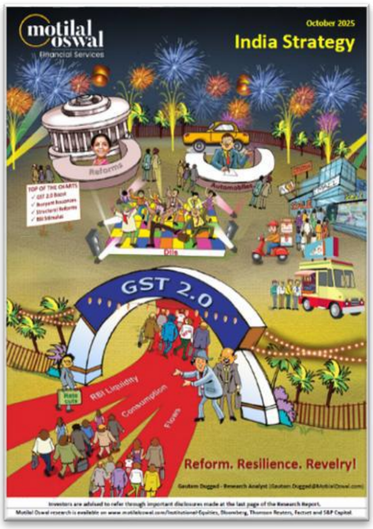
India Strategy

BSE Sensex: 84,563 **Nifty-50: 25,910**

Refer to our Sep'25 quarter preview

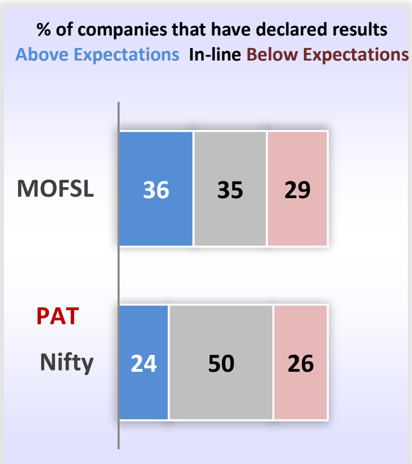


Earnings review 2QFY26: Midcaps standout in a flattish quarter; Nifty EPS sees modest upgrade

Global Cyclicals outperform

- **Corporate earnings – a third consecutive quarter of double-digit earnings growth:** The 2QFY26 corporate earnings concluded on a healthy note, with overall earnings growth driven by OMCs, Telecom, Metals, Technology, NBFCs – Lending, Cement, and Capital Goods. Conversely, Oil & Gas (ex-OMCs), Automobiles (led by Tata Motors), and Banks (Private and PSU) dragged overall profitability.
- **Metals and OMCs propel earnings growth:** The aggregate earnings of the MOFSL Universe companies grew 12% YoY (vs. our est. of 9% YoY) in 2QFY26. Excluding financials, the earnings jump 18% YoY (vs. our est. of 16% YoY), whereas, excluding global commodities (i.e., Metals and O&G), the MOFSL Universe grew 6% YoY (vs. our est. of 6% YoY). The earnings growth was powered by O&G (OMC's profit up 8.9x YoY), which grew 38% YoY, Telecom (loss-to-profit), Metals (profit surged 25% YoY), Technology (8% YoY), and NBFC - Lending (13% YoY). These five sectors contributed 90% of the incremental YoY accretion in earnings in 2QFY26.
- **A sixth successive quarter of single-digit PAT growth for the Nifty-50:** The Nifty delivered a 2% YoY PAT growth (vs. our est. of +5%). **Nifty reported a single-digit earnings growth for the sixth consecutive quarter since the pandemic (Jun'20).** Five Nifty companies – Bharti Airtel, Tata Steel, HDFC Bank, Reliance Industries, and TCS – contributed 300% of the incremental YoY accretion in earnings. Conversely, Tata Motors, ONGC, Coal India, Axis Bank, SBI, Interglobe Aviation, Adani Ent., Power Grid, Sun Pharma, Eternal, HUL, Kotak Mahindra Bank, and Tech Mahindra contributed adversely to the earnings.
- **Large-caps deliver in-line performance, while mid-caps outperform; small-caps report a miss:** Within our MOFSL coverage universe, **large-caps** (88 companies) posted an earnings growth of 10% YoY – similar to the overall universe. **Mid-caps** (97 companies) have extended their streak of the past three quarters and yet again delivered a strong earnings growth of 34% YoY (vs. our est. of 23%). Multiple mid-cap sectors clocked impressive growth; 16 of 22 sectors under coverage delivered a double-digit PAT growth. Oil & Gas, Metals, NBFC – Lending, PSU Banks, and Real Estate were the major growth drivers, which contributed 70% of the incremental YoY accretion to earnings. In contrast**, small-caps** (142 companies) continued to experience weakness and a broad-based miss, with Private Banks, NBFCs (lending and non-lending), Insurance, Oil & Gas, and Retail posting a YoY earnings dip. The small-cap earnings dipped 5% YoY (our est. of 3% growth), with 40% of the coverage universe missing our estimates. Conversely, within the large-cap/mid-cap universes, 19%/22% of the companies missed our estimates.
- **The beat-miss dynamics:** The beat-miss ratio for the MOFSL Universe was favorable, with 36% of the companies exceeding our estimates, while 29% reported a miss at the PAT level. For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has been largely balanced at 0.9x in 2QFY26 (for FY26E), with the earnings of 84 companies having been upgraded by >3%, while the earnings of 98 companies have been downgraded by >3%.

Expectations vs. delivery: 2QFY26



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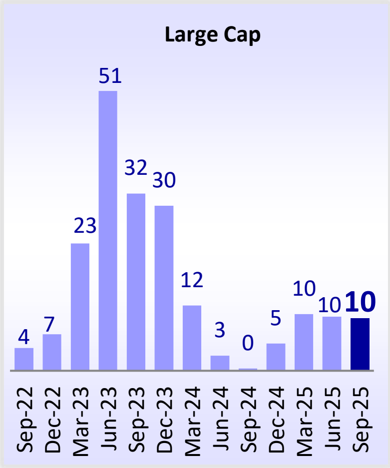
MOFSL Large-cap Universe – PAT growth YoY (%)



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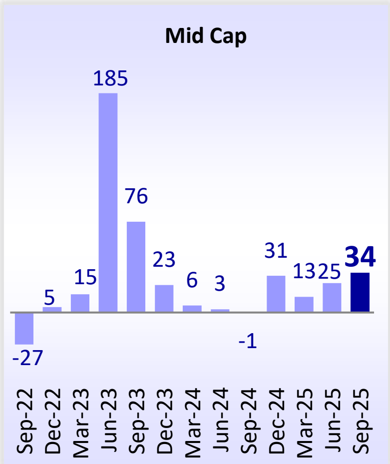
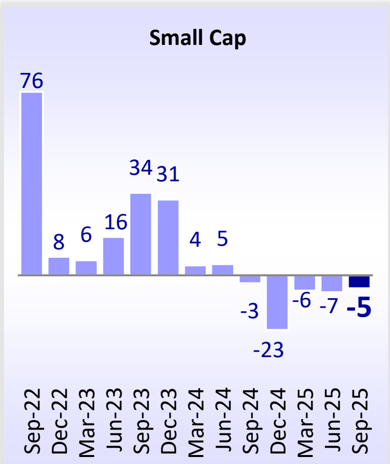


MOFSL Small-cap Universe – PAT growth YoY (%)



- **A story of two halves – 1HFY26 and 2HFY26E:** The MOFSL/Nifty Universes delivered +11%/+5% YoY earnings growth in 1HFY26. Excluding Metals and O&G, MOFSL/Nifty reported 7%/5% YoY earnings growth. For 2HFY26, we expect MOFSL/Nifty earnings to report a growth of 15%/11% YoY. Excluding Metals and O&G, MOFSL/Nifty is expected to report a growth of 16%/11% YoY.
- **FY26E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/ PAT growth of 6%/12%/15% YoY in FY26. The Financials, Oil & Gas, and Metals sectors are projected to be the key growth engines, with 10%, 24%, and 9% YoY earnings growth, respectively. These three sectors are likely to contribute 58% of the incremental YoY accretion in earnings. Further, **we categorized the coverage stocks, based on market capitalization, into large-cap, mid-cap, and small-cap segments**. Notably, our large-cap universe is anticipated to deliver a 12% YoY earnings growth in FY26E, while mid-cap is estimated to deliver 29% YoY growth, and small-cap is estimated to deliver a 25% YoY growth in FY26E.
- **MOFSL Universe estimated PAT experiences an upgrade of 2.3%/0.9% for FY26E/FY27…:** The MOFSL Universe witnessed a rise of 2.3% for FY26, led by Oil & Gas, PSU Banks, Telecom, Insurance, and Metals. The MOFSL Large-cap Universe experienced an upgrade of 2.5% for FY26, while the MOFSL Mid-cap Universe stood out with a 3.4% earnings upgrade for FY26. In contrast, the small-cap universes experienced earnings cuts of 3.9% for FY26.
- **…and Nifty EPS witnesses an upgrade of 1.2%/0.5% for FY26E/FY27E:** The Nifty EPS estimate for FY26 was raised by 1.2% to INR1,109, largely owing to SBI, HDFC Bank, ONGC, Bharti Airtel, and Hindalco. FY27E EPS was also raised by 0.5% to INR1,280 (from INR1,274) due to upgrades in SBI, Tata Steel, Bharti Airtel, HDFC Bank, and ICICI Bank.
- **The top earnings upgrades in FY26E:** SBI (9.3%), ONGC (7.6%), Hindalco (7.2%), Bharti Airtel(7.1%), and Tata Steel (5.8%).
- **The top earnings downgrades in FY26E:** Eternal (-37.9%), Interglobe Aviation (-23.2%), NTPC (-9.2%), Coal India (-6.3%), Power Grid Corp. (-6.1%).
- **Key sectoral highlights –** 1) **Banks:** The banking sector posted a steady quarter, supported by better NIM performance and a healthy pickup in credit growth. Margins were ahead of expectations for most banks, aided by a faster decline in the cost of funds. Several banks have guided for further NIM improvement in 2HFY26, driven by the benefits of the CRR cut, continued deposit re-pricing, and increased loan growth. 2) **NBFC-Lending:** NBFCs reported a mixed performance in 2QFY26 in terms of loan growth and asset quality, with early signs of demand revival visible across the vehicle (PV, Tractors, and 2W) and consumer durables (electronics) segments, while seasonal asset quality pressures persisted, which were more product-specific in nature. 3) **Consumer**: Staple companies witnessed stable demand trends; however, the GST transition and an extended monsoon adversely affected the overall performance during the quarter. The GST impact was more pronounced in personal care categories compared to packaged foods. 4) **Oil & Gas:** Revenue came in line with our estimates. EBITDA was 8% above estimates (up 33% YoY). Excluding OMCs, EBITDA remained in line (up 8% YoY). Adj. PAT was 11% above estimates (up 38% YoY), primarily as OMCs reported strong profitability. Excluding OMCs, APAT was 6% below estimates (-4% YoY). 5) **Technology:** IT companies (within the MOFSL Universe) offered some respite on the already beaten-down expectations in 2QFY26, with median revenue growing 1.5% QoQ CC (-1.1%/-0.6%/+1.7%/+1.6% in 1QFY26/4Q/3Q/2QFY25). 2QFY26 earnings offered some respite, as expectations

Sector Review Compendium

Highlights / Surprise / Guidance… (Page 22 onwards)

were already beaten down and the quarter was seasonally strong. 6) **Metals**: Overall earnings remained decent during 2Q. Ferrous companies' revenue rose 12% YoY despite softer realizations (better-than-expected NSR led the earnings beat), while EBITDA jumped 41% YoY on healthy volume and lower costs. This led to a 2.2x YoY surge in APAT in 2Q for ferrous companies. Non-ferrous companies posted earnings growth led by favorable metal prices and steady volumes.

- **Our view:** The 2QFY26 earnings have generally been in line with our expectations, with the intensity of earnings cuts moderating. Although Indian equities have registered a lackluster performance over the past one year, we continue to emphasize that the Indian markets now appear healthier compared to last year. The earnings cycle is bottoming out, with growth expected to accelerate into double digits. Valuations remain reasonable, with the Nifty trading at 21.2x, near its LPA of 20.8x. Any signs of accelerating earnings growth should support valuation expansion. We believe that the cavalry of measures by the government will help reset the trajectory of corporate earnings, as domestic reforms are expected to continue. Additionally, any resolution of the tariff stalemate will be a key external catalyst, in our opinion. Our model portfolio is more aligned towards domestic names, driven by expectations of a domestic economic rebound. While SMID stocks trade at expensive valuations, we continue to focus on this segment, selectively picking high-conviction SMID names in our portfolio.

Exhibit 1: Our preferred ideas

Company	Map (USDb)	CMP (INR)	EPS (INR)			EPS CAGR (%)	PE (x)			PB (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY25-27	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Preferred large-cap stocks															
Bharti Airtel	144.0	2,099	52.4	67.1	87.4	48.8	40.1	31.3	24.0	8.7	6.7	5.7	24.5	26.4	27.9
ICICI Bank	110.5	1,372	72.8	82.7	95.7	11.3	18.8	16.6	14.3	2.9	2.5	2.2	16.7	16.5	16.5
State Bank	100.6	967	95.5	103.8	120.4	9.3	10.1	9.3	8.0	1.6	1.4	1.2	16.9	15.5	15.4
Larsen & Toubro	61.9	3,995	130.2	154.9	184.9	20.4	30.7	25.8	21.6	5.0	4.4	3.9	17.2	18.1	19.0
Mahindra & Mahindra	51.8	3,694	120.5	144.7	167.6	21.1	30.6	25.5	22.0	6.1	5.1	4.3	21.5	21.8	21.2
Ultratech Cement	39.4	11,864	272.7	350.5	423.9	29.9	43.5	33.8	28.0	4.6	4.2	3.8	11.0	13.0	14.3
Titan Company	38.4	3,824	56.8	67.2	79.5	26.1	67.3	56.9	48.1	22.4	17.6	14.0	37.7	34.7	32.4
Bharat Electronics	35.2	427	8.3	9.9	11.5	16.8	51.3	43.3	37.2	12.4	9.9	8.1	24.2	23.0	21.6
Interglobe Aviation	25.7	5,907	170.6	242.8	274.7	13.6	34.6	24.3	21.5	14.6	9.3	6.6	53.0	46.9	36.0
Tata Steel	24.5	174	9.4	14.2	15.7	105.3	18.5	12.3	11.1	2.2	1.9	1.6	12.3	16.4	15.8
TVS Motor	18.1	3,386	76.2	96.4	121.9	30.0	44.4	35.1	27.8	12.5	9.7	7.5	31.7	31.0	30.5
Tech Mahindra	15.9	1,438	60.1	78.0	86.3	27.6	23.9	18.4	16.7	4.5	4.4	4.2	19.2	24.1	25.8
Max Healthcare	12.0	1,101	18.7	24.3	25.6	26.8	58.9	45.3	43.0	8.8	7.5	6.4	16.0	17.9	16.0
Indian Hotels	11.6	720	13.0	15.7	17.4	16.8	55.4	45.8	41.3	7.9	6.8	5.9	15.4	16.0	15.3
Preferred midcap/smallcap stocks															
Swiggy	11.0	393	-17.2	-8.7	3.8	Loss	-22.8	-44.9	103.4	12.7	15.3	13.0	-45.5	-30.9	13.6
Dixon Tech.	10.5	15,419	174.9	276.9	363.8	53.7	88.2	55.7	42.4	23.2	16.5	12.0	30.0	34.7	32.8
Suzlon Energy	8.9	58	1.4	2.2	2.5	41.7	42.0	26.6	23.3	9.1	6.8	5.2	25.3	29.1	25.3
Jindal Stainless	6.8	738	38.1	44.5	50.3	20.8	19.4	16.6	14.7	3.1	2.7	2.3	16.1	16.0	15.5
Coforge	6.8	1,800	44.7	58.7	74.3	52.7	40.3	30.6	24.2	8.4	7.4	6.4	17.4	20.7	23.5
Page Industries	5.0	39,743	715.4	803.0	911.2	10.9	55.6	49.5	43.6	26.2	22.0	18.6	47.1	44.4	42.7
Radico Khaitan	4.9	3,260	41.9	53.3	65.5	43.8	77.8	61.1	49.8	13.9	11.8	9.9	17.9	19.2	19.9
Kaynes Tech	4.8	6,335	83.3	131.9	194.9	73.5	76.0	48.0	32.5	8.5	7.2	5.9	14.2	16.2	20.0
Delhivery	3.7	437	3.4	6.3	8.3	67.0	127.6	69.7	52.8	3.4	3.2	3.0	2.7	4.7	5.9
V-Mart Retail	0.7	834	15.1	23.9	34.3	203.3	55.3	34.9	24.3	7.1	5.9	4.8	13.8	18.5	21.7
VIP Inds.	0.6	398	2.4	9.3	13.4	LP	166.7	42.9	29.6	8.7	7.2	5.8	5.4	18.3	21.6

Note: LP = Loss to profit; Large-cap, Mid-cap, and Small-cap stocks listed above are as per the SEBI categorization

Aggregate performance in line, anchored by global commodities

- The MOFSL Universe's sales/EBITDA/PBT/PAT grew 8%/10%/13%/12% YoY (vs. our est. of +6%/+8%/+9%/+9%). Excluding Metals and O&G, the MOFSL Universe companies recorded sales/EBITDA/PBT/PAT growth of 9%/5%/7%/6% YoY (vs. est. of +9%/5%/6%/6%) in 2QFY26.
- The earnings growth was powered by O&G (OMC's profit up 8.9x YoY), which grew 38% YoY, Telecom (loss-to-profit), Metals (profit surged 25% YoY), Technology (8% YoY), and NBFC - Lending (13% YoY). These five sectors contributed 90% of the incremental YoY accretion in earnings in 2QFY26.
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded 100bp YoY to 17.4%, primarily aided by the Oil & Gas, Cement, Telecom, Metals, and Consumer Durables sectors but hurt by the Automobiles, Real Estate, Media, and Capital Goods sectors.

