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THE INVESTMENT TRUST OF INDIA

ANTIQUE

16 May 2025

FROM THE RESEARCH DESK

QUARTERLY RESULTS REVIEW

Lupin
Lupin's US blueprint: Deep, differentiated, and defensible

JSW Energy
Marginally better 4Q, FY30E guidance revised to 30 GW

Hitachi Energy India
In-line operational performance; maintain BUY

Cochin Shipyards
Strong order execution; EBITDA impacted by higher provisions

Brigade Enterprises
Another record year; positive outlook

J.B. Chemicals & Pharmaceuticals
Steady core, but launch pipeline shows fatigue

CESC
In-line result, PPA tied up at lucrative tariff

Crompton Greaves Consumer Electricals
Strong operational performance; maintain BUY

Aditya Birla Real Estate
Pre-sales to double in 3 years; near-term outlook uncertain

Nexus Select Trust
Successful acquisition playbook set to power growth

Lakshmi Machine Works
Margin led beat on the op. front; TMD swings back to profit

RITES
Beat led by margins, but it could moderate

Arvind
Recovery in sight; tariff uncertainty remains

Sharda Cropchem
Another strong quarter; maintains double-digit growth guidance

Indian Hume Pipe Company
Improved execution drives beat; order book strong

Global News

- the Nasdaq dipped 34.49 points or 0.2 percent to 19,112.32, the S&P 500 rose 24.35 points or 0.4 percent to 5,916.93 and the Dow climbed 271.69 points or 0.7 percent at 42,322.75.
- The Nikkei 225 Index fell 0.98% to close at 37,755 while the broader Topix Index dropped 0.88% to 2,739 on Thursday, with Japanese shares sliding for the second straight session as the recent market rally driven by the US-China trade deal lost momentum. Analysts noted that while easing global trade tensions offered some relief, the broader outlook for corporate earnings and economic growth remains largely unchanged. Investors are also closely watching developments in a potential US-Japan trade agreement, with Tokyo aiming to finalize a deal by June. In corporate news, Sony Group plunged 2.8% after projecting a $700 million tariff impact for fiscal 2025. Subaru shed 4.6% amid a potential $2.5 billion tariff hit, although the automaker announced plans to boost US production to offset the pressure.

Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	42,323	0.6	(0.5)
NASDAQ	19,112	(0.2)	(1.0)
FTSE	8,634	0.6	5.6
CAC	7,853	0.2	6.4
DAX	23,696	0.7	19.0
Bovespa	1,39,334	0.7	15.8
Nikkei	37,756	(1.0)	(5.4)
Hang Seng	23,453	(0.8)	16.9
Shanghai Composite	3,381	(0.7)	0.9

Indian Indices	Closing	% Chg	% YTD
Sensex	82,531	1.5	5.6
Nifty	25,062	1.6	6.0
MSCI India	1,059	1.1	3.4
CNX Midcap	56,531	0.7	(1.2)
BSE Smallcap	50,450	0.9	(8.6)

Flows (USD mn)	Prev. Day	MTD
FII	19	109
MF	251.8	185.1

Provisional flows	(USD mn)
FIIs	631
Locals	(195)

Volumes	USD bn	% Chg
Cash (NSE + BSE)	14.6	(0.9)
F&O (net)	2,796.9	54.1

FII F&O	Stock Fut	Index Fut
Net ($ mn)	799	462.6
OI (%)	0.3	3.5

ADR/GDR Gainers	Last	% Chg
HDFC	73.3	2.3
ICICI Bank	34.0	1.9
Dr Reddy	14.4	1.8
Infosys	18.7	1.4
Reliance	67.9	1.3

ADR/GDR Losers	Last	% Chg
SBI	92.8	(1.5)

Sectoral indices

	Closing	% Chg	% MTD	% YTD
BSE Auto	53,323	1.9	6.7	3.2
BSE Bank	63,064	1.1	0.7	9.2
BSE Cap Goods	67,802	1.3	8.0	0.0
BSE Cons dur	59,205	1.0	3.0	(8.1)
BSE FMCG	20,680	0.6	1.1	(0.4)
BSE IT	37,665	1.3	7.5	(12.8)
BSE Health	42,564	0.7	0.8	(6.0)
BSE Metal	31,059	1.6	6.9	7.5
BSE Oil	27,247	1.0	2.9	4.5
BSE Power	6,722	1.0	1.1	(3.5)
BSE PSU	19,186	1.0	2.8	1.7
BSE Realty	6,956	1.9	1.3	(15.5)
BSE TECK	18,240	1.4	5.3	(6.4)

Nifty Outperformers

	Price	% Chg	% MTD	% YTD
Hero Motocorp Ltd	4,325	6.3	13.0	4.0
Jsw Steel Ltd	1,038	5.0	0.8	15.2
Tata Motors Ltd	728	4.2	13.0	(1.6)
Trent Ltd	5,578	4.0	7.8	(21.7)
Hcl Technologies Ltd	1,696	3.6	8.2	(11.2)
Shriram Finance Ltd	675	3.5	10.3	16.8
Grasim Industries Ltd	2,825	3.2	3.2	15.6

Nifty Underperformers

	Price	% Chg	% MTD	% YTD
Britannia Industries Ltd	5,465	(0.3)	0.5	14.7
Indusind Bank Ltd	781	(0.1)	(6.9)	(18.7)
Hindustan Unilever Ltd	2,355	0.2	0.6	1.2
Eicher Motors Ltd	5,466	0.4	(1.8)	13.4
Coal India Ltd	405	0.4	5.0	5.3
Cipla Ltd	1,502	0.5	(3.1)	(1.8)
Oil & Natural Gas Corp Ltd	248	0.7	1.3	3.5

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
Eicher Motors Ltd	7,79,984	566%	0.36%
Grasim Industries Ltd	6,87,230	265%	3.20%
Reliance Industries Ltd	1,13,97,179	252%	2.09%
HCL Technologies Ltd	25,45,513	209%	3.56%
Hero MotoCorp Ltd	9,21,183	159%	6.34%
Oil & Natural Gas Corp Ltd	84,46,981	148%	0.65%
Bajaj Auto Ltd	2,25,768	143%	2.76%
Adani Ports & Special Economic Zone Ltd	17,29,124	133%	2.51%
Tata Chemicals Ltd	4,68,386	125%	1.65%
GMR Airports Ltd	58,50,997	124%	1.75%

Derivatives Update

Long Build Up

Company	Last	% Chg	% Chg OI	OI (in 000)
HINDCOPPER	227.63	2.24	6.82	41,793
IIFL	412.00	0.38	6.39	11,560
UNIONBANK	132.35	2.29	4.46	65,251
ABCAPITAL	215.55	1.42	2.92	62,472
CANBK	105.39	0.55	2.81	2,41,677

Short Build Up

Company	Last	% Chg	% Chg OI	OI (in 000)
APOLLOTYRE	483.05	(1.67)	13.27	6,993
SHREECEM	31,465.00	(2.59)	7.02	285
DEEPAKNTR	2,061.50	(3.63)	6.17	929
TATASTEEL	157.48	(1.09)	5.89	2,18,520
NMDC	70.21	(0.09)	5.08	2,09,614

Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
MUTHOOTFIN	2,112.20	7.27	(29.43)	5,000
CESC	163.70	2.63	(8.26)	28,404
PERSISTENT	5,675.50	1.90	(5.68)	2,369
MARICO	723.40	0.28	(5.42)	18,890
CHAMBLFERT	638.80	1.75	(4.55)	8,960

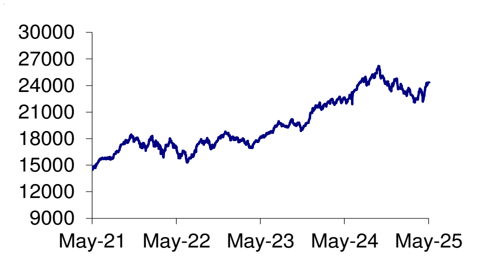
Long Unwinding

Company	Last	% Chg	% Chg OI	OI (in 000)
NCC	229.65	-1.14	(10.52)	16,666
LICHSGFIN	627.55	-1.33	(8.35)	26,348
NTPC	342.85	-0.82	(7.94)	1,02,229
PATANJALI	1,821.00	-1.68	(7.10)	4,504
APOLLOHOSP	7,096.50	-2.12	(6.99)	2,861

Bulk Dealss

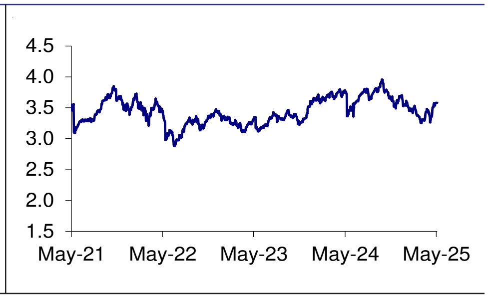
Security Name	Client Name	Buy/Sell	Qty	Price	Value (mn)
ONESOURCE	Medella Holdings Pte. Ltd.	Sell	8,84,210	1,568.04	1,386
Easy Trip Planners Ltd	Highpoint Commercial Private Limited	Buy	2,47,17,182	12.16	301
Easy Trip Planners Ltd	Highpoint Commercial Private Limited	Sell	2,41,53,733	11.99	290
Easy Trip Planners Ltd	L7 Hitech Private Limited	Sell	2,04,45,675	11.96	245
Wendt (India) Ltd.	Marwadi Shares And Finance Ltd.	Sell	26,336	8,567.73	226

Nifty



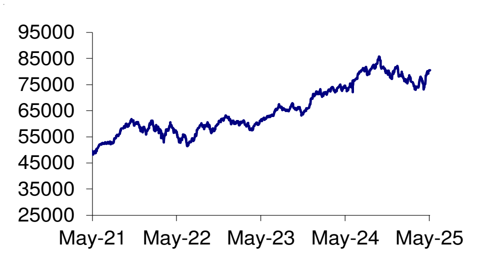
Nifty P/E

Nifty P/B

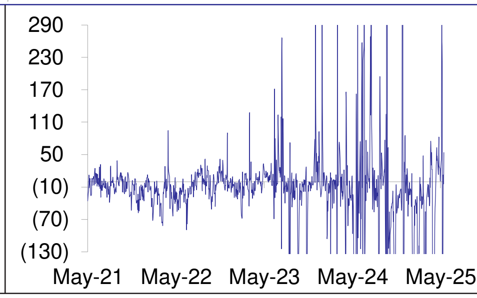


Source: Bloomberg

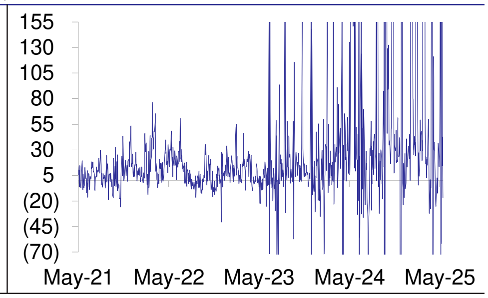
Sensex



FII Provisional Flows (INR bn)



DII Provisional Flows (INR bn)



Source: Bloomberg

Economy, Money & Banking

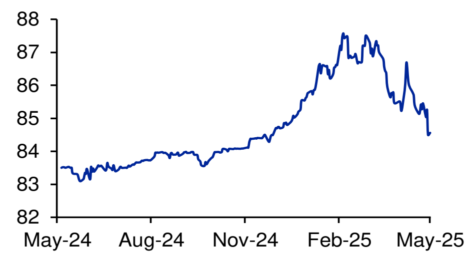
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	85.6	(0.3)	(1.2)	0.1
INR~EUR	95.8	0.1	0.2	(6.9)
INR~GBP	113.7	0.1	(0.7)	(5.4)

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	6.3	(1)	(8)	(49)
Interbank call	5.5	(35)	(50)	(50)

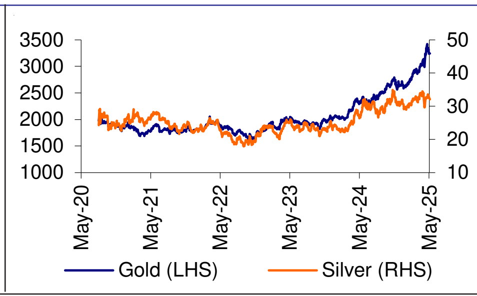
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold ($/Ounce)	3,238	(0.1)	(1.5)	23.4
Crude Oil ($/Bl)	62	0.3	6.2	(11.9)
Aluminium ($/t)	2,489	(1.6)	4.9	(1.5)
Copper ($/t)	9,617	(0.0)	5.5	11.1
Zinc ($/t)	2,702	(1.5)	5.7	(8.5)
Lead ($/t)	2,000	0.5	2.7	3.9
Nickel ($/t)	15,607	(0.4)	2.6	3.3

INR/USD



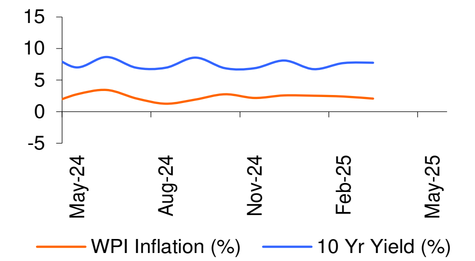
Gold and silver prices (USD/Tr.Oz)



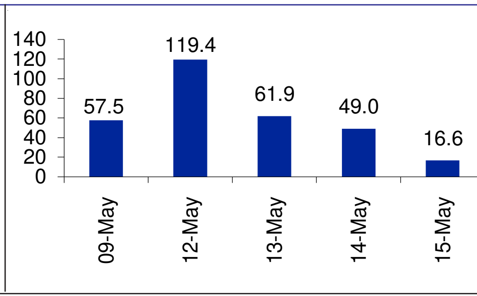
Crude prices (USD/barrel)

Source: Bloomberg

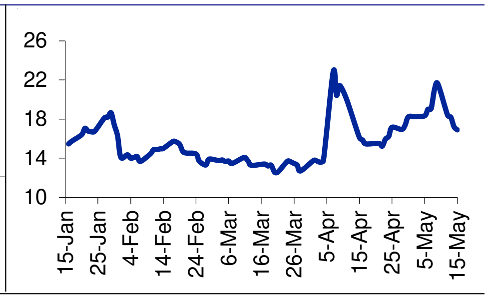
Inflation vs 10 year yield



Nifty premium/discount



NSE volatility index (%)



Source: Bloomberg

CMP	:	INR 2,071
Reco	:	BUY ↔
Target Price	:	INR 2,395 ↑
Target Price Change	:	6%
Target FY27 P/E (x)	:	25
EPS Change FY26/27	:	-3%/1%

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Market data

Sensex	:	82,531
Sector	:	Pharmaceuticals
Market Cap (INR bn)	:	946.5
Market Cap (USD bn)	:	11.064
O/S Shares (mn)	:	456.6
52-wk HI/LO (INR)	:	2403/1493
Avg. Daily Vol ('000)	:	1,361
Bloomberg	:	LPC IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	71.9	83.0	95.8
P/E (x)	28.8	25.0	21.6
P/BV (x)	5.5	4.6	3.9
EV/EBITDA (x)	18.2	15.7	14.0
Dividend Yield (%)	0.6	0.6	0.7

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	7	5	3	25
Relative	0	(3)	(3)	11

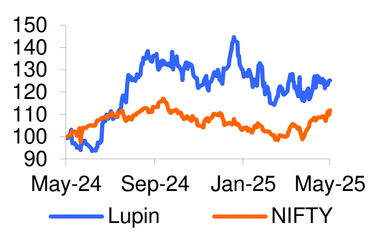
Source: Bloomberg

Shareholding pattern

Promoters	:	47%
Public	:	53%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Lupin

Lupin's US blueprint: Deep, differentiated, and defensible

Lupin (LPC) reported a strong 4QFY25 with revenue up 14% YoY to INR 56.7 bn, driven by a 17% YoY growth in US sales. EBITDA rose 30% YoY to INR 12.9 bn, while reported PAT grew 40% YoY to INR 7.7 bn. US revenue grew ~4% QoQ to USD 245 mn in 4Q, taking FY25 US sales to USD 925 mn (+13% YoY). ~30% of its US revenue comes from complex platform products (largely inhalation), up from ~2% in FY20. LPC expects this share to go up to ~50% by FY30E with ~65% of new product launch (NPL) revenue between FY26–30E expected to come from complex platforms. At its analyst meet, LPC showcased its extensive pipeline of 100+ complex platform products under development across inhalation (MDI, DPI, NS), injectables, biosimilars, and 505(b)(2) products. These products are harder to develop and face limited competition, allowing for better pricing and longer market exclusivity. Recent first-to-market launches are expected to push US revenue beyond USD 1 bn in FY26E. With a robust pipeline and visibility on complex launches through FY27E, we believe LPC is well-positioned to sustain the USD 1 bn revenue run rate in the US. We maintain BUY rating on the stock with a revised TP of INR 2,395 (earlier INR 2,259) valuing the company on a P/E multiple of 25x on FY27 EPS.

Differentiated pipeline sets the stage for sustained USD 1 bn+ runway in the US

LPC's US segment continues to benefit from an extended period of limited competition in key inhalation generics such as gSpiriva and gProAir, as well as exclusive/ co-exclusive opportunities like gMyrbetriq and gPred Forte. These products are expected to maintain their favorable market dynamics in the near term. The company's US portfolio is now meaningfully diversified, with complex generics (CGx) contributing over 30% of FY25 sales, primarily driven by inhalation products. This share is expected to rise further, with ~65% of NPL revenue between FY26E–30E projected to come from complex platforms.

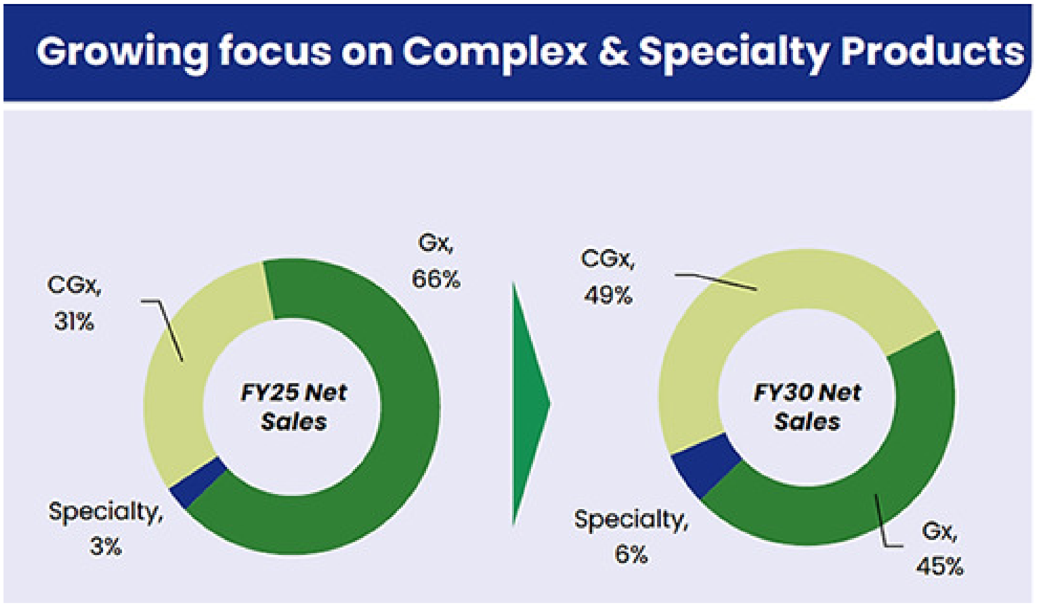
At its analyst meet, LPC showcased a robust US launch calendar across inhalation, injectables, biosimilars, and 505(b)(2) assets. Key launches over FY26E–27E include three inhalation products, five injectables, two biosimilars, and one 505(b)(2) product. The company has over 100 products pending launch in the US, targeting a cumulative market size of USD 144 bn. In addition, recent launches such as gJynarque and gXarelto (2.5 mg) are expected to contribute meaningfully to FY26E growth.

With a differentiated pipeline, leadership in inhalation, and a well-defined launch calendar, LPC offers strong visibility into sustaining the US revenue base. We expect the company's US generics revenue to scale the ~USD 1 bn revenue over by FY26–27E, supported by upcoming complex product launches.

Investment Summary

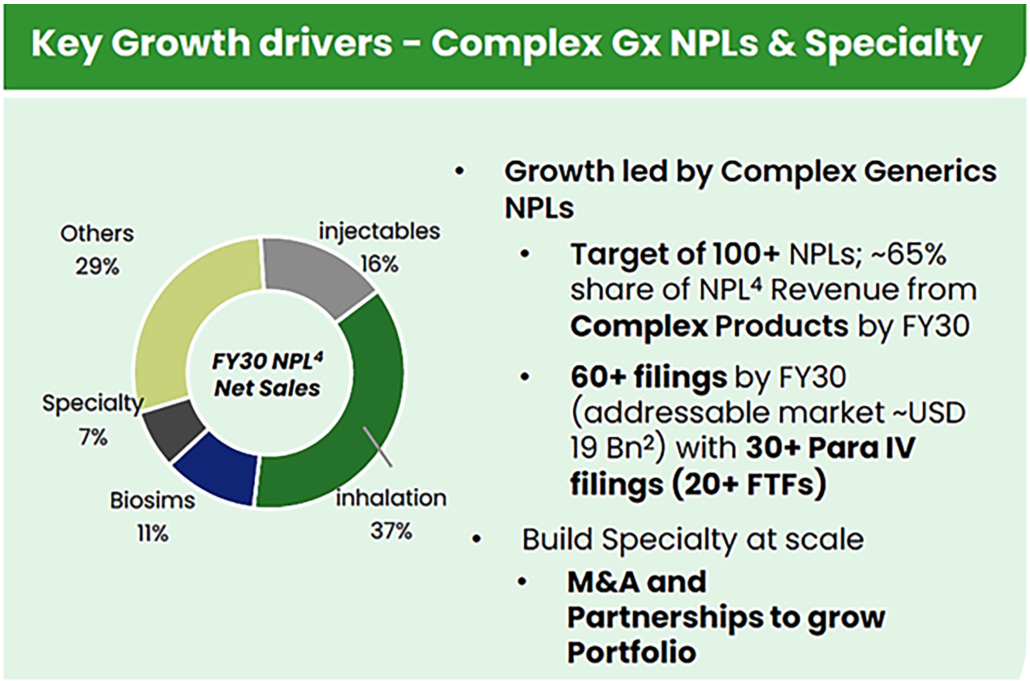
For FY25, LPC's gross margin expanded by ~340 bps to ~70%. Looking ahead, we expect the India business to grow at a ~12% CAGR over FY25–27E, supported by a strong rebound to 14% growth in FY25. This momentum, coupled with a higher contribution from chronic therapies (64% in FY25; ~70% management target for FY30E), should further aid gross margin expansion. Additionally, LPC's differentiated US pipeline—among the strongest within large-cap Indian generic peers—is expected to support its overall margin profile. Management has guided for a 100 bps YoY improvement in EBITDA margin in FY26E and we factor in margin of ~24% for both FY26E and FY27E. We forecast revenue to grow at ~8% CAGR and EPS at ~15% CAGR over the next two years. We maintain BUY rating on the stock.

Exhibit 1: LPC's US portfolio: Complex generics (CGx) revenue contribution up to +30%, targeting ~50% by FY30E



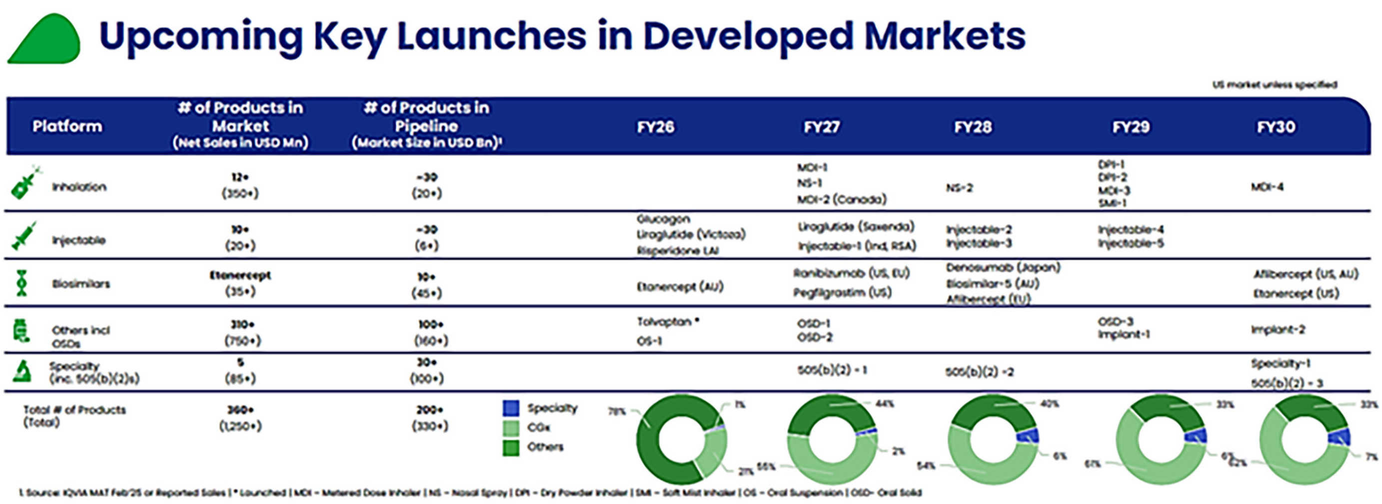
Source: Company

Exhibit 2: CGx expected to drive 65% of NPL revenue by FY30E



Source: Company

Exhibit 3: Respiratory and Complex Platforms: A clear competitive edge


Upcoming Key Launches in Developed Markets

US market unless specified

Platform	# of Products in Market (Net Sales in USD Mn)	# of Products in Pipeline (Market Size in USD Bn)[1]	FY26	FY27	FY28	FY29	FY30
Inhalation	12+ (350+)	~30 (20+)		MDI-1 NS-1 MDI-2 (Canada)	NS-2	DPI-1 DPI-2 MDI-3 SMI-1	MDI-4
Injectable	10+ (20+)	~30 (6+)	Glucagon Liraglutide (Victoza) Risperidone LAI	Liraglutide (Saxenda) Injectable-1 (Ind, RSA)	Injectable-2 Injectable-3	Injectable-4 Injectable-5	
Biosimilars	Etanercept (35+)	10+ (45+)	Etanercept (AU)	Ranibizumab (US, EU) Pegfilgrastim (US)	Denosumab (Japan) Biosimilar-5 (AU) Aflibercept (EU)		Aflibercept (US, AU) Etanercept (US)
Others incl OSDs	310+ (750+)	100+ (160+)	Tolvaptan * OS-1	OSD-1 OSD-2		OSD-3 Implant-1	Implant-2
Specialty (inc. 505(b)(2)s)	5 (85+)	30+ (100+)		505(b)(2) - 1	505(b)(2) -2		Specialty-1 505(b)(2) - 3
Total # of Products (Total)	360+ (1,250+)	200+ (330+)					

1. Source: IQVIA MAT Feb'25 or Reported Sales | * Launched | MDI – Metered Dose Inhaler | NS – Nasal Spray | DPI – Dry Powder Inhaler | SMI – Soft Mist Inhaler | OS – Oral Suspension | OSD- Oral Solid

Source: Company

Table 2: Segmental revenue snapshot

(INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
India	17,113	16,015	7	19,305	(11)	75,773	66,565	14
North America	22,618	19,006	19	21,213	7	83,950	72,462	16
Other Developed Market	6,915	5,318	30	6,338	9	25,072	20,324	23
Emerging Markets	6,660	6,031	10	6,439	3	25,354	23,745	7
Formulations	**53,306**	**46,370**	**15**	**53,295**	**0**	**2,10,149**	**1,83,096**	**15**
APIs	2,316	2,581	(10)	2,891	(20)	11,773	11,415	3
NCE licensing income	-	-		-		-	2,053	-
Gross sales	**55,622**	**48,951**	**14**	**56,186**	**(1)**	**2,21,922**	**1,96,564**	**13**

Source: Company, Antique

Table 3: 4QFY25 actuals vs. estimates

	4QFY25		
(INR mn)	Actual	Estimated	% Variance
Net sales	56,671	55,640	2
EBITDA	12,921	12,426	4
EBITDA margin (%)	22.8	22.3	47 bps
Adjusted PAT	7,725	7,355	5
EPS (INR)	16.9	16.1	5

Source: Company, Antique

Table 4: Quarterly snapshot

(INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Net sales	**56,671**	**49,608**	**14**	**57,677**	**(2)**	**2,27,079**	**1,98,055**	**15**
RM Cost	16,862	15,738	7	17,216	(2)	68,423	66,435	3
% of sales	29.8	31.7	(197)bps	29.8	(9)bps	30.1	33.5	(341)bps
Staff costs	10,013	9,002	11	9,844	2	39,642	34,946	13
% of sales	17.7	18.1	(48)bps	17.1	60 bps	17.5	17.6	(19)bps
Other expenses	16,876	14,900	13	16,959	(0)	66,488	60,800	9
% of sales	29.8	30.0	(26)bps	29.4	37 bps	29.3	30.7	(142)bps
Expenditure	43,750	39,640	10	44,019	(1)	1,74,553	1,62,181	8
EBITDA	**12,921**	**9,968**	**30**	**13,659**	**(5)**	**52,526**	**35,875**	**46**
EBITDA margin (%)	**22.8**	**20.1**	**271 bps**	**23.7**	**(88)bps**	**23.1**	**18.1**	**502 bps**
Other income	860	293		438		2,265	1,379	
Interest	891	713		669		2,949	3,116	
Depreciation	3,932	2,559		2,715		11,693	9,956	
PBT before EO	**8,958**	**6,990**	**28**	**10,713**	**(16)**	**40,150**	**24,182**	**66**
PBT	**8,958**	**6,990**	**28**	**10,713**	**(16)**	**40,150**	**24,182**	**66**
Tax	1,135	1,400		2,124		7,087	4,972	
Tax Rate %	12.7	20.0		19.8		17.7	20.6	
PAT before MI	7,824	5,590	40	8,589	(9)	33,063	19,210	72
MI	99	88		37		246	211	
Reported PAT	**7,725**	**5,502**	**40**	**8,552**	**(10)**	**32,816**	**18,999**	**73**
Adjusted PAT	**7,725**	**5,502**	**40**	**8,552**	**-10**	**32,816**	**18,999**	**73**
EPS (INR)	**16.9**	**12.1**	**40**	**18.7**	**-10**	**71.9**	**41.6**	**73**

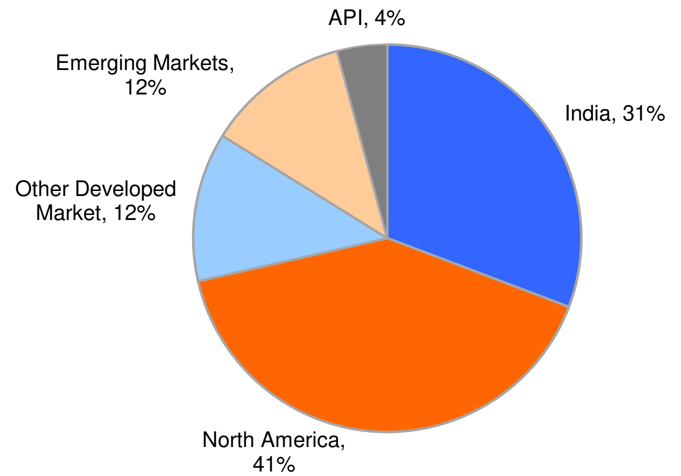
Source: Company, Antique

Table 5: Old vs. new estimates

	New estimates		Old estimates		Change %	
(INR mn)	**FY26E**	**FY27E**	**FY26E**	**FY27E**	**FY26E**	**FY27E**
Rating	BUY		BUY			
Target (INR)	2,395		2259		6	
Sales	2,46,604	2,65,674	2,47,801	2,64,953	(0)	0
EBITDA	58,994	63,572	60,583	66,893	(3)	(5)
EBITDA%	23.9	23.9	24.4	25.2	(53)bps	(132)bps
PAT	37,890	43,739	38,920	43,436	(3)	1
EPS (INR)	83.0	95.8	85.4	95.3	(3)	1

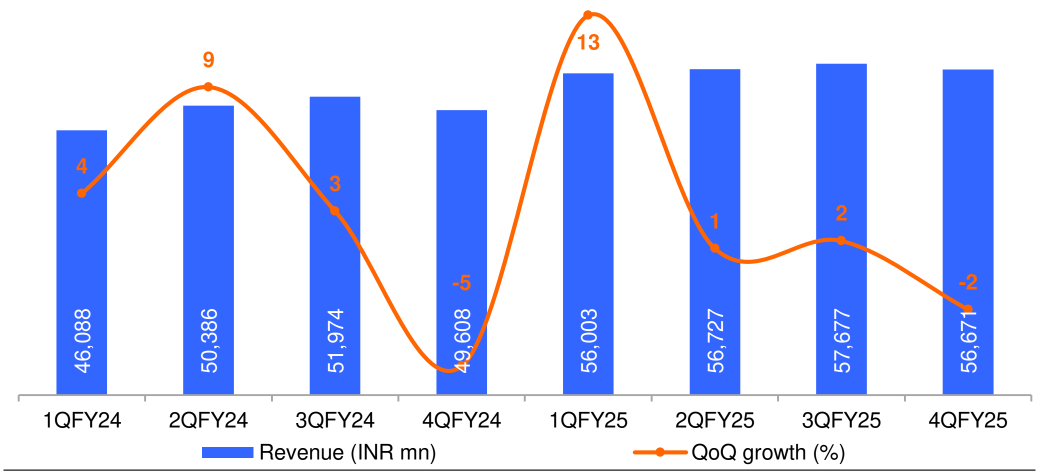
Source: Company, Antique

Exhibit 4: 4QFY25 revenue break-up



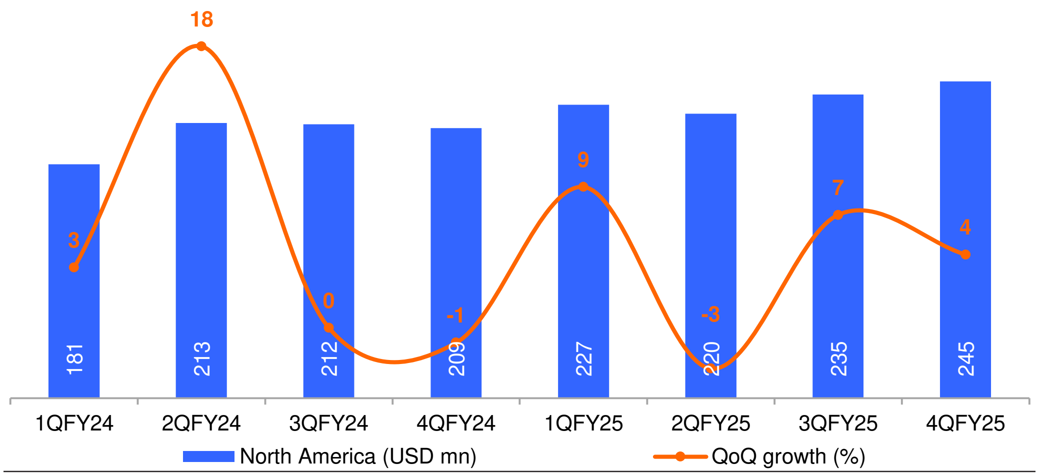
Source: Company, Antique

Exhibit 5: Quarterly revenue growth



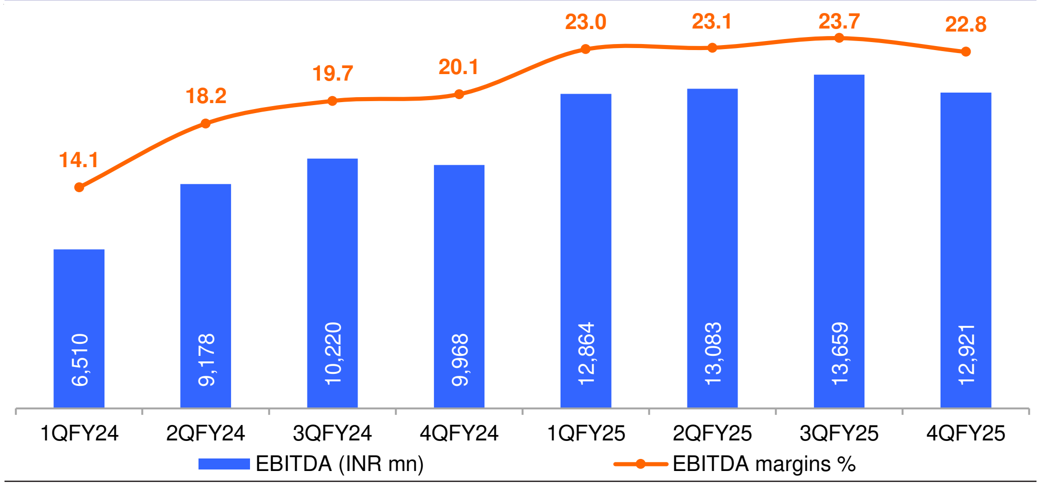
Source: Company, Antique

Exhibit 6: Quarterly US revenue



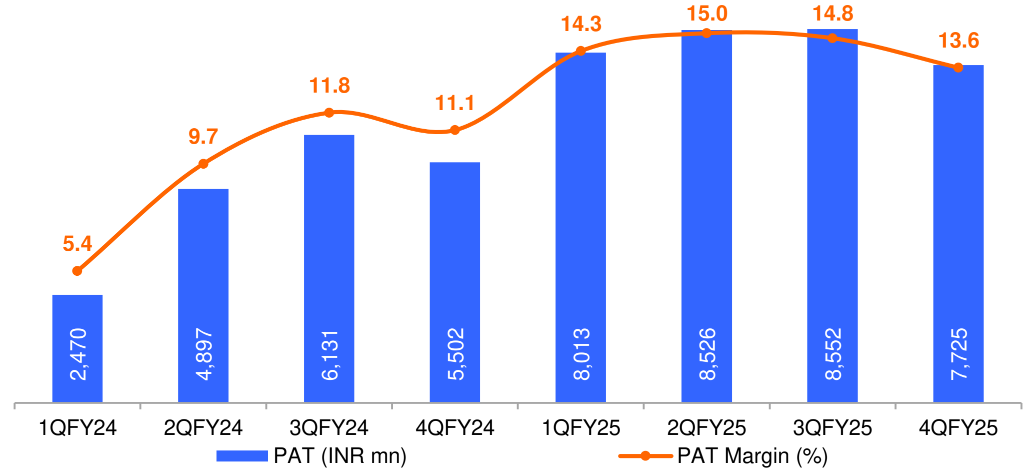
Source: Company, Antique

Exhibit 7: Quarterly EBITDA & margin



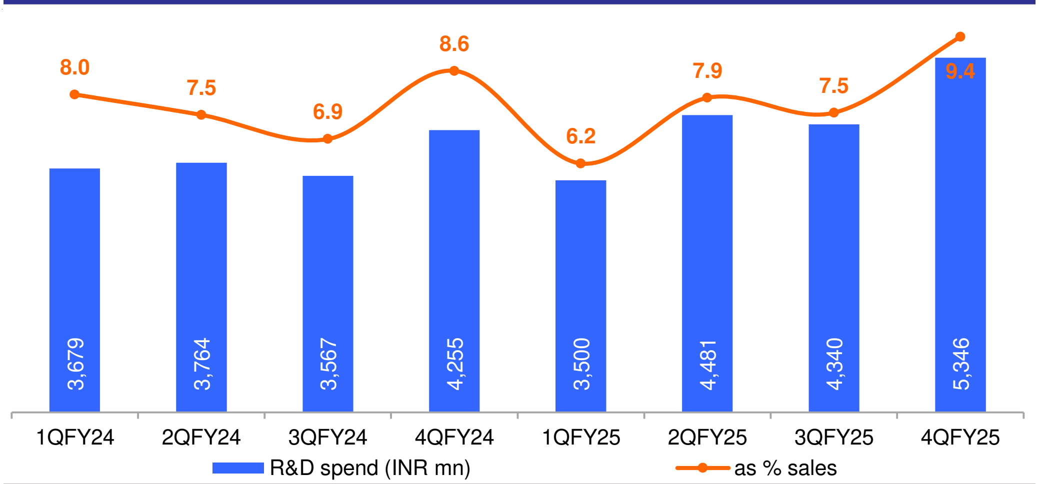
Source: Company, Antique

Exhibit 8: Quarterly PAT & margin



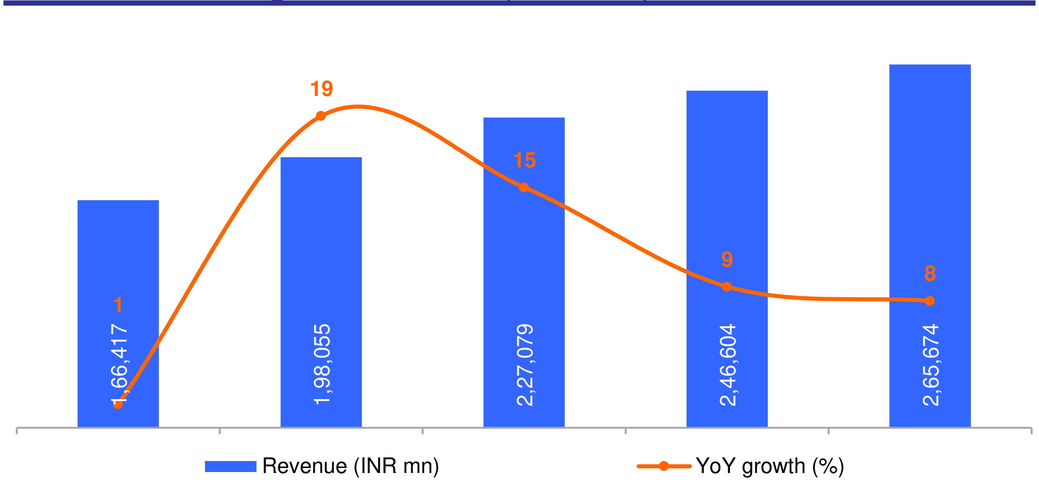
Source: Company, Antique

Exhibit 9: Quarterly R&D



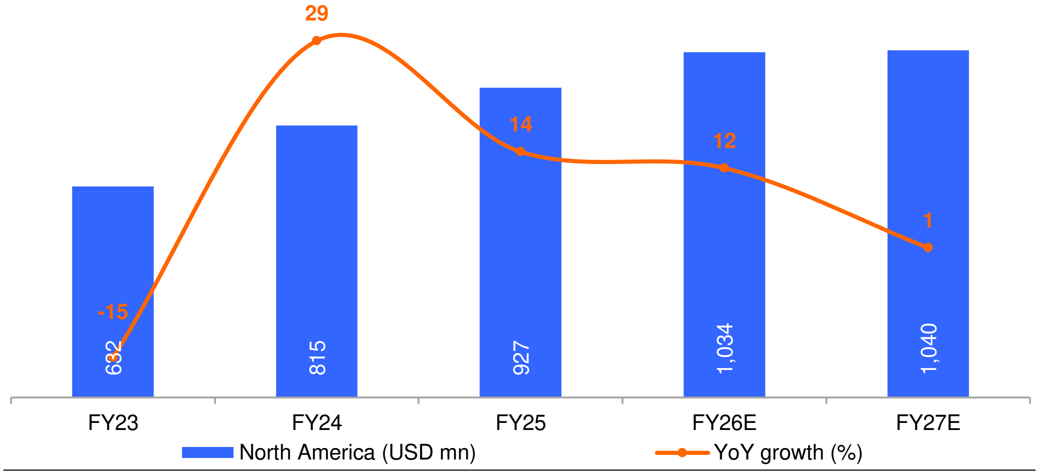
Source: Company, Antique

Exhibit 10: Revenue to grow at ~8% CAGR (FY25–FY27)



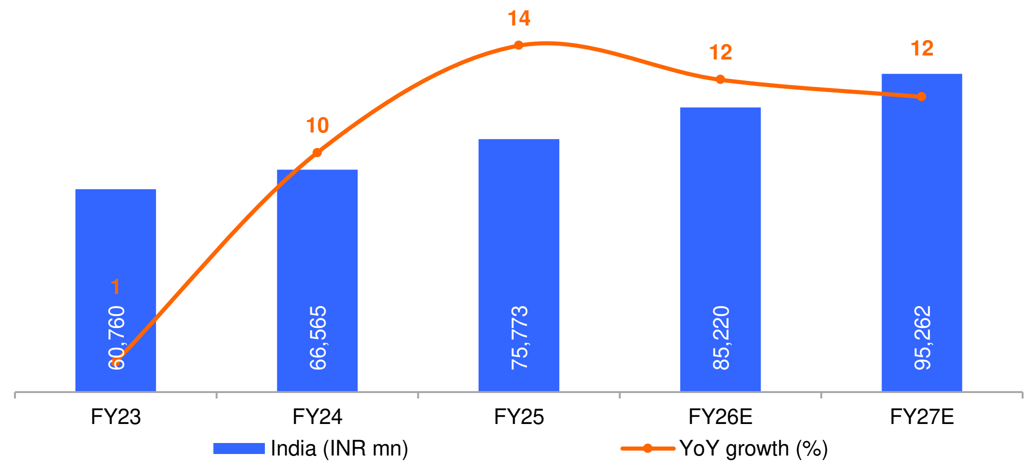
Source: Company, Antique

Exhibit 11: US generics to cross ~USD 1 bn in revenue by FY26E



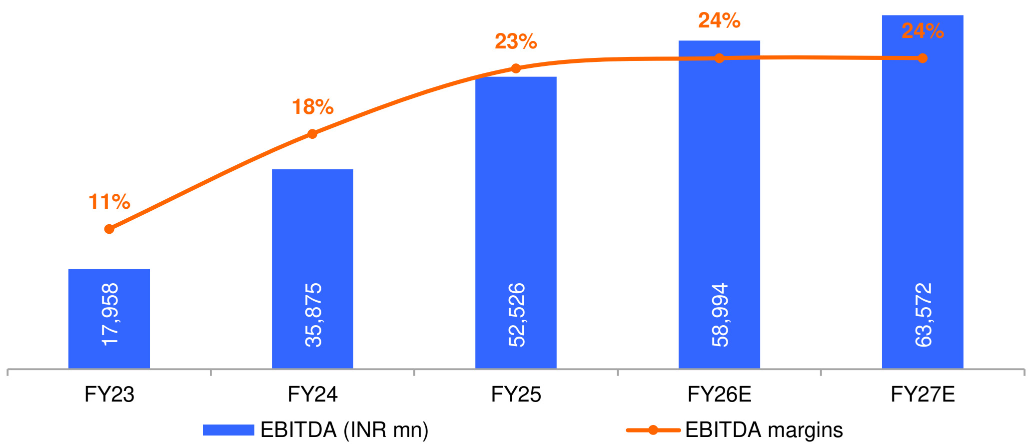
Source: Company, Antique

Exhibit 12: India formulations to grow at ~12% CAGR (FY25-FY27)



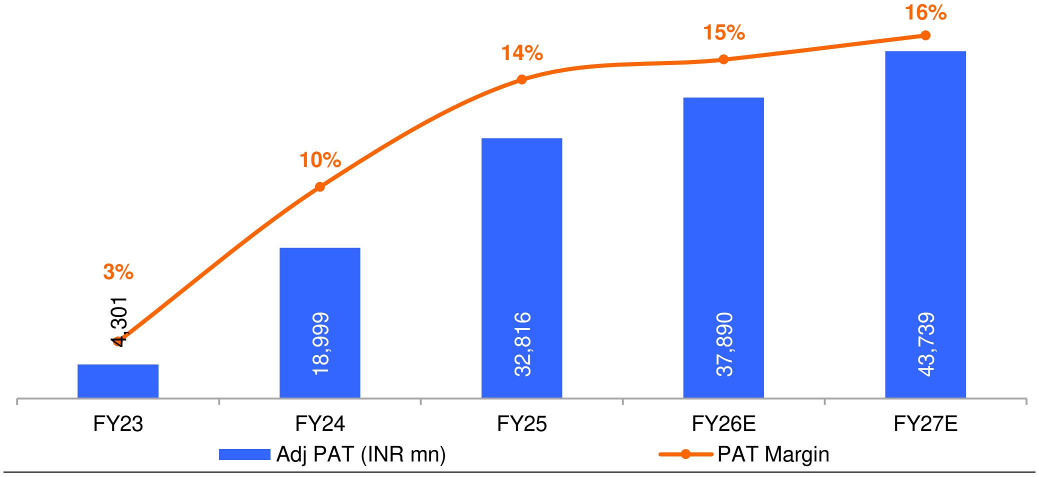
Source: Company, Antique

Exhibit 13: EBITDA margin to improve to ~24%



Source: Company, Antique

Exhibit 14: PAT to grow at ~15% CAGR (FY25–27)



Source: Company, Antique

Risk to our assumptions

1) **Delays in product approvals –** Unexpected delays in key product approvals.
2) **Regulatory risk –** Although most of the plants with OAI status are now having EIR. Any further OAIs could erode further value of some of the key generic products.
3) **Price erosion in US –** higher than budgeted price erosion poses downside risks to our estimates.

Analyst Meet Takeaways

Operational highlights

- Staff costs increased by ~11% on YoY basis to INR 10 bn; other expenses (ex. R&D) increased by 8% YoY to INR 11.5 bn.
- R&D spend for the quarter increased to INR 5.35 bn, accounting for ~9.6% of revenue.
- EBITDA margin expanded by ~270 bps to 22.8%.
- ETR for the quarter was 12.7%.
- PAT for the quarter increased ~40% to INR 7.8 bn.
- Capex spend for the quarter was INR 1.43 bn.
- The company reported net cash position of INR 3.1 bn.

India

- LPC's India business grew 6.9% YoY to INR 17.1 bn, accounting for 31% of revenue.
- India Rx business was up 6.2% on YoY basis.
- In FY25, key segments such as Diabetes, Cardiology, and GI grew faster than IPM. LPC had a market share of 3.4%, ranking 8th in IPM.
- Chronic segment accounted for 64% of sales in FY25. LPC aspires to increase chronic segment's contribution to 70% by FY30.
- The company launched four new brands in the quarter across therapies. The company aspires to launch 80 products over the next five years. Focus continues to be on therapies such as Cardiac, Diabetes (GLPs), GI, Oncology, CNS, etc.
- Total sales force as of Mar'25 was ~10,000. To realize its growth aspirations of 1.2/ 1.3 times the IPM growth, LPC plans to add 2,000 representatives over the next 4 to 5 years (~400/year).
- The company plans to launch GLP products in India and is actively working on the same.
- Key market growth drivers include:
  - Enhancing penetration and reach aided by sales force expansion, expansion of chronic portfolio, launching biosimilars, and M&A.
  - New product pipeline, including launching novel assets and in-licensing.
  - Expanding footprint via partnering in e-commerce, organized retail, and institutional business.
- Lupin expects to launch its first GLP-1 product in India in FY26E.

North America

- The North America business grew 19% YoY to INR 22.6 bn, accounting for 41% of revenue.
- In CC terms, the North America business increased 17% YoY to USD 245 mn.
- Complex platforms (incl. specialty) accounted for 34% of FY25 sales, up 3200 bps over FY20. LPC aspires to increase its contribution to 55% by FY30E.
- LPC ranks 3rd in the US in terms of generic market share (4.9% share).
- As per IQVIA Qtr TRx MAT Mar-25, 105 out of 138 products rank in the top 3 for their respective categories, with 45 products raking number 1. 100+ products with an addressable market size of USD 144 bn are pending launch. Recent launches include Mirabegron, Spiriva Gx, Pred forte Gx, & Tolvaptan while specialty continues to be in focus.

