

# INVESTOR CONFERENCE TAKEWAYS

30 July 2025

#### Significant interest in India among ASEAN funds

We attended the Maybank\*\* investor conference in KL in July 2025.
 +vely surprised by level of interest in India among ASEAN funds

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- We understand that many of them have a mandate to look at India and expect to invest directly/indirectly over the next 12-24 months
- The meetings threw up a wide range of questions (see inside). We conveyed our positive view both on India and on domestic themes

BOB Capital Markets took part in Maybank's Investor conference in Kuala Lumpur, Malaysia in the first half of July 2025. We presented our outlook on Indian macro, equity markets and top picks.

We were pleasantly surprised by the number of funds who were interested in India. We met about 30 funds in 12 back-to-back meetings over 2 days. Many funds were from Malaysia and the ASEAN region. We also met several Malaysian arms of Global funds.

We met funds (1) who have been investing in India for a while now, (2) who are actively evaluating investing in India and had some understanding of it (3) who were completely new to the India story but were looking to enter in the medium term.

Many of them were focused on investing in ASEAN countries and now have an expanded mandate to invest in India. Interestingly some of them who were not active investors in India had already attended investor conferences on India in the not-too-distant past with some of our Global broking peers.

We could make out that India Equities as an asset class had become too big for these entities to ignore. Besides, MSCI India had outperformed MSCI EM and the MSCI ASEAN indices in USD terms not only in the last 10 years but for even longer periods (Fig 1)

We pitched the top-down India investment story, explaining shorter term macro and market related events, and giving sector and stock picks (they are in the presentation that follows). Most of the interest was in the top large cap names and select midcaps especially in the EMS space.

Many were interested in the upcoming IPOs of the NSE, Reliance Jio, LG Electronics, etc. And among the listed space there was interest in Banks, Autos, consumer and EMS stocks.

\*\* BOBCAPS has a research distribution and marketing tie up with Maybank





Fig 1 – MSCI India has outperformed both MSCI ASEAN as well MSCI EM in the last 10 years in USD terms

						ANNU	ALIZED					
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr <sub>M</sub>	Since ay 31, 1994	Div Yld (%)	P/E	P/E Fwd	P/BV
MSCI India	3.44	9.73	2.28	6.55	16.54	18.88	9.54	8.32	1.16	26.71	22.93	3.84
MSCI Emerging Markets	6.14	12.20	15.97	15.57	10.23	7.26	5.23	5.66	2.61	15.06	12.68	1.89
MSCI ACWI IMI	4.58	11.78	16.42	10.11	17.36	13.92	10.24	8.17	1.85	22.15	18.37	3.01
IDEV DEDEODMANOE	CDOCC	DETUD	NC (%	\	20. 201	)E\			FUNDAM	ENTAL	. / IIIN 20	2025
NDEX PERFORMANCE -	- GROSS	RETUR	NS (%	) (JUN	30, 202		ALIZED		FUNDAM	ENTALS	(JUN 30	, 2025
NDEX PERFORMANCE -	- GROSS	RETUR 3 Mo	NS (%	) (JUN <sub>YTD</sub>	30, 202 3 Yr			Since ec 30, 1994	FUNDAM Div Yld (%)	ENTALS	(JUN 30	, <b>202</b> 5
NDEX PERFORMANCE -			•			ANNU		Since ec 30, 1994 1.77			,	
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr D		Div Yld (%)	P/E	P/E Fwd	P/BV

We have an overweight stance on BFSI, Auto, Cement and Pharma. We have been underweight on IT and neutral on most other sectors. Among the stocks we pitched as Buys include, ICICI Bank, HDFC Bank, SBI, HDFC Life Insurance, Ultratech, Lupin.

Among the questions we faced (in no particular order)

- Why did India GDP growth and earnings decelerate in FY25 and what is the outlook going forward?
- Why did India market fall last year?

Hindustan Unilever and ITC.

- Policy + Political stability and political landscape. Center and state dynamics.
- What will be the NIM trajectory post the rate cuts by RBI?
- Where does one find value in Indian equities today?
- What is Apple planning to do in India?
- How is the progress of Production Linked Incentive plan in India, and will it continue?
- How is Electronics Manufacturing services doing in India?
- What is the tariff situation of India with US? When is a deal likely to be concluded?
- Indian Pharma impact of US tariffs
- What is the policy regarding Chinese investments in India?
- Why is the private capex so low?
- Why is the Government selling stakes in state owned companies?
- Liquidity situation in India.
- Are Indian households over leveraged?
- Sustainability of domestic liquidity into equities

#### **INVESTOR CONFERENCE TAKEWAYS**



- Impact of Amazon's entry into Quick Commerce
- Private Banks vs State Owned Banks. Who is doing better?
- 2 wheelers or 4 wheelers in the auto sector?
- What are local funds doing? How much cash are they holding?
- View on Indian property and healthcare sectors?
- What is the ownership pattern in India?
- Why are foreigners not so positive on India off late?
- How are the IPOs doing?
- Why is ICICIBC outperforming HDFCB?
- MSCI India or Nifty which index is better?
- Are there any companies in the 7-11 retail format?



# **Top Picks** 2025





# **AUTO**

# **Industry Snapshot**



#### **Industry Snapshot**

- Tilt towards premiumisation continues in 2-W/4-W, base segment revival awaited: Auto Industry drive towards premiumisation continues to gain traction as focus in all the major segments stays on high-end products leaving headroom for safeguarding margins (against EV impact). Additionally, investments in alternate fuel source vehicles largely electric vehicles stay as top priorities of the automotive segment specifically in 2-Wheelers, and Passenger vehicles.
- Commercial vehicle segment looking for steady recovery: The budgetary announcements will help commercial vehicles segment that is currently in a lull in gathering pace and is expected to deliver lower/mid-single digit growth ~3-5% alongside 3-wheeler segment. Further, the postponed replacement demand in the pandemic phase will help growth traction. The tractor segment is poised for ~7-10% YoY with positive bias following healthy monsoon forecast.
- Revival in rural demand very encouraging: With expected normal monsoon, continued policy framework and steady recovery following the pandemic bodes well for the rural demand recovery. The recent indication suggests affordability increasing in rural segment over urban segment. This bodes well for MSIL compact car segment (contribute 50% of the volume), while HMCL's 100-110 cc segment growth is also encouraging.
- Healthy earnings to assist alternate fuel investments: The healthy earnings in the core ICE segment and steady/strong margins trajectory has assisted major OEMs targeting alternate fuel (majorly Electric Vehicle) investments. Investments in the EV segment will impact the earnings/margin profile of these companies. However, OEMs with steady/strong earnings trajectory will be able to absorb these drag as the overall impact will be mitigated by strong core earnings.
- Robust product pipeline keeping up excitement in the lull phase: Auto OEMs have strong launch plans going forward. M&M's "Vision" platform, set for unveiling on 15 Aug'25, anchors 7 ICE SUVs, 5 BEVs, and 5 LCVs by CY30, with 30k+ BEV bookings on launch day. AL launched SAATHI LCV and five products in Q4FY25, showcasing an electric Port Terminal Tractor and 15m bus at Bharat Mobility Expo. MSIL's 1mn-unit Gujarat plant MoU by FY29 bolsters capacity for steady demand revival.
- Capacity expansion and product launches without impact on balance sheet health: M&M is setting up a 1.2L p.a. platform in Chakan, adding 3k units for Thar Roxx/XUV3XO, targeting 69k units by FY26, with a greenfield plant planned for FY28 and Rs 7.5-8.5bn capex in FY26. MSIL's Kharkoda plant (250k units/year) started in Q4FY25, with a 1mn-unit Gujarat plant by FY29 (Rs 350bn capex) and Manesar at 0.9mn/year.



# MM: Healthy performance to continue



#### Rationale:

- Market Share Gains and Volume Growth- For the full year ended FY25, MM'S SUV revenue market share
  increased by 210bps, tractor market share increased by 170bps, while the LCV market share increased by
  290bps YoY. Overall margins improved by 110bps and 210bps for auto and farm segment respectively as
  commodities cost were under control.
- Product launch and future outlook- MM is going to unveil a new platform "Vision" on 15th August 2025 and
  has revamped their launch pipeline which now includes 7 ICE SUVs (5 new SUVs), 5 BEVs, 5 LCVs (3 ICE
  and 2 EV) spread over the years till CY30. Initial response for BEV portfolio has been strong with 30k+
  bookings on day 1 of the launch.
- Capacity plans: New platform capacity of 1.2L p.a. is being setup in Chakan along with capacity increase of 3k units for Thar Roxx and XUV3XO. MM expects to have exit capacity of FY26 of 69k and new greenfield plant for FY28 is in planning.
- MM FES segment is poised for a positive trajectory: Farm Equipment segment is on track for strong growth aided by above normal monsoon predictions. Furthermore, focus on key global market like USA, Turkey and Brazil will drive export growth. There has been a consistent revival on LCV side, Last Mile Mobility (LMM), maintains it market leadership position with focus on new launches. Automotive business contributed 78.9% to the revenue.
- LMM segment also picking up well: MM's LCV market share increased by 2.9% share in FY25 while the industry had a negative 3% CAGR. LMM had a dominant market share at 42.9% with total sales of 108k units.
- SML ISUZU acquisition at healthy valuations to add market dominance: The recent SML ISUZU acquisition, will lead to MM acquiring a 59% stake in SML only helps further consolidation of its market share in the segment. The combined market share with SML at 6% in the >3.5T Commercial Vehicle (CV)., is estimated to take MM at the No.4 OEM. SML's 16% market share in Light CV (LCV)/Integrated CV (ICV) buses, combined with M&M will reach 21% (strong presence in ILCV).
- Healthy Balance Sheet helps to walk the growth path smoothly: MM's strong balance sheet with average
  cash on the book ~ Rs300-400bn in the next two years facilitating expansion projects smoothly without any
  financial stress. This alongside the healthy performance of MM's subsidiaries add comfort.

