

Q4 FY25 PREVIEW

Navigating the global turmoil, domestic plays to outperform

Global uncertainty prevails. The US' tariff policy has disrupted the world order, with a few countries planning a retaliatory tariff policy on the US and others strategizing to navigate it with minimal damage. India, in this stand-off, is poised to benefit as the implied 26% tariff imposed is lower than those on its peers like China (54%) and Vietnam (46%). However, this would still mean that export-oriented sectors would have witnessed increased uncertainty. IT and chemicals are the sectors that would have faced headwinds, owing to the policy uncertainty. In contrast, global commodities including ferrous metals likely saw a strong quarter due to increased prices in India and demand uptick in China.

Domestic demand – a mixed bag. Discretionary demand remains healthy, led by the wedding season/festivals, intense summer and EoSS. High frequency indicators including air traffic, toll collections, etc., are highlighting an uptick in urban demand during the quarter. Jewellery retail, travel and hospitality, consumer durables, hospitals likely witnessed strong sales in Q4. Summer product portfolios of FMCG companies also likely performed well. However, apparel, footwear retail, passenger cars and commercial vehicles are likely to post modest growth. Financials likely saw healthy growth with stable asset quality. On the infrastructure side, cement demand has likely seen an uptick with incremental pick-up in government capex spends. However, slow awarding in the road sector is likely to have impacted road EPC players.

Short-term volatile; long-term optimistic. Although short-term uncertainty may weigh on investor sentiment, we believe that medium- to long-term factors—solid macroeconomic fundamentals, corporate earnings, domestic equity inflows and attractive valuations—offer a more compelling outlook. With Nifty50 at 17.2x one-year forward earnings, trading at 8.4% discount to its 5-year median and 15.6% to its 10-year median, we see opportunities for selective stock-picking, favouring largecaps and midcaps over smallcaps.

Sensex: 73,879

Nifty: 22,420

Sectors covered

| | | |
|--------------------|------------------|-----------|
| Agrochemicals | FMCG | Internet |
| Automobiles | Hospitals | Aerospace |
| Building materials | Infrastructure | Cement |
| Consumer durables | Technology | Metals |
| Multiplexes | Hotels | Banks |
| FMEG | Luggage | NBFCs |
| Consumer retail | Auto Ancillaries | NBFC-MFIs |

India Research Team

Modest growth expected for our coverage companies. Growth will be driven by rising government spend and a rebound in agriculture from better kharif harvest and strong rabi prospects. Strong performers include wires & cables, ACs, mobile manufacturing, cement, financials, summer-centric FMCG, hospitality and jewellery. Moderate growth is seen in agrochemicals, infrastructure, small-ticket consumer durables and retail, while auto and IT face lackluster demand. In terms of operating margins, agrochemicals, healthcare, cement and hospitality are expected to outperform others like infrastructure, building materials, automobiles and food delivery.

Nifty50 required to grow at 14% (Q4) for 10% earnings growth for FY25. While earnings growth in H1 FY25 was subdued, Q3 results exceeded market's expectations, with aggregate PAT growth of 11.5%, driven primarily by financials and healthcare sectors. With ytd growth at 8.2%, achieving the projected 10% earnings growth for FY25 would require ~14% growth in the remaining period. Ahead, we anticipate Nifty50 earnings to grow at healthy pace, supported by increased government capex and a recovery in agricultural output, aided by stronger kharif harvest and favorable conditions for the rabi season.

Long-term outlook positive. Despite near-term uncertainties, robust macroeconomic fundamentals, steady earnings trajectory and attractive valuations underpin a constructive medium-to-long-term outlook. The Nifty50 currently trades at 17.2x one-year forward earnings—an 8.4% discount to its 5-year median and a 15.6% discount to its 10-year median—creating a favorable backdrop for selective stock-picking. We continue to favour largecaps and midcaps over smallcaps. In terms of sector performance, autos, apparel retail and staples likely underperformed in the near term. On the other hand, jewellery retail, value retail, hospitality, healthcare and large-ticket consumer durables are poised to outperform. Strong infrastructure spending enhances the appeal of cement and related sectors, while the outlook for metals and mining has turned positive. However, IT continues to face headwinds due to policy-related risks in the US. The BFSI sector remains a key overweight, particularly with strength in large banks and NBFCs.

Key risk: Short-term volatility is expected to persist amid ongoing geopolitical tensions.

Our top picks are Affle India, Arvind Fashions, Century Plyboards, Chalet Hotels, Chola Finance, Dhanuka Agritech, Emami, Escorts Kubota, Godrej Consumer, Happiest Minds, H G Infra Engineering, HNDL, HUL, ICICI Bank, Indraprastha Medical, Intellect, J kumar Infraprojects, JK Cement, JSP, JSTL, KIMS, KNR Construction, KVB, LLOYDSME, LTIM, L&T Finance, Maruti Suzuki, MAXHEALT, MOIL, Mphasis, PG Electroplast, SBI, Sharda Cropchem, Shree Cement, Sumitomo Chemical, Supreme Industries, TBO Tek, Unimech, United Breweries, VMart, ZF Commercial Vehicle, Zomato, Zydus Wellness.

SECTOR PERFORMANCE

| Sector | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | |
|---|-----------|-------|-------|-------------------|--------|--------|----------|-------|--------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|
| | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | |
| | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y |
| Aerospace | 694 | 11.3 | 28.8 | 33.5 | 42.2 | 29.1 | 178 | -9.9 | 14.0 | 2,543 | 21.8 | 763 | 31.3 | 3,578 | 40.7 | 1,026 | 34.5 | 5,019 | 40.3 | 1,486 | 44.8 |
| Agrochemicals | 2,11,126 | 8.8 | 28.7 | 20.1 | 15.2 | 18.7 | 18695 | 111.7 | 21.3 | 7,19,047 | 10.3 | 45,621 | 50.3 | 8,01,092 | 11.4 | 66,085 | 45.0 | 8,75,912 | 18.6 | 79,766 | 20.7 |
| Automobile | 11,82,241 | 8.6 | 4.3 | 13.8 | 14.3 | 13.3 | 1,07,911 | 3.0 | 9.4 | 46,30,736 | 12.0 | 4,10,428 | 8.0 | 51,52,323 | 11.3 | 5,14,936 | 25.5 | 57,56,560 | 24.3 | 5,96,106 | 45.2 |
| Building Materials (Ex Cement) & Others | 1,23,022 | 5.7 | 16.5 | 11.5 | 15.1 | 11.7 | 7,937 | -31.7 | 12.9 | 4,48,396 | 8.3 | 35,487 | -6.7 | 5,23,775 | 16.8 | 49,444 | 39.3 | 6,08,135 | 16.1 | 64,288 | 30.0 |
| Consumer durables | 5,02,828 | 35.7 | 27.8 | 8.5 | 9.0 | 8.0 | 27,892 | 24.1 | 48.0 | 16,62,708 | 35.7 | 88,726 | 29.2 | 21,04,870 | 26.6 | 1,16,225 | 31.0 | 25,38,164 | 20.6 | 1,43,903 | 23.8 |
| Consumer retail | 2,62,192 | 13.8 | -10.7 | 8.9 | 9.0 | 10.4 | 8109 | 15.2 | -33.2 | 10,76,390 | 15.1 | 42,341 | 23.5 | 12,53,671 | 16.5 | 59,159 | 39.7 | 14,74,892 | 17.6 | 76,155 | 28.7 |
| FMCG | 4,64,344 | 5.4 | -1.6 | 18.6 | 19.0 | 19.5 | 59726 | -0.4 | -12.5 | 19,13,192 | 4.2 | 2,60,152 | 1.1 | 20,81,953 | 8.8 | 2,97,535 | 14.4 | 22,73,383 | 9.2 | 3,35,499 | 12.8 |
| Hospitals | 69,177 | 21.5 | 4.2 | 25.3 | 24.7 | 24.3 | 11,374 | 29.8 | 19.6 | 2,62,309 | 16.8 | 38,641 | 24.0 | 3,14,754 | 20.0 | 50,565 | 31.0 | 3,69,550 | 17.4 | 62,600 | 24.0 |
| Metals - Ferrous | 14,14,342 | -3.4 | 7.7 | 12.9 | 12.7 | 12.0 | 42,092 | -14.9 | 80.1 | 53,75,083 | -3.9 | 1,37,965 | -30.9 | 59,39,020 | 10.5 | 3,19,104 | 131.3 | 63,71,048 | 7.3 | 4,00,771 | 25.6 |
| Metals - Non-Ferrous | 6,65,608 | 18.9 | 14.0 | 16.8 | 11.9 | 13.0 | 54,245 | 70.9 | 43.7 | 24,01,668 | 11.2 | 1,70,275 | 68.0 | 25,32,740 | 5.5 | 1,63,859 | -3.8 | 26,46,628 | 4.5 | 1,64,810 | 0.6 |
| Mining | 3,91,146 | -0.7 | 3.4 | 25.5 | 26.5 | 29.2 | 79,965 | -11.6 | -10.7 | 14,86,402 | -1.1 | 3,52,646 | -9.4 | 18,01,870 | 21.2 | 4,22,979 | 19.9 | 19,70,363 | 9.4 | 4,74,324 | 12.1 |
| Metals - Others | 1,01,102 | 6.9 | 2.0 | 11.4 | 10.9 | 12.2 | 6,338 | 26.2 | -3.2 | 4,13,085 | 7.1 | 29,165 | 11.6 | 4,66,381 | 12.9 | 37,673 | 29.2 | 5,05,476 | 8.4 | 43,418 | 15.3 |
| Infrastructure | 4,15,306 | 1.5 | 23.3 | 11.0 | 12.4 | 12.0 | 27,378 | 10.3 | -64.1 | 13,79,408 | 2.8 | 79,535 | 14.5 | 15,81,141 | 14.6 | 98,066 | 23.3 | 17,91,174 | 13.3 | 1,18,172 | 20.5 |
| Technology | 2,59,341 | 12.8 | 3.2 | 17.8 | 17.8 | 17.0 | 30,413 | 11.0 | 11.0 | 10,77,915 | 19.8 | 1,16,474 | 8.8 | 12,10,737 | 12.3 | 1,33,822 | 14.9 | 13,71,269 | 13.3 | 1,58,934 | 18.8 |
| Hotels | 34,168 | 16.8 | 0.9 | 42.0 | 41.3 | 42.6 | 7,050 | 28.6 | 0.2 | 1,20,324 | 19.2 | 22,835 | 16.2 | 1,39,393 | 17.3 | 28,894 | 96.1 | 1,57,399 | 12.9 | 34,645 | 22.9 |
| Multiplexes | 12,678 | 0.9 | -26.2 | 1.2 | 0.1 | 13.8 | -984 | 9.2 | -244.3 | 65,663 | 7.5 | 1,711 | 49.6 | 73,044 | 11.2 | 5,276 | 208.4 | 81,312 | 11.3 | 6,931 | 31.4 |
| Internet | 1,19,193 | 28.6 | 6.6 | 17.2 | 15.7 | 17.2 | -3,808 | 5.3 | 24.9 | 4,13,831 | 28.6 | 4,497 | 66.2 | 5,82,927 | 28.6 | 24,356 | 33.2 | 7,90,428 | 27.8 | 55,928 | 32.4 |
| Luggage | 9,355 | 7.3 | -1.2 | 9.4 | 9.9 | 8.5 | 223 | -21.2 | 9.2 | 42,738 | 13.8 | 1,774 | -43.0 | 50,451 | 18.5 | 3,834 | 700.9 | 59,608 | 18.5 | 5,305 | 40.1 |

| Sector | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | |
|--------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|
| | Revenue | | | EBITDA / ton (Rs) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | |
| | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y |
| Cement | 2,38,496 | 3.6 | 25.6 | 993 | 980 | 785 | 16,533 | -7.8 | 194.1 | 806677 | -3.8 | 30,387 | -47.6 | 9,10,001 | 12.8 | 55,308 | 82.0 | 10,22,524 | 12.4 | 78,913 | 42.7 |

| Sector | Q4 FY25e | | | | | | | | | FY25e | | | | | | FY26e | | | | | | FY27e | | | | | |
|-----------|-----------|-------|-------|-----------|-------|-------|----------|--------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| | NII | | | PPoP | | | PAT | | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | |
| | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y |
| Banks | 16,79,813 | 5.5 | 2.8 | 11,83,463 | -1.9 | 3.5 | 7,18,334 | -5.7 | -1.8 | 65,53,178 | 8.0 | 46,99,301 | 11.7 | 29,31,617 | 9.7 | 74,19,856 | 13.2 | 53,47,020 | 13.8 | 32,83,950 | 12.0 | 84,77,507 | 14.3 | 61,70,089 | 15.4 | 37,77,428 | 15.0 |
| NBFC-MFIs | 14,926 | -8.3 | 9.7 | 9,774 | -21.1 | 27.6 | -426 | -106.5 | -96.6 | 69,796 | 20.8 | 50,226 | 14.9 | 9,548 | -61.1 | 78,150 | 12.0 | 54,725 | 9.0 | 25,408 | 166.1 | 89,125 | 14.0 | 60,795 | 11.1 | 31,647 | 24.6 |
| NBFCs | 2,19,937 | 18.5 | 2.9 | 1,60,958 | 21.8 | 5.0 | 88,881 | 21.4 | 17.1 | 8,59,245 | 23.2 | 6,00,513 | 23.4 | 2,99,780 | 2.5 | 10,56,991 | 23.0 | 7,38,030 | 22.9 | 3,77,760 | 26.0 | 12,86,591 | 21.7 | 9,00,514 | 22.0 | 4,74,613 | 25.6 |