Exhibit 2: Sector-wise 2Q performance of the MOFSL Universe companies (INRb)

Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Sep-25	Chg.% QoQ	Chg.% YoY	Var. over Exp. %	Sep-25	Chg.% QoQ	Chg.% YoY	Var. over Exp. %	Sep-25	Chg.% QoQ	Chg.% YoY	Var. over Exp. %	Sep-25	Chg.% QoQ	Chg.% YoY	Var. over Exp. %
Automobiles (26)	3,187	-0.2	4.7	-0.1	320	-15.2	-18.1	-14.6	245	-19.7	-21.3	-20.6	194	-15.6	-12.4	-16.5
Capital Goods (14)	1,112	12.1	13.6	-1.9	138	16.6	10.5	-0.5	140	17.6	16.1	3.8	97	18.4	16.8	3.4
Cement (12)	635	-6.1	20.4	4.7	93	-21.0	65.0	9.7	58	-20.8	100.2	20.3	39	-22.5	91.1	11.0
Chemicals (13)	171	0.6	1.2	-3.5	32	-1.0	4.3	0.8	25	0.5	3.5	2.2	19	-1.9	3.1	2.1
Consumer (21)	939	-3.7	4.2	-1.4	214	-3.6	3.1	1.3	200	-4.8	3.3	0.3	149	-4.8	3.2	0.0
Consumer Durables (5)	185	-7.3	10.4	0.7	19	-0.5	31.3	2.7	18	-3.0	25.1	2.4	13	-2.4	27.4	2.8
EMS (7)	196	5.1	27.2	1.8	11	2.8	33.6	1.7	12	66.1	60.5	57.9	5	-2.7	23.8	-8.7
Financials (65)	4,476	7.5	6.9	1.3	1,864	-4.8	2.4	3.6	1,610	0.7	4.7	5.2	1,212	-0.3	2.2	4.4
Banks-Private (12)	938	0.4	3.1	2.4	703	-14.6	2.0	4.1	545	0.6	-3.3	2.3	413	-4.1	-4.7	2.8
Banks-PSU (6)	899	2.7	1.8	4.4	624	-5.7	-5.7	3.8	552	1.5	2.3	12.0	385	3.5	-2.0	5.5
Insurance (8)	2,034	14.6	8.8	-0.7	65	55.7	8.8	10.3	133	-13.1	24.1	2.8	121	-9.6	24.0	17.2
NBFC - Lending (24)	522	3.8	16.2	1.4	429	9.1	15.9	1.3	335	6.3	18.7	1.0	257	5.6	13.1	0.3
NBFC - Non Lend.(15)	84	8.3	12.5	3.3	44	10.7	8.2	4.4	46	-2.2	-0.6	0.8	36	-0.3	3.4	3.5
Healthcare (27)	974	4.7	11.0	1.6	223	-1.2	5.9	-2.3	182	-1.4	5.3	-3.4	133	-5.3	3.1	-5.8
Infrastructure (3)	35	-21.0	-2.6	-7.0	11	-11.7	7.5	0.2	5	-24.3	-21.0	2.1	3	-35.1	-17.6	-10.5
Logistics (9)	209	4.3	17.7	2.5	74	3.1	22.6	4.4	55	12.8	34.3	8.8	44	1.9	30.3	3.5
Media (3)	50	9.0	9.7	3.5	12	28.0	16.0	15.0	8	-9.6	-4.9	-18.0	6	-12.3	-9.5	-23.6
Metals (11)	3,085	2.5	9.7	5.2	566	-3.6	19.0	7.6	373	-7.7	22.2	13.3	254	-10.3	24.5	13.0
Oil & Gas (14)	7,374	-2.6	4.5	4.0	1,037	3.5	32.9	8.3	733	8.6	40.3	11.1	521	9.4	38.4	10.8
Ex OMCs (11)	3,529	3.6	7.1	3.2	717	2.1	7.7	-1.4	496	7.4	0.7	-4.2	342	8.8	-4.0	-5.8
Real Estate (14)	159	6.8	12.3	-7.8	40	11.7	7.7	-24.1	49	21.3	60.2	-2.1	43	26.8	24.7	-2.2
Retail (24)	708	5.5	18.4	3.5	73	-3.3	15.8	-0.1	38	-9.4	16.8	-5.4	28	-9.9	12.0	-7.8
Staffing (4)	114	5.2	8.6	-0.3	3	7.9	8.1	-6.1	2	3.1	13.0	-19.6	2	-9.9	4.3	-24.7
Technology (16)	2,143	4.5	6.5	0.5	484	8.0	8.0	2.3	448	3.9	6.5	1.5	335	4.5	8.4	2.5
Telecom (5)	799	4.1	18.2	1.6	412	5.4	23.7	2.9	101	42.6	223.1	27.7	35	120.0	LP	53.0
Utilities (8)	755	-6.0	3.8	-10.9	258	-3.3	4.5	-11.0	141	0.2	5.7	0.5	101	-2.2	1.0	-3.3
Others (26)	866	14.4	25.7	9.0	91	-26.9	2.1	-12.7	18	-66.7	2.1	-53.2	7	-84.8	-27.1	-73.2
MOFSL Universe (327)	**28,171**	**1.8**	**8.0**	**1.9**	**5,976**	**-2.2**	**10.2**	**1.8**	**4,461**	**-0.1**	**12.6**	**3.6**	**3,240**	**-1.2**	**11.6**	**2.7**
Ex Financials (262)	**23,695**	**0.8**	**8.2**	**2.0**	**4,111**	**-1.0**	**14.2**	**1.0**	**2,851**	**-0.5**	**17.6**	**2.7**	**2,028**	**-1.6**	**18.1**	**1.8**
Ex Metals & Oil (302)	**17,712**	**3.7**	**9.3**	**0.4**	**4,373**	**-3.3**	**5.0**	**-0.3**	**3,355**	**-0.9**	**7.0**	**1.1**	**2,465**	**-2.1**	**6.1**	**0.3**
Ex OMCs (324)	**24,326**	**3.5**	**9.0**	**1.4**	**5,656**	**-2.7**	**6.6**	**0.3**	**4,224**	**-0.7**	**7.4**	**1.4**	**3,061**	**-1.8**	**6.2**	**0.5**
Nifty (50)	**14,464**	**3.0**	**8.3**	**1.4**	**3,609**	**-5.6**	**5.8**	**-1.6**	**2,728**	**-1.2**	**5.4**	**-0.5**	**1,896**	**-5.6**	**1.9**	**-3.0**
Sensex (30)	**10,922**	**2.5**	**8.1**	**1.0**	**2,924**	**-4.5**	**6.9**	**-1.2**	**2,215**	**-0.3**	**7.2**	**0.3**	**1,541**	**-3.9**	**5.0**	**-2.4**

LP: Loss to profit; PL: Profit to loss

Large-caps deliver in-line earnings growth with the overall universe

- Within our MOFSL coverage universe, large-caps (88 companies) posted an earnings growth of 10% YoY – similar to the overall universe. Large-caps (88 companies) have extended their winning streak with 21 consecutive quarters of earnings growth.
- Multiple large-cap sectors clocked impressive growth; 15 of 19 sectors under coverage delivered a PAT growth. Oil & Gas, Telecom, Metals, Insurance, and Technology were the key drivers of performance, which contributed 98% to the incremental YoY accretion in earnings. In contrast, Automobiles, PSU Banks, and Utilities contributed adversely to the earnings.

Exhibit 3: Sector-wise 2Q performance of the MOFSL Large-cap Universe companies (INR b)

Sector (no of companies)	Sales			EBITDA			PBT			PAT		
	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %
Automobiles (8)	2,454	3.1	0.0	215	-27.5	-20.6	160	-31.8	-28.1	131	-19.7	-22.1
Capital Goods (5)	889	11.8	-3.1	112	6.7	-2.0	115	11.5	2.2	78	11.8	1.4
Cement (4)	427	21.9	4.7	61	55.6	6.6	42	54.3	15.2	29	41.2	7.5
Consumer (10)	751	2.7	-1.9	182	3.6	1.9	171	4.2	0.9	127	4.3	0.6
Consumer Durables (1)	48	5.3	0.3	4	16.9	-3.4	4	14.1	2.1	3	18.9	5.2
Financials (17)	3,511	7.1	1.0	1,438	2.4	2.8	1,319	5.2	5.4	990	3.2	4.7
Banks-Private (4)	741	4.9	2.3	609	6.4	4.3	520	3.1	4.6	393	1.3	5.0
Banks-PSU (4)	742	1.9	4.9	489	-8.9	2.9	448	-0.1	13.2	307	-5.7	4.8
Insurance (3)	1,708	8.7	-0.8	58	9.6	9.3	118	26.5	-0.4	110	28.1	20.7
NBFC - Lending (6)	319	17.6	-0.3	281	16.5	-1.6	232	12.4	-3.0	179	12.3	-3.6
Healthcare (10)	626	13.5	3.0	163	13.1	5.1	141	12.4	3.7	107	11.7	3.1
Logistics (1)	92	29.7	5.9	56	27.0	6.3	43	47.3	15.3	34	38.7	8.1
Metals (7)	2,602	8.6	4.7	487	15.7	5.1	312	15.0	9.6	208	16.2	8.2
Oil & Gas (5)	6,065	5.5	3.1	911	30.7	7.9	632	38.1	11.5	443	35.9	10.5
Ex OMCs (3)	3,227	8.2	3.5	668	9.4	-0.9	445	2.2	-4.0	302	-3.2	-6.5
Real Estate (2)	54	18.3	-4.6	14	15.4	-16.3	18	55.7	9.1	20	9.4	12.6
Retail (3)	401	21.5	6.1	39	19.7	2.5	30	12.8	-0.7	23	12.1	-1.1
Technology (6)	1,893	5.7	0.5	439	7.4	2.7	410	6.0	1.7	307	8.0	3.0
Telecom (2)	603	23.3	1.9	341	27.8	3.4	148	52.1	9.4	85	67.7	3.7
Utilities (3)	647	-2.4	-13.0	213	-4.0	-14.0	121	1.8	0.0	86	-2.5	-6.3
Others (4)	349	44.0	19.7	20	-41.8	-47.5	-16	PL	PL	-18	Loss	PL
MOFSL Large-cap Univ. (88)	**21,411**	**7.5**	**1.6**	**4,696**	**9.0**	**1.3**	**3,650**	**10.2**	**3.4**	**2,652**	**9.5**	**2.5**
Ex-Financials (71)	**17,900**	**7.6**	**1.7**	**3,258**	**12.2**	**0.6**	**2,331**	**13.3**	**2.2**	**1,661**	**13.7**	**1.2**
Ex-Metals & Oil (76)	**12,745**	**8.3**	**0.3**	**3,297**	**3.4**	**-1.0**	**2,706**	**4.8**	**1.0**	**2,001**	**4.5**	**0.3**
Ex-OMC (86)	**18,573**	**8.3**	**1.4**	**4,452**	**5.5**	**-0.3**	**3,463**	**5.3**	**1.0**	**2,511**	**4.3**	**0.0**

Exhibit 4: Top-10 performers in Large-caps for 2QFY26

INR M	Sales			EBITDA			PBT			PAT		
Company	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %
IOC	17,88,797	2.9	-2.7	1,45,832	247.8	50.8	1,00,656	LP	143.0	76,105	LP	145.5
Tata Steel	5,86,893	8.9	3.3	88,965	61.1	4.3	45,921	195.8	3.7	32,699	625.0	17.9
Shree Cement	43,032	15.5	1.5	8,751	47.7	-9.3	4,265	852.8	47.4	2,935	215.1	36.2
BPCL	10,49,125	2.1	13.3	97,772	116.7	31.5	85,955	169.1	39.4	64,425	168.7	39.7
Lupin	70,475	27.1	9.3	21,376	72.8	30.0	17,846	91.0	40.6	13,272	72.8	28.3
United Spirits	31,700	11.5	4.3	6,720	32.5	19.5	6,620	48.1	30.4	4,945	47.6	30.2
Adani Ports	91,675	29.7	5.9	55,503	27.0	6.3	42,855	47.3	15.3	34,170	38.7	8.1
Divis Labs	27,150	16.1	4.1	8,880	24.0	9.8	8,490	22.3	10.2	6,414	30.8	9.6
Apollo Hospitals	63,035	12.8	2.7	9,411	15.4	5.8	6,684	21.2	9.7	4,772	26.0	9.1
Britannia	47,522	4.1	-3.6	9,545	21.8	9.2	8,869	23.4	8.1	6,551	23.2	7.3

Mid-caps continue to outperform and deliver strong earnings growth

- Mid-caps (97 companies) have extended their streak of the past three quarters and yet again delivered a strong earnings growth of 34% YoY (vs. our est. of 23%).
- Multiple mid-cap sectors clocked impressive growth; 16 of 22 sectors under coverage delivered a double-digit PAT growth. Oil & Gas, Metals, NBFC – Lending, PSU Banks, and Real Estate were the major growth drivers, which contributed 70% of the incremental YoY accretion to earnings.

Exhibit 5: Sector-wise 2Q performance of the MOFSL Mid-cap Universe companies (INR b)

Sector (no of companies)	Sales			EBITDA			PBT			PAT		
	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %
Automobiles (10)	482	8.1	-1.4	71	8.3	-2.0	63	8.8	-3.6	47	5.9	-3.9
Capital Goods (4)	86	19.7	0.7	14	39.9	8.7	17	50.7	16.7	12	50.3	17.5
Cement (3)	123	19.6	4.1	20	71.0	13.5	11	150.5	20.2	7	120.9	4.1
Chemicals (2)	55	-2.4	-2.6	13	13.2	6.9	11	10.6	8.1	8	13.1	9.7
Consumer (7)	142	9.7	-0.1	25	0.5	-2.7	24	-0.2	-3.9	18	-0.1	-3.7
Consumer Durables (3)	116	11.1	0.4	13	30.3	3.5	13	21.2	0.9	9	23.2	0.1
EMS (2)	158	30.2	2.6	7	39.5	4.5	11	75.7	95.5	4	34.4	-0.2
Financials (19)	735	7.8	2.0	336	7.7	7.1	237	6.3	5.3	181	7.0	3.9
Banks-Private (4)	142	-2.2	3.1	68	-17.9	4.7	19	-55.6	-30.5	14	-54.7	-28.3
Banks-PSU (2)	157	1.2	2.5	134	8.4	7.2	103	14.4	7.2	78	15.9	8.4
Insurance (3)	270	8.9	-0.5	11	12.3	15.7	14	18.2	52.7	11	3.7	-2.6
NBFC - Lending (5)	127	23.5	5.5	98	27.7	8.5	74	31.6	11.5	56	31.8	11.1
NBFC - Non Lending (5)	39	26.6	3.3	25	30.6	4.6	27	19.2	2.3	21	26.8	5.9
Healthcare (9)	266	6.5	-1.3	44	-13.2	-21.4	31	-18	-25.6	20	-26.0	-32.7
Logistics (2)	36	10.1	2.0	12	7.6	6.0	10	5.2	6.1	7	12.6	5.3
Metals (4)	483	15.7	8.3	78	45.2	25.8	61	79.0	37.1	46	84.4	41.0
Oil & Gas (4)	1,210	-1.0	9.0	110	65.4	13.7	84	79.2	11.2	65	79.0	14.5
Ex OMCs (3)	202	-9.3	-1.3	34	-12.5	-10.1	33	-14.6	-8.7	27	-11.3	-1.9
Real Estate (4)	61	7.6	-5.7	21	4.5	-15.6	27	73.0	12.0	19	42.3	1.3
Retail (4)	132	25.0	1.8	14	22.3	0.3	7	32.6	-0.8	5	33.3	-0.8
Technology (7)	204	15.9	0.1	38	19.7	0.6	32	16.5	-0.8	23	15.2	-1.3
Telecom (3)	196	5.0	0.8	71	7.2	0.3	-47	Loss	Loss	-49	Loss	Loss
Utilities (2)	90	69.4	6.7	37	87.8	7.7	15	26.5	1.3	13	20.1	22.2
Others (8)	402	19.3	4.7	56	39.2	12.6	23	291.5	12.7	17	391.0	28.7
MOFSL Mid-cap Univ. (97)	**4,978**	**9.4**	**3.6**	**980**	**19.2**	**5.2**	**629**	**32.4**	**8.3**	**453**	**33.5**	**8.2**
Ex Financials (78)	**4,242**	**9.6**	**3.9**	**644**	**26.2**	**4.3**	**392**	**55.6**	**10.3**	**272**	**59.8**	**11.2**
Ex Metals & Oil (89)	**3,285**	**12.8**	**1.2**	**791**	**12.8**	**2.5**	**483**	**22.8**	**5.1**	**342**	**23.0**	**3.9**
Ex OMCs (96)	**3,970**	**11.7**	**1.8**	**904**	**13.8**	**3.6**	**578**	**23.8**	**6.8**	**414**	**24.5**	**6.6**

Exhibit 6: Top-10 performers in Mid-caps for 2QFY26

INR M	Sales			EBITDA			PBT			PAT		
Company	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % YoY	Var. over Exp. %
Laurus Labs	16,535	35.1	5.8	4,033	126.1	17.9	2,697	1082.5	40.3	1,940	877.9	37.8
HPCL	10,07,811	0.9	11.4	76,167	175.1	29.0	51,188	512.7	29.4	38,304	506.9	29.4
APL Apollo Tubes	52,063	9.1	-7.9	4,470	223.8	8.4	3,864	455.2	8.4	3,015	460.4	13.1
Hitachi Energy	18,326	17.9	-12.4	2,990	172.5	19.0	3,529	399.8	37.5	2,644	405.6	42.5
Dalmia Bharat	34,170	10.7	-1.5	6,960	60.4	3.9	3,180	335.6	9.3	2,360	329.1	11.1
Suzlon Energy	38,708	84.0	39.0	7,208	145.0	70.6	5,625	179.0	110.3	5,613	179.0	181.6
Biocon	42,960	19.7	3.7	8,350	21.6	-0.2	1,710	72.0	-19.9	910	149.2	30.0
Kaynes Tech	9,062	58.4	-4.0	1,480	80.2	-4.1	1,517	78.6	3.7	1,214	101.7	6.4
Muthoot Finance	39,917	58.5	15.9	32,655	70.5	21.9	31,514	84.5	22.2	23,452	87.4	22.9
Bharat Dynamics	11,470	110.6	61.7	1,875	89.7	32.1	2,876	72.8	30.0	2,159	76.2	31.9

Small-caps report a miss and continue to suffer

- In contrast, small-caps (142 companies) continued to experience weakness and a broad-based miss, with Private Banks, NBFCs (lending and non-lending), Insurance, Oil & Gas, and Retail posting a YoY earnings dip.
- The small-cap earnings dipped 5% YoY (our est. of 3% growth), with 40% of the coverage universe missing our estimates. Conversely, within the large-cap/mid-cap universes, 19%/22% of the companies missed our estimates.

Exhibit 7: Sector-wise 2Q performance of the MOFSL Small-cap Universe companies (INR b)

Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Sep-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	Chg. % YoY	Var. over Exp. %
Automobiles (8)	251	5.6	15	2.0	35	14.1	18	6.8	21	20.0	18	7.7	16	19.4	16	5.0
Capital Goods (5)	137	14.6	22.9	4.9	12	15.6	21.9	3.2	9	16.2	31.7	3.8	6	16.3	31.8	4.3
Cement (5)	85	-3.6	14	5.6	12	-14.5	117	20.5	4	-32.8	LP	112.9	3	-28.1	LP	95.6
Chemicals (11)	116	2.8	3.0	-3.9	19	-2.1	-1.2	-3.1	14	0.9	-1.2	-1.9	10	-3.8	-3.8	-3.3
Consumer (4)	46	4.2	14	3.5	7	0.7	-1	2.6	5	-7.1	-9	-0.8	4	-5.8	-12	-0.6
Consumer Durables (1)	22	5.1	19.5	2.7	2	23.7	104.9	13.6	2	29.9	158.1	18.8	1	29.5	134.7	20.5
EMS (5)	38	-25.5	16	-1.6	3	-19.9	23	-3.6	2	-43.1	3	-29.6	1	-41.3	-1	-28.0
Financials (29)	230	4.1	1.7	2.1	90	0.1	-13.1	3.4	54	14.3	-12.0	-0.8	41	13.4	-28.2	-1.5
Banks-Private (4)	55	-1.7	-6	2.0	26	-14.3	-23	-0.2	7	-4.7	-63	-25.8	5	-1.5	-62	-25.4
Insurance (2)	55	6.7	11.9	1.5	-4	Loss	Loss	9.7	0	-83.7	-73.8	-65.7	0	-88.5	-84.2	-78.8
NBFC - Lending (13)	75	4.8	1	1.8	49	9.3	-4	5.5	29	47.5	49	11.2	21	41.3	-14	9.0
NBFC - Non Lending (10)	45	7.7	2.6	3.3	19	14.5	-12.0	4.2	18	0.0	-20.3	-1.3	15	1.2	-18.6	0.2
Healthcare (8)	83	2.8	8	0.7	16	1.1	2	-5.7	9	2.2	3	-8.5	6	-7.6	0	-20.4
Infrastructure (3)	35	-21.0	-2.6	-7.0	11	-11.7	7.5	0.2	5	-24.3	-21.0	2.1	3	-35.1	-17.6	-10.5
Logistics (6)	81	7.6	10	-0.8	6	-0.4	17	-11.9	2	-27.9	-7	-41.9	2	-31.9	-9	-41.6
Media (3)	50	9.0	9.7	3.5	12	28.0	16.0	15.0	8	-9.6	-4.9	-18.0	6	-12.3	-9.5	-23.6
Oil & Gas (5)	100	5.3	14	2.4	16	-13.1	-5	-3.0	18	7.2	-4	-2.2	14	13.6	-6	3.2
Real Estate (8)	43	9.9	12.1	-14.1	6	5.4	2.6	-52.9	5	12.1	20.7	-54.4	5	10.0	36.8	-42.8
Retail (17)	175	4.7	8	-0.9	20	-4.4	5	-4.9	0	-85.0	118	-82.4	0	PL	PL	-119.4
Staffing (4)	114	5.2	8.6	-0.3	3	7.9	8.1	-6.1	2	3.1	13.0	-19.6	2	-9.9	4.3	-24.7
Technology (3)	45	4.3	2	-0.1	7	4.0	-9	-9.1	7	-3.2	-2	-3.7	5	-3.3	-1	-3.9
Utilities (3)	17	17.7	53.8	-4.8	8	0.6	47.9	1.2	5	0.7	89.0	11.2	3	-11.3	51.3	1.2
Others (14)	115	1.4	5	-3.2	16	-4.8	2	-9.8	11	-14.6	-1	-16.7	8	-21.0	-7	-22.5
MOFSL Small-cap (142)	**1,783**	**3.5**	**9.7**	**0.3**	**300**	**0.4**	**2.7**	**-1.0**	**183**	**1.4**	**3.7**	**-5.9**	**135**	**-0.6**	**-5.4**	**-8.0**
Ex Financials (113)	**1,552**	**3.5**	**11.0**	**0.0**	**209**	**0.5**	**11.5**	**-2.8**	**128**	**-3.2**	**12.2**	**-8.0**	**94**	**-5.6**	**9.7**	**-10.6**
Ex Metals & Oil (137)	**1,683**	**3.4**	**9.5**	**0.1**	**284**	**1.2**	**3.2**	**-0.9**	**165**	**0.9**	**4.6**	**-6.3**	**122**	**-1.9**	**-5.3**	**-9.1**