#### Valuations:

- Factoring in the healthy outlook from the Automotive and FES segment following healthy monsoons and 9M performance we pencil in a 3Y EBITDA/PAT CAGR of 20%/17%.
- We continue to value MM's core business at 24x 1-year P/E, a 10% premium to its long-term average (22x) resulting in a SOTP-based target price of Rs 3,689. This includes Rs 347/share as the value of subsidiaries. We assign BUY rating (upside of 32%) and upward bias to our earnings estimates.

Price	Target	Rating	Upside
3,230	3,689	BUY	15%

#### Financial highlights

Y/E 31 Mar	FY25P	FY26E	FY27E
Total revenue (Rs mn)	11,64,837	13,06,400	14,91,038
EBITDA (Rs mn)	1,62,747	1,93,888	2,22,525
Adj. net profit (Rs mn)	1,18,550	1,52,573	1,70,307
Adj. EPS (Rs)	98.9	127.3	142.1
Adj. ROAE (%)	20.8	22.5	20.9
Adj. P/E (x)	32.4	25.2	22.5
EV/EBITDA (x)	22.5	19.2	16.5
Adj. EPS growth (%)	10.6	28.7	11.6

#### **Profitability and Return ratios**

Y/E 31 Mar	FY23A	FY24A	FY25P	FY26E	FY27E
YoY growth (%)					
Revenue	47.9	16.2	17.9	12.2	14.1
EBITDA	51.4	21.3	28.5	19.1	14.8
Adjusted EPS	37.6	63.7	10.6	28.7	11.6
Profitability & Return ratios (%)					
EBITDA margin	12.3	12.8	14.0	14.8	14.9
EBIT margin	11.6	13.8	13.7	14.9	14.8
Adjusted profit margin	7.7	10.9	10.2	11.7	11.4
Adjusted ROAE	15.9	22.4	20.8	22.5	20.9
ROCE	16.9	21.0	20.4	22.2	20.8

Y/E 31 Mar (x)	FY23A	FY24A	FY25P	FY26E	FY27E
EV/Sales	4.4	3.8	3.2	2.8	2.5
EV/EBITDA	35.6	29.6	22.5	19.2	16.5
Adjusted P/E	55.3	33.8	32.4	25.2	22.5
P/BV	8.3	6.9	5.9	4.9	4.1



# Financials



Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Total revenue	8,49,603	9,87,634	11,64,837	13,06,400	14,91,038
EBITDA	1,04,424	1,26,662	1,62,747	1,93,888	2,22,525
Depreciation	31,545	34,389	42.268	38,585	42.018
EBIT	98,331	1,36,217	1,59,006	1,95,070	2,20,170
Net interest inc./(exp.)	(2,728)	(1,388)	(2,505)	(2,549)	(2,803)
Other inc./(exp.)	25,452	43.944	38.527	39.767	39.664
Exceptional items	(14,295)	0	0	0	0
EBT	81,308	1,34,830	1,56,501	1,92,522	2,17,367
Income taxes	15,821	27,652	37,952	39.948	47.060
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	51,191	1,07,178	1,18,550	1,52,573	1,70,307
Adjustments	14,295	0	0	0	1,10,001
Adjusted net profit	65,486	1,07,178	1,18,550	1,52,573	1,70,307
Balance Sheet	EV00 *	F)/0.44	FWOFF	F)/00F	F)/2
Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Accounts payables	1,81,336	1,99,990	2,37,160	2,71,235	3,09,361
Other current liabilities	59,797	60,729	87,342	48,688	62,752
Provisions	18,139	18,714	22,689	2,176	2,394
Debt funds	50,255	20,365	16,818	14,583	11,199
Other liabilities	0	0	0	0	0
Equity capital	5,991	5,996	6,004	5,996	5,996
Reserves & surplus	4,27,577	5,16,770	6,09,847	7,36,527	8,81,674
Shareholders' fund	4,33,567	5,22,766	6,15,851	7,42,524	8,87,670
Total liab. and equities	7,43,095	8,22,563	9,79,860	10,79,205	12,73,376
Cash and cash eq.	44,818	55,259	1,07,906	48,307	87,824
Accounts receivables	40,417	45,495	57,256	65,320	74,552
Inventories	88,814	95,048	1,03,333	1,37,172	1,52,831
Other current assets	1,15,271	1,29,520	1,37,755	2,09,024	2,38,566
Investments	2,70,871	2,99,954	3,54,680	3,95,098	4,87,786
Net fixed assets	1,88,106	1,94,378	1,98,549	2,19,964	2,27,945
CWIP	9,503	18,460	37,010	20,950	20,500
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(14,703)	(15,551)	(16,629)	(16,629)	(16,629)
Other assets	0	0	0	0	0
Total assets	7,43,095	8,22,563	9,79,860	10,79,205	12,73,376
Cash Flows					
Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Cash flow from operations	74,304	90,834	1,59,263	10,578	1,67,832
Capital expenditures	(33,485)	(49,619)	(64,988)	(43,940)	(49,550)
Change in investments	(19,773)	(29,083)	(54,726)	(40,418)	(92,688)
Other investing cash flows	25,452	43,944	38,527	39,767	39,664
Cash flow from investing	(27,806)	(34,758)	(81,187)	(44,591)	(1,02,575)
Equities issued/Others	968	800	(787)	(8)	0
Debt raised/repaid	(17,080)	(29,891)	(3,547)	(2,235)	(3,384)
Interest expenses	(2,728)	(1,388)	(2,505)	(2,549)	(2,803)
Dividends paid	(19,469)	(25,160)	(25,160)	(25,160)	(25,160)
Other financing cash flows	8.963	7,229	1,560	(733)	(20,100)
Cash flow from financing	(29,347)	(48,410)	(30,438)	(30,684)	(31,347)
Chain cash & cash ea	17.152	7.666	47.637	(64,697)	33,911

Per Share Y/E 31 Mar (Rs)	FY23A	FY24A	FY25P	FY26E	FY27E
Reported EPS	54.7	89.5	98.9	127.3	142.1
Adjusted EPS	54.7	89.5	98.9	127.3	142.1
Dividend per share	16.3	21.0	21.0	21.0	21.0
Book value per share	361.9	436.3	514.0	619.8	740.9
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Valuations Ratios					
Y/E 31 Mar (x)	FY23A	FY24A	FY25P	FY26E	FY27E
EV/Sales	4.4	3.8	3.2	2.8	2.5
EV/EBITDA	35.6	29.6	22.5	19.2	16.5
Adjusted P/E	55.3	33.8	32.4	25.2	22.5
P/BV	8.3	6.9	5.9	4.9	4.1
DuPont Analysis	EV00A	EV044	EVOED	FVOCE	EV07E
Y/E 31 Mar (%) Tou hunder (Not profit/DDT)	<b>FY23A</b> 63.0	<b>FY24A</b> 79.5	75.8	79.3	<b>FY27E</b> 78.4
Tax burden (Net profit/PBT)	82.7	99.0	98.4	98.7	98.7
Interest burden (PBT/EBIT)	11.6	13.8	13.7	14.9	14.8
EBIT margin (EBIT/Revenue)	180.6	192.3	198.1	188.0	180.1
Asset turnover (Rev./Avg TA)		1.1			
Leverage (Avg TA/Avg Equity)	1.1	22.4	1.0 20.8	1.0 22.5	1.0 20.9
Adjusted ROAE	12.4	22.4	20.0	22.5	20.9
Ratio Analysis					
Y/E 31 Mar	FY23A	FY24A	FY25P	FY26E	FY27E
YoY growth (%)					
Revenue	47.9	16.2	17.9	12.2	14.1
EBITDA	51.4	21.3	28.5	19.1	14.8
Adjusted EPS	37.6	63.7	10.6	28.7	11.6
Profitability & Return ratios (%)					
EBITDA margin	12.3	12.8	14.0	14.8	14.9
EBIT margin	11.6	13.8	13.7	14.9	14.8
Adjusted profit margin	7.7	10.9	10.2	11.7	11.4
Adjusted ROAE	15.9	22.4	20.8	22.5	20.9
ROCE	16.9	21.0	20.4	22.2	20.8
Working capital days (days)					
Receivables	15	16	16	17	17
Inventory	32	34	31	34	35
Payables	90	94	92	96	96
Ratios (x)					
Gross asset turnover	0.5	0.4	0.4	0.4	0.4
Current ratio	1.1	1.2	1.2	1.4	1.5
Necturiter extropraeria @ DOMAPS Research   Note: TA = Total Assets	(36.0)	(98.2)	(63.5)	(76.5)	(78.5)
Additional adultable with a	0.4	0.0	0.0	0.0	0.0

0.1

0.0

Adjusted debt/equity

(31,347) 33,911

87,824

47,637

1,07,906

(64,697)

48,307

7,666

55,259

17,152

44,818

Chg in cash & cash eq. Closing cash & cash eq.