We expect our covered agrochemical companies to post 9% y/y revenue growth for Q4, primarily led by higher double-digit volume growth seen in the domestic market. On the exports front, companies are likely to post stable performances, partially mitigating the underperformance in LATAM markets led by a) increasing competitive intensity from Chinese players, b) insolvency filed by a few of the large distributors in LATAM, impacting overall growth. Our absolute EBITDA and margins are up 44% y/y and 490bps y/y, largely led by UPL's decent operating performance and an abnormally low base of last year. Ahead, expectations of normal monsoons, coupled with stable RM cost, would likely result in double-digit revenue growth for companies having domestic exposure. For exporters, with the improving scenario globally in terms of demand revival in key regions, the momentum is likely to be upbeat. Having said that, we expect overall stable performances by agrochemical companies.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|-------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Sumitomo Chemical | C | Buy | 537 | 7,861 | 16.6 | 22.5 | 21.1 | 20.8 | 16.5 | 1,311 | 19.3 | 50.8 | 34,208 | 16.4 | 5,397 | 46.0 | 40,756 | 19.1 | 6,652 | 23.3 | 47,416 | 16.3 | 7,821 | 17.6 | 49.7 | 40.3 | 34.3 |
| Dhanuka Agritech | C | Buy | 1234 | 4,212 | 14.4 | -5.4 | 21.8 | 21.7 | 17.0 | 659 | 11.6 | 19.7 | 20,562 | 14.6 | 2,873 | 20.2 | 23,902 | 16.2 | 3,411 | 18.7 | 27,675 | 15.8 | 3,840 | 12.6 | 19.6 | 16.5 | 14.6 |
| Bayer Cropscience | C | Hold | 4708 | 8,408 | 6.2 | -20.4 | 9.9 | 12.2 | 1.9 | 781 | -18.7 | 128.2 | 53,848 | 3.9 | 5,028 | -32.1 | 58,907 | 9.4 | 7,906 | 57.3 | 64,765 | 9.9 | 8,941 | 13.1 | 42.0 | 26.7 | 23.6 |
| UPL Ltd | C | Hold | 614 | 1,53,218 | 8.8 | 40.5 | 20.4 | 13.7 | 19.8 | 10691 | NA | 12.2 | 4,63,858 | 7.6 | 12,415 | NA | 5,06,839 | 9.3 | 22,155 | 78.5 | 5,56,106 | 9.7 | 32,316 | 45.9 | 38.2 | 21.4 | 14.7 |
| PI | C | Buy | 3244 | 18,044 | 3.6 | -5.1 | 24.7 | 25.4 | 26.9 | 3,492 | -5.5 | -6.3 | 83,120 | 8.4 | 16678.7 | 0.4 | 91,432 | 10.0 | 18021.7 | 8.1 | 96,741 | 5.8 | 19868.9 | 10.2 | 29.5 | 27.3 | 24.7 |
| Sharda Cropchem | C | Buy | 481 | 14,927 | 13.8 | 60.6 | 22.6 | 19.4 | 16.3 | 1887 | 31.5 | 556.5 | 39,841 | 26.0 | 2,871 | 799.3 | 45,650 | 14.6 | 3,466 | 20.7 | 51831.6 | 13.5 | 4376.2 | 26.3 | 15.1 | 12.5 | 9.9 |
| Rallis India | C | Sell | 202 | 4,455 | 2.2 | -14.7 | -0.1 | 1.4 | 8.4 | -125 | -40.3 | NA | 26,785 | 1.1 | 1,445 | -1.9 | 30,636 | 14.4 | 2,075 | 43.6 | 34817.1 | 13.6 | 2603.6 | 25.5 | 27.2 | 18.9 | 15.1 |

AUTOMOBILES AND AUTO ANCILLARIES

Top picks: Escorts Kubota, Maruti Suzuki and ZF Commercial Vehicle

ANAND RATHI

Growth momentum was seen across sectors. We expect healthy, ~9% y/y, revenue growth in Q4 for our covered companies, aided by production growth in tractors (~10%), 2Ws/3Ws (~7%), CVs (~2%), PVs (~2%) and better realizations (price hikes, premiumization). Strong y/y EBITDA growth is likely for TVS Motors (~35%), Gabriel India (~25%) and ZF Commercial Vehicle (~22%) in Q4. Operating margins are likely to expand q/q due to better scale on higher production of CVs (~19%), PVs (~17%) and tractors (~10%). Q4 EBITDA/PAT likely grew 5%/4% y/y, limited by slower performance of tyre companies on higher input costs; however, q/q, EBITDA/PAT likely grew 8%/10%.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|-----------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Bajaj Auto | S | Buy | 7,307 | 1,22,191 | 6.4 | -4.6 | 20.2 | 20.1 | 20.2 | 19,920 | 2.9 | -5.5 | 5,00,815 | 12.1 | 80,941 | 8.2 | 5,86,906 | 17.2 | 98,691 | 21.9 | 6,67,489 | 33.3 | 1,13,018 | 39.6 | 25.2 | 21.7 | 19.0 |
| Maruti Suzuki India | S | Buy | 11,330 | 4,08,829 | 6.9 | 6.2 | 12.1 | 12.3 | 11.6 | 38,757 | -0.1 | 9.9 | 15,21,092 | 7.9 | 1,41,198 | 6.9 | 1,747,130 | 14.9 | 1,83,072 | 29.7 | 19,49,094 | 28.1 | 2,07,652 | 47.1 | 24.2 | 19.7 | 17.4 |
| TVS Motor Company | S | Buy | 2,368 | 93,278 | 14.2 | 2.5 | 13.4 | 11.3 | 11.9 | 7,652 | 57.6 | 23.7 | 3,60,287 | 13.4 | 26,236 | 26.0 | 4,34,183 | 20.5 | 34,513 | 31.5 | 4,88,661 | 35.6 | 40,385 | 53.9 | 44.2 | 33.9 | 29.0 |
| Ashok Leyland | S | Buy | 198 | 1,18,951 | 5.6 | 25.5 | 14.4 | 14.1 | 12.8 | 11,317 | 16.7 | 48.6 | 3,87,411 | 1.0 | 30,695 | 13.2 | 4,21,850 | 8.9 | 35,149 | 14.5 | 4,67,690 | 20.7 | 40,863 | 33.1 | 18.9 | 17.2 | 14.8 |
| Escorts Kubota | S | Buy | 3,051 | 24,444 | 17.4 | -16.7 | 10.7 | 12.8 | 11.4 | 2,569 | 6.1 | -11.6 | 1,02,011 | -4.5 | 10,947 | 1.2 | 1,15,854 | 13.6 | 12,587 | 15.0 | 1,31,770 | 29.2 | 15,642 | 42.9 | 33.0 | 28.1 | 22.6 |
| Exide Industries | S | Sell | 353 | 40,795 | 1.7 | 6.0 | 12.1 | 12.9 | 11.7 | 2,848 | 0.4 | 16.2 | 1,65,082 | 3.0 | 11,071 | 5.1 | 1,88,326 | 14.1 | 13,560 | 22.5 | 2,06,642 | 25.2 | 16,094 | 45.4 | 27.1 | 22.8 | 19.2 |
| Amara Raja Energy | S | Hold | 955 | 31,007 | 10.9 | -2.0 | 13.1 | 14.6 | 13.1 | 2,261 | -0.8 | 12.6 | 1,25,318 | 11.3 | 9,472 | 4.6 | 1,41,097 | 12.6 | 12,736 | 34.5 | 1,56,312 | 24.7 | 14,414 | 52.2 | 18.7 | 14.2 | 12.6 |
| Ceat | C | Buy | 2,662 | 33,364 | 11.4 | 1.0 | 10.2 | 13.1 | 10.3 | 971 | -41.8 | 0.9 | 1,31,301 | 9.9 | 4,619 | -28.1 | 1,44,214 | 9.8 | 7,927 | 71.6 | 1,57,453 | 19.9 | 9,361 | 102.7 | 26.9 | 14.6 | 12.4 |
| MRF | S | Buy | 1,10,386 | 70,552 | 13.5 | 2.5 | 13.6 | 14.2 | 11.6 | 4,242 | 11.8 | 38.3 | 2,77,766 | 12.6 | 17,489 | -14.3 | 3,07,991 | 10.9 | 23,673 | 35.4 | 3,36,656 | 21.2 | 27,138 | 55.2 | 33.5 | 20.3 | 17.7 |
| Apollo Tyres | C | Buy | 397 | 65,372 | 4.5 | -5.6 | 12.8 | 16.4 | 13.7 | 2,687 | -31.3 | -21.3 | 2,62,371 | 3.4 | 12,552 | -30.2 | 2,88,643 | 10.0 | 21,119 | 68.2 | 3,10,813 | 18.5 | 24,498 | 95.2 | 20.1 | 12.3 | 10.6 |
| Balkrishna Industries | S | Hold | 2,397 | 27,212 | 1.8 | 5.8 | 24.6 | 26.2 | 24.9 | 4,359 | -9.3 | -0.8 | 1,03,875 | 10.8 | 17,022 | 23.1 | 1,23,586 | 19.0 | 20,982 | 23.3 | 1,38,428 | 33.3 | 24,422 | 43.5 | 31.5 | 22.1 | 19.0 |
| SKF India | S | Hold | 3,768 | 13,189 | 9.6 | 5.0 | 11.3 | 17.7 | 9.7 | 1,252 | -28.4 | 14.2 | 50,255 | 10.0 | 4,882 | -11.5 | 56,315 | 12.1 | 6,468 | 32.5 | 62,853 | 25.1 | 7,396 | 51.5 | 38.2 | 28.8 | 25.2 |
| Ramkrishna Forgings | S | Sell | 720 | 9,993 | 12.8 | 4.9 | 23.0 | 22.7 | 22.6 | 1,071 | 22.7 | 7.6 | 37,729 | 8.1 | 3,596 | 10.3 | 46,108 | 22.2 | 5,198 | 44.5 | 53,722 | 42.4 | 6,348 | 76.5 | 36.2 | 25.3 | 20.8 |
| MM Forgings | S | Buy | 327 | 4,015 | 3.3 | 10.2 | 20.4 | 19.4 | 20.1 | 385 | 1.3 | 21.6 | 15,237 | -0.2 | 1,386 | -4.3 | 17,878 | 17.3 | 1,799 | 29.8 | 20,371 | 33.7 | 2,185 | 57.7 | 11.4 | 8.9 | 7.3 |
| Uno Minda | C | Hold | 806 | 44,799 | 18.1 | 7.1 | 11.4 | 12.5 | 10.9 | 2,732 | 4.1 | 17.5 | 1,67,262 | 19.2 | 9,414 | 10.3 | 1,97,050 | 17.8 | 11,975 | 27.2 | 2,27,954 | 36.3 | 14,490 | 53.9 | 49.2 | 39.8 | 32.9 |
| Endurance | C | Hold | 1,836 | 28,385 | 5.7 | -0.7 | 13.1 | 14.5 | 13.0 | 1,859 | -11.5 | 0.8 | 2,57,713 | 151.7 | 17,752 | 160.9 | 1,34,432 | -47.8 | 10,215 | -42.5 | 1,53,017 | -40.6 | 12,299 | -30.7 | 14.6 | 25.3 | 21.0 |
| Craftsman Automation | C | Hold | 4,487 | 16,911 | 53.0 | 7.3 | 13.4 | 18.7 | 12.6 | 488 | -21.7 | 76.2 | 56,323 | 26.5 | 1,914 | -37.2 | 72,057 | 27.9 | 3,553 | 85.7 | 82,029 | 45.6 | 6,003 | 213.7 | 55.9 | 30.8 | 18.2 |
| Sansera Engineering | C | Buy | 1,050 | 7,703 | 3.3 | 5.8 | 17.6 | 17.0 | 17.5 | 618 | 34.1 | 11.0 | 30,054 | 6.9 | 2,177 | 17.2 | 35,387 | 17.7 | 3,301 | 51.7 | 40,167 | 33.6 | 3,923 | 80.2 | 25.5 | 20.3 | 17.1 |
| ZF Commercial Vehicle | S | Buy | 12,900 | 10,382 | 8.7 | 8.6 | 17.2 | 15.4 | 18.3 | 1,278 | 26.5 | 2.3 | 38,066 | 0.6 | 4,613 | 14.0 | 44,543 | 17.0 | 5,611 | 21.6 | 50,933 | 33.8 | 6,636 | 43.9 | 53.0 | 44.4 | 37.5 |
| Gabriel India | C | Buy | 520 | 10,867 | 18.5 | 6.9 | 9.3 | 8.8 | 9.0 | 646 | 31.7 | 7.5 | 40,769 | 19.8 | 2,452 | 37.2 | 48,774 | 19.6 | 2,809 | 14.6 | 54,507 | 33.7 | 3,339 | 36.2 | 32.5 | 28.4 | 23.9 |

Source: Company, Anand Rathi Research , Note: S-Standalone, C-Consolidated

Note: Gabriel yearly numbers are Standalone.

