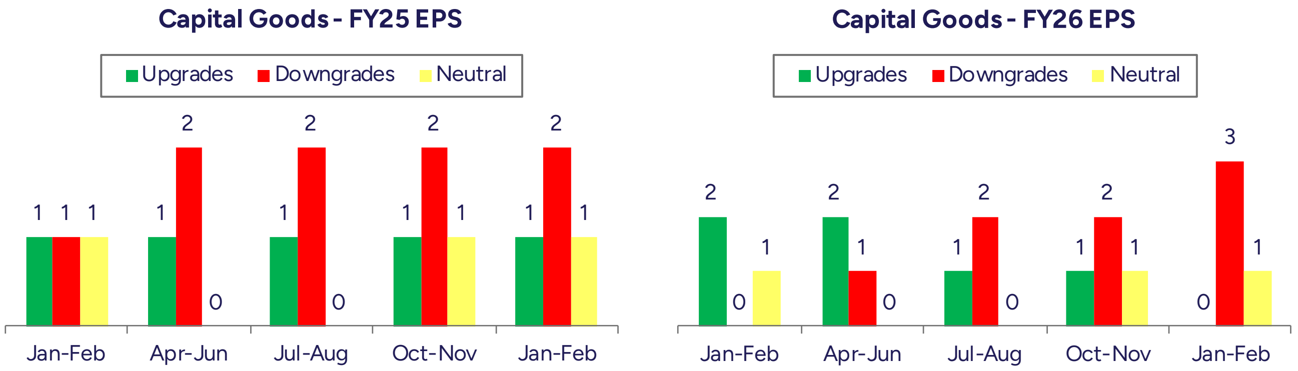
Source: Company, PL

Exhibit 23: Soft pricing results in EPS downgrades during 3Q25



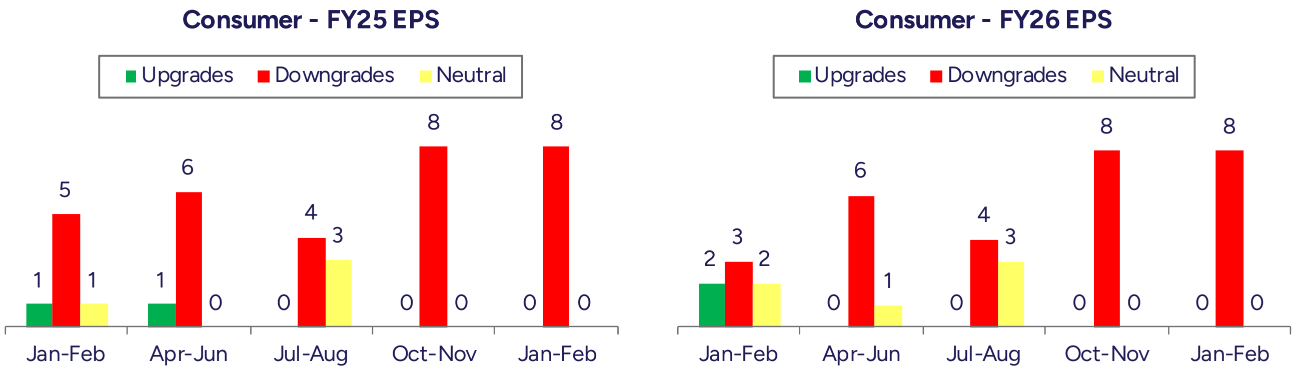
Source: Company, PL

Exhibit 24: FY25 EPS trend sustains, FY26 downgrades increase from 2 to 3



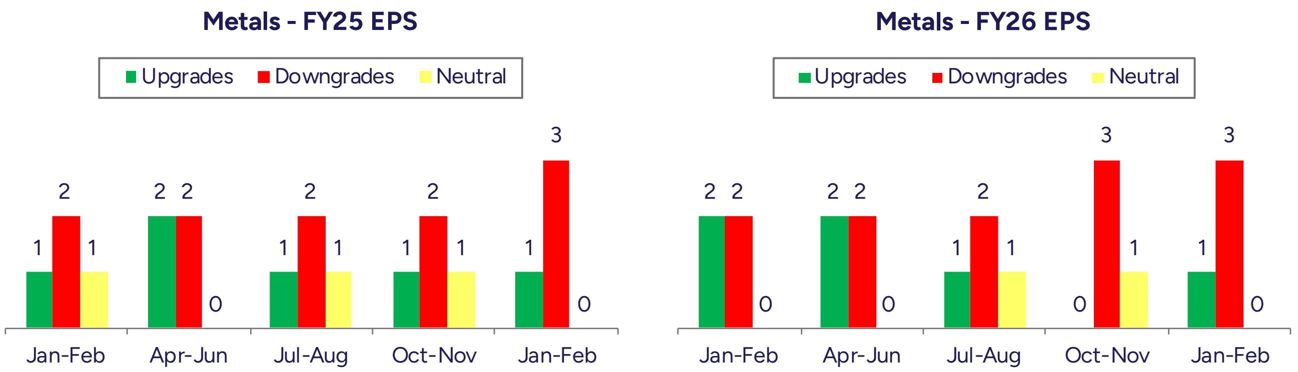
Source: Company, PL

Exhibit 25: Across the broad EPS cut in NIFTY consumer stocks as both growth and margins disappoint



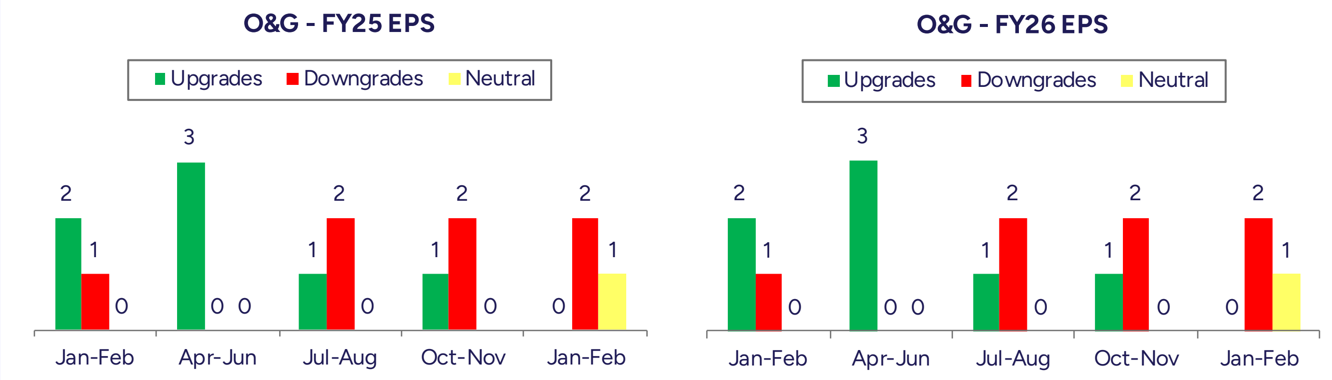
Source: Company, PL

Exhibit 26: EPS cut cycle continues for Ferrous metals, Hindalco remains lone stock with upgrades



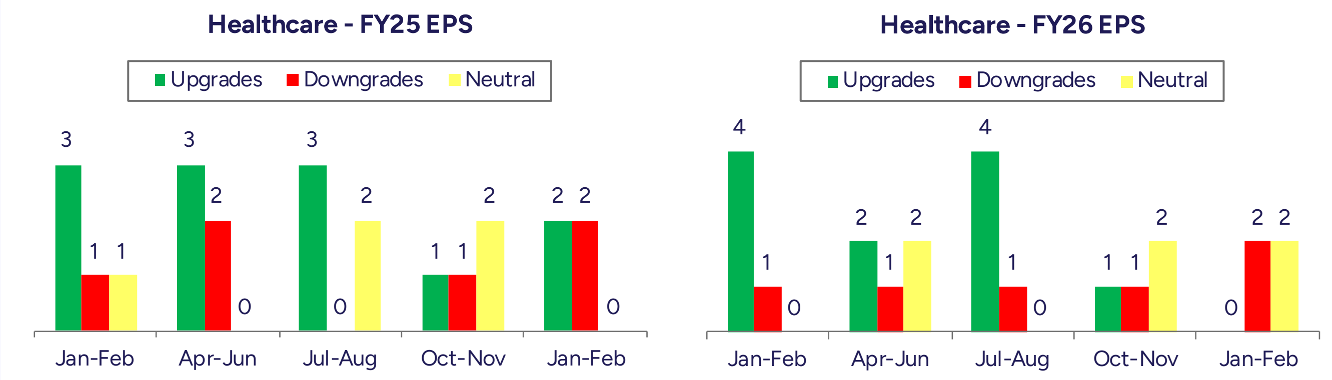
Source: Company, PL

Exhibit 27: O&G EPS cut cycle continues – EPS cut for ONGC/RIL



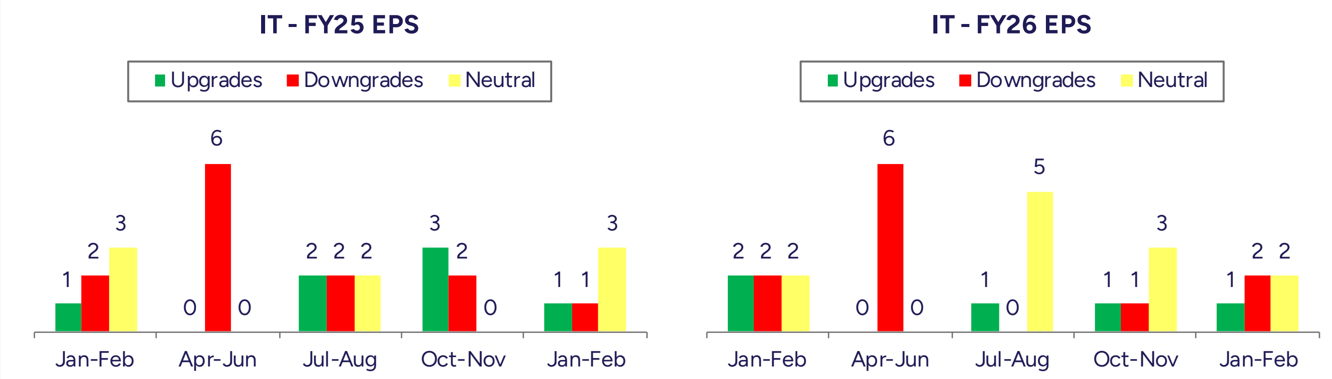
Source: Company, PL

Exhibit 28: EPS cuts increase for FY26 on concerns for reducing one off benefits in select generic molecules



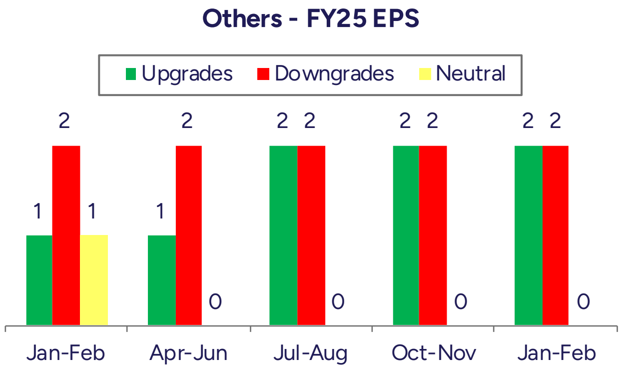
Source: Company, PL

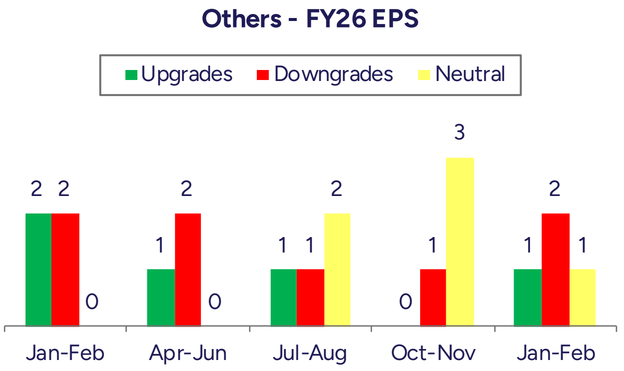
Exhibit 29: IT services belie hopes, lower upgrades for FY25 while EPS cuts in more stocks in FY26



Source: Company, PL

Exhibit 30: Others - More downgrades in FY26, FY25 status quo remains





Source: Company, PL

Exhibit 31: Model Portfolio v/s Nifty

Returns	Model Portfolio	Nifty	Perf.
Since Nov'18	128.9%	109.5%	19.4%
Since Last Report	-5.4%	-3.7%	-1.6%
Since Apr'24	3.0%	2.5%	0.4%

Source: PL

Model Portfolio

Sectors	Mcap (Rs bn)	Nifty Weightage (%)	PL Weightage (%)	Weights
Automobiles		**7.5**	**7.8**	**Overweight**
Mahindra & Mahindra	3,369	2.5	3.3	
Maruti Suzuki	3,881	1.6	3.0	
Tata Motors	2,800	1.4	1.5	
Banks		**30.1**	**30.6**	**Overweight**
Axis Bank	3,127	2.8	2.8	
HDFC Bank	12,830	12.5	12.0	
ICICI Bank	8,605	8.6	9.5	
Kotak Mahindra Bank	3,909	2.8	3.5	
State Bank Of India	6,394	2.7	2.8	
Cement		**1.3**	**1.4**	**Overweight**
UltraTech Cement	3,188	1.3	1.4	
Capital Goods & Engineering		**7.3**	**11.8**	**Overweight**
ABB	1,142		3.0	
Larsen & Toubro	4,480	3.8	3.8	
Siemens	1,735		2.5	
Bharat Electronics	1,874	0.9	1.5	
Polycab India	879		1.0	
Consumer		**10.9**	**12.0**	**Overweight**
Britannia Industries	1,157	0.6	2.5	
Hindustan Unilever	5,266	1.9	1.0	
Interglobe Aviation	1,753		3.5	
ITC	5,029	3.6	2.0	
Titan Company	2,817	1.3	2.0	
Astral	376		1.0	
Healthcare		**3.9**	**7.0**	**Overweight**
Max Healthcare	960.43		3.3	
Sun Pharmaceutical Industries	3,934	1.8	2.2	
Cipla	1,193	0.8	1.5	
IT		**13.8**	**13.8**	**Equalweight**
Infosys	7,325	6.4	6.4	
HCL Technologies	4,461	1.7	1.7	
LTI Mindtree	1,495.49		1.9	
Tata Consultancy Services	13,299	3.8	3.8	
Metals		**3.7**	**1.0**	**Underweight**
Hindalco Industries	1,442	0.9	1.0	
Diversified Financials		**5.4**	**1.2**	**Underweight**
HDFC AMC	809		1.2	
Oil & Gas		**9.6**	**9.0**	**Underweight**
Reliance Industries	16,436	8.2	9.0	
Telecom		**4.3**	**4.5**	**Overweight**
Bharti Airtel	9,578	4.3	4.5	
Others		**2.2**	**-**	**Underweight**
Cash			-	

PL Model Portfolio has outperformed NIFTY by 19.4% since Nov 2018, 0.4% since April 24 and -1.6% since last report.

- **Automobiles: overweight:** We remain overweight on hopes of demand revival as benefits of income tax cuts, lower interest rates and inflation boost demand. M&M continues to gain from strong show in PV while Normal monsoons can improve FY26 tractors outlook. Maruti seems well placed to gain from revival in demand, rising share of UV, presence across power trains and expected increase in exports (16.5% CAGR to 0.75mn units by FY27), we are increasing weightage for Maruti by 40bps and is now 140bps overweight.

- **Banks: Equal weight:** RBI has announced 25 bps rate cut and softening inflation shows hopes of another 25-50bps cut by end of FY26. Although unsecured loans and MFI remain an issue, valuations remain compelling. We are increasing weights on ICICI by 50bps and Kotak Mahinda Bank by 70bps (Gains from removal of restrictions under 811 scheme).

- **Capital Goods – Overweight:** We remain structurally positive but cut overweight from 570bps to 450bps. We believe sectoral EPS growth will remain higher than NIFTY, but margins have peaked out for most players. We cut weight in L&T, Polycab and Siemens but increase weight behind ABB post sharp correction and Bharat Electronics (strong order book).

- **Consumer: Overweight:** We turn overweight on expectations of improved demand due to lower inflation, interest rates and tax rates. We believe that maximum benefit will accrue to mid income consumers (income >1.2mn) which will improve discretionary demand. We shift 50bps weight from HUL to ITC. We increase weight on Interglobe Aviation by 150bps to 350bps. We cut weight on Titan Company by 50bps as the recent spike in gold prices will have a detrimental impact on growth in the near term. We add Astral Poly as a play on discretionary segment in building materials.

- **Healthcare: Overweight: we increase overweight from 190bps to 310bps.** We remain structurally positive on Hospitals led by Max healthcare and Sun Pharma, although we tinker with weights slightly. Sun pharma has strong growth in specialty portfolio and domestics and low exposure to generics. Max will gain from recent brownfield expansion and new acquisitions. We add Cipla as new launch approvals provide a good entry point at current valuations.

- **IT services: Equalweight:** IT services is showing initial signs of recovery in BFSI, telecom and manufacturing. However recent uncertainty around growth in US and Govt actions can impede near term growth outlook. We tinker with weights around key stocks and turn equal weight.

- **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.

- **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 strong growth in profitability and more tariff hikes after a lag.

- **Cement and Metals -** We remove Ambuja Cement from model portfolio given lackluster performance and delay in benefits of cost cutting and margin improvement. Hindalco remains a key pick in the metal segment and Ultratech in the Cement segment.

Conviction Picks Changes

High Conviction Picks: We are removing Ambuja Cement, Cyient, Cyient DLM, Jindal Stainless, Lemon Tree Hotels, Praj Industries. Ambuja has seen disappointment on expected margin improvements. Praj has seen lower order inflow and initial costs with little order ramp up in Mangalore will impact profitability till 1H26. Lemon tree remains a good play in Tourism; however, chalet looks better at current valuations. We are adding the following stocks in conviction picks.

ABB India: We are adding ABB India to our conviction pick given 1) the continued premiumization trend in India set to benefit ABB, 2) increasing traction in energy efficiency and premium products, 3) ABB's focus on high-growth areas such as data centers, rail & metro, renewables and electronics, and 4) its strong domestic order pipeline. We expect ABB to report Revenue/Adj. PAT CAGR of 16.0%/28.3% over CY23-25E. We have a 'Buy' rating on the stock with a TP of Rs6,955, valuing it at a PE of 63x CY26E.

Astral: ASTRAL is expanding across pipes, adhesives, bathware, and paints, with strategic capacity additions. The bathware segment aims to contribute Rs1.2bn to revenue in FY25, while paint expansion in Gujarat and Rajasthan shows positive traction. Pipes capacity is set to grow further, and procurement optimization is expected to improve cost efficiency. We estimate FY24-27E revenue/EBITDA/PAT CAGR of 14.9%/16.3%/19.5%. Maintain 'BUY'.

Chalet Hotels: Reported a healthy performance in 3QFY25 with EBITDA margin of 44.7% aided by 16.0% growth in RevPAR. In addition to continuing momentum in RevPAR, near term growth in hospitality segment will be driven by operationalization of ~125-130 rooms in Bangalore and ~65 rooms in Khandala over the next 6 months. Pipeline for long term is stronger with plans to add to ~840 rooms at Delhi, Navi Mumbai and Goa over the next 3 years. Even annuity business witnessed healthy traction as 0.4mn sq ft was leased out in 3QFY25. Balance 0.8mn sq ft is expected to be leased out in next 2 quarters and thus we expect margin trajectory to improve from 2HFY26E. We expect sales/EBITDA CAGR of 17%/20% over FY25E-FY27E, as we upgrade to "BUY" with a TP of Rs1,064 valuing the hotel business at EV/EBITDA multiple of 24x, annuity portfolio at a cap rate of 8.5% and the residential project at NAV of Rs29 per share.

Cipla: Cipla has a robust US generic pipeline with a focus on new launches. The timely rollout of gAbraxane and gAdvair will be crucial in driving US revenue and mitigating potential declines in gRevlimid. Domestic growth is supported by increased branded prescriptions, a strong trade generic business, and continued momentum in consumer health. Further, Cipla's strong net cash position of +$1bn provides flexibility to pursue strategic M&A opportunities. At CMP, stock is trading 22.7x FY27E EPS. We recommend 'BUY' rating with TP of Rs1,730/share. The timely launch of critical high-value products in the US in FY26E/27E will be key.

Ingersoll-Rand (India): We are adding Ingersoll-Rand India to our conviction pick given it is 1) among the top 3 air compressor players in India, 2) expanding its air compressor manufacturing capacity by 50% which will drive volumes & scale, and 3) backed by strong global parentage of Ingersoll Rand Inc (IR Inc.), providing access to cutting-edge R&D and technology. We expect INGR to report revenue/Adj. PAT CAGR of 14.3%/15.7% over FY24-27E. We have a 'Buy' rating on the stock with a TP of Rs4,540, valuing it at a PE of 45x on Sep'26E.

Kaynes Technology India: KAYNES, a leading IoT-enabled ESDM manufacturer, focuses on high-margin automotive (29%) and industrial (48%) sectors. With capacity expansion, backward integration, and a strong order book, it aims for USD 1bn revenue by FY28, expanding into OSAT and PCB manufacturing. We estimate FY24-27E revenue/EBITDA/PAT CAGR of 51.4%/58.3%/47.6%, with EBITDA margins improving 200bps to 16.1%.

Kotak Mahindra Bank: KMB saw a strong Q3FY25 with beat on all fronts i.e. loan growth, margins, opex and asset quality; despite challenging macros, earnings quality was best-in-class. Lifting of RBI embargo could lead to better loan growth and NIM which could drive an upgrade in core PPOP. We see a 14.5% CAGR in Core PPOP. Bank also plans to increase share of unsecured portfolio share from current 10.5% to 15% leading to increase in the yields. Core earnings growth is expected to be 13.4%/17.7% for FY26/27E. Likely RoA/RoE for FY26E at 2.2%/12.7%. Maintaining multiple at 2.4x on Sept'26 core ABV, our TP is Rs2,230. Reiterate 'BUY'.

Maruti Suzuki: We add MSIL in our model portfolio as its multi-powertrain strategy across CNG, BEV, HEV, and ICE positions it well for diverse customer preferences, driving a domestic volume CAGR of 3.7% over FY24-27E, with UVs offsetting sluggishness in compact and sedan segments. Strong export growth is expected, targeting ~300k units in FY25 and ~750k by FY30E (CAGR ~16.5%), supported by rising UV penetration. With its product portfolio shifting towards UVs in domestic as well as international market, it shall enable the company to deliver healthy growth in its ASP and sustain margin profile. Factoring this, we add MSIL in our model portfolio and recommend "BUY" with a with a TP of ₹14,154 valuing it at a P/E of 24x on its Dec'26 earnings.

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																							
ABB India	5,390	6,955	*29.0%*	1,142.1	13,170	16.7	15.4	14.5	50.2	9.0	14.5	28.8	26.5	25.7	33.2	30.4	29.4	60.9	55.9	48.8	16.1	13.7	11.6
Bharat Electronics	256	340	*32.6%*	1,873.9	21,608	17.3	18.9	16.2	18.0	19.5	16.7	27.0	27.1	26.7	31.5	31.9	31.4	39.5	33.1	28.3	9.8	8.3	7.0
Bharti Airtel	1,601	1,827	*14.1%*	9,094.4	1,04,871	14.3	16.7	9.4	34.6	52.9	17.9	19.7	23.8	22.3	14.2	16.1	16.6	50.1	32.8	27.8	8.9	7.0	5.6
Britannia Industries	4,804	5,881	*22.4%*	1,157.4	13,346	7.0	9.9	10.2	1.3	13.0	15.8	53.6	54.8	54.6	48.0	53.6	55.8	53.5	47.3	40.8	28.0	24.2	20.7
Cipla	1,477	1,730	*17.1%*	1,192.3	13,748	6.5	9.1	7.3	18.7	5.8	1.8	17.2	16.2	14.9	20.7	19.4	17.5	24.4	23.0	22.6	3.9	3.5	3.2
ICICI Bank	1,218	1,550	*27.2%*	8,602.2	99,195	9.2	11.9	14.0	13.4	8.5	14.6	18.1	16.9	16.8	2.3	2.2	2.2	18.5	17.0	14.8	3.2	2.7	2.4
Infosys	1,764	2,250	*27.5%*	7,305.9	84,247	6.4	8.5	11.8	8.4	12.8	14.7	29.8	33.6	38.4	27.6	31.2	35.7	27.8	24.6	21.4	8.3	8.3	8.2
InterGlobe Aviation	4,536	5,246	*15.7%*	1,750.8	20,189	15.3	14.7	16.2	(8.6)	(0.8)	12.2	156.8	65.0	43.2	75.7	47.9	43.5	21.5	21.7	19.4	20.9	10.7	6.9
Kotak Mahindra Bank	1,966	2,230	*13.4%*	3,908.8	45,074	9.9	13.4	16.2	0.1	12.0	16.7	12.8	12.3	12.7	2.2	2.2	2.2	28.3	25.3	21.7	3.4	3.0	2.6
Larsen & Toubro	3,258	4,025	*23.6%*	4,479.3	51,653	17.4	14.7	13.0	13.4	33.7	25.2	15.8	18.0	19.1	10.9	13.1	14.7	30.5	22.8	18.2	4.5	3.8	3.2
Mahindra & Mahindra	2,709	3,664	*35.3%*	3,249.0	37,465	15.1	14.7	13.9	15.6	10.4	13.2	21.7	20.4	19.8	21.2	20.4	19.9	26.2	23.8	21.0	5.3	4.5	3.8
Maruti Suzuki	12,345	14,154	*14.7%*	3,881.3	44,757	8.5	8.9	9.4	10.7	16.7	11.6	16.4	17.0	16.9	17.4	16.9	16.6	26.6	22.8	20.4	4.1	3.7	3.2
Reliance Industries	1,215	1,472	*21.2%*	16,435.3	1,89,521	6.1	6.2	4.3	(15.4)	13.0	12.0	7.1	7.5	7.8	8.6	9.2	9.6	27.9	24.7	22.1	1.9	1.8	1.7
Titan Company	3,173	3,833	*20.8%*	2,824.0	32,564	14.5	19.3	14.4	7.8	26.2	16.0	24.2	25.7	24.7	21.2	22.3	22.7	75.0	59.4	51.2	16.9	13.9	11.6
Mid / Small Caps																							
Aster DM Healthcare	405	620	*53.2%*	202.3	2,333	14.1	17.1	17.6	66.6	69.4	26.9	7.5	13.5	15.4	11.3	15.9	18.6	64.5	38.1	30.0	5.4	4.9	4.4
Astral Ltd.	1,398	1,808	*29.3%*	376.2	4,338	7.2	19.9	18.0	0.5	33.8	27.0	15.6	17.9	19.2	21.6	24.7	26.3	68.6	51.3	40.4	10.0	8.5	7.1
Chalet Hotels	710	1,064	*49.9%*	154.9	1,786	19.6	21.6	12.6	33.0	35.6	19.2	13.9	14.3	14.9	11.4	14.4	15.1	46.0	33.9	28.5	5.2	4.6	4.0
Crompton Greaves Consumer Electric	331	504	*52.3%*	213.0	2,456	9.1	13.3	13.3	24.0	23.9	19.9	17.2	19.3	21.0	21.3	25.1	27.6	39.0	31.5	26.3	6.3	5.8	5.2
DOMS Industries	2,532	3,370	*33.1%*	153.6	1,772	25.9	34.7	20.6	37.4	32.0	22.7	23.0	24.1	23.4	27.8	29.6	29.1	73.0	55.3	45.1	15.1	11.9	9.5
Ingersoll-Rand (India)	3,465	4,540	*31.0%*	109.4	1,261	13.0	14.1	15.8	19.6	9.9	17.9	43.0	42.2	45.0	53.8	53.0	56.7	41.1	37.4	31.7	16.7	15.0	13.6
Kaynes Technology India	4,352	5,528	*27.0%*	278.6	3,212	50.4	59.0	44.9	53.6	34.9	55.2	10.4	12.2	16.4	14.1	15.1	19.1	98.8	73.2	47.2	9.5	8.4	7.1
Max Healthcare Institute	988	1,300	*31.6%*	960.2	11,072	27.1	28.1	18.0	18.1	32.0	31.2	15.2	17.4	19.4	17.0	19.2	21.4	63.6	48.2	36.7	9.1	7.8	6.6
Polycab India	5,841	8,233	*40.9%*	878.6	10,132	21.2	17.6	14.9	7.9	23.6	15.6	21.3	21.8	21.0	29.7	30.2	29.1	45.6	36.9	31.9	8.9	7.4	6.2

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

Added: *ABB India, Cipla, Kotak Mahindra Bank, Maruti Suzuki, Astral Ltd., Chalet Hotels, Ingersoll-Rand (India) and Kaynes Technology India*

Removed: *Ambuja Cement, Siemens, Cyient, Cyient DLM, Jindal Stainless, Lemon Tree Hotels and Praj Industries*

Exhibit 32: Current Valuations in 50% (48% earlier) Nifty50 companies are lower than 2023 levels

12 Month Forward Average PE	2009-11	2011-13	2013-16	2016-20	2022	2023	2024	Current Valuations*
Nifty Index	**16.3**	**14.7**	**18.8**	**22.0**	**20.4**	**18.4**	**18.4**	**17.8**
Adani Enterprises	3.0	2.8	4.2	13.4	114.0	112.1	62.3	32.5
Adani Ports & Special Economic Zone Ltd	28.8	18.5	18.3	18.1	31.2	25.4	20.9	20.2
Apollo Hospital Enterprises	24.5	29.9	58.6	81.2	66.5	71.8	65.4	49.3
Asian Paints Ltd	21.5	30.1	39.9	51.7	82.7	61.8	61.8	46.5
Axis Bank Ltd	13.1	9.9	14.0	72.8	20.2	15.0	12.2	11.2
Bajaj Auto Ltd	9.7	15.1	17.5	17.7	17.4	15.6	20.0	24.5
Bajaj Finance Ltd	10.2	10.8	15.5	11.4	10.5	7.2	8.6	9.9
Bajaj Finserv Ltd	5.5	6.6	9.9	26.9	43.2	32.4	28.3	27.1
Bharat Electronics Ltd	15.8	12.7	14.4	17.8	16.8	19.7	23.8	34.6
Bharat Petroleum Corp Ltd	15.6	13.7	8.6	11.0	15.3	7.5	4.8	8.0
Bharti Airtel Ltd	20.9	45.4	29.3	72.6	57.3	54.2	40.5	34.3
Britannia Industries Ltd	28.8	23.3	28.3	47.3	46.9	44.5	53.4	46.7
Cipla Ltd/India	23.5	19.3	34.3	29.8	28.3	24.1	21.1	23.2
Coal India Ltd	2.9	13.7	15.8	14.2	4.0	3.8	5.4	6.5
Dr Reddy's Laboratories Ltd	27.6	16.8	26.8	30.2	24.3	14.3	16.5	16.7
Eicher Motors Ltd	7.0	12.0	NA	34.7	31.9	24.8	23.1	26.7
Grasim Industries Ltd	6.0	8.2	19.1	20.0	14.5	17.1	23.4	23.8
HCL Technologies Ltd	13.3	9.0	14.1	12.9	21.3	18.4	21.3	24.3
HDFC Bank Ltd	20.7	18.5	18.0	21.5	19.9	17.3	17.4	16.9
HDFC Life Insurance Co. Ltd.	NA	NA	-	42.8	103.0	80.4	73.9	55.6
Hero MotoCorp Ltd	16.0	17.5	17.4	18.0	20.4	15.4	15.7	15.5
Hindalco Industries Ltd	9.9	9.0	17.2	9.9	8.6	9.4	8.6	9.6
Hindustan Unilever Ltd	24.3	25.2	37.1	50.1	60.2	58.1	57.9	47.1
ICICI Bank Ltd	19.5	13.6	15.0	30.5	17.7	16.0	15.7	17.6
IndusInd Bank Ltd	12.3	14.4	17.6	26.4	13.0	10.1	14.4	9.8
Infosys Ltd	20.5	16.0	16.5	16.4	29.9	25.2	22.7	25.6
ITC Ltd	19.4	22.9	30.5	24.2	16.1	19.0	25.4	22.7
JSW Steel Ltd	16.2	25.2	25.6	10.2	15.7	26.1	27.6	19.9
Kotak Mahindra Bank Ltd	17.6	18.6	25.9	29.1	27.1	21.8	19.8	21.2
Larsen & Toubro Ltd	20.9	18.0	26.2	19.8	24.7	22.6	28.5	24.3
Mahindra & Mahindra Ltd	12.0	13.5	22.6	34.4	17.5	16.5	16.2	24.7
Maruti Suzuki India Ltd	17.2	15.9	17.5	31.9	38.1	24.5	22.6	23.4
Nestle India Ltd	32.3	40.5	63.5	55.6	78.7	65.4	71.3	60.4
NTPC Ltd	17.9	11.9	10.8	10.7	7.2	8.3	11.2	13.4
Oil & Natural Gas Corp Ltd	10.8	9.2	17.1	10.4	4.3	4.3	5.3	6.1
Power Grid Corp of India Ltd	17.6	12.5	11.5	10.5	8.1	10.0	12.6	14.8
Reliance Industries Ltd	13.5	10.5	9.4	13.4	21.9	22.8	23.9	19.9
SBI Life Insurance Co.	NA	NA	-	32.4	68.3	66.2	62.7	57.5
State Bank of India	11.9	8.9	25.1	200.4	8.9	7.8	7.9	7.7
Sun Pharmaceutical Industries Ltd	18.1	20.6	37.2	42.0	32.8	25.1	26.8	30.7
Tata Consultancy Services Ltd	16.3	16.9	20.1	20.7	32.0	27.5	27.0	25.2
Tata Consumer Products	19.9	18.1	3.7	32.6	65.2	60.5	70.0	57.5
Tata Motors Ltd	5.3	6.5	11.6	-0.8	-13.5	14.7	9.9	10.4
Tata Steel Ltd	-6.7	-1,397.8	-13.6	7.5	7.2	-1.0	23.9	14.3
Tech Mahindra Ltd	12.9	7.2	15.6	13.4	23.0	27.7	33.2	27.1
Titan Co Ltd	21.2	29.4	38.8	56.5	67.8	64.1	81.0	60.4
Trent Ltd	NA	-117.4	81.6	36.7	140.2	52.5	54.0	81.3
UltraTech Cement Ltd	13.7	16.1	28.4	35.4	33.5	31.7	37.3	36.3
UPL Ltd	5.9	6.7	13.3	33.9	48.6	34.7	30.0	26.0
Wipro Ltd	15.6	13.2	15.1	14.8	27.7	20.3	18.7	23.7

*Source: PL   * as of February 24, 2025*

Tepid demand, weak BOP adds to FII selling

- NIFTY EPS has seen a cut in EPS by 8.9% and 8.6% for FY25/26 since July24. The EPS for FY27, which was introduced in Oct24, has seen a cut of 5%. The number of stocks in NIFTY, which have seen downgrades in EPS (Hurdle rate 1% on both sides), has risen from 21 in Feb24 to 30 in 3Q25. NIFTY has shown a decline of 3.5% YTD amidst heavy selling by FII's in an environment of slow demand, pressure on currency and tight domestic liquidity.