- The company is seeing an increase in competitive pressures in Albuterol. While Tolvaptan is expected to be a major contributor in 1HFY26E, other competitors are expected to enter the market in 2HFY26E. Injectable launches (gGlugagon, Liraglutide and Risperidone) during the end of 1HFY26 are expected to offset the revenue decline.
- gVictoza is likely to receive approval by July/ August 2025.
- The company received seven ANDA approvals from the U.S. FDA and launched two products during the quarter in the U.S. The company now has 138 generic products in the U.S market.
- Lupin continues to be the 3rd largest pharmaceutical player in both the U.S. generic market and U.S. total market by prescriptions (IQVIA Qtr TRx March 2025). Lupin is the leader in 48 of its marketed generics in the U.S. and amongst the Top 3 in 112 of its marketed products (IQVIA Qtr March 2025).
- The company has successfully completed remediation of the Tarapur unit & Mandideep unit 1. Awaiting USFDA re-inspection. No pending filings from this facility.
- USD 250 mn could be a sustainable revenue for the US.

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**1,66,417**	**1,98,055**	**2,27,079**	**2,46,604**	**2,65,674**
Op. Expenses	1,48,459	1,62,181	1,74,553	1,87,609	2,02,101
EBITDA	**17,958**	**35,875**	**52,526**	**58,994**	**63,572**
Depreciation	8,807	9,956	11,693	12,099	12,426
EBIT	**9,151**	**25,919**	**40,834**	**46,896**	**51,146**
Other income	757	1,379	2,265	2,765	4,465
Interest Exp.	2,743	3,116	2,949	1,654	242
Reported PBT	**7,165**	**24,182**	**40,150**	**48,007**	**55,369**
Tax	2,688	4,972	7,087	9,871	11,384
Reported PAT	**4,477**	**19,210**	**33,063**	**38,136**	**43,985**
Minority Int./Profit (loss) From Associates	(176)	(211)	(246)	(246)	(246)
Net Profit	**4,301**	**18,999**	**32,816**	**37,890**	**43,739**
Adjusted PAT	**4,301**	**18,999**	**32,816**	**37,890**	**43,739**
Adjusted EPS (INR)	**9.4**	**41.6**	**71.9**	**83.0**	**95.8**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	910	911	913	913	913
Reserves & Surplus	1,23,735	1,41,992	1,71,122	2,03,328	2,40,506
Networth	**1,24,645**	**1,42,903**	**1,72,035**	**2,04,242**	**2,41,420**
Debt	45,415	29,228	54,478	35,478	5,478
Minority Interest	783	832	909	1,155	1,401
Net deferred Tax liabilities	738	(577)	(3,327)	(3,327)	(3,327)
Capital Employed	**1,71,581**	**1,72,386**	**2,24,094**	**2,37,547**	**2,44,972**
Gross Fixed Assets	1,55,697	1,70,245	1,91,272	2,00,272	2,04,272
Accumulated Depreciation	94,333	1,04,712	1,16,405	1,28,503	1,40,930
Capital work in progress	12,380	7,725	5,166	1,166	2,166
Net Fixed Assets	**73,745**	**73,258**	**80,034**	**72,935**	**65,509**
Goodwill	22,188	23,250	22,326	22,326	22,326
Investments	5,169	10,746	11,464	21,464	41,464
Non Current Investments	771	2,277	873	873	873
Current Investments	4,398	8,469	10,591	20,591	40,591
Current Assets, Loans & Adv.	**1,26,902**	**1,29,692**	**1,72,634**	**1,85,729**	**1,83,064**
Inventory	44,918	49,539	54,764	59,472	64,071
Debtors	44,807	46,921	54,971	59,698	64,314
Cash & Bank balance	12,931	12,025	31,423	33,687	20,443
Loans & advances and others	24,246	21,207	31,476	32,872	34,236
Current Liabilities & Provisions	**56,422**	**64,561**	**62,364**	**64,907**	**67,391**
Liabilities	47,840	55,558	55,271	57,814	60,299
Provisions	8,581	9,003	7,093	7,093	7,093
Net Current Assets	**70,480**	**65,131**	**1,10,271**	**1,20,822**	**1,15,673**
Application of Funds	**1,71,581**	**1,72,386**	**2,24,094**	**2,37,547**	**2,44,972**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	455.0	455.7	456.6	456.6	456.6
Diluted no. of shares (mn)	455.0	455.7	456.6	456.6	456.6
BVPS (INR)	273.9	313.6	376.8	447.3	528.7
CEPS (INR)	29.2	64.0	98.0	110.0	123.5
DPS (INR)	4.0	8.0	12.0	12.4	14.4

Source: Company Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**7,165**	**24,223**	**40,150**	**48,007**	**55,369**
Depreciation & amortization	8,807	11,968	11,693	12,099	12,426
Interest expense	2,743	3,116	2,949	1,654	242
(Inc)/Dec in working capital	3,263	855	(14,105)	(8,288)	(8,095)
Tax paid	2,432	3,261	9,060	(9,871)	(11,384)
Less: Interest/Div. Income Recd.	(324)	(462)	(1,299)	-	-
Other operating Cash Flow	(252)	44	(328)	-	-
CF from operating activities	**23,833**	**43,005**	**48,120**	**43,601**	**48,559**
Capital expenditure	(17,521)	(10,631)	(16,993)	(5,000)	(5,000)
Inc/(Dec) in investments	(1,317)	(11,899)	(30,505)	(10,000)	(20,000)
Add: Interest/Div. Income Recd.	324	462	1,299	-	-
CF from investing activities	**(18,514)**	**(22,068)**	**(46,200)**	**(15,000)**	**(25,000)**
Inc/(Dec) in share capital	19	146	399	-	-
Inc/(Dec) in debt	1,728	(16,171)	24,277	(19,000)	(30,000)
Dividend Paid	(1,825)	(1,828)	(3,653)	(5,684)	(6,561)
Others	(3,292)	(3,988)	(3,545)	(1,654)	(242)
CF from financing activities	**(3,370)**	**(21,842)**	**17,478**	**(26,338)**	**(36,803)**
Net cash flow	**1,950**	**(906)**	**19,398**	**2,264**	**(13,244)**
Opening balance	10,981	12,931	12,025	31,424	33,687
Closing balance	**12,931**	**12,025**	**31,424**	**33,687**	**20,443**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue(%)	1.4	19.0	14.7	8.6	7.7
EBITDA(%)	(15.3)	99.8	46.4	12.3	7.8
Adj PAT(%)	(26.6)	341.7	72.7	15.5	15.4
Adj EPS(%)	(26.6)	341.7	72.7	15.5	15.4

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	219.8	49.8	28.8	25.0	21.6
P/BV (x)	7.6	6.6	5.5	4.6	3.9
EV/EBITDA (x)	54.2	26.6	18.2	15.7	14.0
EV/Sales (x)	5.9	4.8	4.2	3.8	3.3
Dividend Yield (%)	0.2	0.4	0.6	0.6	0.7

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	3.5	14.2	20.8	20.1	19.6
RoCE (%)	5.9	15.9	21.7	21.5	23.1
Asset/T.O (x)	1.2	1.4	1.4	1.3	1.4
Net Debt/Equity (x)	0.2	0.1	0.1	(0.1)	(0.2)
EBIT/Interest (x)	3.6	8.8	14.6	30.0	230.1

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin(%)	10.8	18.1	23.1	23.9	23.9
EBIT Margin(%)	5.5	13.1	18.0	19.0	19.3
PAT Margin(%)	2.6	9.5	14.3	15.2	16.2

Source: Company Antique

CMP	: INR 487
Reco	: HOLD ↔
Target Price	: INR 562 ↔
Target Price Change	: No Change
Target FY27 P/E (x)	: SoTP based
EBITDA Change FY26/ 27	: 14%/ 15%

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Market data

Sensex	:	82,531
Sector	:	Utilities
Market Cap (INR bn)	:	851.9
Market Cap (USD bn)	:	9.957
O/S Shares (mn)	:	1,747.8
52-wk HI/LO (INR)	:	805/419
Avg. Daily Vol ('000)	:	2,685
Bloomberg	:	JSW IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	11.2	17.1	19.4
P/E (x)	43.3	28.4	25.1
P/BV (x)	3.1	2.8	2.6
EV/EBITDA (x)	24.0	14.2	13.1
Dividend Yield (%)	0.2	0.4	0.4

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	(5)	12	(33)	(19)
Relative	(12)	3	(37)	(28)

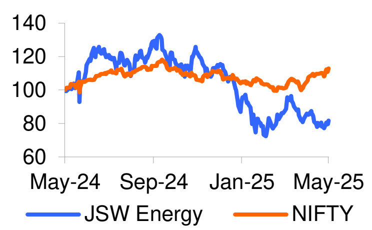
Source: Bloomberg

Shareholding pattern

Promoters	:	69%
Public	:	31%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

JSW Energy

Marginally better 4Q, FY30E guidance revised to 30 GW

JSW Energy (JSW) reported a consolidated EBITDA of INR 12 bn, up 3% YoY which is +7%/ -7% versus our/ consensus estimates. JSW has an operational capacity of 10.9 GW (up 49% YoY) as of FY25 and it has increased to 12.2 GW now. The company now plans to increase the capacity by 3-3.5 GW in the next one year. Having achieved its previously stated 10 GW guidance for FY25, the company has now revised its FY30E guidance to 30 GW versus 20 GW guided earlier. We were expecting this to be at 28 GW, as it has made inorganic acquisitions in the last six months. Of the 30 GW generation capacity, 12.2 GW is operational, 10.3 GW is under construction, and the remaining is under the pipeline stage. It intend to incur a capex of INR 1.3 trn and aims for a net debt to EBITDA of ~5x by FY30E. Post the result, we have added inorganic acquisitions to our numbers and thus EBITDA is revised upwards by 14%-15% for FY26/ 27E with an unchanged SoTP TP of INR 562. As we have already captured it in growth optionality in our TP. Stock valuation at 13x FY27E EV/ EBITDA is pricing in the upside and thus we retain HOLD rating.

Generation momentum intact

In 4QFY25, JSW generated 7.1 BU, up 21% YoY with strong 74% growth in RE and 10% growth in thermal. Within thermal, the increase was due to the newly commissioned Ind Bharat (520 MU vs. nil YoY) and Vijaynagar up 30% YoY but other plants showed a decline in the range of -7%-11% due to slightly subdued short term volumes in some plants. However, due to the addition of Ind Bharat (completely merchant) the overall short term sales are at 1035 MU, up 26% YoY. PLF across the thermal plants were: Ratnagiri 82%, Barmer 76%, Vijayanagar 77%, and Utkal 79%. The operational performance of hydro was 383 MU, up 4% YoY; solar was 372 MU, up 1355% YoY; and wind assets generated 974 MU, up 109% YoY.

PAT boosted by tax rebate and increased other income

While generation grew by 24%, JSW reported a revenue of INR 32 bn, up 15% YoY. EBITDA came in at INR 12 bn, up 3% YoY and 7% above our estimates. As new capacity got added depreciation increased to INR 4.8 bn, +13% YoY. Interest costs increased to INR 6.7 bn, up 26% YoY. PAT stood at INR 4.1 bn, up 18% YoY and ~40% above our and consensus estimates. PAT was supported by other income that was at INR 3.1 bn, up 149% YoY, other income was up due to gain in treasury income as well as deferred consideration payable that was for one of the prior acquisitions of Mytrah. Tax refund of INR 538 mn also backed PAT growth for the quarter.

Startegy 3.0 kicks in

After successfully delivering strategy 2.0, JSW has came up with strategy 3.0, were in the company plans to reach a generation capacity of 30 GW and energy storage capacity of 40 GW by FY30E. For this, the company has planned a capex of INR 1.3 trn over five years. Of the 30 GW generation capacity, 10.3 GW is under construction (wind 2 GW, solar 3.2 GW, hybrid 3.3 GW, thermal 1.6 GW), 6.7 GW is in the pipeline (wind 0.25 GW, solar 1 GW, hybrid 3.7 GW, thermal 1.8 GW). With this capacity coming up, the company is aiming net debt/EBITDA at 5x. For ESS, the company has locked in a capacity of 2.9 GW BESS and 26.4 gwh of PSP which sums up to 29.3 gwh of total locked in capacity in energy storage.

Investment Summary

India's power demand during 4QFY25 increased by 3.2% YoY and for FY25 it increased by 4.2% YoY. Over the mid to long term, in addition to adding renewable capacities, it plans to add battery storage capacities, pump storage hydro plants, and green hydrogen capacities. The balance sheet has strength to capture growth as net debt to equity is 1.6x (vs. 1.3x as of FY24), net debt to EBITDA (excl. CWIP) is at 3.9x, and also has annual OCF of INR 90 bn to fund the growth.

Table 1: Financial highlights

	Quarter Ended					Year Ended		
In INR mn	**4QFY25**	**4QFY24**	**% Chg**	**3QFY25**	**% Chg**	**FY25**	**FY24**	**% Chg**
Net Sales	**31,894**	**27,559**	**15.7**	**24,389**	**30.8**	**114,859**	**117,454**	**(2.2)**
EBIDTA	12,045	11,685	3.1	9,137	31.8	53,818	52,208	**3.1**
Other income	3,080	1,235	149.4	2,012	53.1	4,554	8,941	**(49.1)**
PBIDT	**15,125**	**12,920**	**17.1**	**11,149**	**35.7**	**58,372**	**61,149**	**(4.5)**
Depreciation	(4,819)	(4,267)	12.9	(4,055)	18.8	(16,334)	(16,546)	**(1.3)**
Interest	(6,753)	(5,332)	26.6	(5,645)	19.6	(20,534)	(22,691)	(9.5)
Share in JV	54	69		52		174	96	
PBT	**3,607**	**3,450**	**4.5**	**1,604**	**124.8**	**24,251**	**19,510**	**24.3**
Tax	538	64	747.2	74	626.0	(4,423)	(2,287)	**93.4**
Adjusted PAT	**4,145**	**3,514**	**18.0**	**1,679**	**147.0**	**19,828**	**17,223**	**15.1**
Reported PAT	**4,145**	**3,514**	**18.0**	**1,679**	**147.0**	**19,828**	**17,223**	**15.1**

Source: Company, Antique

Table 2: Operational highlights

Net generation	Quarter Ended					Year Ended		
In million units	**Q4FY25**	**Q4FY24**	**% Chg**	**Q3FY25**	**% Chg**	**FY25**	**FY24**	**% Chg**
Ratnagiri (1200MW)	1,950	2,097	**(7.0)**	1,984	**(1.7)**	7,880	7,850	**0.4**
Barmer (1080MW)	1,562	1,754	**(10.9)**	1,487	**5.0**	5,999	6,329	**(5.2)**
Vijaynagar (860MW)	1,325	1,018	**30.2**	1,042	**27.2**	4,084	4,068	**0.4**
Ind Bharat (350 MW)	520	0	**NM**	467	**NM**	1,404	-	**NM**
Total Thermal	5,378	4,896	9.8	4,980	8.0	19,426	18,309	6.1
Hydro (1345 MW)	383	369	**3.8**	723	**(47.0)**	5,862	4,913	**19.3**
Solar (675 MW)	372	158	**135.4**	284	**31.0**	1,287	1,311	**(1.8)**
Wind (1847 MW)	974	465	**109.5**	639	**52.4**	4,463	3,112	**43.4**
Total Renewable	1,729	992	74.3	1,646	5.0	11,612	9,336	24.4
Total	**7,107**	**5,888**	**20.7**	**6,626**	**7.3**	**31,038**	**27,645**	**12.3**

Conference Call Highlights

Conference call highlights

- India's power demand expected to grow at 4%–5% annually driven by rising base-load consumption and industrial activity. The company is leveraging this demand with strategic tie-ups and timely execution of high-efficiency assets. Merchant prices remained resilient, averaging INR 4.76/unit in 4QFY25.
- JSW Energy's under construction portfolio stands at 11.3 GW, comprising 9.7 GW of renewable energy projects and the 1.6 GW Salboni Ultra Supercritical Thermal Power Plant—its first greenfield thermal investment in over a decade. In addition, the company has a robust pipeline of ~4.9 GW, where Letters of Intent (LoIs) or Letters of Award (LoAs) have been secured and PPAs are under finalization.
- The company has planned a capex of INR 1.3 trn, which will be spent each year as per the capacity base goes up and the cash acceleration goes up. This capex will be not equally distributed over five years.
- The company has come up with strategy 3.0 after successfully delivering strategy 1.0 & 2.0. Under strategy 3.0, the company will target to achieve 30 GW of generation capacity and 40 GW of BESS. For this 30 GW generation 10304 MW is under construction in thermal/ hybrid/ solar/ wind segment and about 6716 MW is in pipeline.
- For ESS, the company has locked in a capacity of 2.9 GW BESS and 26.4 gwh of PSP which sums up to 29.3 gwh of total locked-in capacity in energy storage.

Table 3: Sum-of-the-parts (SoTP) valuation

Type of Assets	Stake %	Details	FY27E EBITDA	EV/EBITDA (x)	EV
Thermal	100%	Standalone	12,940	10	1,29,399
Thermal	100%	Barmer	8,017	10	80,172
Thermal	95%	Ind Bharat	3,704	10	35,185
Thermal	100%	Mahanadi	22,760	10	2,27,600
Total Thermal					**4,72,356**
Hydro	100%	BASPAII	1,832	14	25,654
Hydro	100%	Karcham Wangtoo	9,451	14	1,32,320
Hydro	100%	Kutehr	3,192	14	44,685
Total Hydro					2,02,660
Renewable	100%	SECI + Group Cap	22,159	14	3,10,219
Renewable	100%	O2	15,000	14	2,10,000
Mytrah	100%	Mytrah	12,141	14	1,69,968
Total Renewable					**7,99,086**
Transmission		JPTL	683	12	8,194
Total			**1,11,878**		
Development pipeline		Discounted at 15%	43,735	2	1,08,899
Enterprise Value					**14,82,296**
Investments in JSW Steel					44,418
Net Debt					5,46,588
Equity Value					**9,80,126**
Outstanding shares					1,745
Target Price					**562**

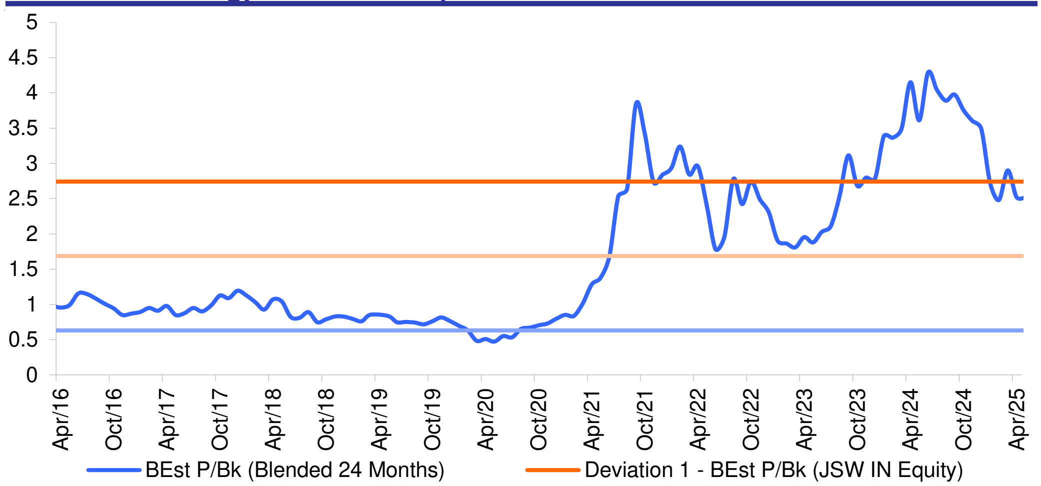
Source: Company, Antique

Table 4: Change in estimates

	New		Old		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	1,87,277	2,19,114	1,71,814	1,99,194	9%	10%
EBITDA	94,382	1,11,877	82,791	97,285	14%	15%
Net profit	29,890	33,875	25,118	28,466	19%	19%

Source: Company, Antique

Exhibit 1: JSW Energy PBV band at its peak



Source: Bloomberg

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**1,03,318**	**1,14,859**	**1,17,454**	**1,87,277**	**2,19,114**
Op. Expenses	(70,499)	(61,041)	(65,246)	(92,895)	(1,07,237)
EBITDA	**32,819**	**53,818**	**52,208**	**94,382**	**1,11,877**
Depreciation	(11,692)	(16,334)	(16,546)	(26,699)	(32,639)
EBIT	**21,127**	**37,484**	**35,662**	**67,683**	**79,238**
Other income	5,352	4,554	8,941	9,588	10,051
Interest Exp.	(8,443)	(20,534)	(22,691)	(36,827)	(43,452)
Extra Ordinary Items -gain/(loss)	1,393	165	228	-	-
Reported PBT	**19,429**	**21,669**	**22,139**	**40,444**	**45,837**
Tax	(4,627)	(4,423)	(2,287)	(10,515)	(11,918)
Reported PAT	**14,802**	**17,247**	**19,852**	**29,928**	**33,920**
Minority Int./Profit (loss) From Asso.	(19)	(24)	(24)	(38)	(45)
Net Profit	**14,782**	**17,223**	**19,828**	**29,890**	**33,875**
Adjusted PAT	**13,390**	**17,058**	**19,600**	**29,890**	**33,875**
Adjusted EPS (INR)	**8.1**	**10.4**	**11.2**	**17.1**	**19.4**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	16,405	16,412	17,453	17,453	17,453
Reserves & Surplus	1,69,883	1,91,905	2,56,162	2,83,063	3,13,550
Networth	**1,86,288**	**2,08,317**	**2,73,614**	**3,00,515**	**3,31,002**
Debt	1,92,079	2,77,312	4,48,969	5,53,969	6,79,969
Minority Interest	1,054	1,825	17,236	17,236	17,236
Net deferred Tax liabilities and other liabilities	18,619	22,542	42,417	42,417	42,417
Capital Employed	**3,98,040**	**5,09,997**	**7,82,236**	**9,14,137**	**10,70,624**
Gross Fixed Assets	3,34,872	3,90,404	6,59,053	8,09,053	9,89,053
Accumulated Depreciation	(84,580)	(1,00,915)	(1,17,461)	(1,44,160)	(1,76,798)
Capital work-in-progress	47,795	1,02,823	1,02,769	1,02,769	1,02,769
Net Fixed Assets	**2,98,087**	**3,92,313**	**6,44,362**	**7,67,663**	**9,15,024**
Investments	93,089	1,03,730	1,34,271	1,34,271	1,34,271
Non-current Investments	93,089	1,03,730	1,34,271	1,34,271	1,34,271
Current Assets, Loans & Adv.	**96,241**	**86,648**	**1,20,758**	**1,37,910**	**1,50,943**
Inventory	9,871	8,307	9,053	10,775	12,607
Debtors	15,319	8,442	13,198	15,393	18,009
Cash & Bank balance	40,139	42,066	46,952	59,157	66,690
Loans & advances and others	30,912	27,833	51,554	52,585	53,637
Current Liabilities & Provisions	**89,377**	**72,694**	**1,17,154**	**1,25,707**	**1,29,614**
Liabilities	89,175	72,439	1,16,815	1,25,193	1,29,014
Provisions	202	256	340	513	600
Net Current Assets	**6,864**	**13,953**	**3,603**	**12,203**	**21,329**
Application of Funds	**3,98,040**	**5,09,997**	**7,82,236**	**9,14,137**	**10,70,624**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	1,645	1,641	1,744	1,744	1,744
Diluted no. of shares (mn)	1,645	1,641	1,744	1,744	1,744
BVPS (INR)	113.3	126.9	156.9	172.3	189.8
CEPS (INR)	16.8	20.8	20.3	32.5	38.2
DPS (INR)	2.0	2.1	1.1	1.7	1.9

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**19,428**	**21,669**	**22,139**	**40,444**	**45,837**
Depreciation & amortization	11,692	16,334	16,546	26,699	32,639
Interest expense	8,443	20,534	22,691	36,827	43,452
(Inc)/Dec in working capital	(11,336)	10,085	(15,879)	3,605	(1,592)
Tax paid	(3,473)	(3,857)	(3,291)	(10,515)	(11,918)
Less: Interest/Div. Income Recd.	(5,352)	(4,554)	(8,941)	(9,588)	(10,051)
Other operating Cash Flow	1,440	2,125	18,868	(45)	45
CF from operating activities	**20,843**	**62,336**	**52,135**	**87,427**	**98,412**
Capital expenditure	(42,366)	(80,321)	(67,069)	(1,50,000)	(1,80,000)
chng in investments	(27,729)	(2,857)	(1,69,059)	(4)	(103)
Add: Interest/Div. Income Recd.			8,941	9,588	10,051
CF from investing activities	**(70,095)**	**(83,177)**	**(2,27,188)**	**(1,40,416)**	**(1,70,052)**
Inc/(Dec) in share capital	-	-	49,467	-	-
Inc/(Dec) in debt	87,377	43,702	1,84,252	1,05,000	1,26,000
Dividend Paid	(3,288)	(3,468)	(3,639)	(2,989)	(3,387)
Others	(10,815)	(23,486)	(48,671)	(36,816)	(43,439)
CF from financing activities	**73,275**	**16,748**	**1,81,410**	**65,195**	**79,173**
Net cash flow	**24,023**	**(4,093)**	**6,357**	**12,205**	**7,533**
Opening balance	11,341	44,687	40,595	46,952	59,157
Closing balance	**40,139**	**40,595**	**46,952**	**59,157**	**66,690**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	26.5	11.2	2.3	59.4	17.0
EBITDA	-8.0	64.0	-3.0	80.8	18.5
Adj PAT	-23.5	27.4	14.9	52.5	13.3
Adj EPS	-24.3	27.7	8.1	52.5	13.3

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	59.8	46.9	43.3	28.4	25.1
P/BV (x)	4.3	3.8	3.1	2.8	2.6
EV/EBITDA (x)	30.5	20.2	24.0	14.2	13.1
EV/Sales (x)	9.7	9.4	10.7	7.2	6.7
Dividend Yield (%)	0.4	0.4	0.2	0.4	0.4

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	9.5	8.6	8.1	10.4	10.7
RoCE (%)	6.9	8.3	5.5	8.0	8.0
Asset/T.O (x)	0.2	0.2	0.2	0.6	0.6
Net Debt/Equity (x)	0.8	1.1	1.5	1.8	2.0
EBIT/Interest (x)	3.1	2.0	2.0	2.1	2.1

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	31.8	46.9	44.4	50.4	51.1
EBIT Margin (%)	20.4	32.6	30.4	36.1	36.2
PAT Margin (%)	12.3	14.3	15.5	15.2	14.8

Source: Company Antique

CMP	: INR 15,558
Reco	: BUY ↔
Target	: INR 17,047 ↑
Target Price Change	: 10%
Target FY27 P/E (x)	: 60
EPS Change FY26/ 27	: 0%/ 12%

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Market data

Sensex	:	82,531
Sector	:	Industrials
Market Cap (INR bn)	:	694.0
Market Cap (USD bn)	:	8.112
O/S Shares (mn)	:	44.6
52-wk HI/LO (INR)	:	16981/8738
Avg. Daily Vol ('000)	:	112
Bloomberg	:	POWERIND IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	90.7	166.0	284.1
P/E (x)	171.5	93.7	54.8
P/BV (x)	15.6	14.0	11.9
EV/EBITDA (x)	104.3	61.9	37.5
Dividend Yield (%)	0.2	0.3	0.5

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	24	38	32	45
Relative	15	27	24	28

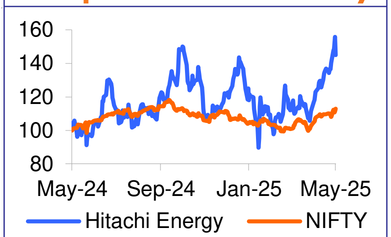
Source: Bloomberg

Shareholding pattern

Promoters	:	71%
Public	:	29%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Hitachi Energy India

In-line operational performance; maintain BUY

Hitachi Energy India's (HEI) 4QFY25 performance was in-line with our expectations on all fronts. HEI registered a revenue growth of 11% YoY, in line with our estimate, supported by decent orders under execution backed by a strong order book. EBITDA margin expanded 180 bps to 12.6% driven by better margin order getting executed during the quarter. Order inflow at INR 21.9 bn registered a 56% YoY growth backed by order wins in key verticals like T&D, renewables, industry. Order book also spiked to INR 192.5 bn (+166% YoY) with a promising order pipeline. Given the traction in key target sectors like HVDC, high-speed rail, and data centers, we believe this ordering momentum should continue in the near to medium term We also expect HEI's revenue booking to substantially improve over FY25-27E supported by robust order book that it has developed over last one year which should also lead to HEI's margins improving substantially over the same period. To factor in better profitability we increase our earnings estimates by 12% for FY27and maintain our BUY rating with a revised TP of INR 17,047 (earlier INR 15,465), valuing HEI on a PE multiple of 60x FY27E EPS.

In-line performance backed by robust margin performance

HEI reported a revenue of INR 18.8 bn (+12% YoY), in line with our estimate of INR 18.9 bn. EBIDTA for the quarter was INR 2.4 bn (+31% YoY), again in line with our estimate of INR 2.5 bn, leading to an EBITDA margin of 12.6% (+180 bps YoY, est. of 13.1%). Other income was INR 382 mn (+874% YoY) vs. our estimate of INR 77 mn supported by a gain on fair valuation of derivative contracts. PAT stood at INR 1.8 bn (+62% YoY; vs. an est. of INR 1.6 bn). For FY25, revenue came in at INR 63.8 bn (+22% YoY) while EBITDA stood at INR 5.9 bn (+71% YoY) with an operating margin of 9.3% (+270 bps YoY). PAT came in at INR 3.8 bn (+134% YoY).

Revenue booking in-line as execution meets expectation

HEI reported 12% revenue growth at INR 18.8 bn (est. INR 20.3 bn) supported by decent execution of projects in hand & a diverse product mix. HEI has been focusing on scaling up exports and services revenue and it is now witnessing strong traction in ordering with its exports now comprising ~37% of the total order book in 4QFY25. Key large orders are coming from Transmission & Renewables with increased focus on grid modernization followed by orders from rail & metro. Additionally, HEI has bagged a large STATCOM order from a leading power transmission player & another order for building the 1st domestic made variable shunt reactor which can further scale up execution. We reckon HEI to deliver a robust revenue CAGR of 30% over FY25-27E.

EBITDA margin expands 190 bps YoY; double-margin guidance reiterated

Operating profit was a robust INR 2.4 bn (+31% YoY), in line with our estimate of INR 2.5 bn on account of stable margin performance backed by execution of better margin orders which stood at 12.6% (+190 bps YoY; est. of 13.1%). We believe Hitachi should deliver a sharp improvement in margin going ahead from the current 9.3% that it reported in FY25 given a few large-ticket HVDC orders are up for finalization and strong T&D capex. These are expected to play out in the next two years as the government intends to have an installed renewable energy base of 500 GW by FY30. We foresee HEI's operating margin reaching 14.3% level in FY27.

Order inflows stable; order backlog at a record high

Order inflow in 4QFY25 stood robust at INR 21.9 bn (+56% YoY), primarily attributed to export orders received from key end markets in South East Asia, Europe & Africa and an uptick in finalization of orders from sectors like Transmission (+91% YoY), Renewables (+386% YoY) along with Railways & Metros (+24%). Export orders accounted for ~37% of the total order pie from diversified markets. Additionally, the services segment constituted 11% of the orders (ex-HVDC). The order book stands at INR 192.5 bn (+166% YoY; 3.0x TTM revenue).

Investment Summary

Market leadership, strong balance sheet, superior earnings growth, high return ratios coupled with a large addressable market for its product portfolio makes HEI a good investment in the long term. We maintain BUY rating with a revised TP of INR 17,047 (60x FY27E EPS).

Conference Call Highlights

- Key Transmission order wins include: 30 units of 80 MVAR, 765 kV, (1-Ph) reactors for national transmission utility; 765/ 400/ 220 kV S/s additions to Lakadia S/s; Renewable, solar: 300 Mvar STATCOM - Anantapur II; Renewables, solar: 72 x 33 kV Harmonic Filter, Khavda; Renewables, wind: 220/ 33 kV AIS SS for 700 MW wind farm Kankagiribad, Karnataka; Automation of 5 S/s in Northern state grid with CRP SAS.
- Key order wins for FY25 include an order for ±800 kV, 6,000 MW line capacity bi-pole and bi-directional, Khavda-Nagpur HVDC link & a large STATCOM order from one of India's leading power transmission companies.
- HEI concluded QIP worth INR 25 bn and completed expansion facility in Mysore for bay extension of pressboard and insulation kit manufacturing in FY25.
- **Projects commissioned in** 4Q – 1) Supply of material/ equipment, transportation for 400 kV AIS SS for 500 MW Solar Badi Sid Project in state of Rajasthan. 2) Design, engineering, manufacturing & testing for 220/ 132/ 33 kV AIS, Bargawan – Madhya Pradesh. 3) Design, supply, installation & testing of 66 kV/ 33 kV/ 11 kV GIS S/S at Phuntsholing, Bhutan. 4) Design, supply, installation & testing of 220 kV GIS at battery manufacturer, Bengaluru.
- **Key segments** – Transmission (with HVDC): 91% growth; industries: -33% growth, data centers: -56% YoY (seasonal decline evident but expect significant demand going ahead with industry tailwinds) growth, and transmission (w/o HVDC): 91% growth.
- HEI is keen on harnessing newer segments like data centers & the focus is to start BU service in India.
- Services order contribute 11% of order (ex-HVDC), mainly – 1) 220 kV Bay Extension Project for captive power plant at a steel major. 2) Renewable study orders from a leading global and local renewable energy utility. 3) Extended critical and emergency support to utilities in Mumbai, Gujarat, Goa.
- Exports contribute to >37% of orders (ex-HVDC) witnessed 77% YoY growth in FY25 – 1) 145 kV DTB for Google Data Center in Thailand. 2) 72.5 kV DTB for Aboitiz Group Philippines. 3) 420 kV, 245 kV & 72.5 kV Circuit Breakers for Lawaamer, Chemaia, Morroco, Turkey. 4) 245 kV & 72.5 kV AIS equipment for Eurl Hamdi project of Sonelgaz, Algeria.
- Ex-HVDC, the execution timeline of other products could be around ~6 to 18 months.
- Segments driving growth: Transmission – 750%, 2) Industries - 27%, 3) Data centers - 36%, 4) Railways -33%, & 5) Renewables which includes wind & solar - 107%.
- HEI has booked an order for Khavda-Nagpur in FY25 & Bhadla-Fatehpur is expected to be booked in 1QFY26.
- Update on Khavda South Olepad - Second half of next fiscal year.
- HEI is in the final stages of completion of Mumbai HVDC with VSC technology.
- Timeline of the recently for won HVDC projects: 48 months for bipole-1; 54 months for bipole-2; and revenue booking will be back-ended. The project would be entirely done by an Indian entity.
- Currently executing Marinus Link HVDC project & Mumbai HVDC project simultaneously.
- Risk profile of the HVDC projects are better than what it used to be earlier.
- HEI aims to maintain double-digit EBITDA margin for the full year.
- Indigenous content would be ~80%-90% locally for overall products.
- Bullet train package is getting delayed but may get finalized by FY26.
- 2/3 of the QIP proceeds would be used for capacity expansion & rest is corporate usage. The company remains committed to investing ~INR 20 bn over the next 4-5 years.

Table 1: Quarterly performance

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Total revenues (net)	**18,837**	**16,953**	**11.1**	**16,203**	**16.3**	**63,849**	**52,375**	**21.9**
RM	11,830	11,447	3.3	9,898	19.5	39,657	34,025	16.6
% of Sales	62.8	67.5	-472 bps	61.1	172 bps	62.1	65.0	-285 bps
Staff cost	1,444	1,404	2.8	1,407	2.6	5,448	4,902	11.1
% of Sales	7.7	8.3	-62 bps	8.7	-102 bps	8.5	9.4	-83 bps
Other operating expenses	3,183	2,281	39.5	3,228	(1.4)	13,120	9,959	31.7
% of Sales	16.9	13.5	344 bps	19.9	-303 bps	20.5	19.0	153 bps
Total expenditure	16,457	15,133	8.7	14,534	13.2	58,224	48,885	19.1
EBITDA	**2,380**	**1,820**	**30.8**	**1,669**	**42.6**	**5,625**	**3,490**	**61.2**
EBITDA Margin (%)	**12.6**	**10.7**	**190 bps**	**10.3**	**233 bps**	**8.8**	**6.7**	**215 bps**
Depreciation	235	225	4.3	230	2.1	914	900	1.5
Interest	60	112	(46.5)	120	(50.0)	452	466	(2.8)
Other income	382	39	873.7	521	(26.8)	905	93	873.7
PBT	**2,467**	**1,522**	**62.1**	**1,841**	**34.0**	**5,164**	**2,217**	**132.9**
Tax	628	385	63.0	467	34.5	1,324	579	128.6
Tax rate (%)	25.5	25.3	14 bps	25.4	0.4	25.6	26.1	-48 bps
Reported net profit	**1,839**	**1,137**	**61.8**	**1,374**	**33.8**	**3,840**	**1,638**	**134.5**
Adjusted net profit	**1,839**	**1,137**	**61.8**	**1,374**	**33.8**	**3,840**	**1,638**	**134.5**
EPS (INR)	**43.4**	**26.8**	**61.8**	**32.4**	**33.8**	**90.6**	**38.6**	**134.5**

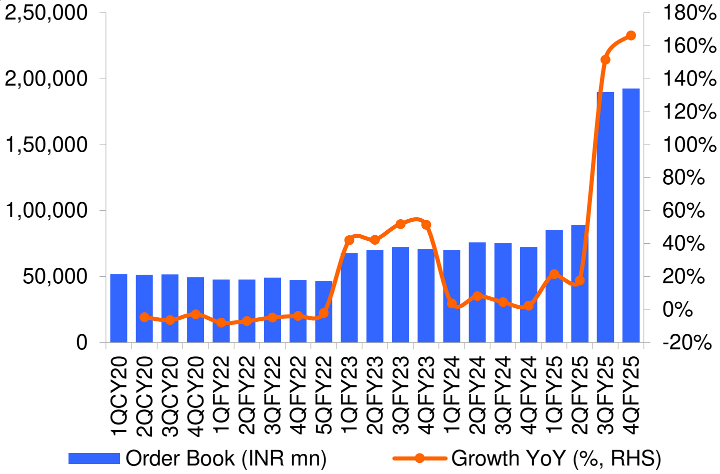
Source: Company, Antique

Table 2: Change in earnings table

INR mn	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	84,356	1,06,979	83,637	1,09,745	-1%	3%
EBITDA	10,337	15,205	10,276	16,852	-1%	11%
EBITDA margin	12.3%	14.2%	12.3%	15.4%	0.0%	1.1%
Reported PAT	7,035	10,752	7,029	12,027	0%	12%
Adj. PAT	7,035	10,752	7,029	12,027	0%	12%

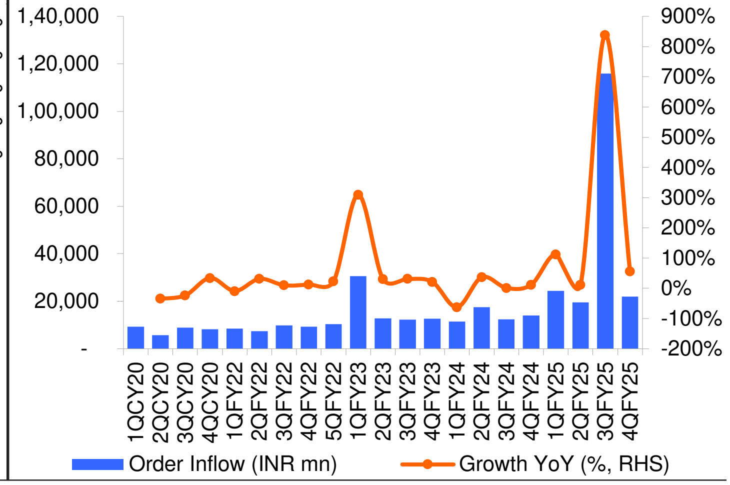
Source: Company, Antique

Exhibit 1: Order book at record high with revenue visibility of 3.0x TTM revenue



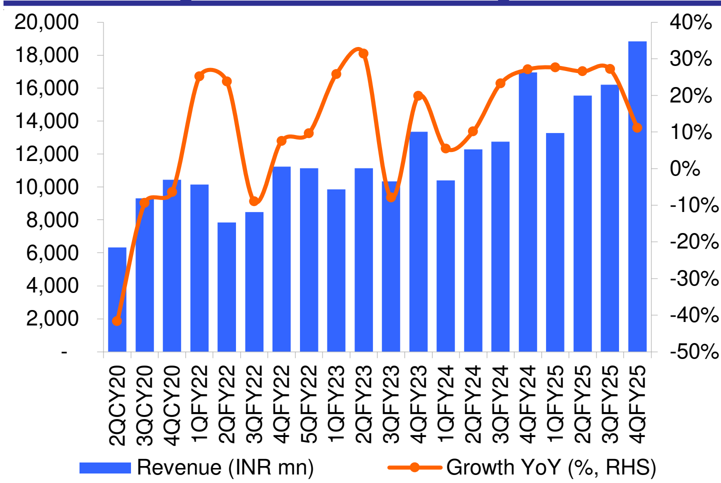
Source: Company, Antique

Exhibit 2: Order inflow witnessed a growth of 56% YoY



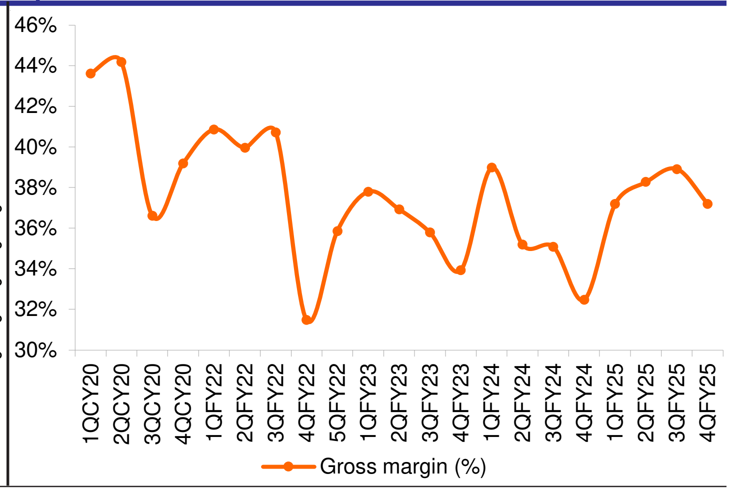
Source: Company, Antique

Exhibit 3: Strong execution led to 11% YoY growth



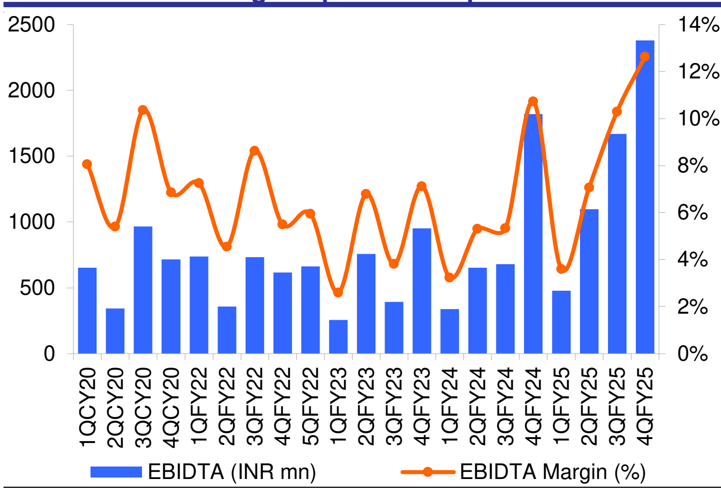
Source: Company, Antique

Exhibit 4: GM expands 470 bps YoY to 37.2% likely due to improved revenue mix



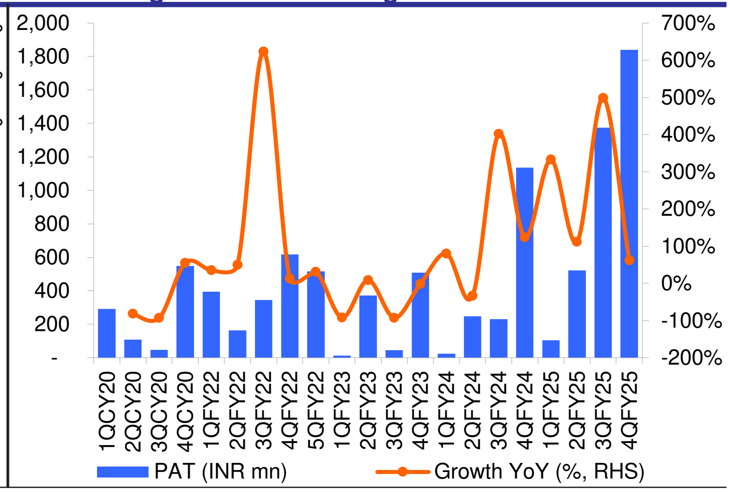
Source: Company, Antique

Exhibit 5: EBITDA margin expands 190 bps YoY to 12.6%



Source: Company, Antique

Exhibit 6: Registers 62% YoY PAT growth



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**44,685**	**52,375**	**63,849**	**83,637**	**1,09,745**
Op. Expenses	42,813	48,806	57,933	73,024	92,384
Share Capital	16,070	18,350	24,192	31,364	41,703
EBITDA	**2,359**	**3,490**	**5,958**	**10,276**	**16,852**
Depreciation	802	900	914	1,004	1,075
EBIT	**1,558**	**2,590**	**5,045**	**9,272**	**15,778**
Other income	151	93	572	600	800
Interest Exp.	401	466	452	475	499
Reported PBT	**1,308**	**2,217**	**5,164**	**9,397**	**16,079**
Tax	369	579	1,324	2,368	4,052
PAT from continued operations	**939**	**1,638**	**3,840**	**7,029**	**12,027**
Net Profit	**939**	**1,638**	**3,840**	**7,029**	**12,027**
Adjusted PAT	**939**	**1,638**	**3,840**	**7,029**	**12,027**
Adjusted EPS (INR)	**22.2**	**38.7**	**90.7**	**166.0**	**284.1**

Balance sheet (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	85	85	89	89	89
Reserves & Surplus	12,068	13,514	42,052	46,972	55,391
Networth	**12,153**	**13,599**	**42,141**	**47,061**	**55,480**
Debt	2,750	1,500	-	-	-
Net deferred Tax liabilities	(319)	(537)	(861)	(861)	(861)
Capital Employed	**14,584**	**14,562**	**41,281**	**46,201**	**54,620**
Gross Fixed Assets	11,290	12,007	13,136	14,136	15,136
Accumulated Depreciation	4,157	5,057	5,971	6,974	8,049
Capital work in progress	487	626	902	902	902
Net Fixed Assets	**7,620**	**7,575**	**8,068**	**8,064**	**7,989**
Current Assets, Loans & Adv.	**31,246**	**38,962**	**77,205**	**86,878**	**1,10,586**
Inventory	8,179	8,879	9,257	14,179	18,606
Debtors	15,278	15,217	21,096	27,634	36,260
Cash & Bank balance	1,633	1,282	38,068	23,254	27,102
Loans & advances and others	57	69	95	229	301
Current Liabilities & Provisions	**24,282**	**31,975**	**43,992**	**48,741**	**63,956**
Liabilities	15,146	18,097	20,419	26,747	35,096
Provisions	9,136	13,878	23,573	21,994	28,860
Net Current Assets	**6,964**	**6,987**	**33,213**	**38,137**	**46,630**
Application of Funds	**14,584**	**14,562**	**41,281**	**46,201**	**54,620**

Per share data

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	42	42	42	42	42
Diluted no. of shares (mn)	42	42	42	42	42
BVPS (INR)	287.1	321.3	995.5	1,111.8	1,310.7
CEPS (INR)	41.1	60.0	112.3	189.8	309.5
DPS (INR)	3.4	4.0	27.2	49.8	85.2

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**1,308**	**2,217**	**5,164**	**9,397**	**16,079**
Depreciation & amortization	802	900	914	1,004	1,075
Interest expense	401	466	452	475	499
(Inc)/Dec in working capital	(1,675)	(373)	10,559	(19,737)	(4,646)
Tax paid	369	579	1,324	2,368	4,052
CF from operating activities	**66**	**2,165**	**15,313**	**(11,704)**	**8,456**
Capital expenditure	(1,409)	(1,000)	(1,406)	(1,000)	(1,000)
CF from investing activities	**(682)**	**(1,073)**	**(1,730)**	**(1,000)**	**(1,000)**
Inc/(Dec) in share capital	34	(23)	25,855	-	-
Inc/(Dec) in debt	1,500	(1,250)	(1,500)	-	-
Dividend Paid	144	169	1,152	2,109	3,608
Others	401	466	452	475	499
CF from financing activities	**1,390**	**(1,442)**	**23,203**	**(2,109)**	**(3,608)**
Net cash flow	**773**	**(351)**	**36,786**	**(14,813)**	**3,848**
Opening balance	859	1,633	1,282	38,068	23,254
Closing balance	1,633	1,282	38,068	23,254	27,102

Growth indicators (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	14.4	17.2	21.9	31.0	31.2
EBITDA	(5.1)	47.9	70.7	72.5	64.0
Adj PAT	(29.9)	74.4	134.4	83.1	71.1
Adj EPS	(29.9)	74.4	134.4	83.1	71.1

Valuation (x)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	701.4	402.1	171.5	93.7	54.8
P/BV (x)	54.2	48.4	15.6	14.0	11.9
EV/EBITDA (x)	280.1	189.1	104.3	61.9	37.5
EV/Sales (x)	14.8	12.6	10.3	7.4	5.8
Dividend Yield (%)	0.0	0.0	0.2	0.3	0.5

Financial ratios

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	8.0	12.7	13.8	15.8	23.5
RoCE (%)	12.7	18.4	20.1	22.6	32.9
Asset/T.O (x)	4.2	3.9	4.4	3.0	2.5
Net Debt/Equity (x)	0.2	0.1	-	-	-
EBIT/Interest (x)	4.3	5.8	12.4	20.8	33.2

Margins (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin	5.3	6.7	9.3	12.3	15.4
EBIT Margin	3.5	4.9	7.9	11.1	14.4
PAT Margin	2.1	3.1	6.0	8.4	11.0

Source: Company Antique

CMP	:	INR 1,812
Reco	:	HOLD ⇔
Target Price	:	INR 1,640 ↑
Target Price Change	:	11%
Target Core FY27 P/E (x)	:	45
EPS Change FY26/ 27	:	15%/ 15%

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Market data

Sensex	:	82,531
Sector	:	Defence
Market Cap (INR bn)	:	476.7
Market Cap (USD bn)	:	5.573
O/S Shares (mn)	:	263.1
52-wk HI/LO (INR)	:	2979/1180
Avg. Daily Vol ('000)	:	6,980
Bloomberg	:	COCHIN IN

Source: Bloomberg

Valuation

	FY26e	FY27e	FY28e
EPS (INR)	36.7	45.6	51.1
P/E (x)	49.4	39.8	35.5
P/BV (x)	7.6	6.7	5.9
EV/EBITDA (x)	43.2	34.1	29.4
Dividend Yield (%)	0.6	0.8	0.8

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	26	47	38	36
Relative	17	35	30	22

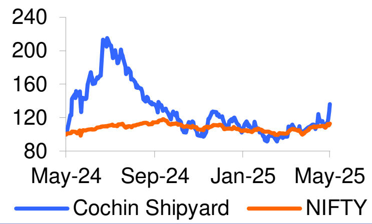
Source: Bloomberg

Shareholding pattern

Promoters	:	68%
Public	:	32%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Cochin Shipyards

Strong order execution; EBITDA impacted by higher provisions

Cochin Shipyards' (CSL) 4QFY25 standalone revenue at ~INR 16.5 bn (22% above our estimate) rose by 35% YoY and 54% QoQ, aided by strong execution. However, the company reported an EBITDA margin of 15.3%, a decline of 790 bps on YoY basis. As a result, standalone EBITDA at INR 2.5 bn (17% below our estimate) declined by 11% YoY but increased 5% QoQ. Despite this, reported PAT at INR 2.8 bn came in 11% higher than our estimate, mainly attributed to 96% YoY growth in other income. We raise our estimates (EPS for FY26/ 27E by 15% each) and maintain HOLD rating on the stock with a revised TP of INR 1,640 (prior target of INR 1,481) at a core target P/E multiple of 45x FY27 earnings.