For our covered banks, Q4 FY25 NII would have grown softly as loan growth remained sluggish. Margins are expected to be soft due to growth in corporate advances and higher deposits. We expect asset quality to have been stable, translating to favourable credit costs. Our top picks are ICICI Bank, SBI and Karur Vysya Bank.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e | | | | | | FY26e | | | | | | FY27e | | | | | | P/B (x) | | |
|------------------------|-----|------|------------|----------|-------|-------|----------|-------|-------|----------|-------|-------|-----------|-------|-----------|-------|----------|-------|-----------|-------|-----------|-------|----------|-------|-----------|-------|-----------|-------|----------|-------|---------|-------|-------|
| | | | | NII | | | PPoP | | | PAT | | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Axis Bank | S | Buy | 1,049 | 1,38,269 | 5.6 | 1.6 | 1,09,173 | 3.6 | 3.6 | 66,931 | -6.1 | 6.2 | 5,43,642 | 9.0 | 4,22,698 | 13.9 | 2,59,490 | 4.4 | 6,14,072 | 13.0 | 4,94,105 | 16.9 | 3,07,591 | 18.5 | 6,99,665 | 13.9 | 5,74,086 | 16.2 | 3,63,887 | 18.3 | 2.1 | 1.8 | 1.6 |
| HDFC Bank | S | Hold | 1,758 | 3,11,871 | 7.3 | 1.7 | 2,72,246 | -7.0 | 8.9 | 1,74,199 | 5.5 | 4.1 | 12,17,914 | 12.2 | 10,08,154 | 6.8 | 6,71,511 | 10.4 | 13,43,336 | 10.3 | 11,06,306 | 9.7 | 7,46,654 | 11.2 | 15,54,641 | 15.7 | 12,71,040 | 14.9 | 8,61,001 | 15.3 | 3.0 | 2.8 | 2.5 |
| ICICI Bank | S | Buy | 1,288 | 2,09,547 | 9.8 | 2.9 | 1,72,102 | 14.4 | 1.9 | 1,20,765 | 12.8 | 2.4 | 8,09,262 | 8.9 | 6,68,448 | 15.0 | 4,66,739 | 14.1 | 9,19,205 | 13.6 | 7,76,844 | 16.2 | 5,34,686 | 14.6 | 10,47,525 | 14.0 | 8,90,897 | 14.7 | 6,14,151 | 14.9 | 3.8 | 3.3 | 2.8 |
| Kotak Mahindra Bank | S | Hold | 2,039 | 74,917 | 8.4 | 4.1 | 57,496 | 5.3 | 11.0 | 37,064 | -10.3 | 12.2 | 2,87,325 | 10.5 | 2,15,713 | 10.1 | 1,33,995 | -2.8 | 3,31,369 | 15.3 | 2,45,410 | 13.8 | 1,61,676 | 20.7 | 3,77,792 | 14.0 | 2,81,145 | 14.6 | 1,85,120 | 14.5 | 3.5 | 3.1 | 2.7 |
| Bank of Baroda | S | Buy | 229 | 1,17,551 | -0.3 | 3.0 | 79,073 | -2.5 | 3.2 | 47,323 | -3.2 | -2.2 | 4,61,643 | 3.2 | 3,19,462 | 3.2 | 1,96,909 | 10.7 | 5,25,777 | 13.9 | 3,66,534 | 14.7 | 2,01,786 | 2.5 | 5,91,369 | 12.5 | 4,13,017 | 12.7 | 2,26,436 | 12.2 | 1.1 | 0.9 | 0.8 |
| Indian Bank | S | Buy | 541 | 66,701 | 10.9 | 4.0 | 49,162 | 14.2 | 3.5 | 28,401 | 26.4 | -0.4 | 2,54,571 | 9.4 | 1,88,957 | 12.2 | 1,07,128 | 32.9 | 2,91,432 | 14.5 | 2,17,118 | 14.9 | 1,11,617 | 4.2 | 3,32,302 | 14.0 | 2,45,766 | 13.2 | 1,24,920 | 11.9 | 1.2 | 1.1 | 0.9 |
| State Bank of India | S | Buy | 747 | 4,32,106 | 3.7 | 4.3 | 2,34,966 | -18.3 | -0.2 | 1,48,317 | -28.3 | -12.2 | 16,74,011 | 4.7 | 10,27,897 | 18.6 | 6,36,205 | 4.2 | 18,75,099 | 12.0 | 11,68,530 | 13.7 | 7,33,882 | 15.4 | 20,93,652 | 11.7 | 13,14,595 | 12.5 | 8,03,169 | 9.4 | 1.8 | 1.6 | 1.4 |
| Union Bank of India | S | Buy | 118 | 95,065 | 0.7 | 2.9 | 78,092 | 19.5 | 4.2 | 46,202 | 39.6 | 0.4 | 3,73,342 | 2.1 | 3,18,239 | 12.8 | 1,79,910 | 31.8 | 4,29,746 | 15.1 | 3,66,652 | 15.2 | 1,83,120 | 1.8 | 4,91,583 | 14.4 | 4,21,195 | 14.9 | 2,12,500 | 16.0 | 0.9 | 0.8 | 0.7 |
| Bandhan Bank | S | Hold | 145 | 29,420 | 2.6 | 3.9 | 18,502 | 0.6 | -8.5 | 5,021 | 819.2 | 17.7 | 1,17,256 | 13.6 | 74,818 | 12.7 | 29,079 | 30.4 | 1,32,782 | 13.2 | 83,582 | 11.7 | 29,079 | 0.0 | 1,46,869 | 10.6 | 89,838 | 7.5 | 44,326 | 52.4 | 1.1 | 1.0 | 0.9 |
| IDFC First Bank | S | Buy | 57 | 53,250 | 19.2 | 8.6 | 19,943 | 19.9 | 13.4 | 5,230 | -27.8 | 54.1 | 1,97,098 | 19.8 | 75,975 | 21.8 | 17,553 | -40.6 | 2,45,958 | 24.8 | 94,870 | 24.9 | 33,406 | 90.3 | 3,12,538 | 27.1 | 1,25,858 | 32.7 | 49,693 | 48.8 | 1.2 | 1.2 | 1.1 |
| Indusind Bank | S | Buy | 676 | 48,823 | -9.2 | -6.6 | 32,619 | -19.0 | -9.4 | 1,291 | -94.5 | -90.8 | 2,12,583 | 3.1 | 1,47,600 | -6.2 | 89,498 | 0.0 | 2,47,981 | 16.7 | 1,74,242 | 18.0 | 92,088 | 2.9 | 2,89,781 | 16.9 | 2,03,631 | 16.9 | 1,07,186 | 16.4 | 0.8 | 0.8 | 0.7 |
| Yes Bank | S | Sell | 17 | 22,653 | 5.2 | 1.9 | 11,129 | 23.3 | 3.1 | 6,520 | 44.3 | 6.5 | 94,165 | 16.3 | 39,717 | 17.3 | 18,789 | 50.2 | 1,06,741 | 13.4 | 39,717 | 0.0 | 21,969 | 16.9 | 1,29,768 | 21.6 | 69,596 | 75.2 | 30,765 | 40.0 | 1.2 | 1.1 | 1.0 |
| City Union Bank | S | Buy | 160 | 5,932 | 8.5 | 0.9 | 4,322 | 22.9 | -0.9 | 2,893 | 13.5 | 1.2 | 23,156 | 9.1 | 16,844 | 11.1 | 11,115 | 9.4 | 26,408 | 14.0 | 19,413 | 15.3 | 12,289 | 10.6 | 30,106 | 14.0 | 22,475 | 15.8 | 14,299 | 16.4 | 1.4 | 1.3 | 1.1 |
| DCB Bank | S | Buy | 113 | 5,692 | 12.2 | 4.9 | 2,768 | 18.4 | 2.1 | 1,572 | 1.0 | 3.8 | 21,214 | 10.0 | 10,212 | 18.1 | 6,049 | 12.9 | 25,758 | 21.4 | 13,874 | 35.9 | 7,956 | 31.5 | 30,354 | 17.8 | 17,679 | 27.4 | 10,366 | 30.3 | 0.7 | 0.6 | 0.6 |
| Federal Bank | S | Buy | 191 | 24,826 | 13.1 | 2.1 | 15,889 | 43.1 | 1.2 | 9,821 | 8.4 | 2.8 | 96,266 | 16.1 | 62,978 | 21.7 | 40,935 | 10.0 | 1,14,266 | 18.7 | 62,978 | 0.0 | 40,935 | 0.0 | 1,34,611 | 17.8 | 93,331 | 48.2 | 56,063 | 37.0 | 1.6 | 1.4 | 1.3 |
| Karnataka Bank | S | Buy | 179 | 8,019 | -3.8 | 1.2 | 4,860 | -2.7 | 12.2 | 3,314 | 20.9 | 16.9 | 33,316 | 1.0 | 19,381 | -10.4 | 13,514 | 3.5 | 38,262 | 14.8 | 23,008 | 18.7 | 12,702 | -6.0 | 43,156 | 12.8 | 25,969 | 12.9 | 14,241 | 12.1 | 0.6 | 0.6 | 0.5 |
| Karur Vysya Bank | S | Buy | 204 | 10,989 | 10.4 | 1.9 | 8,175 | -5.7 | 0.3 | 4,872 | 6.8 | -1.8 | 42,620 | 11.9 | 32,107 | 13.5 | 19,396 | 20.9 | 48,018 | 12.7 | 35,882 | 11.8 | 20,406 | 5.2 | 55,231 | 15.0 | 41,017 | 14.3 | 22,900 | 12.2 | 1.6 | 1.4 | 1.2 |
| Jammu and Kashmir Bank | S | Buy | 91 | 15,429 | 18.1 | 2.3 | 7,625 | 14.9 | 1.9 | 5,203 | -18.5 | -2.1 | 58,946 | 13.3 | 28,913 | 27.0 | 20,666 | 16.9 | 64,528 | 9.5 | 32,871 | 13.7 | 18,857 | -8.8 | 72,327 | 12.1 | 39,041 | 18.8 | 21,036 | 11.6 | 0.8 | 0.7 | 0.6 |
| South Indian Bank | S | Buy | 23 | 8,753 | 0.1 | 0.7 | 5,321 | 22.7 | 0.6 | 3,395 | 18.1 | -0.7 | 34,849 | 4.6 | 21,187 | 13.4 | 13,134 | 22.7 | 39,116 | 12.2 | 25,083 | 18.4 | 13,251 | 0.9 | 44,237 | 13.1 | 29,917 | 19.3 | 15,368 | 16.0 | 0.7 | 0.6 | 0.5 |

Source: Company, Anand Rathi Research, Note: S-Standalone, C-Consolidated

NBFC-MFIs

Growth is expected to remain weak for the segment. Our channel checks indicate that pain in asset quality would continue. Slippages are expected to remain elevated and increase in PAR data would result in high credit cost for the companies.

NBFCs

For our covered NBFCs, we expect growth to have been strong with lower q/q margins. Lower credit costs are expected to support stable earnings growth. Our top picks are Chola Finance and L&T Finance.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e | | | | | | FY26e | | | | | | FY27e | | | | | | P/B (x) | | |
|----------------------|-----|------|------------|----------|-------|-------|--------|-------|-------|--------|-------|-------|----------|-------|----------|-------|----------|--------|----------|-------|----------|-------|----------|--------|----------|-------|----------|-------|----------|-------|---------|-------|-------|
| | | | | NII | | | PPoP | | | PAT | | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | | NII | | PPoP | | PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| NBFC-MFIs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CreditAccess Grameen | C | Buy | 957 | 8,527 | -3.2 | -1.2 | 6,012 | -11.9 | -3.5 | -1,028 | NM | NM | 38,682 | 22.1 | 28,638 | 19.8 | 9,640 | -33.3 | 43,183 | 11.6 | 31,231 | 9.1 | 15,651 | 62.4 | 48,948 | 13.4 | 34,618 | 10.8 | 18,260 | 16.7 | 2.3 | 2.1 | 1.7 |
| Fusion Microfinance | S | Hold | 133 | 3,582 | -0.8 | 59.5 | 2,835 | -2.5 | 337.7 | 1,294 | NM | NM | 15,391 | 18.3 | 11,265 | 9.6 | 1,877 | -62.9 | 17,992 | 16.9 | 12,976 | 15.2 | 5,289 | 181.8 | 20,912 | 16.2 | 15,114 | 16.5 | 8,085 | 52.9 | 0.5 | 0.4 | 0.4 |
| Spandana Sphoorty | C | Hold | 232 | 2,817 | -27.0 | 2.8 | 927 | -65.2 | 18.2 | -692 | NM | NM | 15,722 | 19.9 | 10,322 | 8.3 | -1,969 | -139.3 | 16,976 | 8.0 | 10,518 | 1.9 | 4,468 | -326.9 | 19,266 | 13.5 | 11,063 | 5.2 | 5,302 | 18.7 | 0.5 | 0.5 | 0.4 |
| NBFCs | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bajaj Finance | C | Buy | 8,567 | 1,12,720 | 20.7 | 3.5 | 80,192 | 25.1 | 2.7 | 42,677 | 11.7 | -0.9 | 4,35,188 | 24.9 | 3,00,786 | 25.7 | 1,64,917 | 14.1 | 5,41,622 | 24.5 | 3,75,585 | 24.9 | 2,07,948 | 26.1 | 6,68,097 | 23.4 | 4,63,043 | 23.3 | 2,59,866 | 25.0 | 6.9 | 5.8 | 4.8 |
| Cholamandalam | C | Buy | 1,387 | 35,566 | 27.6 | 6.8 | 22,407 | 38.8 | 5.3 | 11,960 | 12.3 | 9.9 | 1,33,294 | 34.5 | 83,089 | 40.3 | 44,027 | 29.1 | 1,72,901 | 29.7 | 1,09,541 | 31.8 | 58,987 | 34.0 | 2,22,380 | 28.6 | 1,42,100 | 29.7 | 77,901 | 32.1 | 5.9 | 4.9 | 3.8 |
| SBI Cards | S | Hold | 813 | 16,157 | 14.2 | 2.9 | 18,904 | 3.2 | 3.3 | 5,227 | -21.1 | 36.4 | 61,647 | 15.6 | 73,782 | 13.2 | 20,448 | -15.1 | 72,689 | 17.9 | 84,501 | 14.5 | 26,712 | 30.6 | 88,446 | 21.7 | 1,02,858 | 21.7 | 38,441 | 43.9 | 6.4 | 5.5 | 4.7 |
| L&T Finance | C | Buy | 149 | 20,760 | 4.5 | -7.2 | 14,962 | 9.9 | 1.2 | 6,519 | 17.9 | 4.2 | 85,925 | 14.0 | 58,613 | 13.4 | 24,890 | -53.4 | 98,753 | 14.9 | 65,979 | 12.6 | 29,596 | 18.9 | 1,13,868 | 15.3 | 75,546 | 14.5 | 35,497 | 19.9 | 1.6 | 1.4 | 1.3 |
| MMFS | C | Buy | 253 | 22,629 | 7.1 | -0.7 | 13,475 | 7.8 | 2.6 | 6,510 | -0.6 | -27.8 | 1,00,646 | 14.2 | 51,042 | 13.7 | 24,063 | 23.8 | 1,16,151 | 15.4 | 59,756 | 17.1 | 27,670 | 15.0 | 1,33,551 | 15.0 | 69,336 | 16.0 | 32,726 | 18.3 | 1.6 | 1.4 | 1.3 |
| Aptus Value | C | Buy | 295 | 3,324 | 32.2 | 14.4 | 2,997 | 33.5 | 16.0 | 2,127 | 29.7 | 11.6 | 11,863 | 27.3 | 10,500 | 27.7 | 7,712 | 26.0 | 15,101 | 27.3 | 13,435 | 27.9 | 9,651 | 25.1 | 19,023 | 26.0 | 17,005 | 26.6 | 12,092 | 25.3 | 3.9 | 3.3 | 2.8 |
| MAS Financial | S | Buy | 246 | 1,194 | 4.6 | -19.7 | 1,493 | 32.7 | 7.9 | 763 | 12.1 | -2.3 | 5,103 | 25.0 | 5,327 | 26.5 | 3,007 | 21.4 | 6,310 | 23.7 | 6,592 | 23.8 | 3,581 | 19.1 | 7,763 | 23.0 | 7,986 | 21.1 | 4,476 | 25.0 | 2.3 | 2.0 | 1.7 |