LP: Loss to profit; PL: Profit to loss

Exhibit 8: Top-10 performers in Small-caps for 2QFY26

INR M Company	Sales			EBITDA			PBT			PAT		
	Sep-25	Chg. % YoY	Var. over Exp. (%)	Sep-25	Chg. % YoY	Var. over Exp. (%)	Sep-25	Chg. % YoY	Var. over Exp. (%)	Sep-25	Chg. % YoY	Var. over Exp. (%)
IIFL Finance	14,390	7.4	0.5	10,570	23.9	14.9	5,567	24.6	27.0	3,763	LP	27.1
Birla Corporation	22,065	13.0	3.3	3,049	72.1	30.9	1,310	LP	159.5	905	LP	139.0
ACME Solar	4,677	80.2	2.6	4,002	81.3	-0.1	1,519	737.2	16.3	1,108	624.4	13.1
Dr Agarwals Health.	4,987	19.7	0.6	1,361	27.3	4.8	537	61.3	4.2	297	79.5	11.0
Syrma SGS Tech.	11,459	37.6	7.5	1,152	62.4	25.1	895	76.6	8.5	641	76.8	12.5
Safari Inds.	5,336	16.5	3.1	740	54.6	7.6	601	58.9	6.7	469	58.0	11.4
CEAT	37,727	14.2	3.8	5,034	38.9	17.4	2,464	52.0	25.8	1,857	52.3	31.2
P N Gadgil Jewellers	21,776	8.8	1.4	1,071	48.6	-13.7	1,092	71.0	8.5	793	49.9	5.2
Avalon Tech	3,825	39.1	15.9	386	28.1	5.3	336	43.3	7.8	250	42.9	7.6
Sunteck Realty	2,524	49.3	13.1	778	108.2	132.0	646	75.3	96.4	490	41.4	79.7

Exhibit 9: PAT increased 12% YoY for the MOFSL Universe

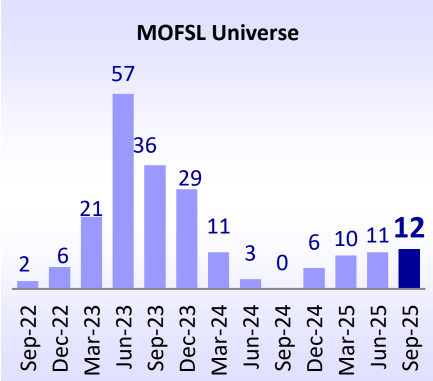


Exhibit 10: PAT was up 18% YoY for the MOFSL Universe, excluding Financials

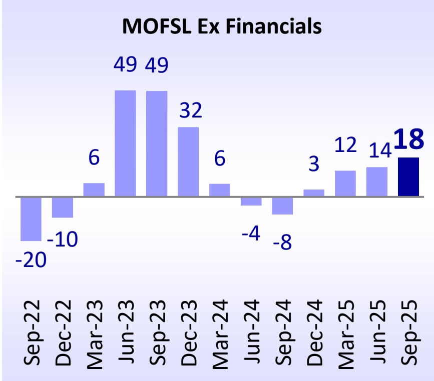


Exhibit 11: PAT rose 6% YoY for the MOFSL Universe, sans Metals & O&G

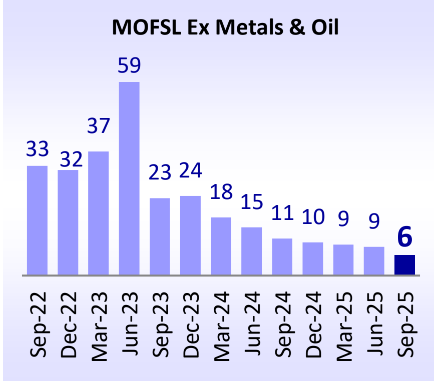


Exhibit 12: PAT growth for the Nifty Universe stood at 2% YoY

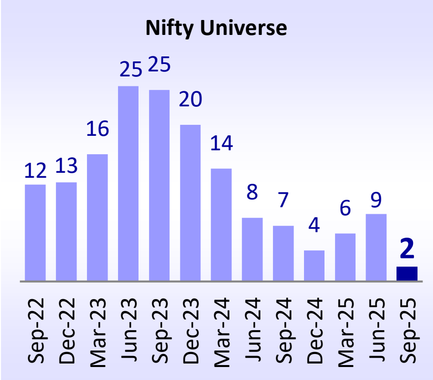


Exhibit 13: PAT for the Nifty Universe, sans Financials, was up 3% YoY

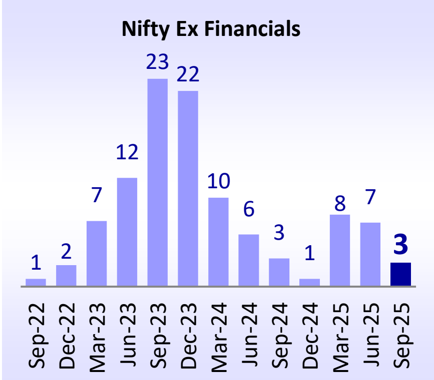
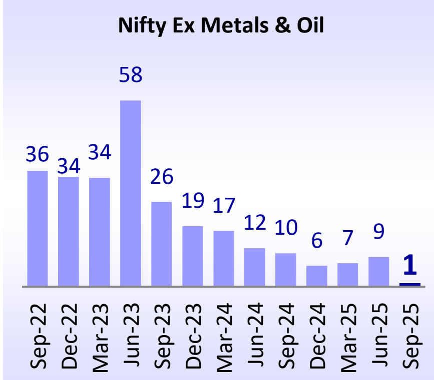


Exhibit 14: PAT inched up 1% YoY for the Nifty Universe, sans Metals & O&G



Earnings upgrade-to-downgrade ratio balanced

- For the MOFSL Universe, the earnings upgrade-to-downgrade ratio has been largely balanced at 0.9x in 2QFY26 (for FY26E), with the earnings of 84 companies having been upgraded by >3%, while the earnings of 98 companies have been downgraded by >3%.
- The beat-miss ratio for the MOFSL Universe was favorable, with 36% of the companies exceeding our estimates, while 29% reported a miss at the PAT level.
- Of the 25 sectors under our coverage, 6/11/8 sectors reported profits above/in line/below our estimates.

Exhibit 15: The upgrade-to-downgrade ratio trend for the MOFSL Universe – the intensity of earnings cuts moderating

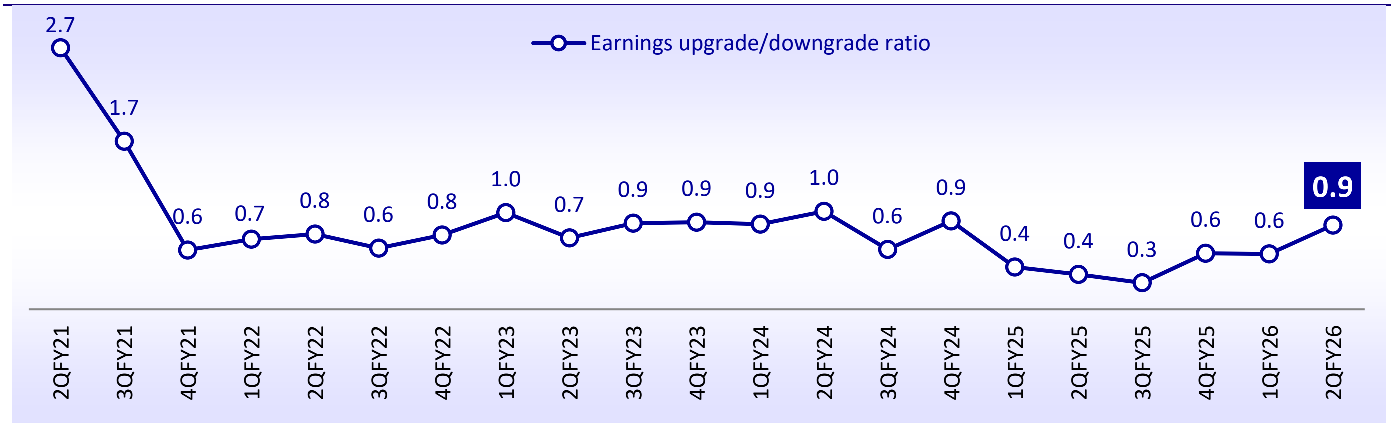


Exhibit 16: Surprise/miss ratio for the MOFSL Universe at 1.2x in 2QFY26

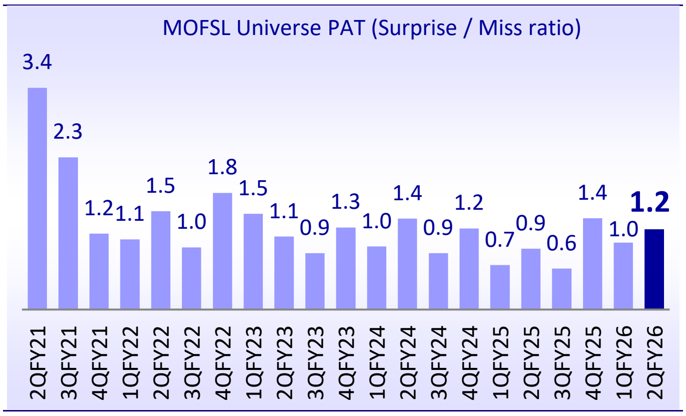


Exhibit 17: Sectoral surprise/miss ratio at 0.8x in 2QFY26 for the MOFSL Universe

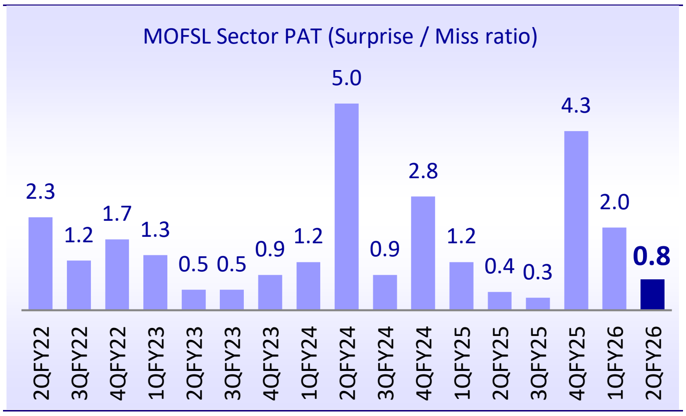


Exhibit 18: Two- and three-year profit CAGR for the MOFSL Universe

	EBITDA (INR b)			CAGR (%)		PBT (INR b)			CAGR (%)		PAT (INR b)			CAGR (%)	
Sector	2QFY23	2QFY24	2QFY26	2-year	3-year	2QFY23	2QFY24	2QFY26	2-year	3-year	2QFY23	2QFY24	2QFY26	2-year	3-year
Automobiles	228	399	320	-10	12	127	302	245	-10	25	97	221	194	-6	26
Capital Goods	93	108	138	13	14	82	102	140	17	20	54	72	97	16	21
Cement	47	78	93	9	25	27	58	58	0	29	20	42	39	-3	25
Chemicals	35	31	32	2	-2	29	24	25	2	-5	24	19	19	0	-8
Consumer	180	205	214	2	6	168	195	200	1	6	128	145	149	2	5
Cons. Durables	10	14	19	19	23	8	13	18	18	29	7	9	13	20	24
EMS	4	4	11	56	44	2	3	12	107	77	2	2	5	49	43
Financials	1,307	1,521	1,864	11	13	1,152	1,339	1,610	10	12	874	1,031	1,212	8	12
Banks-Private	493	604	703	8	13	402	527	545	2	11	301	409	413	0	11
Banks-PSU	498	528	624	9	8	305	411	552	16	22	226	294	385	14	19
Insurance	54	50	65	14	7	223	102	133	14	-16	178	98	121	11	-12
NBFC - Lending	241	314	429	17	21	197	270	335	11	19	150	207	257	11	20
NBFC - Non Lend	21	25	44	33	28	25	28	46	27	23	19	22	36	28	24
Healthcare	154	179	223	12	13	127	143	182	13	13	98	110	133	10	11
Infrastructure	11	12	11	-2	0	6	6	5	-8	-5	4	3	3	-3	-6
Logistics	44	53	74	18	18	29	34	55	27	25	24	29	44	22	22
Media	9	15	12	-10	12	7	12	8	-20	3	5	8	6	-18	6
Metals	374	437	566	14	15	225	264	373	19	18	143	198	254	13	21
Oil & Gas	631	1,128	1,037	-4	18	404	846	733	-7	22	294	614	521	-8	21
Real Estate	21	30	40	17	24	14	24	49	44	53	15	19	43	50	41
Retail	47	60	73	11	16	30	33	38	7	9	22	25	28	6	8
Staffing	3	4	3	-8	2	2	2	2	0	10	2	2	2	-4	3
Technology	390	415	484	8	7	358	381	448	9	8	267	282	335	9	8
Telecom	263	291	412	19	16	-14	-1	101	LP	LP	-41	-40	35	LP	LP
Utilities	211	245	258	3	7	88	119	141	9	17	83	84	101	10	7
Others	63	86	91	3	13	20	33	18	-27	-4	10	25	7	-49	-13
MOFSL Universe	**4,126**	**5,313**	**5,976**	**6**	**13**	**2,890**	**3,933**	**4,461**	**7**	**16**	**2,128**	**2,900**	**3,240**	**6**	**15**

Exhibit 19: Sales for the MOFSL Universe up 8% YoY (est. 6%)

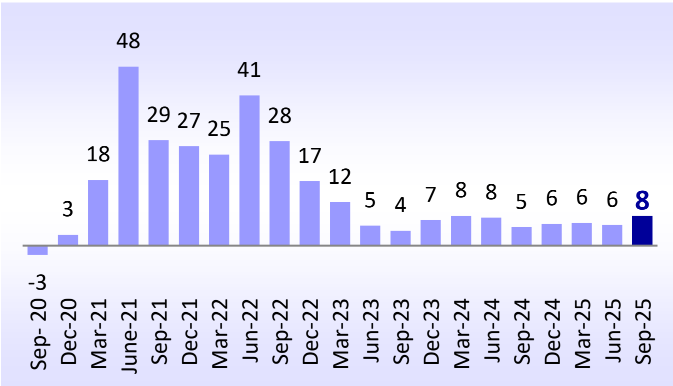


Exhibit 20: EBITDA for the MOFSL Univ. up 10% YoY (est. 8%)

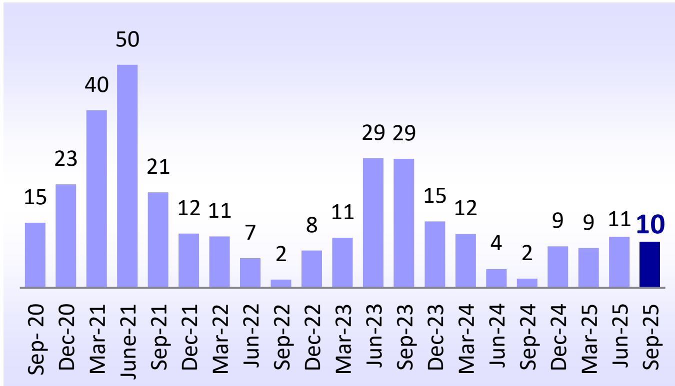


Exhibit 21: PAT for the MOFSL Universe up 12% YoY (est. 9%)

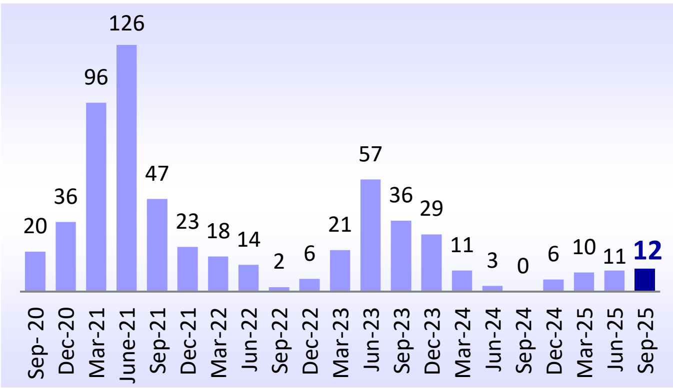


Exhibit 22: EBITDA margin, excluding Financials, expanded 100bp YoY to 17.4%

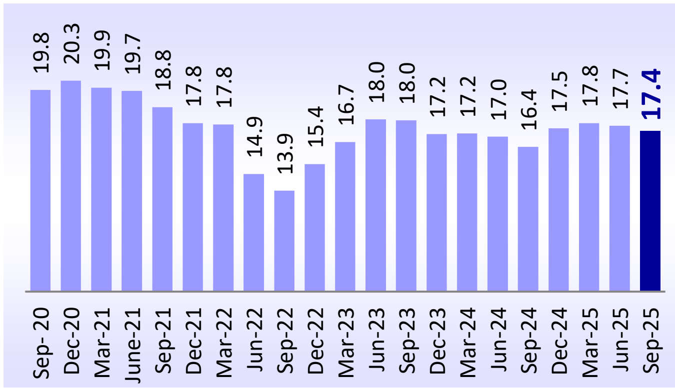


Exhibit 23: MOFSL Universe (ex-Nifty) posted a profit growth of 27% YoY

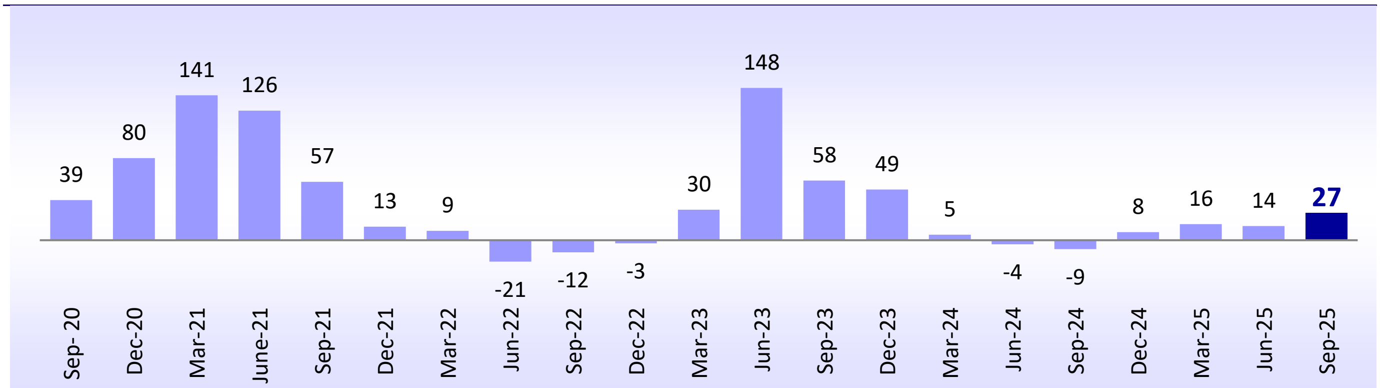


Exhibit 24: Sales growth for the MOFSL Universe, barring Nifty companies, stood at 7% YoY