0.0

0.0



## MSIL: Leadership well deserved



#### **Key Rationale:**

- Volume driven by exports: MSIL sold 2.23mn vehicles in FY25, up 4.6% YoY (vs. 2.13mn units in FY24), despite being on strong base driven by higher SUV sales. MSIL sold 1.9mn units in the domestic market, up 2.7% YoY and up 18% YoY of export sales at 0.3mn with export comprising ~15% of sales. MSIL observed rural markets doing better than urban markets with a continuing trend of upper segments doing better than lower segments.
- Capacity Expansion: The plant in Kharkoda (Phase 1,250k units/year) began commercial production in March 2025, adding 0.3mn units of capacity and was commissioned in Q4FY25. MSIL has signed an MoU with the Gujarat government to set up a 1mn unit plant by FY29 and has earmarked Rs 350bn of capex. This is besides the additional facility at Manesar (Q1FY25), increasing the capacity to 0.9mn/year. MSIL also increased the capacity of Ertiga and the supply of CNG vehicles.
- Electric Vehicle segment: MSIL unveiled its first e-SUV, the e-Vitara at the Bharat Mobility Global Expo 2025. It comes with efficient battery pack to deliver 500km for 61kwh in a single charge. E-Vitara will have OEM sales and exports to about 100 countries. MSIL is preparing about 1,500 EV-enabled service workshops covering 1000+ cities with specially trained manpower and equipment to address all EV-related support. However, with the current disturbance due to earth minerals supply from China this may be postponed.
- Exports: Exports were the key driver of growth and with focus on newer regions MSIL has charted a 20% growth expected in FY26.
- Corporate Developments: Amalgamation of Suzuki Motor Gujarat (SMG) with MSIL approved on 29 Jan'25, effective 1 April'25, pending regulatory approval. Stock levels normalized to 28 days by end of Q4FY25.
   CAFE norms under discussion, likely to be finalized in 1-2 months.

#### Valuations:

- Our three-year Revenue/ EBITDA/PAT CAGR is healthy at 14%/14%/10%. Our gross margin assumptions hover at ~29% with EBITDA margin of ~12% over FY25E-FY27E. We factor in an upbeat growth outlook backed by MSIL's focus on premiumisation, healthy capex and thrust on electric vehicles (average of 1 EV launch till FY30). The recent revival in rural affordability only augurs well for MSIL.
- We maintain our BUY rating as we continue to value MSIL at 25x P/E 1-year forward earnings (on par with its 10Y average), and arrive at a target price of Rs 13,806.

Price	Target	Rating	Upside
12,734	13,806	Buy	9%

#### **Financial highlights**

Y/E 31 Mar	FY25P	FY26E	FY27E
Total revenue (Rs mn)	15,19,001	16,80,387	18,61,196
EBITDA (Rs mn)	1,77,852	2,06,046	2,36,206
Adj. net profit (Rs mn)	1,39,552	1,59,150	1,78,360
Adj. EPS (Rs)	443.9	506.2	567.3
Adj. ROAE (%)	14.9	15.1	15.1
Adj. P/E (x)	26.4	23.1	20.6
EV/EBITDA (x)	20.0	17.1	15.0
Adj. EPS growth (%)	5.6	14.0	12.1

#### **Profitability and Return ratios**

Y/E 31 Mar	FY23A	FY24A	FY25P	FY26E	FY27E
YoY growth (%)					
Revenue	33.1	19.9	7.8	10.6	10.8
EBITDA	93.1	49.0	8.4	15.9	14.6
Adjusted EPS	113.7	57.7	5.6	14.0	12.1
Profitability & Return ratios (%)					
EBITDA margin	9.4	11.6	11.7	12.3	12.7
EBIT margin	8.8	12.2	12.8	13.2	13.3
Adjusted profit margin	6.8	9.4	9.2	9.5	9.6
Adjusted ROAE	14.1	15.7	14.9	15.1	15.1
ROCE	13.5	17.4	15.1	15.4	15.6

Y/E 31 Mar (x)	FY23A	FY24A	FY25P	FY26E	FY27E
EV/Sales	3.0	2.5	2.3	2.1	1.9
EV/EBITDA	31.7	21.5	20.0	17.1	15.0
Adjusted P/E	43.9	27.8	26.4	23.1	20.6
P/BV	5.9	4.4	3.9	3.5	3.1



## Financials



FY25P

443.9

443.9

135.0

2,977.4

FY26E

506.2

506.2

153.9

3,347.2

FY27E

567.3

567.3

175.4

3,747.0

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Total revenue	11,75,229	14,09,326	15,19,001	16,80,387	18,61,196
EBITDA	1,10,077	1,64,011	1,77,852	2,06,046	2,36,206
Depreciation	28,233	30,223	31,593	35,840	40,040
EBİT	1,03,457	1,72,336	1,93,763	2,21,593	2,48,030
Net interest inc./(exp.)	(1,866)	(1,932)	(1,931)	(2,075)	(2,017)
Other inc./(exp.)	21,613	38.548	47.504	51.387	51.864
Exceptional items	0	0	0	0	0
EBT	1,01,591	1,70,404	1,91,832	2,19,518	2,46,013
Income taxes	21,099	38,310	52,280	60,367	67,654
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	80.492	1,32,094	1.39.552	1,59,150	1.78.360
Adjustments	0	0	0	0	0
Adjusted net profit	80,492	1,32,094	1,39,552	1,59,150	1,78,360
Balance Sheet					
Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Accounts payables	1,51,982	1,88,798	1,98,993	1,99,308	2,33,421
Other current liabilities	27,163	27,914	53.565	62.544	55,207
Provisions	10,500	13,514	15,683	3,957	4,352
Debt funds	38,322	32.802	34.583	24,715	17,558
Other liabilities	0	0	04,505	0	0 17,000
Equity capital	1,510	1,572	1,572	1,572	1,572
Reserves & surplus	6,02,311	8,38,249	9,34,513	10,50,800	11,76,489
Shareholders' fund	6,03,821	8,39,821	9,36,085	10,52,372	11,78,061
Total liab. and equities	8,31,788	11,02,849	12,38,908	13,42,896	14.88.599
Cash and cash eq.	377	4,600	4,464	3,366	2,081
Accounts receivables	32.958	46,013	39,225	42,850	47,461
Inventories	42,838	41,196	62,760	68,056	75,378
Other current assets	55.324	65,019	86.181	71.051	76,565
Investments	4,77,564	6,85,137	7,45,063	8,36,063	9,37,063
Net fixed assets	1,78,938	1.87.258	2,27,086	2.51.246	2,71,206
CWIP	28,081	63,034	77,575	75,000	85,000
Intangible assets	20,001	05,054	0	0	05,000
Deferred tax assets, net	3,411	1,124	(12,911)	(14,202)	(15,622)
Other assets	12,296	9,467	9,467	9,467	9,467
Total assets	8,31,787	11,02,848	12,38,909	13,42,896	14,88,599
Cash Flows					
Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Cash flow from operations	91.473	1,43,761	1.23.788	1,45,305	1,74,242
	(68,785)	(73,496)	(85,962)	(57,425)	(70,000)
Capital expenditures Change in investments					
	(69,931)	(2,07,573)	(59,926)	(91,000)	(1,01,000)
Other investing cash flows	21,613	38,548	47,504	51,387	51,864
Cash flow from investing	(1,17,103) 0	(2,42,521)	(98,384) 0	(97,038) 0	(1,19,136)
Equities issued/Others		1,28,405	1.781	-	-
Debt raised/repaid	12,322	(5,520)		(9,867)	(7,158)
Interest expenses	(1,866)	(1,932)	(1,931)	(2,075)	(2,017)
Dividends paid	(18,125)	(27,187)	(42,444)	(48,386)	(55,160)
Other financing cash flows	(1,384)	2,287 96 053	14,035 (28,559)	1,291	1,420 (62,915)

(9,053)

(34,683)