BUILDING MATERIALS (excl. cement) & others

Top picks: Supreme Industries, Century Plyboards

ANAND RATHI

Muted demand likely led to soft overall volume offtake. In plastic pipes & fittings, volume growth is expected to have been healthy (though lower than anticipated) as Q4 is the strongest quarter. In wood panels, expanded capacities are expected to have led to volume growth. Pricing scenario in PVC resin remained uncertain; hence, the momentum in channel inventory filling was lacking, which could dent margins. Input costs in wood panels are expected to remain soft; however, under absorption of fixed overheads (expanded capacities) could hurt margins. We expect 16.5% q/q, 5.7% y/y revenue growth and operating margin contraction of 20bps q/q, 356bps y/y; PAT growth is expected at 12.9% q/q, but is likely to dip 31.7% y/y. We believe demand should gradually improve in a quarter or so and margin tailwinds would follow from H2 FY26.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|---------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Supreme Industries | C | Buy | 3,114 | 32,712 | 8.7 | 30.3 | 10.9 | 16.3 | 12.3 | 2104 | -40.7 | 12.5 | 1,13,688 | 12.2 | 10,940 | 2.3 | 1,37,189 | 20.7 | 15,131 | 38.3 | 1,55,386 | 13.3 | 18,233 | 20.5 | 36.2 | 26.1 | 21.7 |
| Astral | C | Buy | 1,288 | 16,961 | 4.4 | 21.4 | 15.5 | 17.9 | 15.7 | 1,375 | -24.0 | 21.7 | 60,123 | 6.6 | 5,567 | 1.9 | 70,163 | 16.7 | 7,035 | 26.4 | 85,419 | 21.7 | 9,382 | 33.4 | 62.2 | 49.3 | 36.9 |
| Finolex Industries | C | Buy | 176 | 12,381 | 0.3 | 23.7 | 9.8 | 16.9 | 8.3 | 1118 | -32.3 | 18.9 | 43,938 | 1.8 | 3,560 | -24.8 | 49,119 | 11.8 | 5,697 | 60.0 | 55,213 | 12.4 | 7,262 | 27.5 | 30.5 | 19.1 | 15.0 |
| Century Plyboards | C | Buy | 666 | 11,804 | 11.3 | 3.5 | 10.6 | 13.0 | 11.3 | 536 | -31.3 | -7.6 | 44,564 | 14.7 | 2,820 | -13.6 | 52,548 | 17.9 | 4,434 | 57.2 | 62,591 | 19.1 | 6,279 | 41.6 | 52.6 | 33.4 | 23.6 |
| Greenlam Ind. | C | Buy | 262 | 6,447 | 7.5 | 5.0 | 9.1 | 9.5 | 8.6 | 286 | -1.0 | 18 | 25,588 | 17.4 | 1,199 | 67.3 | 28,719 | 12.2 | 1,777 | 48.2 | 31,687 | 10.3 | 2,243 | 26.2 | 27.0 | 18.2 | 14.5 |
| Greenply Industries | C | Buy | 216 | 7,215 | 15.6 | 19.9 | 10.9 | 13.3 | 10.6 | 210 | -48.9 | 61.3 | 25,953 | 12.5 | 1,163 | -16.0 | 32,931 | 26.9 | 2,061 | 77.2 | 40,659 | 23.5 | 3,278 | 59.1 | 47.4 | 26.7 | 16.8 |
| Greenpanel Ind. | S | Buy | 222 | 3,817 | -3.8 | 6.2 | 5.3 | 13.0 | 4.8 | 57 | -80.9 | -28.5 | 14,931 | -4.7 | 483 | -66.2 | 18,638 | 24.8 | 1,341 | 177.7 | 22,321 | 19.8 | 2,558 | 90.8 | 56.3 | 20.3 | 10.6 |
| Stylam Industries | S | Buy | 1,561 | 2,610 | 8.8 | 2.4 | 16.9 | 20.0 | 18.0 | 275 | -28.3 | -7.6 | 10,186 | 11.4 | 1,352 | 5.3 | 12,682 | 24.5 | 1,640 | 21.3 | 15,165 | 19.6 | 1,945 | 18.6 | 19.6 | 16.1 | 13.6 |
| Kajaria Ceramics | C | Buy | 786 | 12,371 | -0.3 | 6.3 | 13.1 | 13.8 | 12.7 | 2905 | -11.3 | 16.0 | 47,787 | 4.4 | 3,862 | -8.5 | 53,761 | 12.5 | 4,846 | 25.5 | 62,161 | 15.6 | 6,223 | 28.4 | 32.4 | 25.8 | 20.1 |
| Cera Sanitaryware | C | Buy | 5,398 | 5,627 | 2.5 | 24.5 | 12.5 | 17.3 | 13.5 | 526 | -29.8 | 14.8 | 19,381 | 3.1 | 2,222 | -7.0 | 21,683 | 11.9 | 2,575 | 15.9 | 25,071 | 15.6 | 3,082 | 19.7 | 31.6 | 27.3 | 22.8 |
| Nilkamal Ltd | C | Buy | 460 | 2,321 | 5.0 | 11.6 | 22.5 | 18.6 | 22.6 | 357 | 10.8 | 16.8 | 8,810 | 9.7 | 1,337 | 9.1 | 10,100 | 14.6 | 1,628 | 21.8 | 11,825 | 17.1 | 2,016 | 23.9 | 15.1 | 12.4 | 10.0 |
| Mayur Uniquoters | C | Buy | 1,574 | 8,757 | 5.0 | 2.5 | 7.5 | 9.7 | 7.4 | 188 | -46.9 | -12.3 | 33,446 | 4.6 | 983 | -19.6 | 36,243 | 8.4 | 1,281 | 30.3 | 40,636 | 12.1 | 1,786 | 39.5 | 23.9 | 18.3 | 13.2 |

Source: Company, Anand Rath Research, Note: S-standalone, C-consolidated

Higher pent-up housing demand, government infra spend, rising private capex, etc., led to improved cement demand momentum from Dec'24, which continued in Q4. Jan/Feb price hikes, however, got rolled back in a bid to meet year-end targets, tackle intense competition, Holi, etc. For our covered companies, we expect Q4 volumes to have grown 6.6% y/y, 23.4% q/q, and all-India cement prices are likely to have averaged at Rs357 a bag (vs. Rs380 in Q4 FY24 and Rs345 in Q3 FY25). We expect realizations for our covered companies to have averaged at Rs5,076/tonne (down 2.9% y/y, but up 2.7% q/q). While fuel prices have started inching up, the low-fuel cost inventory would aid operating performances. For our coverage universe, we expect EBITDA/tonne to have averaged at ~Rs993 (Rs980 a year ago, Rs785 the quarter prior). Our top picks are JK Cement and Shree Cement.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | EV/EBITDA (x) | | |
|---------------|-----|------|------------|----------|-------|-------|------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|-------|
| | | | | Revenue | | | EBITDA / ton(Rs) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Shree Cement | S | Buy | 29,757 | 51,830 | 2.2 | 22.4 | 1,424 | 1,393 | 1,079 | 6210 | -6.2 | 170.7 | 1,80,691 | -7.7 | 10,897 | -55.9 | 2,16,769 | 20.0 | 19,440 | 78.4 | 2,49,272 | 15.0 | 26,514 | 36.4 | 27.8 | 21.0 | 16.9 |
| Ramco | S | Hold | 921 | 27,103 | 1.4 | 37.1 | 733 | 760 | 639 | 1167 | -3.8 | L2P | 89,632 | -4.1 | 525 | -86.7 | 98,463 | 9.9 | 3,206 | 510.5 | 1,12,604 | 14.4 | 6,997 | 118.2 | 20.3 | 16.7 | 12.2 |
| JK Cement | S | Buy | 4,803 | 31,998 | 8.9 | 17.8 | 1,213 | 1,078 | 1,040 | 3047 | 34.5 | 48.8 | 1,09,509 | 0.3 | 6,952 | -16.9 | 1,22,406 | 11.8 | 9,466 | 36.2 | 1,40,818 | 15.0 | 13,142 | 38.8 | 23.0 | 18.4 | 14.3 |
| Birla Corp | C | Buy | 1,092 | 26,579 | 0.1 | 17.8 | 749 | 955 | 559 | 1297 | -30.4 | 316.0 | 92,411 | -4.4 | 1,962 | -52.6 | 1,03,134 | 11.6 | 5,572 | 183.9 | 1,11,921 | 8.5 | 6,954 | 24.8 | 10.8 | 7.3 | 6.3 |
| Heidelberg | S | Hold | 186 | 5,949 | -0.3 | 9.6 | 469 | 721 | 291 | 240 | -50.2 | 361.9 | 21,577 | -8.8 | 1,157 | -31.0 | 23,552 | 9.2 | 1,879 | 62.3 | 25,684 | 9.1 | 2,461 | 31.0 | 15.4 | 10.9 | 8.5 |
| JK Lakshmi | C | Hold | 783 | 17,513 | -1.7 | 17.0 | 813 | 1,032 | 666 | 1102 | -29.8 | 85.6 | 61,162 | -9.9 | 2,242 | -51.6 | 68,969 | 12.8 | 3,712 | 65.6 | 79,808 | 15.7 | 5,502 | 48.2 | 14.2 | 11.2 | 8.9 |
| Dalmia Bharat | C | Hold | 1,787 | 45,593 | 5.9 | 43.3 | 879 | 743 | 763 | 2559 | -18.8 | 319.5 | 1,45,890 | -0.7 | 7,084 | -14.2 | 1,64,004 | 12.4 | 10,024 | 41.5 | 1,81,435 | 10.6 | 13,782 | 37.5 | 13.3 | 10.7 | 8.5 |
| Star Cement | C | Buy | 217 | 10,426 | 14.1 | 45.1 | 1,293 | 1,274 | 977 | 764 | -12.8 | 743.8 | 31,489 | 8.2 | 1,378 | -53.3 | 36,193 | 14.9 | 2,224 | 61.4 | 42,564 | 17.6 | 3,214 | 44.5 | 17.0 | 12.5 | 9.6 |
| Prism Johnson | C | Hold | 124 | 21,504 | 3.4 | 15.7 | 470 | 300 | 11 | 147 | L2P | L2P | 74,317 | -2.1 | -1,811 | NA | 76,512 | 3.0 | -214 | NA | 78,418 | 2.5 | 347 | L2P | 21.1 | 12.7 | 10.9 |

Consumer durables. We expect Q4 to have been strong for W&C companies, driven by stocking-up owing to rising copper prices and a pickup in exports. Thus, higher margins q/q are expected, though y/y contraction is likely due to the high base. RAC, fans and cooler companies (branded and contract manufacturers) are expected to have performed well, driven by pre-summer stocking, with y/y higher margins due to the low base and improved operating leverage. Overall, consumer durables sector is projected to report sales/EBITDA/PAT growth of 35.7%/27.4%/24.1% y/y for Q4.