EBITDA margin impacted by higher provisions

CSL reported a higher gross margin of 39.7% in 4QFY25, an expansion of 120 bps on YoY basis. However, the company accounted for higher provisions during the quarter at INR 1.17 bn, as compared to INR 150 mn in 4QFY24. This weighed on its EBITDA margin and as a result the reported EBITDA margin came in at 15.3% in 4QFY25, lower by 790 bps on a YoY basis.

Strong revenue growth led by high-margin ship repairs segment

CSL reported 35% YoY growth in revenue in 4QFY25, led primarily by the ship repair segment, up 178% YoY, which cushioned a 17% YoY contraction in shipbuilding revenue. We note that the ship repair segment (40% of revenue in FY25) is a high-margin business (4QFY25 EBIT margin at 40%). We believe that the company's new ship repair facility may have driven growth in its repairs business.

Best-positioned to lead the ship repair business

Though India's share of global ship repair is less than 1%, the country's location is favorable with 7% to 9% of the global trade passing within 300 NM of the coastline. The global ship repair market is approximately USD 12 bn and is projected to reach USD 40 bn by 2030. Additionally, India is poised well to offer repair services to the Indian Navy and its allies: the US Navy's 5th and 7th fleet in the Indian Ocean & Arabian Sea. The company has signed a Master Shipyard Repairs Agreement with the US Navy, which enables US ships to dock and undergo maintenance refits. The investment in a dedicated ship repair facility underscores the commitment of the company in building this revenue segment.

MoU with Drydocks World, a DP World company

With a view to bring in the best experience and management practices in operating a competitive ship repair business, CSL has signed a MoU with Drydocks World, a DP World company. This collaboration will explore opportunities to develop ship repair clusters along India's coastline leveraging the expertise of both organizations.

Muted near-term order pipeline due to deferral of IAC-II

Given the high capital cost, gestation period, complexity, and frequent maintenance associated with building and operating an aircraft carrier, there is lack of consensus between the Indian Navy and the government on the urgency of ordering a third carrier, with media articles suggesting that the government may instead prioritize building submarines. However, given that INS Vikramaditya could reach the end of its operational life by 2038, the government may have to order another INS Vikrant-class carrier by 2028-30. As a result, the company's near-term order pipeline remains relatively muted.

Investment Summary

Cochin's estimated order book of INR 225 bn provides a book-to-bill ratio of almost 5x, which is good enough to drive a 14% CAGR in revenue growth between FY25-28. Though it is the largest shipyard in terms of capacity (and the only one to have prior experience in building aircraft carriers), a prospective timeline for a second aircraft carrier remains uncertain. Nevertheless, the ship repair business holds immense opportunity for the company and hence despite our target price indicating a downside from current levels, we maintain HOLD rating.

Table 1: Actual vs. estimates

INR mn	4QFY25	Antique	Var (%)	Consensus	Var (%)
Revenue	16,511.3	13,500	22.3	17,018	-3.0
EBITDA	2,534.2	3,049.5	-16.9	3,704	-31.6
PAT	2,847	2,557	11	2,736	4.1
EBITDA Margin %	15.3	22.6	-724 bps	21.8	-642 bps

Source: Company, Bloomberg, Antique

Table 2: Change in estimates

	Previous		Revised		% Chg	
INR mn	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	49,987	59,036	49,987	59,036	0.0	0.0
EBITDA	10,647	13,192	10,567	13,177	-0.8	-0.1
EBITDA Margin %	21.3	22.3	21.1	22.3	-16 bps	-3 bps
PAT	8,406	10,451	9,655	11,987	14.9	14.7
EPS (INR)	32.0	39.7	37	46	14.9	14.7

Source: Company, Antique

Table 3: Quarterly result table

Standalone summary	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	**16,511**	**12,255**	**34.7**	**10,699**	**54.3**	**45,278**	**36,453**	**24.2**
Sub-contract and other direct expenses	3,453	1,620	113.1	2,084	65.7	7,927	5,189	52.8
% of sales	20.9	13.2	769 bps	19.5	144 bps	17.5	14.2	217.9
Cost of Material Consumed	6,508	5,917	10.0	4,637	40.4	19,808	16,259	21.8
% of sales	39.4	48.3	-887 bps	43.3	-392 bps	43.7	44.6	-86 bps
Employee cost	1,112	1,051	5.8	981	13.3	4,037	3,715	8.7
% of sales	6.7	8.6	-184 bps	9.2	-244 bps	8.9	10.2	-128 bps
Other expenses	2,904	804	260.9	2,748	5.7	4,771	2,542	87.7
% of sales	17.6	6.6	1102 bps	25.7	-810 bps	10.5	7.0	356 bps
Total Exp	13,977	9,393	48.8	10,451	33.7	36,543	27,706	31.9
EBITDA	**2,534**	**2,862**	**(11.4)**	**248**	**920.5**	**8,735**	**8,747**	**(0.1)**
Margin %	15.3	23.4	-800 bps	2.3	1303 bps	19.3	24.0	-470 bps
Other income	1,555	794	95.9	445	249.4	3,804	3,074	23.8
Depreciation	220	138	58.9	266	(17.5)	836	569	46.9
Interest expenses	106	63	69.4	105	0.8	364	315	15.5
Profit Before Tax	**3,764**	**3,455**	**8.9**	**322**	**1,069.6**	**11,339**	**10,936**	**3.7**
PBT after exceptional	**3,764**	**3,455**	**8.9**	**322**	**1,069.6**	**11,339**	**10,936**	**3.7**
Tax	916	808	13.4	647	41.6	2,909	2,805	3.7
Tax Rate %	24.3	23.4	96 bps	26.0	-164 bps	25.7	25.7	1 bps
Reported Net Profit	**2,847**	**2,647**	**7.6**	**1,843**	**54.5**	**8,429**	**8,131**	**3.7**
Adjusted Net Profit	**2,847**	**2,647**	**7.6**	**1,843**	**54.5**	**8,429**	**8,131**	**3.7**
EPS (INR)	**10.8**	**10.1**	**7.6**	**7.0**	**54.5**	**32.0**	**30.9**	**3.7**
Segmental Revenue (INR mn)								
Ship building	8,147	9,852	(17.3)	5,696	43.0	26,633	26,389	0.9
Ship repair	8,364	3,009	178.0	5,002	67.2	18,646	10,064	85.3
Unallocated	1,555	801	94.1	445	249.4	3,804	3,074	23.8
Total	**18,067**	**13,662**	**32.2**	**11,144**	**62.1**	**49,083**	**39,527**	**24.2**
Segmental EBIT (INR mn)								
Ship building	1,309	1,729	(24.3)	529	147.3	4,342	5,992	(27.5)
Ship repair	3,349	1,322	153.3	2,041	64.1	7,292	3,632	100.8
Unallocated	(789)	438	(280.2)	25	(3,263.0)	69	1,627	(95.8)
Total	**3,870**	**3,489**	**10.9**	**2,595**	**49.1**	**11,703**	**11,251**	**4.0**
Segmental EBIT margin (%)								
Ship building	16.1	17.6	-149 bps	9.3	678 bps	16.3	22.7	-640 bps
Ship repair	40.0	43.9	-390 bps	40.8	-76 bps	39.1	36.1	302 bps

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
Net Revenue	**36,453**	**45,278**	**49,987**	**59,036**	**67,935**
Op. Expenses	27,705	36,543	39,420	45,859	52,938
EBITDA	**8,747**	**8,735**	**10,567**	**13,177**	**14,997**
Depreciation	569	836	1,181	1,429	1,509
EBIT	**8,178**	**7,899**	**9,386**	**11,748**	**13,487**
Other income	3,074	3,804	4,057	4,821	5,029
Interest Exp.	315	364	500	500	500
Reported PBT	**10,937**	**11,339**	**12,943**	**16,069**	**18,016**
Tax	2,805	2,909	3,287	4,081	4,576
Reported PAT	**8,131**	**8,429**	**9,655**	**11,987**	**13,440**
Net Profit	**8,131**	**8,429**	**9,655**	**11,987**	**13,440**
Adjusted PAT	**8,131**	**8,429**	**9,655**	**11,987**	**13,440**
Adjusted EPS (INR)	**30.9**	**32.0**	**36.7**	**45.6**	**51.1**

Balance sheet (INR mn)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
Share capital	1,315	1,315	1,315	1,315	1,315
Reserves & Surplus	48,943	54,791	61,550	69,941	79,349
Networth	**50,259**	**56,107**	**62,865**	**71,256**	**80,664**
Debt	230	5,008	5,008	5,008	5,008
Other Non Current Liabilities	6,203	523	523	523	523
Net deferred Tax liabilities	(596)	(728)	(728)	(728)	(728)
Capital Employed	**56,096**	**60,910**	**67,668**	**76,059**	**85,467**
Gross Fixed Assets	10,808	32,731	34,731	36,731	38,731
Accumulated Depreciation	3,761	4,800	5,981	7,410	8,919
Capital work in progress	21,887	5,108	5,108	5,108	5,108
Net Fixed Assets	28,934	33,039	33,858	34,429	34,920
Goodwill	179	-	-	-	-
Investments	3,552	3,585	3,585	3,585	3,585
Other Non Current Assets	1,466	2,763	2,763	2,763	2,763
Current Assets, Loans & Adv.	**84,074**	**90,074**	**95,478**	**1,06,222**	**1,18,260**
Inventory	9,589	17,512	13,150	15,530	17,871
Debtors	3,348	2,295	4,591	5,422	6,239
Bank Balance	35,381	27,104	27,104	27,104	27,104
Cash	2,459	3,109	24,872	32,337	41,072
Loans & advances and others	33,297	40,055	25,762	25,829	25,974
Current Liabilities & Provisions	**62,110**	**68,552**	**68,016**	**70,940**	**74,061**
Liabilities	55,406	58,039	58,823	60,082	61,567
Provisions	6,704	10,513	9,193	10,858	12,494
Net Current Assets	**21,964**	**21,522**	**27,462**	**35,282**	**44,199**
Application of Funds	**56,096**	**60,909**	**67,668**	**76,059**	**85,467**

Per share data

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
No. of shares (mn)	263.1	263.1	263.1	263.1	263.1
Diluted no. of shares (mn)	263.1	263.1	263.1	263.1	263.1
BVPS (INR)	191.0	213.3	239.0	270.9	306.6
CEPS (INR)	33.1	35.2	41.2	51.0	56.8
DPS (INR)	9.0	9.8	11.0	13.7	15.3

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
PBT	**10,937**	**11,339**	**12,943**	**16,069**	**18,016**
Depreciation & amortization	569	836	1,181	1,429	1,509
Interest expense	315	364	500	500	500
(Inc)/Dec in working capital	(8,058)	(8,483)	15,823	(355)	(182)
Tax paid	(2,805)	(2,909)	(3,287)	(4,081)	(4,576)
Less: Interest/Div. Income Recd.	(3,074)	(3,804)	(4,057)	(4,821)	(5,029)
Other operating Cash Flow	388	(840)	-	-	-
CF from operating activities	**(1,727)**	**(3,497)**	**23,103**	**8,740**	**10,239**
Capital expenditure	(6,713)	(5,951)	(2,000)	(2,000)	(2,000)
Inc/(Dec) in investments	8,423	8,277	-	-	-
Add: Interest/Div. Income Recd.	3,074	3,804	4,057	4,821	5,029
CF from investing activities	**4,784**	**6,131**	**2,057**	**2,821**	**3,029**
Inc/(Dec) in debt	(1,028)	4,778	-	-	-
Dividend Paid	(2,683)	(2,930)	(3,397)	(4,096)	(4,532)
Others	4	(3,832)	-	-	-
CF from financing activities	**(3,707)**	**(1,984)**	**(3,397)**	**(4,096)**	**(4,532)**
Net cash flow	**(651)**	**650**	**21,763**	**7,465**	**8,735**
Opening balance	3,110	2,459	3,109	24,872	32,337
Closing balance	**2,459**	**3,109**	**24,872**	**32,337**	**41,072**

Growth indicators (%)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
Revenue	56.4	24.2	10.4	18.1	15.1
EBITDA	230.0	-0.1	21.0	24.7	13.8
Adj PAT	181.6	3.7	14.5	24.2	12.1
Adj EPS	181.6	3.7	14.5	24.2	12.1

Valuation (x)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
P/E (x)	58.6	56.6	49.4	39.8	35.5
P/BV (x)	9.5	8.5	7.6	6.7	5.9
EV/EBITDA (x)	54.2	54.8	43.2	34.1	29.4
EV/Sales (x)	12.8	10.4	9.4	8.0	6.9
Dividend Yield (%)	0.5	0.5	0.6	0.8	0.8

Financial ratios

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
RoE (%)	17.2	15.8	16.2	17.9	17.7
RoCE (%)	21.1	20.0	20.9	23.1	22.9
Asset/T.O (x)	0.8	0.9	0.9	0.9	0.9
Net Debt/Equity (x)	0.0	0.1	0.1	0.1	0.1
EBIT/Interest (x)	35.7	32.1	26.9	33.1	37.0

Margins (%)

Year ended 31 Mar	FY24	FY25e	FY26e	FY27e	FY28e
EBITDA Margin (%)	24.0	19.3	21.1	22.3	22.1
EBIT Margin	22.4	17.4	18.8	19.9	19.9
PAT Margin	22.3	18.6	19.3	20.3	19.8

Source: Company Antique

CMP	:	INR 1,065
Reco	:	BUY ↔
Target Price	:	INR 1,346 ↔
Target Price Change	:	No Change
Embedded EV/EBITDA (x)	:	9
Sales booking change FY26/ 27	:	No Change

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Market data

Sensex	:	82,531
Sector	:	Real Estate
Market Cap (INR bn)	:	260.3
Market Cap (USD bn)	:	3.042
O/S Shares (mn)	:	244.4
52-wk HI/LO (INR)	:	1453/813
Avg. Daily Vol ('000)	:	246
Bloomberg	:	BRGD IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	29.8	35.2	51.9
P/E (x)	45.2	38.3	26.0
P/BV (x)	29.2	25.5	21.5
EV/EBITDA (x)	18.7	14.4	11.1
EV/Sales (x)	5.2	3.9	2.9

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	10	5	(3)	(1)
Relative	2	(4)	(9)	(13)

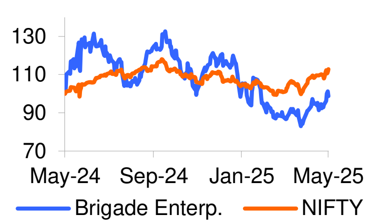
Source: Bloomberg

Shareholding pattern

Promoters	:	41%
Public	:	59%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Brigade Enterprises

Another record year; positive outlook

Brigade Enterprises' (BRGD) 4QFY25/ FY25 key highlights are the strong pre-sales numbers driven by a strong response to its new project launches. On the back of two strong quarters in 2HFY25, BRGD reported its highest-ever annual pre-sales of INR 78.5 bn (up 31% YoY) in FY25. Like 3QFY25, 4QFY25 too witnessed strong pre-sales of INR 24.8 bn (9% YoY) on the back of strong launches. New projects contributed 54% of total sales in FY25. The company has a robust launch pipeline for FY26, with a GDV of INR 125+ bn and unsold inventory of around INR 50 bn. The company is focused on Bengaluru, Hyderabad, and Chennai markets and expects to clock 15%-20% pre-sales growth in FY26. We maintain BUY rating with a target price of INR 1,346, based on 9x FY27E EV/embedded EBITDA, the rental portfolio at a cap rate of 7.0%, and the hospitality portfolio at 20x EV/EBITDA based on FY27E EBITDA.

4QFY25/FY25 in a nutshell

Operational performance: Real estate: In 4QFY25, BRGD reported sales booking volume of 2.03 mn sq. ft. (-7%/ -25% QoQ/ YoY) and booking value of INR 24.5 bn (-2%/ 9% QoQ/ YoY) (vs. our est. of INR 22 bn). Thus, in FY25, BRGD posted record pre-sales of INR 78.5 bn (31% YoY). Collections during the quarter was INR 19.3 bn (9%/ 5% QoQ/ YoY); operating cash flow (OCF) was INR 4.5 bn (-32%/ 69% QoQ/ YoY). In FY25, collections came in at INR 72.5 bn (36% YoY) and OCF was INR 21.4 bn (36% YoY). Leasing segment: Leasing revenue for the quarter was INR 3.3 bn (18%/ 34% QoQ/ YoY). Leasing revenue in FY25 was INR 11.7 bn (24% YoY). Leasing portfolio has an occupancy of 90%, down from 98% in 3QFY25, due to the addition of Twin Towers in the operating portfolio. *Financial performance:* In 4QFY25, BRGD's revenue was INR 14.6 bn (0%/ -14% QoQ/ YoY), EBITDA was INR 4.2 bn (1%/ -4% QoQ/ YoY) and adj. PAT of INR 2.5 bn (4%/ 20% QoQ/ YoY). EBITDA margin was 28.5% (22 bps/ 306 bps QoQ/ YoY).

New launches would continue to drive growth

New launches contributed 54% to BRGD's pre-sales in FY25, compared to 60%-62% in FY24. The company expects approximately 50% of its sales in FY26 to come from new launches. It has a robust launch pipeline of 12.33 mn sq. ft. with an estimated GDV of INR 125 bn, which is expected to be largely back-ended towards the second half of the year. In addition, the company has unsold inventory worth INR 50 bn to support near-term sales. Thus, even at a moderate absorption rate compared to FY24/ 25, BRGD would easily do a pre-sales of INR 90+ bn in FY26.

South India continues to be the focus geography

South India continues to be BRGD's core focus market, with FY25 pre-sales of INR 50 bn in Bengaluru, INR 10 bn in Chennai, and INR 14 bn in Hyderabad. The company remains committed to deepening its presence in the region, supported by a strong pipeline in Bengaluru and Chennai, while actively working to replenish inventory in Hyderabad. In Hyderabad, Brigade is in the process of acquiring projects totaling around 2.0 mn sq. ft., in addition to a 1.0 mn sq. ft. approved project slated for launch. Business development activity is expected to remain robust across these focus geographies. In FY25, Brigade achieved BD of 12 mn sq. ft. with a GDV of INR 125 bn. We expect similar momentum to continue, backed by strong pre-sales performance and negligible net debt in the residential segment.

Investment Summary

In our view, BRGD's increasing footprint outside its home market of Bengaluru coupled with a strong launch pipeline of ~12.33 mn sq. ft. (residential) gives it strong growth visibility. Heightened occupancy of its rental portfolio drives optimism for its upcoming rental assets. We maintain BUY with an unchanged target price of INR 1,346. *Project launches remain the key monitorable.*

Valuation using implied EBITDA:

Aided by robust launch pipeline and aggressive business development velocity, we expect BRGD to register 25%-30% CAGR over FY25E-27E.

Table 1: SoTP valuation

		FY27e
Sales booking		INR 99 bn
Implied EBITDA @25%		INR 25 bn
(a)	EV of residential at 9x to EV/implied EBITDA	INR 223 bn
(b)	Operating commercial assets at 7.0% cap rate	INR 50 bn
(c)	WTC Chennai + BTG	INR 29 bn
(d)	Hospitality (25x EV/EBITDA)	INR 29 bn
(e)	Value of ongoing +upcoming office project	INR 8 bn
(f)	Less: Net debt (INR bn)	INR -9 bn
(g)	Equity value (a + b+ c + d + e - f)	INR 329 bn
(h)	# of shares	0.244 bn
(i)	**Target Price (g/h)**	**INR 1,346**

Source: Company, Antique

Table 2: NAV methodology

	INR mn	INR/ share	% share
Value of ongoing + completed + upcoming	**89,021**	**364**	**36%**
Land	**50,890**	**208**	**21%**
less residential debt	(1,440)	(6)	-1%
Value of operating rental assets	50,186	205	20%
Value of WTC C + Tech Garden	29,078	119	12%
Value of Twin Tower	4,099	17	2%
Value of new projects	3,047	12	1%
Value of Trivandrum	1,232	5	0%
less rental asset debt	(38,210)	(156)	-15%
SPV debt	7,620	31	3%
incremental debt	(7,423)	(30)	-3%
Hospitality	28,583	117	12%
less: Hospitality debt	(4,800)	(20)	-2%
Cash	34,830	143	14%
Total	**2,46,713**	**1,010**	**100%**

	INR/share	Premium to NAV
NAV	1,010	0%
CMP	1,065	5%
TP	**1,346**	**33%**

Source: Company, Antique

Quarterly performance – 4QFY25

Table 3: Financial performance

INR mn	4QFY25	3QFY25	4QFY24	QoQ %	YoY %	FY25	FY24	YoY %
Net Sales	14,604	14,639	17,024	(0)	(14)	50,742	48,967	4
Total Expenditure	10,444	10,502	12,696			36,600	37,023	
EBITDA	4,160	4,137	4,327	1	(4)	14,142	11,944	18
Margins (%)	28.5	28.3	25.4	22bps	306bps	27.9	24.4	-55bps
Depreciation	756	763	762			2,888	3,021	
Interest	1,066	1,143	1,380			4,955	4,910	
Other Income	719	657	603			2,393	1,675	
PBT before EO expense	3,057	2,888	2,788	6	10	8,693	5,687	53
Extra-Ord expense			-				-	
PBT	3057	2888	2788	6	10	8,693	5,687	53
Tax	563	533	609			1,888	1,676	
Rate (%)	18.4	18.5	21.8			21.7	29.5	
MI & Profit/Loss of Asso. Cos.	25	-7	48			-53	-506	
Reported PAT	2,468	2,362	2,061			6,858	4,516	
Adj PAT	2,468	2,362	2,061	4	20	6,858	4,516	52
Margins (%)	16.9	16.1	12.1	76bps	480bps	13.5	9.2	207bps

Source: Company, Antique

Table 4: Operational performance

Residential	4QFY25	3QFY25	4QFY24	QoQ %	YoY %	FY25	FY24	YoY %
Booked area (mn sqft)	2.0	2.2	2.7	(7)	(25)	7.1	7.6	(7)
Booked value (INR mn)	24,482	24,922	22,430	(2)	9	78,470	60,125	31
Avg realization (INR per sqft)	11,138	11,364	8,246	(2)	35	11,130	7,964	40

Annuity	4QFY25	3QFY25	4QFY24	QoQ %	YoY %	FY25	FY24	YoY %
Rental income	3,309.0	2,797.0	2,472.0	18	34	11,650	9,377	24

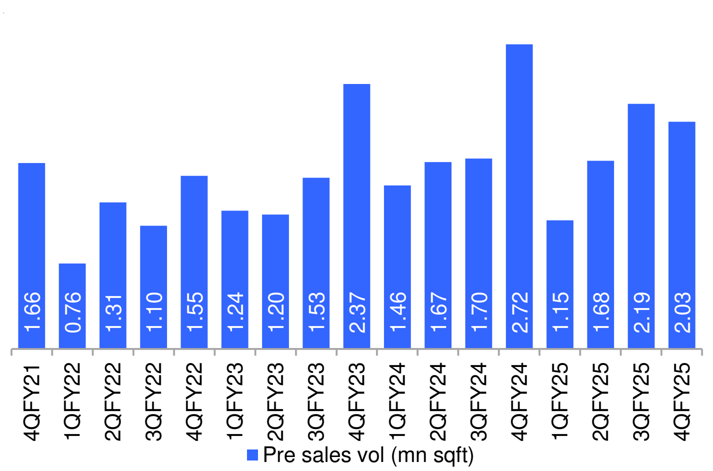
Source: Company, Antique

Conference Call Highlights

- **Milestone:** Delivered 100 mn sq. ft. till date.
- **Pre-sales guidance:** 15%-20% pre-sales growth.
- **New launch contribution:** 54% of pre-sales from new launches in FY25. 60%-62% in FY24. Expects ~50% of sales from new launches.
- **Chennai is a strong market** but different from Bengaluru. Altus - INR 2 bn sold out of INR 12 bn.
- The aim is to register +30% embedded EBITDA.
- **Launches:** In FY25, 5.5 mn sq. ft. Chennai, 5.5 mn sq. ft. Bengaluru, 1 mn sq. ft. Hyderabad, and 0.5 mn sq. ft. from Hyderabad. In FY26, 12.0 mn sq. ft. to be launched and skewed toward 2H.
- **Geographic diversification:** Pre-sales in FY25 - Bengaluru INR 50 bn, Chennai INR 10 bn, Hyderabad INR 14 bn. Focused on South India market.
- **Business development:** Acquired 12 mn sq. ft. in FY25 with GDV of INR 125 bn.
- Unsold inventory of 5 mn sq. ft.
- **Hyderabad land deal: I**n the process of acquiring a 2.0 mn sq. ft. land, this is in addition to 1.0 mn sq. ft. approved project to be launched.
- **Price realization:** Market not in price discovery mode. Maximize price at the time of launch and price hike of 10% during sustenance sales. Next four quarter average price realization in the range of INR 10,000/sq. ft.
- **Twin Tower:** One tower strata sales another leasing. 30% sold in Starta tower. INR 70-75/sq. ft. and expected to lease 0.6 mn sq. ft. by end of FY26.
- Rush of GCC to India over last year and the trend likely to continue. IT is here to stay and may exceed trillion-dollar exports by FY30.
- **Demand:** 4Q saw some moderation, April too saw moderation, but May could see an uptick.
- **Collection:** Total INR 72.50 bn, Residential - INR 54 bn, Commercial - INR 11 bn, Hospitality - INR 6.42 bn.

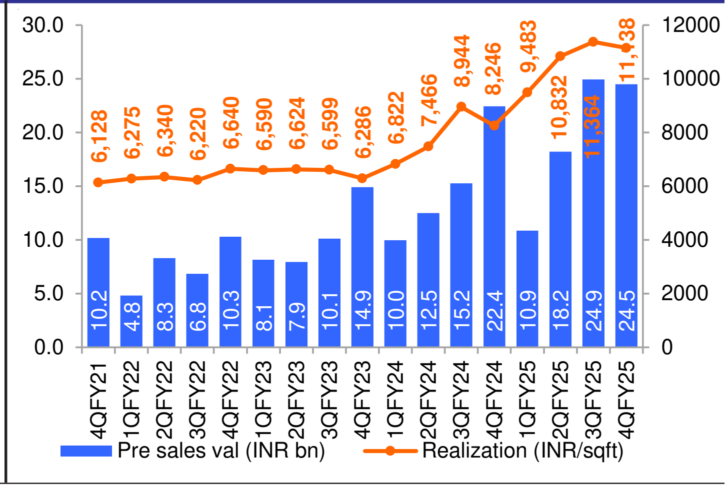
Story in Charts

Exhibit 1: Booking volume (mn sq. ft.)



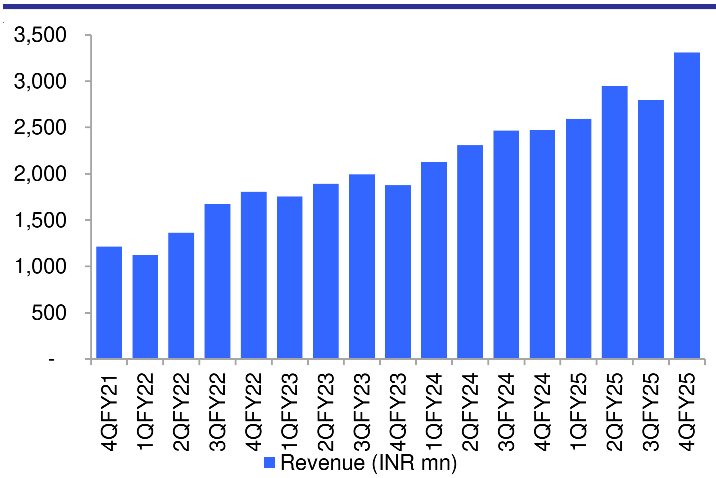
Source: Company, Antique

Exhibit 2: Realization uptick driving sales booking



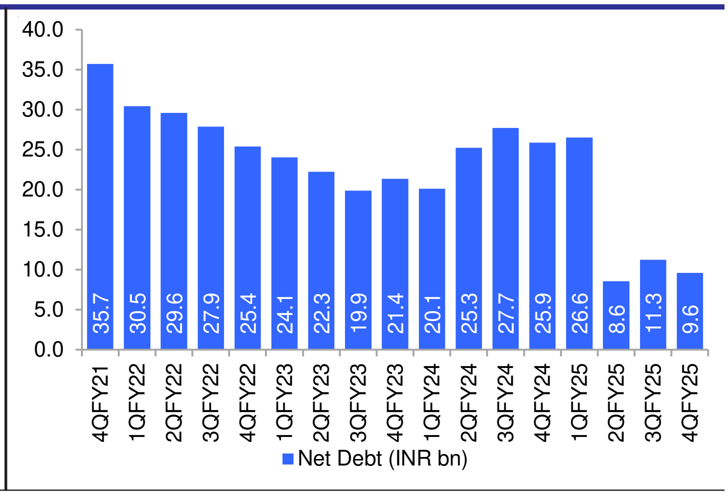
Source: Company, Antique

Exhibit 3: Rental revenue



Source: Company, Antique

Exhibit 4: Net debt



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
Net Revenue	**34,446**	**48,967**	**50,742**	**63,802**	**82,996**
Op. Expenses	25,856	37,023	36,600	46,691	61,028
EBITDA	**8,590**	**11,944**	**14,142**	**17,112**	**21,968**
Depreciation	3,146	3,021	2,888	3,248	3,248
EBIT	**5,444**	**8,923**	**11,254**	**13,864**	**18,720**
Other income	1,186	1,675	2,393	1,973	2,567
Interest Exp.	4,341	4910	4955	3,852	3,899
Extra Ordinary Items-gain/(loss)	450	-	-	-	-
Reported PBT	**2,739**	**5,687**	**8,693**	**11,985**	**17,388**
Tax	558	1,676	1,888	3,020	4,382
Reported PAT	**2,181**	**4,010**	**6,805**	**8,965**	**13,006**
Minority Int./Profit (loss) From Asso.	733	506	53	100	100
Net Profit	**2,914**	**4,516**	**6,858**	**9,065**	**13,106**
Adjusted PAT	**2,464**	**4,516**	**6,858**	**8,100**	**11,939**
Adjusted EPS (INR)	**10.7**	**19.6**	**29.8**	**35.2**	**51.9**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
Share Capital	2,307	2,311	2,444	2,444	2,444
Reserves & Surplus	30,143	34,181	53,941	62,041	73,980
Networth	**32,450**	**36,492**	**56,385**	**64,485**	**76,424**
Debt	46,128	53,366	52,745	53,245	53,745
Minority Interest	(1,013)	(914)	2,769	3,217	3,867
Net deferred Tax liabilities	120	266	142	142	142
Others	2,124	3,765	3,906	3,906	3,906
Capital Employed	**79,809**	**92,975**	**1,15,947**	**1,24,995**	**1,38,085**
Property, Plant and Equipment	46,439	45,580	50,734	46,445	43,197
Capital work in progress	7,405	12,315	19,286	-	-
Other Non-Current Assets	12,200	14,917	12,993	12,993	12,993
Net Fixed Assets	66,043	72,813	83,012	59,438	56,190
Investments	1,172	1,455	430	430	430
Non Current Investments	610	984	64	64	64
Current Investments	562	471	366	366	366
Current Assets, Loans & Adv.	**96,560**	**1,04,595**	**1,37,458**	**2,05,884**	**2,65,298**
Inventory	73,273	77,359	88,688	1,34,500	1,86,742
Debtors	4,616	4,997	6,291	10,493	13,650
Cash & Bank balance	14,781	17,373	32,610	51,022	55,036
Loans & advances and others	3,890	4,866	9,869	9,869	9,869
Current Liabilities & Provisions	**83,966**	**85,887**	**1,04,954**	**1,40,756**	**1,83,832**
Liabilities	83,878	85,674	1,04,648	1,40,450	1,83,526
Provisions	88	213	306	306	306
Net Current Assets	**12,594**	**18,708**	**32,504**	**65,127**	**81,465**
Application of Funds	**79,809**	**92,975**	**1,15,947**	**1,24,995**	**1,38,085**

Per share data

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
No. of shares (mn)	1,154	1,156	1,222	1,222	1,222
Diluted no. of shares (mn)	1,154	1,156	1,222	1,222	1,222
BVPS (INR)	28	32	46	53	63
CEPS (INR)	4.6	6.1	7.9	10.0	13.3
DPS (INR)	0.3	0.4	0.4	0.3	0.3

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
PBT	**2,780**	**5,687**	**8,693**	**11,985**	**17,388**
Depreciation & amortization	3,146	3,021	2,888	3,248	3,248
Interest expense	4,342	4,910	4,955	3,852	3,899
(Inc)/Dec in working capital	2,374	(6,770)	(1,571)	(14,211)	(12,323)
Tax paid	(1,591)	(2,420)	(3,195)	(3,020)	(4,382)
Less: Interest/Div. Income Received	(781)	(1,190)	(1,948)	-	-
Other operating Cash Flow	(605)	102	132	-	-
CF from operating activities	**9,665**	**3,340**	**9,953**	**1,853**	**7,831**
Capital expenditure	(3,002)	(2,731)	(6,374)	20,326	(0)
(Inc)/Dec in investments	(158)	(2,105)	(1,131)	-	-
Interest Received	454	990	1,606	-	-
CF from investing activities	**(2,706)**	**(3,846)**	**(5,899)**	**20,326**	**(0)**
Inc/(Dec) in share capital	78	82	14,823	-	-
Inc/(Dec) in long-term debt	(2,820)	8,819	(921)	500	500
Interest paid	(3,841)	(5,875)	(4,672)	(3,852)	(3,899)
Dividend Paid	(346)	(462)	(463)	(416)	(416)
Others	(24)	(107)	(172)	-	-
CF from financing activities	**(6,952)**	**2,458**	**8,597**	**(3,768)**	**(3,816)**
Net cash flow	**6**	**1,951**	**12,651**	**18,412**	**4,015**
Opening balance	3,745	3,751	5,703	18,353	36,765
Closing balance	**3,751**	**5,703**	**18,353**	**36,765**	**40,780**
bank overdraft	212	40	347	347	347
Bank balance	10,818	11,630	13,910	13,910	13,910
Cash & bank balance	**14,781**	**17,373**	**32,610**	**51,022**	**55,037**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
Revenue (%)	14.9	42.2	3.6	25.7	30.1
EBITDA (%)	12.1	39.0	18.4	21.0	28.4
Adj PAT (%)	76.7	83.3	51.8	18.1	47.4
Adj EPS (%)	76.7	83.3	51.8	18.1	47.4

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
P/E (x)	125.8	68.6	45.2	38.3	26.0
P/BV (x)	47.9	42.6	29.2	25.5	21.5
EV/EBITDA (x)	32.1	23.5	18.7	14.4	11.1
EV/Sales (x)	8.0	5.7	5.2	3.9	2.9

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
RoE (%)	8.0	13.1	14.8	13.4	16.9
RoCE (%)	8.3	12.3	13.1	13.1	16.2
Asset/T.O (x)	0.4	0.6	0.5	0.5	0.6
Net Debt/Equity (x)	0.9	1.0	0.4	0.0	0.0
EBIT/Interest (x)	1.3	1.8	2.3	3.6	4.8

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25e	FY26e	FY27e
EBITDA Margin (%)	24.9	24.4	27.9	26.8	26.5
EBIT Margin (%)	15.8	18.2	22.2	21.7	22.6
PAT Margin (%)	6.9	8.9	12.9	12.3	14.0

Source: Company Antique

CMP	:	INR 1,639
Reco	:	HOLD ↔
Target Price	:	INR 1,595 ↓
Target Price Change	:	-5%
Target FY27 P/E (x)	:	27
EPS Change FY26/ 27	:	-10%/ -5%

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Market data

Sensex	:	82,531
Sector	:	Pharmaceuticals
Market Cap (INR bn)	:	255.2
Market Cap (USD bn)	:	2.983
O/S Shares (mn)	:	155.7
52-wk HI/LO (INR)	:	2030/1303
Avg. Daily Vol ('000)	:	138
Bloomberg	:	JBCP IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	42.4	49.2	59.1
P/E (x)	38.7	33.3	27.7
P/BV (x)	3.7	3.3	2.8
EV/EBITDA (x)	24.3	21.7	18.2
Dividend Yield (%)	0.9	1.1	1.3

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	1	(2)	(3)	(11)
Relative	(6)	(10)	(8)	(20)

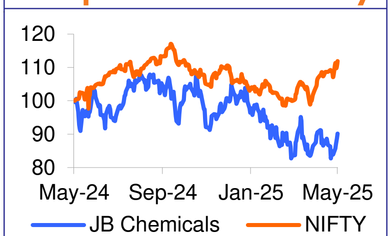
Source: Bloomberg

Shareholding pattern

Promoters	:	48%
Public	:	52%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

J.B. Chemicals & Pharmaceuticals

Steady core, but launch pipeline shows fatigue

JB Chemicals & Pharmaceuticals (JBCP) delivered in-line performance for 4QFY25, with revenue rising ~10% YoY to INR 9.49 bn, in line with BBG consensus. Growth was led by the CDMO segment which reported a revenue growth of 18% on YoY basis, while the domestic formulations business grew 12% YoY to INR 5.19 bn, contributing ~55% of total revenue. Importantly, this growth is on a comparable base, as the in-licensed Ophthalmology portfolio from Novartis was already part of the 4QFY24 base. International formulation business was subdued and grew 6% YoY. Gross margin expanded by 90 bps YoY to ~66%, supported by favorable product mix and price increase. EBITDA margin also improved by 90 bps YoY to 23.8%, in line with consensus, despite a 16% increase in staff costs and a 7% rise in other expenses. PAT came in at INR 1.46 bn, up 15% YoY, also in line with expectations, aided by a sharp reduction in finance costs following the repayment of both short- and long-term debt. While the quarter was operationally steady, we trim our FY27E EPS estimate by 5% to reflect a more conservative outlook on margin expansion and product mix. We maintain HOLD rating on the stock with a revised TP of INR 1,595 (earlier INR 1,686), valuing it at 27x FY27E earnings.

Domestic business to grow at ~11% CAGR

While JB Chemicals continue to outperform the Indian Pharmaceutical Market (IPM), we expect domestic revenue growth to moderate and settle at ~11% CAGR over the next two years. The company's growth remains anchored in its core brands—Cilacar, Cilacar-T, Nicardia, and Sporlac—which continue to deliver strong performance. Notably, the Cilacar franchise alone generated INR 7.85 bn in revenue as per IQVIA MAT Mar'25 data, registering a robust 23% YoY growth.

However, the momentum from new product introductions has slowed considerably. According to IQVIA, new indications contributed just 0.7% to growth in FY25 (see exhibit 1), indicating a maturing portfolio and limited traction from recent launches. Additionally, Rantac—JBCP's second-largest brand with annual sales of INR 3.5 bn—has failed to register growth, weighing on the performance of the Gastrointestinal (GI) therapy segment. The GI segment, which accounts for approximately 25% of domestic revenue, is growing slower than the rest of the portfolio and is acting as a drag on overall domestic growth.

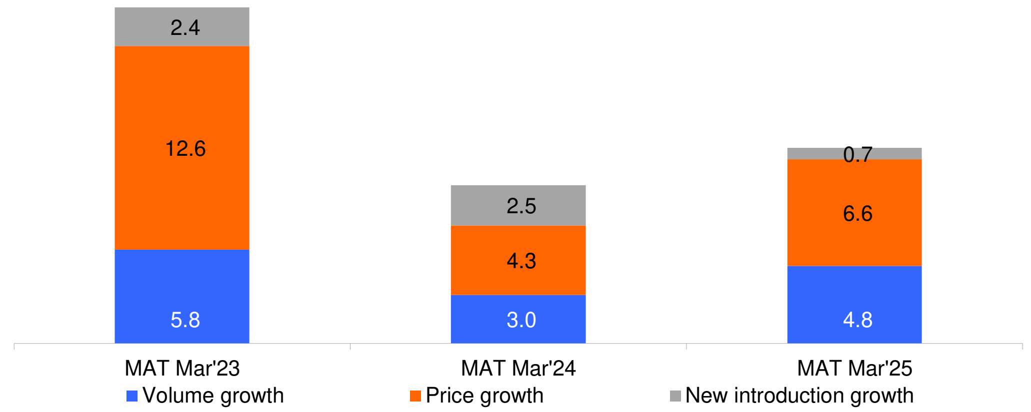
Lower end of FY26E margin guidance suggests stability, not expansion

JBCP's management has guided for an EBITDA margin range of 27%–29% for FY26E (excluding ESOP expenses), which implies a largely flat margin trajectory. For context, the company reported an EBITDA margin of 27.7% in FY25 on an ex-ESOP basis, indicating that the lower end of the guidance reflects margin stability rather than expansion. Given this, we revise our margin assumptions downward and now forecast a modest 40 bps YoY expansion in FY26E, followed by a 100 bps improvement in FY27E. This results in an EBITDA margin estimate of 27.7% for FY27E (28.3% ex-ESOP), compared to our earlier projection of 29%.

Investment Summary

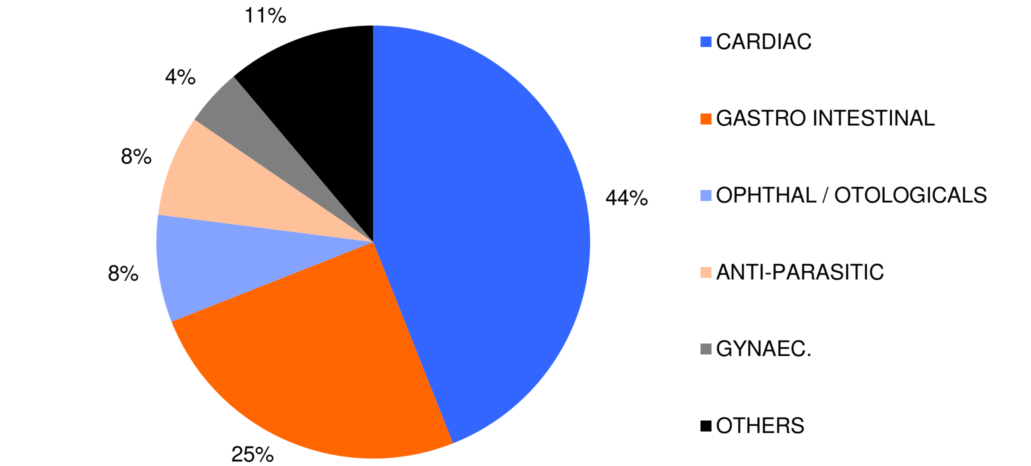
On a two-year CAGR basis, we expect revenue to grow at ~10% and with higher growth from its core brands likely to continue to drive majority of the growth. With the slowing momentum in new product introductions and limited margin expansion potential temper our near-term outlook. We await greater visibility on new launches before turning more constructive on the stock. We maintain HOLD.

Exhibit 1: Growth from New Introductions slowing down



Source: IQVIA IMS, Company, Antique

Exhibit 2: Cardiac and Gastro therapies contribute ~70% revenue



Source: IQVIA IMS, Company, Antique

Table 1: Segmental revenue snapshot

(INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
--Formulations	2,820	2,670	6	2,540	11	11,260	10,700	5
--CDMO	1,290	1,090	18	1,180	9	4,470	4,320	3
--APIs	190	210	(10)	250	(24)	760	860	(12)
International	4,300	3,970	8	3,970	8	16,490	15,880	4
Domestic formulations	5,190	4,650	12	5,660	(8)	22,680	18,970	20

Source: Company, Antique

Table 2: Quarterly snapshot

(INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Net sales	**9,495**	**8,617**	**10**	**9,635**	**(1)**	**39,180**	**34,842**	**12**
RM Cost	3,216	3,003	7	3,167	2	13,166	11,821	11
% of sales	33.9	34.8	(97)bps	32.9	100 bps	33.6	33.9	(32)bps
Staff costs	1,768	1,527	16	1,733	2	6,876	6,014	14
% of sales	18.6	17.7	90 bps	18.0	64 bps	17.6	17.3	29 bps
Other expenses	2,246	2,106	7	2,189	3	8,820	8,038	10
% of sales	23.7	24.4	(79)bps	22.7	93 bps	22.5	23.1	(56)bps
Expenditure	7,230	6,636	9	7,090	2	28,862	25,873	12
EBITDA	**2,264**	**1,981**	**14**	**2,545**	**(11)**	**10,318**	**8,969**	**15**
EBITDA margin (%)	**23.8**	**23.0**	**86 bps**	**26.4**	**(257)bps**	**26.3**	**25.7**	**59 bps**
Other income	145	166		80		383	373	
Interest	15	94		26		117	443	
Depreciation	464	407		419		1,710	1,383	
PBT before EO	**1,930**	**1,646**	**17**	**2,180**	**(11)**	**8,874**	**7,515**	**18**
PBT	**1,930**	**1,646**	**17**	**2,180**	**(11)**	**8,874**	**7,515**	**18**
Tax	473	384		555		2,278	1,989	
Tax Rate %	24.5	23.4		25.5		25.7	26.5	
PAT before MI	1,457	1,262	15	1,625	(10)	6,596	5,527	19
Reported PAT	**1,457**	**1,262**	**15**	**1,625**	**(10)**	**6,596**	**5,527**	**19**
Adjusted PAT	**1,457**	**1,262**	**15**	**1,625**	**(10)**	**6,596**	**5,527**	**19**
EPS (INR)	**9.4**	**8.1**	**15**	**10.4**	**(10)**	**42.4**	**35.5**	**19**

Source: Company, Antique

Table 3: 4QFY25 actuals vs. estimates

	4QFY25		
(INR mn)	**Actual**	**Estimated**	**% Variance**
Net sales	9,495	9,389	1
EBITDA	2,264	2,274	(0)
EBITDA margin (%)	23.8	24.2	(37)bps
Adjusted PAT	1,457	1,416	3
EPS (INR)	9.4	9.1	3

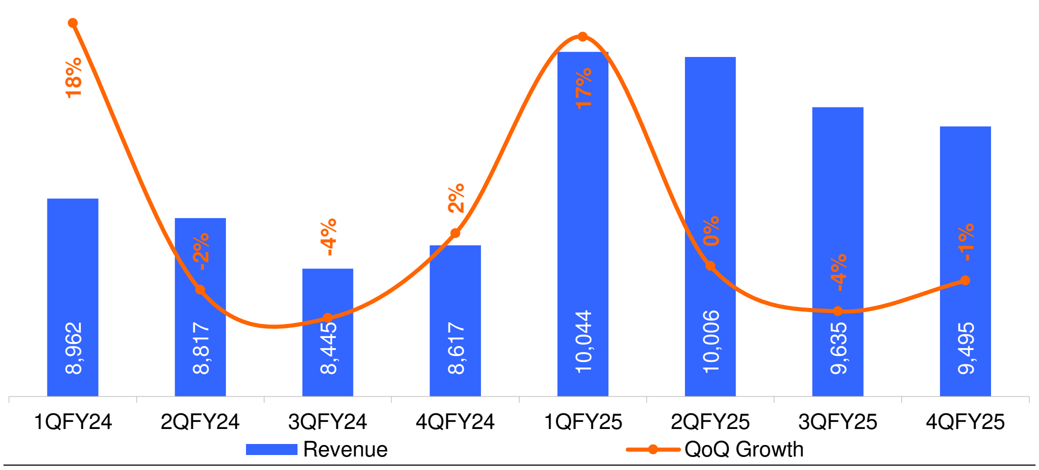
Source: Company, Antique

Table 4: Old vs. new estimates

	New estimates		Old estimates		Change %	
	FY26E	**FY27E**	**FY26E**	**FY27E**	**FY26E**	**FY27E**
Target (INR)	1,595		1,679		(5)	
Rating	Hold		Hold			
Sales	42,768	47,812	45,925	50,811	(7)	(6)
EBITDA	11,404	13,263	13,316	14,974	(14)	(11)
EBITDA%	26.7	27.7	29.0	29.5	(233)bps	(173)bps
PAT	7,664	9,195	8,488	9,660	(10)	(5)
EPS (INR)	49.2	59.1	54.7	62.2	(10)	(5)

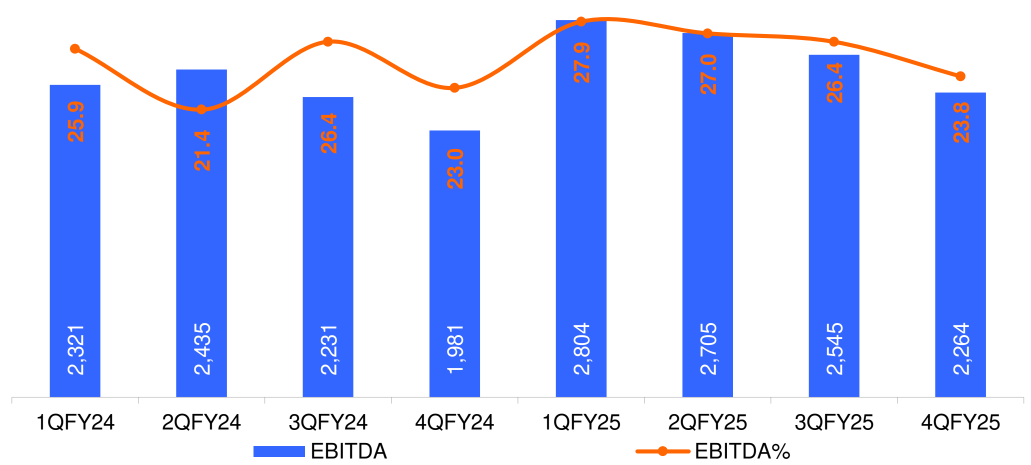
Source: Company, Antique

Exhibit 3: Quarterly revenue growth (INR mn)



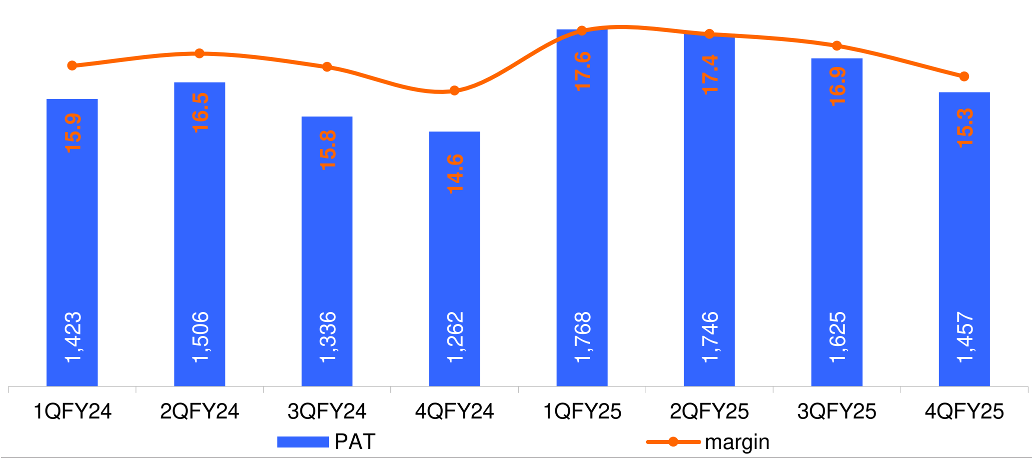
Source: Company, Antique

Exhibit 4: Quarterly EBITDA & EBITDA margin (INR mn)



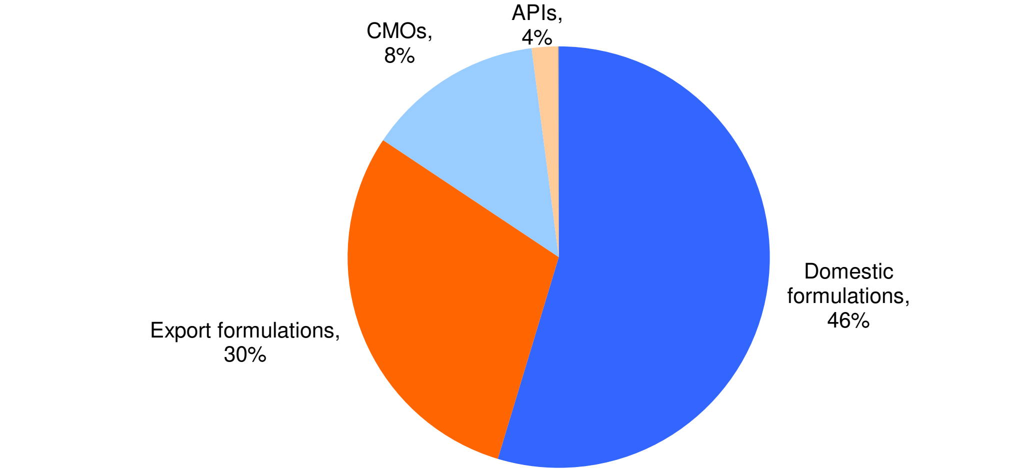
Source: Company, Antique

Exhibit 5: Quarterly PAT & PAT margin (INR mn)



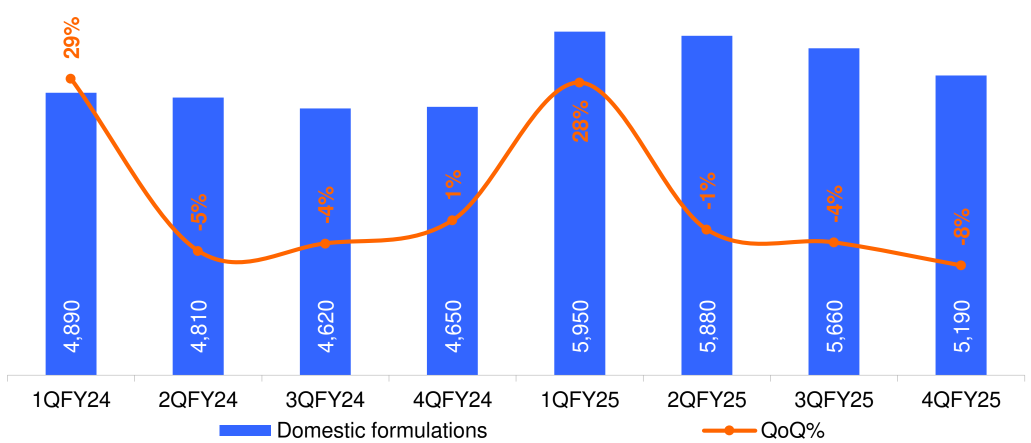
Source: Company, Antique

Exhibit 6: 4QFY25 revenue break-up



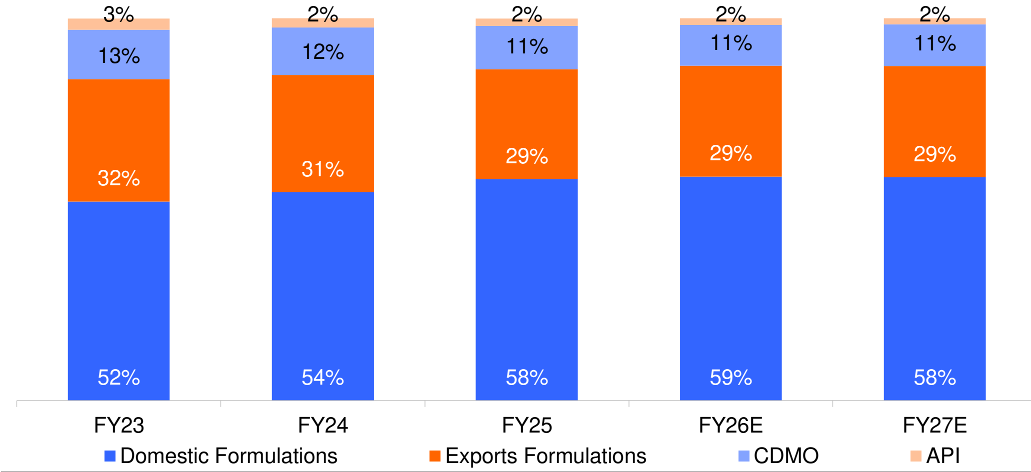
Source: Company, Antique

Exhibit 7: Quarterly domestic formulations revenue (INR mn)



Source: Company, Antique

Exhibit 8: Revenue mix, domestic formulations to remain steady



Source: Company, Antique

Conference Call Highlights

Financial highlights

- JBCP in 4QFY25 reported sales of INR 9.49 bn, growing ~10% YoY, led by strong growth in the CDMO business (18% YoY growth).
- Gross margin at ~66% expanded by 90 bps YoY, led by favorable product mix & price increase.
- Staff costs and other expenses increased by ~16% and ~7% to INR 1.77 bn and INR 2.25 bn respectively.
- EBITDA margin expanded by ~90 bps YOY to 23.8%.
- Finance costs reduced from INR 94 mn to INR 15 mn due to repayment of both short- & long-term debt.
- ETR stood at ~24.5%, up 120 bps YoY but down 100 bps QoQ.
- PAT for the quarter was INR 1.46 bn, growing 15% YoY.
- Total dividend declared for FY25 stood at INR 15.5/share.
- Total debt (incl. leases) as of Mar'25 was INR 0.28 bn vs. INR 3.8 bn as of Mar'24.
- Net capex addition for FY25 stood at INR 1.2 bn vs. INR 1.35 bn for FY24.