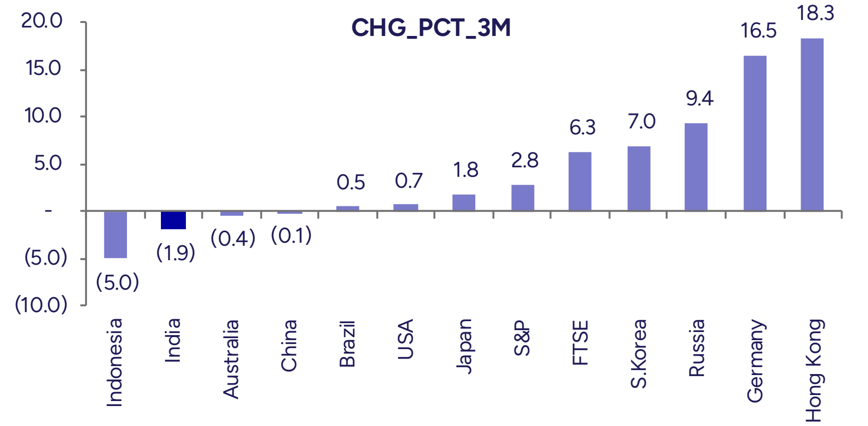
- India is 2nd worst performing market led by FII selling in an environment of slow growth and weak currency (rising trade deficit and deterioration in net FDI flows from USD 38bn in FY22 to 0.5bn FY25 YTD). Narrower gap between US 10-year yields and Indian G-Sec and weak currency have increased hurdle rate for FII equity investments to >10.5%. A significant increase in OFS for listings and exits by foreign promoters and PE players has added to outflows which has also sucked domestic liquidity in the system.

- Demand conditions remain weak as high inflation has put brakes on urban demand, rural demand held steady, but the pace of recovery has slowed down in several categories. worst seems over as 1) food inflation has peaked out and declined from a peak of 10.9% to 6% 2) 25bps cut in repo rate by RBI, more might follow in next 3-6 months 3) Rs1000bn income tax cut for consuming class in India 4) sustained increase in religious tourism and 5) 17% higher Govt capex allocation (including PSU and allocation to states) augurs well for pick-up in growth in coming quarters (on a low base).

- India has not faced wrath of Trump Tariffs as both nations are aiming for a trade deal by 3Q26. We believe that India will not any meaningful cascading impact of US policies. Soft oil prices, geopolitical stability (If Russia Ukraine war Stops) and increased transfer of technology to India will neutralize any associated costs of Trump tariffs. However, we need to watch out for the impact of trump tariffs on US inflation and consumer demand.

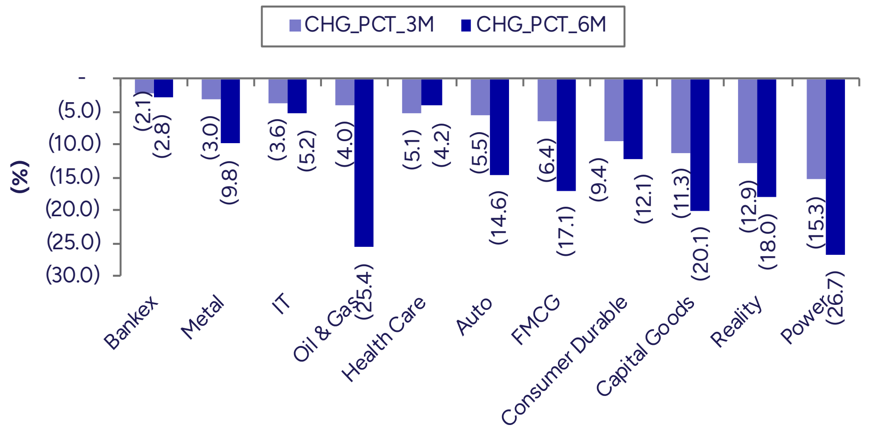
- We expect markets to remain volatile in the near term but stabilize towards the end of 4Q25. We expect the impact of various Govt initiatives and monsoons to start getting reflected in improved consumer demand in 2Q26.

Exhibit 33: Nifty50 down 1.9% in 3M amidst FII selling



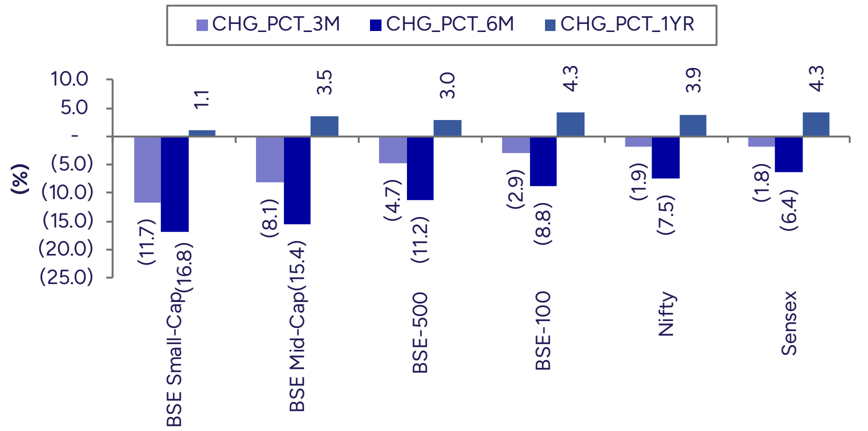
Source: PL

Exhibit 34: All major indices decline led by Power, CG, Durables and FMCG



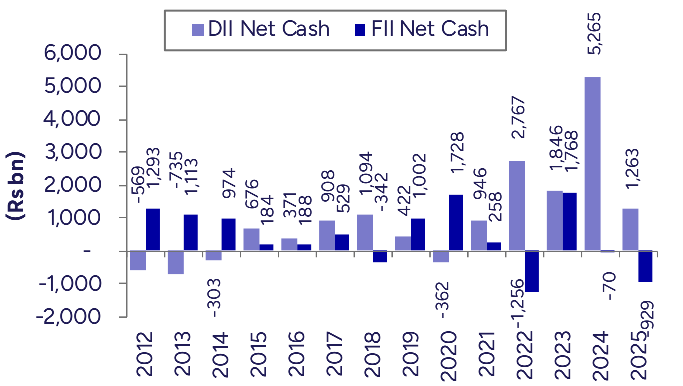
Source: PL

Exhibit 35: Nifty/ Sensex outperform Mid/ small cap indices by 620/990bps



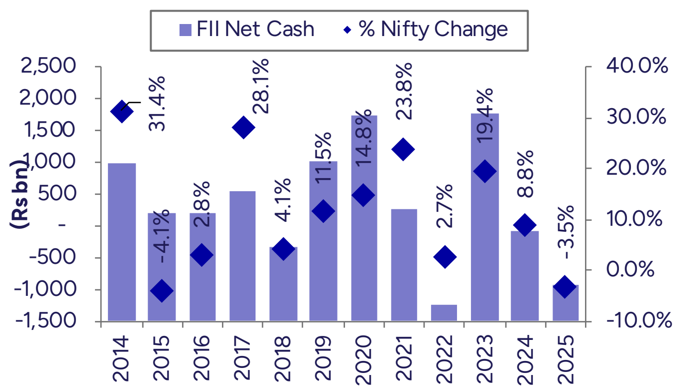
Source: PL

Exhibit 36: DII flows Rs1263bn, FII outflows at Rs929bn YTD



Source: PL

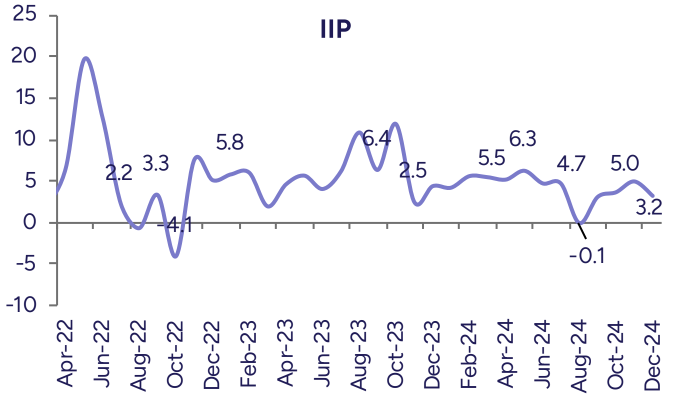
Exhibit 37: NIFTY down 3.5% YTD amidst high volatility



Source: PL

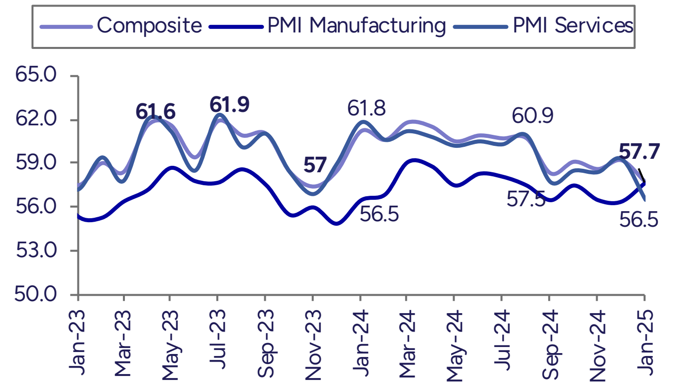
High Frequency indicators show mixed trends amid tepid demand

Exhibit 38: IIP growth falls to 3.2% YoY in Dec'24



Source: Ministry of commerce, PL

Exhibit 39: Jan25 PMI declines to 57.7, led by services growth



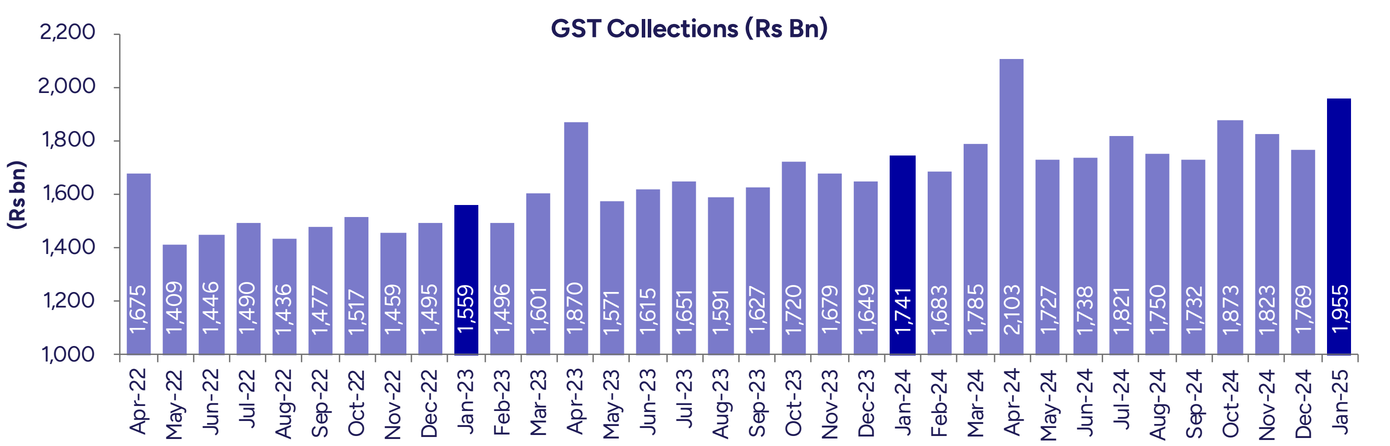
Source: Ministry of commerce, PL

Exhibit 40: Dec IIP falls 120bps to 3.22%, decline in consumer non -durables (-7.6%) neutralizes sharp uptick in CG (+10.3%)

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
General	**4.4**	**4.2**	**5.6**	**5.5**	**5.2**	**6.3**	**4.7**	**4.7**	**-0.1**	**3.1**	**3.7**	**5.0**	**3.2**
Mining	5.2	6.0	8.1	1.3	6.8	6.6	10.3	3.8	-4.3	0.2	0.9	1.9	2.6
Manufacturing	4.6	3.6	4.9	5.9	4.2	5.1	3.2	4.4	1.1	3.9	4.4	5.5	3.0
Electricity	1.2	5.6	7.6	8.6	10.2	13.7	8.6	7.9	-3.7	0.5	2.0	4.4	6.2
Use-Based													
Basic goods	4.8	2.9	5.9	3.0	7.0	7.3	6.3	5.9	-2.6	1.8	2.5	2.7	3.8
Intermediate goods	3.7	5.3	8.6	6.1	3.8	3.5	3.0	6.4	3.0	3.6	4.6	4.8	5.9
Capital goods	3.7	3.2	1.7	7.0	2.8	2.6	3.8	11.8	0.5	3.6	3.1	8.8	10.3
Infra/Construction Goods	5.5	5.5	8.3	7.4	8.5	7.6	7.1	4.6	2.2	3.2	4.8	8.1	6.3
Consumer Durables	5.2	11.6	12.6	9.5	10.5	12.6	8.8	8.2	5.4	6.3	5.7	14.1	8.3
Consumer Non-durables	3.0	0.3	-3.2	5.2	-2.5	2.8	-1.5	-4.3	-4.5	2.2	2.6	0.4	-7.6

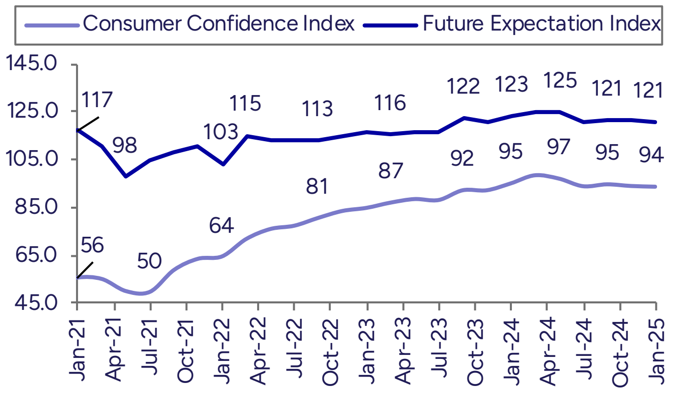
Source: MOSPI, PL

Exhibit 41: Jan'25 GST Collection at Rs.1.96bn, up 12.3% YoY, highest growth in GST and cess since April'24



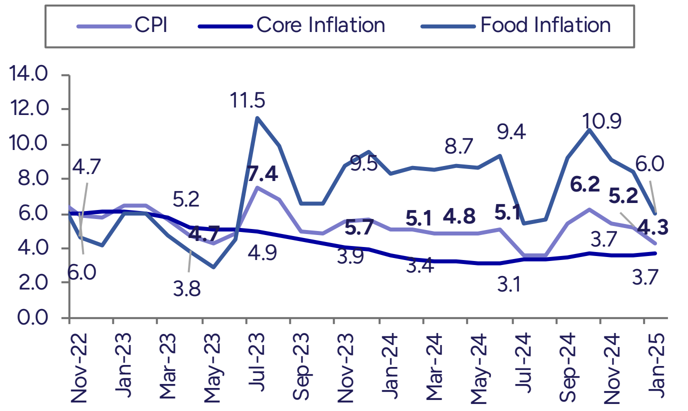
Source: GOI, PL

Exhibit 42: FEI-CCI gap at 27 in Jan'25; FY25 Avg. of 27.2



Source: CMIE, PL

Exhibit 43: CPI at 4.3% in Jan25 vs 6.2% in Oct



Source: MOSPI, PL

Exhibit 44: Food Inflation has fallen 490bps in 3months due to softened prices of fresh produce, core inflation remains sticky

Consumer Price Index (CPI)		Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
	Weight	5.1	5.1	4.9	4.8	4.8	5.1	3.6	3.7	5.5	6.2	5.5	5.2	4.3
Food, Beverages and Tobacco	45.9	7.6	7.8	7.7	7.9	7.9	8.4	5.1	5.3	8.4	9.7	8.2	7.7	5.7
Pan Tobacco and Intoxicants	2.4	3.3	3.1	3.1	3.0	3.0	3.1	3.0	2.7	2.5	2.5	2.3	2.5	2.3
Clothing and Footwear	6.5	3.4	3.1	3.0	2.9	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Housing	10.1	3.2	2.9	2.7	2.7	2.6	2.7	2.7	2.7	2.7	2.8	2.9	2.7	2.8
Fuel and Light	6.8	-0.6	-0.8	-3.4	-4.0	-3.7	-3.6	-5.5	-5.3	-1.3	-1.7	-1.8	-1.3	-1.4
Miscellaneous	28.3	3.8	3.6	3.5	3.5	3.4	3.4	3.8	3.9	4.0	4.3	4.3	4.2	4.3
Consumer Food Price Index	**39.1**	**8.3**	**8.7**	**8.5**	**8.7**	**8.7**	**9.4**	**5.4**	**5.7**	**9.2**	**10.9**	**9.0**	**8.4**	**6.0**

Source: MOSPI, PL

Exhibit 45: India's Trade Deficit up 39% YoY, however lower by USD8.8bn than Nov24, Non oil/ Non Gold imports up 19%

Merchandise Trade (USD bn)	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Exports	37.3	41.4	41.7	35.3	39.6	35.2	33.9	34.7	34.6	39.2	32.0	38.0	36.4
YoY %	*4%*	*12%*	*-1%*	*2%*	*13%*	*2%*	*-2%*	*-9%*	*0%*	*17%*	*-5%*	*-1%*	*-2%*
Imports	53.9	60.1	57.3	54.7	62.1	56.7	57.5	64.3	55.3	66.2	63.9	59.9	59.4
YoY %	*2%*	*12%*	*-6%*	*10%*	*8%*	*7%*	*9%*	*3%*	*2%*	*4%*	*16%*	*5%*	*10%*
- Oil	15.5	16.9	17.2	16.5	19.9	15.0	13.9	11.0	12.5	18.3	15.9	15.3	13.4
YoY %	*-2%*	*0%*	*-4%*	*9%*	*28%*	*20%*	*18%*	*-32%*	*-11%*	*13%*	*7%*	*2%*	*-13%*
- Gold	1.9	6.1	1.5	3.1	3.3	3.1	3.1	10.1	4.4	7.1	9.8	4.7	2.7
YoY %	*174%*	*134%*	*-54%*	*178%*	*-10%*	*-39%*	*-11%*	*104%*	*7%*	*-1%*	*186%*	*55%*	*41%*
- Non Oil Non Gold	36.4	37.1	38.5	35.1	38.8	38.6	40.5	43.3	38.4	40.8	38.1	40.0	43.3
YoY %	*1%*	*9%*	*-3%*	*4%*	*2%*	*8%*	*7%*	*5%*	*6%*	*1%*	*4%*	*2%*	*19%*
Trade Deficit	**(16.6)**	**(18.7)**	**(15.6)**	**(19.4)**	**(22.5)**	**(21.5)**	**(23.6)**	**(29.6)**	**(20.7)**	**(27.0)**	**(31.8)**	**(21.9)**	**(23.0)**
YoY %	***-3%***	***13%***	***-18%***	***28%***	***0%***	***15%***	***28%***	***23%***	***3%***	***-11%***	***49%***	***17%***	***39%***

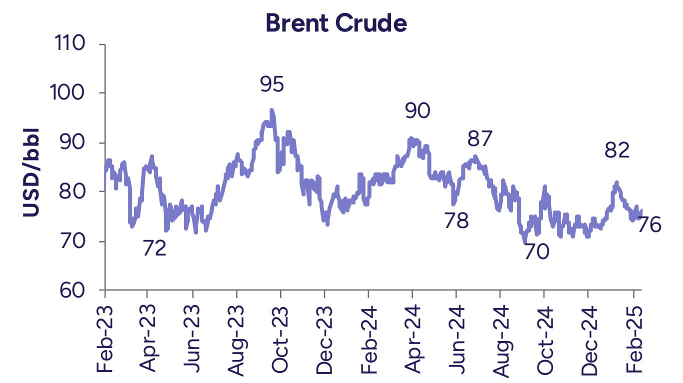
Source: Ministry of Commerce, PL

Exhibit 46: India's Service exports up 18% YoY and imports 14% in Jan, Services Balance up 21% to 20.3 bn USD

Services	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Exports (Receipts)	32.8	32.2	28.5	29.6	30.2	30.3	28.4	30.7	30.6	34.0	35.7	32.7	38.6
YoY %	*2%*	*17%*	*-6%*	*15%*	*12%*	*9%*	*8%*	*7%*	*8%*	*21%*	*27%*	*17%*	*18%*
Imports (Payments)	16.1	15.4	15.8	17.0	17.3	17.3	14.6	15.7	16.3	17.0	17.7	17.5	18.2
YoY %	*2%*	*3%*	*-7%*	*22%*	*9%*	*11%*	*6%*	*4%*	*12%*	*26%*	*29%*	*32%*	*14%*
Services balance	**16.8**	**16.8**	**12.7**	**12.6**	**12.9**	**13.0**	**13.9**	**15.0**	**14.3**	**17.0**	**18.0**	**15.2**	**20.3**
YoY %	***2%***	***35%***	***-6%***	***7%***	***16%***	***7%***	***11%***	***10%***	***3%***	***17%***	***25%***	***4%***	***21%***

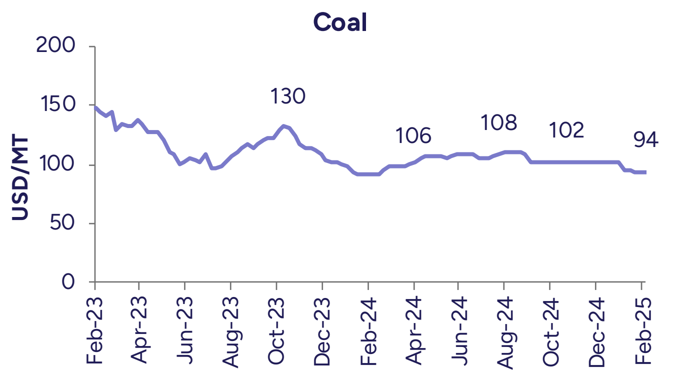
Source: Ministry of Commerce, PL

Exhibit 47: Crude at $76.2, up 2.5% since Jan25



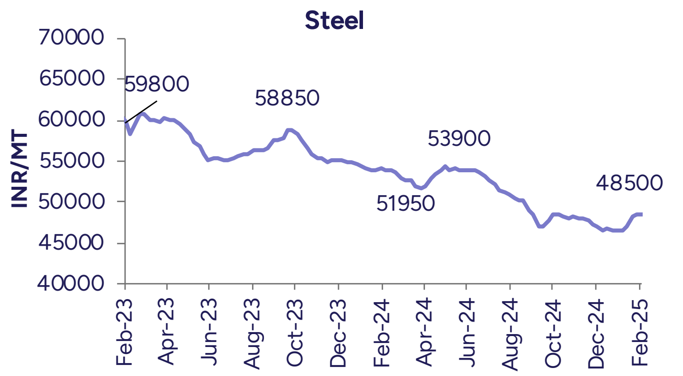
Source: PL

Exhibit 48: Coal prices soften 9% since Nov24



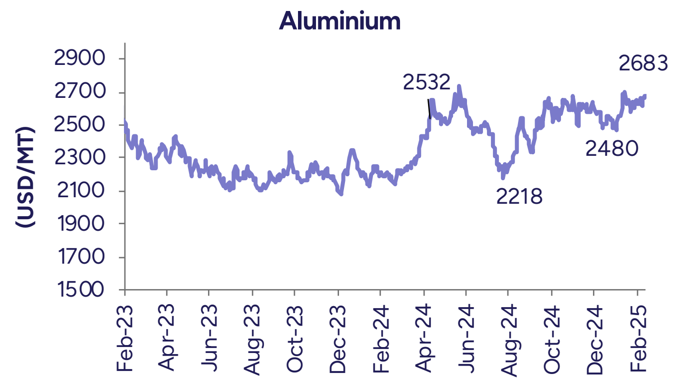
Source: Bigmint, PL

Exhibit 49: Steel prices have gone up 4% since Jan'25



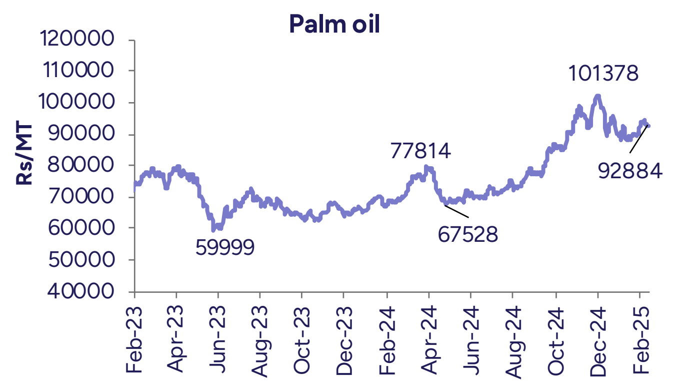
Source: Bigmint, PL

Exhibit 50: Prices flattish in 3m, up 5.6% since Jan'25



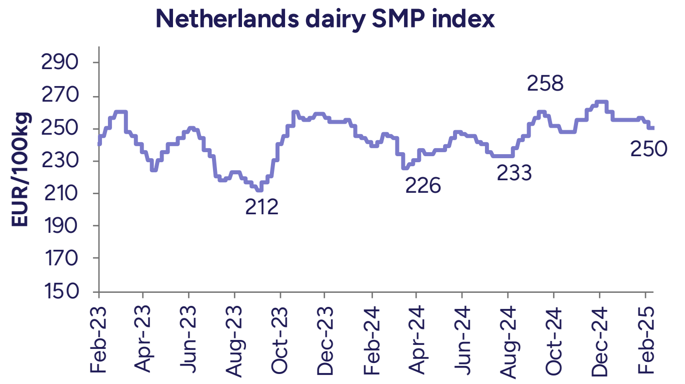
Source: PL

Exhibit 51: Palm oil prices down 9% from recent high



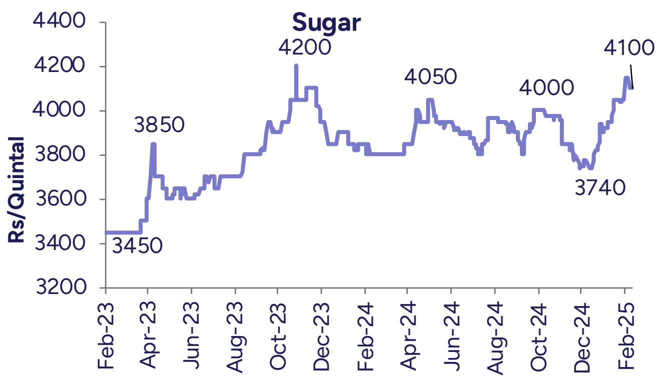
Source: PL

Exhibit 52: SMP prices wobbles around 250-260



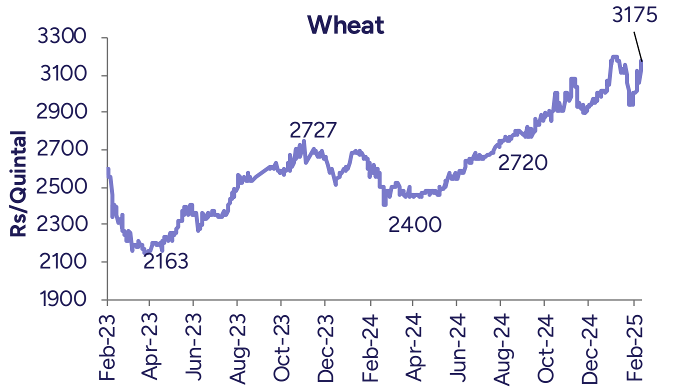
Source: PL

Exhibit 53: Sugar prices up by 6.7% since Jan'25



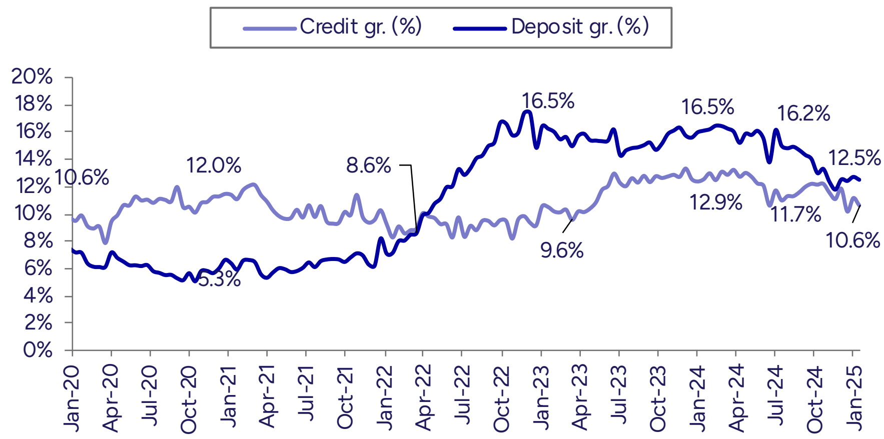
Source: PL

Exhibit 54: Wheat prices up 32% since Harvest in May'24



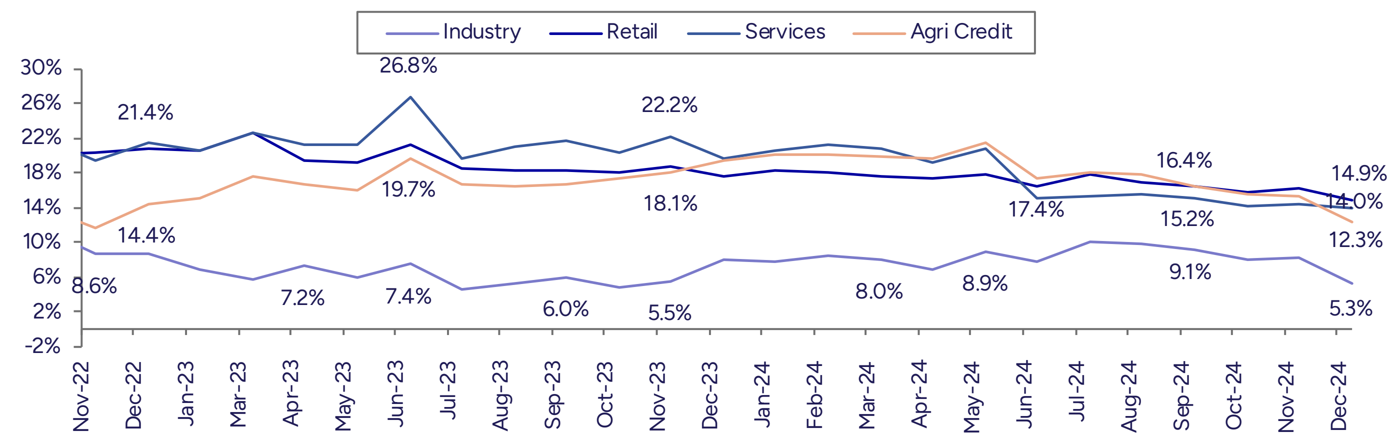
Source: PL

Exhibit 55: C-D gr. gap increases to 110bps up 50bps during Jan25



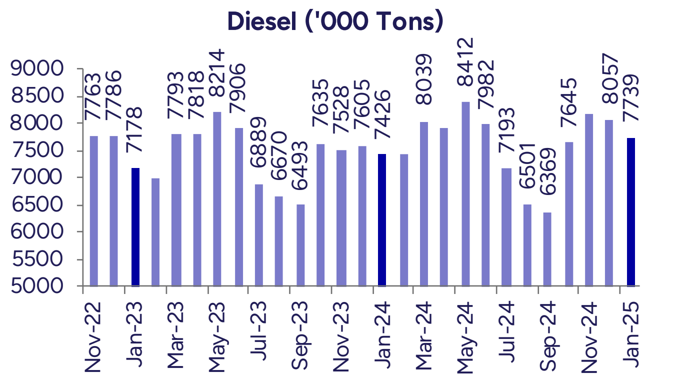
Source: RBI, PL

Exhibit 56: Agri and Retail credit growth softens by ~300/140bps in Dec'24, Industrial credit dips by a sharp 280bps YoY