Aerospace. Unimech is expected to report 11% topline growth, driven by orderbook execution. However, margins are projected to contract 870bps due to higher SGA cost from the recent capacity expansion, leading to a 9.9% y/y decline in PAT.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | | | | |
|--------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|-------|-------|--|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e | |
| Consumer Durables | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amber Enterprises | C | Buy | 6,155 | 34,685 | 23.6 | 62.6 | 8.4 | 7.9 | 7.4 | 1,446 | 52.7 | 303.0 | 96,879 | 44.0 | 2,720 | 104.7 | 1,18,245 | 22.1 | 4,153 | 52.7 | 1,44,189 | 21.9 | 7,034 | 69.3 | 76.4 | 50.0 | 29.5 | | | |
| Bajaj Electricals | C | Sell | 533 | 12,429 | 4.6 | (3.6) | 6.0 | 4.2 | 6.8 | 379 | 29.5 | 13.7 | 48,059 | 3.5 | 904 | -33.5 | 51,219 | 6.6 | 1,496 | 65.4 | 54,994 | 7.4 | 2,109 | 41.0 | 67.9 | 41.1 | 29.1 | | | |
| Bluestar | C | Buy | 1,959 | 40,793 | 22.6 | 45.3 | 7.4 | 7.3 | 7.5 | 1,996 | 24.3 | 66.6 | 1,20,174 | 24.1 | 6,131 | 47.8 | 1,47,899 | 23.1 | 8,060 | 31.5 | 1,82,200 | 23.2 | 10,206 | 26.6 | 65.7 | 50.0 | 39.5 | | | |
| Crompton Greaves | C | Buy | 330 | 22,125 | 12.8 | 25.1 | 12.1 | 10.4 | 10.6 | 1,748 | 26.3 | 59.2 | 80,154 | 9.6 | 5,613 | 27.6 | 89,598 | 11.8 | 6,743 | 20.1 | 99,672 | 11.2 | 7,832 | 16.2 | 37.8 | 31.5 | 27.1 | | | |
| Dixon Technologies | C | Buy | 12,561 | 1,17,732 | 152.8 | 12.6 | 3.7 | 3.9 | 3.7 | 2,090 | 119.8 | 22.1 | 4,08,749 | 131.1 | 7,580 | 106.1 | 6,40,011 | 56.6 | 12,295 | 62.2 | 8,15,223 | 27.4 | 16,911 | 37.5 | 99.1 | 61.1 | 44.4 | | | |
| Finolex cables | C | Buy | 860 | 16,119 | 15.1 | 36.4 | 11.6 | 11.6 | 11.7 | 1,925 | 3.4 | 30.7 | 54,899 | 9.5 | 6,975 | 7.0 | 62,468 | 13.8 | 8,424 | 20.8 | 71,235 | 14.0 | 9,476 | 12.5 | 18.9 | 15.6 | 13.9 | | | |
| Havells | C | Buy | 1,457 | 63,500 | 16.7 | 29.9 | 9.6 | 11.7 | 8.7 | 4,336 | -2.9 | 55.8 | 2,13,664 | 14.9 | 14,228 | 12.0 | 2,44,835 | 14.6 | 19,219 | 35.1 | 2,82,676 | 15.5 | 22,585 | 17.5 | 64.2 | 47.5 | 40.4 | | | |
| KEI | C | Hold | 2,510 | 27,493 | 18.5 | 11.4 | 10.3 | 10.5 | 9.8 | 1,965 | 16.4 | 19.2 | 94,571 | 16.7 | 6,915 | 19.0 | 1,11,037 | 17.4 | 8,631 | 24.8 | 1,30,523 | 17.5 | 10,072 | 16.7 | 32.8 | 26.3 | 22.5 | | | |
| Orient Electric | S | Buy | 200 | 9,107 | 15.6 | 11.5 | 7.7 | 3.9 | 7.5 | 356 | 177.8 | 30.9 | 31,726 | 12.8 | 805 | 31.4 | 36,212 | 14.1 | 1,437 | 78.6 | 41,801 | 15.4 | 2,003 | 39.4 | 53.0 | 29.7 | 21.3 | | | |
| PG Electroplast | C | Buy | 812 | 15,903 | 47.7 | 64.3 | 11.5 | 10.8 | 8.8 | 1,158 | 66.6 | 192.9 | 42,281 | 53.9 | 2,455 | 79.2 | 55,650 | 31.6 | 3,833 | 56.1 | 79,098 | 42.1 | 5,839 | 52.4 | 93.2 | 59.7 | 39.2 | | | |
| Polycab | C | Buy | 4,931 | 67,265 | 20.3 | 28.7 | 13.1 | 13.6 | 13.8 | 5,907 | 8.2 | 29.1 | 2,17,733 | 20.7 | 19,171 | 7.5 | 2,52,736 | 16.1 | 22,897 | 19.4 | 2,93,423 | 16.1 | 27,011 | 18.0 | 38.6 | 32.4 | 27.4 | | | |
| Symphony | C | Hold | 1,098 | 3,763 | 13.3 | 55.5 | 19.0 | 17.2 | 12.0 | 588 | 22.6 | L2P | 14,753 | 27.6 | 2,179 | 44.3 | 17,040 | 15.5 | 2,564 | 17.7 | 19,554 | 14.8 | 3,052 | 19.0 | 41.3 | 29.4 | 24.7 | | | |
| TTK Prestige | C | Hold | 622 | 6,585 | 5.8 | (9.4) | 11.4 | 12.4 | 10.9 | 582 | -0.8 | -0.4 | 27,237 | 1.7 | 2,139 | -6.4 | 28,318 | 4.0 | 2,689 | 25.7 | 29,970 | 5.8 | 2,897 | 7.7 | 39.8 | 31.7 | 29.4 | | | |
| Vguard | C | Buy | 347 | 15,643 | 16.5 | 23.3 | 9.9 | 9.5 | 8.2 | 952 | 24.9 | 58.0 | 56,435 | 16.2 | 3,272 | 27.0 | 66,225 | 17.3 | 4,424 | 35.2 | 77,012 | 16.3 | 5,709 | 29.0 | 46.1 | 34.1 | 26.4 | | | |
| Voltas | C | Buy | 1,296 | 49,685 | 18.2 | 60.0 | 7.3 | 4.5 | 6.4 | 2,463 | 111.6 | 86.4 | 1,55,394 | 24.5 | 7,640 | 203.2 | 1,83,376 | 18.0 | 9,360 | 22.5 | 2,16,593 | 18.1 | 11,167 | 19.3 | 56.1 | 45.8 | 38.3 | | | |
| Aerospace | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unimech | C | Buy | 920 | 694 | 11.3 | 28.8 | 33.5 | 42.2 | 29.1 | 178 | -9.9 | 14.0 | 2,543 | 21.8 | 763 | 31.3 | 3,578 | 40.7 | 1,026 | 34.5 | 5,019 | 40.3 | 1,486 | 44.8 | 61.3 | 45.6 | 31.5 | | | |

Though demand remained sluggish (similar to Q3 FY25), we expect Q4 to have been stable for most discretionary companies. A few companies, however, saw slightly better demand led by weddings and EoSS during the quarter. Growth for most is likely to be in high-single digit to low-double digits. EBITDA margins for most are likely to remain intact (or slightly contract), led by operational efficiency and lower discounts. We expect jewellery retailers' healthy revenue growth to have been led by wedding sales and network expansion. Growth for the segment is to be largely driven by value growth as volumes remain impacted due to rising gold prices. Apparel companies saw good demand in Jan, led by the wedding season, which dropped in the second half of Q4. Growth is likely to be driven by low-to mid-single-digit SSSG and network expansion. Value retailers continue to outperform others, with better revenue growth led by demand uptick in tier-2/3 cities, improved SSSG and network expansion. Electronic retailers' growth would have been driven by demand for air conditioners, coolers and network expansion. We expect hosiery companies to deliver high-single digit to low-double-digit growth, led by higher volumes. We expect footwear companies to report low-to mid-double-digit growth. Overall, working capital is to be maintained at FY24 level for most retailers; a few will see higher inventory due to seasonality. We expect Q1 FY26 to be better for jewellery retailers, led by Akshaya Tritiya. Demand recovery and SSSG improvement remain key monitorables. We have Buy ratings on Arvind Fashions, Dollar, EMIL, Go Fashion, KKCL and VMart.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|-------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|--------|-------|---------------|-------|----------|--------|---------------|-------|----------|-------|---------------|-------|----------|--------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| ABFRL | C | Hold | 245 | 35,298 | 3.6 | -18.0 | 8.4 | 8.3 | 14.7 | -1,791 | -32.8 | 322.8 | 1,52,962 | 9.3 | -5,613 | -23.7 | 1,70,660 | 11.6 | -1,255 | -77.6 | 1,93,337 | 13.3 | 1,443 | -215.0 | NA | NA | 207.4 |
| Arvind Fashions | C | Buy | 366 | 11,814 | 8.0 | -1.8 | 13.1 | 12.4 | 13.8 | 253 | 4.2 | -5.0 | 46,291 | 8.7 | 891 | 77.7 | 51,882 | 12.1 | 1,887 | 111.9 | 59,335 | 14.4 | 2,903 | 53.8 | 55.1 | 25.7 | 16.7 |
| Avenue Supermarts | C | Hold | 4,023 | 1,49,560 | 17.5 | -6.4 | 7.2 | 7.4 | 7.6 | 5,989 | 6.4 | -17.2 | 6,00,525 | 18.2 | 29,096 | 14.8 | 7,07,415 | 17.8 | 35,087 | 20.6 | 8,38,470 | 18.5 | 42,396 | 20.8 | 89.6 | 74.3 | 61.5 |
| Dollar Industries | C | Buy | 370 | 5,682 | 13.6 | 49.2 | 11.0 | 11.4 | 10.9 | 359 | 7.0 | 80.1 | 17,767 | 13.0 | 1,043 | 14.1 | 20,112 | 13.2 | 1,334 | 27.9 | 22,928 | 14.0 | 1,647 | 23.5 | 20.1 | 15.7 | 12.7 |
| EMIL | C | Buy | 113 | 16,867 | 10.7 | -10.5 | 6.9 | 7.1 | 5.2 | 300 | -26.0 | -4.8 | 70,471 | 12.1 | 1,642 | -10.7 | 81,870 | 16.2 | 2,187 | 33.2 | 97,739 | 19.4 | 2,733 | 25.0 | 26.5 | 19.9 | 15.9 |
| Go Fashion | S | Buy | 684 | 2,039 | 12.2 | -5.0 | 30.0 | 29.7 | 32.5 | 193 | 47.7 | -20.8 | 8,534 | 11.9 | 946 | 14.3 | 10,024 | 17.5 | 1,305 | 37.9 | 11,934 | 19.1 | 1,826 | 40.0 | 39.0 | 28.3 | 20.2 |
| Kewal Kiran* | C | Buy | 440 | 2,799 | 27.6 | 9.7 | 18.8 | 19.3 | 18.4 | 365 | -3.5 | 40.0 | 9,438 | 9.7 | 1,397 | -9.3 | 10,896 | 15.4 | 1,720 | 23.2 | 12,691 | 16.5 | 1,959 | 13.9 | 19.4 | 15.8 | 13.9 |
| Metro Brands | C | Hold | 1,042 | 6,650 | 14.1 | -5.4 | 28.1 | 27.2 | 32.0 | 944 | -39.1 | -0.1 | 25,958 | 10.1 | 3,680 | -10.8 | 30,387 | 17.1 | 4,951 | 34.5 | 35,619 | 17.2 | 6,230 | 25.8 | 76.9 | 57.1 | 45.4 |
| Page Industries | S | Hold | 41,304 | 10,813 | 8.9 | -17.7 | 17.6 | 16.6 | 23.0 | 1,201 | 11.0 | -41.3 | 49,421 | 8.2 | 6,837 | 20.1 | 58,178 | 17.7 | 8,195 | 19.9 | 67,859 | 16.6 | 9,753 | 19.0 | 67.4 | 56.2 | 47.2 |
| Senco Gold** | C | Buy | 289 | 12,871 | 13.2 | -38.8 | 6.6 | 7.7 | 3.8 | 290 | -9.7 | -13.3 | 62,340 | 18.9 | 2,107 | 16.4 | 74,598 | 19.7 | 3,035 | 44.0 | 89,917 | 20.5 | 3,993 | 31.6 | 19.0 | 13.2 | 10.0 |
| Vmart | C | Buy | 3,110 | 7,801 | 16.7 | -24.0 | 7.9 | 6.0 | 16.7 | 4 | -101.1 | -99.4 | 32,682 | 17.3 | 315 | -132.5 | 37,650 | 15.2 | 713 | 126.5 | 45,064 | 19.7 | 1,272 | 78.5 | 194.8 | 86.0 | 48.2 |

Source: Company, Anand Rathi Research Note: S-Standalone, C-Consolidated *Q4 FY24 does not incl. Kraus Clothing **Senco recorded stock split in 1:2 ratio in Jan'25

FMCG

Consumption trends in Q4 were likely mixed with better demand seen for summer-centric categories like juices, prickly heat powders, sunscreens, ice-cream, etc., due to the early summer; winter-specific products, meanwhile, could have been a drag due to the short winter season. Urban general trade (GT) demand remained weak, but is improving q/q. Rural demand, MT/ecommerce and QC are expected to maintain healthy growth. Major inputs such as copra, palm oil, tea, coffee, wheat and cocoa saw inflationary trends in Q4; commodities such as mentha oil, crude oil & its derivatives, etc., were soft. Companies hiked prices in a few product categories such as coconut oil, biscuits, soaps, etc., to mitigate impacts from input cost inflation. Also, players continued to invest in brands/innovations to drive volumes. Thus, y/y, EBITDA margins are expected to moderate for most FMCG companies. We remain optimistic regarding improved demand and margin performance in FY26/27, helped by rural uptick, recovery in urban demand, price hikes and the recent moderation in crude oil & other commodities.

Alcoholic beverages

We expect steady growth for alcoholic beverage players, driven by positive policy changes in AP/Telangana and consistent premiumisation (prestige and above (P&A) segment growing faster). The regular segment is also seeing sustained positive demand uptick from the last quarter. Gross margins are expected to expand, fueled by better product mix, continued premiumization and benign new glass bottle prices despite higher grain prices (broken rice and barley) due to increase in MSP and demand-supply dynamics. We have a Buy rating on United Breweries, owing to dual tailwinds of volume growth and margin recovery. While we are optimistic regarding United Spirits and Radico Khaitan's growth prospects, rich valuations compel us to retain our Hold ratings.