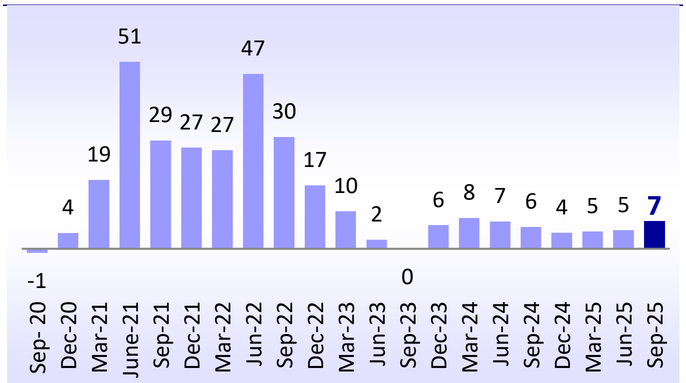
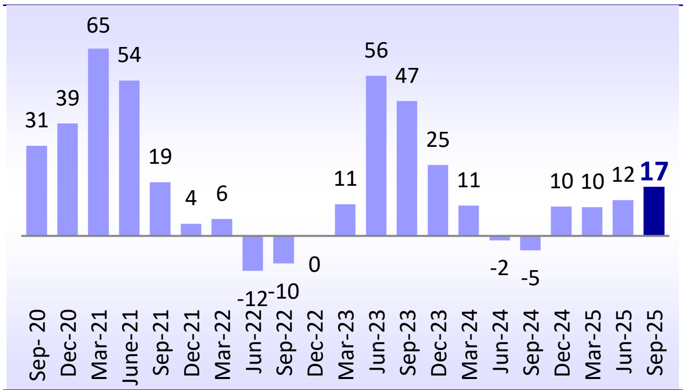


Exhibit 25: EBITDA was up 17% YoY for the MOFSL Universe, excluding Nifty companies



Margin for the heavyweight sectors contract

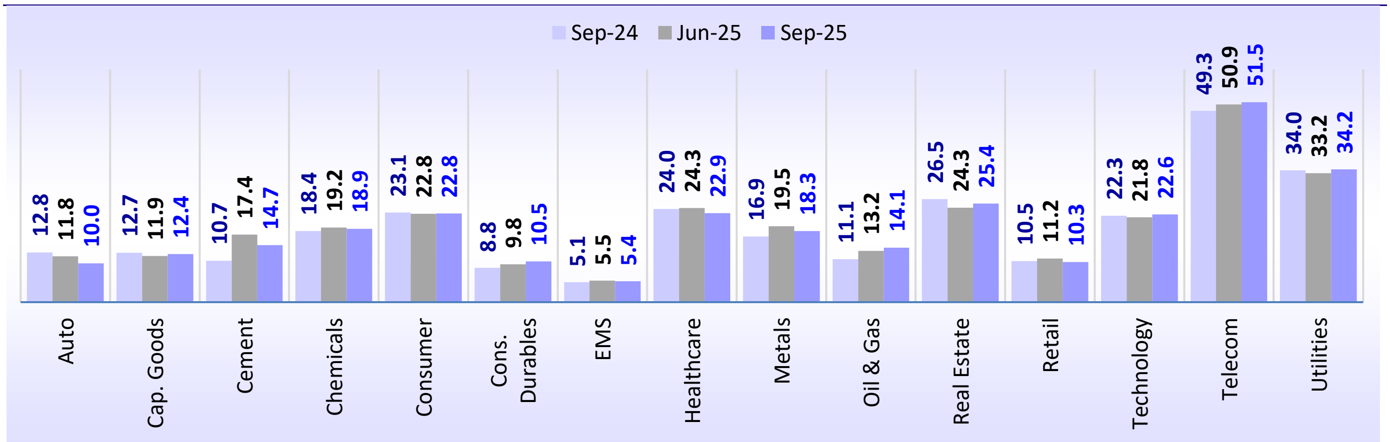
- Sales for the MOFSL Universe companies grew 8% YoY (in line). Excluding Metals and O&G, sales growth was in line at 9% YoY (in line).
- Sectoral sales growth: EMS (27%), Cement (20%), Retail (18%), Telecom (18%), and NBFC – Non-Lending (16%).
- The EBITDA margin of the MOFSL Universe (ex-Financials) expanded by 100bp YoY to 17.4%.
- Gross margins for the heavyweight sectors contracted during the quarter. In 2QFY26, 9 of the 15 major sectors under MOFSL Coverage posted a contraction in gross margin YoY.

Exhibit 26: Gross margin contracted for 60% of the sectors

	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	Change in GM bps YoY
Infrastructure	40.2	51.7	33.0	39.5	42.2	42.0	43.0	39.0	45.8	362
Consumer Durables	27.2	26.6	25.3	25.1	25.8	26.6	25.6	26.3	27.4	167
Real Estate	51.5	53.3	48.8	51.6	48.7	50.4	50.1	45.9	50.3	165
Logistics	48.6	48.9	49.2	48.6	49.3	49.2	50.4	50.6	50.6	137
Utilities	38.0	39.3	39.9	38.6	42.0	40.8	42.0	42.5	42.6	59
Technology	33.8	34.3	34.2	35.0	33.7	34.0	33.8	33.7	34.0	30
Consumer	52.1	52.4	53.1	52.2	51.2	51.0	51.3	49.4	51.0	-15
Metals	49.0	54.6	52.9	40.7	39.9	42.4	41.9	40.2	39.4	-51
Healthcare	65.6	66.0	67.2	68.1	68.2	67.6	68.2	69.0	67.6	-52
Others	42.2	43.3	43.0	45.5	41.7	46.8	45.9	46.4	41.0	-73
Chemicals	53.1	53.9	54.1	52.6	53.1	54.0	52.0	53.2	52.3	-80
Retail	29.9	30.6	28.5	31.2	29.6	29.2	29.9	29.8	28.6	-97
Cement	57.4	60.4	57.7	58.2	63.7	56.7	57.8	58.8	57.1	-663
Oil & Gas	26.3	22.6	23.0	21.5	22.2	23.6	24.3	24.9	13.9	-831
Automobiles	34.0	35.2	35.9	36.2	35.0	35.6	35.3	34.4	26.4	-859

Source: 240 companies that form part of the MOFSL Universe, excluding Financials, Telecom, Media, and Staffing

Exhibit 27: Few sectors recovered YoY in terms of operating margins



Contributions of Oil & Gas in the profit pool at an eight-quarter high

- The Oil & Gas contribution to the profit pool saw an improvement for five consecutive quarters to 16.1% in 2QFY26 – this was at an eight-quarter high.
- The BFSI contribution to the overall MOFSL profit pool has been stable over the last three quarters at 37.4%; it still accounts for more than one-third of the profits.
- The Consumer sector's contribution to the profit pool moderated to 4.6% in 2QFY26 after it climbed to 4.8% in 1QFY26.
- Metal's contribution to the profit pool continues to slip to a four-quarter low of 7.8% in 2QFY26.

Exhibit 28: Financials' contribution stable at 37.4% - accounts for more than one-third of the profits

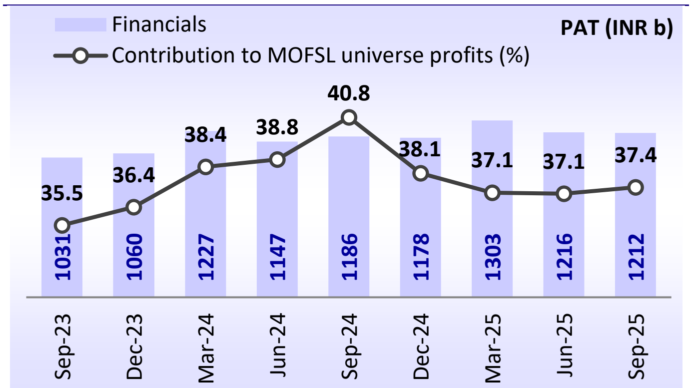


Exhibit 29: The IT sector's contribution to the overall profit pool climbed for the second successive quarter

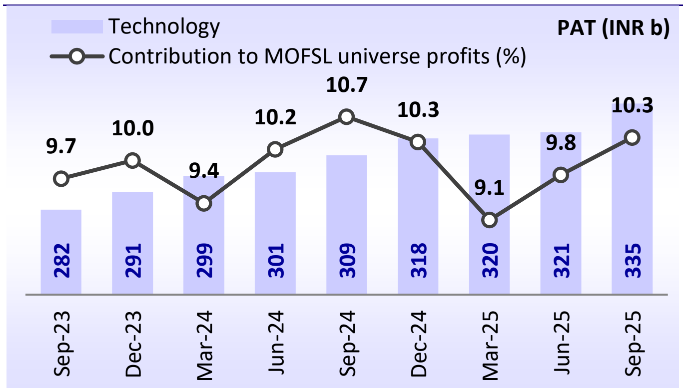


Exhibit 30: O&G's PAT contribution to the overall profit pool at an eight-quarter high

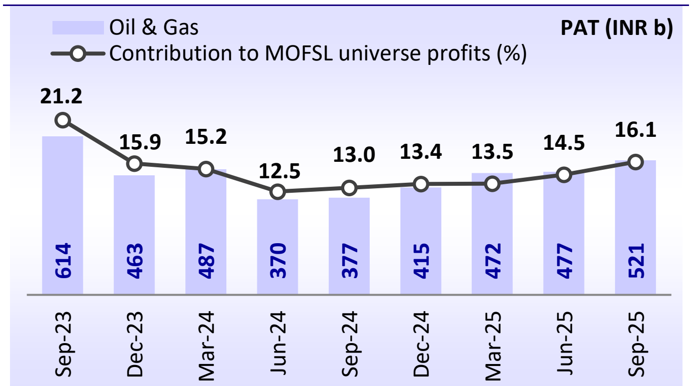


Exhibit 31: Metals' PAT contribution to the MOFSL Universe continued to moderate

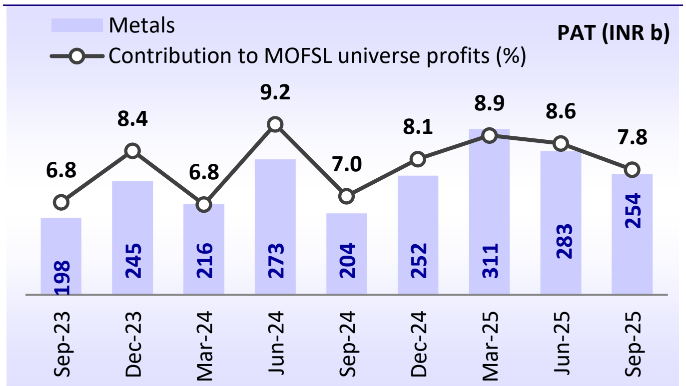


Exhibit 32: Auto sector's contribution to the overall profit pool slips to 12 quarter low of 6%

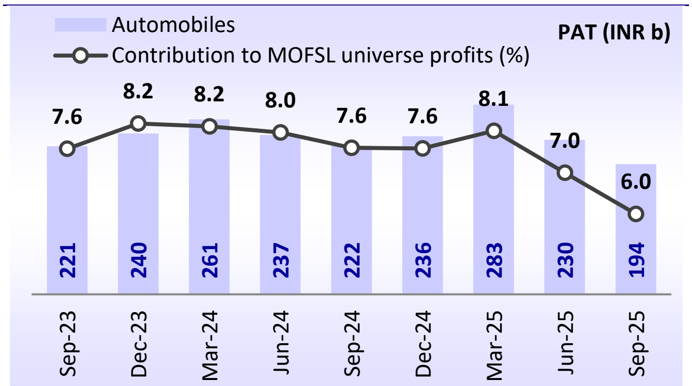
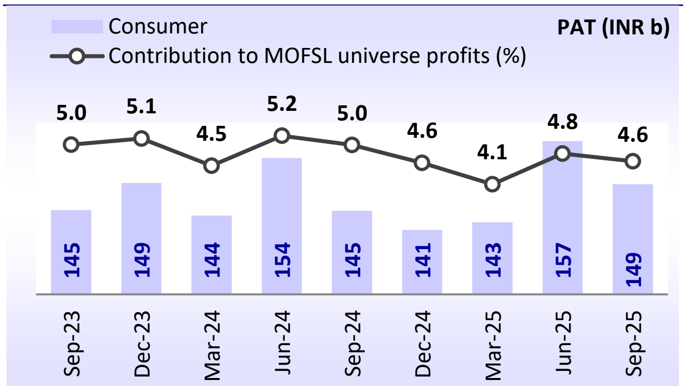


Exhibit 33: Consumer sector's contribution moderated in 2QFY26



A story of two halves: 1HFY26 and 2HFY26E

- The MOFSL Universe delivered an 11% YoY earnings growth in 1HFY26. Excluding Metals and O&G, it reported 7% YoY earnings growth.
- During 1HFY26, out of 25 sectors under our coverage, 21 sectors saw a YoY growth in PAT, while four saw a decline. Telecom (loss-to-profit), Cement (+69%), EMS (+39%), Oil & Gas (+34%), Logistics (+28%), Real Estate (+20%), Retail (+20%), and Capital Goods (+17%) were top gainers. Conversely, Automobiles (-8%), Private Banks (-2%), Infrastructure (-2%), and Others (-1%) were the only laggards.
- For 2HFY26, we expect MOFSL earnings to report a growth of 15% YoY (16% for MOFSL Ex Metals & O&G). This will be contributed by Metals, NBFC - Lending, Banks-Private, Telecom, and Technology.

Exhibit 34: Sector wise 1HFY26 performance (%) – led by O&G and Telecom

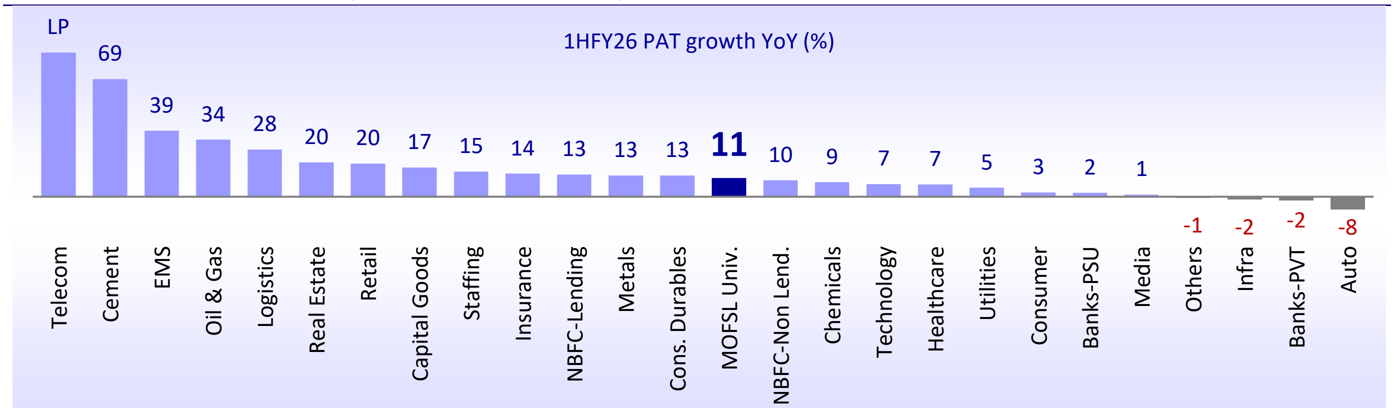


Exhibit 35: Sector wise 2HFY26E performance (%) – Telecom and Cement will continue to be the leaders

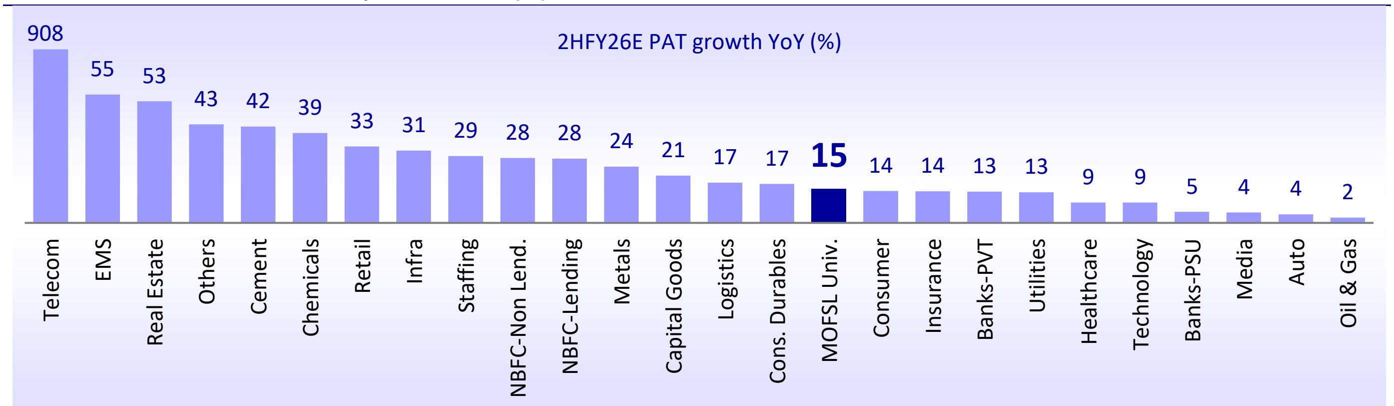
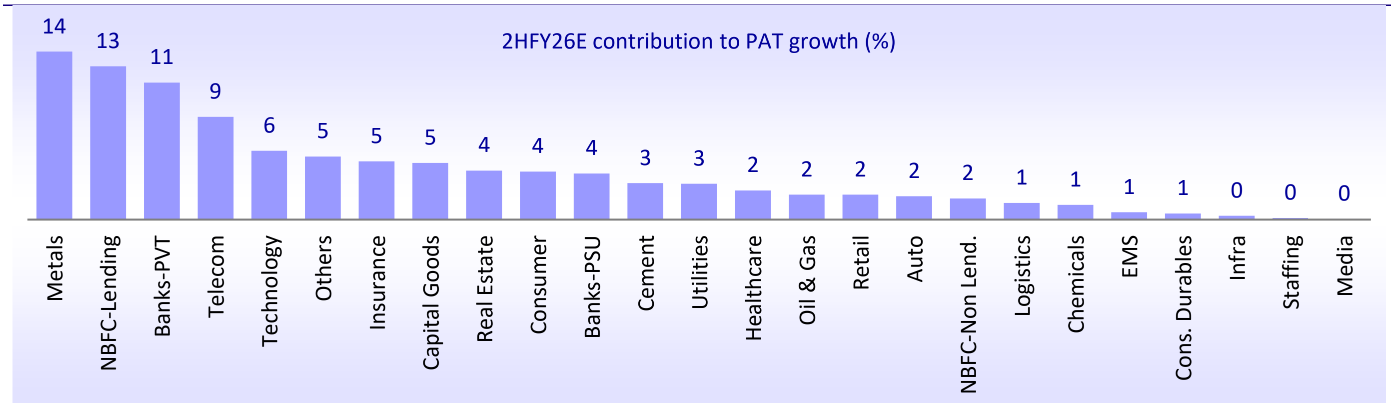


Exhibit 36: Sector-wise contribution to 2HFY26E earnings growth (%)



Performance highlights of the Nifty constituents in 2QFY26

The top 5 stocks account for ~300% of the incremental profit YoY

- Sales/EBITDA/PBT/PAT growth for Nifty constituents was in line at +8%/+6%/+5%/+2% YoY in 2QFY26. Excluding Metals & O&G, profits for Nifty constituents were up 1% YoY (vs. our est. of +3% YoY).
- Among Nifty constituents, 24% exceeded our PAT estimates, while 26% missed our estimates.
- Tata Steel, HDFC Bank, TCS, Adani Ports, M&M, Hindalco, Shriram Finance, Bharat Electronics, Dr Reddy's Labs, Asian Paints, Apollo Hospitals, and Tata Consumer delivered higher-than-estimated earnings.
- In contrast, Reliance Industries, Tata Motors, Eicher Motors, HDFC Life Insurance, SBI Life Insurance, Tech Mahindra, Eternal, Sun Pharma, Power Grid, Interglobe Aviation, Axis Bank, and Coal India missed our profit estimates.
- Twelve Nifty companies witnessed earnings upgrades of over 3% in their FY26 EPS estimates, while 10 companies witnessed downgrades of over 3%.