377

Y/E 31 Mar (x)	FY23A	FY24A	FY25P	FY26E	FY27E
EV/Sales	3.0	2.5	2.3	2.1	1.9
EV/EBITDA	31.7	21.5	20.0	17.1	15.0
Adjusted P/E	43.9	27.8	26.4	23.1	20.6
P/BV	5.9	4.4	3.9	3.5	3.1
DuPont Analysis					
Y/E 31 Mar (%)	FY23A	FY24A	FY25P	FY26E	FY27E
Tax burden (Net profit/PBT)	79.2	77.5	72.7	72.5	72.5
Interest burden (PBT/EBIT)	98.2	98.9	99.0	99.1	99.2
EBIT margin (EBIT/Revenue)	8.8	12.2	12.8	13.2	13.3
Asset turnover (Rev./Avg TA)	194.4	186.1	164.8	164.1	163.8
Leverage (Avg TA/Avg Equity)	1.1	1.0	1.0	1.0	1.0
Adjusted ROAE	14.1	18.3	15.7	16.0	16.0
Y/E 31 Mar	FY23A	FY24A	FY25P	FY26E	FY27E
YoY growth (%)					
Revenue	33.1	19.9	7.8	10.6	10.8
Revenue EBITDA	33.1 93.1	19.9 49.0	7.8 8.4	10.6 15.9	10.8 14.6
EBITDA	93.1 113.7	49.0 57.7	8.4 5.6	15.9 14.0	14.6 12.1
EBITDA Adjusted EPS	93.1 113.7 9.4	49.0	8.4	15.9	14.6
EBITDA Adjusted EPS Profitability & Return ratios (%)	93.1 113.7	49.0 57.7	8.4 5.6	15.9 14.0	14.6 12.1
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin	93.1 113.7 9.4	49.0 57.7 11.6	8.4 5.6	15.9 14.0	14.6 12.1 12.7
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin	93.1 113.7 9.4 8.8	49.0 57.7 11.6 12.2	8.4 5.6 11.7 12.8	15.9 14.0 12.3 13.2	14.6 12.1 12.7 13.3
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin	93.1 113.7 9.4 8.8 6.8	49.0 57.7 11.6 12.2 9.4	8.4 5.6 11.7 12.8 9.2	15.9 14.0 12.3 13.2 9.5	14.6 12.1 12.7 13.3 9.6
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE	93.1 113.7 9.4 8.8 6.8 14.1	49.0 57.7 11.6 12.2 9.4 15.7	8.4 5.6 11.7 12.8 9.2 14.9	15.9 14.0 12.3 13.2 9.5 15.1	14.6 12.1 12.7 13.3 9.6 15.1
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE ROCE	93.1 113.7 9.4 8.8 6.8 14.1 13.5	49.0 57.7 11.6 12.2 9.4 15.7 17.4	8.4 5.6 11.7 12.8 9.2 14.9 15.1	15.9 14.0 12.3 13.2 9.5 15.1 15.4	14.6 12.1 12.7 13.3 9.6 15.1 15.6
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE ROCE Working capital days (days)	93.1 113.7 9.4 8.8 6.8 14.1 13.5	49.0 57.7 11.6 12.2 9.4 15.7 17.4	8.4 5.6 11.7 12.8 9.2 14.9 15.1	15.9 14.0 12.3 13.2 9.5 15.1 15.4 9	14.6 12.1 12.7 13.3 9.6 15.1 15.6
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE ROCE Working capital days (days) Receivables	93.1 113.7 9.4 8.8 6.8 14.1 13.5	49.0 57.7 11.6 12.2 9.4 15.7 17.4	8.4 5.6 11.7 12.8 9.2 14.9 15.1	15.9 14.0 12.3 13.2 9.5 15.1 15.4	14.6 12.1 12.7 13.3 9.6 15.1 15.6
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE ROCE Working capital days (days) Receivables Inventory	93.1 113.7 9.4 8.8 6.8 14.1 13.5 8 12 60	49.0 57.7 11.6 12.2 9.4 15.7 17.4 10 11 62	8.4 5.6 11.7 12.8 9.2 14.9 15.1 10 12 65	15.9 14.0 12.3 13.2 9.5 15.1 15.4 9 14 62	14.6 12.1 12.7 13.3 9.6 15.1 15.6 9 14
EBITDA Adjusted EPS Profitability & Return ratios (%) EBITDA margin EBIT margin Adjusted profit margin Adjusted ROAE ROCE Working capital days (days) Receivables Inventory Payables	93.1 113.7 9.4 8.8 6.8 14.1 13.5	49.0 57.7 11.6 12.2 9.4 15.7 17.4	8.4 5.6 11.7 12.8 9.2 14.9 15.1	15.9 14.0 12.3 13.2 9.5 15.1 15.4 9	14.6 12.1 12.7 13.3 9.6 15.1 15.6

0.7

0.1

(55.4)

0.7

0.0

(89.2)

0.7

0.0

(100.3)

0.7

0.0

(106.8)

FY23A

266.5

266.5

60.0

1,998.9

FY24A

420.1

420.1

2,671.2

86.5

Source: Company, BOBCAPS Research | Note: TA = Total Assets

Adjusted debt/equity

Net interest coverage ratio

Current ratio

Per Share Y/E 31 Mar (Rs)

Reported EPS

Adjusted EPS

Dividend per share

Book value per share

(28,559)

(3,155)

4,464

(62,915)

(7,809)

2,081

(59,037)

(10,770)

3,366

96,053

(2,707)

4,600

Cash flow from financing

Chg in cash & cash eq.

Closing cash & cash eq.

0.7

0.0

(123.0)





# **Banks**

30 July 2025



# Banks - Upward Re-Rating Possible



- The system credit growth moderated to 11% in FY25 compared to 16% in FY24 (excluding the impact of the HDFC merger), mainly due to muted corporate credit growth, along with growth moderation in unsecured segment given the stress in MFI, PL and CC space. We expect credit growth to remain moderate at 11-12% YoY in FY26, mainly supported by retail and MSME segments with cautious stance on unsecured and MFI segments.
- RBI frontloaded the rate cuts with 100bps repo rate cut to 5.5% in CY2025 till date. RBI infused Rs. 9.5trn of durable liquidity into the banking system since January 2025. Further, RBI announced CRR cut by 100bps to 3% in four tranches of 25bps each from Sep'25 to Nov'25, which is expected to release liquidity of Rs. 2.5trn and reduce bank's funding cost and speed up transmission thereby supporting credit growth.
- Also, the Indian Budget 2025, has put Rs. 1 trillion of money into the hands of taxpayer through tax breaks. The bumper rate cut coupled with tax breaks are expected to support the borrower to leverage further, thereby augmenting the retail credit growth.
- We estimate NIMs to remain under pressure in FY26, rising out of repricing of assets and liabilities due to rate cut cycle and product mix changes (moving towards more secured loans).
- The cost to income ratio has inched up gradually in the last few years. We expect the operational cost is likely to remain elevated (C-I ratio 50%+) due to higher branch expansion and technology spending.
- Considering the delinquency in unsecured loans for selective banks as others are watchful and have tightened its underwriting filters, credit cost is likely a key risk for banking for ensuing couple of quarters. Private banks are cautious on the MFI segment. Overall, the asset quality is expected to be contained within a narrow band.
- Profitability of the banks have improved in the last few years with return ratios at their peak levels. We expect RoAs to remain in a band with upward bias mainly supported by lower credit costs as asset quality is expected to hold up well which will be partly offset by pressure on NIMs.
- Banks valuations have corrected on account of moderate credit growth, margins pressure, stress on the unsecured segments particularly, MFI segment and higher ownership by FIIs.
- Key Things to watch out for: Rate cut impact on NIMs and profitability, credit growth and stress in unsecured lending particularly Microfinance.
- Our top picks in the large-cap space: ICICIBC (BUY, TP Rs 1,683), HDFCB (BUY, TP Rs 2,298), and SBIN (BUY, TP Rs 989).



## ICICI Bank: Steady Performer



- ICICI Bank's credit growth at ~16% CAGR during FY20-25 has largely outperformed the system CAGR at 12%. The credit growth was largely driven by momentum in the corporate segment while the bank remained cautious in the retail portfolio (PL, LAS and vehicle loan).
- Around 52.8% of the total loans are retail (PL+ credit card constituting ~13% of the total advances). We estimate credit growth to be at a CAGR of ~15% during FY25-FY28E.
- The bank's margins (4.34% in Q1FY26) remained healthy mainly aided by healthy CASA ratio (~41%). With the onset of repo rate cut, NIMs are likely to be impacted in the near term, given 53% of its portfolio is repo-linked, but will largely remain in a narrow range. This is expected to be partially offset by its strong retail franchise as witnessed by its healthy CASA growth of 14% YoY (Jun'25) as compared to mid-single digit growth for large private players.
- ICICI focuses on retail deposits but also build corporate relationships to optimize cost of deposits.
- Asset quality has improved significantly with GNPA ratio below 2% compared to ~7-8% pre-Covid levels. Further, the bank has tightened its underwriting and risk assessment parameters and has calibrated growth in the unsecured loan segment.
- Bank is focusing on its potential to improve non-interest income mainly through transaction banking fees. C/I ratio amongst the best in the industry at ~38% in Q1FY26 (43.5% in FY20).
- Credit cost at 0.54% of loans in Q1FY26 is lowest amongst the large private peers, which also aids in its high return profile with RoA and RoE of 2.4% and 17.1%, respectively in Q1FY26.
- Valuation: We value ICICI to Rs 1,683 set at 2.8x Jun'27E ABV which includes Rs 253/share for its subsidiaries.
- **Key risks:** Sudden delinquency in the retail and SME segments, resulting in higher provision requirements & rising cost of funds.