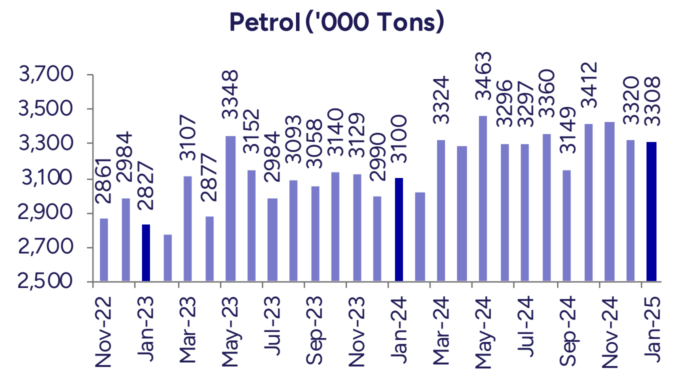
Source: RBI, PL

Exhibit 57: Diesel usage in Jan'25 is up 4.2% YoY at 7.7MMT



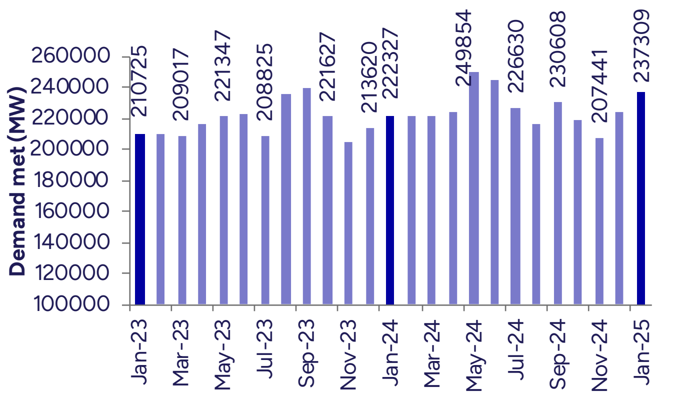
Source: PPAC, PL

Exhibit 58: Jan'25 consumption rises 6.7%YoY to 3.3MMT



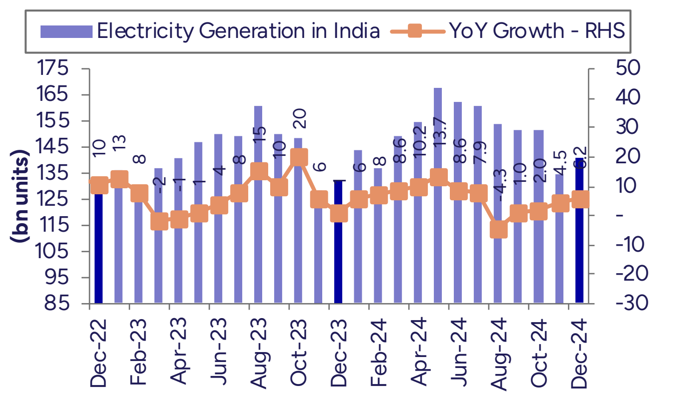
Source: PPAC, PL

Exhibit 59: Jan'25 Power demand rebounds, up 6.7% YoY



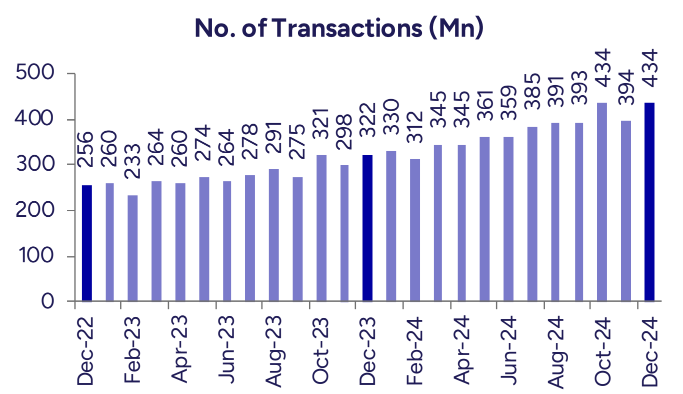
Source: CEA, PL Research

Exhibit 60: Energy generation up 6.2%YoY in Dec'24



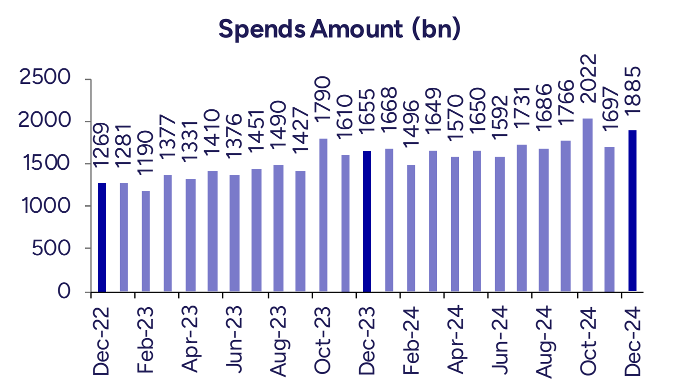
Source: CEA, PL

Exhibit 61: Dec'24 Credit Card transaction up 31% YoY



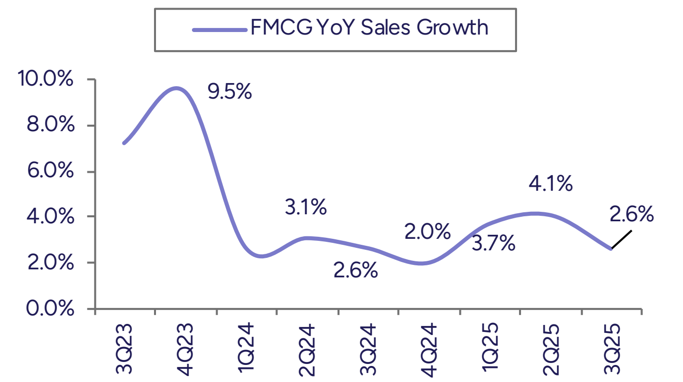
Source: RBI, PL

Exhibit 62: Spending up 13.9% as ticket size declines 15% YoY



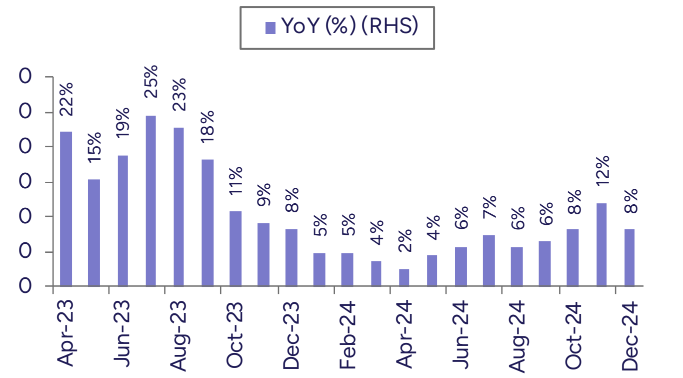
Source: RBI, PL

Exhibit 63: FMCG sales in slow zone with 2.6% growth YoY



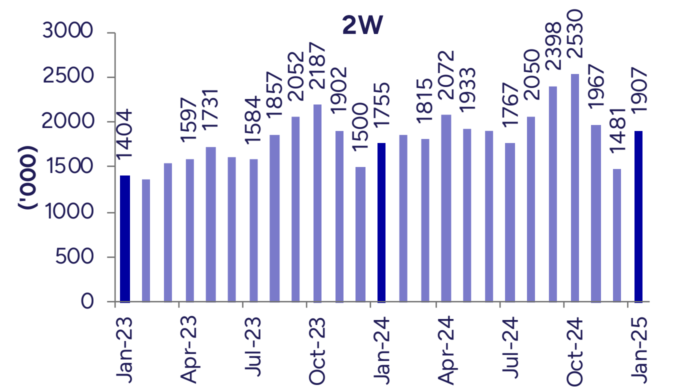
Source: Company, PL

Exhibit 64: Nov Air traffic rises by 12% YoY to 14mn



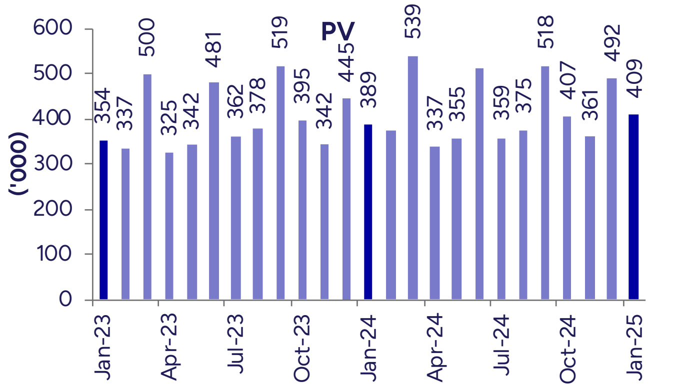
Source: DGCA, PL

Exhibit 65: Jan'25 2W Sales up 8.6% YoY at 1.91mn



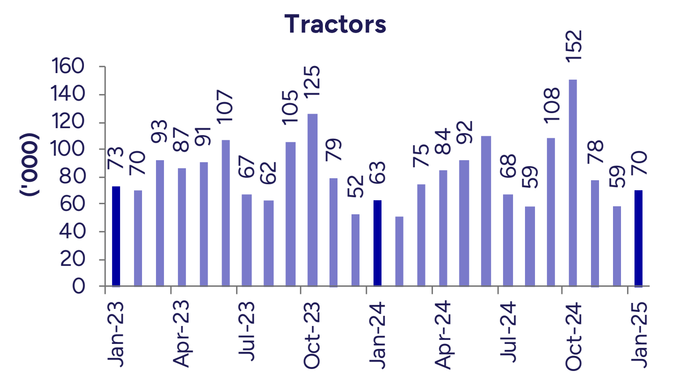
Source: SIAM, PL

Exhibit 66: PV sales are up by 5.2%YoY in Jan'25



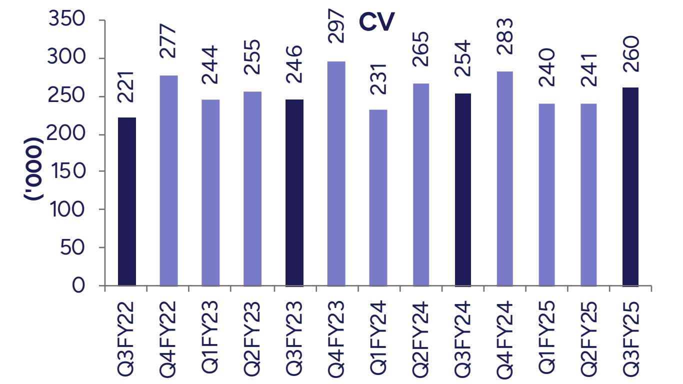
*Source: SIAM, PL (*TATA motors only gives Quarterly numbers)*

Exhibit 67: Jan Tractor volumes up 11% at 70k



Source: SIAM, PL

Exhibit 68: 3QFY25 CV volumes up to 260k, up 2.2% YoY



Source: SIAM, PL

3Q25 EBIDTA/PBT largely in line

- PL universe 3QFY25 numbers were in line with sales beat of 1.8% while EBIDTA and PBT grew 5.4% and 3.3% (lower by 0.6%/ 0.8% than PLE). Ex-BFSI EBIDTA increased 3.8% YoY while PBT increased 3.3%. Ex-O&G EBIDTA increased 7.4% while PBT increased 8.1% YoY.
- Hospitals, Media, Telecom and O&G had beat in sales while metals, Telecom and pharma had max beat in EBIDTA. Auto, building material, Logistics and Travel had max miss in EBIDTA. Travel, Hospitals, EMS, Capital Goods,
- There were 27 rating upgrades and 7 rating downgrades aided by steep stock price corrections. Capital Goods, Chemicals, Oil &Gas, Travel and EMS led with 5,4,4,3 and 3 upgrades. Downgrades did not show any sectoral trend.
- **Major Rating Upgrade:** Eicher, ABB, Cummins, Havells, SRF, Keynes, Mphasis, ONGC, GAIL, Chalet, Interglobe Aviation and VIP Inds.
- **Major Rating Downgrade:** Bharat Forge, Green Panel, Grindwell Norton, PVR.
- **Major Estimates Upgrade** – Divis, Fortis, Doms, Aarti, Navin and BPCL.
- **Estimate Downgrade** – Tata Motors, Bharat Forge, IIB, Green Panel, BEML, BHEL, carborundum, Grindwell, Praj, Ambuja Cement, Shree Cement, RR Kabel, Havells, SRF, RBA and Jubilant Foods.

Exhibit 69: Hospitals, Media, Telecom Shine; Building Material, Logistics, Travel miss estimates

	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	24,65,447	24,27,075	-1.6%	3,52,964	3,12,328	-11.5%	2,78,992	2,48,839	-10.8%	2,04,444	1,85,241	-9.4%
Banks	13,59,536	13,34,784	-1.8%	9,53,304	9,46,923	-0.7%				5,90,125	6,26,594	6.2%
Building Materials	81,662	80,241	-1.7%	10,972	9,689	-11.7%	9,032	7,291	-19.3%	6,974	5,860	-16.0%
Capital Goods	12,11,661	11,89,467	-1.8%	1,43,637	1,38,226	-3.8%	1,32,406	1,28,626	-2.9%	92,196	89,702	-2.7%
Cement	3,68,095	3,62,985	-1.4%	60,570	53,841	-11.1%	35,672	32,467	-9.0%	26,376	33,434	26.8%
Chemicals	1,25,152	1,24,258	-0.7%	21,354	20,388	-4.5%	14,175	13,184	-7.0%	10,727	9,813	-8.5%
Consumer Durables	2,04,382	2,05,285	0.4%	19,210	19,706	2.6%	18,248	17,248	-5.5%	13,246	12,442	-6.1%
Consumer Staples	10,23,109	9,99,779	-2.3%	2,04,685	1,97,537	-3.5%	1,94,488	1,89,095	-2.8%	1,46,045	1,43,856	-1.5%
Education	8,509	8,836	3.8%	600	864	44.1%	245	414	68.8%	191	164	-13.8%
EMS	24,295	22,555	-7.2%	2,572	2,358	-8.3%	2,067	1,942	-6.0%	1,576	1,437	-8.8%
HFCs	26,052	25,982	-0.3%	22,154	22,352	0.9%				15,772	17,905	13.5%
Hospitals	1,38,312	1,42,024	2.7%	26,889	27,444	2.1%	18,406	19,094	3.7%	13,552	14,007	3.4%
Information Technology	18,93,703	18,94,423	0.0%	3,80,011	3,80,873	0.2%	4,05,933	4,08,189	0.6%	2,99,790	3,00,613	0.3%
Logistics	42,395	42,688	0.7%	2,302	2,065	-10.3%	1,050	523	-50.2%	958	366	-61.7%
Media	42,046	43,227	2.8%	9,097	9,281	2.0%	3,467	3,547	2.3%	2,507	3,118	24.3%
Metals	21,11,885	21,07,430	-0.2%	2,51,137	2,77,176	10.4%	1,12,275	1,39,974	24.7%	73,699	99,547	35.1%
Oil & Gas	72,29,916	76,70,135	6.1%	9,14,826	9,19,252	0.5%	6,10,886	5,95,272	-2.6%	4,38,698	4,13,352	-5.8%
Pharmaceuticals	5,65,223	5,75,973	1.9%	1,47,249	1,52,995	3.9%	1,26,821	1,32,195	4.2%	96,372	99,745	3.5%
Telecom	4,37,649	4,51,293	3.1%	2,30,641	2,45,966	6.6%	59,422	76,866	29.4%	48,583	72,356	48.9%
Travel & Tourism	2,49,349	2,50,921	0.6%	75,030	68,216	-9.1%	39,838	32,255	-19.0%	36,873	44,240	20.0%
PL Universe	**1,96,08,376**	**1,99,59,360**	**1.8%**	**38,29,204**	**38,07,481**	**-0.6%**	**20,63,423**	**20,47,021**	**-0.8%**	**21,18,702**	**21,73,794**	**2.6%**
PL Universe (ex-BFSI)	**1,82,22,789**	**1,85,98,594**	**2.1%**	**28,53,746**	**28,38,205**	**-0.5%**	**20,63,423**	**20,47,021**	**-0.8%**	**15,12,805**	**15,29,295**	**1.1%**
PL Universe (ex-O&G)	**1,23,78,461**	**1,22,89,225**	**-0.7%**	**29,14,378**	**28,88,229**	**-0.9%**	**14,52,537**	**14,51,749**	**-0.1%**	**16,80,004**	**17,60,441**	**4.8%**

Source: Company, PL

3Q25 EBIDTA grows 5.4%, PAT grows 4.5% YoY

- PL universe 3QFY25 numbers were in line with sales growth of 4.7% YoY while EBIDTA and PBT grew 5.4% and 3.3%. Ex-BFSI EBIDTA increased 3.8% YoY while PBT increased 3.3%. Ex-O&G EBIDTA increased 7.4% while PBT increased 8.1% YoY.
- Durables, Pharma and Telecom had double digit topline and EBIDTA growth. Cement, building materials had double digit decline in EBIDTA. Margin pressure was intense in Building Materials, cement, Consumer staples, metals and travel. Capital Goods, consumer durables, EMS, Hospitals, Media, Pharma, telecom and Travel had double digit PAT growth.

Exhibit 70: Capital Goods, Pharma, Hospitals, Travel and Durables report double digit profit growth

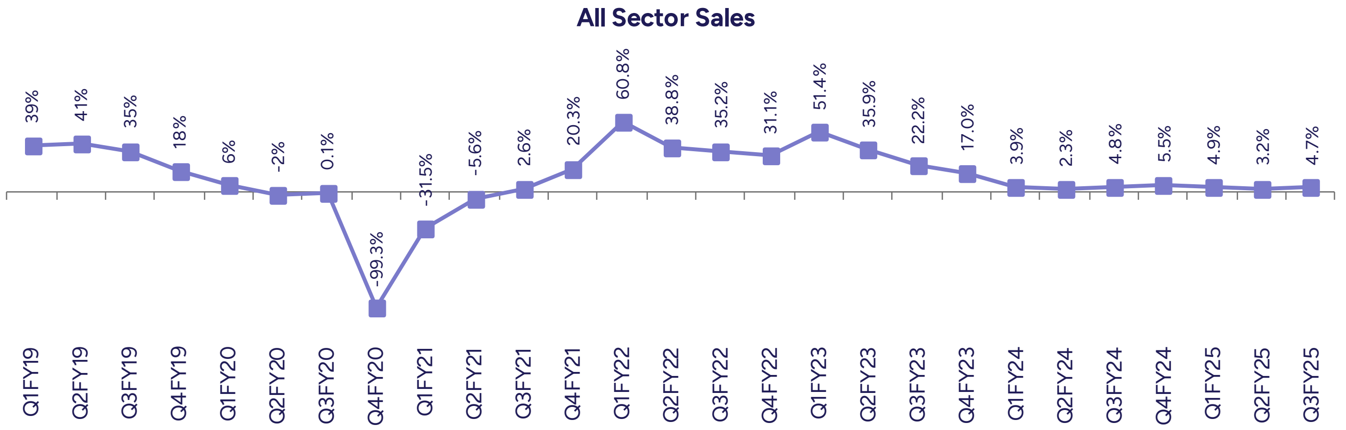
	Revenue Growth (%)		EBITDA Growth (%)		EBITDA Margin (bps)		PBT (%)		PAT (%)	
	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ	YoY	QoQ
Automobiles	7.3%	7.3%	-0.3%	6.8%	-99	-5	8.6%	1.9%	-1.3%	13.7%
Banks	6.3%	0.6%	10.8%	-7.0%	289	-580	0.0%	0.0%	7.3%	-3.9%
Building Materials	3.5%	4.7%	-12.7%	6.2%	-224	17	-21.1%	1.0%	-17.6%	2.8%
Capital Goods	16.8%	6.5%	15.8%	2.7%	-10	-43	18.2%	1.4%	18.8%	2.3%
Cement	-0.3%	11.1%	-26.5%	29.5%	-529	211	-36.1%	76.8%	-12.0%	126.9%
Chemicals	8.8%	0.6%	5.8%	-0.3%	-47	-14	-0.6%	-3.4%	-8.1%	-5.5%
Consumer Durables	14.1%	3.9%	24.1%	13.9%	77	84	16.4%	4.9%	22.5%	5.1%
Consumer Staples	8.1%	3.9%	0.0%	4.5%	-160	12	-1.6%	5.2%	-3.9%	5.5%
Education	25.0%	15.2%	161.0%	177.9%	510	573	-466.2%	-2799.6%	-254.2%	-415.0%
EMS	28.8%	9.0%	51.9%	9.8%	159	7	62.9%	7.9%	58.7%	8.2%
HFCs	-1.8%	1.7%	-4.0%	0.5%	-193	-102	0.0%	0.0%	21.3%	6.1%
Hospitals	17.8%	-0.4%	24.1%	-5.1%	97	-96	27.3%	-8.8%	21.3%	-3.7%
Information Technology	5.3%	1.1%	7.5%	2.6%	40	31	8.9%	2.3%	8.8%	2.6%
Logistics	9.4%	6.1%	-0.3%	27.7%	-47	82	-18.7%	16.1%	27.9%	42.2%
Media	8.6%	8.6%	24.3%	12.9%	271	83	69.2%	37.1%	92.8%	54.7%
Metals	3.8%	3.0%	-2.1%	4.3%	-80	17	-6.4%	2.8%	-4.6%	-8.7%
Oil & Gas	-0.1%	6.6%	-0.4%	20.0%	-4	134	-6.9%	17.3%	-10.8%	12.7%
Pharmaceuticals	11.4%	1.4%	17.9%	3.3%	146	50	20.9%	3.3%	18.3%	3.2%
Telecom	19.1%	8.8%	24.1%	12.6%	222	183	117.4%	35.4%	181.3%	62.7%
Travel & Tourism	13.2%	27.4%	8.8%	120.5%	-110	1,148	-11.2%	-954.8%	27.5%	-898.5%
PL Universe	**4.7%**	**5.2%**	**5.4%**	**6.2%**	**13**	**17**	**3.3%**	**10.3%**	**4.5%**	**7.5%**
PL Universe (Ex-BFSI)	**4.6%**	**5.6%**	**3.8%**	**11.5%**	**-11**	**81**	**3.3%**	**10.3%**	**3.2%**	**13.1%**
PL Universe (Ex-Oil & Gas)	**7.9%**	**4.4%**	**7.4%**	**2.4%**	**-10**	**-46**	**8.1%**	**7.6%**	**8.8%**	**6.4%**

Source: Company, PL

- Capital Goods have positive outlook, led by sustained GOI focus on capex. Hospitals and Pharma continue to have growth bias. We expect pick up in domestic demand given tax rate cuts, lower inflation and interest rate cuts which should benefit Auto, Hotels, Airlines, Durables/ electronics, QSR, Apparel, Footwear, Building Material, Household Goods, Paints and AMC's.
- **Major Target Price increase** – SRF, Navin, Eicher, Narayana, Max health, Fortis, Mphasis, JSW steel, Marico and Interglobe Aviation.
- **Major Target price Cuts** – Bharat Forge, Axis Bank, SBI, Finolex Inds, Kajaria, ABB. Siemens, BEML, Carbo, GN, RR Kabel, Voltas, Havells, RBA, APNT, PVR, JSPL, IOC, D'Mart, Cyient DLM, Tata Motors, Ambuja Cement, Shree Cement.

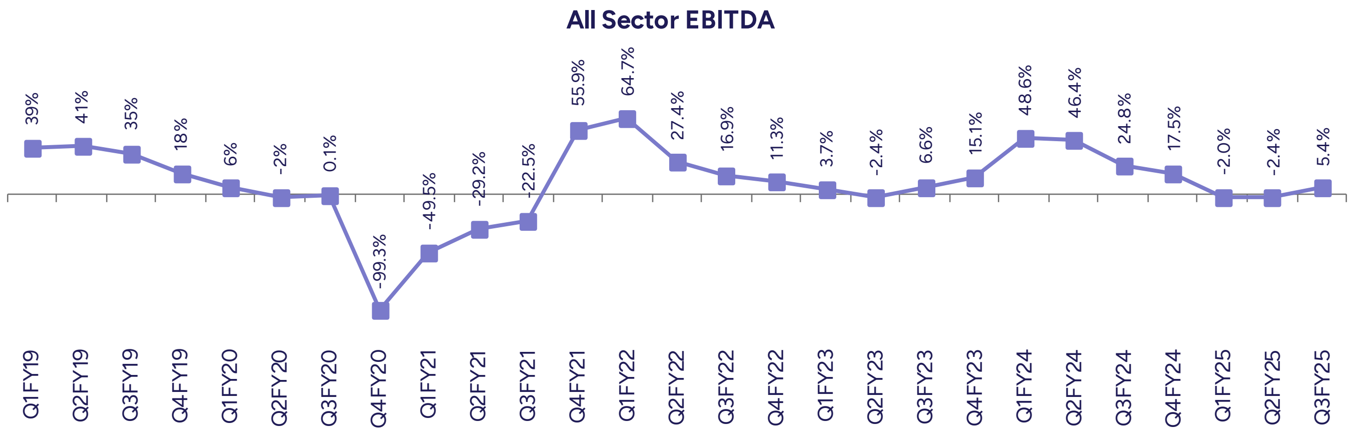
3Q shows impact of tepid demand and slow Govt capex

Exhibit 71: Hospitals, CG, Telecom, EMS and Pharma boost sales



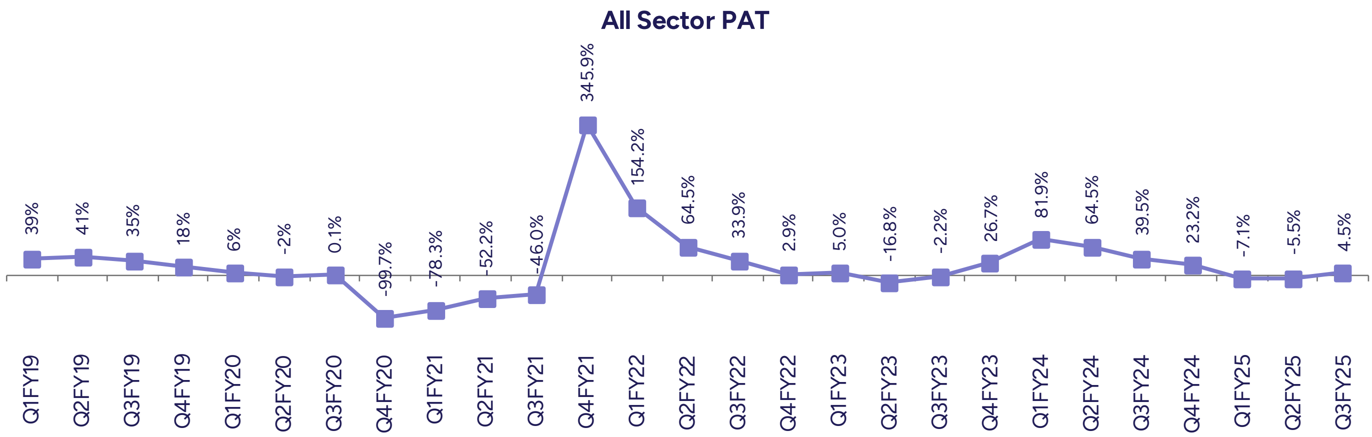
Source: Company, PL

Exhibit 72: CG, Hospitals, EMS, Durables, Telecom and Pharma power EBIDTA



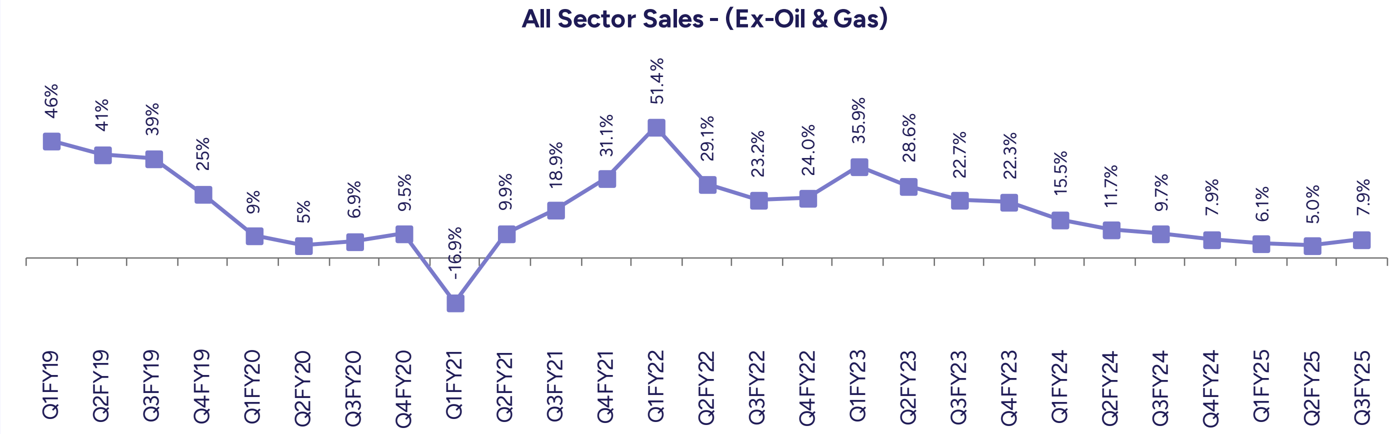
Source: Company, PL

Exhibit 73: CG, Telecom, travel, Pharma and Hospitals led growth



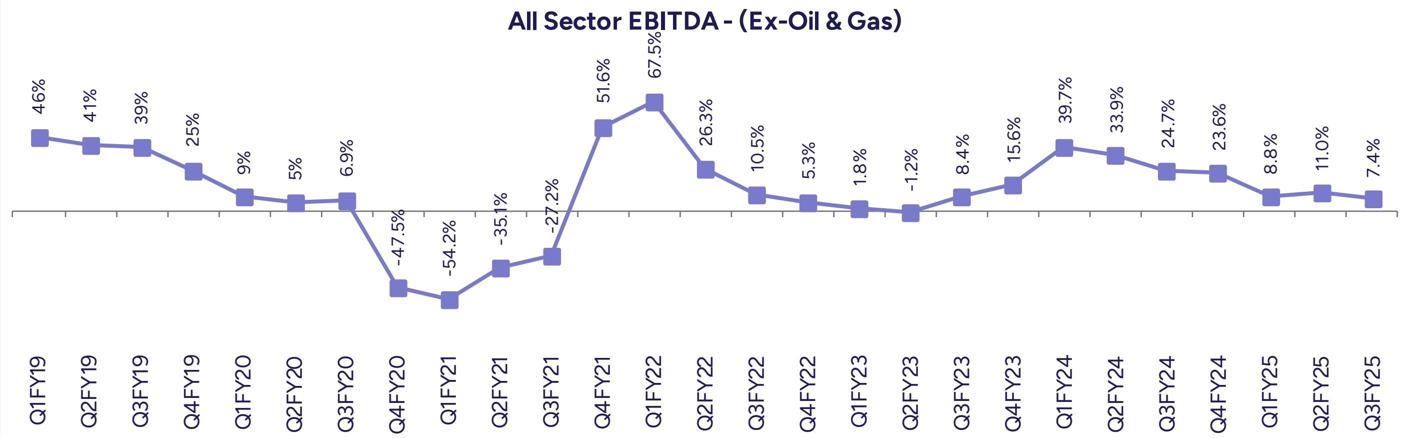
Source: Company, PL

Exhibit 74: CG, Telecom, EMS, Hospitals and Travel led growth; Metals, Cement and IT services drag sales



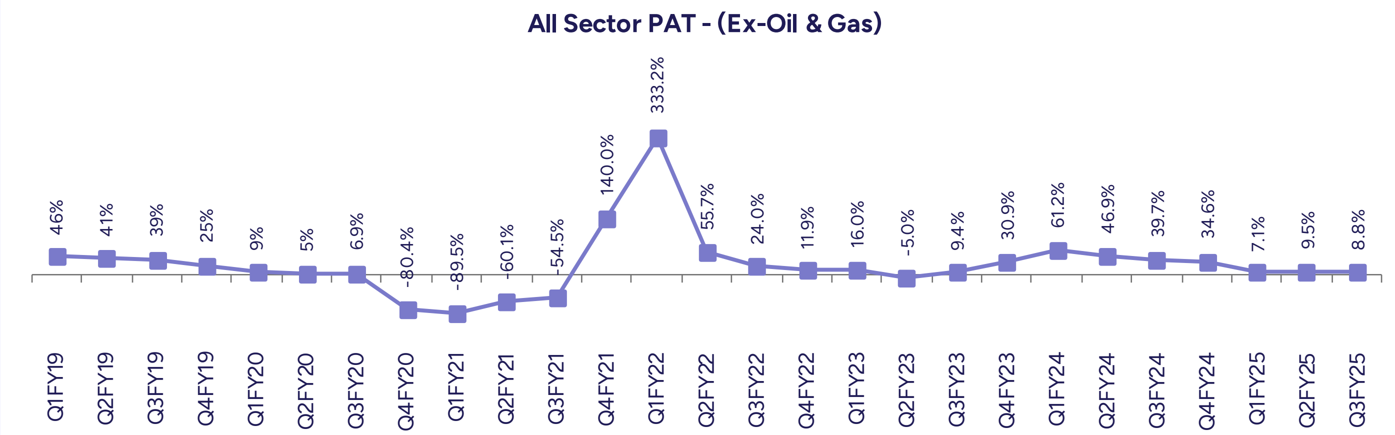
Source: Company, PL

Exhibit 75: Building Materials, Cement, Metals, Auto and Consumer Staples drag EBIDTA growth