Domestic formulations

- The domestic formulations business reported 11% YoY growth to INR 5.19 bn, accounting for ~55% of revenue.
- As per IQVIA MAT Mar'25 data, JBCP continues to remain one of the fastest growing companies in the industry.
- JB Pharma outperformed IPM in 4QFY25, clocking YoY growth of 13% vs. IPM growth of 7%.
- The core growth (excluding the ophthalmology portfolio) for the quarter was ~12% YoY.
- Prescriptions registered growth of 7% during the quarter. Doctor coverage has increased to ~3.5 lakh covering various specialties.
- While the chronic portfolio registered 16% growth for 4QFY25 as per IQVIA, Ophthalmology portfolio clocked growth of 22% to INR 0.56 bn as compared to INR 0.46 bn.
- For FY25, excluding ophthalmology, the segment reported 6% volume growth and ~5% price growth & 1% NII growth. IPM's volume growth has been below 2% for the same period.
- JBCP's major brands viz. Cilacar, Cilacar-T, Rantac, Nicardia, Metrogyl, and Sporlac continue to maintain ranking in IPM. Overall, JBCP's IPM ranking improved from 28 in MAT Mar'21 to 22 in MAT Mar'25.
- Chronic business recorded growth of 18% (IQVIA MAT Mar'25 vs. MAT Mar'24 data) vs. overall chronic segment growth of 10%
- The number of brands with more than INR 200 mn of annual revenue has increased from 8 to 25 over the last four years. Six brands among these have achieved an annual run-rate of INR 1+ bn in sales.
- The top 7/ 8 brands account for ~65% of sales.
- As per IQVIA MAT Mar '25 data, Razel franchise recorded a growth of 19% to INR 990 mn.
- Metrogyl franchise revenue was at INR 3.42 bn (IQVIA MAT Mar'25 data) recording growth of 11%.

- Sporlac has entered the top 300 brands in IPM, generating INR 1.15 bn as per IQVIA MAT Mar'25 data.
- Cilacar franchise is now INR 7.85 bn in revenue (IQVIA MAT Mar'25 data); clocked YoY growth of 23%.
- Field force productivity increased from INR 0.46 mn in FY21 to INR 0.8 mn in FY25.
- Sacubitril + Valsartan market is expected to grow at ~15%-20% CAGR over the next 10–15 years. Azmarda has an annual run-rate of INR 0.7 bn and is expected to grow faster than the market, reaching INR 1 bn over the next 2–3 years. Monthly volume run rate currently stands at 125,000–130,000 units and is expected to increase to 140,000 by 1HFY26.
- Razel franchise, which had an annual run-rate of INR 0.67 bn two years ago, has now achieved an annual run-rate of INR 0.99 bn.
- Rantac continues to be made available to patients, given its clinical efficacy and safety profile.
- Opthalmic
  - As per IQVIA, the opthal portfolio grew at ~22% on YoY basis.
  - The portfolio covers ~14,000 ophthalmologists and aims to grow its reach to 16,000+ ophthalmologists in the near to medium term.

International formulations

- During 4QFY25, international formulations grew by 6% on YoY basis to INR 2.8 bn, accounting for ~30% of revenue. While Russia and branded generics export business recorded double-digit growth, South Africa & US business witnessed modest/ subdued growth respectively.
- Branded generic business is largely concentrated in the Sub-Saharan African, Latin American, Southeast Asian, and Middle Eastern clusters, where ~50% of the business is tender-driven.
- JBCP plans on commercializing products such as gliptins, flozins, cardiac, eye drops beginning early FY27, adding ~200 bps to topline growth.

CDMO

- During 4QFY25, he CDMO business grew ~18% YoY to INR 1.30 bn, accounting for ~14% of revenue. Order book is robust for the next few quarters.
- During FY25, the CDMO business recorded a growth of 3% to INR 4.46 bn. While the first half of the year was impacted due to a muted season in core markets, the second half witnessed strong recovery.
- CDMO business has closed a few global projects during the year which are likely to get commercialized over the next 12-18 months. Some of these include lozenges, ORS, throat sprays for cough & cold, Iodine-based formulations, which are expected to commercialize by end of the year and to span various geographies, including the US and EU. Starting next financial year, quarterly run-rate is expected to improve by INR 4 bn to INR 1.5 bn.
- JBCP has reduced its tender-led revenue streams in South Africa business from 60% to ~30%.

Guidance and other highlights

- India and CDMO businesses shall contribute 75% to 80% to overall revenue in the medium term.
- India business is expected to outperform IPM by 300 to 400 bps; the Ophthalmic portfolio is expected to grow closer to mid-teens, partly attributable to upcoming launches.
- CDMO business is expected to grow 12%-14% in the near term. BGX segment is expected to grow by 10% in the near term and by more than 12% in the long term.
- Trade generics continue and shall continue to maintain negligible contribution to sales.
- API business should stabilize at the current run rate. JBCP is moving towards increasing captive consumption from its API segment, thereby enabling margin improvement.
- FY26 gross margin is expected to increase by 30-50 bps. Gross margin for the in-licensed ophthalmology portfolio shall expand post Dec'26 from the current 20%, when perpetual license shall be triggered.
- ESOPS are expected to be in the range of INR 0.41–0.46 bn in FY26 and ~INR 26 bn in FY27.
- JBCP guided for ~27%-29% EBITDA margin for FY26 (ex. ESOP expenses).
- Depreciation as a percentage of sales is expected to be between 4% & 5%.
- Capex spend is expected to be ~INR 1 bn over the next two years, consisting of ~25%-30% growth capex.
- Other income is expected to be ~INR 0.65-0.7 bn in FY26.
- PCPM productivity is expected to increase by 12% to 14% over next two to three years.
- Dividend payout is expected to be in the similar range (35%) for FY26.

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**31,488**	**34,842**	**39,180**	**42,768**	**47,812**
Op. Expenses	24,535	25,873	28,862	31,364	34,549
EBITDA	**6,953**	**8,969**	**10,318**	**11,404**	**13,263**
Depreciation	1,144	1,383	1,710	1,770	1,819
EBIT	**5,809**	**7,586**	**8,608**	**9,634**	**11,444**
Other income	99	373	383	700	950
Interest Exp.	361	443	117	24	24
Reported PBT	**5,548**	**7,515**	**8,874**	**10,311**	**12,371**
Tax	1,452	1,989	2,278	2,647	3,176
Reported PAT	**4,096**	**5,527**	**6,596**	**7,664**	**9,195**
Minority Int./Profit (loss) From Associates	(2)	-	-	-	-
Net Profit	**4,094**	**5,527**	**6,596**	**7,664**	**9,195**
Adjusted PAT	**4,094**	**5,527**	**6,596**	**7,664**	**9,195**
Adjusted EPS (INR)	**26.3**	**35.5**	**42.4**	**49.2**	**59.1**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	155	155	156	156	156
Reserves & Surplus	24,649	29,078	34,178	39,037	44,868
Networth	**24,803**	**29,233**	**34,333**	**39,193**	**45,023**
Debt	5,725	3,777	279	279	279
Net deferred Tax liabilities	963	1,433	1,689	1,689	1,689
Capital Employed	**31,491**	**34,443**	**36,301**	**41,161**	**46,991**
Gross Fixed Assets	31,130	33,558	34,907	35,907	36,907
Accumulated Depreciation	12,694	14,089	15,799	17,569	19,387
Capital work in progress	552	764	631	631	631
Net Fixed Assets	**18,987**	**20,233**	**19,738**	**18,968**	**18,150**
Goodwill	575	575	575	575	575
Investments	2,060	3,884	3,451	3,451	3,451
Non Current Investments	138	237	280	280	280
Current Investments	1,922	3,647	3,171	3,171	3,171
Current Assets, Loans & Adv.	**13,852**	**15,191**	**18,890**	**24,896**	**32,073**
Inventory	4,305	5,025	5,290	5,774	6,455
Debtors	5,758	6,869	8,154	8,901	9,950
Cash & Bank balance	788	955	1,295	5,249	10,444
Loans & advances and others	3,001	2,341	4,153	4,972	5,225
Current Liabilities & Provisions	**3,983**	**5,439**	**6,352**	**6,728**	**7,257**
Liabilities	3,406	4,765	5,504	5,881	6,409
Provisions	577	675	848	848	848
Net Current Assets	**9,870**	**9,752**	**12,538**	**18,167**	**24,816**
Application of Funds	**31,491**	**34,443**	**36,302**	**41,161**	**46,992**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	77.3	77.6	77.9	77.9	77.9
Diluted no. of shares (mn)	77.3	77.6	77.9	77.9	77.9
BVPS (INR)	320.9	376.7	441.0	503.4	578.3
CEPS (INR)	67.8	89.0	106.7	121.2	141.5
DPS (INR)	9.3	5.5	15.5	18.0	21.6

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**5,552**	**7,515**	**8,874**	**10,311**	**12,371**
Depreciation & amortization	1,144	1,383	1,710	1,770	1,819
Interest expense	354	443	118	24	24
(Inc)/Dec in working capital	(299)	(56)	72	(1,675)	(1,454)
Tax paid	(955)	(1,325)	(2,007)	(2,647)	(3,176)
Less: Interest/Div. Income Recd.	(25)	(44)	(53)	(700)	(950)
Other operating Cash Flow	485	90	311	-	-
CF from operating activities	**6,256**	**8,006**	**9,025**	**7,082**	**8,633**
Capital expenditure	(7,641)	(2,604)	(1,192)	(1,000)	(1,000)
Inc/(Dec) in investments	(1,999)	(1,421)	(1,742)	-	-
Add: Interest/Div. Income Recd.	22	41	46	700	950
CF from investing activities	**(9,619)**	**(3,984)**	**(2,889)**	**(300)**	**(50)**
Inc/(Dec) in share capital	29	200	240	-	-
Inc/(Dec) in debt	5,232	(1,916)	(3,439)	-	-
Dividend Paid	(1,276)	(1,570)	(2,370)	(2,804)	(3,364)
Others	(419)	(569)	(227)	(24)	(24)
CF from financing activities	**3,565**	**(3,855)**	**(5,797)**	**(2,828)**	**(3,388)**
Net cash flow	**203**	**167**	**339**	**3,954**	**5,195**
Opening balance	585	788	955	1,295	5,249
Closing balance	**788**	**955**	**1,295**	**5,249**	**10,444**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue (%)	29.9	10.6	12.5	9.2	11.8
EBITDA (%)	27.8	29.0	15.0	10.5	16.3
Adj PAT (%)	6.1	35.0	19.3	16.2	20.0
Adj EPS (%)	6.1	35.0	19.3	16.2	20.0

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	62.3	46.2	38.7	33.3	27.7
P/BV (x)	5.1	4.4	3.7	3.3	2.8
EV/EBITDA (x)	37.1	28.4	24.3	21.7	18.2
EV/Sales (x)	8.2	7.3	6.4	5.8	5.1
Dividend Yield (%)	0.6	0.3	0.9	1.1	1.3

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	17.7	20.5	20.8	20.8	21.8
RoCE (%)	22.0	24.1	25.4	26.7	28.1
Asset/T.O (x)	1.2	1.2	1.3	1.2	1.2
Net Debt/Equity (x)	0.1	(0.0)	(0.1)	(0.2)	(0.3)
EBIT/Interest (x)	16.4	18.0	76.7	435.9	522.8

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	22.1	25.7	26.3	26.7	27.7
EBIT Margin (%)	18.4	21.8	22.0	22.5	23.9
PAT Margin (%)	13.0	15.7	16.7	17.6	18.9

Source: Company Antique

CMP	:	INR 163
Reco	:	BUY ↔
Target Price	:	INR 200 ↓
Target Price Change	:	-7%
Target FY27E BV (x)	:	SoTP
EPS Change FY26/27	:	No Change

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Market data

Sensex	:	82,531
Sector	:	Utilities
Market Cap (INR bn)	:	216.2
Market Cap (USD bn)	:	2.527
O/S Shares (mn)	:	1,325.6
52-wk HI/LO (INR)	:	213/119
Avg. Daily Vol ('000)	:	5,145
Bloomberg	:	CESC IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	10.6	12.0	13.0
P/E (x)	15.4	13.5	12.6
P/BV (x)	1.8	1.7	1.5
EV/EBITDA (x)	9.0	8.3	8.0
Dividend Yield (%)	2.8	2.8	2.8

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	4	33	(7)	16
Relative	(3)	23	(12)	3

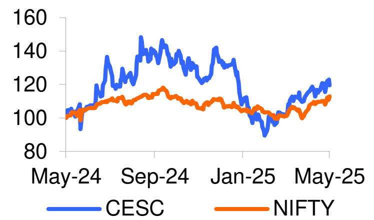
Source: Bloomberg

Shareholding pattern

Promoters	:	52%
Public	:	48%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

CESC

In-line result, PPA tied up at lucrative tariff

CESC reported a 4QFY25 PAT of INR 3.7 bn, down 7% YoY, mainly due to an 8% decline in generation at the Chandrapur plant. The drop was expected but should reverse as the company has tied up capacity at a higher tariff of INR 5.5/kWh (vs. INR 4.2/kWh earlier). Standalone 4Q performance was stable, while Chandrapur plant's PAT declined 27% YoY. Rajasthan discoms posted a PAT of INR 70 mn (vs. a loss YoY) and Malegaon's loss narrowed to INR 260 mn from INR 380 mn QoQ. In renewables, CESC plans to add 3.2 GW by FY29E and 1.4 GW by FY27E, with 1.2 GW already under PPA for a tariff between INR 2.6–3.81/kWh. Transmission and land are secured for FY27E; INR 10 bn of a total capex plan of INR 55 bn has already been spent. FY26E PAT is expected to rise 14% with the Chandrapur PPA and FY27E PAT expected to grow 8% from renewable capacity additions. FY25 OCF improved to INR 26 bn and regulatory asset build-up should ease from FY26E as renewable supply ramps up. We retain BUY rating but revise the SoTP-based TP to INR 200 (from INR 214), factoring lower valuation multiple for its businesses.

A flattish quarter, regulatory income reduces YoY

For 4QFY25, CESC reported a revenue (including regulatory) of INR 40.1 bn, up 1.5% YoY and in line with our and consensus estimates. EBITDA, including regulatory income, was at INR 9.5 bn, -3% YoY. However, the reliance on regulatory income has reduced, with regulatory income of INR 1.4 bn vs. INR 5.7 bn in 4QFY24, down 76% YoY and 53% QoQ. With this, the PAT was INR 3.7 bn, down 7% YoY. The larger fall in PAT is attributable to a higher tax rate of 17% vs. 1% YoY.

Mixed volume growth in the distribution circle better

For the quarter ended 4QFY25, distribution volume was up 5% YoY. For CESC standalone, overall volume growth was 11% to 2.6 BU. Noida Power reported sales of 753 MU during 4QFY25, registering 5% YoY growth. Rajasthan distribution franchisees had a flat quarter—Bharatpur DF witnessed a volume de-growth of 2% to 58 MU while Kota was flat at 235 MU and Bikaner DF saw 2% growth at 159 MU. In Malegaon, T&D losses were flat at 38.6% vs. 38.3%. The Malegaon DF reported a volume of 213 MU, flat YoY, however, net loss increased to INR 260 mn vs. INR 70 mn YoY.

Adding green assets, capex plan laid out

The company through its subsidiary Purvah Green Power Pvt. Ltd., is undertaking a major renewable push with 3.2 GW of hybrid projects planned over the next three years. Also, a part of this 1,200 MW (600 MW solar + 600 MW wind) capacity across Rajasthan, Madhya Pradesh, and Andhra Pradesh is already under implementation, with power offtake fully tied up. Additionally, multiple sites have been identified and are currently under evaluation for generation potential and CUF optimization, with Wind Resource Assessment studies underway, supporting long-term scalability and efficient asset deployment.

Investment Summary

CESC is India's first fully integrated electrical utility company (since 1899) with business interest in generation (2.1 GW operating asset) & distribution of power (more than six cities/town). It has vast experience of running and turning around discoms. We retain BUY with a SoTP-based TP of INR 200. **Risks:** (1) Adverse or delay in recovery of dues from discoms and (2) Capital allocation to projects earning lower equity IRR.

Table 1: Financial results

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)
Net Sales	40,170	39,590	**1**	38,610	4
EBITDA	9,520	9,820	-3	9,100	5
Other Income	1530	730	110	960	59
Depreciation	3,040	3,110	-2	3,050	0
Interest	3,350	3,250	3	3,390	-1
PBT	4,660	4,190	11	3,620	29
TAX	810	40	NA	800	1
Reported PAT	3,850	4,150	-7	2,820	37
PAT after MI	3,730	4,000	-7	2,650	41
EBIDTA margin (%)	24%	25%		24%	
PAT margin %	9%	10%		7%	

Source: Company, Antique

Acquisition of Chandigarh Power Distribution Ltd

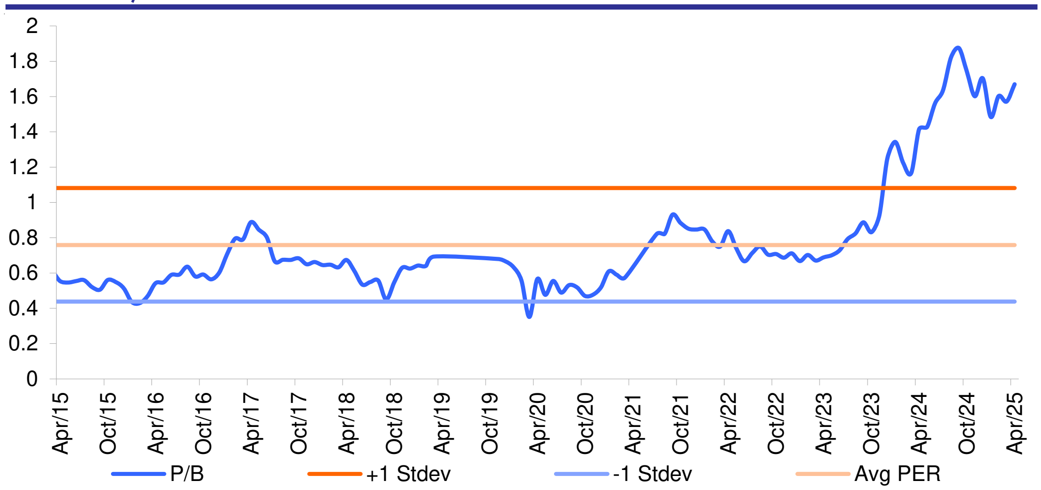
The company acquired 100% stake in Chandigarh Power Distribution Limited (CPDL) for INR 8.7 bn on February 1, 2025. CPDL is the sole distributor of electricity in the UT of Chandigarh. The company is also planning substantial investments over the next five years for significant upgradation of distribution network. CPDL has consumption mix of 48% domestic users, 30% commercial users, and 20% from others. CPDL has power demand of 450 MW+.

Table 2: Sum-of-the-parts valuation

Segment	Particulars INR mn	Multiple x	Target value INR mn	Value/ share INR	Remarks
Standalone	51,846	1.7	89,808	68	Kolkatta Discom and power plant cost plus basis, valued at 1.7x regulated equity (RoE 16%)
Dhariwal	21,848	1.9	42,254	32	600MW, 80% power sold in PPA and balance on merchant, valued at 1.9x equity (RoE 17%)
Haldia	11,438	3.0	33,918	26	600MW, sold on cost plus, valued at 3x regulated equity (ROE 20%)
Noida	7,902	2.1	12,036	9	Valued at 2.1x regulated equity (Core ROE ~20%)
Renewable	4,733	15	45,990	35	FY27E EBITDA valued at 15x EV / EBITDA
DF business	7,093	1.0	7,093	5	Valued on 1.5x BV FY25
Regulatory assets	35,000	1.0	35,000	26	Valued on 1x BV FY25
Total				**200**	

Source: Company, Antique

Exhibit 1: P/B bands



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**1,55,220**	**1,70,500**	**1,82,490**	**2,01,336**	**2,21,302**
Op. Expenses	1,20,970	1,31,670	1,43,120	1,56,803	1,71,453
EBITDA	**34,250**	**38,830**	**39,370**	**44,533**	**49,849**
Depreciation	8,780	12,170	12,050	12,593	14,686
EBIT	**25,470**	**26,660**	**27,320**	**31,941**	**35,163**
Other income	3,090	2,510	3,740	2,694	2,828
Interest Exp.	11,170	12,340	13,240	13,541	15,300
Reported PBT	**17,390**	**16,830**	**17,820**	**21,094**	**22,691**
Tax	3,420	2,360	3,540	4,426	4,740
Reported PAT	**13,970**	**14,470**	**14,280**	**16,668**	**17,951**
Minority Int./Profit (loss) From Asso.	(540)	(710)	(590)	(650)	(690)
Net Profit	**13,430**	**13,760**	**13,690**	**16,017**	**17,261**
Adjusted PAT	**13,430**	**13,760**	**14,090**	**16,017**	**17,261**
Adjusted EPS (INR)	**10.1**	**10.3**	**10.6**	**12.0**	**13.0**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share capital	1,330	1,330	1,330	1,330	1,330
Reserves & Surplus	1,07,770	1,13,120	1,18,760	1,28,792	1,40,069
Networth	**1,09,100**	**1,14,450**	**1,20,090**	**1,30,122**	**1,41,399**
Debt	1,40,620	1,43,630	1,77,190	2,01,190	2,37,690
Min. Interest	4,790	5,400	5,930	6,580	7,270
Other Non Current Liabilities	50,640	33,720	36,540	36,540	36,540
Net deferred Tax liabilities	42,790	41,500	33,910	33,910	33,910
Capital Employed	**3,47,940**	**3,38,700**	**3,73,660**	**4,08,343**	**4,56,809**
Gross Fixed Assets	3,02,612	3,07,832	3,26,242	3,61,766	4,14,290
Accumulated Depreciation	74,352	86,522	98,572	1,11,164	1,25,851
Capital work in progress	1,400	1,740	4,270	4,270	4,270
Net Fixed Assets	**2,29,660**	**2,23,050**	**2,31,940**	**2,54,872**	**2,92,710**
Investments	770	520	590	590	590
Other Non Current Assets	81,330	82,140	93,870	93,870	93,870
Current Assets, Loans & Adv.	**65,350**	**65,970**	**83,410**	**96,548**	**1,08,922**
Inventory	8,800	8,780	7,250	7,883	8,680
Debtors	21,920	22,560	24,280	27,697	30,444
Cash & Bank balance	25,880	27,110	40,420	48,328	55,909
Loans & advances and others	8,750	7,520	11,460	12,639	13,889
Current Liabilities & Provisions	**29,170**	**32,980**	**36,150**	**37,537**	**39,283**
Liabilities	28,640	32,380	35,620	37,007	38,753
Provisions	530	600	530	530	530
Net Current Assets	**36,180**	**32,990**	**47,260**	**59,011**	**69,639**
Application of Funds	**3,47,940**	**3,38,700**	**3,73,660**	**4,08,343**	**4,56,809**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	1,330.0	1,330.0	1,330.0	1,330.0	1,330.0
Diluted no. of shares (mn)	1,330.0	1,330.0	1,330.0	1,330.0	1,330.0
BVPS (INR)	82.0	86.1	90.3	97.8	106.3
CEPS (INR)	17.1	20.0	19.8	22.0	24.5
DPS (INR)	4.5	4.5	4.5	4.5	4.5

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**17,390**	**16,830**	**17,820**	**21,094**	**22,691**
Depreciation & amortization	8,780	12,170	12,050	12,593	14,686
Interest expense	11,170	12,340	13,240	13,541	15,300
(Inc)/Dec in working capital	(13,410)	(12,050)	(11,530)	(3,843)	(3,047)
Tax paid	(2,980)	(4,510)	(3,800)	(4,426)	(4,740)
Other operating Cash Flow	(1,170)	(1,260)	(1,960)	-	-
CF from operating activities	**19,780**	**23,520**	**25,820**	**38,959**	**44,890**
Capital expenditure	(6,910)	(7,652)	(18,520)	(35,524)	(52,524)
Inc/(Dec) in investments	4,270	742	(13,030)	-	-
Add: Interest/Div. Income Recd.	810	1,040	1,420	-	-
CF from investing activities	**(1,830)**	**(5,870)**	**(30,130)**	**(35,524)**	**(52,524)**
Inc/(Dec) in debt	(6,780)	2,980	33,640	24,000	36,500
Dividend Paid	(6,040)	(6,060)	(6,030)	(5,985)	(5,985)
Others	(11,750)	(13,340)	(9,990)	(13,541)	(15,300)
CF from financing activities	**(24,570)**	**(16,420)**	**17,620**	**4,474**	**15,215**
Net cash flow	**(6,620)**	**1,230**	**13,310**	**7,908**	**7,581**
Opening balance	32,500	25,880	27,110	40,420	48,328
Closing balance	**25,880**	**27,110**	**40,420**	**48,328**	**55,909**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	16.8	9.8	7.0	10.3	9.9
EBITDA	-6.4	13.4	1.4	13.1	11.9
Adj PAT	1.5	2.5	2.4	13.7	7.8
Adj EPS	1.5	2.5	2.4	13.7	7.8

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	16.1	15.8	15.4	13.5	12.6
P/BV (x)	2.0	1.9	1.8	1.7	1.5
EV/EBITDA (x)	9.7	8.6	9.0	8.3	8.0
EV/Sales (x)	2.1	2.0	1.9	1.8	1.8
Dividend Yield (%)	2.8	2.8	2.8	2.8	2.8

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	12.6	12.3	12.0	12.8	12.7
RoCE (%)	11.4	11.5	11.2	11.0	10.7
Asset/T.O (x)	0.4	0.5	0.5	0.5	0.5
Net Debt/Equity (x)	1.1	1.0	1.1	1.2	1.3
EBIT/Interest (x)	2.6	2.4	2.3	2.6	2.5

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	22.1	22.8	21.6	22.1	22.5
EBIT Margin	16.4	15.6	15.0	15.9	15.9
PAT Margin	8.7	8.1	7.7	8.0	7.8

Source: Company, Antique

CMP	:	INR 327
Reco	:	BUY ↔
Target	:	INR 439 ↔
Target Price Change	:	No Change
Target FY27 P/E (x)	:	34
EPS Change FY26/ 27	:	No Change

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Market data

Sensex	:	82,531
Sector	:	Industrials
Market Cap (INR bn)	:	210.8
Market Cap (USD bn)	:	2.464
O/S Shares (mn)	:	643.8
52-wk HI/LO (INR)	:	484/301
Avg. Daily Vol ('000)	:	2,250
Bloomberg	:	CROMPTON IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	8.8	10.2	12.9
P/E (x)	37.3	31.9	25.3
P/BV (x)	6.3	5.7	5.1
EV/EBITDA (x)	23.1	19.9	15.6
Dividend Yield (%)	0.9	1.2	1.4

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	(2)	(1)	(12)	(3)
Relative	(9)	(9)	(17)	(14)

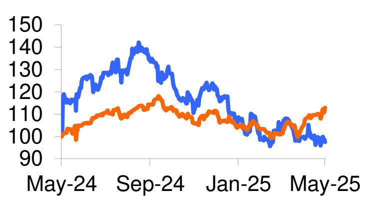
Source: Bloomberg

Shareholding pattern

Promoters	:	0%
Public	:	100%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT UPDATE

Crompton Greaves Consumer Electricals

Strong operational performance; maintain BUY

Crompton Greaves Consumer Electricals' (Crompton) 4QFY25 results were ahead of our expectations on the operational front. While revenue was below our estimate, robust margin improvement across categories surprised us positively, helping Crompton register a strong profit. The pumps division continued to secure healthy orders and fan sales remained steady. The company is looking to set up a green field facility dedicated to manufacturing fans, aimed at strengthening its supply chain. In the lighting segment, B2C business growth and better product mix contributed to margin expansion. Butterfly gained market share sequentially in mixer grinders and pressure cookers. Margin improvement in Butterfly was supported by higher gross margin and cost-efficiency initiatives. Crompton is looking to further expand its product portfolio by foraying into rooftop solar [TAM – INR 200 bn]. With continued focus on offering premium products, entry into new categories, and sustained momentum in Butterfly, Crompton's operational performance is expected to remain strong. We continue to maintain BUY rating on the stock with a TP of INR 439, valuing it at 34x its FY27E EPS.

Margin led beat on the operational performance

Crompton's **4QFY25** performance was ahead of our estimates. Consolidated revenue stood at INR 20.6 bn (+5.1% YoY), below our estimate of INR 22.2 bn. Gross margin came in at 33.9% (+200 bps YoY) due to improvement in product mix. The EBITDA was INR 2.6 bn (+30% YoY; est. INR 2.4 bn) with an EBITDA margin of 12.8% (est. 10.7%) due to better than estimated margins across categories. PAT witnessed a 29% YoY growth to INR 1.7 bn (est. INR 1.5 bn). **FY25** revenue stood at INR 78.6 bn (+7.5% YoY) with a margin of 11.3% (+150 bps YoY) translating into an operating profit of INR 8.9 bn (+24.5% YoY). PAT stood at INR 5.6 bn (+27.7% YoY).

ECD segment witnesses growth of 6% YoY; pumps and appliances post strong growth

ECD revenue was below our expectation at INR 16 bn (+6% YoY; est. of INR 17.4 bn). Revenue was supported by robust growth in pumps and appliances. Though agri pumps witnessed subdued demand, solar pumps continued to grow. Mixer grinders and air coolers experienced strong growth supported by new product launches. EBITDA improved 6% YoY to INR 2.6 bn. EBITDA margin stood at 16.7%. Crompton intends to sustain its growth trajectory in the ECD segment by expanding the product range of its star-rated induction and BLDC fans, strengthening its manufacturing capabilities' brand architecture, and favorable pricing action in the pump category. These, we believe will help the company deliver healthy growth in coming years.

Lighting segment reports strong margin

Lighting segment witnessed revenue de-growth of 2% YoY to INR 2.7 bn, below our estimate of INR 3 bn. EBIT margin improved significantly to 15.9% YoY (+700 bps YoY; est. 10.3%.) B2C segment revenue was driven by improved product mix. Growth in new segments such as panels should further propel growth in the segment and help in maintaining the margin.

Butterfly margin register significant improvement

Butterfly segment revenue came in at INR 1.8 bn (+11% YoY), in line with our estimate of INR 1.8 bn. EBIT margin stood at 6.7% (-15.9% in 4QFY24; est. of 4.1%). Butterfly gained market share sequentially in mixer grinders and pressure cookers. The margin improvement was supported by higher gross margin and cost efficiency initiatives. We believe that the continuous focus on the retail channel and new product launches will help the company maintain its margin going ahead.

Investment Summary

With continued focus on offering premium products, entry into new categories, and sustained momentum in Butterfly, Crompton's operational performance is expected to remain strong. We continue to maintain BUY rating on the stock with a TP of INR 439, valuing it at 34x its FY27E EPS.

Conference Call Highlights

Key highlights

- Strong revenue growth and profitability supported by increased investments in brand building, innovation, and talent development.
- **Actively exploring setting up of a greenfield manufacturing facility (INR 3.5 bn investment) – details in coming weeks. First phase to focus on fans.**
- Alternate channels contributed 17% to revenue. However, moderate growth in e-com due to low demand for water heaters.
- **Entering into new category: Rooftop solar. TAM for Crompton: INR 200 bn.**

ECD

- Fan sales growth led by non-ceiling category (TPW), superior execution of solar pump orders and strong growth in mixer grinders and air coolers led to ECD delivering healthy margin.
- Won several orders in the solar pump category [Orders worth INR 236 mn].
- Residential pumps continue to maintain no. 1 position on e-com.
- Agri pump growth was impacted due to weak agriculture demand, delayed season, and postponement of government initiatives.
- Reached no. 3 position in chimney category.

Lighting

- Strong growth in B2C segment along with improvement in mix—ceiling and batten both contributed to growth. Now, mix changing towards panel, and the same is expected to drive growth in the future.
- Launched new B2B products in street, flood, industrial, and indoor commercial lighting. Won few B2B orders in the private sector.
- Program Unnati helping the company reduce its costs.

Butterfly

- **Consumer demand was soft during the quarter.**
- On QoQ basis, gained market share in mixer grinder and pressure cooker.
- Gross margin improved due to price increase and optimization of input costs and trade schemes.
- EBITDA margin has improved drastically due to gross margin expansion, channel, and cost initiatives.
- Pricing actions implemented across retail, modern trade, and exports.
- **The endeavor is to grow in mid-teen and reach double-digit EBITDA margin.**

Table 1: Consolidated financials

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Total revenues (net)	**20,606**	**19,610**	**5**	**17,692**	**16.5**	**78,636**	**73,128**	**8**
RM	13,615	13,352	2	11,801	15.4	52,733	50,003	5
% of Sales	66.1	68.1	-201 bps	67	-63 bps	67.1	68.4	-132 bps
Staff cost	1,679	1,507	11	1,497	12.1	6,390	5,899	8
% of Sales	8.1	7.7	46 bps	8	-32 bps	8.1	8.1	6 bps
Other operating expenses	2,668	2,715	(2)	2,514	6.1	10,630	10,089	5
% of Sales	12.9	13.8	-90 bps	14	-126 bps	13.5	13.8	-28 bps
Total expenditure	17,962	17,574	2	15,812	13.6	69,754	65,991	6
EBITDA	**2,644**	**2,036**	**30**	**1,880**	**40.6**	**8,882**	**7,137**	**24**
EBITDA Margin (%)	**12.8**	**10.4**	**245 bps**	**11**	**220 bps**	**11.3**	**9.8**	**154 bps**
Depreciation	396	350	13	379	4.3	1,528	1,288	19
Interest	100	156	(36)	105	(5.0)	480	792	(39)
Other income	159	160	(1)	116	37.3	688	674	2
PBT	**2,308**	**1,690**	**37**	**1,512**	**52.7**	**7,562**	**5,731**	**32**
Tax	591	356	66	393	50.4	1,921	1,313	46
Tax rate (%)	25.6	21.1	452 bps	26	-38 bps	25.4	22.9	250 bps
Reported net profit	**1,717**	**1,334**	**29**	**1,119**	**53.4**	**5,641**	**4,418**	**28**
Adjusted net profit	**1,717**	**1,334**	**29**	**1,119**	**53.4**	**5,641**	**4,418**	**28**
EPS (INR)	**2.7**	**2.1**	**28.7**	**2**	**53.4**	**9.0**	**7.0**	**28**

Source: Company, Antique

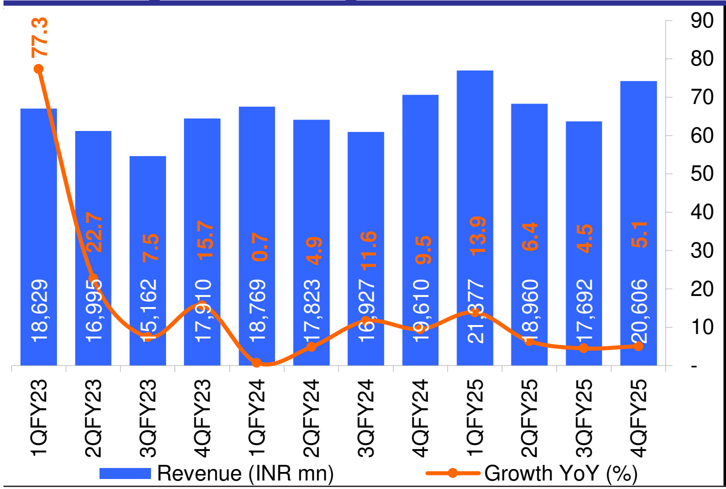
Table 2: Segmental Performance

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	**20,606**	**19,610**	**5**	**17,692**	**16.5**	**78,636**	**73,128**	**8**
Lighting	2,761	2,811	(2)	2,577	7.1	10,203	9,982	2
Electrical con. durables	16,029	15,160	6	12,878	24.5	60,100	53,922	11
Butterfly	1,817	1,639	11	2,237	(18.8)	8,333	9,225	(10)
EBIT	**2,408**	**1,846**	**30**	**1,617**	**48.9**	**8,042**	**6,523**	**23**
Lighting	440	251	75	278	58.2	1,196	1,053	14
Electrical con. durables	2,675	2,533	6	1,957	36.7	9,283	7,747	20
Butterfly	123	(261)	(147)	123	(0.5)	464	82	466
Unallocable	(830)	(677)	23	(742)	11.9	(2,902)	(2,359)	23
EBIT Margin (%)								
Lighting	10.8	11.2	-45 bps	10.7	9 bps	11.7	10.6	117 bps
Electrical con. durables	15.2	13.6	162 bps	14.8	38 bps	15.4	14.4	108 bps
Butterfly	5.5	(0.8)	633 bps	7.1	-157 bps	5.6	0.9	468 bps
Total	**9.1**	**7.9**	**122 bps**	**9.6**	**-50 bps**	**10.2**	**8.9**	**131 bps**

Source: Company, Antique

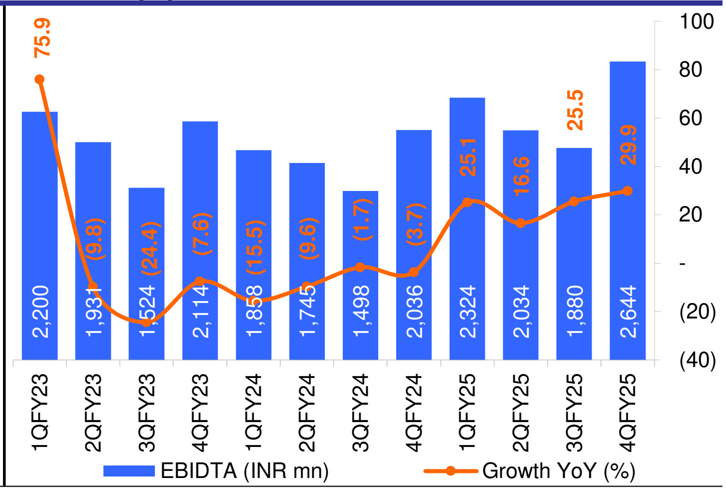
Story in Charts (Consolidated)

Exhibit 1: Registers 5.1% YoY growth in revenue



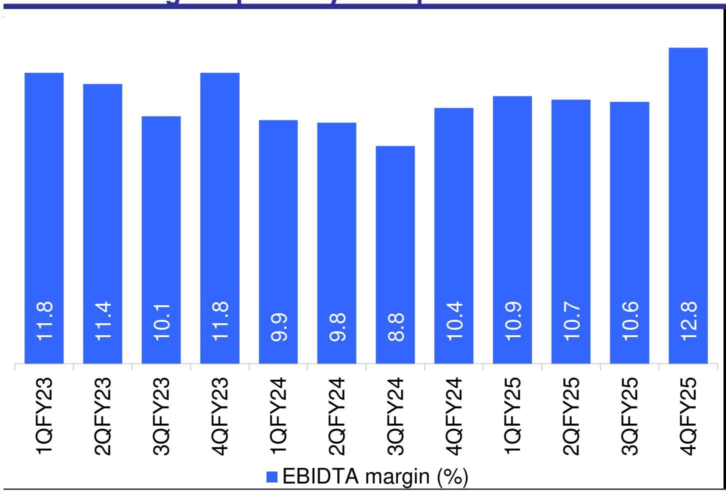
Source: Company, Antique

Exhibit 2: Op. profit increases 30% YoY



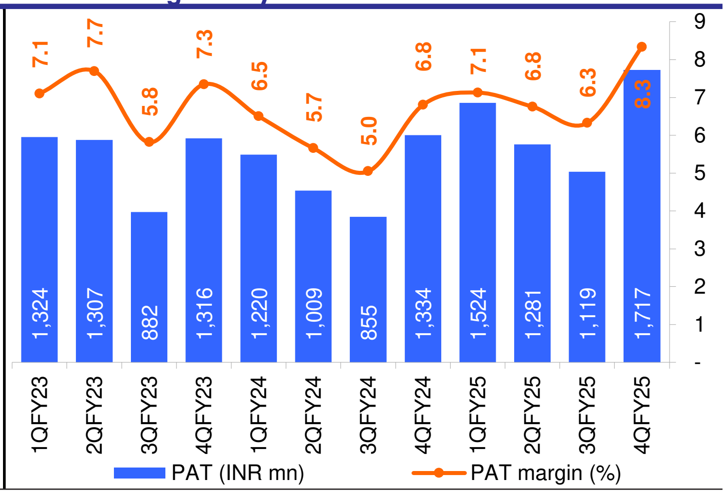
Source: Company, Antique

Exhibit 3: Margin expands by 240 bps YoY to 12.8%



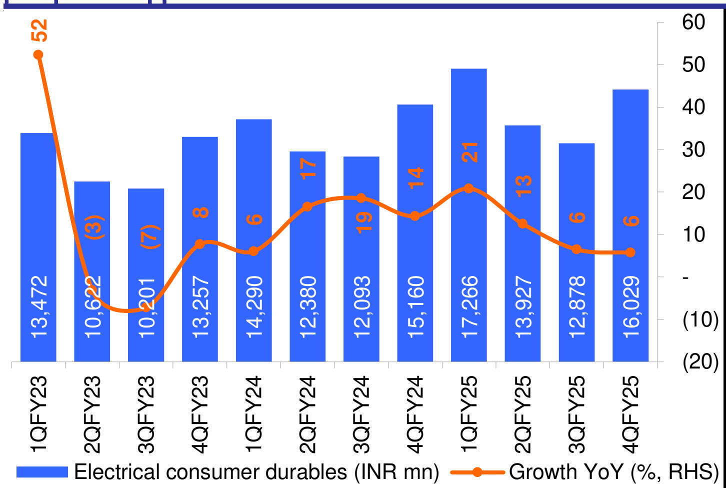
Source: Company, Antique

Exhibit 4: PAT grows by 29% YoY



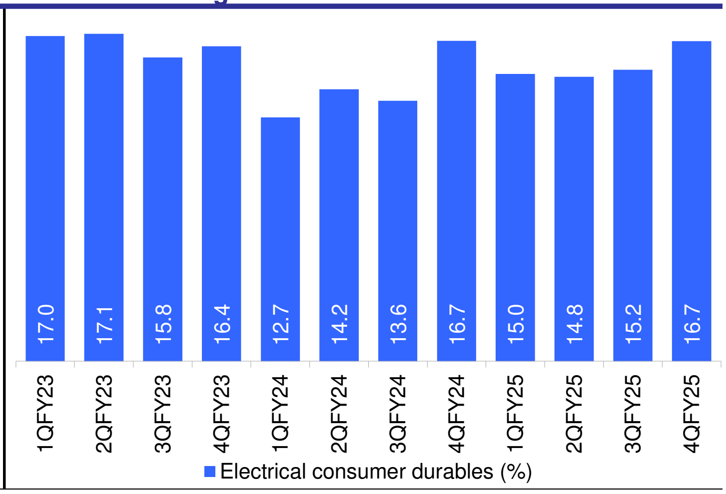
Source: Company, Antique

Exhibit 5: ECD registers 6% YoY growth supported by pumps and appliances



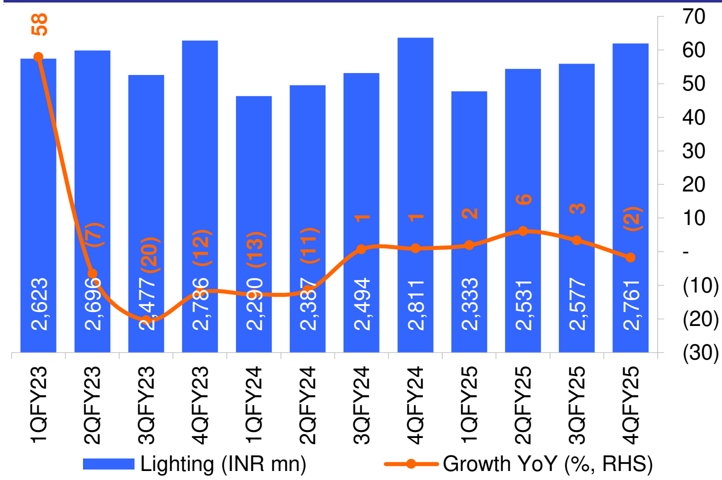
Source: Company, Antique

Exhibit 6: ECD margin remains stable



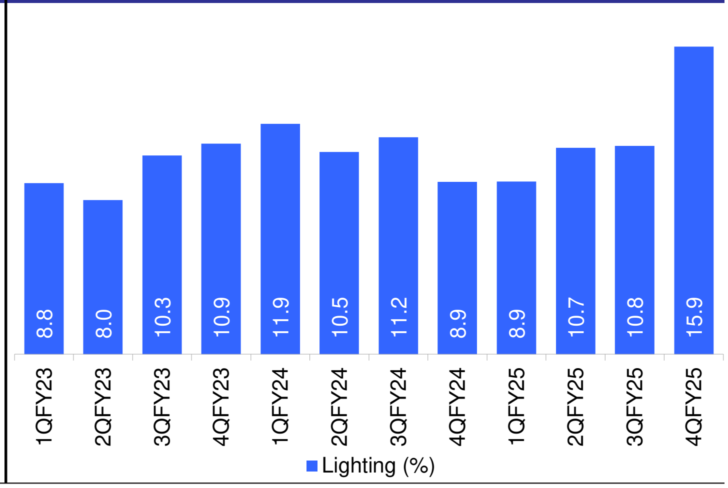
Source: Company, Antique

Exhibit 7: Registers de-growth of 2% YoY in lighting segment



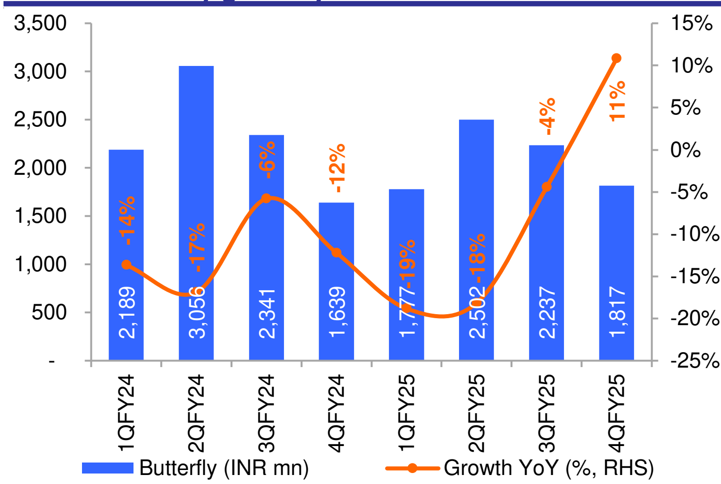
Source: Company, Antique

Exhibit 8: Lighting margin expands by 700 bps YoY



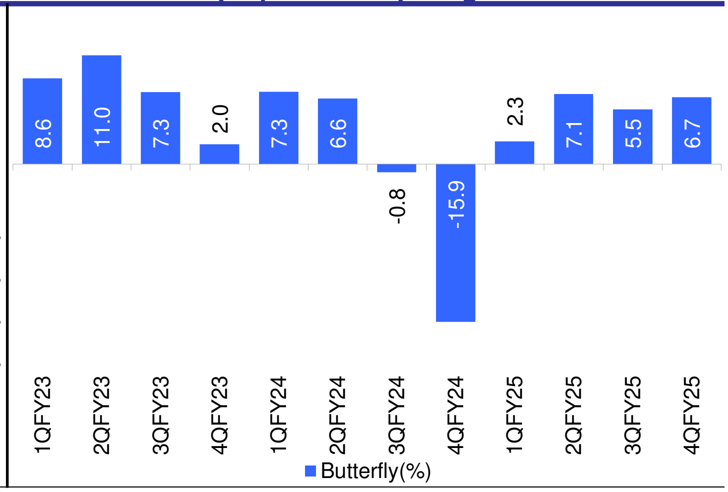
Source: Company, Antique

Exhibit 9: Butterfly grows by 11% YoY



Source: Company, Antique

Exhibit 10: Butterfly reports healthy margin



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**68,696**	**73,128**	**78,636**	**87,802**	**1,02,034**
Op. Expenses	60,991	65,991	69,754	77,685	89,475
Gross Profit	21,893	23,125	25,902	29,253	34,184
EBITDA	**7,705**	**7,137**	**8,882**	**10,117**	**12,560**
Depreciation	1,159	1,288	1,528	1,666	1,942
EBIT	**6,546**	**5,849**	**7,354**	**8,451**	**10,618**
Other income	668	674	688	730	781
Interest Exp.	1,092	792	480	359	279
Reported PBT	**6,122**	**5,731**	**7,562**	**8,821**	**11,119**
Tax	1,358	1,313	1,921	2,223	2,802
Reported PAT	**4,764**	**4,418**	**5,641**	**6,598**	**8,317**
Net Profit	**4,764**	**4,418**	**5,641**	**6,598**	**8,317**
Adjusted PAT	**4,764**	**4,418**	**5,641**	**6,598**	**8,317**
Adjusted EPS (INR)	**7.5**	**6.9**	**8.8**	**10.2**	**12.9**