Price	Target	Rating	Upside
1488	1,683	BUY	13%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	8,11,644	8,90,956	10,50,097
NII growth (%)	9.2	9.8	17.9
Adj. net profit (Rs mn)	4,72,270	5,16,855	6,04,183
EPS (Rs)	66.8	72.6	84.8
Consensus EPS (Rs)	66.8	71.4	81.5
P/E (x)	21.4	19.6	16.8
P/BV (x)	3.5	3.0	2.6
ROA (%)	2.4	2.3	2.3
ROE (%)	17.8	16.5	16.8

#### **DuPont Analysis**

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	4.3	4.1	3.9	4.0	4.1
Non-interest income	1.3	1.4	1.5	1.4	1.4
Operating expenses	2.3	2.1	2.1	2.0	2.0
Pre-provisioning profit	3.4	3.4	3.3	3.4	3.4
Provisions	0.4	0.2	0.3	0.3	0.4
PBT	3.0	3.1	3.0	3.0	3.1
Tax	0.9	0.8	0.7	0.7	0.7
ROA	2.1	2.4	2.3	2.3	2.3
Leverage (x)	7.9	7.5	7.3	7.3	7.3
ROE	16.7	17.8	16.5	16.8	17.1

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	28.5	22.3	20.5	17.5	15.0
P/BV	148.8	135.3	117.2	100.5	84.1
Dividend yield (%)	22.8	27.6	31.6	36.3	41.8



# HDFC Bank: AQ remains pristine; eyes set on growth



- Despite deposit challenges, we expect HDFCB to maintain credit growth of 11%, 13% and 14% in FY26, FY27 and FY28 respectively. The bank is expected to reduce its C-D ratio to pre-merger levels of <90% vs. 95.1% in Q1FY26.</li>
- Change in Balance sheet structure post merger has dragged margins but bank focuses to realign its liability and asset mix. HDFCB has increased its share of retail loans with retail/wholesale mix at 57:43 as of Jun'25 (47:53 as of Jun'23), which is expected to support margins amid pressure from raising deposit growth and lower credit growth. We expect HDFCB to report same levels of NIMs from 3.4% in Q1FY26 to 3.4%-3.7% in FY26-FY28.
- The bank's focus on the retail business through network expansion and investments in technology is likely to keep its C/l ratio higher (~40% vs. 39%: 5Y average), although some moderation may be visible in FY26 as synergy benefits would play out from HDFC merger.
- Bank is well positioned with respect to portfolio quality in the unsecured segment despite industry wide stress.
- Overall asset quality is likely to remain healthy with GNPA/NNPA/PCR of 1.3%/0.36%/72% in FY26E. We expect credit cost to remain below 65bps over FY26-28E.
- While, RoA declined to 1.8% in FY25 but is expected to inch upwards to ~2% levels by FY28.
- The bank is well capitalised to capture market share; CAR is projected to remain strong (currently at 19.9% with CET1 of 17.4%).
- The bank aims to reduce its credit-deposit ratio, with credit growth expected to be aligned with the system in FY26 and surpassing it in FY27.
- Valuation: We have an SOTP-based TP of Rs 2,2198 set at 2.5x Jun'27E ABV, which includes a
  value of Rs 256/sh for the bank's subsidiaries.
- Key risks: Higher competitive intensity, weak demand environment leading to a general slowdown in credit offtake, unexpected asset quality shocks leading to higher credit cost

Price	Target	Rating	Upside
2010	2,298	BUY	14%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	12,26,701	13,03,000	15,30,799
NII growth (%)	13.0	6.2	17.5
Adj. net profit (Rs mn)	6,73,474	7,06,736	8,58,478
EPS (Rs)	88.3	92.4	112.2
Consensus EPS (Rs)	88.3	96.2	111.6
P/E (x)	22.2	21.2	17.4
P/BV (x)	3.0	2.7	2.4
ROA (%)	1.8	1.7	1.9
ROE (%)	14.3	13.4	14.6

#### **DuPont Analysis**

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net interest income	3.6	3.3	3.2	3.3	3.5
Non-interest income	1.6	1.2	1.5	1.6	1.6
Operating expenses	2.1	1.8	1.9	2.0	2.0
Pre-provisioning profit	3.1	2.7	2.7	2.9	3.0
Provisions	0.8	0.3	0.4	0.4	0.4
PBT	2.3	2.4	2.3	2.5	2.6
Tax	0.3	0.6	0.6	0.6	0.7
ROA	2.0	1.8	1.7	1.9	2.0
Leverage (x)	8.4	8.0	7.8	7.8	8.0
ROE	16.9	14.3	13.4	14.6	15.7

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	21.8	22.8	21.8	17.9	14.9
P/BV	103.1	91.4	90.5	74.7	61.8
Dividend yield (%)	28.8	32.6	36.1	40.3	45.5



# SBIN: Growing at scale with healthy return metrics



- SBIN with a credit market share of ~19.4% of system loans in FY25, reported healthy credit growth of 12.4% YoY in FY25 which was marginally above the system levels.
- Management expects credit growth of 12-13% YoY in FY26 which will be supported by its traction in retail and SME segments, and strong corporate lending pipeline of Rs 3.4trn in FY25. The loan growth is expected to be marginally higher than the system and is likely to be aided by its comfortable LDR of 77.4% in FY25 compared to an average of 84.9% for our coverage banks.
- We expect domestic NIMs (3.22%) to be under pressure in FY26, given RBI's rate cuts, but will be partly
  cushioned by its lower share of repo-linked loans (~29%). Management expects to maintain NIMs at ~3% in
  FY26.
- Operating efficiency improved with C/I ratio falling to 53.3% (-1.8% QoQ) driven by operating leverage.
   Further, the bank guided for C/I ratio <51% level in FY26.</li>
- Asset quality improved with GNPA and NNPA ratios falling to 1.82% (-25bps QoQ) and 0.47% (-6bps QoQ), respectively. SBI's AQ was also supported by its lowest slippages ratio among our coverage banks at 0.6% in FY25.
- Further, a non-NPA provision of Rs 305bn (155% of NNPA or 73bps of net advances) as of FY25 provides a cushion against any sudden rise in stress.
- SBIN guided for RoA/RoE of >1%/15% in the ensuing periods vs 1.1%/17.3% in FY25. The profitability is
  expected to be aided by its treasury profits, recovery from TWO (Rs 80bn in FY25 and O/S pool of Rs 1.7trn
  as of Mar'25) & lower credit costs (0.4% in FY25 vs. 1.8% in FY21).
- Capital ratios remain comfortable with CET I of 10.8% and CRAR of 14.3% in FY25, supported by healthy
  return ratios and moderate credit growth.
- While system credit growth is moderating, we believe SBIN to deliver healthy credit growth supported by its strong liability franchise and stable AQ along with steady return profile.
- Given SBIN's healthy performance, we have a TP of Rs 989, assigning P/ABV of 1.3x FY27E, which includes Rs 245/share for its subsidiaries
- Key risks: Any sudden rise in delinquency in retail and SME segments, resulting in higher provision requirements

Price	Target	Rating	Upside
797	989	BUY	24%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
NII (Rs mn)	16,69,651	17,90,405	21,10,487
NII growth (%)	4.4	7.2	17.9
Adj. net profit (Rs mn)	7,09,006	7,24,604	8,58,181
EPS (Rs)	79.4	81.2	96.2
Consensus EPS (Rs)	78.6	80.0	89.1
P/E (x)	10.1	9.9	8.3
P/BV (x)	1.6	1.4	1.3
ROA (%)	1.1	1.0	1.1
ROE (%)	17.3	15.4	16.1

#### **DuPont Analysis**

Y/E 31 Mar (%)	FY23A	FY24A	FY25A	FY26E	FY27E
Net interest income	3.1	2.7	2.6	2.5	2.7
Non-interest income	0.8	0.9	1.0	0.9	0.9
Operating expenses	2.0	2.1	1.8	1.8	1.8
Pre-provisioning profit	1.8	1.5	1.7	1.7	1.8
Provisions	0.3	0.1	0.2	0.3	0.3
PBT	1.5	1.4	1.5	1.4	1.5
Tax	0.4	0.4	0.4	0.4	0.4
ROA	1.1	1.0	1.1	1.0	1.1
Leverage (x)	17.0	16.6	15.7	15.0	14.8
ROE	19.3	17.3	17.3	15.4	16.1

Y/E 31 Mar (x)	FY23A	FY24A	FY25A	FY26E	FY27E
P/E	14.2	11.6	10.0	9.8	8.3
P/BV	2.2	1.9	1.6	1.4	1.3
Dividend yield (%)	1.4	1.7	2.0	2.1	2.5





# Cement

30 July 2025

# **Industry Snapshot**



- Cement demand poised for steady growth: India GDP grew by 8.2% in FY'24; expected to grow by 6.5% 7.0% in FY25. Cement demand has a healthy correlation with GDP (1.2x/1.3x GDP growth). Additionally, steady cement demand from housing and infrastructure sectors and government's continued commitment to boost capital expenditure and encourage private sector participation in infrastructure projects also bode well for strong cement demand.
- Supply addition to continue as major companies plan capacity addition: Cement supply ended ~ 551mnt in FY24 and added ~ 28-30mn tonnes by cement major in FY25 taking the total cement supply to 580 mn tonnes. Additionally, given the medium-term plans of companies cement supply is expected to touch ~ 730mn tonnes by FY27-FY28.
- Cement demand supply gap to stay ~150mn tonnes: The demand supply gap is likely to continue at ~ 150mn tonnes in the next 2-3 years though this may wary from region to region. However, with higher supply pressure pricing power is unlikely to return in a haste.
- Pan-India capacity utilization likely to stay ~ 72%-75%: The capacity utilization is likely to stay ~ 72-75% in the next two three years. Effectively, strong pricing power is unlikely to return back with the cement companies in the medium term. However, margins and EBITDA/tonne are well guarded due to focus on improving operating efficiencies (cost saving measures).
- Investment in green energy key cost saving initiative: With limited margin accretion expected from revenues except for strong volume growth, cement major have turned sharp focus on cost saving initiatives. Major investments are in the green energy space as power and fuel cost lead a significant cost ~ 25-30%. Further, with focus on improving logistics with investments in railway siding will further aide cost savings for the companies and maintain EBITDA margin trajectory.
- Consolidation healthy for the industry: The top five manufacturers currently hold ~ 45-50% of the cement supply, with consolidation this is expected to pass 50% and
  poses healthy signs for the industry and crowding out effect will wane and price discovery could be more genuine.
- Ultratech stays top pick and we continue to maintain BUY on Star Cement. We assign SELL rating on TRCL and JKLC.