Source: Company, PL

Exhibit 76: Cement, Metal, Building material, consumer a drag; CG, Hospitals, Durables, EMS and Telecom lead growth



Source: Company, PL

Exhibit 77: 3QFY25 Result Snapshot

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Automobiles															
Ashok Leyland	94,787	92,730	2.2	87,688	8.1	12,114	11,139	8.8	10,173	19.1	7,617	5,804	31.2	6,793	12.1
Bajaj Auto	1,28,069	1,21,135	5.7	1,31,275	-2.4	25,807	24,299	6.2	26,522	-2.7	21,087	20,419	3.3	20,050	5.2
Bharat Forge	34,755	38,664	-10.1	36,885	-5.8	6,244	6,979	-10.5	6,473	-3.5	2,128	2,443	-12.9	2,436	-12.7
CEAT	32,999	29,631	11.4	33,045	-0.1	3,409	4,175	-18.3	3,623	-5.9	971	1,815	-46.5	1,219	-20.3
Divgi Torqtransfer Systems	525	630	-16.7	540	-2.7	86	129	-33.3	113	-24.1	52	94	-44.1	78	-33.2
Eicher Motors	49,731	41,788	19.0	42,631	16.7	12,012	10,903	10.2	10,877	10.4	11,705	9,960	17.5	11,003	6.4
Endurance Technologies	28,592	25,611	11.6	29,127	-1.8	3,725	2,990	24.6	3,820	-2.5	1,844	1,523	21.1	2,030	-9.2
Exide Industries	38,486	38,405	0.2	42,673	-9.8	4,486	4,399	2.0	4,836	-7.2	2,450	2,403	2.0	2,978	-17.7
Hero Motocorp	1,02,108	97,237	5.0	1,04,632	-2.4	14,765	13,621	8.4	15,159	-2.6	12,028	10,734	12.1	12,035	-0.1
Mahindra & Mahindra	3,05,382	2,53,829	20.3	2,75,533	10.8	43,843	32,950	33.1	39,042	12.3	29,643	24,897	19.1	38,409	-22.8
Maruti Suzuki	3,84,921	3,33,087	15.6	3,72,028	3.5	44,703	39,079	14.4	44,166	1.2	35,250	31,300	12.6	30,692	14.9
Tata Motors	11,35,750	11,05,771	2.7	10,14,500	12.0	1,30,320	1,53,333	-15.0	1,16,710	11.7	54,280	70,284	-22.8	28,560	90.1
TVS Motors	90,971	82,450	10.3	92,282	-1.4	10,815	9,244	17.0	10,798	0.2	6,185	5,934	4.2	6,626	-6.7
Total	**24,27,075**	**22,60,971**	**7.3**	**22,62,838**	**7.3**	**3,12,328**	**3,13,240**	**-0.3**	**2,92,311**	**6.8**	**1,85,241**	**1,87,609**	**-1.3**	**1,62,910**	**13.7**
Banks															
Axis Bank	1,36,059	1,25,322	8.6	1,34,832	0.9	1,05,339	91,412	15.2	1,07,125	-1.7	63,038	60,711	3.8	69,176	-8.9
Bank of Baroda	1,14,169	1,11,013	2.8	1,16,221	-1.8	76,642	70,151	9.3	94,770	-19.1	48,373	45,793	5.6	52,379	-7.6
City Union Bank	5,877	5,159	13.9	5,825	0.9	4,360	3,640	19.8	4,282	1.8	2,860	2,530	13.0	2,852	0.3
DCB Bank	5,429	4,740	14.5	5,092	6.6	2,711	2,115	28.2	2,551	6.3	1,514	1,266	19.6	1,555	-2.6
Federal Bank	24,313	21,234	14.5	23,672	2.7	15,695	14,373	9.2	15,654	0.3	9,554	10,067	-5.1	10,567	-9.6
HDFC Bank	3,06,533	2,84,713	7.7	3,01,139	1.8	2,50,004	2,36,473	5.7	2,47,057	1.2	1,67,355	1,63,725	2.2	1,68,210	-0.5
ICICI Bank	2,03,706	1,86,786	9.1	2,00,480	1.6	1,68,866	1,47,236	14.7	1,67,232	1.0	1,17,924	1,02,715	14.8	1,17,459	0.4
IndusInd bank	52,281	52,956	-1.3	53,473	-2.2	35,989	40,022	-10.1	35,918	0.2	14,013	22,979	-39.0	13,255	5.7
Kotak Mahindra Bank	71,963	65,535	9.8	70,196	2.5	51,810	45,662	13.5	50,993	1.6	33,048	30,050	10.0	33,437	-1.2
State Bank of India	4,14,455	3,98,157	4.1	4,16,195	-0.4	2,35,508	2,03,360	15.8	2,92,937	-19.6	1,68,914	1,44,321	17.0	1,83,314	-7.9
Total	**13,34,784**	**12,55,615**	**6.3**	**13,27,125**	**0.6**	**9,46,923**	**8,54,446**	**10.8**	**10,18,518**	**-7.0**	**6,26,594**	**5,84,158**	**7.3**	**6,52,203**	**-3.9**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Building Materials															
Astral Ltd.	13,970	13,702	2.0	13,704	1.9	2,195	2,051	7.0	2,101	4.5	1,126	1,133	-0.6	1,087	3.6
Century Plyboard (I)	11,405	9,374	21.7	11,836	-3.6	1,295	1,061	22.1	1,113	16.3	588	627	-6.1	400	47.1
Cera Sanitaryware	4,523	4,389	3.1	4,926	-8.2	615	614	0.2	721	-14.6	464	515	-10.0	686	-32.4
Finolex Industries	10,012	10,197	-1.8	8,284	20.9	834	1,199	-30.4	106	689.3	940	954	-1.4	407	131.2
Greenpanel Industries	3,594	3,857	-6.8	3,369	6.7	173	600	-71.1	299	-41.9	85	277	-69.3	185	-54.0
Kajaria Ceramics	11,637	11,518	1.0	11,793	-1.3	1,487	1,788	-16.8	1,589	-6.4	787	1,045	-24.6	872	-9.7
Supreme Industries	25,099	24,491	2.5	22,730	10.4	3,088	3,788	-18.5	3,192	-3.3	1,870	2,562	-27.0	2,066	-9.5
Total	**80,241**	**77,527**	**3.5**	**76,641**	**4.7**	**9,689**	**11,101**	**-12.7**	**9,121**	**6.2**	**5,860**	**7,112**	**-17.6**	**5,703**	**2.8**
Capital Goods															
ABB	33,649	27,575	22.0	29,122	15.5	6,573	4,172	57.6	5,402	21.7	5,319	3,452	54.1	4,405	20.8
Apar Inds Ltd	47,164	40,085	17.7	46,445	1.5	3,561	4,050	-12.1	3,565	-0.1	1,751	2,176	-19.5	1,939	-9.7
BEML	8,758	10,470	-16.4	8,598	1.9	604	559	8.0	730	-17.3	244	482	-49.4	539	-54.7
Bharat Electronics	57,561	41,367	39.1	45,834	25.6	16,533	10,494	57.5	13,885	19.1	13,161	8,933	47.3	10,913	20.6
BHEL	72,771	55,038	32.2	65,841	10.5	3,042	2,165	40.5	2,750	10.6	1,248	463	169.4	967	29.1
Carborandum Universal	12,555	11,514	9.0	12,241	2.6	1,770	1,925	-8.0	1,950	-9.2	1,389	1,113	24.8	1,159	19.9
Engineers India	7,646	8,676	-11.9	6,889	11.0	979	501	95.5	624	56.9	1,087	633	71.6	996	9.1
GE Vernova T&D India	10,737	8,390	28.0	11,078	-3.1	1,797	965	86.1	2,047	-12.2	1,427	493	189.1	1,446	-1.3
Grindwell Norton	7,026	6,599	6.5	6,939	1.3	1,234	1,278	-3.4	1,292	-4.5	868	925	-6.1	962	-9.7
Harsha Engineering	3,389	3,245	4.5	3,526	-3.9	428	398	7.6	418	2.2	267	297	-10.1	290	-7.8
Hindustan Aeronautics	69,573	60,613	14.8	59,763	16.4	16,825	14,353	17.2	16,400	2.6	14,398	12,614	14.1	15,061	-4.4
KEC International	53,494	50,067	6.8	51,133	4.6	3,745	3,079	21.6	3,202	16.9	1,296	969	33.7	854	51.7
Cummins India	30,860	25,341	21.8	24,923	23.8	6,000	5,379	11.5	4,810	24.7	5,140	4,562	12.7	4,506	14.1
Kalpataru Power Transmission	48,257	41,470	16.4	41,361	16.7	4,019	3,440	16.8	3,485	15.3	1,574	1,440	9.3	1,323	18.9
Larsen & Toubro	6,46,678	5,51,278	17.3	6,15,546	5.1	62,549	57,590	8.6	63,620	-1.7	33,588	29,474	14.0	33,953	-1.1
Praj Industries	8,530	8,286	2.9	8,162	4.5	586	965	-39.3	941	-37.8	411	704	-41.6	538	-23.6
Siemens	35,872	37,095	-3.3	44,570	-19.5	4,009	4,530	-11.5	5,448	-26.4	3,718	3,922	-5.2	4,707	-21.0
Thermax	25,078	23,244	7.9	25,456	-1.5	1,890	1,874	0.8	2,120	-10.8	1,159	1,437	-19.3	1,488	-22.1
Triveni Turbine	5,034	4,317	16.6	5,011	0.5	1,093	837	30.6	1,114	-1.9	924	682	35.5	909	1.7
Voltamp Transformers	4,835	4,085	18.4	3,977	21.6	990	819	21.0	750	32.1	734	717	2.4	757	-3.1
Total	**11,89,467**	**10,18,755**	**16.8**	**11,16,415**	**6.5**	**1,38,226**	**1,19,374**	**15.8**	**1,34,554**	**2.7**	**89,702**	**75,487**	**18.8**	**87,711**	**2.3**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Cement															
ACC	52,905	49,144	7.7	46,135	14.7	4,789	9,047	-47.1	4,364	9.7	2,294	5,376	-57.3	2,244	2.2
Ambuja Cement	48,537	44,395	9.3	40,752	19.1	4,111	8,511	-51.7	5,425	-24.2	14,507	5,137	182.4	3,981	264.4
Dalmia Bharat	31,810	36,040	-11.7	30,870	3.0	5,110	7,790	-34.4	4,340	17.7	610	2,630	-76.8	460	32.6
Nuvoco Vistas Corporation	24,094	24,210	-0.5	22,686	6.2	2,583	4,104	-37.1	2,188	18.1	-614	310	NA	-852	NA
Shree Cement	42,355	49,008	-13.6	37,270	13.6	9,466	12,337	-23.3	5,925	59.8	2,294	7,342	-68.8	931	146.3
Ultratech Cement	1,63,284	1,61,342	1.2	1,49,052	9.5	27,783	31,488	-11.8	19,327	43.8	14,344	17,178	-16.5	7,969	80.0
Total	**3,62,985**	**3,64,139**	**-0.3**	**3,26,766**	**11.1**	**53,841**	**73,277**	**-26.5**	**41,569**	**29.5**	**33,434**	**37,974**	**-12.0**	**14,733**	**126.9**
Chemicals															
Aarti Industries	18,400	17,320	6.2	16,280	13.0	2,320	2,600	-10.8	1,960	18.4	470	1,240	-62.1	510	-7.8
Clean Science and Technology	2,408	1,947	23.7	2,381	1.1	985	866	13.7	897	9.8	656	626	4.8	587	11.7
Deepak Nlitrite	19,034	20,092	-5.3	20,320	-6.3	1,685	3,047	-44.7	2,975	-43.4	981	2,020	-51.4	1,942	-49.5
Fine Organic Industries	5,132	4,884	5.1	5,958	-13.9	990	1,182	-16.3	1,506	-34.3	827	952	-13.1	1,179	-29.9
Gujarat Fluorochemicals	11,480	9,917	15.8	11,880	-3.4	2,940	2,062	42.6	2,950	-0.3	1,260	801	57.3	1,210	4.1
Jubilant Ingrevia	10,568	9,664	9.4	10,452	1.1	1,383	956	44.7	1,246	11.0	694	385	80.0	590	17.6
Laxmi Organic Industries	7,863	6,936	13.4	7,713	2.0	748	516	45.0	747	0.1	293	272	7.8	281	4.2
Navin Fluorine International	6,062	5,018	20.8	5,186	16.9	1,473	757	94.7	1,074	37.2	836	780	7.2	588	42.1
NOCIL	3,181	3,406	-6.6	3,627	-12.3	240	489	-50.8	378	-36.4	129	300	-57.0	421	-69.4
SRF	34,913	30,530	14.4	34,243	2.0	6,196	5,658	9.5	5,380	15.2	2,711	2,534	7.0	2,014	34.6
Vinati Organics	5,217	4,480	16.4	5,533	-5.7	1,428	1,147	24.5	1,340	6.5	956	770	24.1	1,061	-10.0
Total	**1,24,258**	**1,14,196**	**8.8**	**1,23,573**	**0.6**	**20,388**	**19,279**	**5.8**	**20,453**	**-0.3**	**9,813**	**10,681**	**-8.1**	**10,385**	**-5.5**
Consumer Durables															
Bajaj Electicals	12,897	12,282	5.0	11,183	15.3	874	806	8.4	516	69.4	334	374	-10.7	129	158.6
Crompton Greaves Consumer Electricals	17,692	16,927	4.5	18,960	-6.7	1,880	1,498	25.5	2,034	-7.6	1,098	860	27.7	1,249	-12.1
Havells India	48,890	44,139	10.8	45,393	7.7	4,265	4,327	-1.4	3,751	13.7	2,780	2,879	-3.5	2,678	3.8
KEI Inds	24,673	20,594	19.8	22,796	8.2	2,408	2,146	12.3	2,206	9.2	1,648	1,507	9.4	1,548	6.5
Polycab India	52,261	43,405	20.4	54,984	-5.0	7,199	5,695	26.4	6,316	14.0	4,576	4,129	10.8	4,398	4.0
R R Kabel	17,822	16,335	9.1	18,101	-1.5	1,105	1,126	-1.8	858	28.9	686	710	-3.4	495	38.4
Voltas	31,051	26,257	18.3	26,191	18.6	1,974	284	594.5	1,622	21.7	1,321	-304	NA	1,340	-1.4
Total	**2,05,285**	**1,79,939**	**14.1**	**1,97,610**	**3.9**	**19,706**	**15,882**	**24.1**	**17,302**	**13.9**	**12,442**	**10,153**	**22.5**	**11,837**	**5.1**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Consumer Staples															
Asian Paints	85,494	91,031	-6.1	80,275	6.5	16,367	20,561	-20.4	12,395	32.0	11,093	14,467	-23.3	9,111	21.7
Britannia Industries	45,926	42,563	7.9	46,676	-1.6	8,449	8,211	2.9	7,834	7.9	5,823	5,586	4.3	5,317	9.5
Colgate Palmolive	14,618	13,957	4.7	16,191	-9.7	4,544	4,684	-3.0	4,974	-8.6	3,228	3,301	-2.2	3,530	-8.6
Dabur India	33,553	32,551	3.1	30,286	10.8	6,819	6,678	2.1	5,526	23.4	5,158	5,064	1.9	4,175	23.5
Avenue Supermarts	1,59,726	1,35,725	17.7	1,44,445	10.6	12,172	11,199	8.7	10,938	11.3	7,235	6,906	4.8	6,596	9.7
Emami	10,495	9,963	5.3	8,906	17.8	3,387	3,149	7.6	2,505	35.2	2,789	2,643	5.5	2,127	31.2
Hindustan Unilever	1,54,080	1,51,880	1.4	1,55,080	-0.6	35,700	35,400	0.8	36,470	-2.1	25,410	25,410	-	26,110	-2.7
ITC	1,70,528	1,64,833	3.5	1,86,491	-8.6	58,284	60,243	-3.3	61,233	-4.8	51,225	55,776	-8.2	50,795	0.8
Jubilant FoodWorks	16,111	13,551	18.9	14,669	9.8	3,128	2,827	10.6	2,842	10.0	658	610	7.9	521	26.4
Kansai Nerolac Paints	18,422	18,149	1.5	18,638	-1.2	2,469	2,399	2.9	2,150	14.8	1,699	1,576	7.8	1,302	30.6
Metro Brands Asia	7,031	6,355	10.6	5,855	20.1	2,250	1,990	13.1	1,548	45.4	946	978	-3.3	698	35.6
Marico	27,940	24,220	15.4	26,640	4.9	5,330	5,130	3.9	5,220	2.1	4,060	3,860	5.2	3,880	4.6
Mold Tech Packaging	1,907	1,655	15.2	1,913	-0.3	338	303	11.6	336	0.8	136	142	-3.9	141	-3.3
Nestle India	47,797	46,004	3.9	51,040	-6.4	11,027	11,130	-0.9	11,677	-5.6	7,139	7,808	-8.6	7,595	-6.0
Pidilite Industries	33,689	31,300	7.6	32,349	4.1	7,984	7,425	7.5	7,688	3.8	5,571	5,109	9.0	5,403	3.1
Restaurant Brands Asia	4,956	4,454	11.3	4,922	0.7	778	708	10.0	701	11.1	-184	-64	NA	-165	NA
Titan Company	1,60,970	1,30,520	23.3	1,32,150	21.8	17,630	14,570	21.0	14,230	23.9	11,800	10,400	13.5	9,225	27.9
Westlife Development	6,537	6,003	8.9	6,180	5.8	881	920	-4.2	760	15.9	70	172	-59.3	4	1,851.0
Total	**9,99,779**	**9,24,711**	**8.1**	**9,62,706**	**3.9**	**1,97,537**	**1,97,526**	**0.0**	**1,89,026**	**4.5**	**1,43,856**	**1,49,744**	**-3.9**	**1,36,363**	**5.5**
Education															
DOMS Industries	5,011	3,716	34.9	4,578	9.5	879	693	26.7	859	2.2	507	373	35.8	513	-1.2
Navneet Education	2,823	2,588	9.1	2,718	3.9	178	40	340.9	26	596.9	-97	-131	NA	-49	NA
S Chand & Co	1,002	763	31.2	374	167.5	-192	-403	NA	-574	NA	-246	-349	NA	-517	NA
Total	**8,836**	**7,067**	**25.0**	**7,670**	**15.2**	**864**	**331**	**161.0**	**311**	**177.9**	**164**	**-107**	**NA**	**-52**	**NA**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
EMS															
Avalon Technologies	2,809	2,143	31.1	2,750	2.1	346	165	109.2	301	14.9	240	66	264.7	175	37.2
Cyient DLM	4,442	3,210	38.4	3,895	14.1	281	294	-4.4	316	-11.1	110	184	-40.4	155	-28.9
Kaynes Technology India	6,612	5,093	29.8	5,721	15.6	940	699	34.6	821	14.5	665	452	47.1	602	10.4
Syrma SGS Technology	8,692	7,067	23.0	8,327	4.4	791	394	100.4	710	11.4	422	203	108.1	396	6.5
Total	**22,555**	**17,513**	**28.8**	**20,693**	**9.0**	**2,358**	**1,553**	**51.9**	**2,149**	**9.8**	**1,437**	**905**	**58.7**	**1,328**	**8.2**
Healthcare															
Apollo Hospitals Enterprise	55,269	48,506	13.9	55,893	-1.1	7,615	6,137	24.1	8,155	-6.6	3,723	2,453	51.8	3,788	-1.7
Aster DM Healthcare	10,498	9,490	10.6	10,864	-3.4	1,938	1,580	22.6	2,247	-13.8	554	647	-14.4	958	-42.2
Fortis Healthcare	19,283	16,797	14.8	19,884	-3.0	3,752	2,840	32.1	4,348	-13.7	2,479	1,347	84.1	1,765	40.5
HealthCare Global Enterprises	5,586	4,699	18.9	5,535	0.9	884	786	12.4	1,023	-13.6	70	57	22.5	180	-61.2
Jupiter Life Line Hospitals	3,206	2,726	17.6	3,226	-0.6	750	619	21.3	750	0.0	525	437	20.3	515	2.0
Krishna Institute of Medical Sciences	7,724	6,058	27.5	7,773	-0.6	1,872	1,471	27.2	2,181	-14.2	887	718	23.5	1,074	-17.4
Max Healthcare Institute	22,810	16,890	35.1	21,250	7.3	6,220	4,720	31.8	5,660	9.9	3,150	3,390	-7.1	3,490	-9.7
Narayana Hrudayalaya	13,667	12,036	13.5	14,000	-2.4	3,070	2,790	10.1	3,084	-0.5	1,932	1,882	2.6	1,990	-2.9
Rainbow Children's Medicare	3,981	3,360	18.5	4,175	-4.6	1,344	1,181	13.8	1,471	-8.7	687	621	10.6	789	-12.9
Total	**1,42,024**	**1,20,562**	**17.8**	**1,42,600**	**-0.4**	**27,444**	**22,123**	**24.1**	**28,919**	**-5.1**	**14,007**	**11,552**	**21.3**	**14,548**	**-3.7**
Housing Finance															
Aavas Financiers	2,533	2,208	14.8	2,418	4.8	1,945	1,577	23.3	1,948	-0.2	1,464	1,166	25.5	1,479	-1.0
Can Fin Homes	3,447	3,288	4.8	3,398	1.5	2,913	2,858	1.9	2,878	1.2	2,121	1,964	8.0	2,115	0.3
LIC Housing Finance	20,001	20,972	-4.6	19,739	1.3	17,495	18,845	-7.2	17,417	0.4	14,320	11,629	23.1	13,289	7.8
Total	**25,982**	**26,468**	**-1.8**	**25,554**	**1.7**	**22,352**	**23,280**	**-4.0**	**22,244**	**0.5**	**17,905**	**14,759**	**21.3**	**16,883**	**6.1**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Information Technology															
Cyient	19	18	5.8	18	4.2	2	3	-15.6	2	-4.9	1	2	-31.0	2	-28.4
HCL Technologies	299	284	5.1	289	3.6	58	56	3.7	54	8.6	46	44	5.5	42	8.4
Infosys	418	388	7.6	410	1.9	89	80	11.9	86	3.0	68	61	11.7	65	4.8
LTIMindtree	97	90	7.1	94	2.4	13	14	-4.1	15	-8.9	11	12	-7.2	13	-13.2
Mphasis	36	33	6.7	35	0.7	5	5	9.8	5	0.3	4	4	14.6	4	1.1
Persistent Systems	31	25	22.6	29	5.7	5	4	25.5	4	12.2	4	3	30.3	3	14.8
Tata Consultancy Services	640	606	5.6	643	-0.4	157	152	3.3	155	1.2	124	117	5.5	119	4.0
Tech Mahindra	133	131	1.4	133	-0.2	13	9	37.3	13	-2.3	9	7	23.0	13	-29.3
Wipro	223	222	0.5	223	0.1	39	33	18.6	37	4.9	34	27	24.5	32	4.5
Total	**1,894**	**1,798**	**5.3**	**1,874**	**1.1**	**381**	**354**	**7.5**	**371**	**2.6**	**301**	**276**	**8.8**	**293**	**2.6**
Logistics															
Delhivery	23,783	21,945	8.4	21,897	8.6	1,024	1,094	-6.3	573	78.8	250	162	54.6	102	144.9
Mahindra Logistics	15,942	13,972	14.1	15,211	4.8	737	522	41.1	664	11.0	-90	-197	NA	-107	NA
TCI Express	2,963	3,119	-5.0	3,115	-4.9	304	456	-33.3	381	-20.2	207	322	-35.8	263	-21.4
Total	**42,688**	**39,036**	**9.4**	**40,223**	**6.1**	**2,065**	**2,072**	**-0.3**	**1,617**	**27.7**	**366**	**286**	**27.9**	**258**	**42.2**
Media															
Imagicaaworld Entertaintment	919	700	31.2	400	129.8	296	277	7.1	-38	NA	29	98	-70.7	-69	NA
Nazara Technologies	5,347	3,204	66.9	3,189	67.6	523	377	38.9	252	108.1	307	254	20.8	238	28.7
PVR Inox	17,173	15,459	11.1	16,221	5.9	5,277	4,724	11.7	4,793	10.1	360	128	181.3	-118	NA
Zee Entertainment	19,788	20,457	-3.3	20,007	-1.1	3,184	2,092	52.2	3,210	-0.8	2,422	1,137	113.1	1,964	23.3
Total	**43,227**	**39,820**	**8.6**	**39,817**	**8.6**	**9,281**	**7,469**	**24.3**	**8,217**	**12.9**	**3,118**	**1,617**	**92.8**	**2,015**	**54.7**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Metals & Mining															
Hindalco Industries	584	528	10.6	582	0.3	76	59	29.3	79	-3.8	38	23	63.8	49	-22.7
Jindal Stainless	99	91	8.5	98	1.3	12	12	-3.1	12	1.8	7	7	-5.4	6	7.1
Jindal Steel & Power	117	117	-0.0	111	5.0	21	28	-25.0	21	0.4	10	19	-50.7	9	10.4
JSW Steel	414	419	-1.3	397	4.3	56	72	-22.3	54	2.6	8	24	-67.0	7	10.8
National Aluminium Co.	47	33	39.3	40	16.5	23	8	200.8	15	50.3	16	5	224.1	11	49.0
NMDC	66	54	21.4	49	33.5	24	20	18.2	14	71.2	19	17	14.4	12	58.6
Steel Authority of India	245	233	4.9	230	6.3	20	21	-5.4	13	59.8	1	3	-62.0	8	-84.9
Tata Steel	536	553	-3.0	539	-0.5	45	63	-28.3	57	-21.8	1	6	-78.1	7	-81.0
Total	**2,107**	**2,030**	**3.8**	**2,047**	**3.0**	**277**	**283**	**-2.1**	**266**	**4.3**	**100**	**104**	**-4.6**	**109**	**-8.7**
Travel & Tourism															
Chalet Hotels	4,578	3,737	22.5	3,771	21.4	2,047	1,660	23.3	1,495	36.9	965	706	36.7	-1,385	NA
InterGlobe Aviation	2,21,107	1,94,521	13.7	1,69,696	30.3	59,371	54,484	9.0	23,947	147.9	39,052	29,981	30.3	-7,461	NA
Indian Railway Catering and Tourism Corporation	12,247	11,183	9.5	10,640	15.1	4,166	3,940	5.7	3,728	11.7	3,411	3,145	8.5	3,079	10.8
Lemon Tree Hotels	3,552	2,902	22.4	2,844	24.9	1,842	1,412	30.4	1,307	40.9	625	354	76.5	296	110.8
Safari Industries (India)	4,427	3,883	14.0	4,578	-3.3	504	682	-26.1	479	5.2	311	429	-27.4	297	5.0
V.I.P. Industries	5,011	5,464	-8.3	5,443	-7.9	286	523	-45.2	-22	NA	-124	72	NA	-366	NA
Total	**2,50,921**	**2,21,690**	**13.2**	**1,96,971**	**27.4**	**68,216**	**62,701**	**8.8**	**30,935**	**120.5**	**44,240**	**34,687**	**27.5**	**-5,541**	**NA**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Oil & Gas															
Bharat Petroleum Corporation	1,131.4	1,154.7	-2.0	1,027.6	10.1	75.8	62.0	22.3	45.1	68.0	46.5	34.0	36.9	24.0	93.9
GAIL (India)	349.6	342.5	2.1	329.3	6.2	28.4	38.2	-25.8	37.4	-24.2	14.3	28.4	-49.8	26.7	-46.6
Gujarat Gas	41.5	39.3	5.7	37.8	9.8	3.8	4.0	-5.0	5.1	-26.0	2.2	2.2	0.6	3.1	-27.8
Gujarat State Petronet	2.4	4.6	-48.2	2.4	-0.7	1.9	3.8	-49.3	1.9	-0.2	1.4	2.6	-48.3	3.9	-65.2
Hindustan Petroleum Corporation	1,020.7	1,041.7	-2.0	916.4	11.4	59.7	21.6	175.9	27.2	119.1	30.2	5.3	471.4	6.3	378.9
Indraprastha Gas	37.6	35.5	5.9	37.0	1.7	3.6	5.6	-34.9	5.4	-32.0	2.9	3.9	-27.1	4.3	-33.5
Indian Oil Corporation	1,939.0	1,991.0	-2.6	1,738.5	11.5	71.2	154.9	-54.1	37.7	88.6	21.9	80.6	-72.8	-9.8	NA
Mahanagar Gas	17.6	15.7	12.0	17.1	2.7	3.1	4.5	-30.0	4.0	-21.2	2.2	3.2	-29.1	2.8	-20.5
Manglore Refinery Petrochemicals	218.7	246.7	-11.3	249.7	-12.4	10.3	11.8	-12.9	-4.7	NA	3.0	3.9	-21.4	-6.8	NA
Oil India	52.4	58.2	-9.9	55.2	-5.1	21.3	21.1	1.3	21.8	-2.3	12.2	15.8	-22.9	18.3	-33.4
Oil & Natural Gas Corporation	337.2	347.9	-3.1	338.8	-0.5	189.7	171.6	10.5	182.4	4.0	82.4	98.9	-16.7	119.8	-31.2
Petronet LNG	122.3	147.5	-17.1	130.2	-6.1	12.5	17.1	-26.9	12.0	3.9	8.7	11.9	-27.2	8.5	2.3
Reliance Industries	2,399.9	2,250.9	6.6	2,315.4	3.6	437.9	406.6	7.7	390.6	12.1	185.4	172.7	7.4	165.6	11.9
Total	**7,670.1**	**7,676.0**	**-0.1**	**7,195.2**	**6.6**	**919.3**	**922.8**	**-0.4**	**766.0**	**20.0**	**413.4**	**463.4**	**-10.8**	**366.8**	**12.7**
Pharma															
Aurobindo Pharma	79,785	73,518	8.5	77,960	2.3	16,278	16,013	1.7	15,661	3.9	8,456	9,400	-10.0	8,169	3.5
Cipla	70,730	66,038	7.1	70,510	0.3	19,889	17,475	13.8	18,800	5.8	15,705	10,559	48.7	13,029	20.5
Divis Lab	23,190	18,550	25.0	23,380	-0.8	7,430	4,890	51.9	7,160	3.8	5,890	3,580	64.5	5,100	15.5
Dr. Reddy's Laboratories	83,586	72,148	15.9	80,162	4.3	22,996	20,180	14.0	21,466	7.1	14,038	13,789	1.8	13,415	4.6
Eris Lifesciences	7,275	4,863	49.6	7,412	-1.9	2,503	1,755	42.6	2,646	-5.4	836	1,027	-18.6	916	-8.7
Indoco Remedies	4,106	4,594	-10.6	4,327	-5.1	120	629	-80.9	403	-70.1	-314	238	NA	-104	NA
IPCA Labs	22,454	20,529	9.4	23,549	-4.7	4,461	3,310	34.8	4,498	-0.8	2,481	1,119	121.8	2,295	8.1
JB Chem & Pharma	9,635	8,445	14.1	10,006	-3.7	2,545	2,231	14.1	2,705	-5.9	1,625	1,336	21.7	1,746	-6.9
Lupin	57,678	51,974	11.0	56,727	1.7	13,659	10,219	33.7	13,083	4.4	8,552	6,131	39.5	8,526	0.3
Sun Pharmaceutical Industries	1,36,755	1,23,807	10.5	1,32,914	2.9	41,924	33,523	25.1	38,109	10.0	29,034	25,238	15.0	30,402	-4.5
Torrent Pharma	28,090	27,320	2.8	28,890	-2.8	9,140	8,690	5.2	9,390	-2.7	5,030	4,430	13.5	4,530	11.0
Zydus Lifesciences	52,691	45,052	17.0	52,370	0.6	12,050	10,818	11.4	14,160	-14.9	8,412	7,472	12.6	8,655	-2.8
Total	**5,75,973**	**5,16,838**	**11.4**	**5,68,207**	**1.4**	**1,52,995**	**1,29,733**	**17.9**	**1,48,079**	**3.3**	**99,745**	**84,318**	**18.3**	**96,678**	**3.2**

(Rs mn)	Revenue					EBITDA					PAT				
	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)	Q3FY25	Q3FY24	YoY gr. (%)	Q2FY25	QoQ gr. (%)
Telecom															
Bharti Airtel	4,51,293	3,78,995	19.1	4,14,733	8.8	2,45,966	1,98,148	24.1	2,18,462	12.6	72,356	25,724	181.3	44,469	62.7
Total	**4,51,293**	**3,78,995**	**19.1**	**4,14,733**	**8.8**	**2,45,966**	**1,98,148**	**24.1**	**2,18,462**	**12.6**	**72,356**	**25,724**	**181.3**	**44,469**	**62.7**
Total (Rs bn)	**19,917**	**19,029**	**4.7**	**18,926**	**5.2**	**3,805**	**3,610**	**5.4**	**3,585**	**6.1**	**2,173**	**2,081**	**4.5**	**2,021**	**7.5**