Balance sheet (INR mn)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
Share Capital	1,272	1,286	1,288	1,288	1,288
Reserves & Surplus	25,328	28,710	31,888	35,605	40,290
Networth	**26,600**	**29,996**	**33,175**	**36,893**	**41,578**
Debt	9,222	5,990	4,990	3,990	2,990
Minority Interest	4,477	4,494	4,494	4,494	4,494
Net deferred Tax liabilities	123	99	99	99	99
Capital Employed	**40,422**	**40,579**	**42,758**	**45,475**	**49,161**
Capital work in progress	55	114	114	114	114
Net Fixed Assets	**4,286**	**3,711**	**3,683**	**3,517**	**3,075**
Goodwill	28,478	28,842	28,842	28,842	28,842
Current Assets, Loans & Adv.	**18,298**	**21,373**	**24,973**	**30,378**	**38,421**
Inventory	7,439	8,304	8,930	9,971	11,587
Debtors	6,861	7,335	7,888	8,807	10,235
Cash & Bank balance	1,095	2,608	4,799	7,852	12,243
Loans & advances and others	2,904	3,125	3,357	3,748	4,356
Current Liabilities & Provisions	**16,123**	**20,238**	**21,631**	**24,153**	**28,068**
Liabilities	13,126	16,261	17,355	19,378	22,519
Provisions	2,997	3,977	4,277	4,775	5,549
Net Current Assets	**2,175**	**1,135**	**3,342**	**6,225**	**10,353**
Application of Funds	**40,422**	**40,579**	**42,758**	**45,475**	**49,160**

Per share data

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	633	636	643	644	644
Diluted no. of shares (mn)	633	636	643	644	644
BVPS (INR)	42.0	47.2	51.6	57.3	64.6
CEPS (INR)	9.4	9.0	11.1	12.8	15.9
DPS (INR)	2.5	3.0	3.0	3.8	4.5

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
PBT	**6,122**	**5,731**	**7,562**	**8,821**	**11,119**
Depreciation & amortization	1,159	1,288	1,528	1,666	1,942
Interest expense	633	406	480	359	279
(Inc)/Dec in working capital	(1,033)	2,553	(16)	170	264
Tax paid	(1,399)	(1,313)	(1,921)	(2,223)	(2,802)
Other operating Cash Flow	50	(233)	-	-	-
CF from operating activities	**5,532**	**8,432**	**7,633**	**8,794**	**10,802**
Capital expenditure	(791)	(805)	(1,500)	(1,500)	(1,500)
Inc/(Dec) in investments	3,749	(937)	326	326	326
CF from investing activities	**2,958**	**(1,743)**	**(1,174)**	**(1,174)**	**(1,174)**
Inc/(Dec) in share capital	416	893	2	-	-
Inc/(Dec) in debt	(6,842)	(3,250)	(1,000)	(1,000)	(1,000)
Dividend Paid	(1,578)	(1,912)	(2,463)	(2,881)	(3,632)
Others	(1,108)	(754)	(480)	(359)	(279)
CF from financing activities	**(9,111)**	**(5,023)**	**(3,941)**	**(4,240)**	**(4,911)**
Net cash flow	**(622)**	**1,667**	**2,518**	**3,380**	**4,718**
Opening balance	9,152	1,095	2,608	4,799	7,852
Closing balance	**1,095**	**2,608**	**4,799**	**7,852**	**12,243**

Growth indicators (%)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
Revenue	27.4	6.5	7.5	11.7	16.2
EBITDA	0.1	(7.4)	24.5	13.9	24.1
Adj PAT	(19.4)	(7.3)	27.7	17.0	26.0
Adj EPS	(20.3)	(7.7)	26.3	16.8	26.0

Valuation (x)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	43.5	47.1	37.3	31.9	25.3
P/BV (x)	7.8	6.9	6.3	5.7	5.1
EV/EBITDA (x)	27.7	29.2	23.1	19.9	15.6
EV/Sales (x)	3.1	2.8	2.6	2.3	1.9
Dividend Yield (%)	0.8	0.9	0.9	1.2	1.4

Financial ratios

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	18.6	15.6	17.9	18.8	21.2
RoCE (%)	16.2	16.1	19.3	20.8	24.1
Asset/T.O (x)	6.6	12.9	13.2	10.5	8.8
Net Debt/Equity (x)	0.3	0.1	0.0	(0.1)	(0.2)
EBIT/Interest (x)	6.6	8.2	16.8	25.6	40.8

Margins (%)

Year-ended March 31	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin	11.2	9.8	11.3	11.5	12.3
EBIT Margin	9.5	8.0	9.4	9.6	10.4
PAT Margin	6.9	6.0	7.1	7.5	8.1

Source: Company, Antique

CMP	: INR 2,050
Reco	: BUY ↔
Target Price	: INR 2,793 ↔
Target Price Change	: No Change
Target FY27 embedded EV/EBITDA (x)	: 10
Sales booking change FY26/ 27	: No Change

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Market data

Sensex	:	82,531
Sector	:	Textiles
Market Cap (INR bn)	:	229.0
Market Cap (USD bn)	:	2.677
O/S Shares (mn)	:	111.7
52-wk HI/LO (INR)	:	3142/1638
Avg. Daily Vol ('000)	:	163
Bloomberg	:	ABREL IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	(2.6)	(5.0)	3.1
P/E (x)	(799.7)	(413.5)	670.5
P/BV (x)	6.0	6.2	6.3
EV/EBITDA (x)	894.9	121.1	88.3
Dividend Yield (%)	0.3	0.3	0.4

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	10	(1)	(21)	0
Relative	3	(9)	(26)	(11)

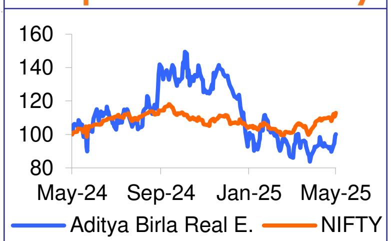
Source: Bloomberg

Shareholding pattern

Promoters	:	50%
Public	:	49%
Others	:	1%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Aditya Birla Real Estate

Pre-sales to double in 3 years; near-term outlook uncertain

Aditya Birla Real Estate's (ABREL) 4QFY25/ FY25 highlights include record pre-sales, driven by strong response to five project launches during the quarter. During the quarter, ABREL launched three new projects and two new phases with an estimated GDV of INR 80 bn, achieving pre-sales of INR 57.38 bn (up 99% YoY) and new launches contributing 89% of the total. On the back of this strong quarter, ABREL reported its highest-ever annual pre-sales of INR 80.9 bn (up 103% YoY) in FY25, exceeding its guidance of INR 70–80 bn. The company has a robust launch pipeline for FY26, with a GDV of INR 140 bn and unsold inventory of around INR 67 bn. While ABREL has not provided formal guidance for FY26, it is expected to double its pre-sales run-rate to INR 150 bn by FY28. We expect the current business development momentum to support this target. We maintain BUY rating with a target price of INR 2,793, based on 10x EV/embedded EBITDA on FY27E. Aditya Birla Real Estate remains our top pick.

4QFY25/ FY25 in a nutshell

Real estate: Pre-sales value during the quarter was INR 57.4 bn (99%/ 750% YoY/ QoQ) *vs. our estimate of INR 57.0 bn*. The company had guided for INR 70-80 bn in pre-sales in FY25 (+76% to 100% YoY) and achieved INR 80.9 bn (103% YoY). Collections for the quarter was INR 10.7 bn (106%/ 114% YoY/ QoQ); for FY25, it was INR 27.1 bn (103% YoY). Launched five projects/ phases this quarter. Birla Arika in Gurugram was the highest ever selling project for Birla Estates with sales of over INR 31.0 bn. Paper: Sold the paper business to ITC, pending regulatory approval. Deal expected to be closed by July 2025. Net debt: INR 35.75 with D/E at 0.92x vs 0.6x as of FY24 end.

Strong launch pipeline

ABREL has a strong project pipeline worth INR 140 bn, with new launches expected in Thane, Manjri (Pune), Sector 71 (Gurugram), and Boisar in MMR (plotted development). Additionally, new phases are planned for Niyaara (Tower 3), Birla Navya in Gurugram, Birla Arika in Sector 31 (Gurugram), Birla Trimaya in North Bengaluru, and Birla Punya in Pune. Besides the upcoming launches, the company has unsold inventory of around INR 67 bn. Combined, ABREL will have more than INR 200 bn worth of inventory to sell in FY26. We expect ABREL to clock over INR 90 bn in pre-sales in FY26 and potentially touch INR 100 bn, subject to receiving approval for the Mathura Road project in Delhi or an exceptionally strong response to Birla Niyaara.

Business development momentum to continue

ABREL achieved business development (BD) of over INR 160 bn in FY24 and more than INR 250 bn in FY25. With strong cash flow visibility from its ongoing projects and the sale of its paper business, we expect the BD momentum to continue in FY26 as well, with an estimated BD of INR 150–200+ bn during the year.

Ambitious growth plan

Although ABREL did not provide formal guidance for FY26 due to the prevailing uncertainty, the company outlined an ambitious plan to reach a pre-sales run-rate of INR 150 bn by FY28. With the expected margin above 25%-30%, strong cash flow visibility, and a clear focus on execution, we believe ABREL is well-positioned to continue on its high-growth trajectory.

Investment Summary

We continue to remain structurally positive on ABREL's growth prospects in the medium to long term. **The company is our top pick and we reiterate BUY with a TP of INR 2,793.** *Key monitorable are launch of Niyaara and business development.*

Valuation using embedded EBITDA

ABREL clocked INR 39.9 bn and INR 80.9 bn sales booking in FY24 and FY25 respectively. Aided by robust launch pipeline and aggressive business development velocity, we expect ABREL to surpass INR 90 bn in FY26 and INR 109 bn in FY27.

Table 1: SoTP Valuation

Embedded EV/EBITDA method	FY27E
Sales booking (INR bn)	109
Embedded EBITDA margin	27%
Embedded EBITDA (INR bn)	30
EV/ EBITDAx	10
EV of residential (INR bn)	295
Commercial portfolio at cap rate of 7.5% INR bn)	17
Paper business sales (INR bn)	35
less: net debt (INR bn)	-36
Equity value (INR bn)	312
O/S shares (# mn)	112
TP	**2,793**

Source: Company, Antique

Table 2: NAV methodology

	INR mn
Commercial Leasing - Operational	17,333
Completed	1,829
Ongoing	31,416
Upcoming	146,351
Paper	34,980
Land Bank	4,533
Total EV (INR mn)	**236,442**
Less: net Debt	(35,750)
NAV (INR mn)	**200,692**
no. of share (mn)	112
per share value (INR)	**1,792**

*We have excluded NOIDA project from our NAV calculation

	INR/share	Premium to NAV
NAV	1,792	0%
CMP	2,050	14%
TP	2,793	56%

Source: Company, Antique

Table 3: Quarterly snapshot – 4QFY25

Operational - real estate

INR mn	4QFY25	3QFY25	QoQ %	4QFY24	YoY %	FY25	FY24	YoY%
Sales booking	57,380	6,750	750.07	28,810	99.17	80,870	39,850	103
Collection	10,730	5,010	114.17	5,210	105.95	27,060	13,230	105
Leasing income	300	340	-11.76	300	-	1,220	1,190	3

Year ended	4QFY25	3QFY25	QoQ %	4QFY24	YoY %	FY25	FY24	YoY%
Net Revenue	3,948	9,567	-58.74	16,859	-76.58	12,189	45,135	-73.00
Op. Expenses	1,059	2,177		14,177		-11,893	-38,523	
EBITDA	**(250)**	**128**	na	**2,682**	na	**296**	**6,612**	-95.52
Depreciation	158	557		548		638	2,099	
EBIT	**(409)**	**(430)**		**2,134**		**-342**	**4,513**	na
Other income	130	46		138		385	565	
Interest Exp.	115	96		116		-458	-355	
Extra Ordinary Items -gain/(loss)	(1,240)			-		-1,327	-2,445	
Reported PBT	**(1,633)**	**(480)**	na	**2,157**	na	**-1,742**	**2,278**	**na**
Tax	(419)	(110)		502		303	-1,450	
Minority Int./Profit (loss) From Asso.	14	(18)		220		-174	-323	
Net Profit	**(1,310)**	**(406)**	**na**	**38**	na	**-1,613**	**505**	**na**
Adjusted PAT	**12**	**(352)**	na	1,434.70	-99.18	**-286**	**2,950**	**na**

Source: Company, Antique

Conference Call Highlights

- **Guidance**: In the next three years, pre-sales would reach an annual rate of INR 150 bn. No guidance for FY26.
- **Business development**: For FY26 it would be around INR 150 bn to INR 200 bn. Healthy pipeline of business development, a few to be announced in the next few quarters. Redevelopment a new segment that ABREL is foraying into. South Mumbai opening up on redevelopment but competition is also increasing. Brand equity will plays a big role for ABREL going ahead.
- **Inventory to sell in FY26**: New launch of INR 140 bn in FY26 and sustenance inventory of INR 67 bn. Most of the launches would be towards the second half of FY26.
- **Niyaara**: Sold 10 units in 4QFY25. Would launch a new tower in 3Q/ 4Q of FY26. The new tower would be a different format.
- **FY26 launch pipeline**: Birla Trimaya, Thane; Niyaara 3, Boisar; two more phases in Punya, Manjari, Arika 3 towers; Sector 71, Birla Navya last phase.
- **ITC paper deal**: No negative surprise and expects to conclude the deal by July and money should be received by August. INR 35 bn to be received, of which INR 20 bn would be used for debt another INR 3 bn for taxes, and the remaining INR 12 bn available for business development.
- **Delayed projects**: Delhi project looks to roll over to FY27. NOIDA projects on edge 50:50 chance of it happening with no progress happening so far; agreement ends this month. In addition, the Thane project which was slated to be launched in FY25, delayed due to required approval from NGT (central); approval applied to NGT and would be launched in FY26.
- **Mitsubishi deal**: 51%:49% equity deal with 8% DM fees to ABREL.
- **Birla Punya** – 75% of INR 4 bn sold. Pune is a resilient market and expects similar response for remaining phases.
- **Approval challenge**: Don't foresee any challenges but there's no certainty.
- **Project level EBITDA:** 25%-30%
- **Revenue recognition**: Not much in FY26. In FY27 – Birla Tisya and another phase of Birla Navya. FY28 – Delivery of Niyaara will start.
- **Sarjapur** – Opened seven towers and will open up other six towers.
- **Collection and construction spend in FY25**: INR 27.06 bn in collection and INR 16 bn of construction spend.

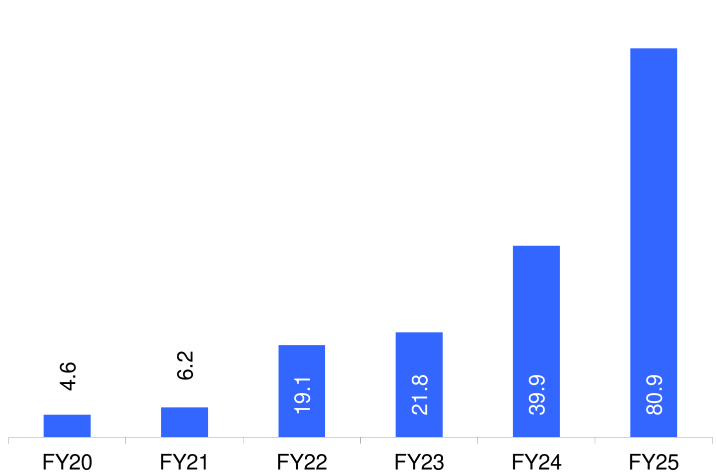
Table 4: Project portfolio

Completed	GDV (INR bn)	Sold (INR bn)	Receivables (INR bn)
Alokya	3.9	3.9	-0.1
Vanya	10.7	9.2	1.2
Sub total	**14.6**	**13.2**	**1.1**
Ongoing	**GDV (INR bn)**	**Sold (INR bn)**	**Receivables (INR bn)**
Navya	22.7	18.5	9.0
Niyaara and Silas (Worli ph 1&2)	86.6	63.8	43.2
Trimaya (ph 1 +2)	16.4	16.4	13.0
Tisya	6.3	6.5	1.9
Birla Anayu	7.1	2.8	2.3
Birla Ojasvi	10.4	8.0	6.7
Birla Punya	4	3.1	2.9
Birla Arika	33	31.5	29.5
Birla Evara	32	8.7	8.2
Sub total	**218.3**	**159.4**	**116.6**
Upcoming	**GDV (INR bn)**		
Navya last phase	5.1		
Pune	21.0		
India Humes Pipes Delhi	28.6		
Trimaya	9.6		
Worli (remaining phases) + Century Bhavan (0.4 mn sq. ft.)	340.3		
Barmalt	20.8		
Hindalco	64.8		
Manjri Pune	25.6		
Sector 71- Gurugram	14.0		
Boisar	6.0		
Sub total	**535.8**	**-**	**-**
Total	**768.6**	**172.5**	**117.8**

Source: Company, Antique

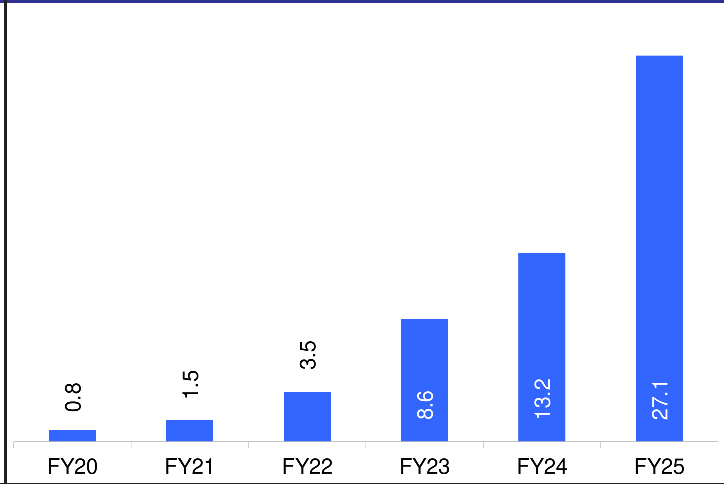
Story in Charts

Exhibit 1: Strong growth in pre-sales (INR bn)



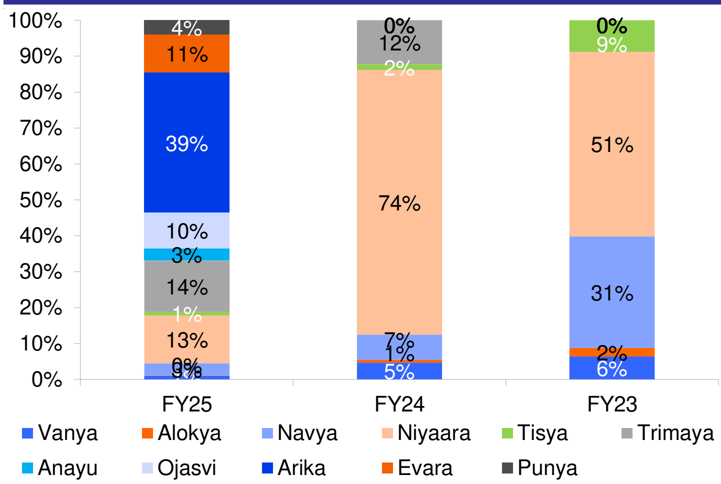
Source: Company, Antique

Exhibit 2: Strong growth in collections (INR bn)



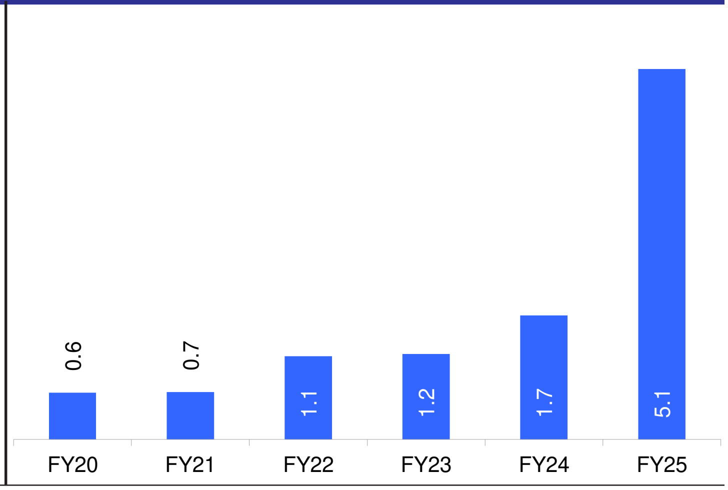
Source: Company, Antique

Exhibit 3: New projects and Niyaara key contributor in FY25



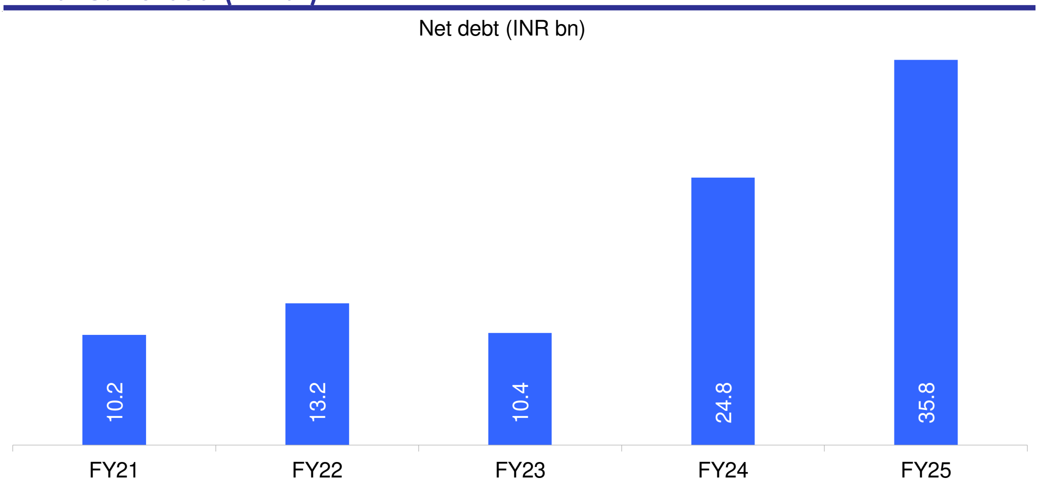
Source: Company, Antique

Exhibit 4: Area sold (mn sq. ft.)



Source: Company, Antique

Exhibit 5: Net debt (INR bn)



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**38,318**	**45,135**	**12,189**	**10,331**	**14,380**
Op. Expenses	(32,631)	(38,523)	(11,893)	(8,162)	(11,360)
EBITDA	**5,687**	**6,612**	**296**	**2,170**	**3,020**
Depreciation	(1,959)	(2,099)	(638)	(1,803)	(1,499)
EBIT	**3,728**	**4,513**	**(342)**	**366**	**1,521**
Other income	246	565	385	67	94
Interest Exp.	(342)	(355)	(458)	(930)	(902)
Extra Ordinary Items -gain/(loss)	762	(2,445)	(1,327)	-	-
Reported PBT	**4,393**	**2,278**	**(1,742)**	**(496)**	**712**
Tax	(1,729)	(1,450)	303	125	(179)
Reported PAT	**2,664**	**828**	**(1,439)**	**(371)**	**533**
Minority Int./Profit (loss) From Asso.	55	(323)	(174)	(182)	(192)
Net Profit	**2,719**	**505**	**(1,613)**	**(554)**	**341**
Adjusted PAT	**1,957**	**2,950**	**(286)**	**(554)**	**341**
Adjusted EPS (INR)	**17.5**	**26.4**	**(2.6)**	**(5.0)**	**3.1**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	1,117	1,117	1,117	1,117	1,117
Reserves & Surplus	37,751	38,674	37,286	35,955	35,442
Networth	**38,868**	**39,791**	**38,403**	**37,072**	**36,559**
Debt	10,377	24,815	49,966	42,188	47,227
Minority Interest	1,521	1,156	480	480	480
Net deferred Tax liabilities	406	116	499	499	499
Capital Employed	**51,173**	**65,879**	**89,348**	**80,239**	**84,765**
Gross Fixed Assets	86,201	88,701	92,201	65,591	65,591
Accumulated Depreciation	(55,008)	(59,390)	(85,421)	(61,831)	(63,330)
Capital work in progress	1,897	581	494	494	494
Net Fixed Assets	**33,090**	**29,892**	**7,274**	**4,253**	**2,754**
Investments	10,608	14,944	18,211	18,211	18,211
Non Current Investments	10,578	12,118	14,084	14,084	14,084
Current Investments	30	2,827	4,126	4,126	4,126
Current Assets, Loans & Adv.	**40,819**	**60,266**	**1,39,847**	**64,612**	**71,478**
Inventory	32,561	47,258	89,434	54,460	59,353
Debtors	1,564	1,656	1,047	1,415	1,970
Cash & Bank balance	1,511	4,015	10,006	4,339	5,517
Loans & advances and others	5,182	7,337	39,360	4,398	4,638
Current Liabilities & Provisions	**33,343**	**39,223**	**75,984**	**6,837**	**7,677**
Liabilities	25,577	31,960	69,546	1,693	2,356
Provisions	7,766	7,263	6,439	5,145	5,321
Net Current Assets	**7,475**	**21,043**	**63,863**	**57,775**	**63,801**
Application of Funds	**51,173**	**65,879**	**89,348**	**80,239**	**84,766**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	112	112	112	112	112
Diluted no. of shares (mn)	112	112	112	112	112
BVPS (INR)	348	356	344	332	327
CEPS (INR)	41	26	(7)	13	18
DPS (INR)	5.0	5.8	6.3	7.0	7.7

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**4,063**	**4,723**	**(1,924)**	**(496)**	**712**
Depreciation & amortization	2,271	2,099	2,227	1,803	1,499
Interest expense	539	355	553	930	902
(Inc)/Dec in working capital	(2,073)	(9,231)	(14,194)	(22,958)	(4,848)
Tax paid	(747)	(1,450)	(966)	125	(179)
Less: Interest/Div. Income Recd.	(104)	(565)	(153)	(67)	(94)
Other operating Cash Flow	(1,239)	917	1,521	-	-
CF from operating activities	**2,710**	**(3,153)**	**(12,936)**	**(20,664)**	**(2,007)**
Capital expenditure	(1,180)	(1,184)	(2,861)	26,610	-
Inc/(Dec) in investments	1,211	(4,863)	(3,350)	-	-
Add: Interest/Div. Income Recd.	1,354	806	1,831	67	94
CF from investing activities	**1,385**	**(5,241)**	**(4,380)**	**26,677**	**94**
Inc/(Dec) in share capital	-	-	64	-	-
Inc/(Dec) in debt	(4,356)	14,438	25,012	(7,778)	5,040
Dividend Paid	(447)	(642)	(553)	(777)	(855)
Others	(732)	(1,074)	(2,338)	(1,112)	(1,094)
CF from financing activities	**(5,535)**	**12,722**	**22,184**	**(9,667)**	**3,091**
Net cash flow	**(1,440)**	**4,327**	**4,869**	**(3,654)**	**1,178**
Opening balance	237	(1,204)	3,123	7,993	4,339
Closing balance	**(1,204)**	**3,124**	**7,993**	**4,339**	**5,517**
cash credit facilities	1,689	891			
Bank balance	1,026		2,014		
Cash & Bank balance	**1,511**	**4,015**	**10,007**	**4,339**	**5,517**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	(7.2)	17.8	(73.0)	(15.2)	39.2
EBITDA	27.9	16.3	(95.5)	633.2	39.2
Adj PAT	23.1	50.7	NM	NM	NM
Adj EPS	23.1	50.7	NM	NM	NM

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	117.0	77.6	(799.7)	(413.5)	670.5
P/BV (x)	5.9	5.8	6.0	6.2	6.3
EV/EBITDA (x)	41.8	37.3	894.9	121.1	88.3
EV/Sales (x)	6.2	5.5	21.7	25.4	18.5
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.4

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	5.1	7.5	(0.7)	(1.5)	0.9
RoCE (%)	7.7	8.7	0.1	0.5	2.0
Asset/T.O (x)	1.0	1.0	0.2	0.2	0.2
Net Debt/Equity (x)	0.2	0.5	0.9	0.9	1.0
EBIT/Interest (x)	(11.6)	(14.3)	(0.1)	(0.5)	(1.8)

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	14.8	14.6	2.4	21.0	21.0
EBIT Margin (%)	9.7	10.0	(2.8)	3.5	10.6
PAT Margin (%)	5.1	6.5	(2.3)	(5.3)	2.4

Source: Company Antique

CMP	:	INR 133
Reco	:	BUY ↔
Target	:	INR 172 ↔
Target Price Change	:	No Change
Target FY27 P/E (x)	:	28.1
EPS Change FY26/27	:	No Change

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Market data

Sensex	:	82,531
Sector	:	Real Estate
Market Cap (INR bn)	:	201.5
Market Cap (USD bn)	:	2.355
O/S Shares (mn)	:	1,515.0
52-wk HI/LO (INR)	:	156/120
Avg. Daily Vol ('000)	:	338
Bloomberg	:	NXST IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	3.2	5.8	6.1
P/E (x)	41.9	23.0	21.7
P/BV (x)	1.8	1.9	2.0
EV/EBITDA (x)	16.2	11.8	12.4
EV/Sales (x)	11.0	8.5	9.0

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	4	(0)	(7)	0
Relative	(3)	(8)	(12)	(11)

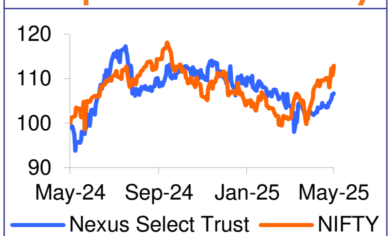
Source: Bloomberg

Shareholding pattern

Sponsor	:	45%
Public	:	55%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Nexus Select Trust

Successful acquisition playbook set to power growth

Nexus Select Trust's (NXST) 4QFY25/ FY25 highlights are the acquisition of two malls—Nexus Vega City and MBD Complex. Despite the subdued macro and consumption, NXST reported consumption of INR 29.4 bn, 6% YoY growth and commensurately 7% YoY growth in net operating income (NOI). Overall, FY25 consumption growth was moderate at INR 124 bn (3.6% YoY). The retail portfolio maintained strong occupancy levels at 97.2%, with trading occupancy improving by 100 bps YoY to 96.6%. NXST announced its 4Q distribution of INR 2.0 per unit, bringing the FY25 cumulative distribution to INR 8.35/unit. Its balance sheet remains robust with an attractive overall debt cost of 7.9%, AAA/stable rating, and a conservative loan-to-value (LTV) ratio of 16%. Looking ahead at FY26 guidance, including the Nexus Vega City Mall and MBD Complex, NXST anticipates 15% growth in net operating income and 10% growth in distribution. We value the company using DCF method at 10.8% discounting factor and 7.0% cap rate on NOI. Reiterate BUY with a TP of INR 172.

4QFY25 in a nutshell

Consumption of INR 29.4 bn (-16%/ 6% QoQ/ YoY) with robust leasing occupancy of 97.2% (-40 bps YoY); *our estimate INR 29.0 bn.* Revenue from operations at INR 5.8 bn (-2%/ 9% QoQ/ YoY) *vs. our estimate of INR 5.5 bn.* EBITDA of INR 3.98 bn (-2%/ 8% QoQ/ YoY) (*our est. INR 3.75 bn)* with margin of 69% and PAT of INR 1.14 bn (-4%/ -22% QoQ/ YoY) (*our est. INR 1.10 bn).* Net Operating Income of INR 4.47 bn (7% YoY); 77% NOI margin. Retail NOI of INR 3.98 bn (2%/ 8% QOQ/ YoY). Net debt at INR 44.0 bn with LTV of 16% and cost of debt at 7.9% (0/ -20 bps QoQ/ YoY). Distribution of INR 2.0/unit declared during the quarter, INR 8.35/unit in FY25.

Nexus 2.0 strategy and FY30 targets

While retaining the strong, proven team, and successful acquisition playbook focused on occupancy and premiumization from Nexus 1.0, Nexus 2.0 introduces cluster-led approvals for faster decisions, technology integration, agile store formats, and fresh dynamic brands. By FY30, the company aims to nearly double its malls from 19 to 30–35, increase gross leasable area from 11 mn to 18–20 mn sq. ft., grow retail portfolio NOI from INR 16 bn to INR 30 bn, and raise LTV to 28%–30% from 18%.

Strong guidance for FY26

For FY26, the company has guided for NOI in the range of INR 19.4–19.6 bn and distribution per unit (DPU) of INR 9.1–9.2, implying approximately 15% growth in NOI and 10% growth in DPU year-on-year. The projected NOI stands at INR 19.6 bn, with leasing occupancy exceeding 98%. Distribution per unit is expected at INR 9.2. Additionally, re-leasing spreads are anticipated to exceed 20%, reflecting strong mark-to-market potential on leases expiring in FY26.

Value accretive inorganic growth key for re-rating

The core model of NXST is acquiring either under-invested or under-managed assets. With NXST maintaining a robust balance sheet with a low LTV of 16% and an attractive cost of debt at 7.9%, NXST has sufficient debt capacity to add assets worth approximately USD 1.0 bn. Value accretion is achieved through acquisition at cap rate higher than the cost of debt, improvement in the performance of under-managed assets by bringing a good mix of tenants and best brands, and structuring of the transaction.

Investment Summary

With its strong business model and diverse portfolio of assets, NXST offers an attractive opportunity to ride the consumption growth in India while also serving as a natural hedge against inflation. Reiterate BUY with a TP of INR 172.

Analyst Meet Highlights

- There has been a significant shift in consumer preferences in recent years, with people placing greater emphasis on experience, placing malls at an advantageous position.
- Omni channel brands are increasingly prioritizing their offline presence, as consumers seek enhanced services and richer experience. Offline channels tend to deliver higher conversion rates and average order values compared to their online channels.
- Consumption patterns in India are rapidly evolving, driven by a more aspirational consumer base that simultaneously places a strong emphasis on value for money.
- Indian consumers often live in compact spaces, making consumption hubs like malls increasingly important. However, there is a limited supply of high-quality consumption spaces in the country.
- The growing popularity of live events is contributing to increased footfall and driving consumption growth in malls.
- Premiumization is growing at a very healthy rate in India with malls increasingly dedicating space for luxury brands.
- Only 1.1 msf of retail area has come up in the last year. Some of the factors for the slower growth in capital intensiveness, lesser use of FAR due to vertical development and expertise required.
- Indian retail assets have strong cash flow compared to western countries.
- Building an asset takes ~7 years, given the expertise the company has gained over the years. The company has been able to achieve higher returns and turns around the asset faster.
- Tier 2 & 3 cities have been growing at faster rates and more brands are looking at malls to enter the market to capitalize on the growing demand.
- Factors like continuous innovation makes retail differentiated from other real estate assets.
- Doubling the NOI by FY30. The company targets to add 1.5 msf of retail area every year.
- Greenfield opportunity – The company is evaluating opportunities in the greenfield space and as of now there is no such plan of a greenfield project.
- 60% of the marketing efforts will focus on social media and digital, which is likely to help in driving growth and target a new set of customers.
- Nexus typically prefers to enter into agreements with shorter lease durations.
- Family entertainment centers drive higher footfalls with the increase in experiences and malls are increasingly focusing on more of such centers.

Table 1: Assumptions and valuations

Assumptions	
No of units (mn)	1,515
Cost of equity	14%
Cost of debt	8.10%
Target D/(D+E)	40.00%
Tax	25.00%
Discounting factor	11.04%
Cap rate	7.00%

	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
	19.6	20.7	21.9	23.2	24.5	25.9	27.5	29.2	497.8
Gross asset value (INR bn)	314								
Net asset value (INR bn)	261								
NAV/unit (INR)	172								
Upside	**30%**								
DPU	8.35								
CMP	133								
Yield	**6.3%**								

Source: Company, Antique

Table 2: Quarterly snapshot

Financial

INR mn	4QYF25	3QYF25	4QFY24	YoY	QoQ
Revenue	5,803	5,944	5,347	9%	-2%
EBITDA	3,980	4,053	3,683	8%	-2%
EBITDA margin (%)	69%	68%	69%	-29 bps	40 bps
PBT	1,812	1,929	1,555	17%	-6%
PAT	1,143	1,187	1,464	-22%	-4%

Source: Company, Antique

Table 3: Operational

INR mn	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Consumption	24,935	25,073	30,815	25,944	29,334	29,584	33,297	27,784	29,772	29,741	35,000	29,400

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**19,222**	**19,164**	**22,829**	**26,799**	**26,598**
Op. Expenses	5,459	6,322	7,307	7,642	7,308
EBITDA	**13,763**	**12,842**	**15,522**	**19,157**	**19,290**
Depreciation	2,429	5,202	5,861	5,399	4,954
EBIT	**11,334**	**7,640**	**9,661**	**13,758**	**14,336**
Other income	843	816	1,165	1,223	1,285
Interest Exp.	4,508	3,370	3,943	4,216	4,216
Reported PBT	**7,669**	**5,086**	**6,883**	**10,766**	**11,404**
Tax	1,239	(838)	2,150	2,107	2,122
Reported PAT	**6,431**	**5,924**	**4,733**	**8,658**	**9,283**
Profit (loss) From Associates	50	27	63	96	18
Net Profit	**6,481**	**5,951**	**4,795**	**8,754**	**9,300**
Adjusted PAT	**6,481**	**5,951**	**4,795**	**8,754**	**9,300**
Adjusted EPS (INR)	**313.8**	**3.9**	**3.2**	**5.8**	**6.1**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	2,065	1,50,950	1,50,950	1,51,500	1,51,500
Reserves & Surplus	20,448	(1,602)	(9,564)	(16,213)	(22,344)
Networth	**22,513**	**1,49,349**	**1,41,387**	**1,35,287**	**1,29,156**
Debt	58,665	42,635	53,286	52,700	52,700
Net deferred Tax liabilities	1,828	(4,198)	(3,341)	(3,341)	(3,341)
Others	1,857	1,413	1,143	1,143	1,143
Capital Employed	**84,863**	**1,89,199**	**1,92,474**	**1,85,789**	**1,79,658**
Property, Plant and Equipment	69,210	1,79,460	1,93,506	1,66,418	1,67,631
Capital work in progress	91	39	22	22	22
Other Non-Current Assets	2,690	2,421	2,034	2,034	2,034
Net Fixed Assets	**71,990**	**1,81,920**	**1,95,563**	**1,68,475**	**1,69,687**
Goodwill	2,251	-	-	-	-
Investments	1,742	11,845	3,676	11,873	13,277
Non Current Investments	206	2,112	2,139	2,139	2,139
Current Investments	1,536	9,734	1,536	9,734	11,138
Current Assets, Loans & Adv.	**16,853**	**2,939**	**2,596**	**19,329**	**10,615**
Inventory	1,247	28	29	39	1,064
Debtors	1,104	656	565	918	1,862
Cash & Bank balance	10,627	1,183	770	17,073	3,999
Loans & advances and others	3,875	1,072	1,231	1,299	3,691
Current Liabilities & Provisions	**7,974**	**7,505**	**9,360**	**13,887**	**13,922**
Liabilities	7,841	7,359	9,193	13,720	13,755
Provisions	133	146	167	167	167
Net Current Assets	**8,879**	**(4,566)**	**(6,765)**	**5,441**	**(3,307)**
Application of Funds	**84,863**	**1,89,199**	**1,92,474**	**1,85,789**	**1,79,658**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	21	1,510	1,510	1,515	1,515
Diluted no. of shares (mn)	21	1,510	1,510	1,515	1,515
BVPS (INR)	1090	99	94	89	85
CEPS (INR)	636	8	9	12	12
DPS (INR)		7.1	8.2	10.1	10.2

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**7,697**	**5,149**	**6,979**	**10,784**	**11,423**
Depreciation & amortization	2,429	5,202	5,861	5,399	4,954
Interest expense	4,508	3,370	3,943	4,216	4,216
(Inc)/Dec in working capital	1,488	(3,958)	615	4,097	(4,326)
Tax paid	(1,239)	838	(682)	(2,107)	(2,122)
Other operating Cash Flow	1,217	1,573	(1,392)	-	-
CF from operating activities	**16,100**	**12,173**	**15,324**	**22,388**	**14,145**
Capital expenditure	792	(1,014)	(1,456)	12,526	(7,572)
(Inc)/Dec in investments	87	(1,905)	(468)	0	0
Others	863	(1,057)	(7,723)	966	-
CF from investing activities	**1,742**	**(3,976)**	**(9,648)**	**13,493**	**(7,572)**
Inc/(Dec) in share capital	-1,183	14,000	-	550	-
Inc/(Dec) in borrowing	-4,419	-45,918	10,542	-586	-
Interest paid	(4,508)	(3,370)	(3,632)	(4,216)	(4,216)
Dividend Paid	-	(7,551)	(12,788)	(15,326)	(15,432)
Others	-	35,035	-	-	-
CF from financing activities	**(10,110)**	**(7,804)**	**(5,877)**	**(19,577)**	**(19,648)**
Net cash flow	**7,732**	**394**	**(201)**	**16,303**	**(13,075)**
Opening balance	2,896	0	394	193	16,496
Closing balance	**10,627**	**394**	**193**	**16,496**	**3,422**
bank balance		789	577	577	577
Cash & bank balance	**10,627**	**1,183**	**770**	**17,073**	**3,999**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue(%)	45.8	-0.3	19.1	17.4	-0.7
EBITDA(%)	77.0	-6.7	20.9	23.4	0.7
Adj PAT(%)	6044.0	-8.2	-19.4	82.6	6.2
Adj EPS(%)	9564.8	-98.7	-19.4	81.9	6.2

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	0.4	33.7	41.9	23.0	21.7
P/BV (x)	0.2	1.7	1.8	1.9	2.0
EV/EBITDA (x)	18.0	18.1	16.2	11.8	12.4
EV/Sales (x)	12.9	12.1	11.0	8.5	9.0

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	32.6	6.9	3.3	6.3	7.0
RoCE (%)	14.4	6.2	5.7	7.9	8.5
Asset/T.O (x)	0.2	0.1	0.1	0.1	0.2
Net Debt/Equity (x)	2.1	0.2	0.4	0.2	0.3
EBIT/Interest (x)	2.5	2.3	2.4	3.3	3.4

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin(%)	71.6	67.0	68.0	71.5	72.5
EBIT Margin(%)	59.0	39.9	42.3	51.3	53.9
PAT Margin(%)	32.3	29.8	20.0	31.2	33.4

Source: Company Antique

CMP	: INR 17,470
Reco	: HOLD ↔
Target Price	: INR 15,997 ↑
Target Price Change	: 19%
Target FY27 P/E (x)	: 36
EPS Change FY26/ 27	: No Change

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Market data

Sensex	:	82,531
Sector	:	Industrials
Market Cap (INR bn)	:	186.4
Market Cap (USD bn)	:	2.179
O/S Shares (mn)	:	10.7
52-wk HI/LO (INR)	:	19200/13450
Avg. Daily Vol ('000)	:	11
Bloomberg	:	LMW IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	111.9	161.0	444.3
P/E (x)	156.1	108.5	39.3
P/BV (x)	6.5	6.2	5.6
EV/EBITDA (x)	123.2	84.1	28.2
Dividend Yield (%)	0.4	0.3	0.8

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	12	22	15	5
Relative	4	12	8	(7)

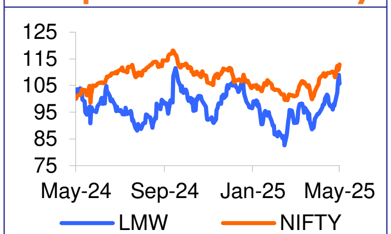
Source: Bloomberg

Shareholding pattern

Promoters	:	31%
Public	:	69%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Lakshmi Machine Works

Margin led beat on the op. front; TMD swings back to profit

Lakshmi Machine Works' (LMW) 4QFY25 results were above our estimates on the profitability front supported by better than estimated margin performance. Revenue/ EBIDTA/ PAT declined 17%/ 21%/ 25% YoY against our estimates of 21%/ 48%/ 44% decline. The numbers are better than our estimates as the key TMD business segment turned profitable after reporting consecutive losses for the past three quarters. EBITDA margin came in at 7.2%, well above our estimate of 4.9%. We believe that the US reciprocal trade tariff negotiations & UK FTA with India would play out positively for LMW and the textile Industry as a whole in the near to medium term. The MTD-EMS segment is expected to witness meaningful traction, eventually bolstering profitability going ahead. Thus we increase our FY27E exit multiple from 30x to 36x. However, given near-term business challenges prevailing in the TMD segment on account of the weak business demand scenario, we retain HOLD rating with a TP of INR 15,997 (36x its FY27E EPS; the earlier TP was INR 13,472 – 30x FY27E EPS).

4QFY25 & FY25 result highlights

- **Revenue** at INR 7.8 bn (-17.0% YoY) was in line with our expectation of INR 7.5 bn. **FY25 revenue** came in at INR 29.0 bn (-37% YoY).
- **Gross margin** was 38.0% (+180 bps YoY), above our expectation of 37.0%, potentially supported by better revenue mix.
- **Operating profit** for the quarter stood at INR 568 mn (-21% YoY), above our estimate of INR 370 mn. **FY25 EBITDA** stood at INR 1.4 bn (-68% YoY).
- **EBITDA margin** came in at 7.2% (-30 bps YoY), above our estimate of 4.9%. **FY25 EBITDA margin** was INR 4.7% (-460 bps YoY).
- **Other income** stood at INR 337 mn (-16% YoY), below our estimate of INR 369 mn.
- **PAT** of INR 491 mn (-25% YoY) was above our estimate of INR 363 mn. FY25 PAT stood at INR 1.2 bn (-68% YoY).

Segmental details:

TMD

- Registered **revenue** of INR 4.9 bn (-26% YoY), in line with our estimate of INR 4.6 bn.
- **EBIT** stood at INR 71 mn (-84% YoY) and the margin came in at +1.4% (-510 bps YoY).

MTD

- Registered **revenue** of INR 2.7 bn (-6.3% YoY), in line with our estimate of INR 2.8 bn.
- **EBIT** came in at INR 223 mn (-5.0% YoY) with a margin of 8.1% (+10 bps YoY).

ATC

- **Revenue** stood at INR 460 mn (+70% YoY), in line with our estimate of INR 450 mn.
- **EBIT** was INR 63 mn vs. a loss of INR 9 mn in 4QFY24 and the margin stood at 13.6% vs. -3.3% in 4QFY24.

Investment Summary

LMW is a leading player in the domestic textile machinery industry, with more than 70% market share across machines used in both spinning preparation and yarn-making segments and is well placed to benefit from the China + 1 strategy, which is being played out post the ban on Chinese textiles and yarn imports into the US. However, near-term business challenges prevail given the existing weak business demand; we retain HOLD rating with a revised TP of INR 15,997 (36x its FY27E EPS) and await a better entry point.

Conference Call Highlights

TMD

1. Exceptional item of INR 1.3 bn during FY25 includes profit on sale of investment in shares of wholly-owned subsidiary companies—LMW Textile Machinery (Suzhou) Co., Ltd, China and LMW GLOBAL FZE, UAE to LMW Holding Limited, UAE.
2. Tariff related issue and UK FTA would be the key monitorable in the near to medium term.
3. Egypt and Turkey witness ~10% positive impact of tariff proposal from the US.
4. Order book of INR 29 bn. Active order book of INR 22 bn (~75% of overall order book).
5. Export order book stands at INR 2.6 bn.
6. **Revenue split** – Cumulative ratio for domestic: export: spares = 65%:13%:22%.
7. Capacity utilization – Remains very robust
8. **International market** – Bangladesh still facing forex challenges & Turkey is facing interest rate issues.
9. Capacity utilization of the current spinning mills and LMW customers are quite good and upwards of 90% with respect to the utilization.
10. Capacity utilization for LMW in TMD is close to 50%.
11. Foresees a lot of opportunities coming from the African continent.
12. Launch of autoconer is on track and will see gradual improvement.
13. **LMW China** – Revenue of INR 670 mn. Incurred a loss of INR 60 mn in FY25.
14. **LMW Global** – Revenue of INR 1.5 bn. Challenge in specific markets witnessed resulting in lower order book even in the export market. Should witness business challenges for a couple of quarters going ahead.

MTD

1. Maintains a positive stance for the segment.
2. The auto segment has come down close to ~40% and now non-auto segment contribution is witnessing robust traction backed by demand from defence & general engineering segment.
3. Capacity utilization stands at ~70% and there is possibility of increasing turnover by 30%.
4. See EMS segment emerging in a big way and they are in the process of qualifying since certain requirements about qualifications of these machines.
5. 12% margin is possible when the turnover is consistently INR 2.4 bn.

ATC

1. Order book of INR +4 bn executable over the next 2-3 years.
2. 90% of the ATC business is exports.
3. Focus is more on composite business; the metallic business is doing quite well with 80% of the revenue booking.
4. The intent is to serve not only Indian government customers but also private customers.
5. 60%-70% capacity utilization is available on the composite side.
6. 80%-85% capacity is utilized on the metallic side.