## UTCEM: Firmly on growth path



#### **Investment Rationale:**

- Healthy performance continues: As the heatwaves induced volume softening subsides demand is expected to rebound post above normal monsoon. Management expects double-digit volume growth for FY26 outpacing the industry growth projection of 6-7%. As per management, prices have had a positive movement improving 1.6% sequentially in Q4FY25 while South has had upticks in April 2025.
- Capacity expansion and strong financial position: UTCEM exited FY25 with 184 mt of capacity including Kesoram and India Cement. UTCEM has guided to increase capacity to ~212mt by FY26/FY27 of which 16.8mt addition is in progress Addition of 10mt of clinker capacity during FY26 is to be done to support cement production. Further brownfield projects are identified in India Cement's network which will be finalized based on demand.
- Capex plans: Capex target for FY26 has been set around Rs90-100bn with Rs70bn earmarked for strategic
  expansions to achieve 212mt capacity. Capex is expected to decline to Rs60-70bn in FY27 as the major
  projects near completion.
- Cost saving aids further earnings boost: Cost savings hit Rs86/t, on track for >Rs300/t by FY27, contributed by better working capital, optimized raw mix, fuel efficiency, and logistics. CC ratio has improved to 1.45 and targeting 1.54 by FY27 to improve raw material efficiency.
- Inorganic growth to assist growth: Full integration of India Cements into Ultratech brand is expected by FY27 while full operational control of Kesoram was taken from 1<sup>st</sup> March, 2025 and rebranding to be done overtime. In the Northeast region focus is on supplying from existing facilities and ramping volume, with an 8.42% stake in Star Cement. UTCEM is open to organic growth opportunities given if viable mines and logistics are in place.

#### Valuations:

- Factoring in the above, our FY24-FY27E EBITDA/PAT CAGR is baked in at 28%/28%.
- UTCEM is well geared for short-term industry challenges, in our view. However, we feel recovery in FY27 to be handy. Further given effective cost management, healthy growth and a strong balance sheet, we assign UTCEM a 18x 1-year forward EV/EBITDA to arrive at a TP of Rs 14,556/sh. We assign a BUY rating on the stock. Despite aggressive capex the balance sheet remains strong and is the key, in addition to strong growth backed by effective EBITDA margins.

Price	Target	Rating	Upside
11,942	14,556	BUY	17%

#### **Financial highlights**

Y/E 31 Mar	FY25P	FY26E	FY27E
Total revenue (Rs mn)	7,18,950	8,51,131	9,69,109
EBITDA (Rs mn)	1,20,959	1,84,444	2,26,349
Adj. net profit (Rs mn)	62,267	92,020	1,17,715
Adj. EPS (Rs)	215.7	318.8	407.8
Adj. ROAE (%)	9.7	12.6	14.6
Adj. P/E (x)	58.3	39.5	30.8
EV/EBITDA (x)	29.7	19.1	15.8
Adj. EPS growth (%)	(1.4)	47.8	27.9

#### **Profitability and Return ratios**

Y/E 31 Mar	FY24A	FY25P	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	11.7	6.5	18.4	13.9	10.1
EBITDA	20.4	1.1	52.5	22.7	12.1
Adjusted EPS	28.5	(1.4)	47.8	27.9	11.2
Profitability & Return ratios (%)					
EBITDA margin	17.4	16.5	21.3	23.0	23.5
EBIT margin	14.2	12.8	17.7	19.3	19.2
Adjusted profit margin	9.4	8.7	10.8	12.1	12.3
Adjusted ROAE	11.3	9.7	12.6	14.6	14.5
ROCE	13.6	10.7	15.6	19.0	19.3

Y/E 31 Mar (x)	FY24A	FY25P	FY26E	FY27E	FY28E
EV/Sales	5.3	5.0	4.1	3.7	3.5
EV/EBITDA	30.0	29.7	19.1	15.8	14.6
Adjusted P/E	57.5	58.3	39.5	30.8	27.7
P/BV	6.2	5.2	4.8	4.3	3.8



# Financials



Income Statement					
Y/E 31 Mar (Rs mn)	FY24A	FY25P	FY26E	FY27E	FY28E
Total revenue	6,75,357	7,18,950	8,51,131	9,69,109	10,67,043
EBITDA	1,19,593	1,20,959	1,84,444	2,26,349	2,53,707
Depreciation	(30,274)	(37,391)	(43,519)	(50,047)	(60,056)
EBIT	95,940	91,964	1,50,533	1,86,560	2,04,630
Net interest inc./(exp.)	(8,668)	(14,653)	(17,952)	(17,531)	(16,917)
Other inc./(exp.)	6,622	8,396	9,609	10,257	10,979
Exceptional items	(720)	(881)	0	0	0
EBT	86,552	76,430	1,32,581	1,69,028	1,87,713
Income taxes	(24,111)	(15,044)	(40,562)	(51,313)	(56,825)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	62,441	61,386	92,020	1,17,715	1,30,888
Adjustments	(720)	(881)	0	0	0
Adjusted net profit	63,161	62,267	92,020	1,17,715	1,30,888

Balance Sheet					
Y/E 31 Mar (Rs mn)	FY24A	FY25P	FY26E	FY27E	FY28E
Accounts payables	1,28,281	1,36,465	1,48,326	1,65,022	1,96,459
Other current liabilities	94,541	85,187	78,320	80,400	82,480
Provisions	8,878	9,393	9,946	10,542	11,184
Debt funds	80,873	2,03,604	1,03,957	73,113	78,298
Other liabilities	64,250	81,976	83,426	84,876	86,326
Equity capital	2,887	2,947	2,887	2,887	2,887
Reserves & surplus	5,81,457	6,93,831	7,60,522	8,47,842	9,46,646
Shareholders' fund	5,84,344	6,96,778	7,63,408	8,50,729	9,49,533
Total liab. and equities	9,61,168	12,13,403	11,87,382	12,64,681	14,04,280
Cash and cash eq.	23,539	54,975	1,40,698	1,81,154	2,26,339
Accounts receivables	34,965	43,778	54,159	64,321	73,744
Inventories	80,358	85,668	1,03,750	1,20,786	1,35,915
Other current assets	83,962	96,719	1,08,188	1,09,270	1,20,197
Investments	71,397	1,18,050	71,397	71,397	71,397
Net fixed assets	4,55,902	6,10,299	6,72,200	6,67,450	6,82,069
CWIP	1,85,035	1,77,155	10,000	23,000	67,000
Intangible assets	26,010	26,760	26,991	27,304	27,617
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	9,61,168	12,13,403	11,87,382	12,64,681	14,04,280

Cash Flows					
Y/E 31 Mar (Rs mn)	FY24A	FY25P	FY26E	FY27E	FY28E
Cash flow from operations	1,42,237	88,004	1,03,567	1,60,304	1,91,074
Capital expenditures	(1,64,673)	(1,84,657)	61,504	(58,610)	(1,18,989)
Change in investments	42,860	(72,652)	16,652	(30,000)	(40,000)
Other investing cash flows	0	0	0	Ô	0
Cash flow from investing	(1,21,813)	(2,57,310)	78,156	(88,610)	(1,58,989)
Equities issued/Others	0	0	0	0	0
Debt raised/repaid	(20,567)	1,22,731	(99,648)	(30,843)	5,185
Interest expenses	9	10	10	10	10
Dividends paid	(10,807)	(25,210)	(26,293)	(30,395)	(32,083)
Other financing cash flows	3,342	77,221	(60)	0	0
Cash flow from financing	(28,032)	1,74,742	(1,26,000)	(61,238)	(26,899)
Chg in cash & cash eq.	(7,608)	5,436	55,723	10,456	5,186
Closing cash & cash eq.	23,539	54,975	1,40,698	1,81,154	2,26,339

Per Share					
Y/E 31 Mar (Rs)	FY24A	FY25P	FY26E	FY27E	FY28E
Reported EPS	216.3	212.7	318.8	407.8	453.4
Adjusted EPS	218.8	215.7	318.8	407.8	453.4
Dividend per share	32.0	77.5	75.0	90.0	95.0
Book value per share	2,024.4	2,413.9	2,644.8	2,947.3	3,289.6