Source: Company, PL

Exhibit 78: Change in Estimates - Pre-Quarterly to Current

Sector / Company Name	Rating	Current	Rating Change	Price	Target	Target	*Change*	*Upside*	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
	Pre-Quarterly	Rating		(Rs)	Pre Quarterly	(Rs)	*%*	*(%)*		FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Automobiles																		
Ashok Leyland	Accumulate	Accumulate	Maintained	223	243	244	*0.6*	*9.4*	655.1	9.9	11.3	12.4	9.7	11.0	12.4	-2.2%	-2.2%	0.5%
Bajaj Auto	BUY	BUY	Maintained	8,447	10,116	9853	*-2.6*	*16.6*	2,358.2	317.0	372.3	415.4	305.1	362.5	404.7	-3.7%	-2.6%	-2.6%
Eicher Motors	HOLD	Accumulate	Upgrade	5,011	5,332	5764	*8.1*	*15.0*	1,372.0	168.5	191.2	213.6	168.1	188.1	205.8	-0.3%	-1.6%	-3.7%
Hero Motocorp	Accumulate	Accumulate	Maintained	3,885	4,662	4736	*1.6*	*21.9*	776.4	230.7	245.5	266.0	232.2	253.9	280.1	0.7%	3.4%	5.3%
Mahindra & Mahindra	BUY	BUY	Maintained	2,709	3,541	3664	*3.5*	*35.3*	3,249.0	105.3	116.7	132.3	103.3	114.1	129.2	-1.9%	-2.3%	-2.4%
Maruti Suzuki	BUY	BUY	Maintained	12,345	14,129	14154	*0.2*	*14.7*	3,881.3	478.8	559.1	615.3	465.0	542.6	605.5	-2.9%	-3.0%	-1.6%
Tata Motors	HOLD	HOLD	Maintained	668	784	733	*-6.5*	*9.7*	2,561.1	62.0	74.6	74.9	59.2	68.4	63.9	-4.6%	-8.2%	-14.7%
TVS Motor Company	HOLD	HOLD	Maintained	2,362	2,650	2461	*-7.1*	*4.2*	1,122.4	55.2	66.3	76.5	54.4	65.2	75.1	-1.3%	-1.7%	-1.9%
Auto Ancillary																		
Bharat Forge	Accumulate	HOLD	Downgrade	1,042	1,435	1050	*-26.8*	*0.8*	485.0	30.7	43.3	52.3	25.1	36.5	43.8	-18.3%	-15.7%	-16.3%
CEAT	HOLD	HOLD	Maintained	2,645	3,244	3030	*-6.6*	*14.6*	107.0	135.4	181.6	227.9	120.0	171.3	212.2	-11.4%	-5.7%	-6.9%
Divgi Torqtransfer Systems	HOLD	Reduce	Downgrade	500	637	408	*-35.9*	*(18.4)*	15.3	10.1	15.6	18.4	9.6	12.4	14.0	-5.5%	-20.4%	-23.8%
Endurance Technologies	BUY	BUY	Maintained	1,840	2,698	2592	*-3.9*	*40.8*	258.8	62.6	80.8	101.5	58.2	76.4	97.9	-7.0%	-5.4%	-3.6%
Exide Industries	HOLD	HOLD	Maintained	365	437	350	*-19.9*	*(4.0)*	309.8	13.1	17.1	17.8	12.7	15.2	15.8	-3.3%	-11.0%	-11.3%
Banks																		
Axis Bank	BUY	BUY	Maintained	1,010	1,530	1350	*-11.8*	*33.7*	3,117.6	84.0	92.4	108.7	83.3	89.6	102.1	-0.8%	-3.1%	-6.0%
Bank of Baroda	BUY	BUY	Maintained	209	315	285	*-9.5*	*36.6*	1,080.2	34.2	34.1	38.3	36.4	34.0	38.0	6.2%	-0.5%	-0.9%
City Union Bank	BUY	BUY	Maintained	148	190	200	*5.3*	*35.2*	109.6	14.6	15.8	17.6	15.3	16.1	17.9	4.6%	1.9%	2.0%
DCB Bank	BUY	BUY	Maintained	109	155	155	*0.0*	*42.4*	34.4	19.4	21.0	25.7	19.4	21.0	25.7	0.0%	0.0%	0.0%
Federal Bank	BUY	BUY	Maintained	181	220	210	*-4.5*	*15.9*	441.4	16.9	19.2	22.9	16.4	17.8	21.0	-3.2%	-7.4%	-8.5%
HDFC Bank	BUY	BUY	Maintained	1,677	2,000	1950	*-2.5*	*16.3*	12,740.8	88.5	94.6	105.8	88.2	93.0	103.3	-0.3%	-1.8%	-2.4%
ICICI Bank	BUY	BUY	Maintained	1,218	1,640	1550	*-5.5*	*27.2*	8,557.0	65.1	71.7	84.1	66.0	71.6	82.1	1.4%	-0.1%	-2.4%
IndusInd Bank	BUY	BUY	Maintained	1,029	1,500	1500	*0.0*	*45.8*	801.0	84.7	119.9	147.2	82.8	114.9	142.1	-2.3%	-4.1%	-3.5%
Kotak Mahindra Bank	BUY	BUY	Maintained	1,966	2,230	2230	*0.0*	*13.4*	3,908.5	69.3	76.6	87.6	69.4	77.7	90.7	0.1%	1.4%	3.5%
State Bank of India	BUY	BUY	Maintained	716	1,025	900	*-12.2*	*25.6*	6,393.6	75.2	74.4	83.9	76.5	73.1	81.1	1.8%	-1.7%	-3.3%
Housing Finance																		
AAVAS Financiers	Accumulate	Accumulate	Maintained	1,682	1,900	1900	*0.0*	*12.9*	199.6	73.0	87.0	102.9	73.2	87.3	103.9	0.4%	0.3%	0.9%
Can Fin Homes	BUY	BUY	Maintained	605	1,000	860	*-14.0*	*42.1*	80.6	63.7	67.5	76.5	63.1	65.3	71.2	-1.0%	-3.2%	-7.0%
LIC Housing Finance	HOLD	BUY	Upgrade	536	675	650	*-3.7*	*21.3*	442.5	91.4	90.5	94.7	96.4	94.8	100.9	5.5%	4.8%	6.6%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly FY25E	EPS (Rs) - Pre Quarterly FY26E	EPS (Rs) - Pre Quarterly FY27E	EPS (Rs) - Current FY25E	EPS (Rs) - Current FY26E	EPS (Rs) - Current FY27E	% Change FY25E	% Change FY26E	% Change FY27E
Building Materials																		
Astral Ltd.	BUY	BUY	Maintained	1,398	1,883	1808	-4.0	29.3	376.2	21.8	30.0	37.4	20.4	27.3	34.6	-6.4%	-9.0%	-7.3%
Century Plyboard (I)	HOLD	HOLD	Maintained	765	811	811	0.0	6.0	170.3	11.2	17.6	23.2	10.7	17.6	23.1	-4.3%	0.1%	-0.2%
Cera Sanitaryware	HOLD	Accumulate	Upgrade	5,576	7,712	7456	-3.3	33.7	72.5	191.0	211.9	253.7	177.8	206.0	245.3	-6.9%	-2.8%	-3.3%
Finolex Industries	Accumulate	Accumulate	Maintained	182	270	229	-15.2	25.8	112.6	6.9	9.5	11.0	6.9	9.1	10.4	0.5%	-4.8%	-4.9%
Greenpanel Industries	BUY	HOLD	Downgrade	294	427	373	-12.6	27.2	36.0	8.3	15.8	21.0	4.3	8.9	18.3	-48.7%	-43.8%	-12.8%
Kajaria Ceramics	BUY	BUY	Maintained	863	1,545	1224	-20.8	41.9	137.4	25.1	31.8	38.6	22.1	28.8	35.0	-11.8%	-9.4%	-9.4%
Supreme Industries	BUY	BUY	Maintained	3,694	5,721	5040	-11.9	36.4	469.4	89.7	108.2	127.1	78.7	99.5	118.8	-12.2%	-8.0%	-6.5%
Capital Goods																		
ABB India	Accumulate	BUY	Upgrade	5,390	8,133	6955	-14.5	29.0	1,142.1	86.0	99.3	117.6	88.5	96.4	110.4	2.8%	-2.9%	-6.1%
Apar Industries	Accumulate	Accumulate	Maintained	6,449	10,160	8219	-19.1	27.5	259.0	211.1	264.8	311.2	192.4	241.1	293.5	-8.9%	-9.0%	-5.7%
BEML	Accumulate	Accumulate	Maintained	2,640	4,332	3561	-17.8	34.9	109.9	83.8	124.4	164.4	65.3	106.2	148.2	-22.1%	-14.6%	-9.9%
Bharat Electronics	BUY	BUY	Maintained	256	341	340	-0.2	32.6	1,873.9	6.3	7.6	8.6	6.5	7.8	9.1	3.3%	2.5%	5.8%
BHEL	Accumulate	Accumulate	Maintained	191	260	226	-13.3	17.9	666.6	3.0	10.4	14.1	2.1	8.2	12.3	-29.5%	-21.5%	-12.4%
Carborundum Universal	Accumulate	Accumulate	Maintained	877	1,583	1114	-29.6	27.0	166.9	26.4	34.9	41.9	23.4	25.1	31.3	-11.3%	-28.0%	-25.3%
Elgi Equipments	NA	Accumulate	NA	467	NA	608	NA	30.2	147.9	NA	NA	NA	10.8	13.3	15.6	NA	NA	NA
Grindwell Norton	BUY	Accumulate	Downgrade	1,481	2,511	1890	-24.7	27.6	164.0	37.5	45.6	54.7	34.1	39.4	46.6	-9.1%	-13.6%	-14.8%
Cummins India	Accumulate	BUY	Upgrade	2,833	4,139	3723	-10.0	31.4	785.2	67.7	77.0	88.5	67.5	76.8	88.7	-0.3%	-0.2%	0.1%
Engineers India	BUY	BUY	Maintained	164	247	242	-2.0	47.1	92.3	8.4	11.5	13.5	8.3	11.5	13.5	-0.1%	-0.2%	-0.1%
GE Vernova T&D India	Accumulate	Accumulate	Maintained	1,444	1,962	1950	-0.7	35.0	369.8	22.3	31.0	40.4	22.3	30.8	40.1	0.2%	-0.6%	-0.7%
Harsha Engineers Internatio	Accumulate	Accumulate	Maintained	390	561	440	-21.6	12.7	35.5	15.4	21.0	25.8	13.1	18.2	23.7	-14.7%	-13.1%	-8.2%
Hindustan Aeronautics	Accumulate	Accumulate	Maintained	3,350	4,692	4110	-12.4	22.7	2,240.7	97.5	112.1	127.0	96.7	109.8	125.1	-0.9%	-2.0%	-1.5%
Ingersoll-Rand (India)	NA	BUY	NA	3,465	NA	4540	NA	31.0	109.4	NA	NA	NA	84.2	92.6	109.2	NA	NA	NA
KEC International	HOLD	Accumulate	Upgrade	749	997	930	-6.8	24.2	199.3	25.6	50.0	62.0	23.6	45.8	58.8	-7.8%	-8.3%	-5.2%
Kalpataru Projects Internatio	Accumulate	BUY	Upgrade	928	1,306	1178	-9.8	26.9	158.5	38.0	60.0	82.0	39.4	56.4	78.7	3.6%	-6.0%	-4.1%
Kirloskar Pneumatic Compai	NA	BUY	NA	1,064	NA	1564	NA	47.0	69.0	NA	NA	NA	31.5	38.7	46.6	NA	NA	NA
Larsen & Toubro	BUY	BUY	Maintained	3,258	4,088	4025	-1.5	23.6	4,479.3	114.0	146.7	174.0	106.9	143.0	179.1	-6.2%	-2.5%	2.9%
Praj Industries	BUY	BUY	Maintained	542	804	751	-6.6	38.5	99.6	16.9	23.6	31.5	11.8	17.6	27.9	-30.6%	-25.7%	-11.2%
Siemens	Accumulate	Accumulate	Maintained	4,873	7,716	5902	-23.5	21.1	1,734.8	68.2	87.0	105.7	68.2	77.6	93.7	0.0%	-10.8%	-11.4%
Thermax	Reduce	Accumulate	Upgrade	3,263	4,275	3857	-9.8	18.2	388.7	53.2	68.3	76.9	50.2	67.7	76.8	-5.5%	-0.8%	-0.2%
Triveni Turbine	BUY	BUY	Maintained	564	800	800	0.0	41.9	179.2	12.0	16.0	21.2	11.6	16.0	21.2	-3.5%	0.3%	-0.2%
Voltamp Transformers	BUY	BUY	Maintained	6,926	12,531	11437	-8.7	65.1	70.1	311.2	333.7	382.4	314.0	333.9	380.8	0.9%	0.1%	-0.4%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly FY25E	FY26E	FY27E	EPS (Rs) - Current FY25E	FY26E	FY27E	% Change FY25E	FY26E	FY27E
Cement																		
ACC	BUY	BUY	Maintained	1,851	3,251	2878	-11.5	55.5	348.0	97.4	119.1	131.0	87.8	102.5	113.1	-9.9%	-13.9%	-13.6%
Ambuja Cement	BUY	BUY	Maintained	470	707	628	-11.2	33.5	1,033.8	11.2	21.2	22.6	10.5	18.5	19.0	-6.4%	-12.8%	-16.0%
Dalmia Bharat	Accumulate	Accumulate	Maintained	1,745	2,017	1988	-1.5	13.9	327.2	38.8	65.9	75.2	36.4	61.7	75.1	-6.2%	-6.5%	-0.1%
Nuvoco Vistas Corporation	Hold	Hold	Maintained	316	372	339	-8.8	7.3	112.9	1.8	9.8	14.6	-0.4	8.6	14.7	NA	-12.4%	0.8%
Shree Cement	Hold	Hold	Maintained	28,292	24,838	26190	5.4	(7.4)	1,020.8	460.5	623.0	664.8	276.4	544.3	622.0	-40.0%	-12.6%	-6.4%
Ultratech Cement	Accumulate	Accumulate	Maintained	11,043	12,145	12350	1.7	11.8	3,187.9	241.8	370.2	457.8	236.7	365.6	439.2	-2.1%	-1.2%	-4.1%
Chemicals																		
Aarti Industries	Reduce	Reduce	Maintained	406	381	411	7.7	1.1	147.1	9.3	12.1	17.2	8.4	13.1	17.9	-9.6%	7.9%	3.8%
Clean Science and Technolo	HOLD	HOLD	Maintained	1,280	1,471	1329	-9.6	3.8	136.0	23.5	30.2	33.7	24.3	31.1	35.0	3.3%	3.0%	3.8%
Deepak Nitrite	Reduce	HOLD	Upgrade	1,948	2,295	1960	-14.6	0.6	265.8	52.9	66.9	71.7	46.9	60.7	70.0	-11.5%	-9.2%	-2.4%
Fine Organic Industries	BUY	BUY	Maintained	3,700	5,765	5199	-9.8	40.5	113.4	150.1	168.0	181.4	138.9	159.0	170.5	-7.4%	-5.4%	-6.0%
Gujarat Fluorochemicals	Reduce	Reduce	Maintained	3,725	3,724	3190	-14.3	(14.4)	409.2	48.1	52.4	62.2	46.4	55.2	63.8	-3.5%	5.2%	2.6%
Jubilant Ingrevia	Reduce	HOLD	Upgrade	669	731	680	-7.0	1.6	105.7	15.4	17.5	18.1	15.7	17.7	18.4	1.9%	1.1%	1.5%
Laxmi Organic Industries	Reduce	HOLD	Upgrade	187	213	237	11.3	26.4	51.7	4.8	6.6	7.5	4.6	6.1	7.1	-3.6%	-6.9%	-5.7%
Navin Fluorine International	Accumulate	Accumulate	Maintained	3,911	3,672	4373	19.1	11.8	193.8	54.0	65.8	79.7	56.9	71.0	86.6	5.4%	7.9%	8.7%
NOCIL	Reduce	Reduce	Maintained	189	226	209	-7.6	10.3	31.5	5.9	7.3	8.3	5.9	6.8	7.7	-0.3%	-6.2%	-6.7%
SRF	Reduce	HOLD	Upgrade	2,759	2,018	2698	33.7	(2.2)	817.9	29.7	40.5	51.9	34.3	42.3	53.8	15.5%	4.3%	3.8%
Vinati Organics	Accumulate	Accumulate	Maintained	1,535	1,925	1934	0.5	26.0	159.1	36.1	41.8	45.7	38.5	43.2	47.2	6.7%	3.4%	3.2%
Consumer Durables																		
Bajaj Electricals	Reduce	Reduce	Maintained	647	676	647	-4.3	0.1	74.5	10.5	16.7	19.3	9.8	16.0	18.5	-6.8%	-4.3%	-4.3%
Crompton Greaves Consum	BUY	BUY	Maintained	331	536	504	-6.0	52.3	212.8	9.1	11.4	13.3	8.5	10.5	12.6	-6.5%	-7.6%	-5.3%
Havells India	Accumulate	BUY	Upgrade	1,523	2,036	1890	-7.2	24.1	954.4	24.9	31.7	37.6	22.2	28.4	35.2	-10.6%	-10.2%	-6.3%
KEI Industries	BUY	BUY	Maintained	3,742	5,265	5041	-4.3	34.7	337.7	80.1	93.6	117.0	71.9	88.9	112.0	-10.2%	-5.0%	-4.3%
Polycab India	BUY	BUY	Maintained	5,841	8,741	8233	-5.8	40.9	877.7	127.0	158.5	182.7	128.1	158.4	183.1	0.8%	0.0%	0.2%
R R Kabel	BUY	BUY	Maintained	1,109	2,151	1812	-15.8	63.4	125.1	29.5	51.1	61.5	24.8	46.0	58.4	-15.8%	-9.9%	-4.9%
Voltas	Accumulate	BUY	Upgrade	1,277	1,980	1593	-19.6	24.7	422.4	26.2	34.5	42.1	25.7	33.4	40.3	-2.1%	-3.1%	-4.3%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
										FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Consumer Staples																		
Asian Paints	Reduce	Reduce	Maintained	2,246	2,230	2123	-4.8	(5.5)	2,154.6	44.2	45.0	49.4	44.1	43.3	47.1	-0.4%	-3.6%	-4.6%
Avenue Supermarts	Hold	Hold	Maintained	3,571	4,300	3964	-7.8	11.0	2,323.7	45.3	54.2	64.9	42.7	50.1	59.0	-5.7%	-7.6%	-9.1%
Britannia Industries	BUY	BUY	Maintained	4,804	5,815	5881	1.1	22.4	1,157.4	85.0	99.0	116.3	89.9	101.6	117.6	5.7%	2.6%	1.1%
Restaurant Brands Asia	Hold	Hold	Maintained	69	100	76	-23.7	10.3	34.2	-1.6	-0.5	0.2	-2.0	-1.1	-0.6	22.1%	104.6%	#####
Colgate Palmolive	Hold	Hold	Maintained	2,476	2,973	2801	-5.8	13.1	673.5	54.1	59.6	64.4	52.1	57.5	62.4	-3.7%	-3.4%	-3.0%
Dabur India	HOLD	HOLD	Maintained	506	561	561	0.0	11.0	896.0	10.5	12.1	13.4	10.3	12.0	13.3	-2.0%	-0.9%	-0.8%
Emami	Hold	Accumulate	Upgrade	551	761	716	-5.8	29.9	240.7	20.5	22.8	25.8	18.7	20.8	23.9	-8.9%	-8.5%	-7.3%
Hindustan Unilever	Accumulate	Accumulate	Maintained	2,241	2,807	2691	-4.1	20.1	5,267.4	44.5	48.3	53.0	43.7	47.1	51.5	-1.9%	-2.6%	-2.8%
ITC	Accumulate	Accumulate	Maintained	402	536	530	-1.1	31.8	5,017.6	16.3	18.4	20.1	16.2	17.8	19.4	-1.1%	-3.2%	-3.1%
Jubilant FoodWorks	Hold	Hold	Maintained	675	719	672	-6.5	(0.4)	445.2	3.7	6.4	9.2	3.2	5.7	8.7	-12.1%	-9.7%	-5.9%
Kansai Nerolac Paints	Reduce	Hold	Upgrade	235	274	278	1.7	18.2	190.3	8.2	9.6	10.3	8.5	9.5	10.3	3.5%	-1.2%	0.3%
Marico	Accumulate	Accumulate	Maintained	621	675	704	4.3	13.3	801.4	12.1	14.1	29.3	12.3	13.7	15.3	1.6%	-3.4%	-47.9%
Metro Brands	Hold	Hold	Maintained	1,095	1,208	1177	-2.5	7.5	297.8	13.5	15.7	18.6	13.1	15.1	17.7	-2.4%	-4.1%	-4.5%
Mold-tek Packaging	Accumulate	Accumulate	Maintained	503	709	621	-12.4	23.6	16.7	18.9	23.7	39.6	17.9	22.1	30.3	-5.3%	-6.7%	-23.6%
Nestle India	Accumulate	Accumulate	Maintained	2,220	2,689	2606	-3.1	17.4	2,140.8	32.6	36.1	39.1	31.7	35.4	38.3	-2.8%	-1.9%	-2.0%
Pidilite Industries	Accumulate	Accumulate	Maintained	2,762	3,355	3318	-1.1	20.1	1,403.8	44.1	49.8	54.1	41.8	49.2	53.5	-5.2%	-1.2%	-1.1%
Titan Company	BUY	BUY	Maintained	3,173	3,882	3833	-1.2	20.8	2,824.0	41.3	54.1	64.0	42.3	53.4	62.0	2.4%	-1.2%	-3.2%
Westlife Foodworld	HOLD	HOLD	Maintained	727	817	778	-4.9	6.9	113.4	1.4	4.6	6.6	0.7	4.7	6.3	-54.0%	2.3%	-4.1%
Education																		
DOMS Industries	BUY	BUY	Maintained	2,532	3,337	3370	1.0	33.1	153.6	34.0	44.1	55.6	34.7	45.8	56.2	2.1%	3.9%	1.0%
Navneet Education	HOLD	HOLD	Maintained	133	139	150	7.7	12.4	30.2	7.8	9.3	10.8	8.1	9.6	11.0	3.3%	3.5%	2.2%
S Chand and Company	BUY	BUY	Maintained	178	322	305	-5.4	71.6	6.3	19.7	25.8	27.5	20.4	25.0	27.5	3.6%	-3.2%	0.1%
Electronic Manufacturing Services																		
Avalon Technologies	HOLD	BUY	Upgrade	672	899	900	0.0	34.0	44.1	7.9	14.0	19.8	8.6	13.9	19.8	9.6%	-0.7%	0.0%
Cyient DLM	BUY	BUY	Maintained	418	831	692	-16.8	65.4	33.2	12.4	21.6	27.7	8.5	15.6	23.1	-31.2%	-27.5%	-16.8%
Kaynes Technology India	HOLD	BUY	Upgrade	4,352	6,085	5528	-9.2	27.0	278.2	46.8	59.4	92.3	44.1	59.4	92.3	-5.9%	0.0%	0.0%
Syrma SGS Technology	HOLD	BUY	Upgrade	427	629	629	-0.1	47.2	75.8	8.3	11.3	15.5	8.7	11.3	15.8	4.5%	-0.2%	1.5%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly FY25E	EPS (Rs) - Pre Quarterly FY26E	EPS (Rs) - Pre Quarterly FY27E	EPS (Rs) - Current FY25E	EPS (Rs) - Current FY26E	EPS (Rs) - Current FY27E	% Change FY25E	% Change FY26E	% Change FY27E
HealthCare																		
Apollo Hospitals Enterprise	BUY	BUY	Maintained	6,251	8,000	8100	1.3	29.6	899.0	101.0	145.0	188.1	96.3	139.6	187.2	-4.7%	-3.7%	-0.5%
Aster DM Healthcare	BUY	BUY	Maintained	405	620	620	0.0	53.2	202.3	6.7	10.6	13.5	6.3	10.6	13.5	-5.9%	0.1%	0.0%
Fortis Healthcare	BUY	BUY	Maintained	599	710	760	7.0	27.0	451.9	10.1	12.7	15.8	11.1	13.2	16.4	10.2%	3.5%	4.3%
HealthCare Global Enterpris	BUY	BUY	Maintained	510	535	535	0.0	4.9	71.1	4.8	9.2	14.7	4.8	9.2	14.7	0.0%	0.0%	0.0%
Jupiter Life Line Hospitals	BUY	BUY	Maintained	1,458	1,660	1750	5.4	20.0	95.6	30.8	39.5	44.8	30.0	39.6	44.7	-2.4%	0.1%	-0.2%
Krishna Institute of Medical	BUY	BUY	Maintained	524	675	725	7.4	38.3	209.7	9.5	10.8	14.3	9.2	10.8	14.8	-3.0%	-0.7%	3.8%
Max Healthcare Institute	BUY	BUY	Maintained	988	1,200	1300	8.3	31.6	960.2	15.2	20.5	26.8	15.5	20.5	26.9	2.5%	-0.2%	0.2%
Narayana Hrudayalaya	BUY	BUY	Maintained	1,393	1,420	1560	9.9	12.0	284.7	38.0	46.5	56.5	39.6	46.4	57.2	4.2%	-0.2%	1.2%
Rainbow Children's Medicare	BUY	BUY	Maintained	1,320	1,785	1785	0.0	35.2	134.0	24.7	31.0	39.0	24.3	30.8	38.8	-1.8%	-0.5%	-0.4%
Information Technology																		
Cyient	BUY	BUY	Maintained	1,354	2,120	2010	-5.2	48.5	0.2	65.5	75.7	92.0	58.5	63.8	76.5	-10.6%	-15.8%	-16.8%
HCL Technologies	Accumulate	Accumulate	Maintained	1,644	2,120	2080	-1.9	26.5	4.5	64.0	72.2	82.9	63.4	70.9	81.4	-0.9%	-1.8%	-1.7%
Infosys	BUY	BUY	Maintained	1,764	2,270	2250	-0.9	27.5	7.3	63.6	72.0	82.9	63.6	71.7	82.2	0.0%	-0.3%	-0.8%
LTIMindtree	BUY	BUY	Maintained	5,047	7,130	7000	-1.8	38.7	1.5	160.9	189.8	220.4	158.0	186.5	216.6	-1.8%	-1.7%	-1.7%
Mphasis	HOLD	Accumulate	Upgrade	2,488	3,020	3200	6.0	28.6	0.5	89.9	106.1	123.7	90.6	105.6	123.5	0.8%	-0.4%	-0.2%
Persistent Systems	HOLD	HOLD	Maintained	5,640	6,060	5970	-1.5	5.9	0.9	88.4	111.0	139.7	90.3	110.9	139.7	2.2%	-0.1%	0.1%
Tata Consultancy Services	BUY	BUY	Maintained	3,676	4,900	4810	-1.8	30.9	13.4	137.4	158.2	177.0	135.8	154.8	173.6	-1.2%	-2.2%	-1.9%
Tech Mahindra	Accumulate	Accumulate	Maintained	1,614	1,790	1760	-1.7	9.1	1.4	48.1	63.0	81.3	46.6	62.5	80.1	-3.2%	-0.8%	-1.5%
Wipro	Accumulate	Accumulate	Maintained	295	310	310	0.0	5.1	3.1	11.9	12.8	14.2	12.3	13.2	14.4	3.0%	3.0%	1.7%
Logistics																		
Delhivery	HOLD	HOLD	Maintained	273	361	340	-5.9	24.6	201.1	2.4	4.7	8.0	1.6	4.7	7.7	-32.4%	0.0%	-3.8%
Mahindra Logistics	Under Review	HOLD	NA	277	NA	399	NA	43.8	20.0	4.3	12.5	21.8	1.8	11.3	19.9	-58.6%	-9.0%	-8.6%
TCI Express	BUY	BUY	Maintained	691	1,027	1021	-0.6	47.7	26.5	27.4	36.7	48.0	24.4	35.1	42.5	-11.1%	-4.2%	-11.3%
Media																		
Nazara Technologies	BUY	BUY	Maintained	918	1,201	1117	-7.0	21.6	70.3	17.6	20.8	23.4	11.7	17.2	21.0	-33.6%	-17.4%	-10.1%
PVR Inox	BUY	HOLD	Downgrade	999	1,983	1215	-38.7	21.6	97.8	4.8	43.9	62.2	-10.8	17.7	37.2	NA	-59.8%	-40.1%
Zee Entertainment Enterpris	HOLD	HOLD	Maintained	96	138	137	-0.7	42.2	92.5	8.1	11.3	13.8	8.5	11.3	13.6	4.6%	-0.4%	-1.0%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly			EPS (Rs) - Current			% Change		
										FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Metals & Mining																		
Hindalco Industries	BUY	BUY	Maintained	642	682	696	2.2	8.5	1,425.0	62.9	64.6	71.4	69.1	69.0	75.5	9.7%	6.8%	5.7%
Jindal Stainless	Accumulate	Accumulate	Maintained	616	739	715	-3.3	16.0	507.2	34.9	48.4	56.6	33.2	46.2	53.9	-4.6%	-4.6%	-4.9%
Jindal Steel & Power	Accumulate	Accumulate	Maintained	862	997	847	-15.0	(1.7)	864.3	43.5	86.7	112.1	40.3	64.2	107.7	-7.5%	-26.0%	-3.9%
JSW Steel	Hold	Hold	Maintained	967	872	919	5.4	(4.9)	2,337.0	16.6	55.0	73.1	18.3	56.6	72.7	10.0%	2.9%	-0.6%
National Aluminium Co.	Reduce	Accumulate	Upgrade	190	211	205	-2.7	8.4	348.1	22.8	22.7	26.9	26.4	22.4	24.1	15.4%	-1.4%	-10.2%
NMDC	Accumulate	Accumulate	Maintained	66	80	70	-12.6	5.7	193.6	7.8	8.2	9.2	7.6	8.4	9.2	-2.3%	3.2%	-0.5%
Steel Authority of India	Reduce	Hold	Upgrade	108	110	107	-2.3	(0.9)	447.0	1.2	8.4	10.6	2.7	9.5	14.2	126.3%	13.3%	34.3%
Tata Steel	Accumulate	Accumulate	Maintained	138	141	145	2.8	5.1	1,717.1	3.0	13.6	17.9	3.2	12.7	16.3	6.6%	-6.6%	-8.8%
Oil & Gas																		
Bharat Petroleum Corporatio	HOLD	HOLD	Maintained	251	301	286	-5.0	13.9	1,089.0	29.7	23.1	24.1	25.7	23.2	24.2	-13.4%	0.4%	0.5%
Gujarat Gas	SELL	SELL	Maintained	407	362	395	9.1	(2.9)	279.9	16.2	17.5	18.7	15.8	18.7	19.7	-2.5%	6.8%	5.7%
GAIL (India)	HOLD	Accumulate	Upgrade	165	203	204	0.3	23.8	1,082.1	13.8	13.9	14.2	12.7	14.8	15.2	-8.3%	6.4%	7.3%
Gujarat State Petronet	HOLD	HOLD	Maintained	279	351	327	-6.7	17.5	157.0	15.3	15.5	16.4	15.4	15.8	16.6	1.0%	2.2%	0.9%
Hindustan Petroleum Corpor	HOLD	HOLD	Maintained	319	391	373	-4.6	16.7	679.4	31.5	44.5	44.9	23.4	44.3	44.7	-25.8%	-0.5%	-0.4%
Indian Oil Corporation	HOLD	HOLD	Maintained	120	152	124	-18.5	3.3	1,655.6	8.2	14.4	15.8	3.6	14.5	15.7	-55.8%	0.3%	-0.5%
Indraprastha Gas	SELL	SELL	Maintained	198	157	151	-4.3	(23.8)	276.7	9.2	11.2	11.9	9.0	10.2	11.0	-2.8%	-8.8%	-8.0%
Mahanagar Gas	SELL	Accumulate	Upgrade	1,317	984	1412	43.5	7.2	130.1	98.9	106.0	112.6	103.4	114.5	128.4	4.6%	8.0%	14.0%
Mangalore Refinery & Petroc	Accumulate	HOLD	Downgrade	114	168	137	-18.5	20.0	200.4	-2.2	13.1	13.1	-1.1	13.2	13.2	-52.0%	0.7%	0.8%
Oil & Natural Gas Corporati	Accumulate	BUY	Upgrade	234	295	288	-2.7	22.7	3,007.6	39.2	44.5	45.2	39.2	44.0	44.7	0.0%	-1.0%	-1.2%
Oil India	BUY	BUY	Maintained	379	691	711	2.9	87.8	616.2	41.3	58.3	63.5	39.0	56.8	63.2	-5.8%	-2.7%	-0.4%
Petronet LNG	Sell	Reduce	Upgrade	305	268	276	3.2	(9.3)	457.0	22.0	26.8	27.5	23.8	26.9	27.6	8.0%	0.3%	0.4%
Reliance Industries	Accumulate	Accumulate	Maintained	1,215	1,453	1472	1.3	21.2	16,435.3	43.5	49.2	55.1	43.5	49.2	55.1	0.0%	0.0%	0.0%