Paints

We expect gradual q/q demand recovery for paint players in Q4 (post Q3 weakness, owing to weak urban demand and heightened competition). Further, the benefit of 2-3% price hike towards end-Q2 is expected to be reflected in Q4, with a lower volume-value gap. Keener competition driven by the new entrant (Birla Opus) is expected to offset the benefit of recent fall in crude oil price (constituting >50% of input cost). Hence, we remain cautious regarding the sector amid new, intense competition and slowing demand. We have Sell ratings on Asian Paints and Berger Paints and a Hold rating on Kansai Nerolac.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E(x) | | |
|------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|--------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|--------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e |
| Asian Paints | C | Sell | 2,341 | 89,927 | 3.0 | 5.2 | 18.4 | 19.4 | 19.1 | 11874 | -5.5 | 6.9 | 3,51,407 | -1.0 | 43,522 | -18.3 | 3,78,465 | 7.7 | 48,651 | 11.8 | 4,10,634 | 8.5 | 53,787 | 10.6 | 51.6 | 46.2 | 41.8 |
| Berger Paints | C | Sell | 512 | 26,463 | 5.0 | -11.1 | 13.0 | 13.9 | 15.9 | 1,851 | -2.6 | -35.7 | 1,17,916 | 5.3 | 11,740 | 4.2 | 1,28,883 | 9.3 | 13,209 | 12.5 | 1,39,967 | 8.6 | 14,861 | 12.5 | 50.8 | 45.2 | 40.1 |
| Kansai Nerolac | S | Hold | 235 | 17,032 | 2.5 | -7.5 | 10.8 | 10.8 | 13.4 | 1223 | 1.4 | -76.8 | 79,244 | 1.6 | 6,441 | 22.9 | 86,059 | 8.6 | 7,569 | 17.5 | 93,030 | 8.1 | 8,491 | 12.2 | 29.5 | 25.1 | 22.4 |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| United Spirits | S | Hold | 1,403 | 29,892 | 12.1 | -12.9 | 14.5 | 13.6 | 17.1 | 2,762 | -33 | -48.7 | 1,21,477 | 7.3 | 15,037 | 5.4 | 1,33,797 | 10.1 | 17,602 | 17.1 | 1,48,046 | 10.7 | 20,192 | 14.7 | 67.8 | 57.9 | 50.5 |
| United Breweries | C | Buy | 1,946 | 23,186 | 8.7 | 15.9 | 7.2 | 6.7 | 7.1 | 956 | 17.7 | 148.8 | 90,171 | 11.0 | 5,811 | 41.7 | 1,01,345 | 12.4 | 8,876 | 52.7 | 1,12,177 | 10.7 | 10,607 | 19.5 | 88.4 | 57.9 | 48.5 |
| Radico Khaitan | C | Hold | 2,248 | 11,995 | 11.2 | -7.3 | 12.8 | 11.4 | 14.2 | 748 | 31.7 | -22.1 | 47,765 | 16.0 | 3,473 | 35.8 | 53,118 | 11.2 | 4,844 | 39.5 | 58,259 | 9.7 | 6,118 | 26.3 | 86.4 | 61.9 | 49.0 |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Zydus Wellness | C | Buy | 1,682 | 8,922 | 14.0 | 93.2 | 21.7 | 20.7 | 3.2 | 1808 | 20.3 | 2724.3 | 26,812 | 15.2 | 3,803 | 35.3 | 30,818 | 14.9 | 4,003 | 5.2 | 34,282 | 11.2 | 4,604 | 15.0 | 28.1 | 26.7 | 23.2 |
| HUL | C | Buy | 2,249 | 1,51,338 | 3.0 | -0.4 | 23.4 | 23.1 | 23.2 | 25224 | 4.1 | 1.2 | 6,35,109 | 2.6 | 1,04,765 | 2.0 | 6,79,411 | 7.0 | 1,15,889 | 10.6 | 7,36,949 | 8.5 | 1,28,881 | 11.2 | 50.5 | 45.6 | 41.0 |
| Dabur | C | Buy | 451 | 28,203 | 0.2 | -15.9 | 15.0 | 16.6 | 20.3 | 3053 | -10.6 | -40.7 | 1,30,487 | 5.2 | 18,579 | 0.8 | 1,42,666 | 9.3 | 21,441 | 15.4 | 1,56,196 | 9.5 | 24,202 | 12.9 | 43.0 | 37.3 | 33.0 |
| Marico | C | Hold | 663 | 26,653 | 17.0 | -4.6 | 17.5 | 19.4 | 19.1 | 3401 | 6.9 | -14.8 | 1,06,607 | 10.4 | 16,275 | 9.9 | 1,17,584 | 10.3 | 18,222 | 12.0 | 1,29,446 | 10.1 | 20,420 | 12.1 | 52.5 | 46.9 | 41.9 |
| Emami | C | Buy | 585 | 9,536 | 7.0 | -9.1 | 23.4 | 23.7 | 32.3 | 1542 | 5.1 | -44.7 | 39,258 | 9.7 | 8,492 | 15.8 | 43,449 | 10.7 | 9,624 | 13.3 | 48,002 | 10.5 | 10,586 | 10.0 | 30.0 | 26.5 | 24.1 |
| Godrej Consumer | C | Buy | 1,160 | 36,565 | 8.0 | -3.0 | 21.3 | 22.3 | 20.1 | 4940 | 2.4 | -2.0 | 1,47,927 | 4.9 | 20,699 | 8.0 | 1,64,413 | 11.1 | 25,659 | 24.0 | 1,81,348 | 10.3 | 30,354 | 18.3 | 57.3 | 46.2 | 39.1 |
| Mrs Bector Food | C | Buy | 1,487 | 4,633 | 14.0 | -6 | 13 | 14 | 12 | 345 | 3 | 0 | 19011.6 | 17 | 1515.7 | 8 | 21,945 | 15.4 | 1,946 | 28 | 25046.5 | 14.1 | 2397.7 | 23 | 60.2 | 46.9 | 38.1 |

We anticipate healthy, 24% y/y, growth in EBITDA for our covered hospital names, with 60bp y/y higher margins for Q4, led by strong earnings and seasonality. Expanded margins are seen for Global Health (170bps y/y), Jupiter Lifeline (140bps y/y) and Artemis Medicare (290bps y/y). Q4 typically is considered a strong quarter for hospital companies in India, largely led by higher patient volumes due to winter season resulting in more cases of respiratory illnesses, flu and other seasonal diseases. This, coupled with increase in elective procedures is likely to support growth. We anticipate ARPOB to remain healthy y/y, aided by the improving case and payor mix. Overall, we remain structurally positive regarding hospitals and expect the momentum to continue in FY26 and beyond, led by a) improved occupancy, b) better case mix and c) capacity additions.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|-----------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Rainbow | C | Buy | 1403 | 3,799 | 11.4 | -4.6 | 31.6 | 30.9 | 33.8 | 591 | 16.0 | -13.9 | 16,006 | 23.4 | 2,422 | 11.6 | 18,477 | 15.4 | 2,923 | 20.7 | 21,089 | 14.1 | 3,588 | 22.7 | 58.8 | 48.7 | 39.7 |
| Max Healthcare | C | Buy | 1075 | 23,645 | 31.4 | 3.7 | 27.8 | 27.9 | 27.3 | 4,820 | 39.7 | 14.5 | 87,055 | 27.8 | 14,760 | 30.1 | 1,11,865 | 28.5 | 21,540 | 45.9 | 1,33,574 | 19.4 | 27,176 | 26.2 | 65.5 | 48.5 | 38.5 |
| Jupiter Life Line | C | Buy | 1557 | 3,277 | 12.8 | 2.2 | 22.9 | 21.4 | 23.4 | 505 | 11.5 | -3.9 | 13,123 | 19.8 | 2,043 | 15.7 | 15,512 | 18.2 | 2,546 | 24.6 | 17,076 | 10.1 | 3,052 | 19.9 | 50.0 | 40.1 | 33.4 |
| Kims | C | Buy | 569 | 8,166 | 28.8 | 5.7 | 25.3 | 25.1 | 24.2 | 975 | 48.9 | 9.9 | 30,751 | 23.1 | 3,974 | 28.1 | 38,663 | 25.7 | 4,885 | 22.9 | 46,380 | 20.0 | 6,221 | 27.4 | 57.3 | 46.6 | 36.6 |
| Narayana Hrudayalaya | C | Buy | 1642 | 14,971 | 17.0 | 9.5 | 22.8 | 23.0 | 22.5 | 2,461 | 29.0 | 27.5 | 56,048 | 11.7 | 7,697 | -2.5 | 61,325 | 9.4 | 9,485 | 23.2 | 72,511 | 18.2 | 11,623 | 22.5 | 43.6 | 35.4 | 28.9 |
| Global Health | C | Buy | 1196 | 9,430 | 16.6 | 0.0 | 25.4 | 23.6 | 25.6 | 1401 | 10.0 | -1.9 | 36,239 | 10.6 | 5,325 | 11.4 | 42,149 | 16.3 | 6,208 | 16.6 | 50,096 | 18.9 | 7,828 | 26.1 | 60.3 | 51.7 | 41.0 |
| Artemis Medicare | C | Buy | 275 | 2,638 | 17.1 | 17.1 | 19.8 | 16.8 | 19.8 | 229 | 59.8 | 59.8 | 9,608 | 9.4 | 827 | 68.2 | 11,611 | 20.8 | 1,122 | 35.7 | 12908.9 | 11.2 | 1393.9 | 24.2 | 45.3 | 33.4 | 26.8 |
| Indraprastha Medicare | C | Buy | 380 | 3,252 | 3.3 | 0.1 | 18.3 | 17.4 | 16.1 | 393 | 4.6 | 19.8 | 13,478 | 8.3 | 1,593 | 28.5 | 15,152 | 12.4 | 1,857 | 16.6 | 15915.3 | 5.0 | 1718.3 | -7.5 | 21.9 | 18.8 | 20.3 |

Strong demand from project and trade segments, along with a reduction in imports mainly led to India's proposed 12% safeguard duty on flat-steel imports (bulk HRC import volume at ~297k tonnes has been the lowest since Sep'23); this resulted in ~Rs850/tonne q/q increase in HRC prices to Rs48,608/tonne in Q4. Tier-I and tier-II mills have further increased HRC and CRC prices for Apr'25 deliveries to Rs52,700 and Rs58,300 per tonne. Similarly, primary rebar prices, which remained range-bound in Q4, improved recently ~Rs1,000/tonne to Rs57,000/tonne. Long steel continues to command a premium to flat-steel prices, which would further drive long-steel manufacturers such as JSPL. Key RMs such as coking coal prices cooled off ~8% q/q to \$199/tonne in Q4 and are currently hovering ~\$180-185/tonne (~four-year low). Increase in steel prices, lower import volumes and reduced raw material cost are expected to further accrue benefits in Q1 FY26 as well.

Provisional data indicate that domestic crude steel capacity likely surpassed 200m tonnes in FY25, with most of the addition through the BF-BoF route while EAF-IF remained largely stable. Domestic crude steel production is expected to grow ~10% y/y in FY26 (~165m-167m tonnes), driven by higher demand from construction, infrastructure, capital goods, consumer durables, etc. Of the four listed tier-I ferrous mills, we anticipate JSPL outperforming the sector, with Rs12,086 EBITDA/tonne and sector-leading EBITDA margin of 19.5%. However, JSW Steel's EBITDA is expected to improve the most sequentially by Rs1,061 per tonne. With steel prices improving further, along with reduction in key raw material prices, performance is expected to improve in Q1 FY26 as well. Driven by robust demand from industrial and project segments, along with higher demand for VAPs, we see tier-I mills recording one of their highest-ever volumes. Consolidated volumes for all four listed tier-I mills are expected to have surpassed 21.5m tonnes in Q4 FY25 and 81.5m tonnes in FY25.

Within mining, MOIL is expected to have witnessed record Q4 volumes, with enhanced EC expected in FY26. Ahead, the volume momentum is expected to continue. However, despite Lloyds Metals clocking the highest-ever sponge iron volumes, restriction on iron ore EC at 10m tonnes is expected to curb its Q4 performance. Coal India missed its FY25 target and is expected to report adjusted EBITDA per tonne of Rs470, driven by lower e-auction premium of ~55%.

Like carbon-steel manufacturers, Jindal Stainless too is expected to report record volumes of ~615k tonnes; however, due to a fall in stainless steel price and lower nickel, realizations and EBITDA per tonne are expected to fall sequentially.