Valuations Ratios					
Y/E 31 Mar (x)	FY24A	FY25P	FY26E	FY27E	FY28E
EV/Sales	5.3	5.0	4.1	3.7	3.5
EV/EBITDA	30.0	29.7	19.1	15.8	14.6
Adjusted P/E	57.5	58.3	39.5	30.8	27.7
P/BV	6.2	5.2	4.8	4.3	3.8

DuPont Analysis					
Y/E 31 Mar (%)	FY24A	FY25P	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	72.1	80.3	69.4	69.6	69.7
Interest burden (PBT/EBIT)	91.0	84.1	88.1	90.6	91.7
EBIT margin (EBIT/Revenue)	14.2	12.8	17.7	19.3	19.2
Asset turnover (Rev./Avg TA)	73.6	66.1	70.9	79.0	80.0
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.6	1.5	1.5
Adjusted ROAE	11.3	9.7	12.6	14.6	14.5

Y/E 31 Mar	FY24A	FY25P	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	11.7	6.5	18.4	13.9	10.1
EBITDA	20.4	1.1	52.5	22.7	12.1
Adjusted EPS	28.5	(1.4)	47.8	27.9	11.2
Profitability & Return ratios (%)					
EBITDA margin	17.4	16.5	21.3	23.0	23.5
EBIT margin	14.2	12.8	17.7	19.3	19.2
Adjusted profit margin	9.4	8.7	10.8	12.1	12.3
Adjusted ROAE	11.3	9.7	12.6	14.6	14.5
ROCE	13.6	10.7	15.6	19.0	19.3
Working capital days (days)					
Receivables	19	22	23	24	25
Inventory	43	43	44	45	46
Payables	83	82	80	80	87
Ratios (x)					
Gross asset turnover	1.0	0.9	0.9	1.0	1.0
Current ratio	1.0	1.2	1.7	1.9	1.9
Net interest coverage ratio	11.1	6.3	8.4	10.6	12.1
Adjusted debt/equity	0.1	0.3	0.1	0.1	0.1

Source: Company, BOBCAPS Research | Note: TA = Total Assets





# **FMCG**

30 July 2025



## Cautious optimism on slower inflation and demand boost



#### Commodity headwinds are easing in FY26e

- On topline, there are tailwinds from rural recovery and positive impact in urban consumption from rise in income due to tax restructuring. Recent updates suggest some recovery in urban as well. Inflation pass through has increased prices, but with other / regional / smaller players following, relative elasticity should be less unfavourable for the FMCG majors
- June 2025 quarter will continue to remain inflationary but the combination of easing commodity costs, duty cuts, continued operating spending cuts by
   FMCG majors, regional payers catching up on pricing and some boost to demand with tax cuts should help overall growth in sales and profits

#### What is the outlook for FY26?

- FMCG companies are increasing prices, reducing grammage and improving cost efficiencies to offset inflation. Spending cuts are also helping, We expect spending cuts to likely reverse in 2HFY26 but slower commodity inflation, and demand boost from both urban and rural markets should help overall results
- Quick commerce will continue to create stress on return on capital. FMCG majors such as HUL, Dabur, Marico with high traditional trade exposure will
  experience an increase in their working capital due to the shift from traditional trade to quick commerce

#### Our view

- The transitory FMCG commodity headwind will likely start to subside by the September 2025 quarter. While inflation will continue; grammage cuts, pricing and demand recovery will be the offsets.
- We are cautiously optimistic on earnings prospects in FY26e and closely monitoring the demand trajectory in both rural and urban markets



# ITC: Fundamentals remain intact amidst short term headwinds



#### **Continued commodity pressure**

- Inflation continues to be a margin headwind for ITC across the businesses.
- 4QFY25 margins were down across FMCG and cigarettes, Cigarette inflation was better managed with margins down only 80bps given the combination of low elasticity and continued focus on premiumisation. FMCG margins were down 275bps.

#### Earnings and our view

- Volume trends will improve sequentially given slight improvement in both rural and urban markets
- Inflation will likely persist until the September to December 2025 quarter, however, margin deterioration will slow over FY26e.
- We expect margin recovery in 4QFY26 although trends will start to improve in 3QFY26 with anniversary of inflation.
- While the current trend is inflationary, and calibrated pricing and mix is gradually offsetting inflation, long term fundamentals remain in cigarette (share gains from illicit trade) and FMCG businesses (scale up).

#### Key risks

i) Input cost inflation; ii) Weak recovery in rural/urban; iii) increase in tobacco taxes

Price	Target	Rating	Upside
410	515	BUY	26%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	753,233	829,346	900,332
EBITDA (Rs mn)	259,782	288,794	324,906
Adj. net profit (Rs mn)	197,306	221,239	245,304
Adj. EPS (Rs)	16.1	17.7	19.6
Consensus EPS (Rs)	16.1	17.6	19.3
Adj. ROAE (%)	28.5	29.4	30.5
Adj. P/E (x)	25.5	23.2	20.9
EV/EBITDA (x)	19.7	17.7	15.7
Adj. EPS growth (%)	(2.3)	10.0	10.9
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#### **Profitability and return ratios**

Y/E 31 Mar	FY23A	FY24A	FY25A	FY26E	FY27E
YoY growth (%)					
Revenue	16.9	(0.1)	6.3	10.1	8.6
EBITDA	24.2	2.3	(1.1)	11.2	12.5
Adjusted EPS	22.4	6.5	(2.3)	10.0	10.9
Profitability & Return ratios (%)					
EBITDA margin	36.2	37.0	34.5	34.8	36.1
EBIT margin	33.6	34.5	32.3	32.6	33.8
Adjusted profit margin	27.4	29.3	26.6	26.7	27.2
Adjusted ROAE	27.9	27.7	28.5	29.4	30.5
ROCE	34.3	32.6	34.5	36.0	37.8

Y/E 31 Mar (x)	FY23A	FY24A	FY25A	FY26E	FY27E
EV/Sales	7.2	7.2	6.8	6.2	5.7
EV/EBITDA	19.9	19.5	19.7	17.7	15.7
Adjusted P/E	26.6	24.9	25.5	23.2	20.9
P/BV	7.3	6.8	7.2	6.8	6.3



### HUVR: LT fundamentals remain



#### **Continued commodity pressure**

Both rural and urban demand is improving while commodity pressure continues for HUVR

#### Earnings and our view

- HUVR is focused on investing into the business to drive volumes. The company is optimistic on macro tailwinds (tax restructuring, rural, low inflation) and is looking to increase market share amidst a growing demand backdrop. With increased spending we expect markets share and volume performance to improve sequentially. This investment has resulted in a downgrade to the EBITDA margin guidance from the earlier 23%-24% to 22%-23%. However, this downgrade is mainly applicable for the next 2-3 quarters as the company builds sales momentum..
- Longer term, HUVR stands to benefit from the combination of its rural exposure, to tap into the rising consumption in value segment; and focus on premiumisation, to capture a greater share of the fast growth affluent, and affluent plus consumer segments.
- The new CEO, Ms Priya Nair, takes over from Mr Java on 1 August 2025. She comes from Unilever UK where she headed the Beaty and Wellbeing business. Prior to her UK tenure, Ms Nair has spent 25+ years at Hindustan Unilever.

#### Key risks

i) Stress in underlying volume growth; (ii) slower-than-expected rural/urban recovery; (iii) food inflation; (iv) failed experiment in soaps reformulation

Price	Target	Rating	Upside
2,442	2,713	BUY	11%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	631,210	676,520	729,709
EBITDA (Rs mn)	148,510	157,656	172,194
Adj. net profit (Rs mn)	103,440	108,793	119,398
Adj. EPS (Rs)	44.0	46.3	50.8
Consensus EPS (Rs)	44.0	48.3	53.4
Adj. ROAE (%)	20.5	21.9	24.0
Adj. P/E (x)	55.5	52.7	48.1
EV/EBITDA (x)	38.6	36.2	33.0
Adj. EPS growth (%)	0.7	5.2	9.7

#### **Profitability and return ratios**

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	2.2	2.0	7.2	7.9	7.3
EBITDA	3.6	1.3	6.2	9.2	7.7
Adjusted EPS	0.8	0.7	5.2	9.7	8.0
Profitability & Return ratios (%)					
EBITDA margin	23.7	23.5	23.3	23.6	23.7
EBIT margin	21.7	21.4	21.3	21.6	21.8
Adjusted profit margin	16.6	16.4	16.1	16.4	16.5
Adjusted ROAE	20.2	20.5	21.9	24.0	25.8
ROCE	20.5	21.3	22.7	24.8	26.7

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	9.3	9.1	8.4	7.8	7.3
EV/EBITDA	39.1	38.6	36.2	33.0	30.6
Adjusted P/E	55.9	55.5	52.7	48.1	44.5
P/BV	11.2	11.6	11.6	11.5	11.4





# Insurance

30 July 2025



## Insurance Sector: Poised for Growth



- After going under regulatory overhang for a long period and thereon correction in valuation, the life insurance sector offers an attractive
  medium term investment opportunity. This is primarily driven by stable growth expectations going forward, resilient ROEV and low beta
  driven by a large-cap bias.
- The sector underwent a sharp de-rating since FY20, the period saw successive Union Budget measures and regulatory changes/interventions.
- While the regulatory overhang will be more benign ahead, uncertainty remains in terms of open architecture and banca regulation.
- Going forward, we believe, any cap on the banca channel's contribution not likely to get implemented as this would contradict the Government's objective of 'Insurance for all by 2047'.
- We believe increased levels of disposable income with the middle-class segment, the insurance sector's largest target market, bodes well
  for life and general insurance, given increasing awareness around well-being and protection in the post-COVID era.
- We would like to be selective on the sector with HDFC Life as our top BUY. This is primarily on account of rate-cutting cycle which favors traditional life insurance products, and when combined with a moderate recovery in participating products and growing momentum in pure-protection and annuity offerings, it is expected to support overall growth as ULIP demand softens. We prefer companies with balanced product mix, strong solvency, and a diversified distribution channel.