Sector / Company Name	Rating Pre-Quarterly	Current Rating	Rating Change	Price (Rs)	Target Pre Quarterly	Target (Rs)	Change %	Upside (%)	M/Cap (Rs bn)	EPS (Rs) - Pre Quarterly FY25E	FY26E	FY27E	EPS (Rs) - Current FY25E	FY26E	FY27E	% Change FY25E	FY26E	FY27E
Pharma																		
Aurobindo Pharma	Accumulate	BUY	Upgrade	1,102	1,475	1510	2.4	37.0	645.5	60.6	74.7	83.6	61.3	75.1	84.6	1.1%	0.5%	1.3%
Zydus Lifesciences	Accumulate	Accumulate	Maintained	891	1,050	1050	0.0	17.8	896.6	45.4	47.2	41.7	46.6	46.2	41.2	2.7%	-2.1%	-1.3%
Cipla	BUY	BUY	Maintained	1,477	1,730	1730	0.0	17.1	1,192.3	56.9	63.6	63.4	60.6	64.1	65.2	6.5%	0.8%	2.8%
Dr. Reddy's Laboratories	Reduce	Reduce	Maintained	1,165	1,335	1335	0.0	14.6	971.2	67.2	74.2	53.4	65.1	69.4	54.0	-3.1%	-6.4%	1.1%
Divi's Laboratories	Accumulate	Accumulate	Maintained	5,703	6,000	6250	4.2	9.6	1,511.2	76.7	97.9	119.4	81.7	102.1	124.9	6.5%	4.3%	4.6%
Eris Lifesciences	BUY	BUY	Maintained	1,259	1,420	1450	2.1	15.1	171.3	28.0	39.9	54.7	25.7	38.5	53.5	-8.4%	-3.4%	-2.2%
Indoco Remedies	Accumulate	Hold	Downgrade	223	320	325	1.6	45.7	20.5	3.4	12.5	19.6	-6.0	3.2	15.0	NA	-74.3%	-23.5%
Ipca Laboratories	Accumulate	Accumulate	Maintained	1,439	1,700	1700	0.0	18.2	365.0	33.2	43.6	53.5	33.6	43.8	54.9	1.3%	0.6%	2.7%
J.B. Chemicals & Pharmaceu	BUY	BUY	Maintained	1,570	2,250	2075	-7.8	32.2	243.7	45.0	56.0	67.1	43.2	53.8	64.9	-4.0%	-3.9%	-3.3%
Lupin	BUY	BUY	Maintained	1,903	2,420	2420	0.0	27.2	867.1	70.2	83.5	95.0	70.5	84.5	94.6	0.4%	1.2%	-0.4%
Sun Pharmaceutical Industri	BUY	BUY	Maintained	1,640	2,100	2275	8.3	38.8	3,933.7	45.5	54.6	65.1	49.0	54.8	65.0	7.6%	0.4%	-0.2%
Torrent Pharmaceuticals	Accumulate	Accumulate	Maintained	3,023	3,600	3750	4.2	24.0	1,021.9	59.2	77.6	95.9	58.4	77.2	95.6	-1.4%	-0.5%	-0.3%
Real Estate																		
Sunteck Realty	BUY	BUY	Maintained	389	670	700	4.5	79.9	57.0	9.8	32.3	39.4	10.4	30.0	39.4	6.2%	-7.0%	0.0%
Travel & Tourism																		
Chalet Hotels	Accumulate	BUY	Upgrade	710	1,076	1064	-1.1	49.9	145.9	16.4	22.0	26.4	15.4	20.9	25.0	-5.9%	-4.8%	-5.4%
Imagicaaworld Entertainmer	BUY	BUY	Maintained	66	108	97	-10.2	47.4	31.8	1.5	1.7	2.2	1.3	1.6	2.0	-11.8%	-7.0%	-7.1%
InterGlobe Aviation	Accumulate	BUY	Upgrade	4,536	4,919	5246	6.7	15.7	1,750.8	200.2	230.3	250.2	210.5	208.9	234.3	5.2%	-9.3%	-6.3%
Indian Railway Catering and	HOLD	HOLD	Maintained	720	835	809	-3.2	12.3	576.3	16.1	17.6	18.9	16.4	17.6	19.2	1.5%	-0.2%	1.5%
Lemon Tree Hotels	BUY	BUY	Maintained	128	179	175	-2.5	36.2	101.6	2.6	3.6	4.4	2.3	3.5	4.3	-13.8%	-4.3%	-1.8%
Safari Industries (India)	BUY	BUY	Maintained	2,200	2,939	2783	-5.3	26.5	107.3	28.9	50.6	65.3	29.0	47.3	62.0	0.3%	-6.6%	-5.0%
V.I.P. Industries	HOLD	BUY	Upgrade	326	483	463	-4.3	42.0	46.2	-3.7	13.3	16.1	-2.8	12.8	15.4	-24.1%	-3.6%	-4.3%
Telecom																		
Bharti Airtel	Accumulate	Accumulate	Maintained	1,601	1,783	1827	2.5	14.1	9,094.4	32.7	47.8	56.5	31.9	48.8	57.6	-2.4%	2.1%	1.9%

Source: Company, PL

3Q Sectoral Snapshot

AMCs

Conviction Picks:

HDFC Asset Management Company

UTI Asset Management Company

- Coverage AMCs saw a good quarter; core PAT at Rs9.9bn was 5.2% above PLe due to higher revenue and lower opex. QAAuM growth was broadly in-line, while blended yields were a beat.
- QAAuM growth for coverage AMCs was 3.5% QoQ with NAM/HDFCAMC growing by +3.8%/+3.7% QoQ in-line with industry (3.6% QoQ).
- Equity + bal QAAuM for the industry grew by 3.1% QoQ to Rs37.8trn. HDFCAMC/NAM/UTIAM grew by 2.2%/3.7%/(0.2)% QoQ.
- Revenue yield was a beat at 44.4bps (PLe 44bps) mainly led by HDFCAMC led by rationalization of distributor commission.
- Opex was 4.4% lower than PLe due to lower staff cost & other opex. Core income was higher at Rs13.0bn (PLe Rs12.6bn).
- Other income was ahead at Rs1.5bn (PLe Rs0.8bn) led by MTM gains.
- Tax rate for coverage AMCs was lower at 23.6% (PLe 25.0%); it normalized QoQ for HDFCAMC to 23.6% from 32.8% (one-time DTL impact due to withdrawal of indexation benefit last quarter).
- While we remain structurally positive on the AMC space, we turn slightly cautious for the short term given the recent correction in equity markets. HDFCAMC/NAM continue to maintain market share in net flows due to better past performance and reach.

Exhibit 79: Q3FY25 Result Snapshot

(Rs mn)	Revenue			Opex			Core PAT			AAuM		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3Y25	*YoY gr.*	*QoQ gr.*
HDFCAMC IN	9,344	39.2%	5.3%	1,872	6.9%	-6.0%	5,706	50.0%	23.4%	78,73,645	42.8%	3.7%
NAM IN	5,879	38.9%	2.9%	2,116	22.8%	2.7%	2,836	42.5%	4.8%	56,99,024	50.9%	3.8%
UTIAM IN	3,754	29.4%	0.6%	1,993	5.2%	-2.5%	1,382	76.3%	4.6%	35,24,116	29.2%	2.5%

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

Exhibit 80: Conviction Picks Commentary

Name	Commentary
HDFC Asset Management Company	We expect core PAT to grow at a CAGR of 15% over FY25-27E as net flows remain positive and equity performance has been best-in-class in 3-yr bucket leading to steady market share in net flows.
UTI Asset Management Company	Performance in 1-yr bucket has been improving since Mar'24 and net flows have turned positive since Aug'24. Sustained performance could lead to higher market share over FY25-27E which may lead to core PAT upgrade.

Source: PL

Conviction Picks:

Maruti Suzuki

Mahindra & Mahindra

Bajaj Auto

Automobiles

- Q3FY25 volume growth for our coverage universe was 5.9% as compared to the same period last year. The dispatches were lower owing to inventory rationalization and lower than anticipated sales during the festive period. However, MSIL, TVSL, M&M and EIM reported healthy volume growth owing to exports and strong demand in the domestic market.

- Revenue for our coverage OEM universe increased by 8.6% YoY (excl JLR), however, the revenue growth was marginally below PLe. Our coverage Auto Ancs revenue witnessed marginal revenue growth of 1.8% YoY, lower than our expectation impacted by slow order execution and sluggish demand.

- A large part of the raw material basket remained stable for OEMs which led to a healthy gross margin expansion on a consolidated basis. Despite rise in staff and other expenses, EBITDA increased by 16.8% YoY while margin contracted by 94bps YoY (incl JLR) owing to lower than anticipated performance from TTMT, excl. JLR business our OEM coverage universe margin expanded by 94bps YoY. Auto Ancs EBITDA declined by 3.9% YoY, impacted by higher expenses and lower operating leverage.

- OEMs have indicated that the rural market has outpaced the growth of urban market and expect the growth momentum to continue owing to marriage season demand, positive cashflow momentum from Rabi crop harvest and consumption boost provided by government by lowering income tax. These factors shall lift the subdued momentum of sales with PV (UV) and 2W being the large beneficiary. Above normal level monsoon and favorable reservoir levels are expected to keep the demand momentum steady for Tractors' volume. Improved fleet utilization and pick-up in infrastructure activities shall aid in volume recovery for M&HCV from Q4FY25.

Exhibit 81: Q3FY25 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	94,787	*2.2%*	*8.1%*	12,114	*8.8%*	*19.1%*	9,938	*9.9%*	*13.1%*	7,617	*31.2%*	*12.1%*
BHFC IN	34,755	*-10.1%*	*-5.8%*	6,244	*-10.5%*	*-3.5%*	3,485	*-11.4%*	*-9.6%*	2,128	*-12.9%*	*-12.7%*
BJAUT IN	1,28,069	*5.7%*	*-2.4%*	25,807	*6.2%*	*-2.7%*	28,015	*4.7%*	*-4.2%*	21,087	*3.3%*	*5.2%*
CEAT IN	32,999	*11.4%*	*-0.1%*	3,409	*-18.3%*	*-5.9%*	1,278	*-43.9%*	*-21.2%*	971	*-46.5%*	*-20.3%*
DIVGIITT IN	525	*-16.7%*	*-2.7%*	86	*-33.3%*	*-24.1%*	71	*-43.9%*	*-32.6%*	52	*-44.1%*	*-33.2%*
EIM IN	49,731	*19.0%*	*16.7%*	12,012	*10.2%*	*10.4%*	12,973	*9.6%*	*3.9%*	11,705	*17.5%*	*6.4%*
ENDU IN	28,592	*11.6%*	*-1.8%*	3,725	*24.6%*	*-2.5%*	2,466	*22.9%*	*-7.2%*	1,844	*21.1%*	*-9.2%*
EXID IN	38,486	*0.2%*	*-9.8%*	4,486	*2.0%*	*-7.2%*	3,253	*1.4%*	*-18.5%*	2,450	*2.0%*	*-17.7%*
HMCL IN	1,02,108	*5.0%*	*-2.4%*	14,765	*8.4%*	*-2.6%*	15,916	*12.3%*	*-0.5%*	12,028	*12.1%*	*-0.1%*
MM IN	3,05,382	*20.3%*	*10.8%*	43,843	*33.1%*	*12.3%*	39,679	*25.2%*	*-19.5%*	29,643	*19.1%*	*-22.8%*
MSIL IN	3,84,921	*15.6%*	*3.5%*	44,703	*14.4%*	*1.2%*	46,019	*13.5%*	*-9.8%*	35,250	*12.6%*	*14.9%*
TTMT IN	11,35,750	*2.7%*	*12.0%*	1,30,320	*-15.0%*	*11.7%*	77,380	*2.1%*	*37.7%*	54,280	*-22.8%*	*90.1%*
TVSL IN	90,971	*10.3%*	*-1.4%*	10,815	*17.0%*	*0.2%*	8,367	*8.0%*	*-6.7%*	6,185	*4.2%*	*-6.7%*

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

Exhibit 82: Conviction Picks Commentary

Name	Commentary
Maruti Suzuki	We expect MSIL to report a volume growth of 4.2% over FY24-27E, with UVs offsetting a consistent decline in compact car segment in the domestic market. Exports continue to be amongst the major growth drivers with mix of UVs improving on a consistent basis. Its presence in Hybrid, Petrol, CNG and EVs makes it an overall player in the industry. We expect it to deliver an EPS growth of 13% over FY24-27E.
Mahindra & Mahindra	M&M is well-positioned to outpace industry growth in UVs, with strong demand driving a ~10% CAGR in automotive volumes over FY24-27E. The tractor segment is expected to grow at ~7% CAGR, supported by favorable monsoons, higher MSP, and international expansion.
Bajaj Auto	The consumption boost in the form of tax relief shall benefit BJAUT as it has a presence across different price points in the 2W category. Additionally, the recovery in key international markets and further expansion shall lead to healthy overall volume growth of 7.4% over FY24-27E. Better mix and PLI benefits shall improve its overall profitability leading to an EPS CAGR of 14.7% over FY24-27E.

Source: PL

Conviction Picks:

ICICI Bank

Kotak Mahindra Bank

Banks

- Coverage banks saw a soft quarter; core PAT at Rs579.4bn was 4.6% higher than PLe, however, core PPoP was 2.3% lower at Rs884bn. While private banks were slightly better operationally, PSU banks saw superior asset quality.
- Loan growth was-in-line at 2.6% QoQ and 10.6% YoY, tad lower than the system (11.1%). Private banks saw slightly weaker loan growth at 7.8% YoY (PLe 8.2%) due to AXSB, FB and ICICIB; KMB beat PLe by 65bps. Growth for PSU banks was higher at 13.5% YoY (PLe 12.9%) mainly led by SBI.
- System deposits grew by 9.9% YoY and deposit accretion for covered banks was lower at 1.9% QoQ and 11.9% YoY. CASA ratio fell QoQ to 36.8% from 37.6%. LDR for Q3FY25 increased by 56bps QoQ to 85.0% and all banks reported a higher than estimated LDR except HDFCB and BOB.
- NIM for coverage banks fell by 7bps QoQ to 3.44% (7bps lower to PLe) largely led by SBI, BOB and AXSB. Drivers for NIM decline QoQ within large banks were (1) fall in CASA resulting in funding cost and (2) lower loan yields due to slower offtake in unsecured. KMB and HDFCB were outliers on NIM.
- Other income was a beat at Rs 456bn due to higher treasury/TWO recovery; fees was 2.3% lower at Rs360bn offset by tad lesser opex at Rs844bn. SBI dragged opex due to higher staff cost (change in interest rate assumptions). KMB, ICICB, HDFCB, CUB and DCB were positive outliers on core PPoP.
- Asset quality was steady QoQ with GNPA at 1.91% due to controlled slippages at 1.24% (PLe 1.31%) while provisions were a beat at 43bps (PLe 62bps) and reduced by 18bps QoQ mainly led by PSU banks. Barring AXSB, FB and DCB, all banks saw lower credit costs. KMB and CUB reported higher provisions due to increase in PCR which was a positive.

Exhibit 83: Q3FY25 Result Snapshot

(Rs mn)	NII			Operating Profit			Adj. PAT		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
AXSB IN	1,36,059	*8.6%*	*0.9%*	1,05,339	*15.2%*	*-1.7%*	63,038	*3.8%*	*-8.9%*
BOB IN	1,14,169	*2.8%*	*-1.8%*	76,642	*9.3%*	*-19.1%*	48,373	*5.6%*	*-7.6%*
CUBK IN	5,877	*13.9%*	*0.9%*	4,360	*19.8%*	*1.8%*	2,860	*13.0%*	*0.3%*
DCBB IN	5,429	*14.5%*	*6.6%*	2,711	*28.2%*	*6.3%*	1,514	*19.6%*	*-2.6%*
FB IN	24,313	*14.5%*	*2.7%*	15,695	*9.2%*	*0.3%*	9,554	*-5.1%*	*-9.6%*
HDFCB IN	3,06,533	*7.7%*	*1.8%*	2,50,004	*5.7%*	*1.2%*	1,67,355	*2.2%*	*-0.5%*
ICICIBC IN	2,03,706	*9.1%*	*1.6%*	1,68,866	*14.7%*	*1.0%*	1,17,924	*14.8%*	*0.4%*
IIB IN	52,281	*-1.3%*	*-2.2%*	35,989	*-10.1%*	*0.2%*	14,013	*-39.0%*	*5.7%*
KMB IN	71,963	*9.8%*	*2.5%*	51,810	*13.5%*	*1.6%*	33,048	*10.0%*	*-1.2%*
SBIN IN	4,14,455	*4.1%*	*-0.4%*	2,35,508	*15.8%*	*-19.6%*	1,68,914	*17.0%*	*-7.9%*

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

Exhibit 84: Conviction Picks Commentary

Name	Commentary
ICICI Bank	Core PPoP could see an upgrade due to better NIM and opex; it is well poised to sustainably deliver core RoA of 2.1% over FY25-27E.
Kotak Mahindra Bank	Lifting of RBI embargo could lead to better loan growth and NIM which could drive upgrade in core PPoP.

Source: PL

Conviction Picks:

Supreme Industries

Building Materials

- **Revenue grew by 3.5% YoY, EBITDA margin contracted by 220bps YoY:** In Q3FY25, aggregate revenue grew by 3.5% (PLe: +5.3%), whereas EBITDA/PAT declined by 12.7%/17.6% YoY in our coverage universe (PLe: -2.2%/-4.4%). All segments faced challenges due to weak demand and volatility in raw material prices, except plywood. Plastic pipe companies' volume grew by 3.5% YoY, CPBI plywood /MDF volume grew by 15.6%/63.2%, Greenpanel volume declined by 1.9% YoY, and Kajaria tiles volume increased 6.7% YoY (PLe: 5.2%). EBITDA margin of our coverage universe contracted by ~220bps to 12.1% 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 pipes reported poor volume:** Our plastic pipes universe sales volume grew 3.5% YoY (PLe: 5.5% YoY) on account of low demand and delay in ADD on PVC resin, which resulted de-stocking in the channels. Pipe companies have revised their volume growth guidance for FY25: Astral, SI and Finolex have adjusted their growth forecasts from 10-15%, 16-18%, and 10-12%, respectively, to >10%, 15-16%, and single digits for FY25. Meanwhile, Astral has maintained its volume growth guidance for the P&F business at 10-15% for FY26. Plastic pipe companies' revenue grew by 1.4% YoY led by poor volume growth. EBITDA margins contracted by ~210bps YoY to 12.5% (PLe: 13.4%) because of inventory loss and volatility in PVC resin prices. Finolex Ind outperformed the sector with healthy volume growth of 5.5% YoY.

- **Tiles & bathware – soft performance:** Cera Sanitaryware (CRS) revenue increased by 3.1% YoY due to subdued demand. EBITDA/PAT stood at +0.2%/-10.0%, due to increase in brass prices and higher discounts offered. KJC reported volume growth of 6.7% due to continued slowdown in demand. The tiles & bathware segment is anticipated to see a gradual increase in volume in FY26 with a revival in demand, driven by the anticipated rate cut by the RBI and expected increase in disposable income due to the restructured personal income tax regime in Union Budget 2025-2026. Additionally, the company plans to intensify its focus on the projects business and expand its product portfolio.

- **Woodpanel – margin pressure continues:** CPBI outperformed the segment with better performance in plywood (revenue/volume up +20.2%/15.6% YoY) and MDF (revenue/volume up +46.0%/63.2% YoY). EBITDA margin contracted by ~10bps to 11.4%YoY (PLe: 12.0%) due to increase timber cost and flat realization. Greenpanel delivered weak performance (revenue/PAT down 6.8%/69.3% YoY), due to rising domestic competition, correction in MDF realization and higher timber prices. Further, exports were impacted as the company operated on an FOB basis and halted shipments to customers unwilling to absorb the significant rise in timber prices.

Exhibit 85: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
ASTRA IN	13,970	2.0%	1.9%	2,195	7.0%	4.5%	1,543	0.3%	3.7%	1,126	-0.6%	3.6%
CPBI IN	11,405	21.7%	-3.6%	1,295	22.1%	16.3%	799	-5.0%	37.7%	588	-6.1%	47.1%
CRS IN	4,523	3.1%	-8.2%	615	0.2%	-14.6%	610	-7.9%	-20.3%	464	-10.0%	-32.4%
FNXP IN	10,012	-1.8%	20.9%	834	-30.4%	689.3%	945	-21.1%	57.7%	940	-1.4%	131.2%
GREENP IN	3,594	-6.8%	6.7%	173	-71.1%	-41.9%	52	-85.9%	-61.1%	85	-69.3%	-54.0%
KJC IN	11,637	1.0%	-1.3%	1,487	-16.8%	-6.4%	1,107	-24.2%	-10.3%	787	-24.6%	-9.7%
SI IN	25,099	2.5%	10.4%	3,088	-18.5%	-3.3%	2,235	-29.5%	-7.6%	1,870	-27.0%	-9.5%

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

Exhibit 86: Conviction Picks Commentary

Name	Commentary
Supreme Industries	SI revised the guidance of 16-18% volume growth in plastic pipe system to 15-16% for FY25 due to low spending on infrastructure by governments and extended winter rainfall. We estimate volume CAGR of 14.6% in the pipe segment over FY24-27E due to extension of Jal Jeevan Mission till FY28. Piping segment, capacity is expected to reach 900,000MTPA by FY25 from current 820,000MTPA. Additionally, SI is planning 3 greenfield expansions in Jammu, Bihar and Madhya Pradesh. SI expects revenue CAGR of 12.8% over FY24-27E, with a margin of 15%.

Source: PL

Capital Goods

Conviction Picks:

Kirloskar Pneumatic

Bharat Electronics

ABB India

Voltamp Transformers

- **Overall mixed quarterly performance** in our coverage universe with revenue growth of 16.6% YoY to Rs1.2trn (15.9% YoY ex. L&T) and EBITDA/Adj. PAT growth of 15.6%/18.2% YoY to Rs140.0bn/Rs91.3bn. While Industrial and electrical equipment companies delivered decent performance, industrial consumables & EPC faced the headwinds. While Order inflow grew 36.7% YoY to ~Rs1.7bn largely driven by electronics, data center, power T&D, renewable energy and O&G.
- **Product/consumables companies** reported decent cumulative revenue growth (+12.2% YoY) led by robust domestic demand. Exports were largely impacted by Chinese dumping and geopolitical uncertainties. Global tariff wars further fuel the uncertainty around exports. EBITDA margin was largely flat due to the unfavorable product mix which was offset by operating leverage improvement in most companies. Order inflows were driven by sectors like data centers, T&D and O&G.
- **Project companies** reported healthy cumulative revenue growth of 17.8% YoY (18.8% YoY ex. L&T) aided by healthy execution in Power T&D and infrastructure segments while PSUs lagged in execution pick up. L&T's adj. revenue growth of 17.3% YoY was largely driven by better execution in international business. EBITDA margins for project companies largely improved during the quarter owing to the benefits of operating leverage and better revenue mix. Meanwhile, project companies continued to face headwinds from labor shortages, delays and deferment in water projects.
- **Order enquiries/tendering pipeline** continue to remain healthy across areas such as renewable energy, data centers, rail & metro, oil & gas, electronics, metals & mining, commercial and residential infrastructure in the domestic market as well as in Middle East, Latin America and Southeast Asia.

Exhibit 87: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
ABB IN	33,649	22.0%	15.5%	6,573	57.6%	21.7%	7,051	55.4%	18.1%	5,319	54.1%	20.8%
APR IN	47,164	17.7%	1.5%	3,561	-12.1%	-0.1%	2,386	-16.1%	-7.1%	1,751	-19.5%	-9.7%
BHE IN	57,561	39.1%	25.6%	16,533	57.5%	19.1%	17,542	49.6%	20.9%	13,161	47.3%	20.6%
BEML IN	8,758	-16.4%	1.9%	604	8.0%	-17.3%	296	-55.8%	-46.0%	244	-49.4%	-54.7%
BHEL IN	72,771	32.2%	10.5%	3,042	40.5%	10.6%	1,688	139.5%	28.0%	1,248	169.4%	29.1%
CU IN	12,555	9.0%	2.6%	1,770	-8.0%	-9.2%	1,369	-10.6%	-9.1%	1,389	24.8%	19.9%
ENGR IN	7,646	-11.9%	11.0%	979	95.5%	56.9%	1,258	76.1%	27.0%	1,087	71.6%	9.1%
GVTD IN	10,737	28.0%	-3.1%	1,797	86.1%	-12.2%	1,899	160.3%	-2.0%	1,427	189.1%	-1.3%
GWN IN	7,026	6.5%	1.3%	1,234	-3.4%	-4.5%	1,158	-5.2%	-9.2%	868	-6.1%	-9.7%
HARSHA IN	3,389	4.5%	-3.9%	428	7.6%	2.2%	373	-1.8%	-8.9%	267	-10.1%	-7.8%
HNAL IN	69,573	14.8%	16.4%	16,825	17.2%	2.6%	20,368	21.0%	1.6%	14,398	14.1%	-4.4%
KECI IN	53,494	6.8%	4.6%	3,745	21.6%	16.9%	1,598	32.4%	40.9%	1,296	33.7%	51.7%
KKC IN	30,860	21.8%	23.8%	6,000	11.5%	24.7%	6,702	11.1%	12.7%	5,140	12.7%	14.1%
KPIL IN	48,257	16.4%	16.7%	4,019	16.8%	15.3%	2,177	12.2%	18.6%	1,574	9.3%	18.9%
LT IN	6,46,678	17.3%	5.1%	62,549	8.6%	-1.7%	53,330	11.8%	-4.0%	33,588	14.0%	-1.1%
PRJ IN	8,530	2.9%	4.5%	586	-39.3%	-37.8%	588	-36.0%	-21.0%	411	-41.6%	-23.6%
SIEM IN	35,872	-3.3%	-19.5%	4,009	-11.5%	-26.4%	5,009	-4.8%	-20.7%	3,718	-5.2%	-21.0%
TMX IN	25,078	7.9%	-1.5%	1,890	0.8%	-10.8%	1,568	-14.5%	-21.7%	1,159	-19.3%	-22.1%
TRIV IN	5,034	16.6%	0.5%	1,093	30.6%	-1.9%	1,245	31.2%	0.3%	924	35.5%	1.7%
VAMP IN	4,835	18.4%	21.6%	990	21.0%	32.1%	1,022	-1.2%	-1.3%	734	2.4%	-3.1%

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

Exhibit 88: Conviction Picks Commentary

Name	Commentary
Kirloskar Pneumatic	We believe KKPC is well placed for healthy long-term growth driven by 1) products launches in air compression (Tezcatlipoca, ARiA) to capture centrifugal and low-end screw compressor markets that are import-dominated, 2) market leadership in up/mid/downstream oil & gas and CNG mother stations, where the investment pipelines are robust, 3) new products – Calana and Jarilo – to address opportunities in CNG daughter stations and CBG plants respectively, 4) launch of Khione and acquisition of S&C India to enhance penetration in commercial and industrial refrigeration, 5) focus on building in house IP and backward integration capabilities, and 6) strong cash flows and balance sheet.
Bharat Electronics	We remain positive on long-term growth story of BEL given 1) strong order backlog & strong multi-year order pipeline 2) diversification in newer business verticals like Kavach, fiber optics, anti-drone tech, data centers etc., to aid non-defence growth and 3) govt's focus on product indigenization.
ABB India	We remain positive on ABB given 1) increasing traction for energy efficient and premium quality products, 2) resilient business model, 3) focus on high-growth areas such as data centers, rail & metro, renewables and electronics, and 4) strong domestic order pipeline.
Voltamp Transformers	We remain positive on VAMP considering its 1) strong market position in industrial transformers, 2) healthy demand momentum, 3) debt-free balance sheet, 4) consistent free cash flow generation, and 5) growing high-margin services business 6) Capacity expansion of additional 6,000 MVA to drive additional opportunities and larger addressable market in the near future

Source: PL

Exhibit 89: Strong domestic demand led to cumulative order inflow growth of 6.7% YoY to Rs1.5trn

Order Inflow (Rs mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	*YoY gr.*	*QoQ gr.*
ABB India	31,470	36,070	34,350	33,420	26,950	-14.4%	-19.4%
Apar Industries	18,960	30,180	17,940	22,340	30,770	62.3%	37.7%
BEML	5,280	11,260	6,130	4,440	45,470	761.2%	924.1%
Bharat Electronics	116,091	80,341	48,761	23,153	21,483	-81.5%	-7.2%
BHEL	25,690	418,590	94,880	315,990	68,600	167.0%	-78.3%
Engineers India	6,371	3,597	23,791	27,577	18,784	194.8%	-31.9%
GE Vernova T&D	23,681	13,349	10,290	46,824	20,758	-12.3%	-55.7%
KEC International	38,500	52,520	76,640	58,180	85,180	121.2%	46.4%
Kalpataru Projects	74,490	119,570	31,820	86,830	83,160	11.6%	-4.2%
Kirloskar Pneumatic	3,900	5,200	4,210	6,120	4,670	19.7%	-23.7%
L&T	759,900	721,500	709,360	800,450	1,160,360	52.7%	45.0%
Praj Industries	10,370	9,240	8,880	9,210	10,530	1.5%	14.3%
Siemens	59,710	51,840	62,450	61,640	42,580	-28.7%	-30.9%
Thermax	25,060	23,090	25,690	33,530	22,960	-8.4%	-31.5%
Triveni Turbine	5,313	4,351	6,363	5,719	5,264	-0.9%	-8.0%
Voltamp	4,890	4,740	6,390	3,697	6,483	32.6%	75.3%
Total	**1,209,676**	**1,585,438**	**1,167,945**	**1,539,120**	**1,654,001**	**36.7%**	**7.5%**

Source: Company, PL

Cement

Conviction Picks:

Ambuja Cement

ACC

Ultratech Cement

- Earnings of cement companies under coverage were below our estimates due to weak pricing across regions. On QoQ basis, EBITDA/t improved by just Rs85 in Q3FY25 as average NSR declined 0.3%. Volumes grew 11% YoY/QoQ during the seasonally strong quarter, driven by aggressive selling strategies adopted by ACC and ACEM in certain regions. However, factors such as GRAP 3 restrictions in Delhi, monsoon in the southern regions, subdued construction activity, and assembly elections in Maharashtra, Jharkhand and Haryana hindered further volume growth.
- Recent channel checks indicate a gradual uptick in demand post-festivities, which led to some price hike across regions. Likely acceleration in government projects till next monsoon would drive volumes and keep pricing stable.
- Average realization declined by 0.3% as cement prices remained under pressure. Price hikes undertaken during the quarter could not be sustained due to tepid demand amidst festivities and lower-than-expected government infrastructure spending. Nuvoco was the most affected, as prices fluctuated the most in the eastern region. ACC's and ACEM's realizations were impacted by their aggressive selling strategies, prioritizing volume over value.
- Power and fuel costs softened further by 6% QoQ (majorly swayed by SRCM's lower P&F costs), driven by increased green energy share, soft pet coke prices and increased operational efficiencies.
- Freight costs/t for coverage companies declined by an average of 3% QoQ, due to reduced lead distance, improved plant network, and flat diesel prices. Only DALBHARA saw 2% QoQ increase due to servicing of central markets from eastern plants.
- EBITDA/t increased 13% QoQ to Rs723 for the universe due to strong operating leverage and lower operating costs. Average EBITDA/t improved by Rs85 QoQ. EBITDA for the coverage universe grew 28% QoQ to Rs58.6bn.
- Capex plans of the industry players remain on track with leaders adopting aggressive strategies to gain market share. However, brownfield expansion was subdued during the quarter with just 1.2mtpa added by UTCEM.
- With sector headwinds behind and GRAP 3 restrictions revoked in Delhi, labor availability is no longer a concern. However, higher supplies and stiff competition remain a challenge. While demand recovery may support slight price improvements, intense competition will likely limit gains. Government capex acceleration should keep pricing stable, with some fluctuations in the East and South.

- We maintain a positive outlook on industry leaders (UTCEM and ACEM) taking into consideration their proactive capacity expansion plans and focus on cost optimization. ACEM's EBITDA/t was impacted by weak utilization and higher operating costs at acquired plants, which is expected to improve gradually as per the management. 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 and improving plant network.
- Share of RE in DALBHARA and SRCM is expected to reach 40-45% by the end of FY25 and 60% by Q1FY26, respectively.

Exhibit 90: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
ACC IN	52,905	7.7%	14.7%	4,789	-47.1%	9.7%	3,090	-57.2%	-3.3%	2,294	-57.3%	2.2%
ACEM IN	48,537	9.3%	19.1%	4,111	-51.7%	-24.2%	8,945	31.5%	67.0%	14,507	182.4%	264.4%
DALBHARA IN	31,810	-11.7%	3.0%	5,110	-34.4%	17.7%	830	-77.0%	13.7%	610	-76.8%	32.6%
NUVOCO IN	24,094	-0.5%	6.2%	2,583	-37.1%	18.1%	-847	-249.1%	-28.0%	-614	-297.8%	-27.9%
SRCM IN	42,355	-13.6%	13.6%	9,466	-23.3%	59.8%	2,590	-73.2%	478.6%	2,294	-68.8%	146.3%
UTCEM IN	1,63,284	1.2%	9.5%	27,783	-11.8%	43.8%	17,859	-22.3%	81.9%	14,344	-16.5%	80.0%

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

Exhibit 91: 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, higher capex on efficiency improvements, and margin-accretive projects at ACC, leading to a gradual improvement in operating performance over the next 2 years. WHRS projects at various clinker units and 100MW solar capacity addition will drive cost reductions over the next 2 years, while upgradation of older plants could deliver significant EBITDA improvement.
UltraTech Cement	UTCEM's power & fuel cost is expected to decline over the next few quarters as high-cost contracts are coming to an end. RE power share is expected to improve to >50% by FY27E and well-connected plants to further enhance cost efficiency. With ongoing organic expansion, UTCEM's capacity would cross ~210mtpa by FY27E (~185mtpa by end-FY25, including India Cement & Kesoram deals). We expect UTCEM to grow faster than the industry as demand improves. Cost efficiencies are expected to improve for UTCEM over the next few years led by increase in green power mix, AFR %, blending ratio, and higher volumes driving operating leverage (targeting Rs300/t savings).