Table 1: Quarterly performance

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Total revenues (net)	**7,888**	**9,518**	**(17.1)**	**7,108**	**11.0**	**29,094**	**45,971**	**(36.7)**
RM	4,853	6,029	(19.5)	4,367	11.1	17,977	29,346	(38.7)
% of Sales	61.5	63.3	-182 bps	61.4	10 bps	61.8	63.8	-205 bps
Staff cost	856	904	(5.3)	873	(1.9)	3,552	3,950	(10.1)
% of Sales	10.9	9.5	135 bps	12.3	-142 bps	12.2	8.6	362 bps
Other operating expenses	1,610	1,867	(13.8)	1,543	4.3	6,184	8,376	(26.2)
% of Sales	20.4	19.6	80 bps	21.7	-130 bps	21.3	18.2	303 bps
Total expenditure	7,320	8,800	(16.8)	6,783	7.9	27,713	41,672	(33.5)
EBITDA	**568**	**718**	**(20.8)**	**326**	**74.6**	**1,381**	**4,300**	**(67.9)**
EBITDA Margin (%)	**7.2**	**7.5**	**-33 bps**	**4.6**	**263 bps**	**4.7**	**9.4**	**-461 bps**
Depreciation	278	253	10	275	1	1,073	917	16.9
Interest	-	-		-		-	2	
Other income	337	399	(15.6)	318	6.0	1,244	1,418	(12.3)
Extraordinary items	-	-		1,187		1,187	-	
PBT	**627**	**863**	**(27.4)**	**368**	**70.2**	**1,553**	**4,799**	**(67.6)**
Tax	136	212	(36.1)	77	77.1	357	1,086	(67.1)
Tax rate (%)	21.6	24.6	-294 bps	20.8	85 bps	23.0	22.6	39 bps
Reported net profit	**491**	**651**	**(24.5)**	**1,479**	**(66.8)**	**2,382**	**3,713**	**(35.8)**
Adjusted net profit	**491**	**651**	**(24.5)**	**292**	**68.3**	**1,195**	**3,713**	**(67.8)**
EPS (INR)	**46.0**	**60.9**	**(24.5)**	**27.3**	**68.3**	**111.9**	**347.6**	**(67.8)**

Source: Company, Antique

Table 2: Segmental Performance

Particulars (INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	**7,905**	**9,591**	**(17.6)**	**7,165**	**10.3**	**29,193**	**46,219**	**(36.8)**
Textile Machinery	4,930	6,669	(26.1)	4,508	9.3	18,403	35,752	(48.5)
Machinery Tools & Foundry	2,753	2,939	(6.3)	2,497	10.3	10,032	10,498	(4.4)
Advanced Tech Centre	460	270	70.3	417	10.5	1,692	1,602	5.6
Less: inter-segment revenue	239	287	(16.9)	257	(7.1)	933	1,633	(42.9)
EBIT	**627**	**863**	**(27.4)**	**1,684**	**(62.8)**	**2,869**	**4,799**	**(40.2)**
Textile Machinery	71	437	(83.9)	(33)	(311.7)	(156)	3,136	(105.0)
Machinery Tools & Foundry	223	235	(5.0)	142	56.9	593	744	(20.3)
Advanced Tech Centre	63	(9)	(810.2)	44	42.7	170	140	21.0
add: Un allocable income net of unalloc exp	271	200	35.5	1,532	(82.3)	2,262	778	190.8
EBIT Margin (%)								
Textile Machinery	1.4	6.6	-513 bps	(0.7)	217 bps	(0.8)	8.8	-962 bps
Machinery Tools & Foundry	8.1	8.0	11 bps	5.7	241 bps	5.9	7.1	-118 bps
Advanced Tech Centre	13.6	(3.3)	1683 bps	10.5	307 bps	10.0	8.8	128 bps
Total	**7.9**	**9.0**	**-107 bps**	**23.5**	**-1558 bps**	**9.8**	**10.4**	**-56 bps**

Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**45,332**	**45,971**	**29,094**	**33,172**	**48,848**
Op. Expenses	41,270	41,673	27,713	31,130	42,866
Gross Profit	16,162	16,625	11,117	12,605	18,562
EBITDA	**4,063**	**4,298**	**1,381**	**2,042**	**5,982**
Depreciation	734	917	1,073	1,180	1,298
EBIT	**3,328**	**3,381**	**309**	**862**	**4,684**
Other income	1,560	1,418	1,244	1,430	1,645
Extra Ordinary Items -gain/(loss)	-	-	1,187	-	-
Reported PBT	**4,889**	**4,799**	**2,740**	**2,293**	**6,329**
Tax	1,352	1,085	357	573	1,582
Reported PAT	**3,537**	**3,714**	**2,383**	**1,720**	**4,747**
Net Profit	**3,537**	**3,714**	**2,383**	**1,720**	**4,747**
Adjusted PAT	**3,537**	**3,714**	**1,196**	**1,720**	**4,747**
Adjusted EPS (INR)	**331.1**	**347.6**	**111.9**	**161.0**	**444.3**

Balance sheet (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	107	107	107	107	107
Reserves & Surplus	22,893	26,516	28,612	29,815	33,138
Networth	**23,000**	**26,623**	**28,718**	**29,922**	**33,245**
Net deferred Tax liabilities	484	475	525	525	525
Capital Employed	**23,484**	**27,098**	**29,243**	**30,447**	**33,770**
Gross Fixed Assets	12,046	13,637	14,918	15,918	16,918
Accumulated Depreciation	3,417	4,335	5,407	6,587	7,885
Capital work in progress	228	93	42	42	42
Net Fixed Assets	**8,856**	**9,396**	**9,552**	**9,372**	**9,074**
Investments	5,811	7,058	9,009	9,009	9,009
Non Current Investments	2,557	3,556	5,426	5,426	5,426
Current Investments	3,254	3,501	3,584	3,584	3,584
Current Assets, Loans & Adv.	**25,976**	**23,389**	**22,206**	**24,447**	**33,865**
Inventory	6,440	5,582	5,279	4,544	6,692
Debtors	3,076	1,809	1,949	2,726	4,015
Cash & Bank balance	6,916	8,977	12,912	11,269	14,460
Loans & advances and others	9,543	7,020	2,066	5,907	8,699
Current Liabilities & Provisions	**17,159**	**12,744**	**11,524**	**12,381**	**18,179**
Liabilities	16,978	12,563	11,412	12,269	18,067
Provisions	181	181	112	112	112
Net Current Assets	**8,817**	**10,645**	**10,682**	**12,065**	**15,686**
Application of Funds	**23,484**	**27,098**	**29,243**	**30,447**	**33,770**

Per share data

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	10.7	10.7	10.7	10.7	10.7
Diluted no. of shares (mn)	10.7	10.7	10.7	10.7	10.7
BVPS (INR)	2,153	2,492	2,688	2,801	3,112
CEPS (INR)	400	434	323	271	566
DPS (INR)	99	75	67	48	133

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**4,889**	**4,799**	**2,740**	**2,293**	**6,329**
Depreciation & amortization	734	917	1,073	1,180	1,298
(Inc)/Dec in working capital	1,494	233	3,898	(3,027)	(429)
Tax paid	(1,352)	(1,085)	(357)	(573)	(1,582)
CF from operating activities	**5,765**	**4,864**	**7,353**	**(127)**	**5,615**
Capital expenditure	(2,551)	(1,591)	(1,281)	(1,000)	(1,000)
Inc/(Dec) in investments	(600)	(1,246)	(1,952)	-	-
CF from investing activities	**(3,151)**	**(2,838)**	**(3,233)**	**(1,000)**	**(1,000)**
Dividend Paid	(1,052)	(801)	(715)	(516)	(1,424)
Others	741	835	529		
CF from financing activities	**(311)**	**34**	**(186)**	**(516)**	**(1,424)**
Net cash flow	**2,302**	**2,060**	**3,934**	**(1,643)**	**3,191**
Opening balance	4,614	6,916	8,977	12,912	11,269
Closing balance	**6,916**	**8,977**	**12,912**	**11,269**	**14,460**

Growth indicators (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	47.6	1.4	(36.7)	14.0	47.3
EBITDA	77.4	5.8	(67.9)	47.8	192.9
Adj PAT	79.5	5.0	(67.8)	43.8	176.1
Adj EPS	79.5	5.0	(67.8)	43.8	176.1

Valuation (x)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	52.8	50.3	156.1	108.5	39.3
P/BV (x)	8.1	7.0	6.5	6.2	5.6
EV/EBITDA (x)	43.4	40.5	123.2	84.1	28.2
EV/Sales (x)	3.9	3.8	5.8	5.2	3.5
Dividend Yield (%)	0.6	0.4	0.4	0.3	0.8

Financial ratios

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	16.5	15.0	4.3	5.9	15.0
RoCE (%)	22.4	19.0	5.5	7.7	19.7
Asset/T.O (x)	2.8	2.4	1.4	1.6	2.1
Net Debt/Equity (x)	(0.4)	(0.5)	(0.6)	(0.5)	(0.5)

Margins (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	9.0	9.3	4.7	6.2	12.2
EBIT Margin	7.3	7.4	1.1	2.6	9.6
PAT Margin	7.5	7.8	3.9	5.0	9.4

Source: Company Antique

CMP	:	INR 248
Reco	:	HOLD ↔
Target Price	:	INR 259 ↑
Target Price Change	:	7%
Target FY27 P/E (x)	:	25
EPS Change FY26/ 27	:	3% / 6%

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Market data

Sensex	:	82,531
Sector	:	Railways
Market Cap (INR bn)	:	119.3
Market Cap (USD bn)	:	1.395
O/S Shares (mn)	:	480.6
52-wk HI/LO (INR)	:	399/192
Avg. Daily Vol ('000)	:	1,836
Bloomberg	:	RITE IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	8.0	8.3	10.4
P/E (x)	31.0	29.9	23.9
P/BV (x)	4.5	4.5	4.4
EV/EBITDA (x)	16.6	15.9	12.5
Dividend Yield (%)	3.0	3.2	3.9

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	7	20	(9)	(25)
Relative	(1)	10	(14)	(34)

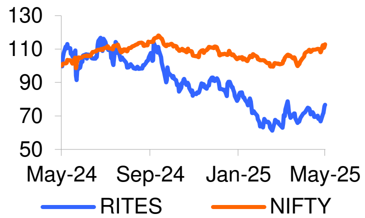
Source: Bloomberg

Shareholding pattern

Promoters	:	72%
Public	:	28%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

RITES

Beat led by margins, but it could moderate

RITES reported a mixed 4QFY25 with revenue declining 4% YoY but EBITDA margin improving to 30% (vs. 27% YoY and 26% QoQ), driven by strong consultancy performance for which EBIT margin rose to 48% from 40% QoQ. Despite the beat, management has guided for moderation in overall EBITDA margin to around 20% due to rising competition in the consultancy segment. The order book grew to INR 89 bn (3.3x TTM revenue) at the end of 4QFY25, up from INR 80 bn in 3Q, with FY25 order inflows exceeding INR 50 bn (vs. INR 23 bn in FY24). The company declared a final dividend of INR 2.65 per share, bringing the FY25 total to INR 7.55 (vs. INR 9 in FY24), reflecting a 94% payout ratio and a 3% dividend yield. Following the 4Q results, our EPS estimates for FY26E/ 27E have been revised upwards by 3%/ 6% (as we have increased the margin estimate by 56 bps/ 132 bps for FY26E/ 27E) and the TP raised to INR 259 (from INR 243), based on an unchanged 25x FY27E EPS multiple. Retain HOLD rating. Key stock catalysts are stability in consultancy margin and the commencement of export order execution, which make up for 15% of the order book.

Revenue declines, but EBITDA margin was a positive surprise

Rites reported a consolidated revenue of INR 6.1 bn, down 4% YoY, 11%/ 6% below our/ consensus estimates. Major laggards were turnkey and power generation, for which the older orders are completed or nearing completion while the newer orders are yet to add to the topline. EBITDA margin was a positive surprise and stood at 30.2% vs. (27.4% YoY) as it was driven by better consultancy segment results. EBITDA came in at INR 1.8 bn, up 5% YoY and 23%/ 42% above our and consensus estimates. PAT came in at INR 1.4 bn, up 3% YoY, 65%/ 36% above our/ consensus estimates. PAT was supported by higher EBITDA margin. RITES also declared a final dividend of INR 2.65 per share, thus the total dividend for FY25 stood at INR 7.55 per share with a dividend payout ratio of 94% for FY25.

Exports segment to take-off

Currently, the company has an export order book of INR 13.6 bn, which mainly consist of two orders (10 locomotive deliveries for Mozambique & 200-coach delivery to Bangladesh). The Mozambique order delivery is expected to start in early 2QFY26 and for the Bangladesh order design and approval of coaches are in the final stages, delivery of which is only expected later in the financial year. The company expects 60%-70% execution of these orders in FY26 which will boost export segment revenue.

Order book building up

The order book has inched up to INR 89 bn at the ended of 4QFY25 compared to INR 80 bn at the end of 3QFY25. During the quarter, 150+ projects (including extension) totaling INR 14 bn were secured. Turnkey was the major contributor to the new orders secured (INR 7.8 bn). The order book is dominated by (1) Turnkey 48%, (2) Consultancy 34%, and (3) Exports 15%. The turnkey vertical secured larger-ticket orders during the quarter, of which three orders are with an average order value of INR 2.6 bn vs. the overall average of INR 0.56 bn.

Investment Summary

RITE is a multi-disciplinary engineering and consultancy organization providing a range of services from concept to commissioning in all facets of infrastructure. It has signed multiple MoUs with agencies in India and abroad but materialization in terms of actual orders are awaited. Being a service company, it has moderate capex, negative working capital and RoE at ~18% (FY27E).

Table 1: Financial highlights

Particulars (INR mn)	4QFY25	4QFY24	YoY Chg (%)	3QFY25	QoQ Chg (%)	FY24	FY25
Net Sales	**6,154**	**6,433**	***-4***	**5,758**	***7***	**24,529**	**22,178**
EBITDA	**1,856**	**1,760**	***5***	**1,173**	***58***	**6,441**	**5,150**
EBITDA margin (%)	**30.2%**	*27.4%*	*280bps*	*20.4%*	*978bps*	**26.3%**	*23.2%*
Other income	**235**	244	*-4*	384	*-39*	**861**	1,057
Depreciation	**168**	156	*8*	160	*5*	**607**	621
Interest	**13**	5	*169*	10	*24*	**47**	58
Share of profit/(loss) from JVs	**37**	23	*59*	53	*-30*	**55**	122
Pre-tax profit	**1,948**	**1,867**	***4***	**1,440**	***35***	**6,704**	**5,650**
Tax (current + deferred)	**534**	500	*7*	346	*54*	**1,752**	1,414
PAT	**1,413**	**1,367**	***3***	**1,094**	***29***	**4,952**	**4,237**

Source: Company, Antique

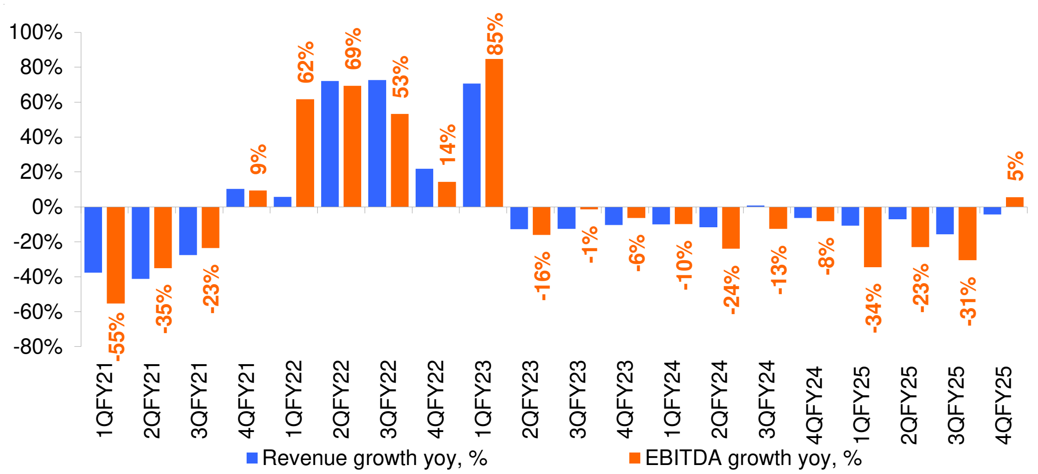
Table 2: Segmental highlights

	4QFY25	4QFY24	YoY Chg (%)	3QFY25	QoQ Chg (%)	FY24	FY25
Consultancy	3,623	3,351	*8*	3,094	*17*	**12,887**	**12,408**
Exports	75	62	*21*	7	*911*	**1,034**	**155**
Leasing	411	394	*4*	403	*2*	**1,381**	**1,503**
Turnkey Projects	2,017	2,590	*-22*	2,232	*-10*	**9,035**	**7,966**
Power generation	29	35	*-19*	21	*36*	**192**	**145**
Segmental EBIT							
Consultancy	1,754	1,676	*5*	1,231	*42*	**6,070**	**5,124**
Exports	61	21	*194*	1	*10033*	**215**	**91**
Leasing	142	158	*-10*	145	*-2*	**546**	**528**
Turnkey Projects	44	128	*-65*	26	*73*	**250**	**114**
Power generation	(8)	(4)	*102*	(15)	*-45*	**29**	**(3)**
EBIT Margin %							
Consultancy	48.4%	*50.0%*	*-158bps*	*39.8%*	*862bps*	***47.1%***	***41.3%***
Exports	81.3%	*33.4%*	*4784bps*	*8.1%*	*7318bps*	***20.8%***	***59.0%***
Leasing	34.4%	*40.1%*	*-565bps*	*35.9%*	*-147bps*	***39.5%***	***35.1%***
Turnkey Projects	2.2%	*4.9%*	*-274bps*	*1.1%*	*106bps*	***2.8%***	***1.4%***
Power generation	-29.1%	*-11.6%*	*-1748bps*	*-71.9%*	*-10103bps*	***15.3%***	***-1.9%***

Source: Company, Antique

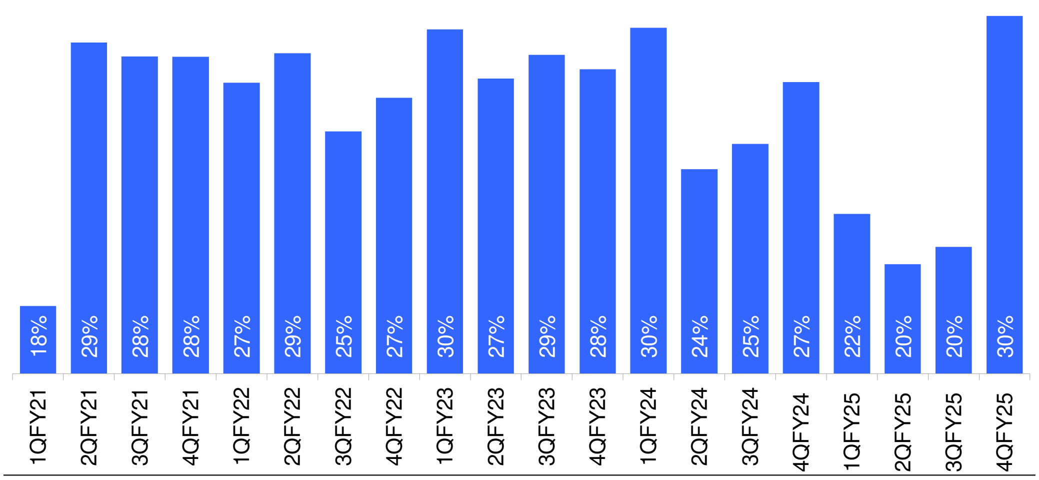
Story in Charts

Exhibit 1: Revenue and EBITDA growth



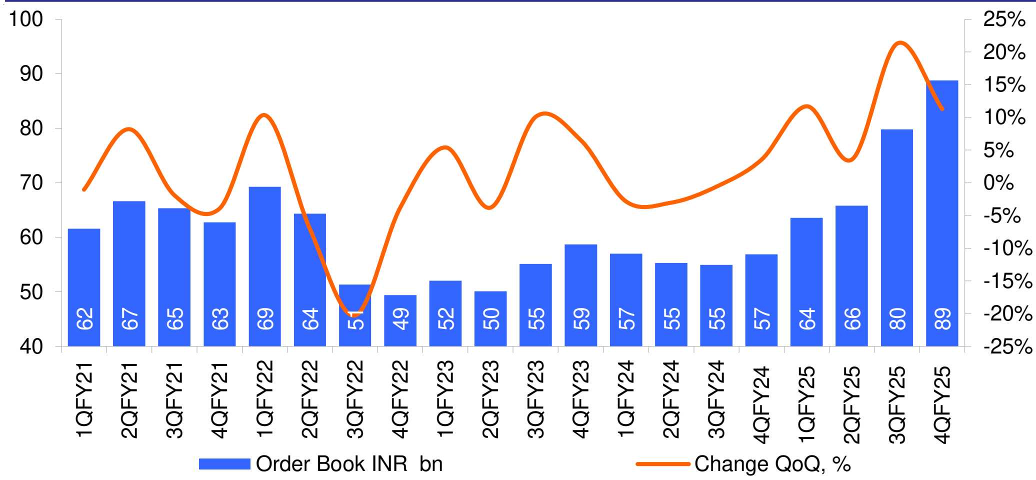
Source: Company, Antique

Exhibit 2: EBITDA margin



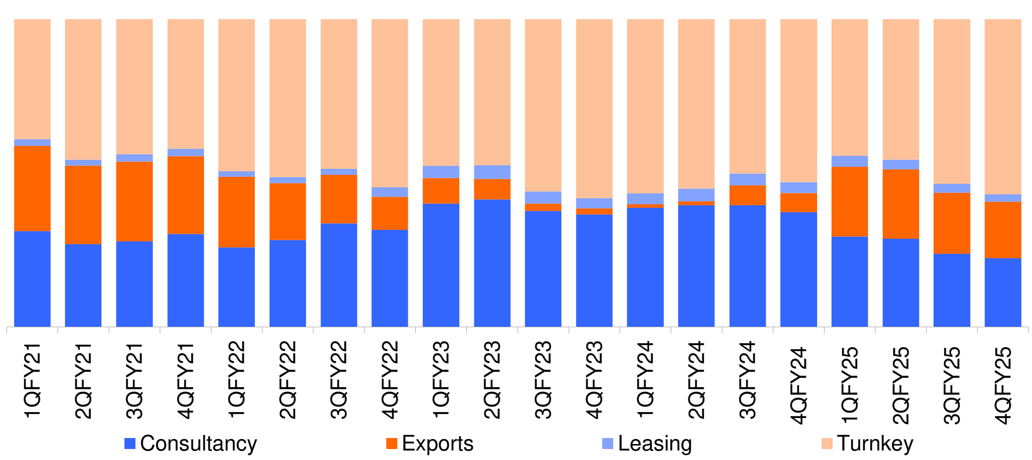
Source: Company, Antique

Exhibit 3: Order book and order book growth



Source: Company, Antique

Exhibit 4: Order book composition



Source: Company, Antique

Conference Call Highlights

1. As of 4QFY25, the order book stood at a record INR 90 bn, with strong visibility for revenue growth. Management has guided for **20% YoY growth in topline.**
2. 4QFY25 EBITDA margin came in at 30%, while full-year EBITDA and PAT margins were 23% and 18%, respectively. However, with a growing share of competitive bids in the order book, management expects a normalized margin of ~20% EBITDA and 15%–16% PAT going forward.
3. Export execution is expected to accelerate in FY26, with deliveries of 10 locomotives to Mozambique scheduled to begin in early 2Q and 200 coaches for Bangladesh expected to start getting dispatched later this financial year. The export order book currently stands at INR 13.5 bn, with 60%–70% execution targeted within FY26. A pending Zimbabwe order is still awaiting financial clearance.
4. The company maintained a high dividend payout ratio of ~95% in FY24 and plans to sustain a similar payout trend in FY25, reinforcing its capital return commitment.
5. RITES will continue to get an order a day going forward and also an international order a quarter. The company is aiming for international QA orders from various countries and will try to bring the highest-ever order inflow going ahead.
6. The consultancy segment reported substantial growth, supported by strong domestic and international inflows across infrastructure segments like highways, tunnels, bridges (excluding oil & gas). The segment is expected to continue its growth trajectory, contributing to the INR 40 bn consultancy order book. The company remains focused on winning at least one new order per day in FY26.
7. RMCL continues to benefit from increased railway traffic and 100% electrification. RMCL has also begun securing consultancy contracts, contributing INR 400 mn in dividend to the parent.
8. Capex guidance for FY26 is at a modest ~INR 750 mn, in line with RITES' asset-light business model.

Table 3: Snapshot

INR mn	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Order Book	**60,970**	**62,230**	**62,770**	**49,390**	**58,700**	**56,900**	**88,770**	**1,06,865**	**1,22,488**
Order Inflow	NA	26,004	19,135	13,238	35,593	22,729	54,048	64,048	74,048
Book to bill x		2.5	3.3	2.1	2.1	2.4	3.3	3.7	3.6
Revenue	**20,475**	**24,744**	**19,053**	**26,618**	**26,283**	**24,529**	**22,178**	**26,716**	**32,232**
Change YoY, %	37%	21%	-23%	40%	-1%	-7%	-10%	20%	21%
EBITDA	**5,755**	**6,609**	**5,496**	**7,238**	**7,449**	**6,441**	**5,150**	**5,394**	**6,762**
Change YoY, %	39%	15%	-17%	32%	3%	-14%	-20%	5%	25%
EBITDA Margin %	28.1%	26.7%	28.8%	27.2%	28.3%	26.3%	23.2%	20.2%	21.0%
PAT	**4,695**	**6,162**	**4,324**	**5,164**	**5,420**	**4,554**	**3,848**	**3,989**	**4,980**
Change YoY, %	37%	31%	-30%	19%	5%	-16%	-16%	4%	25%
PAT Margin %	23%	25%	23%	19%	21%	19%	17%	15%	15%
WC as a % of sales	-82%	-61%	-86%	-63%	-61%	-56%	-76%	-57%	-46%
WC days	(298)	(224)	(316)	(230)	(222)	(203)	(276)	(207)	(169)
Net debt (INR bn)	-33,341	-34,676	-31,427	-31,325	-31,739	-29,579	-32,133	-31,073	-31,322
Net debt/ equity (x)	-1.38	-1.32	-1.31	-1.26	-1.22	-1.13	-1.22	-1.17	-1.16
Capex (INR bn)	1,161	1,603	569	836	1,354	1,367	1,323	748	902
Capex as % to revenue	5.7%	6.5%	3.0%	3.1%	5.2%	5.6%	6.0%	2.8%	2.8%
CFO (INR bn)	1,298	3,192	5,157	3,096	5,598	4,316	6,371	3,348	5,337
CFO/ EBITDA	23%	48%	94%	43%	75%	67%	124%	62%	79%

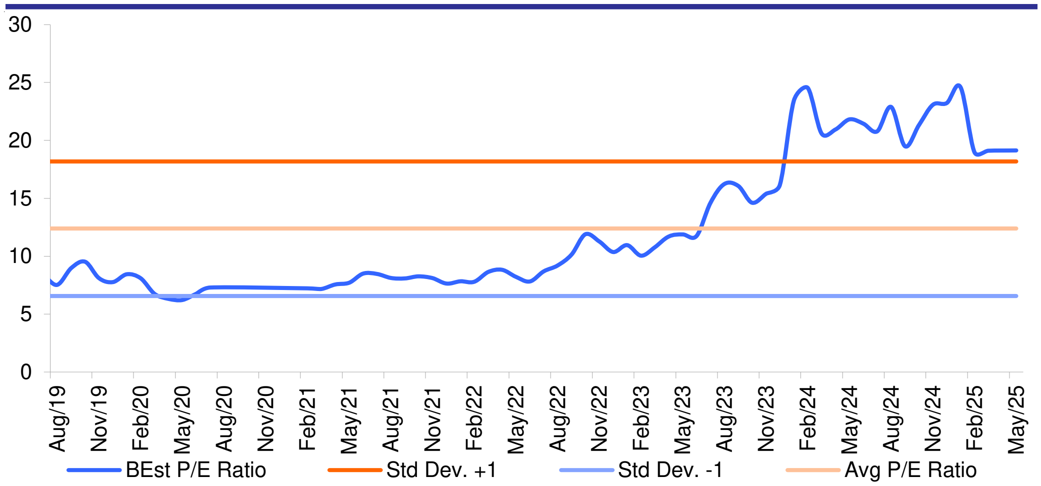
Source: Company, Antique

Table 4: Change in estimates

	New		Old		Change YoY, %	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	26716	32232	26796	32712	-0.3%	-1%
EBITDA	5,394	6,762	5261	6432	3%	5%
EBITDA Margin %	20.2	21.0	19.6	19.7		
Net Profit	3,989	4,980	3862	4,680	3%	6%

Source: Company, Antique

Exhibit 5: PER band



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**26,283**	**24,529**	**22,178**	**26,716**	**32,232**
Op. Expenses	18,833	18,087	17,028	21,322	25,470
EBITDA	**7,449**	**6,441**	**5,150**	**5,394**	**6,762**
Depreciation	667	607	621	662	711
EBIT	**6,782**	**5,835**	**4,529**	**4,732**	**6,052**
Other income	1,018	861	1,057	1,093	1,103
Interest Exp.	70	47	58	71	71
Extra Ordinary Items -gain/(loss)	10	55	122	122	122
Reported PBT	**7,739**	**6,704**	**5,650**	**5,876**	**7,206**
Tax	2,030	1,752	1,414	1,498	1,838
Reported PAT	**5,710**	**4,952**	**4,237**	**4,378**	**5,369**
Minority Int./Profit (loss) From Asso.	(289)	(398)	(389)	(389)	(389)
Net Profit	**5,420**	**4,554**	**3,848**	**3,989**	**4,980**
Adjusted PAT	**5,420**	**4,554**	**3,848**	**3,989**	**4,980**
Adjusted EPS (INR)	**11.3**	**9.5**	**8.0**	**8.3**	**10.4**

Balance sheet (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share capital	2,403	2,403	4,806	4,806	4,806
Reserves & Surplus	23,635	23,687	21,596	21,823	22,107
Networth	**26,038**	**26,090**	**26,402**	**26,629**	**26,913**
Minority Interest	1,153	1,119	1,091	1,480	1,868
Other Non Current Liabilities	2,994	2,035	1,809	2,738	3,270
Capital Employed	**30,185**	**29,245**	**29,301**	**30,847**	**32,051**
Gross Fixed Assets	9,313	9,746	10,981	11,729	12,632
Accumulated Depreciation	3,789	4,395	5,016	5,678	6,389
Capital work in progress	1,262	1,737	476	476	476
Net Fixed Assets	**6,787**	**7,088**	**6,440**	**6,527**	**6,718**
Investments	1,049	1,094	3,850	3,850	3,850
Other Non Current Assets	3,825	3,323	2,034	2,034	2,034
Current Assets, Loans & Adv.	**48,064**	**45,109**	**48,868**	**47,191**	**50,713**
Inventory	309	49	781	941	1,135
Debtors	9,070	8,999	7,400	8,914	10,754
Cash & Bank balance	34,485	31,413	33,751	33,611	34,382
Loans & advances and others	4,200	4,648	6,936	3,726	4,443
Current Liabilities & Provisions	**29,539**	**27,370**	**31,891**	**28,755**	**31,265**
Liabilities	28,758	26,688	31,478	28,321	30,810
Provisions	781	681	413	433	455
Net Current Assets	**18,525**	**17,740**	**16,977**	**18,436**	**19,449**
Application of Funds	**30,185**	**29,245**	**29,301**	**30,847**	**32,051**

Per share data

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	480.6	480.6	480.6	480.6	480.6
Diluted no. of shares (mn)	480.6	480.6	480.6	480.6	480.6
BVPS (INR)	54.2	54.3	54.9	55.4	56.0
CEPS (INR)	13.3	11.6	10.1	10.5	12.6
DPS (INR)	10.3	9.0	7.6	7.8	9.8

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**7,739**	**6,704**	**5,650**	**5,876**	**7,206**
Depreciation & amortization	667	607	621	662	711
Interest expense	70	47	58	71	71
(Inc)/Dec in working capital	(651)	(152)	2,648	(670)	290
Tax paid	(1,825)	(2,227)	(1,651)	(1,498)	(1,838)
Less: Interest/Div. Income Recd.	(566)	(660)	(655)	(1,093)	(1,103)
Other operating Cash Flow	163	(2)	(300)	-	-
CF from operating activities	**5,598**	**4,316**	**6,371**	**3,348**	**5,337**
Capital expenditure	(1,354)	(1,367)	(1,323)	(748)	(902)
Inc/(Dec) in investments	35,147	(1,709)	(1,431)	-	-
Add: Interest/Div. Income Recd.	544	729	559	1,093	1,103
CF from investing activities	**34,336**	**(2,347)**	**(2,195)**	**345**	**200**
Inc/(Dec) in debt	(271)	(448)	(438)	-	-
Dividend Paid	(4,521)	(4,566)	(3,557)	(3,762)	(4,696)
Others	(40)	(27)	2,157	(71)	(71)
CF from financing activities	**(4,832)**	**(5,041)**	**(1,838)**	**(3,833)**	**(4,767)**
Net cash flow	**35,102**	**(3,072)**	**2,338**	**(140)**	**771**
Opening balance	(617)	34,485	31,413	33,751	33,611
Closing balance	**34,485**	**31,413**	**33,751**	**33,611**	**34,382**

Growth indicators (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	-1.3	-6.7	-9.6	20.5	20.6
EBITDA	2.9	-13.5	-20.0	4.7	25.4
Adj PAT	5.0	-16.0	-15.5	3.7	24.8
Adj EPS	5.0	-16.0	-15.5	3.7	24.8

Valuation (x)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	22.0	26.2	31.0	29.9	23.9
P/BV (x)	4.6	4.6	4.5	4.5	4.4
EV/EBITDA (x)	11.4	13.6	16.6	15.9	12.5
EV/Sales (x)	4.5	4.8	5.3	4.4	3.7
Dividend Yield (%)	4.1	3.6	3.0	3.2	3.9

Financial ratios

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	21.3	17.5	14.7	15.0	18.6
RoCE (%)	29.3	24.6	20.4	21.0	25.2
Asset/T.O (x)	1.1	1.0	0.9	1.1	1.3
Net Debt/Equity (x)	-1.32	-1.20	-1.28	-1.26	-1.28
EBIT/Interest (x)	110.8	142.2	96.3	82.0	100.8

Margins (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin (%)	28.3	26.3	23.2	20.2	21.0
EBIT Margin	25.8	23.8	20.4	17.7	18.8
PAT Margin	20.6	18.6	17.4	14.9	15.5

Source: Company, Antique

CMP	: INR 381
Reco	: BUY ↔
Target Price	: INR 470 ↔
Target Price Change	: No Change
Target FY27 P/E (x)	: 19
EPS Change FY256/ 27	: No Change

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Market data

Sensex	:	82,531
Sector	:	Textiles
Market Cap (INR bn)	:	99.6
Market Cap (USD bn)	:	1.165
O/S Shares (mn)	:	261.8
52-wk HI/LO (INR)	:	450/272
Avg. Daily Vol ('000)	:	739
Bloomberg	:	ARVND IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	13.5	19.4	24.7
P/E	28.2	19.6	15.4
P/BV	2.6	2.3	2.0
EV/EBITDA	13.2	10.3	8.6
EV/Sales	1.3	1.2	1.0

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	11	18	11	4
Relative	3	9	4	(8)

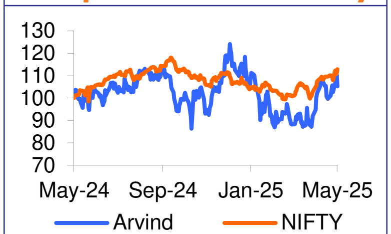
Source: Bloomberg

Shareholding pattern

Promoters	:	40%
Public	:	60%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Arvind

Recovery in sight; tariff uncertainty remains

Arvind's (ARVND) 4QFY25 highlight is the volume growth across textile and AMD segments. The margin witnessed a decline of 65 bps YoY to 11% in 4Q. Textile segment reported a revenue of INR 16.1 bn (+7.3% YoY) led by an increase in volume as well as realization. Volume growth was across sub segments with denim and woven fabric witnessing YoY growth of 13% and 5% respectively. The AMD segment saw a recovery in 4Q with revenue of INR 4.5 bn, posting a 16% YoY revenue increase, driven by strong volume growth across segments. FY25 witnessed only a growth of 8% YoY due to loss of work in 1QFY25. In textiles, the garment segment is likely to witness volume growth led by the commissioning of new capacity. The AMD segment is expected to witness mid double-digit growth in FY26 with the inventory coming back to normal levels. On margins, some pressure is likely to be seen in the 1HFY26 across textile and AMD segments. Tariff uncertainty in the U.S. remains a significant concern, given its importance as a key market for the company. We have retained our estimates for FY26/ 27 considering the improved demand environment. We maintain BUY rating with an unchanged TP of INR 470, valuing the stock at a P/E multiple of 19x on FY27E earnings. ARVND remains our top pick in the textile sector.

4QFY25 in a nutshell

Financial highlights: Revenue for the quarter was INR 22.2 bn (6%/ 7% QoQ/ YoY) vs. our est. of INR 23.4 bn. EBITDA for the quarter was INR 2.5 bn (4%/ 1% QoQ/ YoY) vs. our est. of INR 2.7 bn. EBITDA margin was 11.05% (-29/ -65 bps QoQ/ YoY) vs. our est. of 11.5%. Net profit for the quarter came in at INR 1.5 bn (46%/ 53% QoQ/ YoY) vs. our est. of INR 1.2 bn; the margin stood at 7%. Net debt decreased by INR 0.61 bn YoY to INR 12.8 bn. Segment performance: All segment volumes were up: denim 13% YoY, woven 5% YoY, and garment 1% YoY. Realizations increased across segments (YoY). During the quarter, textile revenue stood at INR 16.1 bn (2%/ 7% QoQ/ YoY) and EBITDA of INR 1.8 bn (2.2%/ 4.6% QoQ/ YoY); the margin was 11.2% (0 bps/ -30 bps QoQ/ YoY). AMD revenue was at INR 4.5 bn (20%/ 16% QoQ/ YoY), EBITDA at INR 0.69 bn (21%/ 13% QoQ/ YoY), and a margin of 15.3% (30 bps/ -50 bps QoQ/ YoY).

Demand outlook positive; near term margin and tariff uncertainty remains a concern

The AMD segment has shown recovery in 4QFY25 with inventory coming at normal levels in key accounts. Management has guided for mid to high double-digit growth in FY26 led by volume growth across sub segments. Textile volumes also witnessed healthy growth during the quarter. Growth in textile will be predominantly led by garments as new capacity will get commissioned during the year. 8-10 mn pieces will be added in FY26 with the target to reach 60 mn pieces by the end of FY27.

The margin witnessed a decline of 65 bps YoY to 11% in 4Q. There will be an impact on the margin in 1HFY25 as the company is likely to bear some increase in cost. The company intends to leverage the opportunity presented by the bilateral trade agreement between India and the UK, which will also support a shift in its geographic revenue mix. However, tariff uncertainty in the U.S. remains a significant concern, given its contribution to a large share of the company's revenue.

Investment Summary

Market demand is showing signs of improvement but margins and tariff uncertainty remain a concern. Outlook on AMD and garment segments continue to be optimistic. We have retained our FY26/ 27 estimates and maintain BUY rating with an unchanged target price of INR 470. ARVND continuous to remain our top pick.

Table 1: Financial performance – 4QFY25

INR bn	4QFY25	3QFY25	QoQ	4QFY24	YoY	FY25	FY24
Revenue from operations	22.2	20.9	6%	20.7	7%	83.3	77.4
EBITDA	2.5	2.4	4%	2.4	1%	8.5	8.5
EBITDA Margin (%)	11.1%	11.3%	-29bps	11.7%	-65bps	10.2%	10.9%
PBT	1.6	1.5	9%	1.4	15%	4.9	4.6
PAT	1.5	1.0	46%	1.0	53%	3.5	3.4

Source: Company, Antique

Table 2: Change in estimates

	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (INR mn)	95,531	1,07,189	95,531	1,07,189	0%	0%
EBITDA (INR mn)	10,813	12,616	10,813	12,616	0%	0%
EBITDA (%)	11%	12%	11%	12%	(0)	(0)
PAT (INR mn)	5,079	6,470	5,079	6,471	0%	0%

Source: Company, Antique

Conference Call Highlights

Demand scenario

- Recovery was observed in 4QFY25 across both the textile and AMD segments, driven by brands resuming their purchases. The demand outlook for FY26 appears promising, though some uncertainty persists in the U.S. market due to tariff concerns, which also resulted in a few orders being advanced.
- Short term impact on margins to be witnessed in 1HFY26 across textile and AMD segments.

India - UK FTA

- The company aims to capitalize on the opportunity arising from bilateral trade agreement between India and the UK, which will support some shift in its geographical mix by reducing dependence on the U.S. market.

AMD segment

- AMD segment is on the recovery path with inventory coming back to normal levels and key customers resuming order booking.
- Demand scenario for FY26 looks promising with healthy order book; however, there will be some impact on the overall margins.
- The company has guided for high double-digit growth in the segment for FY26 with utilization at ~85%.
- Defence has seen some slowdown and is likely to pick up pace in 2HFY26. Defence contributes 10% of the overall AMD revenue.
- Composites witness flat growth due to one-off increase in orders last year. Mobility segment in composites looks optimistic.

Garment segment

- Garment demand looks healthy with facilities operating at full utilization.
- There will be volume growth in FY26 with the commissioning of new capacity. Volumes are likely to be in the range of 45-46 million pieces.
- Garment capacity is expected to reach 60 million pieces by the end of FY27.

Fabric segment

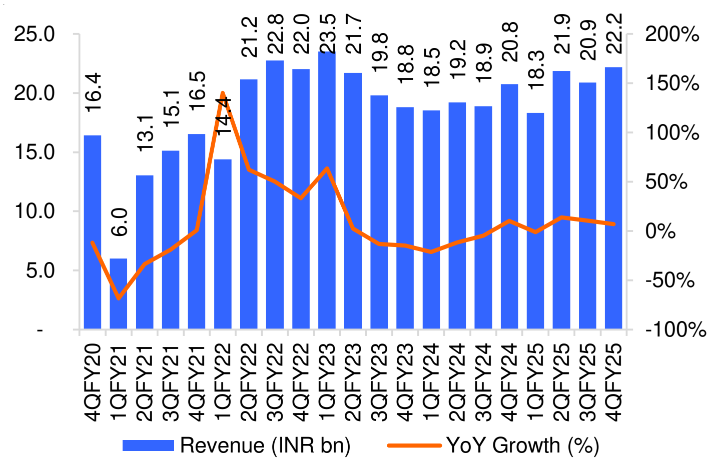
- No major capacity addition in fabric segment with growth of 5%-6% likely to come from the specialty fabric.
- CAPEX in fabric segment is more on technology and maintenance to meet the evolving needs of customers.

CAPEX

- CAPEX guidance of INR 4.5-4.7 bn for FY26.

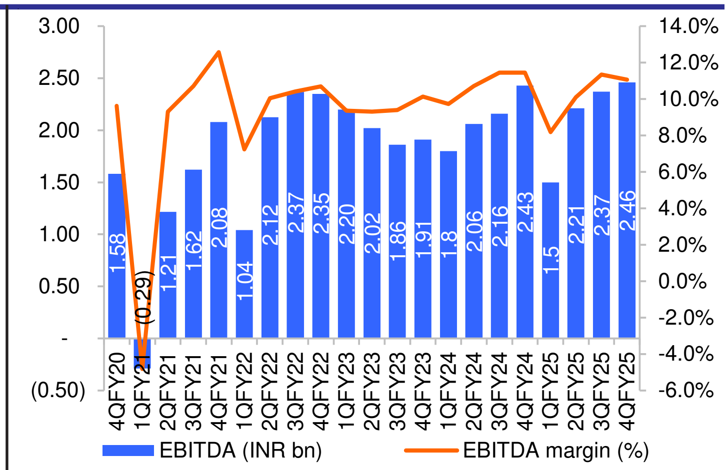
Story in Charts

Exhibit 1: Revenue growth of 7% YoY



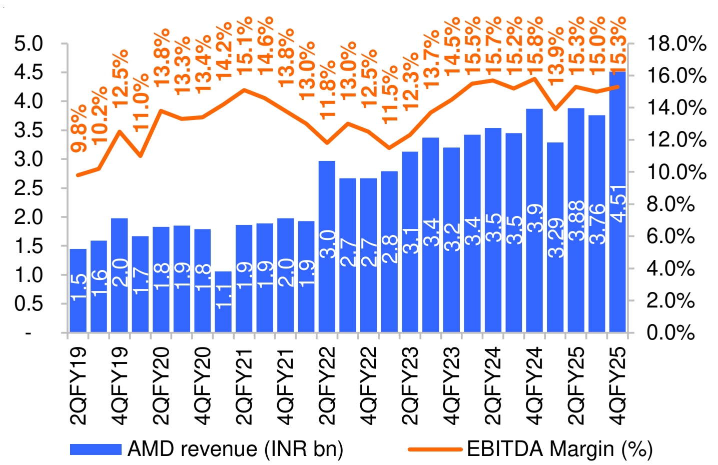
Source: Company, Antique

Exhibit 2: EBITDA trend



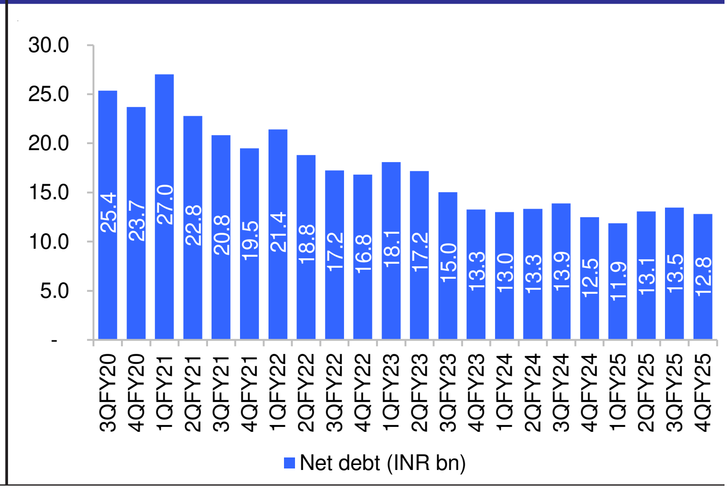
Source: Company, Antique

Exhibit 3: Strong AMD outlook



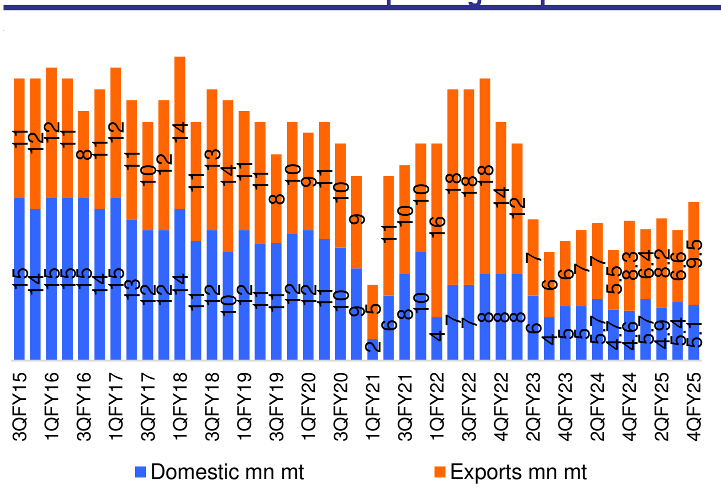
Source: Company, Antique

Exhibit 4: Net debt trending downward



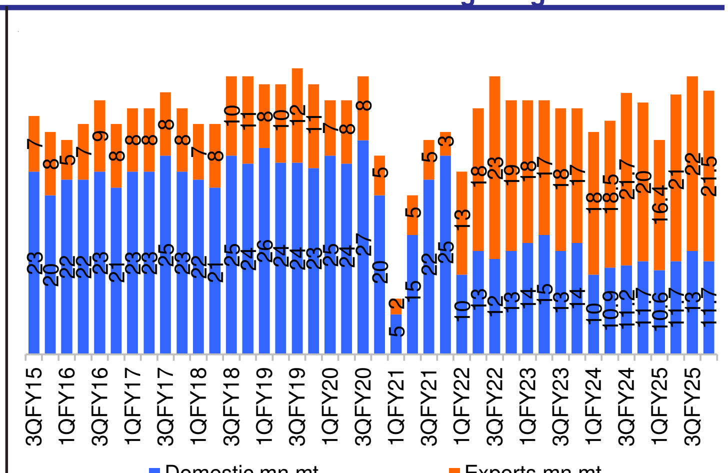
Source: Company, Antique

Exhibit 5: Denim volume moved up during the quarter



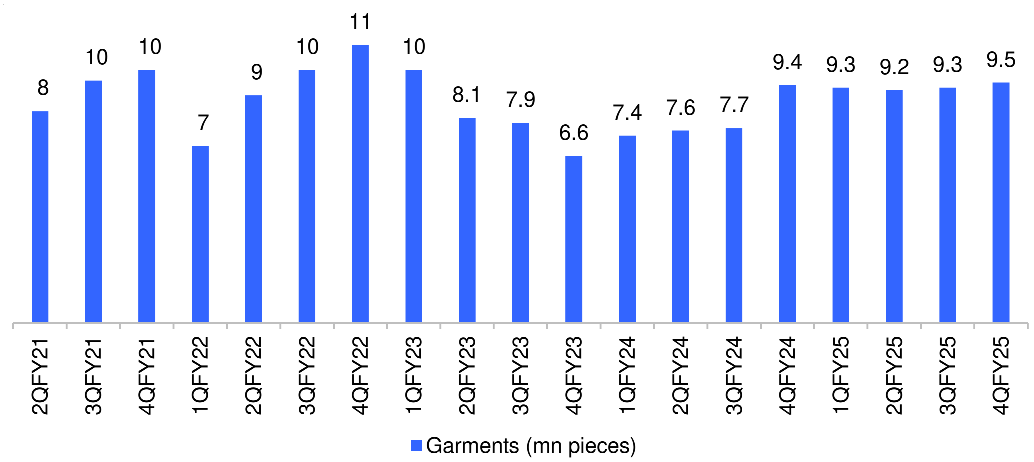
Source: Company, Antique

Exhibit 6: Exhibit 6: Woven fabric running at higher utilization



Source: Company, Antique

Exhibit 7: Garment volume improved marginally



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**83,825**	**77,378**	**83,288**	**95,531**	**1,07,189**
Op. Expenses	75,825	68,925	74,754	84,718	94,574
EBITDA	**8,000**	**8,452**	**8,534**	**10,813**	**12,616**
Depreciation	2,530	2,658	2,587	2,901	2,971
EBIT	5,470	5,794	5,947	7,912	9,645
Other income	445	408	652	504	566
Interest Exp.	1,642	1,593	1,658	1,429	1,368
Extra Ordinary Items -gain/(loss)	588	25	-	-	-
Reported PBT	**4,860**	**4,634**	**4,941**	**6,987**	**8,842**
Tax	(706)	(1,107)	(1,255)	(1,747)	(2,211)
Reported PAT	**4,155**	**3,527**	**3,686**	**5,240**	**6,632**
Minority Int./Profit (loss) From Ass. (74)	(161)	(151)	(161)	(161)	
Net Profit	**4,081**	**3,366**	**3,535**	**5,079**	**6,470**
Adjusted PAT	**3,493**	**3,341**	**3,535**	**5,079**	**6,470**
Adjusted EPS (INR)	**13.4**	**12.8**	**13.5**	**19.4**	**24.7**

Balance sheet (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	2,615	2,616	2,618	2,618	2,618
Reserves & Surplus	30,841	32,811	35,243	40,321	46,792
Networth	**33,456**	**35,428**	**37,861**	**42,940**	**49,410**
Debt	14,038	13,254	13,760	13,260	12,760
Minority Interest	586	780	853	853	853
Net deferred Tax liabilities	952	682	1,250	1,250	1,250
Others	1,959	2,085	3,025	3,025	3,025
Capital Employed	**50,991**	**52,227**	**56,749**	**61,327**	**67,298**
Property, Plant and Equipment	31,373	31,107	32,728	37,186	38,207
Capital work in progress	787	1,168	4,074	2,815	2,563
Other Non-Current Assets	1,922	2,040	3,663	2,006	2,106
Net Fixed Assets	34,082	34,315	40,465	42,007	42,875
Goodwill	90	90	79	-	-
Investments	3,794	3,475	2,727	2,727	2,727
Non Current Investments	3,794	3,475	2,727	2,727	2,727
Current Assets, Loans & Adv.	**31,170**	**34,724**	**37,719**	**40,411**	**47,944**
Inventory	16,490	19,860	21,377	18,844	21,144
Debtors	9,659	10,698	11,773	14,395	16,152
Cash & Bank balance	770	758	1,166	1,206	3,983
Loans & advances and others	4,252	3,409	3,404	5,965	6,665
Current Liabilities & Provisions	**18,145**	**20,377**	**24,241**	**23,817**	**26,248**
Liabilities	17,999	20,217	24,043	23,619	26,050
Provisions	146	160	198	198	198
Net Current Assets	**13,025**	**14,348**	**13,478**	**16,594**	**21,696**
Application of Funds	**50,991**	**52,227**	**56,749**	**61,327**	**67,298**

Per share data

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (m)	262	262	262	262	262
Diluted no. of shares (m)	262	262	262	262	262
BVPS (INR)	128	135	145	164	189
CEPS (INR)	26	24	24	31	37

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**4,273**	**4,609**	**4,929**	**6,987**	**8,842**
Depreciation & amortisation	2,530	2,658	2,587	2,901	2,971
Interest expense	1,642	1,593	1,658	1,429	1,368
(Inc)/Dec in working capital	361	(1,298)	(508)	(3,076)	(2,325)
Tax paid	(706)	(1,107)	(973)	(1,747)	(2,211)
Less: Int./Div. Income Received	(445)	(408)	(59)	(504)	(566)
Other operating Cash Flow	(994)	917	(5)	-	-
CF from operating activities	**6,661**	**6,964**	**7,629**	**5,991**	**8,080**
Capital expenditure	(1,947)	(2,511)	(5,351)	(4,000)	(4,000)
(Inc)/Dec in investments	(1,454)	319	119	-	-
Interest Received	1,602	44	55	-	-
Others	445	(621)	143	504	566
CF from investing activities	**(1,354)**	**(2,769)**	**(5,035)**	**(3,496)**	**(3,434)**
Inc/(Dec) in share capital	9	1	21	-	-
Inc/(Dec) in long-term debt	(3,557)	(784)	499	(500)	(500)
Interest paid	(1,642)	(1,593)	(1,487)	(1,429)	(1,368)
Dividend Paid	-	-	(1,300)	-	-
Others	(150)	(1,813)	(442)	-	-
CF from financing activities	**(5,340)**	**(4,189)**	**(2,709)**	**(1,929)**	**(1,868)**
Net cash flow	**(34)**	**7**	**(116)**	**566**	**2,777**
Opening balance	598	564	571	455	1,021
Merger adjustment	-	-	109	-	-
Closing balance	**564**	**571**	**564**	**1,021**	**3,798**
Book overdrafts	4	3			
Bank balance	202	185	601	185	185
Cash & bank balance in B/S	**770**	**759**	**1,166**	**1,206**	**3,983**

Growth indicators (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue(%)	4.7	(7.7)	7.6	14.7	12.2
EBITDA(%)	(1.0)	5.7	1.0	26.7	16.7
Adj PAT(%)	32.1	(4.3)	5.8	43.7	27.4
Adj EPS(%)	31.6	(4.4)	5.7	43.7	27.4

Valuation (x)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E	28.5	29.8	28.2	19.6	15.4
P/BV	3.0	2.8	2.6	2.3	2.0
EV/EBITDA	14.1	13.3	13.2	10.3	8.6
EV/Sales	1.3	1.4	1.3	1.2	1.0

Financial ratios

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	11.1	9.7	9.6	12.6	14.0
RoCE (%)	11.6	12.0	12.1	14.3	15.9
Asset/T.O (x)	1.8	1.6	1.6	1.7	1.7
Net Debt/Equity (x)	0.4	0.4	0.3	0.3	0.2
EBIT/Interest (x)	3.3	3.6	3.6	5.5	7.0

Margins (%)

Year ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin(%)	9.5	10.9	10.2	11.3	11.8
EBIT Margin(%)	6.5	7.5	7.1	8.3	9.0
PAT Margin(%)	4.1	4.3	4.2	5.3	6.0

Source: Company Antique

CMP	: INR 613
Reco	: BUY ↔
Target Price	: INR 870 ↔
Target Price Change	: No Change
Target FY27 P/E (x)	: 18
EPS Change FY26/ 27	: +2%/+1%

4QFY25 RESULT REVIEW

Sharda Cropchem

Another strong quarter; maintains double-digit growth guidance

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Sharda Cropchem (SHCR) reported a strong set of numbers, beating estimates on all fronts. Key highlights: (1) Topline was up 39% YoY led by 50% volume growth YoY; agchem volume was up +48% YoY, led by market share gains across regions. (2) Gross margin declined by ~483 bps YoY to 30% due to high competition and aggressive channel push to gain market share. (3) EBITDA margin (ex-forex loss) at 16% was down ~490 bps YoY, mainly on account of INR 592 mn registration write-off and lower gross margin; adjusted EBITDA stood at 19.2%. The company has guided for +15% topline growth in FY26 driven by both price and volumes and 15%-18% EBITDA margin led by improvement in prices and operational efficiencies. SHCR aiming to improve its market share in key regions and expects to maintain double-digit growth in the medium term. We believe that the worst is now over for the global agrochem industry and are convinced SHCR will be a key beneficiary. We broadly maintain our FY26/ 27 EPS estimates. Maintain BUY rating with a TP of INR 870 (unchanged) valuing the stock at 18x FY27E EPS (five-year average 20x, high/ low 138x/ 4x).