# HDFC Life Insurance: Sustainable Strong Growth



- Strong APE growth going ahead: HDFC Life has been consistently delivering stable
  performance over the years, supported by its focus on balanced product mix and
  conservative operating assumptions. Despite a moderation in ULIP sales driven by volatile
  capital markets and a high base effect—HDFC Life remains better positioned than its private
  life insurance peers to grow its APE. This is likely to be supported by rising demand for nonparticipating (non-par) savings products amid a steepening yield curve and renewed traction
  in participating products.
- VNB margins: As the company realigned its commission structure in accordance with the new surrender value regulations with relaunch of products, its impact on the VNB margins was restricted to ~30bps vs. earlier expectation of 100bps. Management aims VNB growth to be in-line with APE growth in the medium term.
- Product and distribution mix: Its non-par savings products is likely to pick up given the rate cut cycle. As consumers turn more risk-averse, par products should see modest traction. Channel/distribution mix is skewed towards banca for HDFC Life, however, the contribution from the agency/ agency/direct channel contribution rising is also rising. The company's continued focus on the higher productivity and expanding its agency channel has resulted in higher contribution of agency to its overall APE.
- With ridder attachment to ULIPs along with higher sum assured and longer-term products,
   ULIP margins would also provide support.
- **BUY:** We believe HDFCLIFE is well placed to achieve its APE growth outlook and VNB margin outlook given by the management; aided by better product mix and strong growth momentum. We maintain BUY on HDFCLIFE with TP to Rs 918 (from Rs 900), implying 2.5x in Jun'27 P/EV and continue to prefer HDFCLIFE as our top pick.
- Key risks: i) Changes in regulatory framework, ii) Compression of VNB Margin

Price	Target	Rating	Upside
761	918	BUY	21%

#### **Key Metrics**

Y/E 31 Mar	FY25A	FY26E	FY27E
AUM (Rs mn)	33,62,815	40,84,424	48,82,074
NBP (Rs mn)	3,33,653	3,92,346	4,55,121
APE (Rs mn)	1,54,790	1,86,522	2,20,096
VNB (Rs mn)	39,626	46,589	56,248
VNB margin (%)	25.6	25.9	26.5
Embedded value (Rs mn)	5,54,230	6,43,744	7,50,258
ROEV (%)	16.7	17.0	17.2
ROE (%)	11.7	13.1	12.9
Opex ratio (%)	8.8	7.9	7.8
Cost ratio (%)	19.8	19.0	18.8
Solvency ratio (%)			
EPS (Rs)	8.4	10.3	11.4
BVPS (Rs)	75.0	83.1	92.4
EVPS (Rs)	257.4	299.0	348.5





# **Pharmaceuticals**



## Pharma Sector Update – Positive outlook



#### We have a positive outlook on the sector despite challenges in the US segment like tariff woes and gRevlimid going off patent in Dec'26

#### Domestic segment -

- WPI price hike after 2 years –NPPA has allowed to take WPI price hike of 2% from April '25. We expect the company can take 7-9% price hike in FY26 vs 5-7% hike taken earlier when the WPI price hike was negligible. From our coverage companies, Abbott has the least exposure to NLEM portfolio at 16% of sales.
- Innovator exiting Insulin market Novo Nordisk is exiting pen-based Insulin from the domestic market. Domestic Insulin is a ~Rs 8bn plus market opportunity and currently, competitors like Eris is eyeing to caputire Rs 4bn of the vacated market.
- **US Segment -** The US segment has undergone various challenges like the tariff woes, change of USFDA chief, and cutting drug prices by 30-80%. However, most of the large pharma companies have promised to invest an amount ranging from USD20-50bn over a period of 5 years, given that the US Pharma market size is expected to grow from USD 650 bn to USD 884bn by 2030.
- **Generics** Price erosion pressure in oral solids have eased to mid-single digit. The Generic segment has a good opportunity as patents worth USD 250bn are expiring in 2025. Some of the key drugs to go generic in CY25 are Xarelto (rivaroxaban), Trulicity (dulaglutide), Enbrel (etanercept), etc. Recent news of USFDA to do surprise inspection bodes well for the domestic generic players as it will fasten the process of drug approval. For exampl gSubraxane approval for Cipla and gRivaroxaban approval for Alembic Pharma, Lupin, Biocon and Aurobindo.
- In-licensing deals In CY2025, amidst turbulent times of the tariff war and slashing of prices in the US market, there has been a total of 38 deals so far in 2025 (31 licensing and 7M&A deals) worth ~USD 60bn. Some of the deals are Pfizer and China's 3SBio in Oncology paying USD 1.25bn upfront and another USD 4.8bn, if the developmental milestone is met. Amongst domestic pharma companies, Cipla signed the Taiwan-based Formosa Pharmaceuticals for the commercialization of clobetasol propionate ophthalmic suspension, 0.05% (APP13007).
- Specialty sales With Generics turning extremely competitive, companies are entering into specialty sales. For example, Sun's specialty sales quarterly run rate has increased to USD 300mn from USD 260mn. Lupin is also entering into specialty sales where it has 5 products in the US market and 30+ products in the pipeline. Teva, a generic company in US, is also looking at specialty sales through licensing agreement with Samsung Bioepis for commercialisation of EPYSQLI (eculizumab-aagh).



# Lupin: Exciting new product launches across geographies



A play on good visibility of complex generic pipeline in the US region which includes high market size launches and reducing losses in Adjacencies in the India region which would uplift margins further.

#### Investment rationale

- North America growth to be driven by Complex generics In 4QFY25, in cc terms, the North America sales grew 17% to USD245 mn the highest ever, driven by Mirabegron and gSpiriva, offsetting the decline in Suprep and Albeutrol. Going forward, Lupin expects meaningful contribution from Tolvapton followed by slew of new launches like Glucagon, Risperdal Consta, Liraglutide etc. in H2FY26E.
- India region to grow higher than IPM: Though India region grew by 6.9% in 4QFY25 due to patent expiry in its license product, However, growth would be in double digits in FY26, driven by higher field force expansion (increased from 5k 5 years ago to 10k), increasing chronic share (64% of domestic sales likely to reach 70%), inorganic activities in innovative products and reducing losses in adjacencies. Hence, we expect sales to grow by 11% CAGR from FY25-27 to Rs 92.7bn.
- Catalysts: 1) strong complex product pipeline in North America region, 2) first wave participation in the GLP products, 3) reducing losses in Adjacencies in the India region and 4) fewer competition expected in Tolvaptan post exclusivity.
- Due to a healthy US product pipeline and narrowing of losses in adjacencies, We ascribe a P/E of 27x on Mar 27E EPS of Rs 97 to yield a TP of Rs 2626.

Price	Target	Rating	Upside
1,960	2,626	BUY	34%

#### **Financial Highlights**

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	227,079	256,002	279,398
EBITDA (Rs mn)	52,775	62,511	71,192
Adj. net profit (Rs mn)	32,816	37,845	44,200
Adj. EPS (Rs)	72.5	83.6	97.7
Consensus EPS (Rs)	72.5	83.0	86.9
Adj. ROAE (%)	20.7	21.0	21.9
Adj. P/E (x)	27.7	24.0	20.6
EV/EBITDA (x)	17.6	14.6	12.6
Adj. EPS growth (%)	71.4	15.3	16.8

#### Profitability and return ratios

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E
YoY growth (%)				
Revenue	20.2	13.5	12.7	9.1
EBITDA	111.9	38.5	18.4	13.9
Adjusted EPS	345.1	71.4	15.3	16.8
Profitability & Return ratios (%)				
EBITDA margin	19.0	23.2	24.4	25.5
EBIT margin	13.1	18.1	20.0	21.2
Adjusted profit margin	9.6	14.5	14.8	15.8
Adjusted ROAE	14.2	20.7	21.0	21.9
ROCE	12.4	17.3	17.2	19.0

FY23A	FY24A	FY25A	FY26E	FY27E
5.5	4.7	4.1	3.6	3.2
51.1	24.6	17.6	14.6	12.6
211.5	47.5	27.7	24.0	20.6
7.3	6.4	5.3	4.9	4.2
	5.5 51.1 211.5	5.5 4.7 51.1 24.6 211.5 47.5	5.5         4.7         4.1           51.1         24.6         17.6           211.5         47.5         27.7	5.5     4.7     4.1     3.6       51.1     24.6     17.6     14.6       211.5     47.5     27.7     24.0





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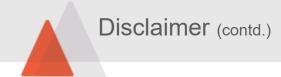
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