Novelis is expected to clock a similar performance as Q2 FY25, with yearly volumes surpassing 3.7m tonnes and EBITDA/tonne of \$478. However, the company at its Investor Day 2025 reiterated its long-term EBITDA/tonne guidance of >\$600, driven by operating leverage from scale, pricing and the product mix, coupled with operational efficiencies, cost optimization and enhanced usage of recycled input content. Domestic performance is expected to be better, driven by improvement in aluminium LME; however, copper vertical is expected to be impacted due to lower TC/RCs.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | EV/EBITDA (x) | | |
|----------|-----|------|---------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e |
| TATA | C | Hold | 130 | 5,43,673 | -7.4 | 1.3 | 11.5 | 11.2 | 11.0 | 9,897 | -17.9 | 118.6 | 21,66,917 | -5.4 | 35,754 | 5.9 | 22,26,770 | 2.8 | 80,324 | 124.7 | 23,74,866 | 6.7 | 98,397 | 22.5 | 9.5 | 7.7 | 6.8 |
| JSTL | C | Buy | 930 | 4,60,330 | -0.5 | 11.3 | 15.0 | 13.2 | 13.5 | 15,441 | 18.9 | 88.3 | 17,00,380 | -2.8 | 39,901 | -51.5 | 19,76,887 | 16.3 | 1,44,766 | 262.8 | 20,87,333 | 5.6 | 1,75,263 | 21.1 | 12.9 | 8.5 | 7.5 |
| JSP | C | Buy | 791 | 1,18,491 | -12.1 | 0.8 | 19.5 | 18.1 | 18.6 | 10,046 | 7.4 | 5.7 | 4,84,309 | -3.2 | 41,562 | -30.0 | 6,10,070 | 26.0 | 63,980 | 53.9 | 6,94,411 | 13.8 | 90,934 | 42.1 | 9.7 | 7.6 | 5.4 |
| SAIL | C | Hold | 105 | 2,91,848 | 4.4 | 19.2 | 9.6 | 12.5 | 8.3 | 6,708 | -55.5 | 491.7 | 10,23,477 | -2.9 | 20,748 | -14.6 | 11,25,294 | 9.9 | 30,035 | 44.8 | 12,14,438 | 7.9 | 36,177 | 20.5 | 7.6 | 6.9 | 6.3 |
| JDSL | C | Buy | 517 | 1,01,102 | 6.9 | 2.0 | 11.4 | 10.9 | 12.2 | 6,338 | 26.2 | -3.2 | 4,13,085 | 7.1 | 29,165 | 11.6 | 4,66,381 | 12.9 | 37,673 | 29.2 | 5,05,476 | 8.4 | 43,418 | 15.3 | 9.7 | 7.4 | 6.2 |
| COAL | C | Buy | 378 | 3,74,980 | 0.2 | 4.8 | 25.4 | 26.3 | 29.1 | 76,802 | -11.5 | -9.7 | 14,04,152 | -1.3 | 3,34,342 | -10.6 | 16,32,198 | 16.2 | 3,72,734 | 11.5 | 17,58,705 | 7.8 | 4,07,015 | 9.2 | 4.9 | 4.2 | 3.7 |
| LLOYDSME | C | Buy | 1,119 | 11,816 | -24.0 | -29.5 | 26.9 | 29.5 | 32.0 | 2,321 | -16.2 | -40.4 | 66,384 | 1.8 | 14,801 | 19.1 | 1,49,073 | 124.6 | 45,043 | 204.3 | 1,86,749 | 25.3 | 60,262 | 33.8 | 34.3 | 11.3 | 8.8 |
| HNDL | C | Buy | 562 | 6,65,608 | 18.9 | 14.0 | 16.8 | 11.9 | 13.0 | 54,245 | 70.9 | 43.7 | 24,01,668 | 11.2 | 1,70,275 | 68.0 | 25,32,740 | 5.5 | 1,63,859 | -3.8 | 26,46,628 | 4.5 | 1,64,810 | 0.6 | 4.8 | 4.6 | 4.5 |
| MOIL | C | Buy | 301 | 4,349 | 4.6 | 18.6 | 28.0 | 30.8 | 25.9 | 843 | -7.6 | 32.3 | 15,865 | 9.5 | 3,502 | 19.4 | 20,600 | 29.8 | 5,201 | 48.5 | 24,909 | 20.9 | 7,047 | 35.5 | 10.0 | 6.7 | 4.8 |

Revenue performance, stability likely. With 11 of the 16 names reviewed here likely to report higher revenue y/y, aggregate revenue from operations is likely to be ~ 1.5% better y/y. Q/q, we see revenue on an aggregate basis ~23.3%. The laggard companies are mostly from the slow-awarding road sector. **Operating profitability (EBITDA) to be steady.** We envisage ~11% blended margins for the 16 names. This would be a ~140bp contraction y/y, largely due to a change in order mix and orders. Distribution was likely balanced with margins expected to expand for eight companies and contract for eight. Q/q, we envisage blended EBITDA contracting ~92bps. The companies with sequential expansions (10) are likely to outnumber those with contractions (six). **Ordinary additions, more hits than misses.** Of the 16 names reviewed, 12 were beneficiaries of awarding activity during Q4. Largely led by NCC (aided by a large Bharat Net order), aggregate additions in Q4 remained at Rs448bn. Road is still the key laggard, with continuing slow-awarding by the NHAI. Road sector companies need to add orders at the earliest for better assurance. The companies in other segments continue to exhibit healthy revenue assurance. Among our covered companies, NCC, Kalpataru and KEC emerged as key contributors to aggregate order additions.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x)* | | |
|-------------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|--------|---------------|-------|----------|-------|---------------|-------|----------|-------|----------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e |
| Ahluwalia Contracts | S | Hold | 798 | 12,991 | 11.6 | 36.5 | 10.5 | 9.0 | 8.9 | 918 | 70.1 | 85.9 | 41,819 | 8.5 | 2,101 | -8.5 | 47,435 | 13.4 | 2,782 | 32.4 | 53,522 | 12.8 | 3,363 | 20.9 | 25.0 | 18.9 | 15.6 |
| Ashoka Buildcon | S | Hold | 183 | 20,683 | -17.3 | 15.4 | 7.3 | 7.4 | 9.1 | 868 | -8.7 | 43.5 | 71,549 | -7.4 | 2,244 | -16.7 | 82,181 | 14.9 | 3,406 | 51.8 | 93,507 | 13.8 | 4,777 | 40.3 | 16.3 | 10.1 | 7.0 |
| Capacit'e Infraprojects | S | NR | 339 | 7,137 | 21.5 | 26.6 | 21.7 | 18.2 | 15.8 | 824 | 63.1 | 124.2 | 23,087 | 23.6 | 2,062 | 80.8 | 28,389 | 23.0 | 2,386 | 15.7 | 33,408 | 17.7 | 3,132 | 31.3 | 13.9 | 12.0 | 9.2 |
| Dilip Buildcon | S | Hold | 434 | 23,613 | -19.4 | 9.6 | 10.4 | 12.0 | 9.7 | 214 | -80.6 | -75.5 | 90,511 | -14.1 | 2,854 | -23.6 | 96,737 | 6.9 | 2,296 | -19.6 | 1,08,694 | 12.4 | 3,370 | 46.8 | 33.5 | 14.2 | 11.2 |
| GR Infraprojects | S | NR | 1,005 | 22,596 | 0.2 | 50.6 | 13.1 | 17.7 | 12.8 | 2,162 | -21.6 | 32.7 | 67,680 | -13.1 | 6,216 | -17.6 | 84,999 | 25.6 | 8,376 | 34.7 | 96,585 | 13.6 | 9,769 | 16.6 | 10.3 | 7.7 | 6.6 |
| HG Infra Engineering | S | Hold | 1,013 | 18,777 | 14.9 | 24.5 | 14.6 | 16.2 | 16.6 | 1,544 | -3.5 | 13.1 | 59,566 | 16.3 | 5,255 | 15.5 | 67,541 | 13.4 | 6,037 | 14.9 | 75,437 | 11.7 | 6,753 | 11.9 | 10.3 | 9.0 | 8.0 |
| IRB Infrastructure** | C | Hold | 43 | 18,217 | -11.6 | -10.1 | 39.0 | 44.2 | 48.6 | 7,625 | 303.7 | -87.3 | 72,858 | -1.7 | 12,243 | 102.1 | 80,662 | 10.7 | 23,272 | 90.1 | 92,097 | 14.2 | 27,822 | 19.6 | 9.4 | 8.0 | 5.4 |
| ITD Cementation | C | Hold | 554 | 27,475 | 21.7 | 22.4 | 10.3 | 9.8 | 9.2 | 1,339 | 49.6 | 53.9 | 93,647 | 21.3 | 3,959 | 44.6 | 1,07,374 | 14.7 | 4,671 | 18.0 | 1,21,172 | 12.9 | 5,575 | 19.4 | 24.0 | 20.4 | 17.1 |
| J. Kumar Infraprojects | S | Hold | 652 | 16,789 | 17.8 | 12.9 | 14.7 | 14.3 | 14.7 | 1,223 | 22.7 | 22.7 | 57,397 | 17.6 | 3,986 | 21.3 | 69,239 | 20.6 | 4,894 | 22.8 | 79,625 | 15.0 | 5,654 | 15.5 | 12.4 | 10.1 | 8.7 |
| Kalpataru Projects | S | Hold | 869 | 60,022 | 16.6 | 24.4 | 7.8 | 7.8 | 8.3 | 1,971 | 12.0 | 25.3 | 1,86,860 | 11.5 | 6,096 | 9.1 | 2,17,492 | 16.4 | 7,545 | 23.8 | 2,49,369 | 14.7 | 8,768 | 16.2 | 20.9 | 16.9 | 14.5 |
| KEC International | C | Hold | 657 | 66,606 | 8.0 | 24.5 | 7.2 | 6.3 | 7.0 | 2,096 | 38.1 | 61.7 | 2,16,351 | 8.6 | 5,021 | 44.8 | 2,53,363 | 17.1 | 8,245 | 64.2 | 2,91,080 | 14.9 | 11,256 | 36.5 | 34.8 | 21.2 | 15.5 |
| KNR Constructions | S | Hold | 218 | 7,750 | -41.0 | 4.2 | 15.7 | 16.3 | 20.4 | 647 | -67.3 | -64.5 | 32,824 | -19.8 | 7,152 | 44.8 | 36,707 | 11.8 | 3,623 | -49.3 | 42,475 | 15.7 | 4,067 | 12.3 | 6.1 | 12.1 | 10.8 |
| NBCC (India) | S | Sell | 79 | 31,821 | 5.0 | 55.4 | 6.5 | 6.7 | 5.5 | 1,796 | 5.2 | 39.7 | 87,020 | 8.1 | 5,186 | 7.4 | 95,715 | 10.0 | 5,578 | 7.6 | 1,01,333 | 5.9 | 5,948 | 6.6 | 39.6 | 36.8 | 34.5 |
| NCC Limited | S | Hold | 197 | 56,727 | 4.2 | 21.4 | 9.4 | 9.4 | 8.8 | 2,608 | 6.9 | 40.7 | 1,95,019 | 6.5 | 7,341 | 6.7 | 2,15,908 | 10.7 | 8,472 | 15.4 | 2,38,467 | 10.4 | 9,927 | 17.2 | 15.8 | 13.7 | 11.7 |
| PNC Infratech | S | Hold | 263 | 16,333 | -30.3 | 35.5 | 12.4 | 24.1 | 12.1 | 1,206 | -70.0 | 45.9 | 57,318 | -25.6 | 6,968 | -18.0 | 66,960 | 16.8 | 5,084 | -27.0 | 79,756 | 19.1 | 6,100 | 20.0 | 5.2 | 7.1 | 5.9 |
| PSP Projects | S | NR | 634 | 7,768 | 19.7 | 24.6 | 9.4 | 8.0 | 5.7 | 335 | 119.8 | 451.7 | 25,900 | 5.2 | 850 | -31.37 | 30,439 | 17.5 | 1,398 | 64.5 | 34,648 | 13.8 | 1,890 | 35.2 | 29.4 | 17.9 | 13.2 |

Discretionary demand remained weak for three years and was expected to recover in CY25/ FY26, but the recent tariff developments and macro uncertainties have delayed that reset, pushing meaningful recovery to H2 FY26. BFSI has emerged as the only visible greenshoot, supported by expectations of lower interest rates, and is likely to offer relative resilience through the current softness; meanwhile, client caution in the UK and deferred spending in the US weigh on near-term prospects.

Manufacturing and ER&D-focused IT plays may face short-term headwinds, with auto-centric ER&D players expected to remain pressured for at least one to two more quarters, particularly given sluggish demand in Europe. Despite this, H2 CY25 is anticipated to mark the beginning of a recovery in discretionary spends across manufacturing and ER&D segments, both in the US and Europe. FY25 is expected to close on a muted note with limited improvement in discretionary demand, with only BFSI showing signs of recovery. The recovery curve in FY26 is expected to be gradual, with H2 potentially seeing the return of multiple demand engines—discretionary IT spends, AI capex and manufacturing tailwinds—as macro uncertainties could be expected to ease. Overall, while short-term pressure from geopolitical factors and regional economic weakness continue to weigh on the sector, H2 CY25 and FY26 could usher in a more broad-based recovery, benefiting Indian IT players with diversified exposure to BFSI, manufacturing and ER&D.