Sharp improvement in volume fuels revenue growth

SHCR reported 39% YoY growth in topline at INR 18.3 bn vs. our estimate of INR 14.9 bn on the back of volume/ price/ forex growth of +42%/ -12%/ +7% YoY respectively. Agchem/ non-agchem revenue was +39%/ +40% YoY at INR 16.9 bn/ INR 1.4 bn respectively. Growth in the agrochemical segment was driven by +48%/ -9% growth in volume/ price & product mix. The strong agrochemical segment performance, despite challenges in the global agrochemical industry, was led by +43%/ +45%/ +18%/ -27% growth in Europe/ NAFTA/ LATAM /RoW regions respectively. The robust growth in Europe/ NAFTA/ LATAM was largely supported by the sharp +51%/ +45%/ +67% improvement in volume respectively.

Aggressive growth strategy has a temporary impact on GM; expects margin expansion to continue in FY26

SHCR reported a ~480 bps decline in gross margin to 30% YoY on account of aggressive sales growth strategy to gain MS and due to high competition. EBITDA (ex-forex loss) was INR 2.9 bn, up 6.9% YoY (our estimate of INR 3.4 bn). Further, the agchem business registered a gross margin of ~32%, down ~270 bps YoY. We believe the decline in gross margin was mainly on account of liberal discounts/ rebates in order to gain MS. However, management has guided for profitability to improve in FY26 led by improvement in realization. EBITDA margin came in at 16%, down ~490 bps YoY vs. our estimate of 23% YoY. The lower EBITDA margin was due to a decline in GM and higher registration write-off (INR 592 mn vs. INR 289 mn in the base year). During the quarter, SHCR recorded a forex gain of INR 105 mn vs. a loss of INR 190 mn. PAT was up ~42% at INR 2.0 bn vs. our estimate of INR 1.7 bn.

Volume growth continues; expects realization growth to follow in the coming quarters

Management has alluded to the global agchem industry growth recovering gradually driven by strong demand. Hence, we expect SHCR to be a key beneficiary of the same. However, the uptick in prices is expected to be gradual as supply is abundant. Net working capital days declined to 118 as compared to 158 days as of FY25 led by lower receivable days and inventory days. For FY26, the company has maintained its EBITDA margin guidance of 15%-18% with a topline growth of +15%.

Investment Summary

SHCR, a generic agrochemical company, follows a differentiated asset-light business model focusing on product registrations in highly regulated geographies: mainly in NAFTA and Europe, and has outsourced manufacturing. Markets with stringent regulations entail superior margins due to limited competition, handsomely brightening SHCR's prospects. We believe SHCR will be the key beneficiary of the expected gradual recovery in the global agrochemical industry. **Maintain BUY**.

Market data

Sensex	:	82,531
Sector	:	Agrochemicals
Market Cap (INR bn)	:	55.3
Market Cap (USD bn)	:	0.646
O/S Shares (mn)	:	90.2
52-wk HI/LO (INR)	:	887/345
Avg. Daily Vol ('000)	:	301
Bloomberg	:	SHCR IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	33.7	38.7	48.6
P/E (x)	18.1	15.8	12.6
P/BV (x)	2.2	2.0	1.7
EV/EBITDA (x)	8.3	6.6	5.4
Dividend Yield (%)	1.0	1.1	1.3

Source: Company, Antique

Returns (%)

	1m	3m	6m	12m
Absolute	11	14	(22)	49
Relative	3	5	(26)	32

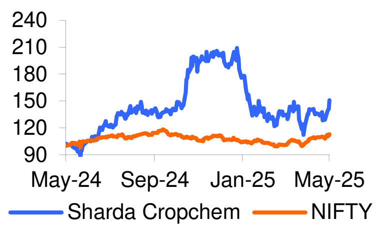
Source: Bloomberg

Shareholding pattern

Promoters	:	75%
Public	:	25%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

Conference Call KTAs

(1) Agrochemical business

a. **Region-wise revenue:** Revenue in Europe/ NAFTA/ LATAM/ RoW was +43%/ +45%/ +18%/ -27%.

b. **Segmental revenue:** Herbicides/ insecticides/ fungicides were up +57%/ +33%/ +22% YoY resulting in a contribution of 50%/ 17%/ 33% vs. 45%/ 18%/ 38% in the base quarter.

c. Maintained +15% revenue guidance with 15% to 18% EBITDA margin.

d. High competition and low product prices impacted gross margin negatively.

e. Expects 10% to 15% prices increase in FY26 led by improved demand.

(2) Non-agrochemicals business: Non-agrochemical business growth was led by a +25%/ +57%/ +120%/ -19% surge in Europe/ NAFTA/ LATAM/ RoW regions respectively.

(3) Capex: Guided for INR 4 bn to INR 4.5 bn in FY26.

(4) Product registrations: The total number of registrations for 4QFY25 stands at 2,964.

(5) Registration pipeline: The number of registrations in the pipeline are 1,014. Capex as of 4QFY25 stands at INR 4.2 bn.

(6) Net working capital: Stood at 118 days as against 158 in FY24 with inventory/ receivable/ creditor days at 83/ 146/ 111 vs. 123/ 192/ 157 respectively in the base year.

(7) As of FY25, the company had net cash and investments worth INR 5.6 bn.

Financial Snapshot - Consolidated

Table 1: Quarterly result

(INR mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Revenue	**18,285**	**13,121**	**39.4**	**9,293**	**96.8**	**43,199**	**31,630**	**36.6**
Cost of Material Consumed	12,845	8,583	49.7	6,251	105.5	30,281	23,424	29.3
% of sales	70.2	65.4	483 bps	67.3	298 bps	70.1	74.1	(396 bps)
Employee costs	182	147	23.9	123	48.5	520	424	22.6
% of sales	1.0	1.1	(12 bps)	1.3	(32 bps)	1.2	1.3	(14 bps)
Total Other Expenses	2,332	1,653	41.1	1,378	69.2	6,374	4,916	29.7
% of sales	12.8	12.6	16 bps	14.8	(207 bps)	14.8	15.5	(79 bps)
Total Expenditure	**15,359**	**10,382**	**47.9**	**7,752**	**98.1**	**37,175**	**28,764**	**29.2**
EBITDA	**2,926**	**2,738**	**6.9**	**1,542**	**89.8**	**6,024**	**2,866**	**110.2**
Margin %	**16.0**	**20.9**	**(487 bps)**	**16.6**	**(58 bps)**	**13.9**	**9.1**	**53.9**
Other income	252	(20)	(1,358.8)	6	N/A	706	598	18.2
Depreciation	719	543	32.5	689	4.4	2,747	2,671	2.8
Forex (loss)/ gain	105	(190)	N/A	(395)	N/A	(179)	(4)	N/A
Interest expenses	4	2	164.1	5	(10.1)	21	70	(69.9)
Profit Before Tax	**2,561**	**1,984**	**29.1**	**459**	**457.6**	**3,783**	**719**	**426.4**
Provision for Tax	525	549	(4.4)	148	255.1	739	400	85.0
Tax Rate %	21	28	(718 bps)	32	(1,169 bps)	20	56	(64.9)
Reported Net Profit	**2,036**	**1,435**	**41.9**	**311**	**553.7**	**3,044**	**319**	**853.7**
Adjusted Net Profit	**2,036**	**1,435**	**41.9**	**311**	**553.7**	**3,044**	**319**	**853.7**
EPS (INR)	**22.6**	**15.9**	**41.9**	**3.5**	**553.7**	**33.7**	**3.5**	**853.7**

Source: Company, Antique

Table 2: Change in estimates

	FY26E			FY27E		
	Old	New	Change (%)	Old	New	Change (%)
Revenue	45,791	49,669	8.5	52,659	57,119	8.5
EBITDA	7,984	7,546	(5.5)	9,761	9,039	(7.4)
EBITDA Margin(%)	17.4	15.2	(224 bps)	18.5	15.8	(271 bps)
PAT	3,421	3,488	2.0	4,348	4,383	0.8
EPS	37.9	38.7	2.0	48.2	48.6	0.8

Source: Antique

Table 3: Actuals vs. ASBLe

(INR mn)	Actual	ASBLe	Var(%)	Cons. Est.	Var(%)
Revenues	18,285	14,905	22.7	15,045	21.5
EBITDA	2,926	3,401	(14.0)	3,021	(3.1)
EBITDA margin (%)	16.0	22.8	(682 bps)	20.1	(408 bps)
Adjusted PAT	2,036	1,704	19.5	1,695	20.1

Source: Antique, Bloomberg

Table 4: Sales break-up (INR mn)

Revenue	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Agrochemicals	7,232	12,432	6,149	5,756	8,419	13,156	4,753	4,404	5,097	12,140	6,793	6,342	7,688	16,908
Belts	1,566	1,913	2,097	1,459	1,754	1,662	1,624	1,403	1,227	981	1,059	1,427	1,606	1,378
Total	**8,798**	**14,345**	**8,245**	**7,215**	**10,173**	**14,818**	**6,378**	**5,808**	**6,325**	**13,121**	**7,851**	**7,769**	**9,293**	**18,285**
Revenue Growth (%)	**3QFY22**	**4QFY22**	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**
Agrochemicals	79.8	23.7	15.1	14.4	16.4	5.8	(22.7)	(23.5)	(39.5)	(7.7)	42.9	44.0	50.8	39.3
Belts	71.0	129.4	137.2	4.3	12.0	(13.1)	(22.5)	(3.8)	(30.0)	(41.0)	(34.8)	1.7	30.8	40.4
Total	**78.2**	**31.8**	**32.4**	**12.2**	**15.6**	**3.3**	**(22.7)**	**(19.5)**	**(37.8)**	**(11.5)**	**23.1**	**33.8**	**46.9**	**39.4**
EBIT	**3QFY22**	**4QFY22**	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**
Agrochemicals	1,146	1,907	(184)	(120)	951	2,141	(1,456)	(586)	(192)	1,906	76	121	68	2,035
Belts	214	315	432	289	510	476	433	307	293	160	223	304	351	386
Total	**1,360**	**2,221**	**248**	**169**	**1,461**	**2,618**	**(1,023)**	**(279)**	**102**	**2,066**	**299**	**425**	**419**	**2,421**
EBIT Margin (%)	**3QFY22**	**4QFY22**	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**
Agrochemicals	15.8	15.3	(3.0)	(2.1)	11.3	16.3	(30.6)	(13.3)	(3.8)	15.7	1.1	1.9	0.9	12.0
Belts	13.7	16.4	20.6	19.8	29.1	28.7	26.7	21.9	23.9	16.3	21.1	21.3	21.9	28.0
Total	**15.5**	**15.5**	**3.0**	**2.3**	**14.4**	**17.7**	**(16.0)**	**(4.8)**	**1.6**	**15.7**	**3.8**	**5.5**	**4.5**	**13.2**

Source: Company, Antique

Table 5: Geography-wise analysis of revenue from agrochemicals segment

Revenue	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Europe	3,018	6,100	3,120	2,390	3,160	8,930	2,460	2,310	2,410	7,820	3,640	4,040	2,940	11,150
NAFTA	3,116	4,870	1,920	2,300	3,960	3,090	1,660	1,330	1,840	3,400	2,490	1,260	3,590	4,930
RoW	603	360	280	440	800	670	230	260	500	600	260	460	620	440
Latam	496	1,100	830	630	500	470	400	500	330	330	400	580	540	390
Total Agrochem Sales	**7,233**	**12,430**	**6,150**	**5,760**	**8,420**	**13,160**	**4,750**	**4,400**	**5,080**	**12,150**	**6,790**	**6,340**	**7,690**	**16,910**
Growth %	**3QFY22**	**4QFY22**	**1QFY23**	**2QFY23**	**3QFY23**	**4QFY23**	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**
Europe	123.3	14.0	24.2	10.5	4.7	46.4	(21.2)	(3.3)	(23.7)	(12.4)	48.0	74.9	22.0	42.6
NAFTA	82.3	26.2	8.9	27.0	27.1	(36.6)	(13.5)	(42.2)	(53.5)	10.0	50.0	(5.3)	95.1	45.0
RoW	5.6	(17.1)	31.0	25.0	32.7	86.1	(17.9)	(40.9)	(37.5)	(10.4)	13.0	76.9	24.0	(26.7)
Latam	27.1	173.6	(2.9)	(10.5)	0.8	(57.3)	(51.8)	(20.6)	(34.0)	(29.8)	0.0	16.0	63.6	18.2
Total	**79.8**	**23.7**	**15.1**	**14.5**	**16.4**	**5.9**	**(22.8)**	**(23.6)**	**(39.7)**	**(7.7)**	**42.9**	**44.1**	**51.4**	**39.2**

Source: Company, Antique

Table 6: Geography-wise analysis of revenue from non-agrochemicals segment

Revenue	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Europe	595	540	590	320	260	200	220	230	240	160	160	240	170	200
NAFTA	692	1,100	1,140	830	1,150	1,100	840	860	750	600	680	920	1,130	940
RoW	236	170	230	210	260	310	450	240	180	160	90	190	130	130
Latam	42	100	130	100	80	50	110	80	70	50	120	70	170	110
Total	1,565	1,910	2,090	1,460	1,750	1,660	1,620	1,410	1,240	970	1,050	1,420	1,600	1,380

Growth %	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Europe	127.1	103.8	147.3	(23.8)	(56.3)	(63.0)	(62.7)	(28.1)	(7.7)	(20.0)	(27.3)	4.3	(29.2)	25.0
NAFTA	51.4	212.5	193.2	18.7	66.2	-	(26.3)	3.6	(34.8)	(45.5)	(19.0)	7.0	50.7	56.7
RoW	80.2	7.6	13.2	0.1	10.2	82.4	95.7	14.3	(30.8)	(48.4)	(80.0)	(20.8)	(27.8)	(18.8)
Latam	(36.4)	69.5	145.2	43.0	90.5	(50.0)	(15.4)	(20.0)	(12.5)	-	9.1	(12.5)	142.9	120.0
Total	**70.9**	**129.0**	**136.5**	**4.4**	**11.8**	**(13.1)**	**(22.5)**	**(3.4)**	**(29.1)**	**(41.6)**	**(35.2)**	**0.7**	**29.0**	**42.3**

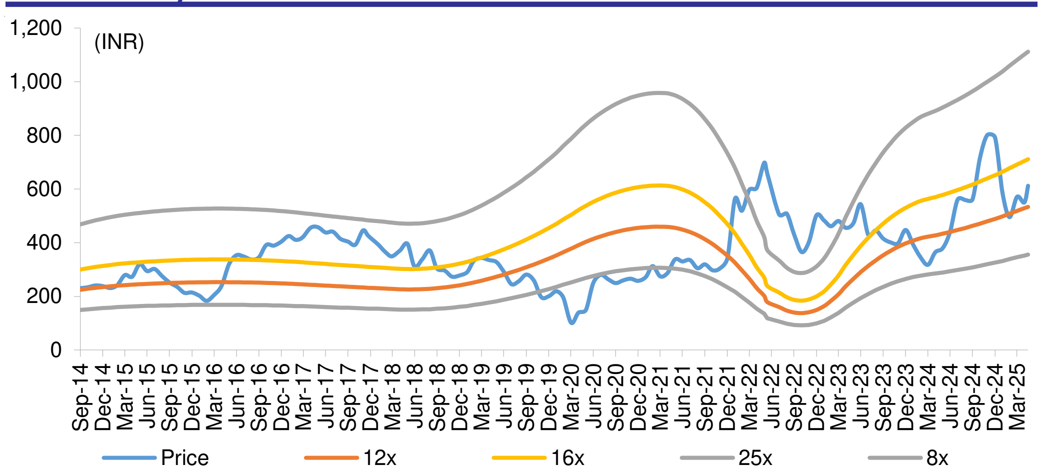
Source: Company, Antique

Table 7: No. of registrations

Geography	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Europe	1,394	1,420	1,445	1,469	1,490	1,532	1,564	1,587	1,602	1,617	1,625	1,627	1,634	1,648
NAFTA	259	273	280	290	290	292	292	300	297	300	300	310	307	309
RoW	240	241	241	241	243	243	246	242	246	246	250	257	248	250
Latam	750	752	753	753	750	754	756	756	756	756	750	757	760	760
No. of registrations	**2,643**	**2,686**	**2,719**	**2,753**	**2,773**	**2,821**	**2,858**	**2,885**	**2,901**	**2,918**	**2,925**	**2,951**	**2,949**	**2,967**

Source: Company, Antique

Exhibit 1: One-year forward P/E band



Source: Antique, Bloomberg

Financials

Profit and loss account (INR mn)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
Net Revenue	**40,452**	**31,630**	**43,199**	**49,669**	**57,119**
Gross Profit	11,844	8,206	12,918	15,149	17,707
Op. Expenses	33,308	28,766	37,175	42,122	48,080
EBITDA	**7,144**	**2,864**	**6,024**	**7,546**	**9,039**
Depreciation	2,481	2,671	2,747	3,202	3,586
EBIT	**4,663**	**193**	**3,277**	**4,344**	**5,453**
Other income	(310)	595	527	347	432
Interest Exp.	45	70	21	40	40
Reported PBT	**4,307**	**718**	**3,783**	**4,651**	**5,844**
Tax	888	400	739	1,163	1,461
Reported PAT	**3,420**	**319**	**3,044**	**3,488**	**4,383**
Net Profit	**3,420**	**319**	**3,044**	**3,488**	**4,383**
Adjusted PAT	**3,420**	**319**	**3,044**	**3,488**	**4,383**
Adjusted EPS (INR)	**37.9**	**3.5**	**33.7**	**38.7**	**48.6**

Balance sheet (INR mn)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	902	902	902	902	902
Reserves & Surplus	21,418	21,469	24,103	26,960	30,622
Networth	**22,320**	**22,371**	**25,006**	**27,863**	**31,524**
Debt	30	34	-	-	-
Minority Interest	4	4	4	4	4
Net deferred Tax liabilities	1,355	1,425	1,738	1,738	1,738
Capital Employed	**23,708**	**23,833**	**26,748**	**29,605**	**33,266**
Gross Fixed Assets	16,409	19,117	22,287	26,787	31,287
Accumulated Depreciation	9,729	12,036	14,783	17,985	21,571
Capital work in progress	2,039	2,829	2,914	2,914	2,914
Net Fixed Assets	8,718	9,910	10,418	11,715	12,629
Investments	319	1,589	2,943	3,238	3,561
Current Investments	319	1,589	2,943	3,238	3,561
Current Assets, Loans & Adv.	**34,391**	**28,781**	**33,888**	**38,416**	**44,311**
Inventory	11,343	9,916	9,719	11,349	12,957
Debtors	18,333	14,980	19,554	22,483	25,856
Cash & Bank balance	1,819	879	2,203	2,174	3,087
Loans & advances and others	2,896	3,006	2,410	2,410	2,410
Current Liabilities & Provisions	**19,721**	**16,447**	**20,501**	**23,764**	**27,235**
Liabilities	13,776	9,212	13,102	15,132	17,276
Provisions	5,945	7,235	7,399	8,632	9,958
Net Current Assets	**14,671**	**12,335**	**13,387**	**14,652**	**17,076**
Application of Funds	**23,708**	**23,833**	**26,748**	**29,605**	**33,266**

Per share data

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (m)	90	90	90	90	90
Diluted no. of shares (m)	90	90	90	90	90
BVPS (INR)	247.4	248.0	277.2	308.8	349.4
CEPS (INR)	65.4	33.1	64.2	74.2	88.3
DPS (INR)	3.0	3.0	6.0	7.0	8.0

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**4,307**	**719**	**3,783**	**4,651**	**5,844**
Depreciation & amortisation	2,481	2,671	2,747	3,202	3,586
Interest expense	45	70	21	40	40
(Inc)/Dec in working capital	(3,037)	470	(305)	(1,295)	(1,511)
Tax paid	(653)	(504)	(310)	(1,163)	(1,461)
Other operating Cash Flow	139	(14)	100	(887)	(972)
CF from operating activities	**3,283**	**3,413**	**6,036**	**4,549**	**5,527**
Capital expenditure	(2,308)	(2,705)	(4,010)	(4,500)	(4,500)
Inc/(Dec) in investments	591	(1,829)	(1,796)	(294)	(324)
Add: Interest/Div. Income Recd.	266	599	706	847	932
CF from investing activities	**(1,452)**	**(3,935)**	**(5,100)**	**(3,947)**	**(3,892)**
Inc/(Dec) in debt	(348)	4	(34)	-	-
Dividend Paid	(553)	(270)	(553)	(632)	(722)
Others	266	(102)	50	-	-
CF from financing activities	**(635)**	**(368)**	**(537)**	**(632)**	**(722)**
Net cash flow	**1,197**	**(890)**	**399**	**(30)**	**914**
Opening balance	567	1,764	873	1,272	1,243
Closing balance	**1,764**	**873**	**1,272**	**1,243**	**2,156**
Bank Balance	55	6	931	931	931
Cash and Bank Balance	**1,819**	**879**	**2,204**	**2,174**	**3,088**

Growth indicators (%)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue(%)	13.0	(21.8)	36.6	15.0	15.0
EBITDA(%)	2.1	(59.9)	110.3	25.3	19.8
Adj PAT(%)	(2.1)	(90.7)	855.3	14.6	25.7
Adj EPS(%)	(2.1)	(90.7)	855.3	14.6	25.7

Valuation (x)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	16.1	173.1	18.1	15.8	12.6
P/BV (x)	2.5	2.5	2.2	2.0	1.7
EV/EBITDA (x)	7.4	18.4	8.3	6.6	5.4
EV/Sales (x)	1.3	1.7	1.2	1.0	0.8
Dividend Yield (%)	0.5	0.5	1.0	1.1	1.3

Financial ratios

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
RoE (%)	16.5	1.4	12.8	13.2	14.8
RoCE (%)	19.6	3.3	15.0	16.6	18.7
Asset/T.O (x)	1.9	1.4	1.9	2.0	2.0
Net Debt/Equity (x)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
EBIT/Interest (x)	96.5	11.3	180.4	117.3	147.1

Margins (%)

Year-ended 31Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA Margin(%)	17.7	9.1	13.9	15.2	15.8
EBIT Margin(%)	11.5	0.6	7.6	8.7	9.5
PAT Margin(%)	8.5	1.0	7.0	7.0	7.6

Source: Company Antique

CMP	: INR 411
Reco	: BUY ↔
Target Price	: INR 544 ↑
Target Price Change	: 24%
Target FY27 P/E (x)	: 17
EPS Change FY26/ 27	: 62% / 58%

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Market data

Sensex	:	82,531
Sector	:	Metals
Market Cap (INR bn)	:	21.6
Market Cap (USD bn)	:	0.253
O/S Shares (mn)	:	52.7
52-wk HI/LO (INR)	:	614/263
Avg. Daily Vol ('000)	:	95
Bloomberg	:	INHP IN

Source: Bloomberg

Valuation

	FY25	FY26e	FY27e
EPS (INR)	17.1	20.8	26.2
P/E (x)	24.0	19.7	15.7
P/BV (x)	1.4	1.4	1.3
EV/EBITDA (x)	13.9	12.7	10.8
Dividend Yield (%)	1.4	1.0	1.0

Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	3	41	6	52
Relative	(4)	30	(0)	35

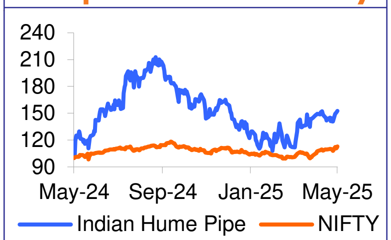
Source: Bloomberg

Shareholding pattern

Promoters	:	72%
Public	:	28%
Others	:	0%

Source: Bloomberg

Price performance *vs* Nifty



Source: Bloomberg Indexed to 100

4QFY25 RESULT REVIEW

Indian Hume Pipe Company

Improved execution drives beat; order book strong

Indian Hume Pipe's (INHP) revenue at INR 3.9 bn (2.1% above our estimate) fell 3.0% YoY but recovered 3.0% QoQ. The current order book stands at ~INR 40.0 bn (8.2% higher YoY against ~INR 37.0 bn at the end of 4QFY24 and 2.8% higher sequentially against ~INR 38.9 bn at the end of 3QFY25). Order book stands at ~2.7x FY25 revenue with an average execution cycle of 24-36 months. EBITDA was at INR 560 mn for the quarter; it declined 24.4% YoY (included INR 458 mn land sale consideration in 4QFY24) but improved 50.1% QoQ and was materially above our estimate. INHP reported a one-time gain of ~INR 4.7 bn (net of tax) on sale of land at Yelhanka, Bengaluru. Adjusted PAT for the quarter was ~INR 314 mn, lower by 28.1% YoY but higher by 118.5% QoQ. INHP has turned net cash positive (~INR 1.6 bn) as compared to net debt of ~INR 4.0 bn at the end of FY24 with proceeds of Bengaluru land sale.

We like the company's land monetization prospects and long-term growth opportunities driven by government push for water supply and sanitation under the Jal Jeevan Mission and Swachh Bharat Mission. We factor in lower construction expenses, higher other income (bank deposits), lower interest costs, and revise our EBITDA margin estimates leading to an increase of 62%/ 58% in FY26/ 27 EPS estimates. We maintain BUY rating on a target multiple of 17x core FY27 earnings, add the post-tax NPV of land monetization projects and arrive at a SoTP-based TP of INR 544 (earlier INR 439).

Expansion projects to drive revenue growth

Revenue at INR 3.9 bn (2.1% above our estimate) fell by 3.0% YoY but improved 3.0% QoQ. The company completed two projects at a total outlay of ~INR 460 mn to expand capacity at their Walwa (completed Nov'24) and Dhule (completed Mar'25) plants in Maharashtra. These plants will cater to increased demand for pipes for irrigation projects in the region. Consequently, the combined capacity of the plants has increased to 129,060 tons (from 77,436 tons) with an additional revenue potential of INR 2.4 bn.

EBITDA declined YoY but grew QoQ

4QFY25 EBITDA was INR 560 mn; it improved 50.1% QoQ but declined by 24.4% YoY (4QFY24 EBITDA was aided by land sale consideration of INR 458 mn). EBITDA margin for the quarter at 14.3% improved by 448 bps QoQ due to a sequential decline in expenses but was lower by 404 bps YoY. Construction expenses at INR 2.5 bn was lower by 2.6% YoY and 5.5% QoQ and constituted 63.0% of revenue (similar YoY but 560 bps lower QoQ). Adjusted PAT for the quarter was ~INR 314 mn, lower by 28.1% YoY but higher by 118.5% QoQ.

Order book higher YoY and QoQ; land monetization to continue

The current order book stands at ~INR 40.0 bn (8.2% higher YoY against ~INR 37.0 bn at the end of 4QFY24 and 2.8% higher sequentially against ~INR 38.9 bn at the end of 3QFY25). The company had entered into strategic partnerships with a few prominent real estate developers for the development of its land bank in Pune, Delhi, and Mumbai. As on May 08, 2025, the company received INR 855.6 mn advance from Dosti Realty in lieu of its 38% share of the total sale in Hadapsar, Pune (538 flats amounting to ~INR 4,168.5 mn have been booked from a total of 1,025 flats across nine residential towers). It has also received ~INR 69.5 mn advance from Kalpataru in lieu of its 32.5% share of the total sale in Vadgaon, Pune (92 units amounting to ~INR 1,720.3 mn have been booked across three residential towers, including one tower of inclusive housing).

Investment Summary

Order book has grown YoY (currently ~2.7x of FY25 revenue) which translates to steady topline visibility for the medium term. The company's land monetization prospects and long-term growth opportunities driven by government push for water supply and sanitation under Jal Jeevan Mission and Swachh Bharat Mission would ensure a healthy order book. Land monetization would lead to higher operational cash flows and expanded capacities would drive deleveraging and lower interest costs. We maintain BUY rating on a target multiple of 17x core FY27 earnings, add the post-tax NPV of land monetization projects and arrive at a SoTP-based TP of INR 544 (earlier INR 439).

Table 1: Quarterly performance—standalone (INR mn)

	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Sales	**3,921**	**4,043**	**(3.0)**	**3,806**	**3.0**	**14,912**	**13,886**	**7.4**
Cost of Material Consumed	382	304	25.6	302	26.6	1,329	804	65.3
% of sales	9.7	7.5	222 bps	7.9	182 bps	8.9	5.8	312 bps
Employee cost	294	249	18.2	258	14.1	1,063	917	16.0
% of sales	7.5	6.2	135 bps	6.8	73 bps	7.1	6.6	53 bps
Other expenses	2,685	2,749	(2.3)	2,874	(6.6)	10,658	10,439	2.1
% of sales	68.5	68.0	48 bps	75.5	-702 bps	71.5	75.2	-370 bps
Total Exp	3,361	3,302	1.8	3,433	(2.1)	13,051	12,160	7.3
EBITDA	**560**	**741**	**(24.4)**	**373**	**50.1**	**1,862**	**1,727**	**7.8**
Margin %	**14.3**	**18.3**	**-404 bps**	**9.8**	**448 bps**	**12.5**	**12.4**	**5 bps**
Other income	31	30	4.1	21	45.4	89	86	3.8
Depreciation	43	36	19.7	39	10.1	147	139	5.8
Interest expenses	162	154	4.9	160	1.2	623	639	(2.4)
Profit Before Tax	386	581	(33.5)	195	97.6	1,181	1,035	14.1
Exceptional item	4,679	-	n.m.	-	n.m.	4,679	-	n.m.
PBT after exceptional	**5,065**	**581**	**n.m.**	**195**	**n.m.**	**5,859**	**1,035**	**466.2**
Tax	72	144	(49.7)	52	39.8	279	259	7.8
Tax Rate %	1.4	24.8	n.m.	26.5	n.m.	4.8	25.0	n.m.
Reported Net Profit	**4,993**	**437**	**1,043.3**	**144**	**3,375.5**	**5,581**	**776**	**618.9**
Adjusted Net Profit	**314**	**437**	**(28.1)**	**144**	**118.5**	**902**	**776**	**16.2**
EPS (INR)	**94.8**	**8.3**	**1,043.3**	**2.7**	**3,375.5**	**105.9**	**14.7**	**618.9**

Source: Company, Antique

Table 2: Key metric

	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	FY25	FY24	YoY (%)
Order Book (INR mn)	40,025	36,982	8.2	38,942	2.8	40,025	36,982	8.2

Source: Company, Antique

Table 3: Revision in estimates—INHP (Standalone)

	Previous estimates		Current estimates		% change	
	FY26e	**FY27e**	**FY26e**	**FY27e**	**FY26**	**FY27**
Revenue (INR mn)	16,417	18,188	16,435	18,075	0%	-1%
EBITDA (INR mn)	1,471	1,687	1,954	2,213	33%	31%
EBITDA margin	9.0%	9.3%	11.9%	12.2%	293 bps	297 bps
Other Income (INR mn)	100	100	168	164	68%	64%
Interest expense (INR mn)	503	445	483	348	-4%	-22%
Adjusted PAT (INR mn)	678	874	1,096	1,378	62%	58%
EPS (INR)	12.9	16.6	20.8	26.2	62%	58%

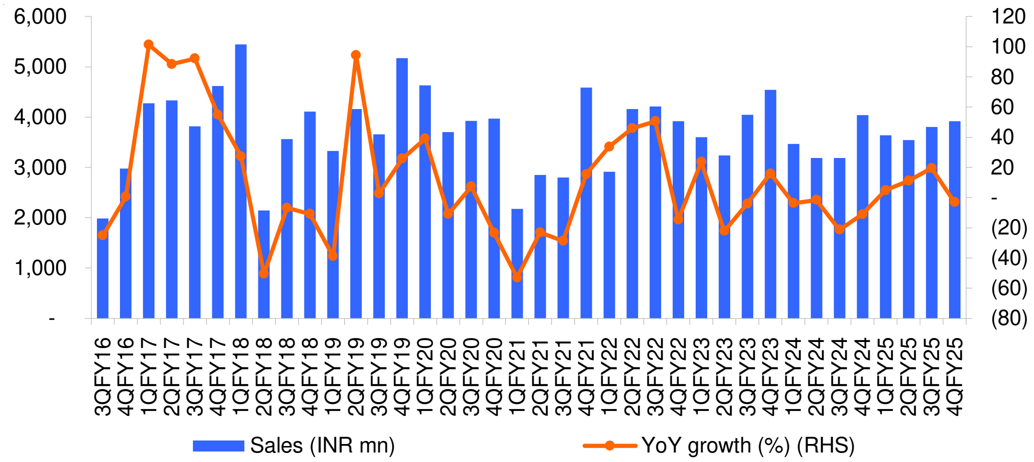
Source: Company, Antique

Table 4: SoTP valuation

FY27e PAT (INR mn)	**1,378**
P/E multiple (x)	17
Target market capitalisation (INR mn)	23,423
Add:	
Land monetisation value -NPV (INR mn)	5,228
Total Mcap (INR mn)	28,651
No of shares (mn)	53
Target price (INR per share)	**544**

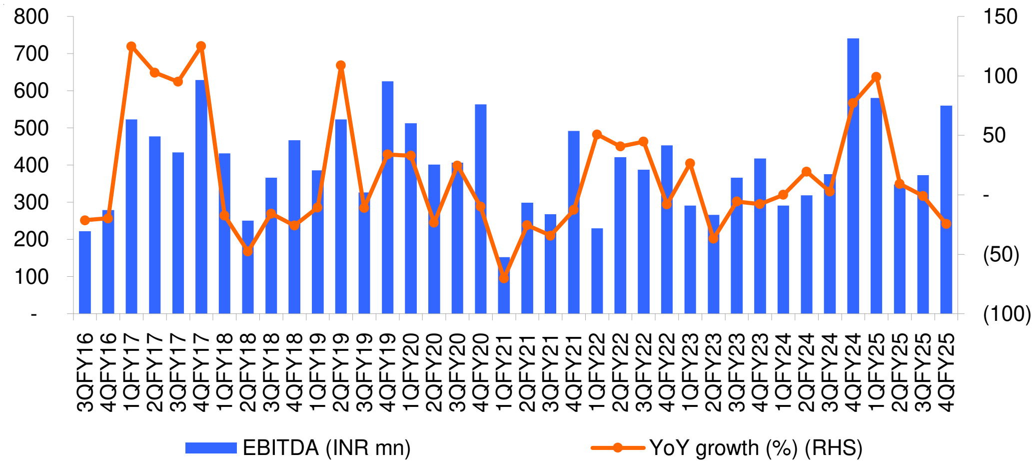
Source: Company, Antique

Exhibit 1: Revenue and growth trend



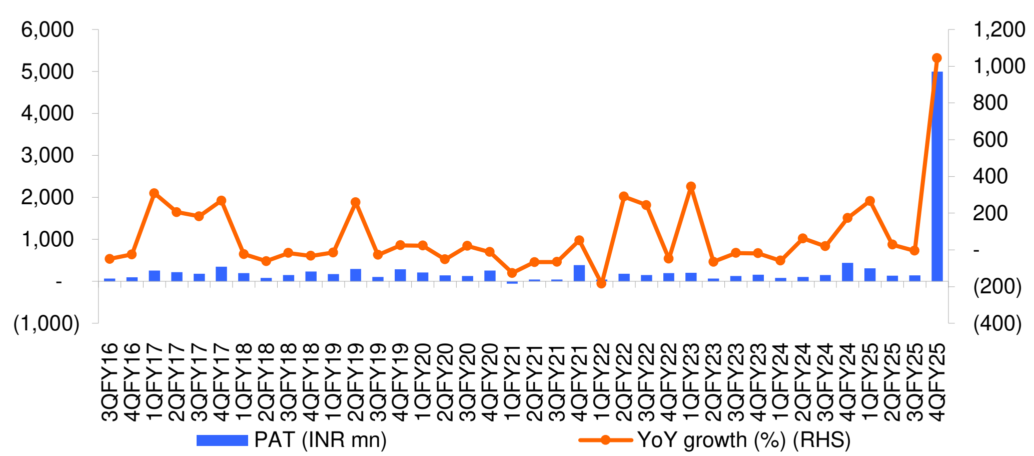
Source: Company, Antique

Exhibit 2: EBITDA and growth trend



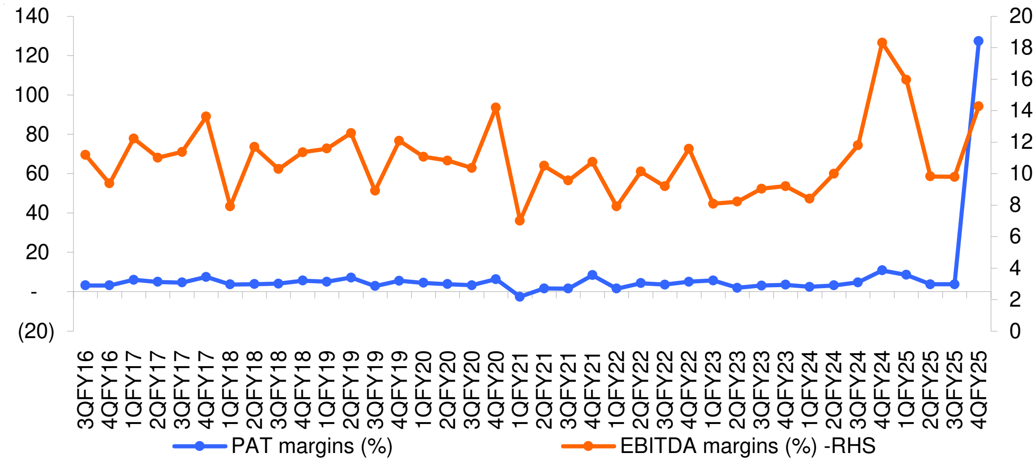
Source: Company, Antique

Exhibit 3: PAT and growth trend



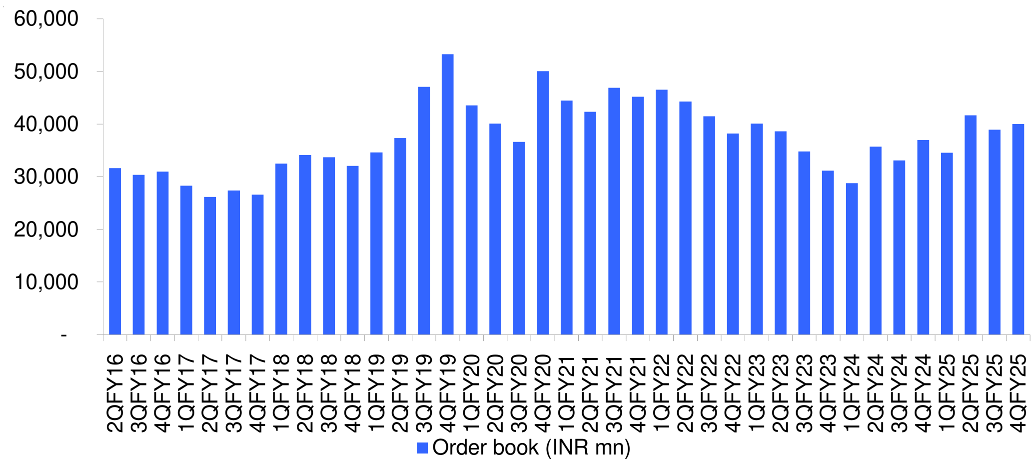
Source: Company, Antique

Exhibit 4: Margin trend



Source: Company, Antique

Exhibit 5: Order book



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenues	**15,429**	**13,886**	**14,912**	**16,435**	**18,075**
Expenses	14,087	12,160	13,051	14,481	15,862
EBITDA	**1,342**	**1,727**	**1,862**	**1,954**	**2,213**
Depreciation & amortization	155	139	147	154	162
EBIT	**1,186**	**1,588**	**1,715**	**1,800**	**2,051**
Other income	217	86	89	168	164
Interest expense	679	639	623	483	348
Profit before tax	**724**	**1,035**	**1,181**	**1,485**	**1,867**
Extraordinaries	-	-	4,679	-	-
Tax	167	259	279	389	489
Reported Profit after tax	**557**	**776**	**5,581**	**1,096**	**1,378**
Adjusted PAT	**557**	**776**	**902**	**1,096**	**1,378**
EPS (INR)	**11.5**	**14.7**	**17.1**	**20.8**	**26.2**

Balance sheet (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Share Capital	97	105	105	105	105
Reserves & Surplus	6,856	8,187	13,661	14,546	15,714
Networth	**6,953**	**8,293**	**13,767**	**14,652**	**15,819**
Debt	6,334	5,105	4,578	3,578	2,578
Other Long term liabilities	259	467	462	462	462
Capital Employed	**13,546**	**13,865**	**18,807**	**18,692**	**18,859**
Gross Fixed Assets	1,999	2,109	2,633	2,732	2,882
Accumulated Depreciation	857	955	1,102	1,256	1,418
Net Assets	1,142	1,155	1,532	1,476	1,464
Capital work in progress	2	15	11	12	12
Investments	36	53	50	50	50
Other Non current Assets	573	436	319	319	319
Current Assets Loans & Adv.	**20,058**	**19,152**	**25,453**	**25,167**	**26,141**
Inventory	754	1,429	2,102	2,658	2,912
Debtors	8,226	7,458	7,075	8,089	8,898
Cash & Bank	475	1,134	6,189	4,209	4,098
Loans & advances and others	10,603	9,131	10,087	10,211	10,233
Current Liabilities & Prov.	**8,264**	**6,945**	**8,557**	**8,331**	**9,126**
Creditors	8,153	6,840	8,398	8,156	8,933
Provisions	110	105	159	175	192
Net Current Assets	**11,794**	**12,207**	**16,896**	**16,836**	**17,015**
Application of Funds	**13,546**	**13,865**	**18,807**	**18,692**	**18,859**

Per share data

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
No. of shares (mn)	48	53	53	53	53
BVPS (INR)	143.5	171.2	284.2	302.4	326.5
CEPS (INR)	14.7	18.9	21.6	25.8	31.8
DPS (INR)	1.0	1.5	5.8	4.0	4.0

Source: Company, Antique

Cash flow statement (INR mn)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
PBT	**724**	**1,035**	**1,181**	**1,485**	**1,867**
Depreciation	155	139	147	154	162
Interest	679	639	623	483	348
(Inc)/ Dec in working capital	(828)	246	366	(1,920)	(290)
Tax paid	(167)	(259)	(279)	(389)	(489)
CF from operating activities	**564**	**1,801**	**2,038**	**(186)**	**1,598**
Capex	(8)	(123)	(520)	(100)	(150)
(Inc)/ Dec in Investments	4	(17)	3	-	-
Income from investments	-	-	4,679	-	-
Others	(41)	345	312	(0)	(0)
CF from investing activities	**(45)**	**205**	**4,473**	**(100)**	**(150)**
Inc/ (Dec) in share capital and premium	-	600	-	-	-
Inc/ (Dec) in debt	281	(1,229)	(527)	(1,000)	(1,000)
Dividends & Interest paid	(728)	(718)	(929)	(694)	(559)
CF from financing activities	**(446)**	**(1,347)**	**(1,456)**	**(1,694)**	**(1,559)**
Net cash flow	**73**	**659**	**5,055**	**(1,980)**	**(111)**
Add: Opening balance	402	475	1,134	6,189	4,209
Closing balance	**475**	**1,134**	**6,189**	**4,209**	**4,098**

Growth indicators (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
Revenue	1.5	(10.0)	7.4	10.2	10.0
EBITDA	(10.1)	28.7	7.8	5.0	13.3
PAT	(3.6)	39.4	16.2	21.5	25.7
EPS	(3.6)	28.2	16.2	21.5	25.7

Valuation (x)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
P/E (x)	35.7	27.9	24.0	19.7	15.7
P/BV (x)	2.9	2.4	1.4	1.4	1.3
EV/EBITDA (x)	20.4	15.2	13.9	12.7	10.8
EV/Sales (x)	1.7	1.8	1.3	1.3	1.1
Dividend Yield (%)	0.2	0.4	1.4	1.0	1.0

Financial ratios

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
RoE	8.3	10.2	8.2	7.7	9.0
RoCE	7.3	9.5	13.4	10.1	10.7
Net debt/Equity (x)	0.8	0.5	(0.1)	(0.0)	(0.1)
EBIT/Interest (x)	1.7	2.5	2.8	3.7	5.9

Margins (%)

Year-ended 31 Mar	FY23	FY24	FY25	FY26e	FY27e
EBITDA	8.7	12.4	12.5	11.9	12.2
EBIT	7.7	11.4	11.5	11.0	11.3
PAT	3.6	5.6	6.0	6.7	7.6