Exhibit 37: Nifty sales up 8% YoY (in line) in 2QFY26

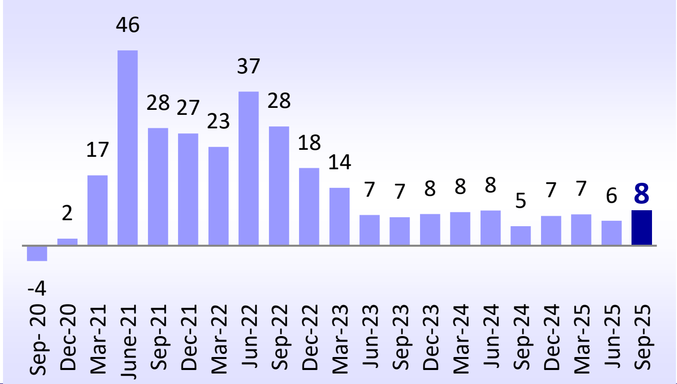


Exhibit 38: Nifty EBITDA up 6% YoY (est. 8%)

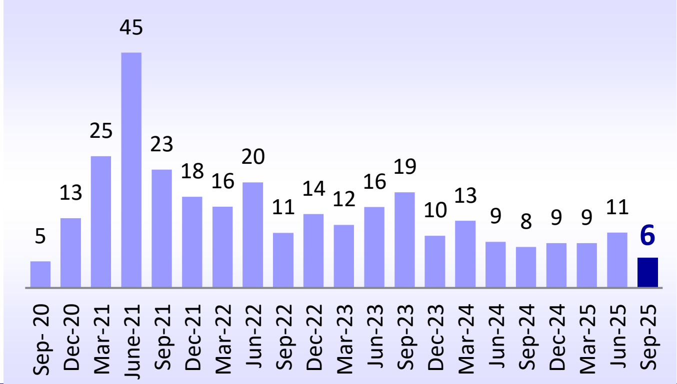


Exhibit 39: Nifty PAT up 2% YoY (est. 5%)

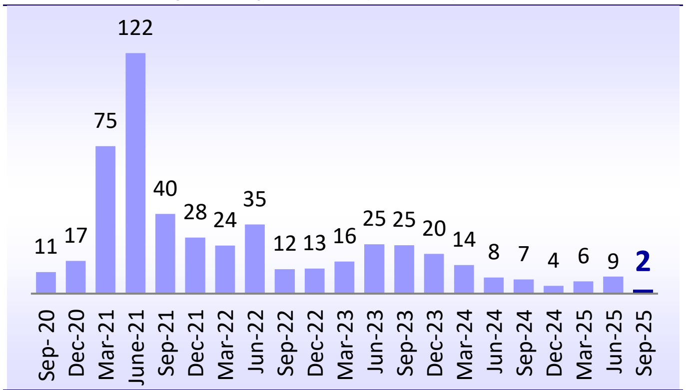


Exhibit 40: Nifty EBITDA margin (ex-Financials) was down 30bp YoY to 20%

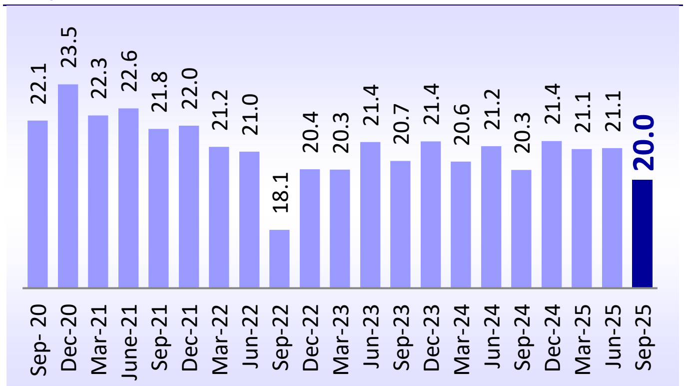


Exhibit 41: BFSI, Telecom, Metals, O&G, and Technology to drive FY26E earnings for the Nifty

Sector	Review 2QFY26 PAT (INR b)					Growth YoY (%)				
	FY24	FY25	FY26E	FY27E	FY28E	FY24	FY25	FY26E	FY27E	FY28E
Automobiles	580	620	563	710	832	125	7	-9	26	17
BFSI	2,467	2,804	3,078	3,536	4,175	26	14	10	15	18
Capital Goods	170	200	240	285	338	27	17	20	19	19
Cement	134	110	136	173	209	16	-18	24	27	21
Consumer	416	390	413	465	506	14	-6	6	13	9
Healthcare	217	249	262	286	320	24	15	5	9	12
Logistics	89	108	135	158	178	16	22	25	17	12
Metals	595	600	706	875	962	10	1	18	24	10
Oil & Gas	1,261	1,081	1,172	1,227	1,319	18	-14	8	5	7
Retail	45	53	69	81	95	24	17	31	17	17
Technology	1,009	1,101	1,166	1,246	1,309	3	9	6	7	5
Telecom	113	176	304	409	533	Loss	LP	73	35	30
Utilities	341	357	382	446	487	6	4	7	17	9
Others	120	118	113	159	197	749	-2	-4	40	24
Nifty	**7,559**	**7,965**	**8,738**	**10,055**	**11,459**	**24**	**5**	**10**	**15**	**14**

Exhibit 42: Sectoral upgrades/downgrades for the MOFSL Universe

	PAT (INR b) - preview			PAT (INR b) - review			Upgrade/downgrade (%)			Growth YoY (%)		
Sector	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Automobiles	987	1,198	1,421	957	1,188	1,393	-3.1	-0.8	-1.9	-2.0	24.2	17.2
Capital Goods	457	537	646	457	534	641	0.1	-0.5	-0.8	20.3	16.7	20.1
Cement	234	303	366	241	304	366	3.0	0.3	0.0	42.2	26.0	20.4
Chemicals	82	105	119	81	100	116	-2.0	-4.9	-2.4	20.7	24.1	16.0
Consumer	632	721	796	631	721	798	-0.1	0.0	0.2	8.5	14.2	10.7
Consumer Durables	62	75	90	61	75	90	-1.5	-1.2	-0.7	14.9	21.5	20.2
EMS	27	42	58	26	42	58	-3.0	-0.1	-1.0	49.3	59.4	36.4
Financials	5,273	6,213	7,351	5,428	6,308	7,403	2.9	1.5	0.7	9.8	16.2	17.4
Banks-Private	1,853	2,223	2,664	1,854	2,223	2,675	0.0	0.0	0.4	4.4	19.9	20.3
Banks-PSU	1,608	1,866	2,192	1,712	1,910	2,201	6.5	2.4	0.4	7.2	11.6	15.2
Insurance	609	677	747	651	726	798	6.8	7.2	6.9	13.6	11.5	10.0
NBFC - Lending	1,057	1,274	1,546	1,060	1,267	1,516	0.4	-0.5	-1.9	21.7	19.5	19.7
NBFC - Non Lending	146	173	203	151	181	213	3.4	5.0	5.3	18.6	20.4	17.6
Healthcare	580	665	761	567	655	752	-2.3	-1.5	-1.2	8.1	15.6	14.7
Infrastructure	23	30	39	22	30	39	-4.0	-2.5	-0.1	24.3	33.3	30.3
Logistics	180	214	248	179	214	248	-0.8	0.0	0.1	22.2	19.7	15.7
Media	27	29	32	24	27	30	-9.0	-4.9	-4.4	2.9	12.8	11.9
Metals	1,214	1,491	1,644	1,234	1,503	1,659	1.6	0.8	0.9	18.8	21.8	10.4
Oil & Gas	1,866	1,872	1,973	2,044	1,981	1,961	9.5	5.8	-0.6	24.1	-3.1	-1.0
Excl. OMCs	1,405	1,519	1,615	1,410	1,484	1,582	0.3	-2.3	-2.1	5.5	5.2	6.6
Real Estate	194	231	289	193	229	288	-0.5	-0.6	-0.3	37.2	18.7	25.7
Retail	139	174	212	139	173	211	-0.1	-0.6	-0.2	28.1	24.1	22.2
Staffing	10	11	13	9	11	12	-3.9	-2.2	-3.3	19.9	19.1	12.2
Technology	1,335	1,448	1,546	1,338	1,447	1,542	0.2	-0.1	-0.3	7.2	8.2	6.5
Telecom	118	261	442	144	265	455	22.3	1.4	2.9	LP	83.3	72.0
Utilities	514	597	675	479	580	659	-6.6	-2.8	-2.4	8.8	21.0	13.6
Others	242	368	487	265	344	458	9.5	-6.3	-6.0	57.5	29.8	32.9
MOFSL Universe	**14,197**	**16,586**	**19,208**	**14,522**	**16,731**	**19,180**	**2.3**	**0.9**	**-0.1**	**14.6**	**15.2**	**14.6**

Note: PL: Profit to loss; LP: Loss to profit

Exhibit 43: Nifty delivered an 2% YoY profit growth in 2QFY26

Company	Sales			EBITDA			PBT			PAT			EBITDA Margin	
	Sep 2025	Chg. YoY (%)	Var. (%)	Sep 2025	Chg. YoY (%)	Var. (%)	Sep 2025	Chg. YoY (%)	Var. (%)	Sep 2025	Chg. YoY (%)	Var. (%)	Sep 2025 (%)	Chg. YoY bp
High PAT growth														
Tata Steel	587	9	3	89	61	4	46	196	4	33	**625**	18	15.2	4.9
JSW Steel	452	14	5	71	31	11	24	104	12	16	**152**	5	15.8	2.1
Ultratech Cement	196	20	6	31	53	1	17	89	0	12	**75**	-4	15.8	3.3
Bharti Airtel	521	26	2	296	35	3	123	83	9	68	**74**	5	56.7	4.0
Adani Ports	92	30	6	56	27	6	43	47	15	34	**39**	8	60.5	-1.3
Apollo Hospitals	63	13	3	9	15	6	7	21	10	5	**26**	9	14.9	0.3
Eicher Motors	62	45	2	15	39	-3	16	32	-4	14	**24**	-5	24.5	-1.0
Bajaj Finance	108	22	0	89	21	0	66	22	0	49	**23**	1	82.3	-0.4
Titan Company	187	29	14	19	23	2	15	23	-2	11	**20**	-3	10.0	-0.5
Bharat Electronics	58	26	10	17	22	18	17	20	16	13	**18**	15	29.4	-0.9
Mahindra & Mahindra	334	21	2	49	23	5	61	23	8	45	**18**	5	14.5	0.2
Asian Paints	85	6	5	15	21	11	14	22	14	10	**17**	12	17.6	2.2
Larsen & Toubro	680	10	-5	68	7	-3	63	14	2	39	**16**	1	10.0	-0.3
Max Healthcare	26	21	-1	7	21	4	5	13	0	4	**15**	-2	26.7	0.0
Medium/Low PAT growth														
Hindalco	661	13	4	90	14	20	67	9	32	49	**14**	34	13.6	0.0
Dr Reddy' s Labs	88	10	3	21	-4	5	20	2	10	15	**14**	15	24.1	-3.3
Infosys	445	9	0	107	8	0	102	11	2	74	**13**	3	23.9	-0.1
Bajaj Auto	149	14	2	31	15	4	33	13	3	25	**12**	3	20.5	0.2
Shriram Finance	60	10	0	44	11	1	31	13	7	23	**11**	5	73.7	0.8
TCS	658	2	1	180	7	4	172	7	2	133	**11**	6	27.3	1.2
HDFC Bank	316	5	2	279	13	10	244	11	10	186	**11**	11	88.5	6.5
Reliance Inds.	2,546	10	3	459	17	0	291	16	-4	182	**10**	-10	18.0	1.2
NTPC	392	-3	-14	100	4	-15	63	4	6	45	**8**	4	25.6	1.6
Bajaj Finserv	305	10	-8	91	16	-4	68	14	1	22	**8**	-21	29.8	1.4
Maruti Suzuki	421	13	5	44	0	13	43	-17	-2	33	**7**	0	10.5	-1.3
Trent	47	17	-1	8	27	6	6	4	1	5	**6**	4	17.2	1.3
Grasim Industries	96	26	4	4	13	14	11	3	6	8	**6**	4	3.8	-0.5
ICICI Bank	215	7	2	173	3	0	164	6	3	124	**5**	4	80.3	-3.1
Tata Consumer	50	18	4	7	7	6	5	23	4	4	**5**	8	13.5	-1.3
Cipla	76	8	4	19	0	4	19	4	8	14	**4**	3	25.0	-1.8
HDFC Life Insur.	193	14	1	10	8	-1	5	6	0	4	**3**	-6	5.2	-0.3
ITC	195	-6	-10	67	-1	-3	68	0	-4	51	**1**	-4	34.3	1.7
Wipro	227	2	-1	45	2	1	43	0	3	32	**1**	3	20.0	0.0
Jio Financial	3	25	NA	6	5	NA	8	1	NA	7	**1**	NA	225.7	-43.3
HCL Technologies	319	11	1	67	5	3	57	0	-2	42	**0**	-3	20.9	-1.2
PAT Decline														
Kotak Mahindra Bank	73	4	0	53	3	-1	43	-3	0	33	**-3**	0	72.1	-0.6
Sun Pharma	144	9	3	40	6	1	37	8	-7	28	**-4**	-8	27.9	-0.6
Hind. Unilever	163	2	0	37	-1	3	34	-5	-1	25	**-4**	-2	23.0	-0.8
Tech Mahindra	140	5	1	22	24	4	17	-3	-6	12	**-4**	-9	15.5	2.3
Nestle	56	11	5	13	5	5	10	0	3	7	**-5**	2	22.2	-1.1
SBI Life Insurance	251	23	7	17	14	5	5	-6	-8	5	**-7**	-9	6.6	-0.5
State Bank	430	3	6	273	-7	1	265	7	18	168	**-8**	0	63.5	-6.8
Power Grid Corp.	100	-3	-6	80	-9	-13	43	-3	-4	31	**-11**	-16	80.1	-5.5
ONGC	330	-3	2	177	-3	-4	125	-17	-6	98	**-18**	-2	53.6	-0.2
Axis Bank	137	2	4	104	-3	1	69	-19	-7	51	**-26**	-8	75.8	-3.7
Coal India	302	-2	1	58	-18	-31	59	-26	-28	44	**-31**	-30	19.4	-4.0
Eternal	136	183	69	2	6	-24	1	-46	-66	1	**-63**	-78	1.8	-3.0
Adani Enterprises	212	-6	NA	33	-12	NA	44	83	NA	5	**-73**	NA	15.6	-1.1
Tata Motors*	892	-12	-4	10	-91	-87	-37	PL	PL	-19	**PL**	PL	1.2	-10.4
Interglobe Aviation	186	9	1	9	-64	-67	-25	Loss	Loss	-24	**Loss**	Loss	4.7	-9.4
Nifty Universe	**14,464**	**8**	**1**	**3,609**	**6**	**-2**	**2,728**	**5**	**-1**	**1,896**	**2**	**-3**	**25.0**	**-0.6**
Nifty Ex Financials	**12,373**	**8**	**1**	**2,471**	**6**	**-3**	**1,760**	**5**	**-5**	**1,224**	**3**	**-6**	**20.0**	**-0.4**
Nifty Ex Metals & Oil	**9,587**	**8**	**0**	**2,665**	**3**	**-2**	**2,114**	**5**	**0**	**1,475**	**1**	**-2**	**27.8**	**-1.3**

Note: PL: Profit to loss; LP: Loss to profit. *Tata Motors include PV & CV

MOFSL coverage revisions from our preview stance

Small-caps experience severe cuts

- **MOFSL Universe estimated PAT experienced an upgrade of 2.3%/0.9% for FY26E/FY27:** MOFSL Universe witnessed a rise of 2.3% for FY26, led by Oil & Gas, PSU Banks, Telecom, Insurance, and Metals. The MOFSL Large-cap Universe experienced an upgrade of 2.5% for FY26, while the MOFSL Mid-cap Universe stood out with a 3.4% earnings upgrade for FY26.
- In contrast, the small-cap universes experienced earnings cuts of 3.9% for FY26.

Exhibit 44: Earnings revisions of MOFSL Universe from our preview stance (2QFY26)

	PAT (INR b) @ Preview			PAT (INR b) @ Review			% Revision		
Sector	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Automobiles	987	1,198	1,421	957	1,188	1,393	-3.1	-0.8	-1.9
Banks-Private	1,853	2,223	2,664	1,854	2,223	2,675	0.0	0.0	0.4
Banks-PSU	1,608	1,866	2,192	1,712	1,910	2,201	6.5	2.4	0.4
Insurance	609	677	747	651	726	798	6.8	7.2	6.9
NBFC - Lending	1,057	1,274	1,546	1,060	1,267	1,516	0.4	-0.5	-1.9
NBFC - Non Lending	146	173	203	151	181	213	3.4	5.0	5.3
Capital Goods	457	537	646	457	534	641	0.1	-0.5	-0.8
Cement	234	303	366	241	304	366	3.0	0.3	0.0
Chemicals	82	105	119	81	100	116	-2.0	-4.9	-2.4
Consumer	632	721	796	631	721	798	-0.1	0.0	0.2
Consumer Durables	62	75	90	61	75	90	-1.5	-1.2	-0.7
EMS	27	42	58	26	42	58	-3.0	-0.1	-1.0
Healthcare	580	665	761	567	655	752	-2.3	-1.5	-1.2
Infrastructure	23	30	39	22	30	39	-4.0	-2.5	-0.1
Logistics	180	214	248	179	214	248	-0.8	0.0	0.1
Media	27	29	32	24	27	30	-9.0	-4.9	-4.4
Metals	1,214	1,491	1,644	1,234	1,503	1,659	1.6	0.8	0.9
Oil & Gas	1,866	1,872	1,973	2,044	1,981	1,961	9.5	5.8	-0.6
Real Estate	194	231	289	193	229	288	-0.5	-0.6	-0.3
Retail	139	174	212	139	173	211	-0.1	-0.6	-0.2
Staffing	10	11	13	9	11	12	-3.9	-2.2	-3.3
Technology	1,335	1,448	1,546	1,338	1,447	1,542	0.2	-0.1	-0.3
Telecom	118	261	442	144	265	455	22.3	1.4	2.9
Utilities	514	597	675	479	580	659	-6.6	-2.8	-2.4
Others	242	368	487	265	344	458	9.5	-6.3	-6.0
MOFSL Universe	**14,197**	**16,586**	**19,208**	**14,522**	**16,731**	**19,180**	**2.3**	**0.9**	**-0.1**
Large Cap	**11,638**	**13,338**	**15,265**	**11,926**	**13,470**	**15,212**	**2.5**	**1.0**	**-0.3**
Mid Cap	**1,867**	**2,317**	**2,790**	**1,930**	**2,351**	**2,826**	**3.4**	**1.5**	**1.3**
Small Cap	**693**	**932**	**1,153**	**666**	**910**	**1,141**	**-3.9**	**-2.3**	**-1.1**

Nifty EPS witnesses an increase of 1.2%/0.5% for FY26E/FY27E

- The Nifty EPS estimate for FY26 was raised by 1.2% to INR1,109, largely owing to SBI, HDFC Bank, ONGC, Bharti Airtel, and Hindalco. FY27E EPS was also raised by 0.5% to INR1,280 (from INR1,274) due to upgrades in SBI, Tata Steel, Bharti Airtel, HDFC Bank, and ICICI Bank.