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|----------------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| LTIMindtree | C | Buy | 4,066 | 99,018 | 11.3 | 2.5 | 17.6 | 17.3 | 16.5 | 12,015 | 9.2 | 10.7 | 3,81,382 | 7.4 | 46,717 | 2.0 | 4,21,808 | 10.6 | 53,571 | 14.7 | 4,74,122 | 12.4 | 62,841 | 17.3 | 25.8 | 22.5 | 19.2 |
| Mphasis | C | Buy | 2,103 | 37,088 | 8.6 | 4.3 | 18.9 | 18.8 | 18.9 | 4461 | 13.5 | 4.3 | 1,42,147 | 6.6 | 17,018 | 9.4 | 1,55,976 | 9.7 | 19,206 | 12.9 | 1,71,483 | 9.9 | 22,225 | 15.7 | 23.6 | 20.9 | 18.1 |
| Persistent | C | Buy | 4,570 | 32,177 | 24.2 | 5.1 | 17.2 | 17.5 | 17.6 | 4067 | 29.0 | 9.1 | 1,19,143 | 21.3 | 14,111 | 29.0 | 1,44,069 | 20.9 | 17,720 | 25.6 | 1,67,036 | 15.9 | 21,313 | 20.3 | 49.9 | 39.7 | 33.0 |
| Firstsource | C | Hold | 311 | 21,738 | 30.2 | 4.1 | 15.8 | 14.9 | 14.5 | 1817 | 36.1 | 13.3 | 79,782 | 26.0 | 6,154 | 19.6 | 91,553 | 14.8 | 8,064 | 31.0 | 1,01,661 | 11.0 | 9,628 | 19.4 | 35.7 | 27.2 | 22.8 |
| Cyient | C | Hold | 1,122 | 15,179 | 1.9 | 2.6 | 17.8 | 20.1 | 17.3 | 1,459 | -15.9 | 17.8 | 74,852 | 4.7 | 6,019 | -13.0 | 84,633 | 13.1 | 5,968 | -0.8 | 96,528 | 14.1 | 7,322 | 22.7 | 21.7 | 21.9 | 17.8 |
| Birlasoft | C | Hold | 347 | 13,419 | -1.5 | -1.5 | 16.5 | 16.3 | 12.0 | 1596 | -11.4 | 36.5 | 54,002 | 2.3 | 5,542 | -11.1 | 56,450 | 4.5 | 6,078 | 9.7 | 62,714 | 11.1 | 7,162 | 17.8 | 17.6 | 16.1 | 13.6 |
| KPIT | C | Buy | 1,071 | 15,290 | 16.0 | 3.5 | 20.0 | 20.7 | 21.1 | 1818 | 10.7 | -2.7 | 58,430 | 19.9 | 7,766 | 30.7 | 65,511 | 12.1 | 8,262 | 6.4 | 79,194 | 20.9 | 10,235 | 23.9 | 37.6 | 35.4 | 28.6 |
| Mastek | C | Buy | 1,967 | 9,016 | 15.6 | 3.7 | 17.5 | 16.0 | 16.2 | 1004 | 9.1 | 6.0 | 34,514 | 13.0 | 3,953 | 31.6 | 38,347 | 11.1 | 4,068 | 2.9 | 42,391 | 10.5 | 4,915 | 20.8 | 15.5 | 15.1 | 12.5 |
| Intellect | C | Buy | 625 | 7,030 | 14.6 | 15.3 | 23.9 | 22.5 | 20.2 | 1119 | 53.3 | 59.4 | 24,771 | -1.2 | 3,093 | -3.7 | 28,725 | 16.0 | 3,814 | 23.3 | 33,460 | 16.5 | 4,851 | 27.2 | 28.7 | 23.3 | 18.3 |
| Sonata | C | Hold | 301 | 7,129 | 5.0 | -2.6 | 15.1 | 17.3 | 14.6 | 626 | -11.0 | 10.0 | 1,00,478 | 16.7 | 4,448 | 44.2 | 1,13,561 | 13.0 | 5,051 | 13.6 | 1,30,538 | 14.9 | 5,961 | 18.0 | 18.8 | 16.6 | 14.0 |
| LatentView Analytics | C | Hold | 353 | 2,256 | 31.4 | -1.0 | 22.8 | 23.5 | 22.1 | 431 | -4.7 | 1.2 | 8,413 | 31.3 | 1,654 | 4.2 | 10,103 | 20.1 | 2,020 | 22.2 | 12,141 | 20.2 | 2,482 | 22.9 | 45.0 | 36.7 | 29.5 |

Hotels

Strong momentum continued in Q4, with $\sim 12\text{-}15\%$ y/y growth for our covered hotel companies (IHCL excl. TajSATS, Chalet Hotels, Lemon Tree and Park). After robust Q3 performances (despite the high base, a seasonally strong quarter), Q4 is expected to have been strong on factors like large-scale regional events, GDP growth, weddings, sustained transient travel and growth in leisure travel. EBITDA margins will be largely similar y/y for our covered companies.

Multiplexes

After a strong Q3 (which saw several movie franchises, e.g. Bhool Bhulaiyaa 3, Singham Again, Pushpa 2 and Mufasa: The Lion King), Q4 remained lackluster due to a dearth of franchises and a few names crossing the Rs1bn-mark, e.g., Chaava (NBOC at \sim Rs6bn) and Skyforce (\sim Rs1.1bn). Hence, we expect $\sim 25\text{-}27\%$ q/q decline in Q4 topline, with q/q contractions in ATP and SPH (Q3 ATP \sim Rs281 and SPH \sim Rs140), and pre-IndAS EBITDA breakeven (Q3 margin $\sim 13.8\%$).

Luggage

The industry continues to face heavy discounting pressure due to aggressive pricing strategies employed by e-commerce channels and certain incumbents. Offline retail channels continue to face heat from heightened competition, prompted by D2C players and dealer-distributor networks buying from e-commerce instead. Even then, we expect Safari's revenue to grow $\sim 10\text{-}15\%$ y/y, with $\sim 200\text{bp}$ q/q better margins (Q3: $\sim 11.4\%$). However, VIP is slated for flat y/y value growth ($\sim 10\text{-}12\%$ volume growth), with flat q/q EBITDA margins (Q3: $\sim 5.7\%$).

Internet companies

Indiamart. We expect collections growth at $\sim 7\text{-}8\%$ y/y, with revenue growth of $\sim 13\%$ y/y. The EBITDA margin is expected to be largely similar to Q3 FY25's 39%.

Rategain. We expect low-single-digit y/y revenue growth for Q4 due to a slowdown in contract wins. Margins likely declined $\sim 30\text{bps}$ y/y to 20.9% in Q4 FY25 (Q4 FY24: 21.2%).

MapMyIndia. We expect Q4 revenue to have grown $\sim 40\%$ y/y to Rs1.5bn, supported by contract wins and steady growth in A&M and C&E segments. We expect EBITDA to have risen $\sim 44\%$ y/y to Rs569m, with margins at 38% ($\sim 164\text{bp}$ increase q/q).

Affle. We expect Q4 revenue to have grown $\sim 20\%$ y/y, 1-2% q/q (vs. historical trend of $\sim 6\text{-}8\%$ q/q decline in Q4) due to consistent growth in developed and emerging markets. The EBITDA margin likely remained flat q/q at 21.8%.

TBO Tek. With some weakness in MEA region (especially Mar'25) due to Ramadan, GTV likely witnessed mid-to-high-single-digit y/y growth, with margins similar to Q3's ~16.1%. Sales pickup is expected from Apr. Near-term pressure on margins is expected due to sales team's expansion in existing geographies. Take rates to remain stable at current levels (~5.6% in 9M FY25).

Food delivery (FD)/quick commerce (QC). We continue to see slowdown in the FD segment, with Jan being slow and some pickup in Feb & Mar. For **Zomato**, we expect ~15-16% y/y GOV growth (~2% q/q decline), with ~20-25bp expansions in contribution and adj. EBITDA margins. For **Swiggy**, we expect ~17% y/y GOV growth (~2% q/q decline), with ~20-30bp increases in contribution and adj. EBITDA margins. In QC, we believe Q4 to have been the peak in terms of investment and hence, expect losses to have widened due to rapid store expansion. For **Blinkit**, we expect ~120-125% y/y GOV growth (16-17% q/q), with losses widening to ~Rs1.5bn (Q3: Rs1.03bn); for **Instamart**, we expect ~90-95% y/y GOV growth (14-15% q/q), with losses widening to ~Rs7bn (Q3: ~Rs4.87bn).

| Company | C/S | Reco | Price (Rs) | Q4 FY25e | | | | | | | | | FY25e / CY24e | | | | FY26e / CY25e | | | | FY27e / CY26e | | | | P/E (x) | | |
|---------------|-----|------|------------|----------|-------|-------|-------------------|--------|--------|----------|-------|--------|---------------|-------|----------|-------|---------------|-------|----------|--------|---------------|-------|----------|-------|---------|-------|-------|
| | | | | Revenue | | | EBITDA margin (%) | | | Adj. PAT | | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | Revenue | | Adj. PAT | | | | |
| | | | | (Rs m) | % Y/Y | % Q/Q | Mar-25 | Mar-24 | Dec-24 | (Rs m) | % Y/Y | % Q/Q | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | (Rs m) | % Y/Y | FY25e | FY26e | FY27e |
| Indian Hotels | C | Hold | 752 | 23,817 | 25.0 | -6.0 | 35.4 | 34.6 | 38.0 | 4979 | 19.2 | -14.5 | 83,668 | 23.6 | 18,888 | 50.0 | 96,307 | 15.1 | 20,323 | 7.6 | 1,08,327 | 12.5 | 23,794 | 17.1 | 56.7 | 52.7 | 45.0 |
| Chalet | C | Hold | 819 | 4,828 | 15.4 | 5.5 | 45.3 | 43.7 | 44.7 | 1,080 | 31.0 | 11.9 | 17,417 | 22.9 | 1,078 | -61.3 | 19,912 | 14.3 | 4,089 | 279.3 | 23,481 | 17.9 | 5,130 | 25.5 | 164.6 | 43.4 | 34.6 |
| Lemon Tree | C | Buy | 139 | 3,797 | 16.0 | 6.9 | 52.7 | 52.4 | 51.9 | 694 | 3.6 | 11.1 | 12,875 | 20.2 | 1,809 | 21.8 | 15,640 | 21.5 | 3,209 | 77.4 | 17,213 | 10.1 | 4,223 | 31.6 | 61.1 | 34.4 | 26.2 |
| Park Hotels | C | Buy | 137 | 1,726 | 10.9 | -2.7 | 34.6 | 34.4 | 35.7 | 296 | 60.7 | -7.8 | 6,364 | 9.9 | 1,060 | 54.2 | 7,534 | 18.4 | 1,273 | 20.1 | 8,378 | 11.2 | 1,498 | 17.7 | 27.7 | 23.0 | 19.6 |
| PVRInox | C | Buy | 886 | 12,678 | 0.9 | -26.2 | 1.2 | 0.1 | 13.8 | -984 | 9.2 | -244.3 | 65,663 | 7.5 | 1,711 | 49.6 | 73,044 | 11.2 | 5,276 | 208.4 | 81,312 | 11.3 | 6,931 | 31.4 | NA | 21.0 | 14.0 |
| Affle | C | Buy | 1,459 | 6,077 | 20.0 | 1.0 | 21.8 | 19.4 | 21.8 | 1010 | 15.5 | 0.8 | 23,042 | 25.0 | 3,829 | 28.8 | 28,147 | 22.2 | 4,763 | 24.4 | 34,335 | 22.0 | 6,025 | 26.5 | 53.4 | 43.0 | 34.0 |
| Rategain | C | Hold | 446 | 2,609 | 2.0 | -6.4 | 20.9 | 21.2 | 22.1 | 512 | 2.3 | -9.5 | 10,819 | 13.0 | 1,972 | 35.6 | 12,440 | 15.0 | 2,029 | 2.9 | 14,675 | 18.0 | 2,509 | 23.7 | 26.3 | 25.5 | 20.7 |
| Indiamart | C | Buy | 1,996 | 3,557 | 13.0 | 0.4 | 38.8 | 28.1 | 39.0 | 1208 | 21.3 | -0.1 | 14,179 | 18.5 | 4,889 | 46.4 | 16,409 | 15.7 | 5,302 | 8.5 | 19,505 | 18.9 | 6,264 | 18.1 | 24.5 | 22.6 | 19.1 |
| MapMyIndia | C | Buy | 1,726 | 1,497 | 40 | 30.7 | 38.0 | 37.0 | 36.4 | 441 | 16.2 | 35.9 | 4,742 | 25.0 | 1,496 | 11.7 | 6,164 | 30.0 | 1,996 | 33.4 | 8,010 | 30.0 | 2,594 | 30.0 | 62.8 | 47.1 | 36.2 |
| TBO Tek | C | Buy | 1,066 | 4,475 | 21.3 | 6.0 | 16.1 | 17.8 | 16.1 | 460 | -1.3 | -7.9 | 17,536 | 25.9 | 2,546 | 26.0 | 22,796 | 30.0 | 3,554 | 39.6 | 30,009 | 31.6 | 4,679 | 31.7 | 44.1 | 31.6 | 24.0 |
| Zomato | C | Buy | 215 | 58,328 | 63.7 | 7.9 | 3.7 | 2.4 | 3.0 | 1356 | -22.5 | 129.9 | 1,92,992 | 59.3 | 12,245 | 248.9 | 2,92,796 | 51.7 | 23,321 | 90.4 | 4,11,309 | 40.5 | 38,313 | 64.3 | 270.9 | 118.1 | 56.8 |
| Swiggy | C | Buy | 334 | 42,650 | 40.0 | 6.8 | -18.8 | -15.9 | -18.2 | -8796 | NA | NA | 1,50,521 | 33.8 | -22,480 | NA | 2,04,175 | 35.6 | -16,609 | NA | 2,72,585 | 33.5 | -4,456 | NA | NA | NA | NA |
| Safari | C | Hold | 1,983 | 4,166 | 14.0 | -5.9 | 13.0 | 18.3 | 11.4 | 340 | -21.2 | 9.2 | 18,605 | 20.0 | 1,671 | -5.0 | 22,698 | 22.0 | 2,325 | 39.1 | 27,692 | 22.0 | 3,069 | 32.0 | 67.7 | 46.6 | 37.1 |
| VIP | C | Hold | 266 | 5,189 | 0.5 | 3.6 | 5.8 | 1.5 | 5.7 | -117 | NA | NA | 24,133 | 7.5 | 103 | -81.0 | 27,753 | 15.0 | 1,509 | 1362.7 | 31,916 | 15.0 | 2,236 | 48.2 | NA | 83.9 | 20.5 |

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