Source: Company Antique

Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INR bn)	M.Cap (USD bn)	Net profit (INR bn) FY25	FY26	FY27	EPS (INR) FY25	FY26	FY27	P/E (x) FY25	FY26	FY27	EV/EBITDA (x) FY25	FY26	FY27	P/BV (x) FY26	RoE (%) FY26	RoCE (%) FY26	Absolute (%) 1m	12m
AGROCHEM & FERTILIZERS																							
Bayer Cropscience	Hold	4,965	5,340	8	223.2	2.6	5.4	8.1	9.6	119.9	179.9	213.6	41.4	27.6	23.2	32.6	20.6	17.4	8.1	29.6	39.2	2	-8
Coromandel Intl.	Buy	2,470	2,430	(2)	727.8	8.5	17.9	20.9	28.5	60.7	71.0	96.8	40.7	34.8	25.5	26.1	22.9	16.7	5.7	17.5	25.3	16	98
Dhanuka Agritech	Buy	1,452	1,790	23	65.4	0.8	2.8	3.0	3.7	61.7	65.8	81.1	23.5	22.1	17.9	16.9	14.8	12.0	4.2	20.2	26.2	10	8
Paradeep Phosphates	Buy	157	150	(5)	128.2	1.5	5.5	6.3	7.8	6.8	7.7	9.5	23.2	20.3	16.5	12.7	12.1	11.1	2.8	14.5	13.5	15	124
PI Industries	Hold	3,691	3,920	6	560.0	6.6	16.5	17.6	19.9	108.3	115.9	130.7	34.1	31.8	28.2	24.2	22.2	19.4	4.8	16.2	21.0	1	2
Rallis India	Hold	287	210	(27)	55.7	0.7	1.3	1.8	2.3	6.4	9.3	11.7	44.9	30.8	24.5	18.0	14.6	11.9	2.7	9.2	12.9	27	4
Sharda Cropchem	Buy	613	870	42	55.3	0.6	3.0	3.5	4.4	33.7	38.7	48.6	18.2	15.8	12.6	8.3	6.6	5.4	2.0	13.2	16.6	11	46
Sumitomo Chemical India	Buy	521	560	7	260.3	3.0	5.1	6.0	7.0	10.1	12.1	13.9	51.5	43.2	37.4	40.0	33.4	28.9	7.6	19.1	25.5	-6	33
UPL	Buy	645	710	10	523.9	6.1	13.1	23.9	35.3	16.4	30.1	44.3	39.3	21.4	14.5	8.5	7.2	6.0	1.6	7.8	10.7	-2	32
BUILDING MATERIALS																							
Apollo Pipes	Buy	394	500	27	17.3	0.2	0.3	0.5	0.8	7.4	10.1	16.4	53.0	39.0	24.0	17.6	12.9	9.1	1.9	5.3	7.8	1	-37
Astral	Buy	1,344	1,540	15	361.0	4.2	5.5	6.8	8.3	20.4	25.3	30.7	66.0	53.2	43.8	36.5	30.1	25.1	8.5	17.1	22.5	2	-41
Cera Sanitaryware	Buy	6,477	6,670	3	83.5	1.0	2.5	2.6	2.9	191.1	204.5	222.4	33.9	31.7	29.1	25.6	23.5	21.2	5.5	18.3	23.0	14	-8
Finolex Industries	Hold	191	220	15	118.3	1.4	5.1	5.8	6.5	8.3	9.5	10.6	23.1	20.2	18.0	19.1	16.1	14.3	1.8	9.1	10.9	8	-35
Greenlam Industries	Buy	246	270	10	62.7	0.7	0.9	1.1	2.3	3.4	4.2	9.0	72.8	58.2	27.3	25.4	18.7	13.6	5.2	9.2	11.0	9	-18
Greenpanel Industries	Buy	252	310	23	30.9	0.4	0.3	1.0	1.9	2.5	7.9	15.5	102.4	31.9	16.3	33.5	13.3	8.8	2.1	6.7	5.4	7	-14
Kajaria Ceramics	Buy	931	960	3	148.3	1.7	3.3	4.0	5.0	20.4	25.2	31.7	45.6	36.9	29.4	23.5	20.3	16.6	5.0	14.0	18.2	18	-25
Prince Pipes and Fittings	Buy	284	390	37	31.4	0.4	0.4	1.1	1.7	3.6	9.9	15.3	78.2	28.6	18.5	20.3	11.5	8.5	1.9	6.8	9.0	10	-57
Somany Ceramics	Buy	469	620	32	19.2	0.2	0.6	0.8	1.3	15.1	20.7	30.5	31.0	22.6	15.4	9.6	7.3	5.4	2.3	10.5	14.2	7	-35
Supreme Industries	Buy	3,643	4,030	11	462.7	5.4	9.6	11.6	12.8	75.6	91.0	100.7	48.2	40.0	36.2	31.7	26.5	24.0	7.5	19.5	22.7	7	-34
CEMENT																							
ACC	Buy	1,884	2,100	11	353.7	4.1	10.1	16.3	19.1	53.6	86.9	101.4	35.1	21.7	18.6	13.1	10.2	8.8	1.8	8.5	11.7	-9	-24
Ambuja Cement	Buy	548	595	9	1,348.7	15.8	17.6	28.1	34.6	17.0	11.3	13.9	32.3	48.4	39.4	28.9	19.7	15.6	2.4	5.1	8.8	-3	-11
Birla Corp	Buy	1,383	1,550	12	106.5	1.2	3.3	5.2	6.5	38.3	67.7	84.3	36.1	20.4	16.4	10.8	9.2	8.2	1.4	7.2	8.1	24	-3
Dalmia Bharat	Hold	2,086	2,050	(2)	391.2	4.6	8.0	12.2	14.7	42.3	65.0	78.0	49.3	32.1	26.8	16.5	13.6	12.2	2.1	6.8	7.7	13	17
Grasim Industries	Buy	2,825	2,875	2	1,922.3	22.5	3.9	8.5	14.1	5.8	12.8	21.2	485.8	220.9	133.0	161.1	98.0	70.2	3.3	1.5	2.7	5	19
Heidelberg	Hold	198	190	(4)	44.9	0.5	1.0	1.6	2.0	4.5	7.2	8.9	43.8	27.5	22.2	16.2	11.6	9.5	3.0	11.0	13.7	-1	2
JK Cement	Buy	5,247	5,100	(3)	405.4	4.7	7.0	9.0	11.3	90.9	116.3	146.0	57.7	45.1	35.9	23.6	19.6	16.4	6.0	14.2	13.2	4	36
JK Lakshmi Cement	Hold	861	930	8	101.3	1.2	2.5	4.1	5.5	21.5	32.7	44.3	39.9	26.3	19.4	14.1	11.2	9.9	3.1	12.5	12.9	6	11
Nuvoco Vistas	Hold	359	395	10	128.1	1.5	0.2	2.9	3.7	0.6	8.0	10.2	586.6	44.6	35.1	12.0	10.4	9.2	1.4	3.1	5.8	11	13
Orient Cement	Hold	354	320	(10)	72.7	0.9	0.9	2.9	4.0	4.4	13.9	19.4	79.5	25.4	18.2	23.9	13.7	11.0	3.5	14.7	15.8	-1	67
Shree Cements	Buy	31,400	33,200	6	1,132.9	13.3	11.5	19.7	27.4	319.7	545.9	758.2	98.2	57.5	41.4	26.7	19.9	17.0	4.9	8.8	11.7	2	22
Star Cement	Buy	228	245	7	92.1	1.1	1.3	3.1	4.1	3.2	7.7	10.0	70.5	29.5	22.7	17.5	12.6	10.2	2.9	10.4	14.0	3	5
Ramco Cement	Hold	1,003	912	(9)	236.9	2.8	1.5	5.0	7.1	6.4	21.2	30.1	157.9	47.3	33.3	20.9	15.5	13.0	3.0	6.6	8.7	4	30
UltraTech Cement	Buy	11,894	12,800	8	3,504.9	41.0	61.4	86.7	117.8	205.0	294.2	399.8	58.0	40.4	29.7	29.2	21.0	16.6	4.4	11.8	12.5	1	23
FMCG																							
Allied Blenders and Distillers	Buy	409	476	16	114.5	1.3	1.6	2.3	3.0	5.9	8.3	10.6	69.9	49.3	38.7	30.0	25.0	21.5	7.6	16.0	17.9	32	
Asian Paints	Hold	2,330	2,293	(2)	2,234.8	26.1	40.3	44.3	48.9	42.0	46.2	51.0	55.5	50.4	45.7	37.5	33.0	29.6	10.3	21.6	25.6	-5	-17
Bajaj Consumer Care	Buy	168	253	51	23.1	0.3	1.3	1.6	1.8	9.1	11.5	12.7	18.4	14.6	13.3	14.1	7.5	6.2	1.8	15.2	18.5	-2	-29
Colgate Palmolive	Hold	2,655	2,824	6	722.2	8.5	13.7	15.5	17.1	50.5	56.9	62.8	52.6	46.7	42.3	36.4	32.4	29.2	29.9	68.7	105.3	4	-1
Dabur India	Hold	469	524	12	831.2	9.7	17.1	20.2	23.1	9.7	11.5	13.1	48.4	40.9	35.8	35.0	30.6	26.7	7.1	18.0	22.2	-3	-13
Emami	Buy	630	746	18	276.6	3.2	8.7	9.6	10.8	20.0	22.1	24.9	31.5	28.5	25.3	26.2	23.2	20.3	8.7	32.6	39.2	1	21
Godrej Consumer	Hold	1,290	1,328	3	1,320.1	15.4	19.2	25.6	30.2	18.7	25.1	29.5	68.9	51.5	43.7	44.1	36.3	31.4	10.1	20.5	22.7	4	-1
Hindustan Unilever	Hold	2,355	2,257	(4)	5,533.8	64.7	102.2	106.6	117.8	43.5	45.4	50.1	54.2	51.9	47.0	38.0	35.8	32.3	11.5	21.9	27.0	0	1
Honasa Consumer	Hold	255	227	(11)	82.8	1.0	0.7	0.8	1.2	2.1	2.4	3.8	121.4	107.5	67.3	119.2	58.8	36.2	6.7	6.4	9.7	11	-38
ITC	Buy	433	543	25	5,414.2	63.3	207.9	241.2	271.7	16.7	19.3	21.8	26.0	22.4	19.9	20.6	17.7	15.6	6.6	30.6	39.4	2	6
Jyothy Labs	Hold	348	361	4	127.7	1.5	3.7	4.0	4.4	10.2	10.9	12.0	34.1	32.0	28.9	24.4	22.6	20.0	5.6	18.5	25.0	-8	-22
Kansai Nerolac	Hold	266	252	(5)	215.3	2.5	6.7	7.1	8.2	8.3	8.8	10.1	32.1	30.4	26.4	20.7	18.1	15.7	3.2	10.8	14.9	2	-2
Marico	Buy	721	765	6	933.6	10.9	15.9	19.1	21.9	12.3	14.8	17.0	58.6	48.7	42.4	42.8	35.5	30.9	19.5	43.7	48.8	0	22
Nestle	Hold	2,398	2,251	(6)	2,312.1	27.1	31.0	34.7	39.5	32.2	36.0	40.9	74.6	66.6	58.6	47.8	43.2	38.1	44.8	74.9	88.5	1	-3
Patanjali Foods	Buy	1,811	1,859	3	655.9	7.7	12.4	19.2	22.4	34.3	53.2	62.0	52.8	34.1	29.2	34.7	22.9	19.2	5.1	15.9	20.0	-9	30
Radico Khaitan	Buy	2,590	2,825	9	346.6	4.1	3.5	5.2	6.9	25.8	39.1	51.4	100.2	66.2	50.4	52.3	39.6	31.7	11.0	17.9	21.1	6	50
United Spirits	Buy	1,539	1,658	8	1,119.0	13.1	14.4	17.3	20.1	19.8	23.8	27.6	77.5	64.6	55.7	55.3	46.2	39.5	12.5	20.7	34.9	2	31
RETAIL																							
Aditya Birla Fashion & Retail	Hold	277	273	(2)	338.5	4.0	-4.4	-0.7	1.4	-3.6	-0.6	1.1	-76.6	-499.3	247.6	19.7	15.8	13.2	4.3	-0.9	3.9	5	5
Arvind Fashions	Buy	478	661	38	63.9	0.7	0.8	1.3	2.0	6.1	10.1	15.3	77.9	47.3	31.3	10.9	8.8	7.0	4.7	9.9	18.9	17	3
Avenue Supermarts	Hold	4,074	3,970	(3)	2,650.8	31.0	29.3	34.9	41.3	45.0	53.6	63.5	90.6	76.0	64.1	58.3	49.1	41.2	10.3	13.6	18.2	-4	-13
Devyani International	Buy	179	200	12	215.4	2.5	0.4	1.2	1.8	0.3	1.0	1.5	513.3	183.0	122.7	26.0	20.2	17.0	17.7	10.2	20.9	8	18
Jubilant Foodworks	Hold	684	653	(5)	451.2	5.3	2.4	4.0	6.6	3.7	6.0	10.0	185.7	113.5	68.1	29.5	23.9	19.3	19.9	18.2	27.7	-3	45
Kewal Kiran	Buy	463	669	45	28.5	0.3	1.4	1.4	1.7	22.4	23.0	26.8	20.7	20.1	17.3	14.1	12.2	10.4	3.1	15.6	14.9	0	-30
Restaurant Brands Asia	Buy	83	106	28	48.3	0.6	-0.9	-1.1	-0.7	-1.8	-2.2	-1.4	-45.6	-38.5	-60.5	15.0	12.1	10.0	2.5	-6.3	7.1	14	-19
Sapphire Foods India	Hold	307	327	6	98.7	1.2	0.3	0.4	0.8	1.1	1.1	2.4	283.2	274.5	126.5	20.3	16.3	13.0	6.8	2.5	13.2	0	11
Senco Gold	Buy	363	510	41	59.4	0.7	2.1	2.7	3.3	12.7	16.3	20.4	28.6	22.3	17.8	16.1	13.4	11.4	2.8	12.4	12.3	5	-16
Shoppers Stop	Buy	517	767	48	56.9	0.7	0.1	0.3	1.0	0.6	2.3	9.0	844.0	226.2	57.3	8.5	7.3	5.9	15.6	6.9	9.1	0	-29
Titan Co Ltd	Buy	3,637	4,195	15	3,228.7	37.8	38.8	49.4	62.1	43.7	55.6	69.9	83.2	65.4	52.0	54.2	44.9	36.9	21.0	36.5	21.9	11	9
Trent	Buy	5,578	6,646	19	1,982.7	23.2	15.8	22.7	29.3	44.6	63.9	82.6	125.1	87.3	67.6	71.9	52.1	40.0	24.3	27.8	36.6	11	21
Vedant Fashion	HOLD	739	746	1	179.5	2.1	3.9	4.1	4.6	16.0	17.1	18.8	46.2	43.3	39.3	26.8	24.5	21.8	8.6	21.4	28.7	-6	-31
V-Mart Retail	Buy	3,478	5,156	48	69.0	0.8	0.2	0.5	1.1	11.0	26.3	55.5	317.4	132.2	62.7	18.6	14.4	11.4	8.0	6.2	15.5	7	56
Westlife Foodworld	Hold	703	774	10	109.6	1.3	0.1	0.3	0.9	0.8	2.1	5.6	900.3	337.7	126.6	34.6	27.5	21.6	17.4	5.3	22.1	-1	-16

Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INR bn)	M.Cap (USD bn)	Net profit (INR bn) FY25	FY26	FY27	EPS (INR) FY25	FY26	FY27	P/E (x) FY25	FY26	FY27	EV/EBITDA (x) FY25	FY26	FY27	P/BV (x) FY26	RoE (%) FY26	RoCE (%) FY26	Absolute (%) 1m	12m
INDUSTRIALS																							
ABB	Buy	5,735	7,040	23	1,215.3	14.2	18.7	20.6	24.9	88.5	97.1	117.3	64.8	59.1	48.9	50.3	46.4	38.3	14.5	26.6	36.3	7	-31
BHEL	Buy	246	300	22	855.5	10.0	9.9	32.1	40.1	2.8	9.2	11.5	86.6	26.6	21.3	46.8	18.2	14.9	3.2	12.2	15.0	9	-17
Cummins India	Buy	2,949	3,617	23	817.5	9.6	18.2	19.3	22.8	65.6	69.5	82.2	44.9	42.5	35.9	38.8	36.4	30.0	10.9	26.8	34.6	2	-21
Engineers India	Buy	189	211	12	106.3	1.2	3.1	4.0	4.8	5.0	6.3	7.6	38.1	30.3	24.9	32.3	23.0	17.7	3.9	15.1	17.5	3	-26
GE Vernova T&D	Buy	1,842	1,723	(6)	471.6	5.5	5.3	7.2	8.8	20.8	28.3	34.5	88.5	65.1	53.5	61.8	45.8	37.4	18.9	33.9	48.5	26	55
Hitachi Energy	Buy	15,570	17,047	9	694.0	8.1	3.8	7.0	12.0	90.7	166.0	284.1	171.6	93.8	54.8	110.1	65.3	39.6	14.0	15.8	22.6	23	39
Honeywell Automation	Buy	37,895	39,448	4	335.0	3.9	5.2	6.1	7.7	592.3	692.4	876.6	64.0	54.7	43.2	51.7	42.6	32.6	7.4	14.3	14.7	11	-32
KEC International	Buy	804	952	18	214.0	2.5	5.4	11.0	15.3	20.8	42.8	59.5	38.6	18.8	13.5	16.9	11.3	8.2	3.8	22.1	23.7	11	3
Kirloskar Pneumatic	Buy	1,223	1,437	17	79.4	0.9	2.1	2.5	3.1	32.3	38.3	47.9	37.9	32.0	25.5	26.1	21.3	16.6	6.0	20.3	18.6	5	-1
Kirloskar Oil Engines	Buy	862	1,292	50	125.2	1.5	4.1	4.9	5.9	28.0	33.8	41.0	30.8	25.5	21.1	18.8	16.1	13.0	3.8	15.6	20.3	14	-28
LMW	Hold	17,448	15,997	(8)	186.4	2.2	1.2	1.7	4.7	111.9	161.0	444.3	155.9	108.4	39.3	123.0	84.0	28.1	6.2	5.9	7.7	12	4
Linde India	Hold	7,154	5,865	(18)	610.1	7.1	4.6	5.9	7.7	53.5	69.0	90.2	133.6	103.7	79.3	78.4	63.6	49.5	14.6	14.9	18.6	15	-20
Larsen & Toubro	Buy	3,618	4,000	11	4,975.7	58.2	145.6	204.2	258.7	104.0	145.8	184.7	34.8	24.8	19.6	22.9	17.0	13.6	4.3	18.9	13.8	12	5
Siemens	Buy	3,010	4,336	44	1,071.7	12.5	19.6	23.2	28.3	55.1	65.0	79.5	54.6	46.3	37.9	49.9	41.1	32.3	8.8	20.3	27.5	7	-14
Thermax	Hold	3,430	3,331	(3)	408.7	4.8	6.3	7.1	9.4	55.6	62.8	83.3	61.7	54.6	41.2	45.6	36.9	28.2	7.1	13.6	17.1	2	-31
Transformers & Rectifiers India	Buy	498	723	45	149.6	1.7	2.1	3.7	5.1	6.8	11.7	16.1	73.4	42.5	31.0	46.0	26.3	19.0	9.9	26.0	32.8	-9	59
DEFENCE																							
Bharat Dynamics	Buy	1,807	1,386	(23)	662.2	7.7	6.0	8.8	12.7	16.5	24.1	34.6	109.6	74.9	52.2	110.7	77.6	46.6	14.9	21.2	21.6	29	75
Bharat Electronics	Buy	350	353	1	2,561.3	30.0	50.0	53.8	64.4	6.8	7.4	8.8	51.2	47.6	39.7	38.4	35.0	28.8	11.5	26.1	26.9	19	47
BEML	Buy	3,393	4,114	21	141.3	1.7	2.6	4.1	6.1	63.0	98.3	146.9	53.8	34.5	23.1	30.6	21.6	14.9	4.3	13.3	14.1	9	-8
Cochin Shipyard	Hold	1,812	1,627	(10)	476.7	5.6	7.6	8.5	10.4	28.9	32.4	39.7	62.7	55.9	45.7	40.9	36.8	30.5	7.9	14.8	19.3	25	35
Garden Reach Shipbuilders	Buy	2,259	2,138	(5)	258.8	3.0	5.3	6.2	7.5	46.0	54.4	65.3	49.1	41.5	34.6	-	-	-	10.4	27.4	35.7	31	128
Hindustan Aeronautics	Buy	4,865	5,152	6	3,253.5	38.1	83.1	80.2	86.1	124.3	120.0	128.8	39.1	40.5	37.8	29.9	29.6	25.7	8.1	21.5	22.4	16	6
Mazagon Dock Shipbuilders	Buy	3,182	2,757	(13)	1,283.7	15.0	28.6	30.1	38.5	70.8	74.7	95.4	44.9	42.6	33.4	43.0	37.9	26.0	12.1	31.6	43.9	16	161
PTC Industries	Buy	14,351	19,639	37	215.0	2.5	0.8	1.7	5.0	52.5	112.0	334.8	273.6	128.1	42.9	173.1	71.2	29.0	13.8	11.3	14.5	-2	94
CONSUMER DURABLES																							
Bajaj Elec.	Hold	656	612	(7)	75.7	0.9	1.1	1.6	2.3	9.7	13.7	20.4	67.5	48.0	32.2	24.2	19.8	15.2	4.1	8.9	12.0	19	-29
Blue Star	Hold	1,571	1,828	16	323.1	3.8	5.8	8.0	10.8	28.2	38.9	52.5	55.8	40.3	29.9	36.6	26.8	20.2	8.6	23.5	30.9	-23	0
Crompton Consumer	Buy	327	439	34	210.8	2.5	5.6	6.6	8.3	8.8	10.2	12.9	37.3	31.9	25.3	23.8	20.5	16.0	5.7	18.8	20.8	-2	-3
Havells India	Buy	1,593	1,856	16	998.8	11.7	14.9	18.0	23.2	23.8	28.8	37.1	66.9	55.3	42.9	44.9	36.8	28.7	10.3	20.0	26.4	-1	-10
Voltas	Buy	1,262	1,642	30	417.7	4.9	8.3	10.0	13.5	25.2	30.4	40.7	50.1	41.6	31.0	37.6	31.1	23.0	5.8	14.6	20.0	-1	-4
RAILWAYS																							
IRCON International	Hold	178	153	(14)	167.0	2.0	7.9	7.7	8.4	8.4	8.2	8.9	21.2	21.6	19.9	24.8	24.8	22.6	2.5	11.9	15.7	11	-32
Jupiter Wagons Ltd	Hold	388	434	12	164.8	1.9	3.8	5.0	6.0	9.3	12.1	14.5	41.6	32.1	26.8	27.0	21.1	17.6	4.9	16.5	21.8	1	-24
RITES	Hold	248	259	4	119.3	1.4	3.8	4.0	5.0	8.0	8.3	10.4	31.0	29.9	24.0	16.6	15.9	12.6	4.5	15.0	21.0	7	-25
Rail Vikas Nigam Ltd	Sell	376	215	(43)	784.5	9.2	14.4	15.2	16.7	6.9	7.3	8.0	54.6	51.7	46.9	67.0	63.7	55.8	7.3	14.8	15.3	3	34
Titagarh Rail Systems	Buy	809	1,105	37	109.0	1.3	3.2	4.2	5.7	23.4	31.1	42.5	34.5	26.0	19.0	23.0	17.8	13.0	3.7	15.3	20.0	3	-33
INFRASTRUCTURE																							
Ahluwalia Contracts	Hold	934	720	(23)	62.6	0.7	1.9	2.5	3.2	28.6	37.5	48.0	32.7	24.9	19.5	16.3	12.4	9.6	3.1	13.1	20.3	3	-22
Ashoka Buildcon	Hold	196	254	30	54.9	0.6	2.3	3.6	4.8	8.2	12.7	17.2	23.9	15.3	11.4	12.7	10.7	8.8	1.2	8.5	12.9	1	12
Dilip Buildcon	Hold	478	429	(10)	69.9	0.8	1.5	1.8	2.8	9.5	11.0	17.3	50.2	43.3	27.7	9.6	9.7	8.1	1.2	3.0	8.4	4	7
HG Infra Engineering	Buy	1,186	1,825	54	77.3	0.9	5.5	6.1	7.0	83.7	94.2	108.0	14.2	12.6	11.0	6.4	5.4	4.6	2.2	19.5	22.7	6	-14
IRB Infra	Buy	51	73	44	308.3	3.6	7.7	10.5	13.4	1.3	1.7	2.2	40.1	29.4	23.1	15.2	12.6	11.2	1.4	5.0	7.8	9	-22
KNR Constructions Ltd.	Hold	229	269	17	64.3	0.8	3.5	3.4	3.8	12.5	12.0	13.6	18.3	19.1	16.8	10.1	10.1	8.8	1.6	9.0	13.0	0	-10
NCC Ltd.	Buy	229	332	45	144.1	1.7	8.0	9.7	13.0	12.7	15.5	20.7	18.0	14.8	11.1	9.1	7.4	5.6	1.8	12.5	20.1	4	-16
PNC Infratech	Buy	265	389	47	68.0	0.8	3.8	6.0	7.8	15.0	23.3	30.2	17.7	11.4	8.8	9.6	6.9	5.4	1.2	11.0	14.7	-3	-39
PSP Projects	Buy	640	793	24	25.4	0.3	0.8	1.5	2.1	20.6	38.0	53.2	31.0	16.9	12.0	12.5	8.5	6.6	1.9	11.6	15.4	1	-6
Welspun Ent.	Hold	495	528	7	68.5	0.8	3.1	3.7	4.5	22.5	26.8	32.8	22.0	18.5	15.1	17.1	13.6	10.6	2.3	12.9	18.7	-3	26
IT																							
Cyient	Buy	1,293	1,675	30	143.6	1.7	6.2	7.3	8.6	55.8	66.3	78.3	23.2	19.5	16.5	11.0	9.2	7.4	2.3	12.3	16.9	9	-27
FirstSource Sol.	Buy	374	415	11	260.4	3.0	5.9	7.4	9.1	8.4	10.4	12.9	44.4	35.8	28.9	23.9	19.3	16.2	5.9	17.2	12.5	10	88
HCL Tech	Buy	1,696	1,900	12	4,602.4	53.8	173.2	187.2	211.0	63.3	68.2	76.5	26.8	24.9	22.2	17.0	15.2	13.7	6.8	27.3	35.2	18	26
Infosys	Hold	1,613	1,750	8	6,699.2	78.4	267.5	277.3	303.1	64.5	66.9	73.2	25.0	24.1	22.1	16.5	15.2	13.6	6.4	27.7	37.2	14	12
LTI Mindtree	Buy	5,034	5,400	7	1,491.8	17.5	46.0	49.4	56.0	155.5	166.9	189.3	32.4	30.2	26.6	22.7	20.1	17.5	5.8	20.5	27.5	18	6
L&T Technology Services	Hold	4,493	4,850	8	475.8	5.6	12.7	14.6	17.1	119.8	138.4	161.4	37.5	32.5	27.8	24.2	19.9	16.9	7.1	23.0	29.0	6	0
Mphasis	Buy	2,624	3,400	30	499.2	5.8	17.0	18.9	22.7	90.4	100.6	120.4	29.0	26.1	21.8	18.3	16.8	13.8	4.8	19.0	24.4	16	11
Coforge Ltd	Buy	8,461	9,650	14	565.9	6.6	9.5	13.7	17.0	120.2	205.7	255.3	70.4	41.1	33.1	28.8	21.0	17.4	8.0	20.4	22.1	32	81
Persistent Sys	Hold	5,654	5,450	(4)	881.1	10.3	14.0	18.7	22.6	91.2	121.0	146.4	62.0	46.7	38.6	42.3	33.3	26.8	12.6	28.2	37.2	20	60
Quess Corp	Buy	357	500	40	53.2	0.6	4.2	5.3	6.3	27.7	34.8	41.5	12.9	10.3	8.6	6.2	4.7	3.6	1.6	16.3	14.9	14	15
TCS	Buy	3,580	4,150	16	12,952.4	151.5	485.5	529.3	585.3	134.2	146.3	161.8	26.7	24.5	22.1	18.7	17.0	15.3	11.5	50.3	61.8	9	-7
TeamLease	Buy	2,016	3,900	93	33.8	0.4	1.1	1.6	2.2	63.6	96.3	129.7	31.7	20.9	15.5	21.9	14.6	9.8	3.2	16.3	17.3	10	-40
Tech Mahindra	Buy	1,629	1,800	10	1,595.0	18.7	42.5	52.5	65.6	47.9	59.2	74.0	34.0	27.5	22.0	21.9	17.8	14.4	5.6	19.8	29.1	24	25
Wipro	Hold	257	275	7	2,687.1	31.4	131.0	137.6	144.7	12.5	13.3	14.0	20.5	19.3	18.3	12.8	12.5	11.7	3.0	16.1	19.4	4	10
Zensar Technologies	Buy	807	820	2	183.4	2.1	6.5	7.6	8.5	28.4	33.3	37.3	28.4	24.3	21.7	20.0	16.6	13.9	3.9	17.4	23.4	23	26

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Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INR bn)	M.Cap (USD bn)	Net profit (INR bn) FY25	Net profit (INR bn) FY26	Net profit (INR bn) FY27	EPS (INR) FY25	EPS (INR) FY26	EPS (INR) FY27	P/E (x) FY25	P/E (x) FY26	P/E (x) FY27	EV/EBITDA (x) FY25	EV/EBITDA (x) FY26	EV/EBITDA (x) FY27	P/BV (x) FY26	RoE (%) FY26	RoCE (%) FY26	Absolute (%) 1m	Absolute (%) 12m
METALS & MINING																							
APL Apollo Tubes	Buy	1,776	1,826	3	492.9	5.8	7.6	12.3	16.9	27.3	44.5	60.9	65.1	39.9	29.2	41.2	26.6	20.0	9.4	26.1	31.3	13	9
Hindalco Industries	Buy	661	750	13	1,486.2	17.4	128.0	122.3	129.2	57.6	55.0	58.1	11.5	12.0	11.4	6.7	6.7	6.4	1.1	9.7	11.5	8	1
Hindustan Zinc	Hold	441	432	(2)	1,862.3	21.8	103.6	116.1	120.9	24.5	27.5	28.6	18.0	16.0	15.4	10.9	9.4	9.0	11.3	78.1	59.9	1	-24
Hi-Tech Pipes	Buy	94	149	58	19.1	0.2	0.8	1.2	1.8	3.9	5.9	8.9	24.0	15.9	10.5	10.3	8.3	6.3	1.4	8.9	11.7	-7	-23
Indian Hume Pipe	Buy	410	544	33	21.6	0.3	0.9	1.1	1.4	17.1	20.8	26.2	24.0	19.7	15.7	11.7	11.6	9.9	1.5	7.7	10.8	3	50
Jindal Steel & Power	Buy	968	1,013	5	987.8	11.6	41.1	58.3	78.7	41.0	58.1	78.5	23.6	16.7	12.3	11.7	9.0	7.2	1.8	11.6	12.5	13	-4
JSW Steel	Hold	1,038	870	(16)	2,539.1	29.7	40.9	109.7	131.0	16.8	45.0	53.7	61.9	23.1	19.3	14.1	10.1	9.0	3.0	13.4	12.6	3	17
JTL Industries	Buy	70	103	47	28.2	0.3	1.2	1.6	2.4	3.0	4.1	6.0	22.9	16.9	11.6	17.1	12.7	9.2	1.9	12.1	16.2	4	-35
Kirloskar Ferrous	Buy	529	641	21	87.1	1.0	3.2	4.1	6.3	19.3	24.9	38.3	27.5	21.2	13.8	13.1	10.2	7.7	2.3	11.3	13.3	13	-14
MOIL	Buy	365	385	6	74.2	0.9	3.8	5.1	7.1	18.8	25.0	35.0	19.5	14.6	10.4	12.2	8.3	5.8	2.5	18.1	24.7	11	-17
NALCO	Buy	179	261	46	327.9	3.8	47.2	36.6	40.5	25.7	19.9	22.0	6.9	9.0	8.1	4.1	5.0	4.3	1.6	19.3	24.9	18	-6
NMDC	Buy	70	94	35	616.0	7.2	71.6	77.4	88.8	8.1	8.8	10.1	8.6	8.0	6.9	5.9	5.3	4.5	1.8	24.1	29.7	7	-21
SAIL	Hold	123	118	(4)	506.8	5.9	19.6	33.8	44.7	4.7	8.2	10.8	25.9	15.0	11.3	9.2	7.5	6.4	0.9	5.8	6.8	6	-25
Tata Steel	Buy	157	165	5	1,964.4	23.0	42.8	109.7	148.7	3.4	8.8	11.9	45.9	17.9	13.2	11.0	7.7	6.5	1.9	11.4	13.0	15	-5
Venus Pipes	Buy	1,312	1,471	12	26.7	0.3	0.9	1.3	1.8	46.1	62.2	86.5	28.5	21.1	15.2	16.8	13.0	10.1	4.2	22.0	25.2	-1	-39
Vedanta	Hold	444	478	8	1,735.4	20.3	131.2	167.3	196.4	33.6	42.8	50.2	13.2	10.4	8.8	5.4	4.6	4.0	4.1	40.1	27.8	11	2
OIL & GAS																							
BPCL	Buy	317	445	40	1,375.3	16.1	146.1	155.5	156.7	33.7	35.8	36.1	9.4	8.8	8.8	6.2	6.1	6.3	1.5	18.1	17.3	6	2
GAIL	HOLD	185	185	(0)	1,216.5	14.2	94.8	81.3	80.3	14.4	12.4	12.2	12.8	15.0	15.2	9.7	10.3	9.7	1.6	11.1	12.0	0	-5
Gujarat Gas	Hold	474	410	(14)	326.1	3.8	11.8	9.8	12.9	17.2	14.2	18.7	27.6	33.4	25.3	16.2	18.6	14.3	3.7	11.3	13.7	10	-14
HPCL	Buy	403	615	53	856.9	10.0	73.6	101.4	104.4	34.6	47.7	49.1	11.6	8.5	8.2	8.8	6.5	6.3	1.6	20.4	13.8	3	21
IGL	Sell	205	164	(20)	286.8	3.4	14.7	14.9	15.9	10.5	10.7	11.4	19.5	19.2	18.0	12.7	12.6	11.3	2.8	15.2	19.3	16	-7
Indian Oil Corp	Buy	145	200	38	2,047.6	24.0	117.3	226.3	251.1	8.3	16.0	17.8	17.5	9.0	8.2	10.2	6.6	5.9	1.1	12.2	11.2	8	-11
Mahanagar Gas	Hold	1,372	1,444	5	135.5	1.6	10.4	10.1	10.8	105.8	102.0	109.4	13.0	13.4	12.5	7.6	7.4	6.9	2.1	16.4	20.3	10	5
Oil India	Buy	423	610	44	687.2	8.0	59.6	75.1	78.0	36.7	46.2	48.0	11.5	9.1	8.8	7.6	6.1	5.5	1.3	15.0	17.2	12	-1
ONGC	Buy	248	335	35	3,115.0	36.4	380.1	411.5	381.8	30.2	32.7	30.3	8.2	7.6	8.2	4.3	3.7	3.6	0.9	12.1	14.4	3	-11
Petronet LNG	Hold	320	340	6	479.7	5.6	39.2	44.0	45.8	26.1	29.3	30.5	12.2	10.9	10.5	7.7	7.3	7.2	2.4	23.0	24.4	6	2
Reliance Industries	Buy	1,454	1,485	2	19,679.5	230.3	690.0	804.4	860.4	50.7	59.4	63.6	28.7	24.5	22.9	13.4	11.2	10.0	2.0	8.8	9.4	17	2
PHARMA & HEALTHCARE																							
Alkem	Hold	5,277	4,670	(12)	630.9	7.4	23.2	24.9	25.4	194.2	208.0	212.3	27.2	25.4	24.9	21.5	19.5	17.1	4.6	19.4	23.3	6	-1
Alembic Pharma	Buy	915	1,154	26	179.8	2.1	5.7	6.7	9.1	29.1	33.9	46.2	31.4	27.0	19.8	19.0	15.8	12.3	3.2	12.3	14.3	7	-6
CIPLA	Buy	1,502	1,760	17	1,213.2	14.2	52.2	41.5	52.6	64.6	51.4	65.2	23.2	29.2	23.0	15.9	18.4	14.8	3.5	12.7	17.7	0	6
Concord Biotech	Buy	1,526	2,187	43	159.6	1.9	3.7	4.9	6.5	35.1	46.7	62.5	43.5	32.6	24.4	31.0	23.0	16.9	7.5	25.0	32.6	-12	5
Divi's Laboratories Ltd	Sell	6,215	4,150	(33)	1,649.8	19.3	21.2	26.3	29.7	79.8	99.2	112.0	77.8	62.6	55.5	54.4	43.0	37.7	10.1	16.9	22.1	8	58
Dr Reddys	Sell	1,236	1,025	(17)	1,031.6	12.1	57.8	37.0	42.1	69.3	44.4	50.5	17.8	27.9	24.5	11.6	15.6	13.4	2.8	10.6	13.4	7	6
IOL Chemicals	Buy	77	89	15	22.6	0.3	1.8	2.3	2.2	6.1	8.0	7.4	12.7	9.7	10.4	7.5	5.6	5.5	1.1	12.4	15.9	20	3
JB Chemicals	Hold	1,639	1,595	(3)	255.2	3.0	6.6	7.7	9.2	42.4	49.2	59.1	38.7	33.3	27.7	24.3	21.7	18.2	3.3	20.8	26.7	1	-11
Laurus Labs	Hold	604	520	(14)	325.5	3.8	3.2	5.2	9.3	5.9	9.7	17.3	102.6	62.1	34.8	33.3	25.1	18.4	6.6	11.1	12.3	-4	36
Lupin	Buy	2,073	2,395	16	946.5	11.1	32.8	37.9	43.7	71.9	83.0	95.8	28.8	25.0	21.6	18.3	15.7	14.0	4.6	20.1	21.5	7	25
Mankind Pharma	Buy	2,560	2,827	10	1,056.2	12.4	22.2	25.8	31.5	55.3	64.3	78.5	46.3	39.8	32.6	36.0	26.1	22.7	7.5	20.6	18.3	2	22
Shilpa Medicare	Buy	715	1,525	113	69.9	0.8	1.3	3.6	6.2	13.7	37.3	63.6	52.2	19.2	11.2	19.7	10.8	7.1	2.5	13.9	18.1	8	37
Solara Active Pharma	Sell	519	566	9	20.9	0.2	0.9	1.6	1.5	17.8	32.5	31.4	29.1	16.0	16.5	10.1	7.5	6.0	1.7	11.7	10.4	0	8
Torrent Pharma	Buy	3,265	3,589	10	1,105.0	12.9	20.3	27.0	32.8	59.9	79.9	97.0	54.5	40.9	33.7	29.3	24.3	20.6	12.6	32.9	37.0	1	21
Zydus Life Science	Hold	905	1,033	14	910.3	10.7	37.0	40.3	42.7	36.8	40.0	42.5	24.6	22.6	21.3	16.3	14.4	13.0	3.4	16.3	19.9	10	-10
HOSPITALS & DIAGNOSTICS																							
Dr Lal Pathlabs	Sell	2,793	2,274	(19)	233.4	2.7	4.5	4.8	5.4	53.4	57.0	65.0	52.3	49.0	43.0	32.1	29.6	26.0	47.7	20.6	27.5	1	11
Metropolis Healthcare	Sell	1,627	1,400	(14)	83.4	1.0	1.6	1.7	2.1	31.0	32.6	40.0	52.5	50.0	40.7	26.0	21.7	18.2	5.7	12.0	15.7	-2	-13
Vijaya Diagnostic Centre	Hold	891	855	(4)	91.5	1.1	1.4	1.8	2.4	14.0	17.6	23.1	63.6	50.5	38.6	33.8	28.5	22.6	4.8	20.7	22.5	-10	14
REALTY																							
Arvind SmartSpaces	Buy	693	958	38	31.7	0.4	1.0	1.1	1.5	23.2	26.8	36.2	29.9	25.9	19.1	21.6	16.4	12.9	4.2	17.5	23.4	0	1
Brigade Enterprise	Buy	1,065	1,346	26	260.3	3.0	6.9	8.1	11.9	29.8	35.2	51.9	35.8	30.3	20.5	19.8	15.3	11.8	20.2	13.4	13.1	8	-3
Aditya Birla Real Estate	Buy	2,051	2,793	36	229.1	2.7	-0.3	-0.6	0.3	-2.6	-5.0	3.1	-800.3	-413.8	671.0	895.5	121.2	88.3	6.2	-1.5	0.5	8	-2
DLF	Buy	709	806	14	1,755.1	20.5	39.6	51.2	72.5	16.0	20.7	29.3	44.3	34.2	24.2	95.8	66.9	52.7	3.6	11.2	5.6	8	-16
Godrej Properties	Buy	2,149	2,745	28	647.2	7.6	14.0	24.9	33.0	46.5	82.8	109.7	46.2	25.9	19.6	1,536.7	92.0	73.5	3.3	13.4	13.1	7	-25
Kolte Patil	Buy	360	477	33	27.4	0.3	0.5	0.6	0.8	7.0	7.5	10.7	51.2	48.0	33.5	17.4	11.3	8.6	3.5	7.4	9.4	8	-30
Macrotech Developers	Buy	1,371	1,541	12	1,368.0	16.0	27.6	30.5	36.0	27.7	30.5	36.1	49.5	44.9	38.0	35.5	29.7	25.5	5.9	14.0	15.7	10	15
Nexus Select Trust	Buy	133	172	30	201.4	2.4	4.8	8.8	9.3	3.2	5.8	6.1	41.8	23.0	21.7	16.3	11.9	12.4	1.5	6.3	7.9	4	1
Oberoi Realty	Buy	1,634	2,180	33	593.9	6.9	22.3	31.0	35.6	61.2	85.2	98.0	26.7	19.2	16.7	19.2	14.5	12.3	3.2	17.9	19.9	0	-5
Phoenix	Buy	1,555	2,000	29	556.0	6.5	9.7	11.2	12.1	27.2	31.4	33.9	57.2	49.5	45.9	27.2	24.0	22.5	5.0	10.4	10.3	-3	4
Prestige Estates	Buy	1,419	1,594	12	611.2	7.2	5.3	7.1	10.9	12.3	16.5	25.4	115.5	86.0	55.9	25.3	28.4	22.1	4.5	5.7	7.7	18	-7
Sobha	Buy	1,338	1,599	20	143.0	1.7	0.9	6.1	8.2	8.2	56.6	76.7	163.6	23.6	17.4	48.5	16.2	12.0	4.0	20.9	20.4	11	-20
Sunteck Realty	Buy	400	503	26	58.6	0.7	1.5	2.8	2.4	10.3	19.4	16.6	39.0	20.7	24.1	32.5	16.6	19.7	1.7	8.4	10.6	1	-10
TELECOM																							
Bharti Airtel	Buy	1,867	2,100	12	11,195.3	131.0	280.9	324.3	435.6	46.9	54.2	72.8	39.8	34.5	25.7	14.1	10.7	8.6	8.2	25.9	19.4	2	39

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Valuation Guide

Company	Reco	CMP	TP	Return	M.Cap	M.Cap	Net profit (INR bn)			EPS (INR)			P/E (x)			EV/EBITDA (x)			P/BV (x)	RoE (%)	RoCE (%)	Absolute (%)	
		(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
TEXTILE																							
Arvind Ltd	Buy	381	470	23	99.6	1.2	3.5	5.1	6.5	13.5	19.4	24.7	28.2	19.6	15.4	13.2	10.3	8.6	2.3	12.6	14.3	5	4
KPR Mills	Hold	1,143	1,039	(9)	390.6	4.6	8.2	10.8	12.7	23.8	31.5	37.1	47.9	36.2	30.8	31.3	25.0	21.5	6.7	19.9	26.0	11	37
Welspun Living	Buy	146	182	25	139.8	1.6	8.1	10.0	11.8	8.4	10.3	12.1	17.4	14.1	12.0	9.7	8.2	6.8	2.3	17.3	17.8	10	0
UTILITIES																							
CESC	Buy	163	200	23	216.2	2.5	14.1	16.0	17.3	10.6	12.0	13.0	15.4	13.5	12.6	9.0	8.3	8.0	1.7	12.8	11.0	3	16
COAL India	Buy	405	477	18	2,493.7	29.2	345.0	345.7	368.4	56.0	56.1	59.8	7.2	7.2	6.8	4.8	4.5	4.0	2.1	31.9	39.7	1	-14
Indian Energy Exchange	Buy	197	254	29	176.1	2.1	4.1	4.8	5.7	4.7	5.4	6.4	42.4	36.4	31.1	35.9	29.5	24.4	13.9	40.9	53.5	6	33
JSW Energy	Hold	487	562	15	851.9	10.0	19.6	29.9	33.9	11.2	17.1	19.4	43.4	28.4	25.1	24.0	14.3	13.1	2.8	10.4	8.0	-4	-18
NHPC	Hold	87	85	(2)	873.4	10.2	34.4	40.0	53.6	3.4	3.9	5.2	25.9	22.3	16.6	25.0	25.1	18.3	2.1	9.7	4.2	2	-11
NTPC	Buy	342	428	25	3,315.8	38.8	192.1	200.9	211.5	19.8	20.7	21.8	17.3	16.5	15.7	11.0	10.5	10.0	1.9	12.1	9.1	-5	-5
Power Grid	Buy	300	353	18	2,786.9	32.6	154.0	165.3	177.6	16.6	17.8	19.1	18.1	16.9	15.7	9.7	9.2	8.9	2.7	16.9	13.3	-2	-4
SJVN Ltd	Hold	98	95	(3)	386.5	4.5	9.4	11.2	14.1	2.4	2.8	3.6	41.3	34.6	27.3	28.4	24.9	20.6	2.7	7.7	4.7	3	-25
Torrent Power	Hold	1,433	1,150	(20)	721.9	8.4	24.1	26.4	30.4	50.1	54.9	63.2	28.6	26.1	22.7	15.8	14.5	13.0	4.5	18.2	14.1	-11	7
Tata Power	Buy	398	477	20	1,271.6	14.9	47.8	56.4	66.1	14.9	17.7	20.7	26.6	22.5	19.2	11.5	10.9	10.3	3.1	13.6	9.7	4	-8
TRAVEL & LEISURE																							
Indian Hotels	Hold	764	750	(2)	1,088.0	12.7	16.8	21.1	24.3	11.8	14.9	17.1	64.8	51.4	44.6	38.9	32.5	27.7	8.6	17.9	19.6	-9	34
Chalet Hotels	Buy	914	1,150	26	199.6	2.3	1.4	4.9	7.2	6.5	22.6	32.8	139.9	40.4	27.9	29.9	22.8	17.1	5.4	14.2	12.7	11	16
Yatra Online	Buy	96	136	42	15.0	0.2	0.4	0.6	0.9	2.4	3.8	5.7	40.0	25.0	16.9	24.3	15.9	10.7	1.8	7.4	9.2	14	-34
MIDCAP DIVERSIFIED																							
CCL Products	Buy	725	930	28	96.8	1.1	3.1	3.6	5.0	23.2	27.3	37.2	31.2	26.5	19.5	20.5	16.9	13.7	4.3	17.3	13.5	16	28
EPL Ltd.	Buy	231	290	25	73.8	0.9	3.6	4.3	5.1	11.3	13.4	15.9	20.4	17.3	14.5	9.4	8.2	7.2	2.9	17.3	20.3	19	22
Ganesha Ecosphere	Buy	1,588	2,070	30	40.3	0.5	1.0	1.3	1.9	37.1	50.2	69.1	42.8	31.6	23.0	20.7	17.1	12.7	3.1	10.3	11.9	-1	44
Gravita India	BUY	1,920	2,320	21	141.7	1.7	3.1	4.0	4.9	42.3	54.0	66.1	45.3	35.5	29.0	33.6	28.1	22.9	5.9	17.8	19.6	0	104
Mold-Tek Packaging	Buy	558	700	25	18.6	0.2	0.6	0.7	0.9	18.3	22.4	28.0	30.5	24.9	20.0	14.0	12.0	10.1	2.6	11.0	10.4	11	-30
Solar Industries	Hold	13,880	9,620	(31)	1,256.0	14.7	12.2	14.6	17.4	134.9	161.3	192.3	102.9	86.1	72.2	64.7	53.7	45.0	21.8	28.7	34.4	14	67
Varun Beverages	Buy	507	600	18	1,713.3	20.0	25.9	31.0	36.7	7.7	9.2	10.8	66.0	55.3	46.7	36.3	32.5	27.8	9.0	17.4	21.5	-8	-15

Company	Reco	CMP	TP	Return	M.Cap	M.Cap	Net profit (INR bn)			BVPS (INR)			P/BV (x)*			NNPA Ratio (%)			P/E (x)	RoE (%)	RoA (%)	Absolute (%)	
		(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	FY26	FY26	1m	12m
FINANCIALS																							
Axis Bank	Buy	1,209	1,300	8	3,746.2	43.8	257.3	274.6	320.9	546.4	615.5	696.3	2.1	1.8	1.6	0.6	0.4	0.3	13.6	15.3	1.6	4	6
Bank of Baroda	Buy	234	290	24	1,212.1	14.2	191.8	197.5	223.4	228.5	259.0	293.5	1.0	0.9	0.8	0.8	0.9	1.1	6.1	15.7	1.1	-3	-11
Canara Bank	Buy	105	120	14	953.9	11.2	160.6	167.8	190.3	101.5	116.3	133.1	1.0	0.9	0.8	1.0	1.0	1.0	5.7	17.0	1.0	11	-8
City Union Bank	Buy	192	200	4	142.5	1.7	11.2	12.5	13.6	126.9	142.2	158.9	1.5	1.4	1.2	1.2	0.8	0.9	11.4	12.5	1.5	11	25
DCB Bank	Buy	140	155	11	44.1	0.5	6.0	7.5	9.2	170.1	192.4	220.0	0.8	0.7	0.6	1.4	1.5	1.5	5.8	13.3	0.9	14	8
Equitas SFB	Buy	63	75	18	72.3	0.8	1.9	6.0	9.3	53.9	57.9	64.2	1.2	1.1	1.0	-0.4	-0.3	-0.1	12.0	9.4	1.1	4	-33
Federal Bank	Buy	199	230	16	488.2	5.7	40.0	44.9	55.3	134.7	149.9	167.3	1.5	1.3	1.2	0.5	0.5	0.5	10.8	13.0	1.2	2	21
HDFC Bank	Buy	1,934	2,000	3	14,804.4	173.2	667.9	739.9	869.3	629.1	703.8	791.6	2.8	2.4	2.2	0.4	0.3	0.3	19.9	14.6	1.8	3	32
ICICI Bank	Buy	1,451	1,525	5	10,342.9	121.0	465.1	496.3	585.4	386.0	442.5	509.2	3.2	2.7	2.3	0.7	0.8	1.0	20.5	16.9	2.2	7	28
IndusInd Bank	Buy	781	925	18	608.1	7.1	46.7	67.0	85.6	853.9	925.8	1,016.3	0.9	0.8	0.8	0.6	0.6	0.4	9.1	9.7	1.1	-1	-45
Karur Vysya Bank	Buy	221	270	23	176.2	2.1	19.9	20.2	23.4	146.4	168.1	193.4	1.5	1.3	1.1	0.2	0.4	0.6	8.8	15.9	1.6	1	12
Kotak Mahindra Bank	Buy	2,106	2,225	6	4,188.1	49.0	164.9	152.5	180.0	563.3	637.2	724.4	3.0	2.6	2.2	0.4	0.5	0.6	27.5	12.8	2.2	-1	26
L&T Finance	Buy	178	220	24	444.6	5.2	30.8	37.9	45.0	103.5	114.9	128.5	1.7	1.5	1.4	0.6	0.6	0.6	11.7	14.0	2.9	12	12
Punjab National Bank	Hold	98	110	12	1,130.0	13.2	165.8	181.8	204.1	103.1	115.5	129.4	1.0	0.9	0.8	0.7	0.9	0.9	6.0	15.1	1.0	-1	-21
Shriram Finance	Buy	675	700	4	1,268.9	14.8	85.0	99.7	116.1	294.7	337.8	389.6	2.3	2.0	1.7	2.8	2.8	2.9	12.7	16.8	3.3	0	44
State Bank of India	Buy	808	950	18	7,208.9	84.3	699.4	708.6	817.1	418.4	481.9	555.2	1.5	1.3	1.1	0.5	0.6	0.7	10.2	16.8	1.0	5	-1
South Indian Bank	Hold	28	28	1	72.6	0.8	12.5	12.4	13.7	36.6	40.8	45.5	0.8	0.7	0.6	1.6	1.7	1.8	5.9	12.2	0.9	14	0
Ujjivan Small Bank	Buy	45	39	(15)	87.9	1.0	7.3	7.6	10.9	32.7	36.6	42.3	1.4	1.2	1.1	0.4	0.4	0.5	11.6	11.3	1.5	16	-12
Union Bank of India	Buy	132	148	12	1,008.9	11.8	173.7	178.0	187.6	136.0	152.8	170.4	1.0	0.9	0.8	0.9	0.9	0.9	5.7	16.2	1.2	4	-6

Adjusted for subsidiaries

Company	Reco	CMP	TP	Return	M.Cap	M.Cap	VNB (INR bn)			EVPS (INR)			P/EV (x)			P/VNB (x)			RoEV (%)	Absolute (%)	
		(INR)	(INR)	(%)	(INR bn)	(USD bn)	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY25	FY26	FY27	FY26	1m	12m
Insurance																					
HDFC Life Insurance	Buy	751	810	8	1,617.3	18.9	39.6	46.5	54.7	249.6	290.7	338.2	3.0	2.6	2.2	25.9	20.1	15.1	16.7	5	32
ICICI Prudential Life Insurance	Buy	613	650	6	886.1	10.4	23.7	26.6	30.2	333.6	375.5	421.9	1.8	1.6	1.5	16.4	12.4	8.7	13.4	5	4
LIC of India	Buy	840	940	12	5,314.9	62.2	96.8	98.4	105.4	1,210.6	1,306.5	1,409.1	0.7	0.6	0.6	NA	NA	NA	8.3	5	-14
Max Life Insurance*	Buy	1,358	1,500	10	468.8	5.5	21.1	24.9	29.4	730.0	867.1	1,026.7	2.9	2.4	2.1	22.3	17.0	12.5	18.0	12	36
SBI Life Insurance	Buy	1,785	1,900	6	1,788.4	20.9	59.5	68.0	76.9	701.3	824.2	965.1	2.5	2.2	1.8	17.5	13.5	10.1	17.9	14	23

Valuations after factoring 20% holdco discount

Events Calendar May 2025

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun
12 May	**13 May**	**14 May**	**15 May**	**16 May**	**17 May**	**18 May**
Tata Steel Ltd	Bharti Airtel Cipla Honeywell Automation	LMW Hindustan Aeronautics Hitachi Energy Ltd Indian Hume Pipe Co Kirloskar Oil Engines Ltd RITES Ltd Shree Cement Tata Power Company Brigade Enterprises	Allied Blenders & Distill. CESC Ltd Crompton NCC Ltd	BHEL Emami Solar Industries India		
19 May	**20 May**	**21 May**	**22 May**	**23 May**	**24 May**	**25 May**
Bharat Electronics Gujarat Gas Petronet LNG	Hindalco Industries	Colgate Palmolive (India) National Aluminium Company Rail Vikas Nigam TeamLease Services		JSW Steel	JK Cement	
26 May	**27 May**	**28 May**	**29 May**	**30 May**	**31 May**	
		Cummins India				

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