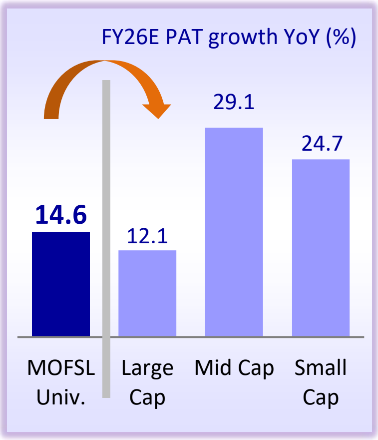
Exhibit 45: FY26E EPS revisions – Twelve Nifty constituents saw upgrades of over 3%, while 10 witnessed downgrades of over 3%

Company	Current EPS (INR)			EPS Upgrade / Downgrade (%)			EPS Growth (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
State Bank	95.5	103.8	120.4	9.3	2.7	0.6	9.9	8.7	16.0
ONGC	33.3	31.7	31.9	7.6	-0.7	-2.1	9.1	-4.8	0.5
Hindalco	74.1	75.0	79.1	7.2	1.2	-1.4	-0.9	1.1	5.5
Bharti Airtel	52.4	67.1	87.4	7.1	2.8	1.5	72.8	28.1	30.3
Tata Steel	9.4	14.2	15.7	5.8	9.1	6.0	179.4	50.8	10.5
Asian Paints	46.8	54.1	61.9	5.8	4.3	6.2	10.1	15.7	14.5
Trent	52.4	58.9	67.2	5.3	1.9	4.0	21.3	12.4	14.1
Shriram Finance	51.7	61.8	72.9	4.5	3.2	2.1	17.4	19.7	17.8
HDFC Bank	49.1	54.7	64.7	4.2	0.7	2.8	11.5	11.5	18.3
Ultratech Cement	272.7	350.5	423.9	3.2	-1.0	-0.9	31.4	28.5	20.9
Bajaj Auto	338.9	370.8	407.5	3.0	2.4	2.8	13.2	9.4	9.9
Titan Company	56.8	67.2	79.5	3.0	2.7	2.3	34.3	18.4	18.2
Dr Reddy' s Labs	68.9	63.1	68.5	2.9	0.1	0.1	2.4	-8.4	8.6
Apollo Hospitals	130.1	155.6	193.1	2.7	2.2	2.3	29.4	19.6	24.1
Tata Consumer	17.0	20.1	22.1	1.5	1.4	1.3	21.1	18.8	9.5
Bharat Electronics	8.3	9.9	11.5	1.3	0.5	-2.1	15.0	18.6	16.2
Infosys	69.1	72.4	76.7	0.6	-0.1	-0.1	8.4	4.7	5.9
Eicher Motors	193.1	215.7	245.0	0.5	1.3	1.6	11.8	11.7	13.6
Wipro	12.5	12.6	13.1	0.1	-2.0	-5.1	-0.2	1.2	3.6
Max Healthcare	18.7	24.3	25.6	0.1	0.0	0.0	23.7	30.0	5.5
HCL Technologies	65.9	73.6	77.0	0.1	1.1	1.3	3.2	11.6	4.6
TCS	141.8	149.5	156.1	0.0	-0.5	-0.2	5.6	5.5	4.4
Adani Ports	62.6	73.3	82.3	0.0	0.3	0.4	24.9	17.0	12.3
Mahindra & Mahindra	120.5	144.7	167.6	-0.1	0.7	2.8	22.1	20.1	15.8
Kotak Mahindra Bank	105.3	126.0	152.4	-0.2	0.2	-0.4	-5.4	19.6	21.0
Larsen & Toubro	130.2	154.9	184.9	-0.2	-0.1	-0.1	21.9	19.0	19.4
ICICI Bank	72.8	82.7	95.7	-0.4	0.7	-0.4	9.0	13.6	15.8
Nestle	16.9	20.1	22.5	-0.4	2.3	2.7	5.4	19.6	11.8
Cipla	61.3	61.8	68.7	-0.6	-5.9	-5.9	-2.3	0.9	11.1
Hind. Unilever	45.8	52.1	56.4	-0.6	-0.4	-0.4	3.3	13.8	8.2
Bajaj Finance	32.7	41.4	52.5	-0.7	-2.8	-2.4	21.0	26.6	27.0
JSW Steel	44.2	72.4	89.9	-0.8	0.0	0.0	184.0	63.7	24.2
Grasim Industries	84.4	105.4	127.0	-0.8	-0.1	-0.3	13.9	24.9	20.5
ITC	16.8	18.5	19.8	-1.1	-1.1	-0.8	5.4	9.6	7.4
Axis Bank	78.3	99.0	119.6	-1.1	-0.5	-2.0	-8.2	26.4	20.8
Tech Mahindra	60.1	78.0	86.3	-1.1	0.7	-0.6	25.3	29.8	10.7
Maruti Suzuki	484.4	616.5	720.0	-1.2	1.5	0.8	9.1	27.3	16.8
SBI Life Insurance	24.1	25.7	28.0	-3.0	-3.5	-3.7	-0.3	6.7	9.0
Reliance Inds.	55.6	61.2	67.8	-3.5	-3.1	-2.9	8.0	10.1	10.8
Sun Pharma	49.2	57.5	64.7	-3.7	-3.3	-2.2	4.4	16.8	12.6
Power Grid Corp.	17.6	19.0	19.9	-6.1	-3.9	-4.0	5.3	8.3	4.7
Coal India	51.3	57.7	60.3	-6.3	-3.7	-2.0	-10.6	12.4	4.6
NTPC	22.5	27.7	31.1	-9.2	-1.7	-1.5	8.4	23.0	12.3
HDFC Life Insur.	8.4	10.0	11.5	-10.7	-5.1	-4.9	0.2	18.9	14.7
Tata Motors	32.9	49.0	61.1	-21.6	-10.1	-18.3	-48.0	49.2	24.5
Interglobe Aviation	170.6	242.8	274.7	-23.2	-1.5	-0.6	-9.3	42.4	13.1
Eternal	0.8	2.7	5.6	-37.9	-39.5	-44.2	32.2	246.9	107.7
Nifty (50)	**1,109**	**1,280**	**1,472**	**1.2**	**0.5**	**0.0**	**9.4**	**15.5**	**14.9**

Exhibit 46: We estimate a 12% CAGR for the Nifty free-float PAT over FY25–27

Company	Sales CAGR % 25-27	EBITDA Margin (%)			EBITDA CAGR % 25-27	PAT (INR b)			PAT CAGR % 25-27	Contbn to Delta %
		FY26E	FY27E	FY28E		FY26E	FY27E	FY28E		
High PAT Growth (20%+)	**18**	**25**	**25**	**25**	**23**	**1,567**	**2,045**	**2,490**	**38**	**46**
JSW Steel	12	18	20	21	35	108	177	219	116	7
Eternal	142	2	2	3	108	7	24	50	114	1
Tata Steel	8	15	17	18	29	117	177	196	105	6
Bharti Airtel	17	57	57	58	21	304	409	533	53	11
Bajaj Finserv	32	68	64	61	23	131	158	186	34	3
Ultratech Cement	13	19	21	21	27	80	103	125	30	2
Tech Mahindra	6	15	18	18	23	53	69	77	28	1
Max Healthcare	21	26	27	27	22	18	24	25	27	0
Titan Company	20	11	11	11	23	51	60	71	26	1
Apollo Hospitals	14	15	15	15	18	19	22	28	24	0
Bajaj Finance	23	82	81	81	22	203	257	326	24	4
Mahindra & Mahindra	18	14	15	15	18	145	174	201	21	3
Adani Ports	16	60	61	61	16	135	158	178	21	2
Larsen & Toubro	15	10	11	11	17	179	213	254	20	3
Tata Consumer	10	14	15	15	14	17	20	22	20	0
Medium PAT Growth (0-20%)	**5**	**29**	**30**	**31**	**10**	**6,944**	**7,727**	**8,631**	**9**	**56**
Grasim Industries	18	4	6	7	50	56	69	84	19	1
Shriram Finance	17	74	75	75	17	97	116	137	19	2
Maruti Suzuki	15	11	12	12	16	152	194	226	18	3
Bharat Electronics	17	29	29	28	17	61	72	84	17	1
Trent	17	18	18	18	23	19	21	24	17	0
NTPC	8	30	32	33	12	218	269	302	15	3
Interglobe Aviation	12	24	28	29	15	66	94	106	14	1
Asian Paints	8	18	19	19	12	45	52	59	13	1
Nestle	11	23	24	25	12	32	39	43	12	0
Eicher Motors	16	25	25	25	14	53	59	67	12	1
ICICI Bank	13	83	84	84	13	518	589	682	12	6
Bajaj Auto	12	20	20	20	12	92	102	113	12	1
HDFC Bank	10	92	85	86	13	751	837	991	11	8
State Bank	10	68	67	67	10	867	958	1,111	11	9
Sun Pharma	11	28	29	30	14	118	138	155	10	1
HDFC Life Insur.	16	79	80	80	16	18	21	25	9	0
Reliance Inds.	5	18	19	21	11	752	828	917	9	6
Hind. Unilever	8	23	24	24	8	108	123	133	8	1
Axis Bank	10	79	79	81	11	243	307	371	8	2
ITC	8	33	34	34	7	211	231	248	8	2
HCL Technologies	8	21	21	21	7	179	200	209	7	1
Power Grid Corp.	6	85	84	83	5	163	177	185	7	1
Infosys	7	24	24	24	7	287	301	318	7	2
Kotak Mahindra Bank	11	75	75	76	4	209	250	303	6	1
TCS	4	27	27	27	6	515	544	567	6	3
SBI Life Insurance	16	7	7	7	13	24	26	28	3	0
ONGC	-9	18	19	19	2	419	399	401	2	1
Wipro	4	20	20	20	3	131	133	137	1	0
Coal India	5	31	33	34	6	316	355	372	0	0
Hindalco	6	13	13	13	3	165	166	176	0	0
Jio Financial	0	189	189	189	0	16	16	16	0	0
Adani Enterprises	0	15	15	15	0	40	40	40	0	0
PAT de-growth (<0%)	**6**	**10**	**11**	**12**	**-5**	**228**	**283**	**337**	**-9**	**-3**
Cipla	6	24	23	23	0	49	50	55	-1	0
Dr Reddy' s Labs	8	24	23	23	-1	57	53	57	-3	0
Tata Motors	6	8	10	10	-7	121	180	225	-12	-2
Nifty (PAT free float)	**8**	**26**	**27**	**28**	**12**	**5,046**	**5,827**	**6,698**	**12**	**100**

PAT growth YoY in FY26E (%)



FY26E earnings highlights: Global commodities, NBFC-Lending, Telecom, and PSU Banks to drive the incremental earnings

- The MOFSL Universe is likely to deliver sales/EBITDA/ PAT growth of 6%/12%/15% YoY in FY26. The Financials, Oil & Gas, and Metals sectors are projected to be the key growth engines, with 10%, 24%, and 9% YoY earnings growth, respectively. These three sectors are likely to contribute 58% of the incremental YoY accretion in earnings.
- Further, we categorized the coverage stocks, based on market capitalization, into large-cap, mid-cap, and small-cap segments.
- Notably, our large-cap universe is anticipated to deliver a 12% YoY earnings growth in FY26E, while mid-cap is estimated to deliver 29% YoY growth, and small-cap is estimated to deliver a 25% YoY growth in FY26E.

Exhibit 47: Oil & Gas, Metals, NBFCs, Telecom, and PSU Banks to lead the incremental profits for FY26E (PAT, INR b)

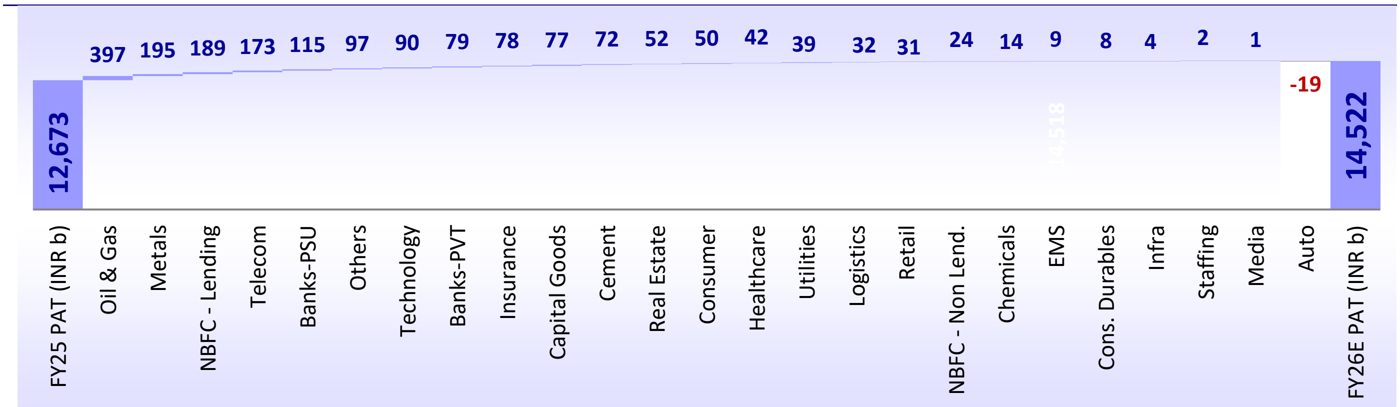


Exhibit 48: Delta contribution to FY26E profit for the MOFSL Universe (%)

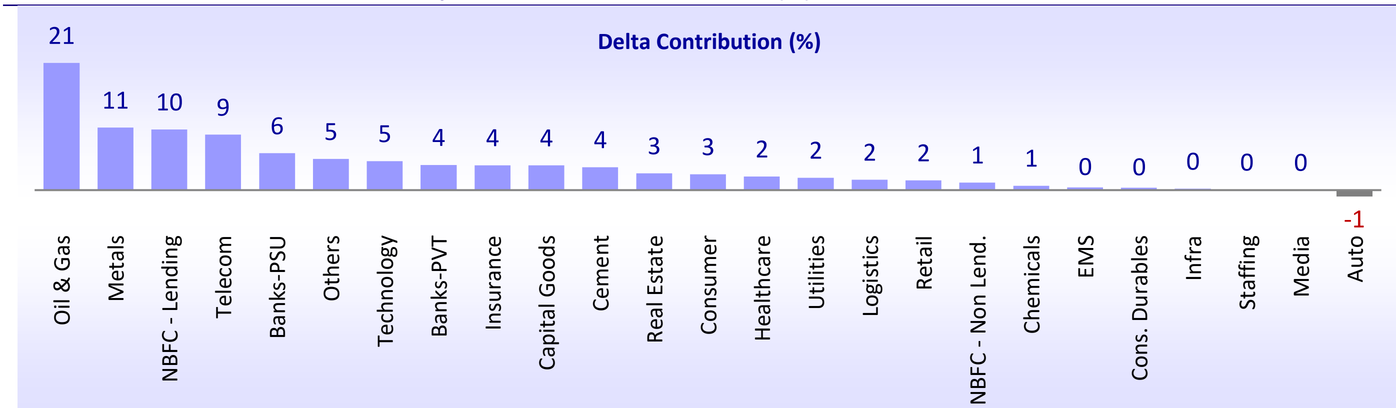
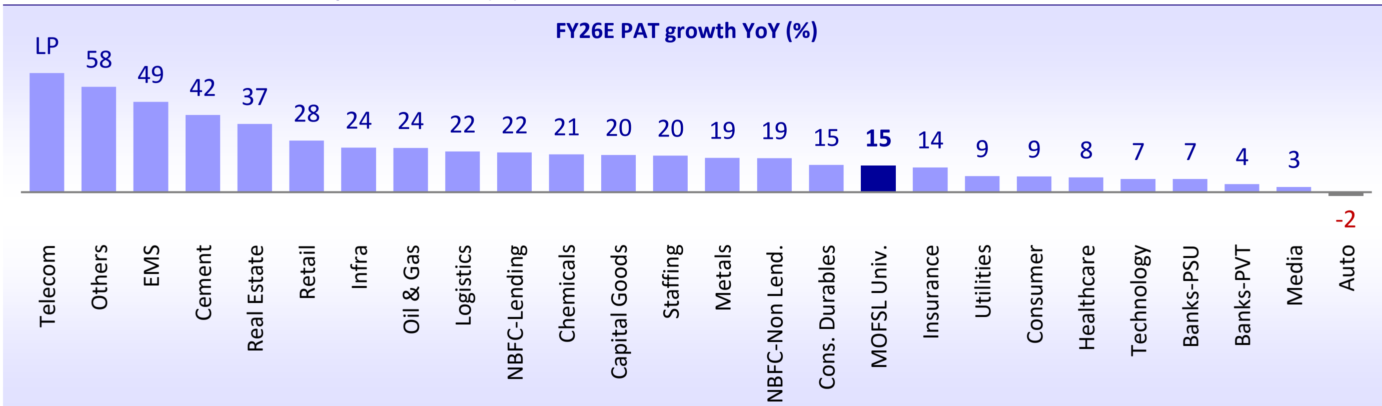


Exhibit 49: Sector-wise FY26E performance (%) – Telecom, EMS, and Cement the leaders

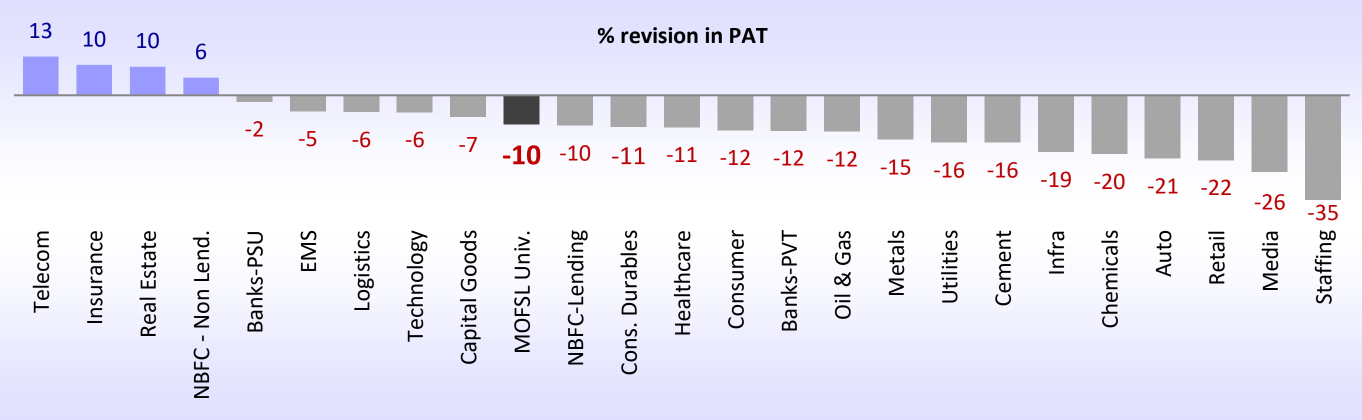


MOFSL Universe sees 10% earnings downgrade for FY26E on a TTM basis

Telecom experiences an upgrade

- Over the last one year, earnings revisions for the MOFSL Universe saw a cut of 10%.
- Telecom, Insurance, Real Estate, and NBFC – Non-Lending sectors witness upgrades. However, 20 sectors saw downgrade in earnings for FY26.