Source: PL

Chemicals

Conviction Picks:

Fine Organic Industries

Navin Fluorine International

Vinati Organics

- **YoY performance improved, while sequential performance remained flat:** 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. Except for refrigerants and pyridines realizations have majorly remained stable or have decreased sequentially. Prices are still 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 Q3FY25, the chemical companies under our coverage reported an aggregate sale of Rs124bn, reflecting a 1% increase in QoQ but a 9% increase YoY. The aggregate EBITDA stood at Rs20bn, flat QoQ but increased by 6% YoY. The aggregate EBITDAM came in at 18.8%, marking an decrease of 30bps YoY, while remaining flat QoQ. Among the companies, NOCIL reported the lowest EBITDAM at 7.6%, while Clean Science recorded the highest margins at 40.9%.

- **YoY volume growth visible**: Management across most companies indicated that despite ongoing pricing pressures, they have seen an improvement in volumes and expect growth momentum to continue in Q4FY25. However, a few companies like NOCIL and Deepak Nitrate witnessed decline in sequential volumes. Agrochemical-focused companies remain uncertain about demand revival and anticipate poor sector performance at least until the end of FY25. Many companies expect sequential improvement in the performance in Q4FY25.

- **Favorable refrigerant price environment to boost earnings:** Key refrigerants such as R-22 and R-32 have witnessed more than 50-60% price increase compared to FY24, with prices expected to remain elevated in the near term. Companies with significant exposure to refrigerants, including SRF, Navin Fluorine, and Gujarat Fluorochemicals, are well-positioned to benefit from this price surge. The sustained high pricing is likely to drive higher margins and improve earnings for these companies' refrigerants segment.

- **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 Updates**:

- Jubilant Ingrevia has initiated capex to upgrade Agrochem facility, this plant will cater to the USD300mn multiyear CDMO agreement with the global agro chem giants, the company is also expected to announce another leg of capex soon. Deepak Nitrate has multiple projects ongoing with Nitric acid plant to be commercialized in this quarter. Fine Organic has applied for EC for the Rs7.5bn capex at SEZ land. Vinati Organics ATBS expansion is anticipated by the end of this quarter or early Q1FY26.

- Clean Science Rs1.5bn investment in performance chemical 1 remains on track, with commercialization expected in July'25. Additionally, construction for a second performance chemical plant focused on water treatment started this month and is scheduled to be operational by Jan'26.

- Navin Fluorine new R-32 plant is expected to be commissioned this month, other projects like AHF project is on track to commission in early FY26, while phase 1 of cGMP4 is expected to commission by Q3FY26. Gujarat Fluorochemicals has guided cumulative capex for battery chemical segment is expected to be Rs50bn by FY27 and Rs60bn by FY28. Laxmi Organics previously announced Rs914mn capex to set up 70ktpa n-butyl acetate and Rs905mn capex to expand ethyl acetate capacity by 70ktpa plant to be operational in Q4FY26 which are on track. SRF has previously announced Rs11bn capex to establish next-generation refrigerants and Rs4.45bn capex to establish a hybrid BOPP-BOPE film line in India.

Exhibit 92: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
ARTO IN	18,400	6.2%	13.0%	2,320	-10.8%	18.4%	410	-65.0%	32.3%	470	-62.1%	-7.8%
CLEAN IN	2,408	23.7%	1.1%	985	13.7%	9.8%	853	2.8%	2.5%	656	4.8%	11.7%
DN IN	19,034	-5.3%	-6.3%	1,685	-44.7%	-43.4%	1,352	-50.6%	-48.8%	981	-51.4%	-49.5%
FINEORG IN	5,132	5.1%	-13.9%	990	-16.3%	-34.3%	1,146	-4.8%	-28.2%	827	-13.1%	-29.9%
FLUOROCH IN	11,480	15.8%	-3.4%	2,940	42.6%	-0.3%	1,750	58.7%	1.7%	1,260	57.3%	4.1%
JUBLINGR IN	10,568	9.4%	1.1%	1,383	44.7%	11.0%	956	73.6%	18.9%	694	80.0%	17.6%
LXCHEM IN	7,863	13.4%	2.0%	748	45.0%	0.1%	471	59.2%	1.7%	293	7.8%	4.2%
NFIL IN	6,062	20.8%	16.9%	1,473	94.7%	37.2%	1,080	139.9%	40.7%	836	7.2%	42.1%
NOCIL IN	3,181	-6.6%	-12.3%	240	-50.8%	-36.4%	191	-53.1%	-41.0%	129	-57.0%	-69.4%
SRF IN	34,913	14.4%	2.0%	6,196	9.5%	15.2%	3,687	5.9%	30.0%	2,711	7.0%	34.6%
VO IN	5,217	16.4%	-5.7%	1,428	24.5%	6.5%	1,289	24.9%	-5.0%	956	24.1%	-10.0%

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

Exhibit 93: Conviction Picks Commentary

Name	Commentary
Fine Organic Industries	Fine Organics witnessed a decrease in its margins due to a sharp increase in vegetable prices which are its key raw material. There was a slight drop in export demand while domestic demand remained steady. We expect growth in export volumes going ahead as global demand for the company's product portfolio remains robust. The company is also undertaking Rs7.5bn green field capex at SEZ land allotted to the company at Jawaharlal Nehru Port Authority. This facility will manufacture products similar to the company's current portfolio and is expected to start commercial production by FY27. We believe the new facility will be a key driver of future growth for the company and is expected to have a peak revenue of Rs26bn at 3.5x asset turnover and will start contributing to the topline majorly from FY28.
Vinati Organics	Vinati Organics witnessed expansion in its margins as revenue contribution from its key high margin product ATBS increased to 39%. ATBS demand continues to remain robust with the company also expanding its capacity from 40,000mtpa to 60,000mtpa by the end of FY25, in line with demand. The management has maintained 20% revenue growth guidance for FY25. Antioxidants revenue, projected to double in FY25 from Rs1.3bn in FY24, reached Rs1.6bn in 9MFY25. MEHQ and guaiacol, launched in Mar'24, are expected to make a meaningful revenue contribution from FY26, with a peak potential of Rs4bn.
Navin Fluorine International	Navin Fluorine guided for a strong H2FY25 performance, this was visible in its stellar Q3FY25 by driven by higher volumes for HFO and R32 and improved price realization across products. Navin's expansion of R-32 capacity, in line with demand is on track and is expected to be commissioned this month, while AHF capex shall be commissioned by early FY26. Specialty segment has started gaining traction with strong order book visibility for this segment Q4FY25 and beyond.in FY26. CDMO vertical revenue is targeted to reach USD100mn in FY27, with order received from EU major and a scale order received from US major.

Source: PL

Consumer

Conviction Picks:

Titan Company

Britannia Industries

- Consumption across FMCG, QSR and retail remained tepid despite the festive season. Rural demand continues to improve while urban demand remains under pressure on account of food inflation and late onset of winter. However recent relief in income tax coupled with declining food inflation could boost consumer sentiment in the near term. Aggregate sales grew 5.4% YoY whereas EBIDTA and PBT de-grew by 2.9% & 4.1% YoY.

- **FMCG** universe earnings missed estimates due to the dual impact of demand slowdown across urban & metro cities and escalating input cost inflation. Muted demand conditions coupled with margin pressures impacted overall 3Q performance. Rural demand continued to improve steadily & outpaced urban growth. BRIT, Emami outperformed.

- **Paint** companies reported muted quarter with tepid volumes and margin pressure. APNT reported a decline in volumes by 1.6% while most others reported 2-7% volume growth. Industrial Paints continue to support demand with growth across automotive & general Industrial paints. Birla Opus's gained 200bps market share in 3Q and it is yet to play out fully as we expect competitive intensity to remain elevated.

- **QSR –** Consumer demand remains subdued; however, some positive signs are emerging, driven by an improving geopolitical environment and a reduction in food inflation. Overall, companies reported mixed results, with WFL/BK experiencing modest growth, while JFL saw decent growth with 12.5% LFL growth. We believe the recent tax relief announced in the Union Budget is expected to boost consumer sentiment in the near term.

- **Retail** companies reported muted earnings growth amid persistent tepid demand environment across Apparel and footwear. However, Jewellery saw encouraging demand amid festive/marriage season, although recent run up in gold prices (~9% MoM) remain key headwind for the demand in near term

Exhibit 94: Q3FY25 Result Snapshot

(Rs mn)	Vol. Gr. (%)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
APNT IN	1.6	85,494	*-6.1%*	*6.5%*	16,367	*-20.4%*	*32.0%*	14,683	*-23.5%*	*32.5%*	11,093	*-23.3%*	*21.7%*
BRIT IN	6.0	45,926	*7.9%*	*-1.6%*	8,449	*2.9%*	*7.9%*	7,804	*2.4%*	*8.6%*	5,823	*4.3%*	*9.5%*
CLGT IN	5.0	14,618	*4.7%*	*-9.7%*	4,544	*-3.0%*	*-8.6%*	4,325	*-2.5%*	*-8.7%*	3,228	*-2.2%*	*-8.6%*
DABUR IN	1.2	33,553	*3.1%*	*10.8%*	6,819	*2.1%*	*23.4%*	6,571	*-0.7%*	*20.4%*	5,158	*1.9%*	*23.5%*
DMART IN		1,59,726	*17.7%*	*10.6%*	12,172	*8.7%*	*11.3%*	9,950	*4.9%*	*10.2%*	7,235	*4.8%*	*9.7%*
HMN IN	4.0	10,495	*5.3%*	*17.8%*	3,387	*7.6%*	*35.2%*	3,059	*8.1%*	*35.9%*	2,789	*5.5%*	*31.2%*
HUVR IN	0	1,54,080	*1.4%*	*-0.6%*	35,700	*0.8%*	*-2.1%*	34,690	*0.2%*	*-2.3%*	25,410	*0.0%*	*-2.7%*
ITC IN	5.5	1,70,528	*3.5%*	*-8.6%*	58,284	*-3.3%*	*-4.8%*	65,456	*-2.7%*	*-1.1%*	51,225	*-8.2%*	*0.8%*
JUBI IN	12.5	16,111	*18.9%*	*9.8%*	3,128	*10.6%*	*10.0%*	788	*-3.8%*	*12.9%*	658	*7.9%*	*26.4%*
METROBRA IN		7,031	*10.6%*	*20.1%*	2,250	*13.1%*	*45.4%*	1,593	*17.2%*	*69.5%*	946	*-3.3%*	*35.6%*
KNPL IN	4.0	18,422	*1.5%*	*-1.2%*	2,469	*2.9%*	*14.8%*	2,281	*7.2%*	*18.7%*	1,699	*7.8%*	*30.6%*
MRCO IN	6.0	27,940	*15.4%*	*4.9%*	5,330	*3.9%*	*2.1%*	5,180	*4.6%*	*1.6%*	4,060	*5.2%*	*4.6%*
MTEP IN	7.5	1,907	*15.2%*	*-0.3%*	338	*11.6%*	*0.8%*	182	*-4.1%*	*-2.7%*	136	*-3.9%*	*-3.3%*
NEST IN		47,797	*3.9%*	*-6.4%*	11,027	*-0.9%*	*-5.6%*	9,400	*-7.1%*	*-7.9%*	7,139	*-8.6%*	*-6.0%*
PIDI IN	9.7	33,689	*7.6%*	*4.1%*	7,984	*7.5%*	*3.8%*	7,522	*9.5%*	*3.6%*	5,571	*9.0%*	*3.1%*
RBA IN		4,956	*11.3%*	*0.7%*	778	*10.0%*	*11.1%*	-184	*187.6%*	*11.8%*	-184	*187.6%*	*11.8%*
TTAN IN		1,60,970	*23.3%*	*21.8%*	17,630	*21.0%*	*23.9%*	15,730	*17.0%*	*28.6%*	11,800	*13.5%*	*27.9%*
WESTLIFE IN		6,537	*8.9%*	*5.8%*	881	*-4.2%*	*15.9%*	65	*-71.9%*	*819.7%*	70	*-59.3%*	*NA*

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

Exhibit 95: Conviction Picks Commentary

Name	Commentary
Titan Company	Margins near bottom across segments, We expect recovery in demand to continue as lower tax rates are likely to increase discretionary income in coming quarters. However recent runup in gold prices remain key risk to overall sentiments. We expect TTAN's expansion strategy in Tier2/3 cities will help gain market share from unorganized segment. We estimate 16.8%/21% Sales/EPS CAGR over FY25-27.
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 1.2% EPS growth in FY25 but 15% PAT CAGR over FY25-27. We believe BRIT provides an attractive entry price post ~24% correction from all-time high.

Source: PL

Conviction Picks:

Polycab India

Consumer Durables

- **Revenue in line with estimates:** Aggregate sales / EBITDA / Adj PAT in our coverage universe grew 14.1% /25.9% /22.5% YoY (PLe: 13.6%/24.0%/35.7% YoY), led by healthy growth in revenue, largely from the C&W and UCP segments, which grew by 13.4% and 17.9% YoY, respectively. FMEG segment grew by 11.0% YoY. Bajaj Electricals, Havells and RR Kabel were the major underperformers in our coverage universe, reporting PAT decline of 10.7%, 3.5% and 3.4% YoY, respectively. Voltas outperformed with positive PAT, despite margin pressure in the UCP segment. Crompton reported 27.7% YoY growth.

- **Steady growth in cables, wires impacted by RM fluctuations:** Polycab/Havells/KEI/RR Kabel reported 11.9% /7.3% /25.8%/7.6% YoY growth in the W&C segment with EBIT margin change of -60bps/+70bps/-60bps/-100bps. Cables segment reported healthy volume growth supported by strong demand from emerging sectors and international markets. Pick-up in infrastructure activity and private capex is expected to boost further cable demand. Impacted by the fluctuation in RM prices, wires segment is expected to see recovery with the stabilization of copper prices and pickup in real estate demand.

- **FMEG growth driven by small domestic appliance & premium fans:** Havells/Crompton/Polycab/RR Kabel/Bajaj reported revenue growth of 13.1%/6.0%/44.6%/19.5%/5.0% YoY. Overall coverage segment reported 11.0% YoY growth, driven by: 1) strong demand in appliances, particularly small domestic appliances, 2) continued growth momentum in premium fans and BLDC models, 3) investments in premiumization, innovation, and GTM expansion, and 4) increased consumer demand for seasonal products.

- **RAC delivers moderate growth before onset of summer:** Voltas has reported healthy volume growth in the UCP segment (42% YoY in 9MFY25) and expects continued strong demand driven by the upcoming summer season. Voltas sustained its market share in the RAC segment (exit market share 20.5%). Havells' Lloyd reported revenue growth of +13.1% YoY in Q3FY25.

Exhibit 96: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
BJE IN	12,897	*5.0%*	*15.3%*	874	*8.4%*	*69.4%*	454	*-38.2%*	*208.6%*	334	*-10.7%*	*158.6%*
CROMPTON IN	17,692	*4.5%*	*-6.7%*	1,880	*25.5%*	*-7.6%*	1,512	*34.4%*	*-11.5%*	1,098	*27.7%*	*-12.1%*
HAVL IN	48,890	*10.8%*	*7.7%*	4,265	*-1.4%*	*13.7%*	3,773	*-3.4%*	*3.9%*	2,780	*-3.5%*	*3.8%*
KEII IN	24,673	*19.8%*	*8.2%*	2,408	*12.3%*	*9.2%*	2,212	*9.3%*	*6.4%*	1,648	*9.4%*	*6.5%*
POLYCAB IN	52,261	*20.4%*	*-5.0%*	7,199	*26.4%*	*14.0%*	6,166	*12.8%*	*4.4%*	4,576	*10.8%*	*4.0%*
RRKABEL IN	17,822	*9.1%*	*-1.5%*	1,105	*-1.8%*	*28.9%*	900	*-6.1%*	*50.3%*	686	*-3.4%*	*38.4%*
VOLT IN	31,051	*18.3%*	*18.6%*	1,974	*594.5%*	*21.7%*	2,231	*272.1%*	*-6.2%*	1,321	*-534.5%*	*-1.4%*

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

Exhibit 97: Conviction Picks Commentary

Name	Commentary
Polycab India	Polycab reported double-digit volume growth in its cables segment. Wires business reported single-digit growth, due to high channel inventory and fluctuating copper prices, but is expected to recover in Q4FY25 with the stabilization of copper prices and pickup in infrastructure activity. Polycab aims to achieve 1.5x sector growth in volume and EBITDA margin of 11-13% over the next 5 years through its Project Spring, aiming for Rs400-500bn revenue during this period. We expect revenue/EBITDA/PAT CAGR of 17.9%/17.3%/15.6% over FY24-27E

Source: PL

__Conviction Picks:__

DOMS Industries

Education

- Both Navneet Education (NELI) and S Chand (SCHAND) reported strong numbers in 3QFY25. NELI's performance was boosted by an institutional order in the publishing segment, while SCHAND benefited from the introduction of semester system for grades 11 and 12 in West Bengal. Meanwhile, DOMS posted a strong performance, driven by robust growth in the hygiene business.

- **DOMS**: DOMS reported strong performance in 3QFY25, driven by robust growth in the hygiene business. With the third diaper production line now operational, installed capacity has increased to 650mn pieces annually, which is expected to boost growth in FY26E. The core stationery business also remains on a steady growth path, with ongoing expansion in pens and pencils. Progress over the new development plan on the 44-acre land parcel at Umbergaon, is on track and the first building is expected to be ready by 3QFY26E. Led by the ongoing expansion of product basket and distribution network, we expect sales and PAT CAGR of 27% over FY25E-FY27E. Retain 'BUY' with a TP of Rs3,370 (60x FY27E EPS).

- **NELI**: NELI reported strong performance in 3QFY25 with an EBITDA margin of 6.3% aided by an institutional order of Rs150mn in the publication segment. PAT was buoyed by a Rs255mn FV gain arising from revaluation of the K-12 business; however, adjusting for this, bottom-line was in red at Rs97mn. The publishing division has been facing growth challenges due to increasing usage of second-hand books. While institutional orders will provide temporary cushion, material growth in volumes is expected only after higher grades undergo a syllabus change. Additionally, declining ASP in the domestic stationery market indicates rising competitive pressure, while slow offtake in channel inventory reflects a weak demand environment. We expect sales/PAT CAGR of 11%/17% over FY25E-FY27E. Retain 'HOLD' with a revised SOTP-based TP of Rs150 as we roll forward our valuation to FY27E.

- **SCHAND**: SCHAND reported strong performance in 3QFY25 with GM of 70.3% and EBITDA loss of Rs192mn led by 1) introduction of semester system (aids in volume & realization) for grades 11 and 12 in West Bengal and 2) multiple content syndication deals. The management reaffirmed its FY25E guidance of double-digit revenue growth with EBITDA margin of 17-19% supported by 1) single-digit price hike, 2) RM cost stabilization, and 3) anticipated volume delta arising from phased rollout of the new NCF. Although the adoption of NCF-aligned content has been gradual, with NCERT announcing new syllabus books only for grades K-to-3 and 6 so far, further announcements during the year will drive higher adoption rate and aid revenue. Backed by these factors, we expect sales/PAT CAGR of 12%/16% over FY25E-FY27E. Retain 'BUY' with a TP of Rs305 valuing the stock at 11x (earlier 12x) as we roll forward our valuation to FY27E.

Exhibit 98: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
DOMS IN	5,011	*34.9%*	*9.5%*	879	*26.7%*	*NA*	730	*39.3%*	*NA*	507	*NA*	*NA*
NELI IN	2,823	*9.1%*	*3.9%*	178	*340.9%*	*NA*	-5	*-96.4%*	*NA*	-97	*-26.2%*	*NA*
SCHAND IN	1,002	*31.2%*	*167.5%*	-192	*-52.3%*	*NA*	-311	*-38.7%*	*NA*	-246	*-29.4%*	*NA*

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

Exhibit 99: Conviction Picks Commentary

Name	Commentary
DOMS Industries	The core stationery business of DOMS is on a steady growth path (revenue was up 21.4% YoY excluding the consolidation impact of Uniclan) with the ongoing expansion in pens and pencils. In addition, the hygiene business is also undergoing capacity expansion with the installation of a 3rd diaper manufacturing line. Led by the ongoing expansion of product basket and distribution network, we expect sales and PAT CAGR of 27% over FY25E-FY27E. Retain BUY with a TP of Rs3,370 (60x FY27E EPS).

Source: PL

Conviction Picks:

Kaynes Technologies

Electronic Manufacturing Services

- **EMS companies grow 28.8% YoY, margins Expand:** Revenue of EMS companies in our coverage universe grew by 28.8% YoY (PLe: 38.7%), with a margin expansion of 160bps to 10.5% (PLe: 10.6%). The coverage order book grew by 24.1% YoY to Rs151bn. Avalon/KAYNES/Syrma order book grew by 25%/59.6%/10.4% to Rs16/60/53bn, whereas Cyient DLM order book declines by 6.6% YoY to Rs21bn.

- **Avalon's strong growth continues, Cyient DLM bets on strategic deals:** Avalon has outperformed in the EMS segment, driven by higher growth in the industrials segment, and margin expansion of ~460bps YoY to 12.3%, led by improved segment mix and increased domestic manufacturing. AVALON's revenue grew by 31.1% YoY, supported by ~320% YoY increase in the industrials segment (contributed ~34% to revenue), and 28.9% YoY growth in the clean energy segment (~22% to revenue). AVALON has increased its revenue growth guidance to 22-24% (earlier 16-20%) for FY25 and GM to 34-36% from 33-35%. However, Cyient DLM had reported low margins due to ECL provision in Q3FY25, M&A expenses, and delay in order inflow from major clients, However, the company is expecting three large deals, the benefit of which will be visible from H2FY26. CYIENTDL has formed a strategic partnership with Arcedo to establish a 500kWp rooftop solar power plant at its Mysuru facility. Avalon/Cyient DLM exports segment contributed 56%/61% to the topline in Q3FY25.

- **Strong order book for KAYNES & Syrma adds new clients:** KAYNES unperformed in the EMS segment due to delay in order execution. However, KAYNES has maintained a strong outlook for FY26, expecting revenue of Rs45bn with EBITDA margin of 15-16%. The OSAT facility development is on track, with estimated revenue starting in Q4FY26, while PCB manufacturing is expected to begin as planned, contributing to revenue from FY27. For FY25, KAYNES has lowered its FY25 revenue guidance to Rs28bn from Rs30bn, with EBITDA margin of 15%. Syrma revenue grew by 23% YoY driven by 37.8%/36.8% YoY increase in the auto/industrial segment. Syrma has added new clients in the automotive and industrial segments and expects Rs2bn in revenue from them in FY26. The company has reduced its consumer contribution target, from 40% to 35% for the coming years, due to lower margins. With this, the margin will improve in coming years. The company's order book stood at Rs53bn in Q3FY25, with auto/consumer/industrial/IT & railways contributing 30%/38-40%/22%/8%.

Exhibit 100: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
AVALON IN	2,809	*31.1%*	*2.1%*	346	*109.2%*	*14.9%*	327	*260.7%*	*39.6%*	240	*264.7%*	*37.2%*
CYIENTDL IN	4,442	*38.4%*	*14.1%*	281	*-4.4%*	*-11.1%*	150	*-39.2%*	*-28.2%*	110	*-40.4%*	*-28.9%*
KAYNES IN	6,612	*29.8%*	*15.6%*	940	*34.6%*	*14.5%*	808	*38.2%*	*-4.8%*	665	*47.1%*	*10.4%*
SYRMA IN	8,692	*23.0%*	*4.4%*	791	*100.4%*	*11.4%*	657	*143.6%*	*29.6%*	422	*108.1%*	*6.5%*

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

Exhibit 101: Conviction Picks Commentary

Name	Commentary
Kaynes Technologies	Kaynes is targeting Rs45bn revenue with 15-16% margin in FY26, despite short-term execution delays. In the smart metering segment, the company has received orders from 3 states and from AMISP. Kaynes has commenced construction of its OSAT factory at Gujarat, and HDI PCB factory at Tamil Nadu. In Q3FY25, the company order book grew by 60% YoY to Rs60bn.The company is expecting order book CAGR of 37.2% over FY24-27E and revenue CAGR of 51.4%, driven by automotive/industrial segments which are likely to contribute 20%/60%.

Source: PL

Information Technology

Conviction Picks:

Infosys

LTIMindtree

- Q3FY25 performance was relatively better than that in the same quarter last year. Median CC revenue growth witnessed significant recovery, up 1.8% QoQ CC vs 1.0% QoQ CC reported in Q3FY24. The recovery was aided by higher passthrough, improvement in revenue conversion, recovery in pockets beyond BFSI, and slight uptick in discretionary activities.

- While cross-currency headwinds presented challenges to reported growth in select segments, constant currency performance demonstrated broad-based growth across the BFSI, Retail/CPG, and Hi-Tech sectors on a year-over-year basis.

- Tier-2 companies continued to outperform Tier-1, with former reporting median CC growth of 2.8% QoQ compared to 1.5% for the latter. Further, depreciation of major currencies against the US dollar significantly impacted reported revenue with Tier-1 companies reporting 0.2% QoQ decline.

- Margin recovery continued in Q3 with 40bps QoQ/30bps YoY improvement, achieving 20% for the sector. EBIT margin improved by 30bps QoQ for both Tier-1 and Tier-2 companies. Tier-1 companies achieved a margin of 20.4%, while Tier-2 companies saw their margin improve to 14.3% (after a 50bps QoQ decline in Q2FY25).

- Deal wins were strong during the quarter, reaching ~USD22.7bn (up +10.5% QoQ/11.7% YoY), indicating an improvement in client sentiment and faster decision-making. LTM BTB stood at 1.0x vs 1.1x in Q3FY24, despite marked improvement in deal TCV.

- Net headcount increased by 300 in Q3, down from strong growth in Q2, primarily due to seasonality.

Exhibit 102: Q3FY25 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
CYL IN	19	*5.8%*	*4.2%*	2	*-15.6%*	*-4.9%*	2	*-27.1%*	*-28.3%*	1	*-31.0%*	*-28.4%*
HCLT IN	299	*5.1%*	*3.6%*	58	*3.7%*	*8.6%*	61	*4.4%*	*7.8%*	46	*5.5%*	*8.4%*
INFO IN	418	*7.6%*	*1.9%*	89	*11.9%*	*3.0%*	97	*12.2%*	*4.5%*	68	*11.7%*	*4.8%*
LTIM IN	97	*7.1%*	*2.4%*	13	*-4.1%*	*-8.9%*	15	*-4.7%*	*-12.7%*	11	*-7.2%*	*-13.2%*
MPHL IN	36	*6.7%*	*0.7%*	5	*9.8%*	*0.3%*	6	*14.2%*	*1.2%*	4	*14.6%*	*1.1%*
PSYS IN	31	*22.6%*	*5.7%*	5	*25.5%*	*12.2%*	5	*23.8%*	*10.9%*	4	*30.3%*	*14.8%*
TCS IN	640	*5.6%*	*-0.4%*	157	*3.3%*	*1.2%*	167	*5.0%*	*4.0%*	124	*5.5%*	*4.0%*
TECHM IN	133	*1.4%*	*-0.2%*	13	*37.3%*	*-2.3%*	12	*35.1%*	*-30.5%*	9	*23.0%*	*-29.3%*
WPRO IN	223	*0.5%*	*0.1%*	39	*18.6%*	*4.9%*	45	*25.4%*	*4.1%*	34	*24.5%*	*4.5%*

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

Exhibit 103: Conviction Picks Commentary

Name	Commentary
Infosys	With strong performance in deal wins and an improving discretionary spending environment, coupled with positive momentum in FS and Retail, we expect Infosys to be a leading beneficiary in the sector through FY26 & FY27.
LTIMindtree	Despite productivity pressures from rising GenAI demand, we believe LTIM will see increased client volume. The record $1.7 billion in deal wins signals improved decision-making, and we anticipate continued growth as revenue conversion accelerates..

Source: PL

Conviction Picks:

Max Healthcare Institute

Krishna Institute of Medical Sciences

Aster DM Healthcare

Forits Healthcare

Hospitals

- Despite a seasonally weak quarter for hospital companies, our coverage universe saw a strong EBITDA growth of 24% YoY in Q3FY25. However, EBITDA declined 5% QoQ, in line with seasonal trends. Excluding 24x7 losses in APHS, EBITDA growth across the coverage companies was 22% YoY (down 5% QoQ).
- Hospital companies reported healthy revenue growth of 18% YoY, driven by higher ARPOB and steady occupancy. QoQ occupancy levels declined, reflecting the impact of seasonality. KIMS saw a sharp decline in occupancy, both YoY and QoQ, attributed to the integration of new clusters and expansion of its units.
- Capex plans for KIMS, RAINBOW and APHS faced delays of a quarter or two, whereas other companies under coverage remain largely on track with their capex execution.
- KIMS, ASTERDM, JLHL and FORH recorded double-digit YoY ARPOB growth benefiting from a favorable payor and case mix. RAINBOW's ARPOB declined 4% YoY on account of increased ALOS and new bed additions.
- Revenue from international patients was impacted, with MAXHEALT, APHS, RAINBOW, NARH and HCG witnessing softer inflows. This was due to the political unrest in Bangladesh, which impacted patient travel. In case of ASTERDM, Kerala cluster saw lower volumes driven by decline in footfalls from Maldives and GCC region given the leadership changes. The management have guided revenue from international patients to recover from Q4.
- The managements have guided YoY ARPOB growth to range from lower single digits to mid-high single digits in FY26, driven by higher surgical volumes and improved case and payor mix.
- Expansion and capex plans for hospital companies under coverage are largely on track. Given the strong cash flow generation, companies will continue to explore inorganic greenfield expansion. We remain structurally positive on the hospitals' space over the medium term and expect the momentum to continue with improvement in occupancy and case-payor mix, and new capacity additions.

Exhibit 104: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
APHS IN	55,269	*13.9%*	*-1.1%*	7,615	*24.1%*	*-6.6%*	5,309	*46.7%*	*-3.8%*	3,723	*51.8%*	*-1.7%*
ASTERDM IN	10,498	*10.6%*	*-3.4%*	1,938	*22.6%*	*-13.8%*	1,338	*56.6%*	*-19.5%*	554	*-14.4%*	*-42.2%*
FORH IN	19,283	*14.8%*	*-3.0%*	3,752	*32.1%*	*-13.7%*	2,536	*48.4%*	*-19.9%*	2,479	*84.1%*	*40.5%*
HCG IN	5,586	*18.9%*	*0.9%*	884	*12.4%*	*-13.6%*	-42	*-137.9%*	*-115.2%*	70	*22.5%*	*-61.2%*
JLHL IN	3,206	*17.6%*	*-0.6%*	750	*21.3%*	*0.0%*	666	*14.3%*	*-3.4%*	525	*20.3%*	*2.0%*
KIMS IN	7,724	*27.5%*	*-0.6%*	1,872	*27.2%*	*-14.2%*	1,346	*31.2%*	*-17.0%*	887	*23.5%*	*-17.4%*
MAXHEALT IN	22,810	*35.1%*	*7.3%*	6,220	*31.8%*	*9.9%*	4,810	*15.6%*	*3.7%*	3,150	*-7.1%*	*-9.7%*
NARH IN	13,667	*13.5%*	*-2.4%*	3,070	*10.1%*	*-0.5%*	2,188	*4.9%*	*-5.6%*	1,932	*2.6%*	*-2.9%*
RAINBOW IN	3,981	*18.5%*	*-4.6%*	1,344	*13.8%*	*-8.7%*	943	*11.3%*	*-10.5%*	687	*10.6%*	*-12.9%*

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

Exhibit 105: Conviction Picks Commentary

Name	Commentary
Max Healthcare Institute	Strong quarter (despite seasonality) aided by ramp-up in new units. Occupancy flat QoQ despite seasonality and consolidation of new units. ARPOB de-grew YoY due to new additions; however, base business ARPOB healthy, up ~7% YoY. Dwarka unit loss reduced to Rs50mn in Q3 vs Rs180mn in Q2 and achieved breakeven for 141 beds in Dec'24, within 6 months of operations. Expansion plan largely on track; ~1,891 beds will be operational by end-FY27E
Krishna Institute of Medical Sciences	Reported robust EBITDA growth of 27% YoY. 25% YoY ARBOB growth (Rs38,472/day) aided by improved payor & case mix and lower ALOS. Nashik, Vizag and Kannur consolidated in Q3. Kannur unit achieved breakeven within 3 months of operations. Plans to add 2,370 beds across clusters by FY27 end. Net debt to EBITDA guidance retained at ~2x
Aster DM Healthcare	In-line quarter led by higher ARPOB growth and improved margins. Hospital margins guided to reach ~24% over 2 years with improvement in operational efficiencies, higher ARPOB, reduction in ALOS, and strategic cost control. Kerala cluster's occupancy saw recovery in Jan'25. The management plans to improve case and payor mix further through strategic focus on insurance business and reduction in scheme patients. Consol margin guidance at +21% by FY27. Expansion plan of 1,700 beds with key brownfield expansion at Medcity, CMI and Whitefield, on track. ASTERDM and QCIL merger awaiting regulatory approvals from CCI, NCLT and stock exchanges
Fortis Healthcare	Divested another non-performing unit at Richmond Road in Bengaluru, which incurred Rs80mn EBITDA loss in FY24. New Manesar unit guided to break even from Q1FY26. The management guided for 350-400 brownfield bed expansion annually for the next 2 years. ARPOB guided at 5-6% YoY and occupancy levels will continue improving, supported by bed expansions, better case mix, and increased patient demand. Branding expenses from Agilus guided to reduce from Q1FY26

Source: PL

HFCs

- Our coverage HFCs saw a soft quarter; while AuM growth and NII were marginally lower, NIM was-in-line. However, PAT was higher as provisions were lower for LICHF.
- AuM growth was a slight miss at 7.3% YoY. Disbursals were 6.3% lower at Rs189.5bn (PLe Rs202.2bn) due to state specific issues in Karnataka (related to E-Khaata registrations) and Telangana. Repayments were lower at Rs129.9bn (PLe Rs135.2bn).
- NII at Rs26bn was a slight miss due to lower disbursals in case of LICHF and CANF. AAVAS reported better NIMs due to lower funding cost.
- Other income was a beat at Rs1.97bn due to LICHF. Opex was higher at Rs5.6bn (PLe Rs5.3bn) due to increased staff cost for LICHF. PPoP at Rs22.4bn was 1% ahead of PLe led by higher other income.
- Provisions were negative at Rs0.16bn mainly led by impairment write-back in case of LICHF due to improvement in asset quality; CANF saw a blip in asset quality. Overall PAT at Rs17.9bn was 14% ahead of PLe.
- Stage-3 was better at 2.46% (PLe 2.82%) due to improved Stage-3 for LICHF; AAVAS/CANF saw an increase in stage-3 by 6bps/4bps QoQ.