Exhibit 50: Telecom, Insurance, and Real Estate witnessed upgrades over the last one year



Note: Comparable MOFSL Universe of 276 companies

Exhibit 51: Annual Sales/EBITDA/PAT estimates for the MOFSL Universe

Sector	Sales (INRb)		Growth YoY (%)		EBITDA (INRb)		Growth YoY (%)		PAT (INRb)		Growth YoY (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Automobiles	13,871	15,553	9	12	1,616	1,962	-4	21	957	1,188	-2	24
Capital Goods	4,942	5,646	18	14	665	773	19	16	457	534	20	17
Cement	2,764	3,084	15	12	455	554	36	22	241	304	42	26
Chemicals	713	802	7	12	139	168	15	21	81	100	21	24
Consumer	3,903	4,292	9	10	893	1,008	7	13	631	721	9	14
Consumer Durables	847	977	10	15	89	109	16	22	61	75	15	22
EMS	815	1,160	39	42	49	74	39	51	26	42	49	59
Financials	18,516	21,041	8	14	8,420	9,677	10	15	5,428	6,308	10	16
Banks-Private	3,863	4,524	6	17	3,021	3,446	9	14	1,854	2,223	4	20
Banks-PSU	3,673	4,212	4	15	2,642	2,954	5	12	1,712	1,910	7	12
Insurance	8,505	9,370	9	10	850	993	14	17	651	726	14	11
NBFC - Lending	2,130	2,531	16	19	1,720	2,058	15	20	1,060	1,267	22	19
NBFC - Non Lending	346	403	17	17	187	225	20	21	151	181	19	20
Healthcare	3,886	4,330	10	11	920	1,047	9	14	567	655	8	16
Infrastructure	185	229	7	24	56	71	13	28	22	30	24	33
Logistics	847	975	15	15	296	345	19	17	179	214	22	20
Media	192	204	7	7	40	43	10	7	24	27	3	13
Metals	12,798	13,971	8	9	2,499	2,894	15	16	1,234	1,503	19	22
Oil & Gas	33,768	33,448	-4	-1	4,460	4,512	18	1	2,044	1,981	24	-3
Excl. OMCs	18,474	18,873	-2	2	3,260	3,471	8	6	1,410	1,484	6	5
Real Estate	771	924	28	20	235	281	41	20	193	229	37	19
Retail	2,981	3,477	19	17	331	391	20	18	139	173	28	24
Staffing	466	528	11	13	14	16	15	19	9	11	20	19
Technology	8,615	9,171	7	6	1,927	2,090	7	8	1,338	1,447	7	8
Telecom	3,211	3,571	15	11	1,664	1,852	18	11	144	265	LP	83
Utilities	3,733	4,189	14	12	1,326	1,526	13	15	479	580	9	21
Others	3,665	4,761	26	30	570	747	16	31	265	344	58	30
MOFSL Universe	**1,21,488**	**1,32,331**	**6**	**9**	**26,662**	**30,140**	**12**	**13**	**14,522**	**16,731**	**15**	**15**

Source: MOFSL

SECTOR-WISE: Highlights/Surprise/Guidance

AUTOS: Outlook improves materially across segments after GST rate cuts

- **Demand recovers in 2Ws and tractors in 2Q:** The auto segment (excluding tractors) saw a pickup in demand in anticipation of a good festive season and the GST rate cuts toward the end of 2Q. Aggregate auto OEM sector volumes grew 13.6% YoY in 2Q (exc. JLR), led by the tractor segment (+31%), 2Ws (+7%), and CVs (+8%). Tractor segment saw robust growth on the back of strong rural sentiments, further boosted by GST rate cut benefits. Within 2Ws, scooters were the key growth drivers with 12% YoY growth in 2Q. On the other hand, motorcycle volumes were up 5%, whereas mopeds declined 4%. Within CVs, LCVs grew 10% and MHCVs rose 6%. PVs saw a 1.5% YoY decline in volumes in 2Q. Car volumes were flat, while UVs saw a 2% decline in 2Q.
- **Operational performance for our coverage universe largely in line:** Aggregate revenue for auto OEMs rose 3.5% YoY; excluding TTMT, revenue saw healthy 15.6% YoY growth. Growth was led by the 2W segment (+22%), followed by PVs (+13%). Revenue growth for all OEMs was in line with our estimates. On the operational front, both MM and MSIL posted better-than-expected margins. MSIL was able to maintain margins QoQ despite the sharp rise in discounts QoQ. Even MM margins were ahead of estimates as farm segment margins remained strong in a seasonally weak quarter. For most of the other OEMs, operational performance was in line with our estimates. Aggregate earnings growth for our OEM coverage universe (excl. TTMT) was up 15% YoY and was in line with our estimates. The highlight of the quarter was the record-low performance of newly listed TTMT PV, largely due to macro headwinds at JLR. Further, this quarter saw many OEMs post MTM losses due to hardening of yields, which in turn limited the earnings upside. Quite a few auto ancillaries in 2Q posted beat to our estimates. Among auto ancillaries APTY, CEAT, BHFC, CIE, Craftsman, HAPPY, SAMIL, SONA and TI all posted better than expected margins. BIL and Exide disappointed on margins.
- **Auto growth expectations revive after GST rate cuts:** Auto demand was muted in the early part of the fiscal until Aug'25, with most segments expected to lag their previous growth forecasts. However, after the GST rate cuts, we see a healthy demand recovery, especially in PVs and 2Ws. Tractor momentum has further picked up, led by the dual benefits of GST rate cuts. We also expect CV demand to revive with a lag as consumption picks up. Further, commentary from most OEMs seems to suggest that input costs are likely to remain stable in the coming quarters. Further, on the back of a pickup in demand, we expect discounts to gradually decline in the coming quarters. This is likely to drive a healthy earnings growth for auto OEMs within our coverage universe (excl. TTMT). For TTMT PV, the outlook remains weak given the muted demand outlook in its key regions. Further, export-focused auto ancillary companies are now facing an uncertain demand environment given the tariff-led uncertainty in key regions.
- **Slight moderation in earnings:** After 2Q earnings, there have been no material changes in earnings estimates for our coverage universe, except for TTMT PV, which saw a sharp earnings downgrade due to the macro headwinds that JLR continues to face. In fact, none of the other OEMs within our coverage universe has seen any major earnings change after 2Q. Auto ancillary companies that witnessed an earnings cut for FY26 include Amara (6%), BIL (7%), ENDURANCE (6%) and MRF (7%). On the other hand, auto ancillary that saw earnings upgrades include BHFC (7%) and SAMIL (+9%).
- **Valuation and view:** As highlighted above, the earnings outlook for the sector has now materially improved, especially after the GST rate cuts. As highlighted, demand has picked up in most segments after GST cuts and continues to be healthy even beyond the festive season. Steady input costs would mean margins can continue to improve on the back of operating leverage benefits. **MSIL and MM are our top OEM picks in 4Ws. We also like TVS in the 2W space. Among ancillaries, we prefer ENDU, MOTHERSO and HAPPY.**
- **Surprises:** MSIL, MM, APTY, BHFC, CEAT, CIE, CRAFTSMA, HAPPY, SAMIL, SONACOMS, TI
- **Misses:** BIL, TTMT PV, Exide

Guidance highlights:

- **MSIL**: Buoyed by GST rate cuts, MSIL's retail sales during the festive period were strong, recording 400k units (up from 211k units YoY), with small cars making up 250k units (up 100% YoY). Bookings were strong in this period as well, with total bookings of 500k units compared to 350k YoY. With expectations of exceeding their export guidance of 400k annual units this fiscal and eight new SUV launches in the pipeline by 2031, management has reiterated that reaching a 50% market share in PVs remains MSIL's long-term goal.
- **MM: Auto –**2Q volumes were partly hit by the GST transition and complex logistic issues; however, strong booking growth and retail volumes during the festive season helped to offset losses. Growth guidance of mid- to high-teens for SUVs is maintained, with LCV demand revival to continue in 2H. Exports have been strong and the momentum is expected to sustain in 2H. **Tractors –** MM's tractor market share improved 80bp YoY to 44% in 1H, with management increasing volume growth expectations on account of favorable rainfall, GST cuts, export growth and improved terms of trade. Farm revenue and margins posted healthy growth this quarter.
- **Hyundai (HMI):** HMI posted weak domestic sales in 2Q; however, management expects to grow in line with the industry in 2H, aided by the launch of new Venue. HMI has 8 products slated to release during FY26-27 and a total of 26 in the pipeline till FY30. Exports are likely to exceed guidance of 8% growth. Profitability will take a hit in the short term due to rising costs from the Pune plant, which commenced operations in Oct'25.
- **TTMT PV: JLR -** Given a significantly weak 2Q and a continued impact expected in 3Q at JLR, management has sharply lowered its FY26 EBIT margin guidance to 0-2% and FCF outflow guidance to GBP2.2-2.5b. A greater concern is the persistently weak demand in key regions, including China, the US, and Europe, which may keep VME elevated, at least in the near term. While management refrained from providing FY27 guidance, it signaled that US tariff increases and China's luxury tax are likely to have a structural impact on medium-term profitability.
- **BJAUT: Domestic 2W -** Management sees potential for 6-8% industry growth in 2H after the GST rate cuts; however, margin pressures may persist due to potential commodity inflation. BJAUT was able to complete re-homologation of its entire EV range using alternate LRE-based magnets to deal with a 50% shortfall, led by rare earth supply issues. **Exports 2W -** Having grown 24% YoY in 2Q, management targets to sustain 15-20% growth in the coming quarters, backed by strong demand from LatAM, Asia and stabilization in Africa.
- **HMCL**: Management expects to outperform the 6-7% industry growth in FY26, driven by multiple launches, including two 125cc bikes, Xoom 160, Xtreme 125R refresh, and new Harley models. It targets 40% export growth with 10% medium-term revenue share and has secured rare earth supplies for 2Q.
- **TVSL:** Domestic retails outperformed the industry with 32% YoY growth, led by festive demand in rural (+24%) and urban markets (+26%). Export growth was also ahead of industry due to successful sales in Africa and LATAM. Market share in 3Ws has nearly doubled to 11%. Norton is set to unveil its first bike at the EICMA in Milan, Italy, with the launch scheduled for Apr'26. Revenue and margins continued to grow YoY.
- **EIM**: Royal Enfield saw strong 2Q traction with 49% export growth and solid festive-led domestic demand, supported by refreshed models that drove 24-70% YoY growth across key nameplates, while margins held firm and capacity rose to 1.35m units. VECV's EBITDA margin improved 70bp YoY to 8% as it reinforced its 34.8% LMD leadership, expanded its CNG/EV portfolio, and committed INR5.4b toward localizing Volvo's 12-speed AMT.
- **SAMIL:** SAMIL ramped up two greenfield plants in 2Q and has 10 projects progressing toward SOPs through FY26-28. Net debt rose modestly to INR116b, and capex guidance stays at INR60b. Segmental performance was mixed—wiring harness and emerging businesses saw margin pressure from US softness and start-up costs, while integrated assemblies and modules & polymers delivered steady growth. The order book stands strong at USD87.2b, while tariff and chip-supply impacts remain limited.
- **BIL:** US exports remain halted due to high tariffs, with distributors running down inventory, but a favorable tariff outcome could trigger a restocking cycle. Europe stays weak, though early stabilization is visible, with a gradual recovery expected in 2H. EUDR-related impact began in 2Q and will peak in 3Q but should be offset by softer commodities. Capex was INR16.7b in 1HFY26 for TBR/PCR and carbon black expansion, with FY26 outlay guided at INR20-22b and net debt at INR4.5b.

Exhibit 52: Key operating indicators OEMs

	Volumes ('000 units)					EBITDA Margins (%)					Adj PAT (INR M)				
	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	2Q FY26	2Q FY25	YoY (bp)	1Q FY26	QoQ (bp)	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)
Bajaj Auto	1,294	1,222	6	1,111	16	20.5	20.2	20	19.7	70	24,797	22,160	12	20,960	18
Hero MotoCorp	1,691	1,520	11	1,367	24	15.0	14.5	50	14.4	60	13,928	12,035	16	11,257	24
TVS Motor	1,507	1,228	23	1,277	18	12.7	11.7	100	12.5	10	9,061	6,626	37	7,786	16
Maruti Suzuki	551	542	2	528	4	10.5	11.9	-130	10.4	10	32,931	30,692	7	37,117	-11
Hyundai	191	192	-1	180	6	13.9	12.8	110	13.3	60	15,723	13,755	14	13,692	15
M&M	350	301	16	361	-3	14.5	14.3	20	14.3	20	45,205	38,409	18	34,498	31
Ashok Leyland	49	46	8	44	11	12.1	11.6	50	11.1	100	8,009	6,933	16	5,937	35
Eicher – VECV	326	228	43	266	23	24.9	26.3	-140	25.1	-20	12,080	10,099	20	13,065	-8
Eicher - RE	22	21	5	22	1	7.8	7.1	70	9.0	-120	2,490	2,090	19	2,890	-14
Escorts	34	26	30	31	11	13.1	10.3	280	13.1	0	3,212	3,027	6	3,726	-14
Aggregate **	**5,487**	**5405**	**1.5**	**5,578**	**-1.6**	**11.7**	**14.4**	**-260**	**12.8**	**-100**	**186,697**	**188,703**	**-1.1**	**235,050**	**-20.6**

** Excluding TTMT; Source: MOFSL, Company

Exhibit 53: Key operating indicators Ancs

	EBITDA Margins (%)					Adj PAT (INR M)				
	2QFY26	2QFY25	YoY (bp)	1QFY26	QoQ (bp)	2QFY26	1QFY25	YoY (%)	4QFY25	QoQ (%)
Bharat Forge (S/A)	28.3	27.8	50	27.2	110.0	3,156	3,510	-10.1	3,385	-6.8
Happy Forgings	30.7	29.2	150	28.6	210.0	734	666	10.2	657	11.8
Endurance Tech (Consol)	13.3	13.1	20	13.4	-10.0	2,273	2,030	12.0	2,264	0.4
Craftsman Auto (Consol)	16.8	14.6	220	17.0	-20.0	472	286	65.0	397	18.8
Mahindra CIE (Consol)	15.0	15.5	-50	14.2	80.0	2,132	1,947	9.5	2,030	5.0
Sona Comstar	25.3	27.6	-230	23.8	150.0	1,717	1,519	13.0	1,285	33.7
Exide Industries	12.6	11.3	120	11.6	100.0	2,221	2,978	-25.4	3,229	-31.2
Amara Raja	12.0	14.1	-210	11.5	40.0	2,116	2,407	-12.1	1,940	9.1
Apollo(Cons)	14.9	13.6	130	13.2	170.0	3,886	3,012	29.0	2,812	38.2
CEAT (Consol)	13.1	11.0	210	13.3	-20.0	1,726	1,219	41.6	1,857	-7.1
Balkrishna Industries	21.5	25.1	-360	22.5	-100.0	2,652	3,496	-24.1	5,256	-49.5
MRF	15.0	14.4	60	13.7	140.0	5,116	4,554	12.3	4,842	5.7
BOSCH	12.9	12.8	10	13.4	-50.0	5,542	5,002	10.8	6,705	-17.3
Motherson Sumi (Consol)	8.7	8.8	-10	8.1	50.0	8,559	7,470	14.6	6,210	37.8
Motherson Wiring	10.1	10.7	-60	9.8	30.0	1,653	1,521	8.7	1,431	15.5
Tube Investments (S/A)	13.1	11.9	110	12.3	70.0	1,868	1,678	11.3	1,681	11.1
Aggregate	**13**	**13**	**0**	**12**	**50**	**45,823**	**43295**	**6**	**45,981**	**0**

** PBT instead of PAT; JLR in GBP m; Source: MOFSL, Company

Exhibit 54: Aggregate EBITDA margin for OEM (ex TTMT) is flat YoY due to higher costs and weak demand

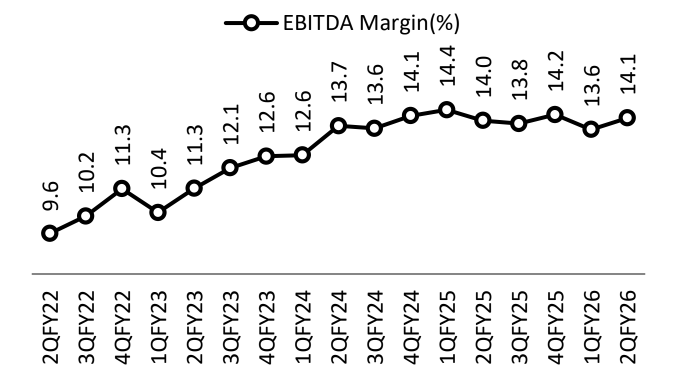
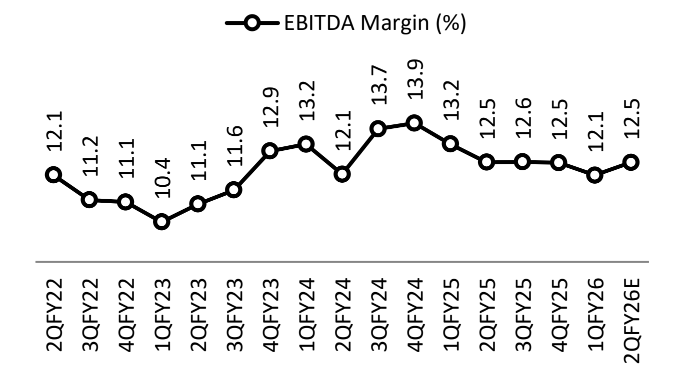


Exhibit 55: Aggregate EBITDA margin for Ancillaries is flat YoY



CAPITAL GOODS AND DEFENSE: Results in line with our estimates

- **Ordering to further improve in 2H:** Order inflow growth for the capital goods sector was healthier than expected. It was particularly buoyed by the continued momentum in power T&D, renewables and defense. Overall, EPC companies' inflows increased 45% YoY, with LT and KEC witnessing strong double-digit YoY growth on the back of domestic and global wins. KPIL witnessed single-digit YoY growth, mainly due to timing-related delays in tender awards. For product companies such as TMX and TRIV, geopolitical headwinds tempered international order activity, though overall ordering is expected to improve in 2H. Private capex-driven ordering is yet to pick up for most names, though few large-sized order wins were seen during the quarter. Powergen demand remained strong and broad-based for both KKC and KOEL, with KKC volumes returning to pre-CPCB IV+ levels on the back of a boost from data center projects, while KOEL saw good momentum across its core powergen portfolio. The Indian defense pipeline remains strong in the near term on account of emergency procurement, and for the medium-to-long term, it is led by both base and large orders. Overall, the pipeline from cement, steel, petrochemicals, waste-to-energy, and sugar is yet to fructify into firm orders, while select sectors such as power T&D, renewable energy, data centers, real estate, and defense continue to witness healthy traction.