Exhibit 106: Q3FY25 Result Snapshot

(Rs mn)	NII			Operating Profit			PAT		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
AAVAS IN	2,533	*14.8%*	*4.8%*	1,945	*23.3%*	*-0.2%*	1,464	*25.5%*	*-1.0%*
CANF IN	3,447	*4.8%*	*1.5%*	2,913	*1.9%*	*1.2%*	2,121	*8.0%*	*0.3%*
LICHF IN	20,001	*-4.6%*	*1.3%*	17,495	*-7.2%*	*0.4%*	14,320	*23.1%*	*7.8%*

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

Logistics

- Logistic companies under our coverage universe reported subdued performance in 3QFY25. TCI Express saw the 5th consecutive quarter of volume de-growth, while Delhivery's B2C express volume growth was in low single digits for the fourth quarter in a row. Meanwhile, Mahindra Logistics faced ongoing profitability challenges in B2B express business, although its 3PL performance was satisfactory.

- **Delhivery**: Delhivery reported weak performance with an EBITDA miss, impacted by high fleet cost inflation due to festive demand and increased fixed overheads arising from operationalization of the new Bengaluru facility. This marks the 4th consecutive quarter of low single-digit B2C volume growth. Near-term growth headwinds are likely to persist as competition among 3PL players has intensified. While growth in the B2C express segment remains a challenge, the PTL business continues to perform steadily. Retain HOLD with a TP of Rs340 (35x FY27E EBITDA).

- **TCI Express**: TCI Express reported weak results as volumes declined for the 5th consecutive quarter. Pricing pressure was also evident as realization was down 1.8% YoY. While price hike in Jan'25 lends some comfort, we believe volume growth challenges are expected to persist due to weak consumer demand. However, as recovery gathers momentum and utilization levels improve to ~84%, operating leverage benefits can be significant, resulting in sales/PAT CAGR of 11%/32% over FY25E-FY27E. Retain BUY with a TP of Rs1,021 (24x FY27E EPS).

- **Mahindra Logistics**: Mahindra Logistics' operating performance was broadly in line with our estimates led by decent performance in the 3PL business. However, turnaround in the B2B express business continues to remain a cause of concern. While the management expects EBITDA break-even in 2 quarters, incremental volumes of 6-7k tons per month would be required to achieve the same. We believe this could be challenging given the overall demand scenario and prevailing competitive landscape. In addition, unabsorbed white space has increased to ~1.5mn sq ft, making fixed cost absorption a challenge unless demand revives soon. We maintain HOLD rating on the stock with a TP of Rs399 (20x FY27E EPS) given the ongoing challenges in the B2B express business.

Exhibit 107: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
DELHIVER IN	23,783	8.4%	8.6%	1,024	-6.3%	78.8%	260	-26.4%	72.8%	250	54.6%	144.9%
MAHLOG IN	15,942	14.1%	4.8%	737	41.1%	11.0%	-11	-91.6%	-77.5%	-90	-54.2%	-16.0%
TCIEXP IN	2,963	-5.0%	-4.9%	304	-33.3%	-20.2%	274	-35.4%	-21.6%	207	-35.8%	-21.4%

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

Media & Entertainment

Conviction Picks:

Imagicaaworld Entertainment

- **Media:** Within our media universe, PVR-Inox reported in-line performance led by strong performance from movies like Pushpa-2, Bhool Bhulaiya-3, and Singham Again. On the other hand, ZEEL reported better-than-expected performance with an EBITDA margin of 16.1%, despite a weak ad-environment, led by cost optimization efforts and narrowing losses in ZEE5.

- **Entertainment:** In our entertainment universe, Nazara posted a revenue beat, driven by change in revenue recognition policy of Space & Time (S&T); however, operational performance was impacted by losses in Nodwin. In order to boost organic growth, Nazara has signed partnerships with popular IPs like Little Angel, Barbie, Slinky and Big Boss, while inorganic expansion is likely to continue given the recent fund raise of Rs4,950mn. On the amusement parks side, Imagicaaworld Entertainment Ltd (IEL) reported subdued operational performance, due to pressure on footfalls and pricing. However, we expect a recovery in FY26E, driven by new rides & attractions, and the inauguration of a new water park in Indore.

- **PVR-Inox:** PVR-Inox reported in-line performance with a pre-IND AS EBITDA margin of 13.8%, driven by strong performances from movies like Pushpa-2, Bhool Bhulaiya-3, and Singham Again. However, footfall growth remains a challenge with occupancy hovering at 22-25% since the last few quarters. To drive footfalls, PVR-Inox is figuring innovative ways like 1) scheduling re-runs, 2) broadcasting trailers, 3) offering passport plans and 4) providing private screening options. While its focus on rationalizing cost, and reducing capex (adoption of FOCO & asset light model) and debt is commendable, footfall recovery remains key to re-rating. Retain HOLD with a TP of Rs1,215 (11x Sep'26 EBITDA).

- **ZEEL**: ZEEL reported better-than-expected performance with an EBITDA margin of 16.1%, led by cost optimization efforts and narrowing losses in ZEE5. However, we believe the benefits of cost optimization are being overshadowed by a weak ad-environment as evident from the decline in domestic ad-revenue since 2QFY23, barring one quarter. While cost frugality is commendable, ad-market recovery is crucial for re-rating. Retain HOLD with a TP of Rs137 (12x Sep'26E EPS).

- **Nazara Technologies**: Nazara reported a revenue beat as the new policy of S&T recognizes revenues on either gross or net basis, depending on client agreements. However, operational performance was lower than expected due to losses in Nodwin and weak performance in the Ad-Tech segment. We expect sales CAGR of 23% over the next 2 years with an EBITDA margin of 10.1%/12.5%/13.7% in FY25E/FY26E/FY27E aided by efforts taken to boost organic growth through signing partnerships with popular IPs like Little Angel, Barbie, Slinky and Big Boss. Retain BUY with an SOTP-based TP of Rs1,117.

- **Imagicaaworld Entertainment Limited**: IEL reported subdued operational performance with an EBITDA margin of 32.2% amid pressure on footfalls and pricing. Nonetheless, we expect recovery in FY26E backed by 1) addition of 8 new rides at Lonavala, 2) launch of 2 new shows at Sai Teertha, 3) inauguration of a new trampoline park at Khopoli with 15+ new attractions, and 4) launch of a new water park in Indore. We have incorporated the dilution impact arising from preferential allotment and expect sales/EBITDA CAGR of 15%/20% over FY25E-FY27E. Retain BUY on the stock with an SOTP-based TP of Rs97.

Exhibit 108: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
IMAGICAA IN	919	31.2%	129.8%	296	7.1%	-882.6%	41	-67.4%	-116.6%	29	-70.7%	-141.4%
NAZARA IN	5,347	66.9%	67.6%	523	38.9%	108.1%	257	-30.6%	11.7%	307	20.8%	28.7%
PVRINOX IN	17,173	11.1%	5.9%	5,277	11.7%	10.1%	463	164.6%	-415.0%	360	181.3%	-405.1%
Z IN	19,788	-3.3%	-1.1%	3,184	52.2%	-0.8%	2,786	95.7%	1.2%	2,422	113.1%	23.3%

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

Exhibit 109: 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. Further, the recent fund raise of Rs3,451mn via preferential allotment indicates leverage risk is likely to be miniscule in the near to medium term. We expect sales/EBITDA CAGR of 15%/20% over FY25E-FY27E and retain BUY on the stock with an SOTP-based TP of Rs97.

Source: PL

Metals & Mining

Conviction Picks:

Hindalco Industries

Jindal Stainless

Jindal Steel & Power

- Metals coverage universe reported ~4% YoY increase in revenue during the quarter affected by weak steel pricing. Domestic steel demand started improving in Q3, which led to decent 9.6% YoY volume growth. Steel NSR was affected by weakness in flat products pricing. While flats pricing has started improving post Dec'24, we expect flattish QoQ NSR for steel companies during Q4. Steel imports came down substantially during Q3, down 26%/25% YoY/QoQ to 2.06mt, which aided recent uptick in pricing.

- Steel companies' average realizations declined by ~2% QoQ. Flat steel average prices declined 5% QoQ to ~Rs47.8k/t, while long steel average prices increased by ~5% to Rs53.8k/t. Apart from increasing demand in the domestic markets, steel prices would be determined by measures undertaken by GoI to curb cheaper imports, viz., safeguard duty or temporary tax, which would create a floor for pricing of imports.

- Trump government has imposed 25% tariff on steel and aluminum across trading partner countries and additional 10% on all imports from China. We believe the situation would evolve and actions from China can affect global steel pricing. Direct exports to the US from India are immaterial and from China are also just ~3mt. Material flow redirection of indirect exports, if it happens, can put pressure on global steel pricing.

- For steel companies, average coking coal prices declined 4% QoQ to USD203/t. As per companies, consumption cost is expected to decline by USD10-15/t in Q4FY25, aiding margins.

- Two iron ore price hikes in Oct'24, totaling Rs1,000/t for lumps and Rs800/t for fines, led to an 11% QoQ increase in NMDC's NSR, while volumes grew 5% YoY to 11.9mt, driven by rising domestic demand. In Jan'25, NMDC reduced prices by Rs350/t for both fines and lumps and is expected to implement further smaller cuts in the coming months.

- Jindal Stainless reported 14% QoQ decline in EBITDA/t due to weak exports markets. Volumes grew 15% YoY led by strong domestic markets, which grew at 20% YoY. JDSL has maintained volume growth of ~10% for FY25, but lowered EBITDA/t guidance to Rs17k from Rs18k earlier.

- HNDL and NACL delivered strong results, driven by 35% QoQ rise in alumina prices to USD737/t and 8% QoQ increase in LME aluminum prices to USD2,574/t. Alumina prices rose due to disruptions in Guinea bauxite supply and Australia refinery. The situation appears to be easing, having declined 15% QTD to c. USD465/t, while aluminum prices remain flat QTD.

- EBITDA for our metals coverage universe declined 2% YoY to Rs277bn, whereas PAT declined by 5% YoY at Rs100bn. On QoQ basis, EBITDA margins grew by just 17bps QoQ to 13.2% affected by steel realizations, while lower coking coal prices provided some relief.

- JSP's Angul blast furnace, expected to be commissioned in Q4FY25, is projected to aid volumes in FY26.

- All eyes are on the implementation of safeguard duty, with steel players demanding a 25% levy. If enforced, it would provide relief to domestic steel producers from cheap Chinese imports and support price increases. Primary steel producers raised prices in January, which the market has absorbed well. The uptick in domestic demand, coupled with a further decline in coal consumption costs, is expected to aid Q4 industry performance. We maintain a positive stance on Hindalco, JDSL and JSP.

Exhibit 110: Q3FY25 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
HNDL IN	583.9	10.6%	0.3%	75.8	29.3%	-3.8%	53.4	60.4%	-13.3%	38.2	63.8%	-22.7%
JDSL IN	99.1	8.5%	1.3%	12.1	-3.1%	1.8%	9.0	0.1%	8.4%	6.5	-5.4%	7.1%
JSP IN	117.0	0.0%	5.0%	21.3	-25.0%	0.4%	11.5	-40.4%	1.0%	9.5	-50.7%	10.4%
JSTL IN	413.8	-1.3%	4.3%	55.8	-22.3%	2.6%	12.8	-61.6%	6.9%	8.0	-67.0%	10.8%
NACL IN	46.6	39.3%	16.5%	23.3	200.8%	50.3%	21.2	217.5%	47.7%	15.8	224.1%	49.0%
NMDC IN	65.7	21.4%	33.5%	23.7	18.2%	71.2%	25.8	15.9%	60.1%	19.0	14.4%	58.6%
SAIL IN	244.9	4.9%	6.3%	20.3	-5.4%	59.8%	2.9	-24.7%	-155.2%	1.3	-62.0%	-84.9%
TATA IN	536.5	-3.0%	-0.5%	44.9	-28.3%	-21.8%	3.4	-84.5%	-80.9%	1.3	-78.1%	-81.0%

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

Exhibit 111: Conviction Picks Commentary

Name	Commentary
Hindalco Industries	Indian operations are expected to benefit from higher LME and upcoming coal supplies from captive mines, which would reduce its coal cost by ~30% from current levels. Over the last few quarters, EBITDA contribution from India business has improved from 31% in FY24 to ~45% in FY25. We expect Novelis to deliver ~3.5% volume CAGR over the next 3 years as the beverage can segment, which accounts for 58-60% of volume, remains strong. Its long-term mitigation efforts to reduce the impact of lower scrap spread will aid Novelis EBITDA/t.
Jindal Stainless	As India progresses toward a USD10trn economy, rising stainless steel demand across industries benefits JDSL. With strong domestic demand, railway modernization, metro expansion, and GoI's push for replacement of carbon steel with stainless steel in coastal area projects, JDSL is expected to achieve 12%+ volume CAGR. Ramp-up of Chromeni plant over FY26-27E would aid cold rolled volume growth. Stainless steel demand is set to rise in process industries like ethanol, hydroelectric, and nuclear power. With India's long-term goal of setting up 100GW nuclear capacity, SS consumption is expected to grow significantly.
Jindal Steel & Power	The 6.3mtpa expansion at Angul is on track and expect volume ramp-up by Q1FY26, which should drive double-digit volume growth. JSP has enough levers to drive margin expansion over the next 2 years, including 2 more captive coal mines, upcoming slurry pipeline, and HSM ramp-up, which will improve the product mix by reducing the proportion of semis. It is best placed to play the domestic infrastructure story with limited debt on balance sheet. As it has higher longs products exposure, strong infra demand would keep its NSR healthy vs peers.

Source: PL

Oil & Gas

Conviction Picks:

Oil India

Oil & Natural Gas Corporation

- In Q3FY25, oil and gas sector reported an EBITDA/PAT of Rs919.2bn (up 20% QoQ)/Rs413.3bn (up 12.7% QoQ) primarily led by strong OMC earnings although CGD results declined sequentially
- RIL's standalone segment reported an EBITDA of Rs152.1bn, up 13.3% QoQ on account of sequentially stronger refining margins and PP and PVC deltas. Retail EBITDA grew 19.7% QoQ with a margin of 8.3%. Jio EBITDA grew 4% QoQ aided by tariff hikes undertaken, with a 4.2% QoQ increase in ARPU, net subscriber addition came in at 3.3mn.
- On the upstream front, ONGC's EBITDA grew 4% QoQ, oil production rose 1.5/0.3% QoQ/YoY while gas production fell 0.3% YoY but grew 1% QoQ. OINL's operating profit declined 2.3% QoQ, oil production grew 1.4% QoQ but fell 0.8%YoY while gas production increased 0.9/3.8% QoQ/YoY.
- OMCs' operating profit at Rs206.7bn improved remarkably sequentially on account of better refining margins amid rise in product cracks, and strong marketing performance. IOCL reported a GRM of ~US$3/bbl(up 88%QoQ, down 78%YoY) with GMM of Rs7.1/ltr (up 8%/36% QoQ/YoY). BPCL reported a GRM of US$5.6/bbl (up 27% QoQ, down 58% YoY) and GMM of Rs7.4/ltr (up 28% QoQ, up 113%YoY). Similarly, HPCL reported a GRM of US$6/bbl(up 93% QoQ, down 29%YoY) and GMM of Rs5.7/ltr (up 33% QoQ, up 113% YoY).
- CGDs reported weak set of numbers- CGD players' operating profit came in at Rs10.6bn, down 27% QoQ due to APM de-allocation and rise in spot LNG prices. MGL reported a volume growth of 12.1% YoY, however EBITDA/scm declined 22.5% QoQ to Rs8.3. Similarly, IGL's volume grew 7.4% YoY but EBITDA/scm fell 32.8% QoQ to Rs4.3. On the other hand, Gujarat Gas reported a volume growth of 3.4% amid recovery in Morbi sales, however EBITDA/scm declined 31.6% QoQ to Rs4.4
- Going forward, we expect OMCs' refining margins to weaken amid decline in Singapore GRM and marketing margins on petrol/diesel to moderate with rise in international petrol/diesel prices and under-recoveries on LPG to persist. 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 112: Q3FY25 Result Snapshot

(Rs bn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
BPCL IN	1,131.4	-2.0%	10.1%	75.8	22.3%	68.0%	61.8	34.8%	93.4%	46.5	36.9%	93.9%
GAIL IN	349.6	2.1%	6.2%	28.4	-25.8%	-24.2%	25.9	-29.9%	-25.0%	14.3	-49.8%	-46.6%
GUJGA IN	41.5	5.7%	9.8%	3.8	-5.0%	-26.0%	3.0	1.3%	-27.7%	2.2	0.6%	-27.8%
GUJS IN	2.4	-48.2%	-0.7%	1.9	-49.3%	-0.2%	1.8	-48.2%	-58.2%	1.4	-48.3%	-65.2%
HPCL IN	1,020.7	-2.0%	11.4%	59.7	175.9%	119.1%	40.1	422.2%	380.0%	30.2	471.4%	378.9%
IGL IN	37.6	5.9%	1.7%	3.6	-34.9%	-32.0%	3.7	-28.5%	-34.6%	2.9	-27.1%	-33.5%
IOCL IN	1,939.0	-2.6%	11.5%	71.2	-54.1%	88.6%	27.9	-74.1%	-383.4%	21.9	-72.8%	-324.5%
MAHGL IN	17.6	12.0%	2.7%	3.1	-30.0%	-21.2%	2.8	-34.8%	-25.6%	2.2	-29.1%	-20.5%
MRPL IN	218.7	-11.3%	-12.4%	10.3	-12.9%	-317.6%	4.7	-20.6%	-145.1%	3.0	-21.4%	-144.6%
OINL IN	52.4	-9.9%	-5.1%	21.3	1.3%	-2.3%	15.5	-19.8%	-32.8%	12.2	-22.9%	-33.4%
ONGC IN	337.2	-3.1%	-0.5%	189.7	10.5%	4.0%	110.0	-12.8%	-26.8%	82.4	-16.7%	-31.2%
PLNG IN	122.3	-17.1%	-6.1%	12.5	-26.9%	3.9%	11.7	-26.8%	2.5%	8.7	-27.2%	2.3%
RELIANCE IN	2,399.9	6.6%	3.6%	437.9	7.7%	12.1%	286.4	10.9%	14.4%	185.4	7.4%	11.9%

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

Exhibit 113: Conviction Picks Commentary

Name	Commentary
Oil India	Significant volume CAGR of 7%/15% in oil/gas expected over FY25-27E
Oil & Natural Gas Corporation	Peak production from KG Basin expected by FY25 end. We build in 4%/6% CAGR oil and gas volume growth over FY25-27E

Source: PL

Pharma

Conviction Picks:

Sun Pharmaceutical Industries

Lupin

Cipla

Eris Lifesciences

- Pharmaceutical coverage universe registered healthy revenue growth of 11.4% YoY. The domestic formulations segment is on a continued growth trajectory. US revenue remained steady, supported by increased contribution from complex generics/specialty molecules.
- The domestic formulations business was steady, led by growth across the chronic portfolio. Acute growth was a mixed bag with the anti-infectives segment continuing to be a drag. Performance was also enhanced by an expanded sales force and improved productivity of MRs.
- The US business remained steady, with broadly flat growth YoY in constant currency terms. Certain niche launches complemented by ANDA approvals, aided growth. Price erosion in the base business remained limited to mid-single digits. DRRD and SUNP saw QoQ decline due to lower gRevlimid sales, while LPC saw QoQ growth aided by gMirabegron 50mg launch.
- API business growth continues to be driven by volume, while pricing was largely stable QoQ.
- On the operational front, EBITDA margins increased 140bps YoY to 26.6% for our coverage universe. Factors that played out are: 1) continued traction from niche launches aiding better product mix in the US, 2) benign price of raw materials, 3) steady domestic business, and 4) currency tailwinds. In terms of value, it grew 17.4% YoY. However, PAT growth was higher at 27.1% YoY, aided by higher other income and lower interest charges.
- The US business is likely to remain steady in the coming quarters with products like gRevlimid, gSpiriva and gMirabegron still contributing meaningfully. Domestic formulations business is poised to sustain steady growth at 8-10% in the coming quarters.
- R&D expenses are expected to remain stable as companies optimize spending, prioritizing complex molecules and specialty products over traditional generics, which should support long-term revenue growth.

Exhibit 114: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
ARBP IN	79,785	*8.5%*	*2.3%*	16,278	*1.7%*	*3.9%*	12,979	*2.6%*	*10.2%*	8,456	*-10.0%*	*3.5%*
CIPLA IN	70,730	*7.1%*	*0.3%*	19,889	*13.8%*	*5.8%*	19,161	*14.8%*	*7.4%*	15,705	*48.7%*	*20.5%*
DIVI IN	23,190	*25.0%*	*-0.8%*	7,430	*51.9%*	*3.8%*	7,260	*48.5%*	*0.6%*	5,890	*64.5%*	*15.5%*
DRRD IN	83,586	*15.9%*	*4.3%*	22,996	*14.0%*	*7.1%*	18,696	*1.9%*	*-6.7%*	14,038	*1.8%*	*4.6%*
ERIS IN	7,275	*49.6%*	*-1.9%*	2,503	*42.6%*	*-5.4%*	1,162	*0.2%*	*-10.1%*	836	*-18.6%*	*-8.7%*
INDR IN	4,106	*-10.6%*	*-5.1%*	120	*-80.9%*	*-70.1%*	-320	*-203.6%*	*560.1%*	-314	*-232.2%*	*201.6%*
IPCA IN	22,454	*9.4%*	*-4.7%*	4,461	*34.8%*	*-0.8%*	3,679	*66.6%*	*6.7%*	2,481	*121.8%*	*8.1%*
JBCP IN	9,635	*14.1%*	*-3.7%*	2,545	*14.1%*	*-5.9%*	2,180	*18.5%*	*-7.8%*	1,625	*21.7%*	*-6.9%*
LPC IN	57,678	*11.0%*	*1.7%*	13,659	*33.7%*	*4.4%*	10,713	*45.5%*	*1.6%*	8,552	*39.5%*	*0.3%*
SUNP IN	1,36,755	*10.5%*	*2.9%*	41,924	*25.1%*	*10.0%*	39,759	*35.0%*	*14.6%*	29,034	*15.0%*	*-4.5%*
TRP IN	28,090	*2.8%*	*-2.8%*	9,140	*5.2%*	*-2.7%*	6,910	*27.3%*	*4.5%*	5,030	*13.5%*	*11.0%*
ZYDUSLIF IN	52,691	*17.0%*	*0.6%*	12,050	*11.4%*	*-14.9%*	10,015	*10.7%*	*-18.3%*	8,412	*12.6%*	*-2.8%*

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

Exhibit 115: Conviction Picks Commentary

Name	Commentary
Sun Pharma Industries	Growth trajectory to be sustained on the back of specialty portfolio with 6 products under clinical trials with competitive profile. Strong growth visibility continues in ROW and domestic business
Lupin	Performance largely aided by higher US and India sales. Margins continued to improve with better product mix and cost optimization measures. Continued niche launches in the US, clearance from USFDA for facilities, domestic formulations regaining momentum and cost optimization measures to help sustain performance
Cipla	Strong US generic pipeline, focusing on new launches. Timely introduction of gAbraxane and gAdvair key to boosting US revenue and offsetting potential decline in gRevlimid. Domestic growth driven by stronger branded prescriptions, solid trade generic business, and momentum in consumer health
Eris Lifesciences	Multiple growth levers such as broad-based offerings in the derma segment, opportunities in the cardio metabolic market with patent expirations, and benefits of operating leverage, as revenue from acquisitions scales up

Source: PL

Telecom

- In Q3FY25, Bharti Airtel reported an EBITDA/PAT of Rs245.9bn (up 12.6%QoQ) and Rs72.3bn (up 62.7% QoQ)
- Subscribers stood at ~352mn, with a net subscriber addition of 4.9mn QoQ. ARPU increased to Rs 245, up 5.3% QoQ on the back of tariff hikes
- India mobile Q3 revenue/EBITDA was Rs262.6bn (+5.8%QoQ) and Rs154.5bn (+9.1%QoQ). 4G net customer addition was an impressive 6.5mn. ARPU of Rs245 (+18%YoY), for comparison, Jio's ARPU came in at Rs203.3, up 4.2%QoQ while net subscriber addition was 3.3mn QoQ.
- Enterprise segment's revenue came in flat QoQ to Rs56.5bn while EBITDA fell 1.8% QoQ to Rs19.8bn with 50bps decline in margins to 35.2%. DTH revenue remained flat QoQ to Rs7.6bn, similarly EBITDA at Rs4.4bn was up 4.3%QoQ. Home services revenue grew steadily by 5.4% QoQ to Rs15bn with an EBITDA of Rs7.4bn (+3.6% QoQ) and margin of 49.5%.
- Africa mobile revenue grew 4.4% QoQ to USD1.3bn with an ARPU of USD2.4 and subscriber additions of 6.4mn
- 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 116: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*	Q3FY25	*YoY gr.*	*QoQ gr.*
BHARTI IN	4,51,293	*19.1%*	*8.8%*	2,45,966	*24.1%*	*12.6%*	76,866	*117.4%*	*35.4%*	72,356	*181.3%*	*62.7%*

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

Conviction Picks:

Interglobe Aviation

Chalet Hotels

Lemon Tree Hotels

Travel & Tourism

- **Luggage**: VIP reported mixed performance with a revenue miss, while operating performance was better than our estimate with EBITDA margin of 5.7% as other expenses were at a 7-quarter low of Rs1.5bn (down 18.3% YoY). Warehousing & freight cost is undergoing a downward reset given the liquidation of slow-moving SL inventory worth Rs2.2bn in 9MFY25. Once SL liquidation exercise is over in a quarter or two, capacity utilization at the Bangladesh unit will also rise aiding profitability. We expect sales CAGR of 12% over the next 2 years with EBITDA margin of 5.6%/15.6%/15.7% in FY25E/FY26E/FY27E. Upgrade to BUY with a TP of Rs463 (30x FY27E EPS).

- Safari reported in-line performance with EBITDA margin of 11.4% as pricing pressure persisted amid rising competition. We believe price pressure may persist in the near term, given one leading player is undergoing inventory liquidation and the e-com channel is becoming increasingly relevant to gain market share. Nonetheless, Safari's new Jaipur plant is now operational, and progress on the utilization front will be key for growth and margin expansion. Retain BUY with a TP of Rs2,783 (45x FY27E EPS).

- **Hotels:** Chalet Hotels reported healthy performance with EBITDA margin of 44.7% aided by 16.0% YoY growth in RevPAR to Rs9,090. In addition to continuing momentum in RevPAR, near-term growth in the hospitality segment will be driven by the operationalization of 125-130 rooms in Bengaluru and ~65 rooms in Khandala over the next 6 months. Even annuity business witnessed healthy traction as 0.4mn sq ft was leased out in 3QFY25. We expect sales/EBITDA CAGR of 17%/20% over FY25E-FY27E. Upgrade to BUY with an SoTP based TP of Rs1,064.

- Even Lemon Tree reported healthy operational performance led by 21% growth in RevPAR to Rs5,018. We expect Lemon Tree's performance to improve led by stabilization of Aurika, MIAL, and improvement in RevPAR amid the ongoing renovation exercise. Retain BUY on the stock with a TP of Rs175 (24x FY27E EBITDA).

- **Aviation**: IndiGo reported better-than-expected performance with FX-adjusted EBITDAR margin of 33.4% led by lower fuel cost and stable pricing environment. FX loss of Rs14.5bn impacted profits due to sharp rupee depreciation; however, adjusting for the currency impact, PAT was at a record level of Rs39.1bn. We expect the overall pricing environment to remain stable with yield of Rs5.1/Rs5/Rs5 in FY25E/FY26E/FY27E, while the cost structure problem will get resolved soon as AoG count reduces from ~60 to 40 by FY26E. Plans to deepen international presence and focus on premiumization can be additional margin levers. Upgrade to BUY with a TP of Rs5,246 (11x FY26E EBITDAR).

- **IRCTC**: IRCTC's operational performance was broadly in line with our estimate with EBITDA margin of 34.0%. Internet ticketing EBIT margin was at a 7-quarter high of 84.7%, presumably led by an improvement in yield (realization per ticket was Rs20). As e-ticketing penetration has reached ~87%, we expect non-convenience pie to drive revenue growth in the internet ticketing division. As for Rail Neer, addition of 3 new plants will provide the growth fillip, while the catering division has embedded optionality arising from 1) rising e-catering volumes, 2) potential in non-railway catering and 3) launch of Vande Bharat trains. We expect sales/PAT CAGR of 9%/8% over FY25E-FY27E and retain HOLD on the stock with a TP of Rs809 (44x Sep'26E EPS).

Exhibit 117: Q3FY25 Result Snapshot

(Rs mn)	Sales			EBITDA			PBT			Adj. Pat		
	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.	Q3FY25	YoY gr.	QoQ gr.
CHALET IN	4,578	22.5%	21.4%	2,047	23.3%	36.9%	1,184	33.5%	49.0%	965	36.7%	-169.7%
INDIGO IN	2,21,107	13.7%	30.3%	59,371	9.0%	147.9%	25,271	-15.7%	-378.6%	39,052	30.3%	-623.4%
IRCTC IN	12,247	9.5%	15.1%	4,166	5.7%	11.7%	4,566	8.5%	9.6%	3,411	8.5%	10.8%
LEMONTRE IN	3,552	22.4%	24.9%	1,842	30.4%	40.9%	994	80.1%	120.4%	625	76.5%	110.8%
SII IN	4,427	14.0%	-3.3%	504	-26.1%	5.2%	408	-27.9%	7.8%	311	-27.4%	5.0%
VIP IN	5,011	-8.3%	-7.9%	286	-45.2%	NA	-167	-226.5%	-66.1%	-124	-273.7%	-66.1%

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

Exhibit 118: Conviction Picks Commentary

Name	Commentary
Interglobe Aviation	IndiGo reported better-than-expected performance with FX-adjusted EBITDAR margin of 33.4% led by lower fuel cost and stable pricing environment (yield was flat at Rs5.4 despite high base). We expect the overall pricing environment to remain stable with yield of Rs5.1/Rs5/Rs5 in FY25E/FY26E/FY27E as the aviation market is now a duopoly with limited threat of predatory pricing. On the other hand, we believe the cost structure problem will get resolved soon as the AoG count is expected to reduce from ~60 to 40 by the start of FY26E. We expect sales CAGR of 16% over the next 2 years with EBITDAR margin of 23.1%/23.3% in FY26E/FY27E. Upgrade to BUY with a TP of Rs5,246.
Chalet Hotels	Chalet Hotels reported healthy performance in 3QFY25 with EBITDA margin of 44.7% aided by 16.0% growth in RevPAR. Near-term growth in the hospitality segment will be driven by the operationalization of 125-130 rooms in Bengaluru and ~65 rooms in Khandala over the next 6 months. Pipeline for the long term is stronger with plans to add to ~840 rooms at Delhi, Navi Mumbai and Goa over the next 3 years. Traction in the annuity business is expected to pick up as the balance 0.8mn sq ft is expected to be leased out in the next 2 quarters. We expect sales/EBITDA CAGR of 17%/20% over FY25E-FY27E and upgrade the stock to BUY with a TP of Rs1,064.
Lemon Tree Hotels	Performance of Aurika, MIAL, improved significantly during the quarter with occupancy hovering in the early 70's and an ARR of Rs9,000 odd. Initial trends in 4QFY25E are even better and the management expects the hotel to stabilize by 2HFY26E, indicating further headroom for improvement in KPIs. Led by the stabilization of Aurika, MIAL, and improvement in RevPAR amid the ongoing renovation exercise, which is expected to be completed by the end of FY26E, we estimate revenue/EBITDA CAGR of 11%/15% over FY25E-FY27E. Retain BUY with a TP of Rs175.

Source: PL

PL's Recommendation Nomenclature

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

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