- **Execution growth in line with our estimates:** Overall execution of our coverage universe was broadly in line with our estimates, increasing 14% YoY (vs. our estimate of 16%), aided by healthy opening order books, with EPC companies posting 12% growth and product companies (ex-Siemens Energy) recording 17% YoY growth. Within product companies, defense companies' revenue increased 20% YoY (vs. our estimate of 13%), led by strong growth seen across defense PSUs, while powergen companies' execution growth was broad-based but largely volume-driven, with prices now stabilized. ZEN reported a decline in revenue, TMX and TRIV were muted, and all other companies in our coverage universe reported healthy double-digit growth.
- **Margin broadly flat YoY on benign commodity prices:** Overall margins were broadly in line with our estimates at 12.4% (vs. our estimate of 12.2%). A change in the revenue mix led to a small contraction in margins for EPC names (9.7% in 2QFY26 vs. 9.9% in 2QFY25) and product companies (ex-Siemens Energy) (19.2% in 2QFY26 vs. 20.1% in 2QFY25). Within product companies, the defense names' margins contracted YoY mainly due to the inherently lumpy execution cycle; however, we expect full-year margins to improve YoY as delivery schedules normalize and companies' indigenization efforts begin to reflect. Notable examples include POWERIND, KKC, KOEL (adj. margins) and KECI, which reported healthy margin expansion in 2QFY26, while LT, SIEM, KPIL, TRIV and ZEN saw broadly flat margins, and HAL, BHE, BDL, ABB and TMX reported YoY contraction in margins.
- **Exports continue to improve:** LT reported a good uptick in international ordering, while KOEL and KKC continued to witness improvement in export revenue. Export order inflows, however, declined for TRIV mainly due to deferred project finalizations and tariff-related uncertainties in the US. Given the global uncertainty around tariffs, macroeconomic conditions, and geopolitical factors, the export trajectory needs to be monitored closely.
- **Top picks:** With the recent correction in stock prices, we remain positive on LT, BHE, and KKC.
- **Upgrades/Downgrades:** Upgraded KEC from Neutral to BUY
- **Surprises:** BHE, KKC, POWERIND, BDL, KOEL, TRIV and ZEN
- **Misses:** SIEM, TMX and KEC

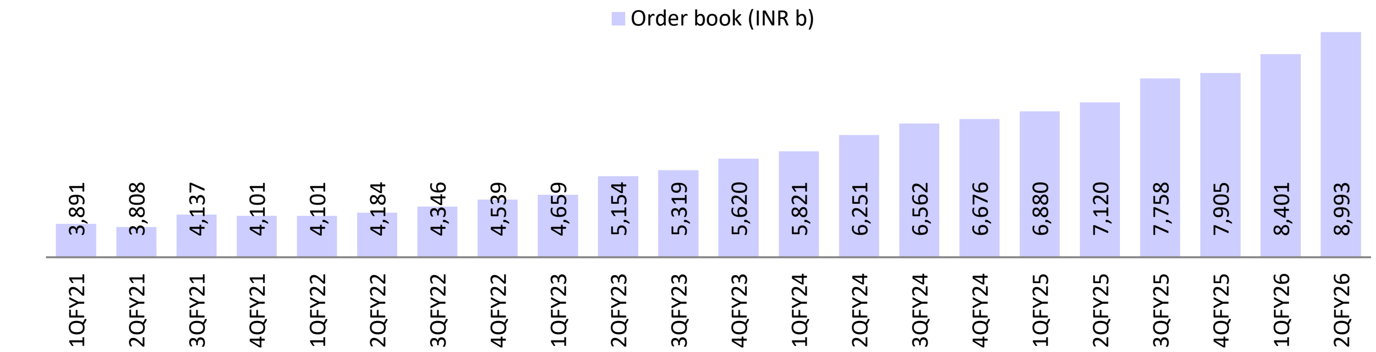
Guidance highlights:

Most of the management teams were confident about a strong prospect pipeline on expected recovery of government and private capex across sectors.

- **LT:** FY26 order inflow growth guidance of more than 10% YoY, with prospect pipeline of INR10t for the remaining six months (+29% YoY), revenue growth of 15% YoY, core E&C margin guidance of 8.5% and NWC-to-revenue ratio of 12%.
- **BHE:** FY26 revenue growth of 15%, margin guidance of 27%, and order inflow guidance of INR270b, excluding QRSAM (INR570b).
- **BDL:** Order inflows worth INR200b over the next 2-3 years and annual revenue to reach INR100b by FY30-31.
- **KKC:** Management maintained double-digit revenue growth guidance for FY26.
- **KOEL:** Maintained its aim of "2B2B" – to achieve USD2b size by FY30; margins to improve.
- **KECI:** FY26 order inflow of INR300b, revenue of INR250b (+15% YoY), EBITDA margin of ~8.0%, net debt to reduce to INR50b.

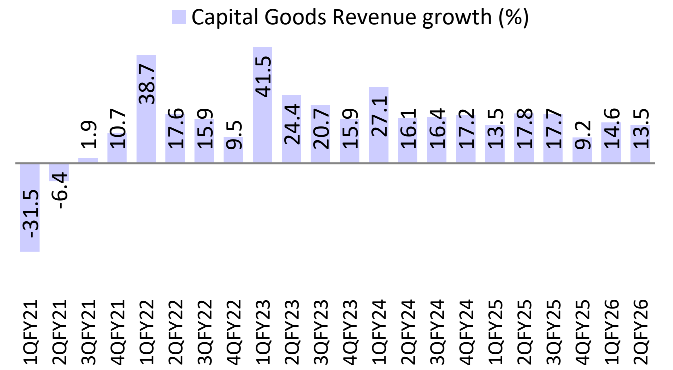
- **KPIL:** FY26 order inflow of more than INR250b, revenue growth of more than 25%, PBT to improve by at least 50bp, and NWC to be below 100 days for standalone and below 90 days for consolidated.
- **TMX:** FY26 order inflow to grow over 20% YoY; revenue and PAT to grow YoY despite the one-off impact in 2Q.
- **TRIV:** In FY26, revenue growth to be back-ended, with 3Q and 4Q expected to show higher revenue growth.
- **Zen Tech:** Medium-term revenue CAGR guidance of 50%, achieving cumulative revenue of INR60b over FY26-28.

Exhibit 56: Aggregate order book (ex-Siemens) experiencing a steady build-up (INR b)



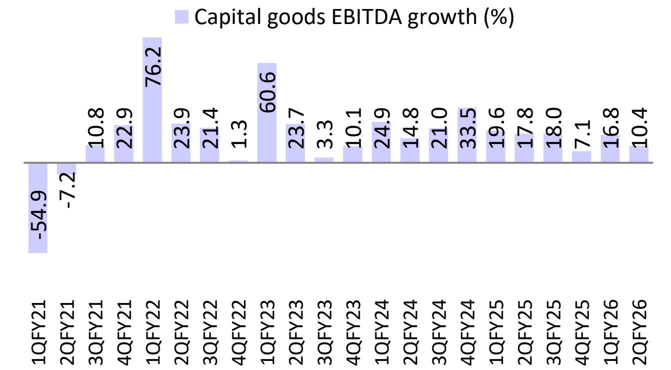
Source: Company, MOFSL

Exhibit 57: Aggregate revenue growth (%)



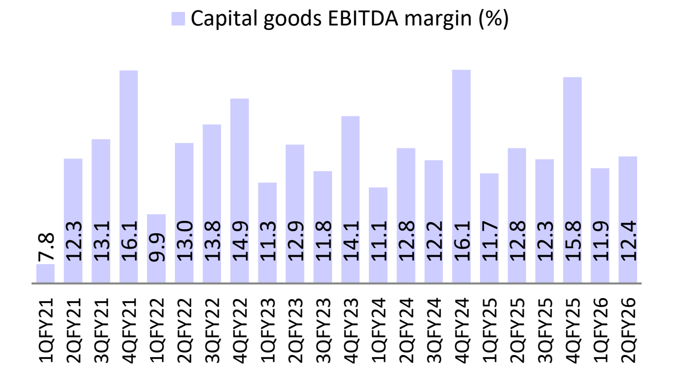
Source: Company, MOFSL

Exhibit 58: Aggregate EBITDA growth (%)



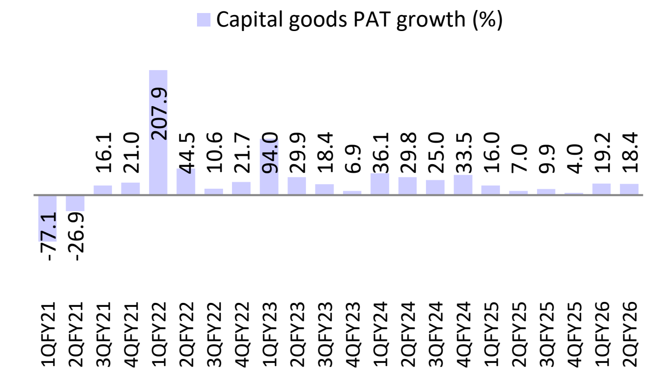
Source: Company, MOFSL

Exhibit 59: Aggregate EBITDA margin (%)



Source: Company, MOFSL

Exhibit 60: Aggregate PAT growth (%)



Source: Company, MOFSL

Note: The above charts are excluding data of SIEM and Siemens Energy India

CEMENT: Volume ~4% above estimate; ~5% beat in EBITDA/t

- **Sales volume rises ~13% YoY and blended realizations surge ~6% YoY (down 1% QoQ):** Industry demand in 2Q was moderate and grew ~4% YoY. Aggregate volume for our cement coverage universe grew ~13% YoY (+4% vs. our estimate), aided by inorganic growth. Blended realization increased ~6% YoY (dipped ~1% QoQ) to INR5,474/t, which was ~1% above our estimate. ACC and ACEM reported the highest volume growth of 19-20%

YoY (aided by inorganic growth), followed by JKCE/JKLC/JSWC/UTCEM of 14-15%. Volume growth for DALBHARA /BCROP/ICEM/SRCM was in the range of ~3-7% and TRCL was at ~1% YoY. Aggregate revenue (ex-GRASIM) grew ~19% YoY to INR539.0b. GRASIM's standalone revenue rose ~26% YoY to INR96.1b, supported by steady revenue gains in its new growth businesses (Birla Opus and Birla Pivot combined revenue stood at INR26.5b, up 8% QoQ). GRASIM's chemical/VSF segment revenue increased ~17%/1% YoY.

- **Average gross margin for our cement coverage improved 2.3pp YoY (dipped 1.2pp QoQ) to 58.4%,** driven by improvement in realizations, while variable cost/t remained flat YoY (in line with our estimate). Opex/t declined ~1% YoY (up ~2% QoQ) to INR4,549 (~1% below our estimate). **Aggregate EBITDA for our coverage companies increased ~65% YoY (including GRASIM, which posted EBITDA growth of ~13% YoY), and OPM surged 4.0pp YoY (down 2.8pp QoQ) to ~15% (+1pp vs. our estimate)**. EBITDA surged by ~133% YoY for JKLC, followed by ~91%/81% for ACC/ACEM and ~72% for BCORP. EBITDA of DALBHARA/JKCE/UTCEM increased in the range of ~53-60% YoY and SRCM/TRCL by ~48%/24%. ICEM reported EBITDA of INR814m vs. an operating loss of INR1.6b in 2QFY25. **Average EBITDA/t increased 46% YoY to INR941 (down ~15% QoQ; +5% vs. our estimate).**
- **Aggregate PAT increases 91% YoY (ex-Grasim, PAT up ~141%):** Aggregate interest/depreciation expenses for our coverage universe grew 3%/15% YoY, while other income declined ~7% YoY. **Aggregate profit increased ~91% YoY to INR39.3b for our coverage universe (profit up ~141% YoY to INR31.3b, excluding GRASIM).** PAT surged 4.5x/4.3x YoY for JKCE/DALBHARA, followed by 3.2x/2.9x for SRCM/TRCL. PAT grew ~75%/37%/14% for UTCEM/ACC/ACEM. BCROP/ICEM/JKLC/JSWC reported profit during the quarter vs. losses in 2QFY25.
- **Aggregate earnings stable, with a few upgrades and downgrades:** We maintained our aggregate EBITDA/PAT estimates for our coverage universe for FY26/FY27/FY28. For ACC/ACEM, we raised our FY26 EBITDA estimates by ~8%/10% while broadly maintaining FY27/FY28 EBITDA estimates. We cut our EBITDA estimates by ~5%-7% for SRCM. We maintained our EBITDA estimates for rest of the coverage companies.
- **Top picks:** UTCEM remained our preferred pick in the large-cap space, and JKCE in the mid-cap space.
- **Surprises:** ACC, ACEM, BCORP, ICEM, TRCL, JSWC, and GRASIM
- **Misses:** SRCM

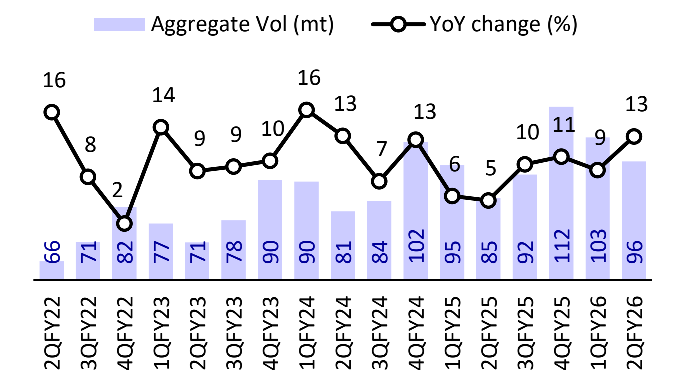
Guidance highlights:

Most of the management teams guided for demand growth of 7-8% YoY in FY26, supported by government-led infra projects (roads, highways, ports, metro, PMAY), good monsoon-led rural demand boost, and continued strong real estate demand. Industry players have passed on the entire benefit of GST cuts. Cement prices were soft in Oct'25 due to weak demand amid festive season and labor shortage. Though trade prices remained resilient, non-trade prices contracted sharply in Oct'25. Fuel prices showed mixed trends as imported coal prices fell, while imported petcoke prices rose sequentially. We expect margin pressure to persist in the near term due to weak demand and pricing. Further, the two large players have raised their capacity targets for FY28, which would keep pricing in check.

- **UTCEM:** Management reiterated double-digit volume growth in FY26. It highlighted that the brand transition is progressing well, with India Cements at ~31% and Kesoram at ~55%, and full conversion is expected by Jun'26. It has announced Phase-IV expansion with 22.8mtpa capacity in northern and western regions. Upon completion of these expansions, its domestic grey clinker/cement capacity will reach ~148mtpa/235mtpa by FY28-end.
- **ACEM:** It indicated that ongoing efficiency measures and group synergies have helped it to lower total opex/t. It targets to bring costs down from INR4,200/t currently to INR3,650/t by FY28 through optimized fuel mix, higher green power use, and logistics improvements. Further, it announced debottlenecking initiatives across plants with grinding capacity addition of 15mtpa at a capex of USD48/t. It raised its capacity target to 155mtpa by FY28 (vs. 140mtpa earlier).
- **SRCM:** It indicated that despite heavy rains and a sharp decline in QoQ volume, realizations remained firm in 2Q. The company saw a sharp increase in the premium products share (as a % of trade sales), reaching ~21% vs. ~15% in 2QFY25, which is likely to remain at similar levels in the coming quarters. Capacity is expected to reach ~67mtpa by FY26-end, rising to ~72-75mtpa by end-FY27E and ~80mtpa by FY28-29E.

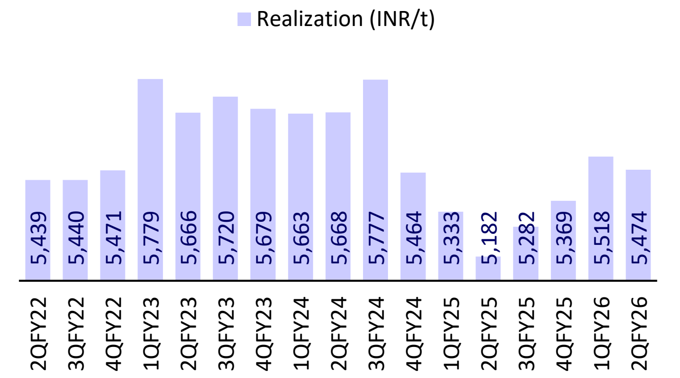
- **DALBHARA:** Management expects demand to recover in 2H, led by IHB, pent-up demand, consecutive good monsoon, and improving sentiment. On the cost front, the recent rise in petcoke prices and INR depreciation are likely to exert some cost pressure. However, the company remains focused on reducing variable costs. Capacity expansions at Belgaum and Kadapa are progressing as planned, supporting future growth.
- **JKCE:** It highlighted that volume growth in 2Q was led by the central and south regions, while the north remained flat. Cement prices remained under pressure in the current month; however, this is likely to ease going forward. It is targeting cost savings of INR150-200/t, with INR75-90/t expected in FY26/FY27 (each). The 6mtpa capacity expansion is at an advanced stage and is expected to be commissioned in the coming months.
- **JKLC:** Management indicated that demand in Oct’25 was muted due to unseasonal rains and the festival effect; however, demand is likely to recover from mid-Nov’25. JKLC outperformed industry growth in 1HFY26, and it will sustain above-industry growth in 2H as well. It has placed main plant and machinery orders for Durg expansion, and expects the commissioning of clinker capacity by Mar’27 and grinding capacities during FY27-28 in a phased manner.
- **BCORP:** Management highlighted that 2Q profitability was hit by the overhang of the shutdown of the Maihar plant in 1QFY26, leading to continued clinker purchase. Heavy rain disrupted operations at the Mukutban plant, leading to lower volume. The GST rate change in Sep’25 led to sharp price corrections in the nontrade segment. It remains cautious for 3Q due to subdued realization, and it expects realization to improve in 4QFY26.
- **GRASIM:** Management highlighted that Birla Opus continues to grow its market share. Birla Opus hit its highest-ever monthly sales in Sep’25, and the brand saw an equally strong Oct’25. It expects sequential growth in paint business to be in double digits in 3QFY26 and significantly higher on a YoY basis. GRASIM maintained its revenue guidance of INR100b and EBITDA break-even by FY28.

Exhibit 61: Our coverage sales volume was up ~13% YoY



Source: Company, MOFSL

Exhibit 62: Blended realization increased 4% YoY in 1QFY26



Source: Company, MOFSL

Exhibit 63: Aggregate EBITDA and growth

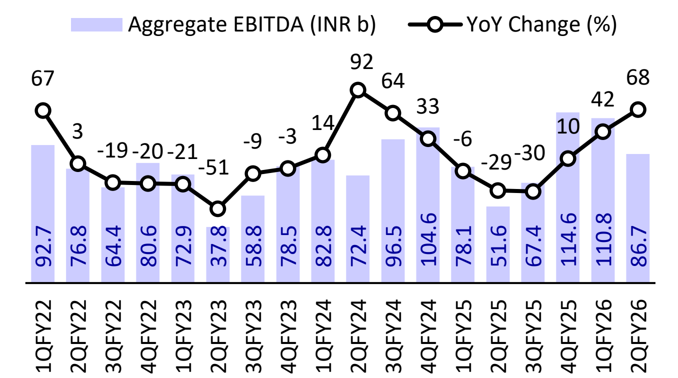
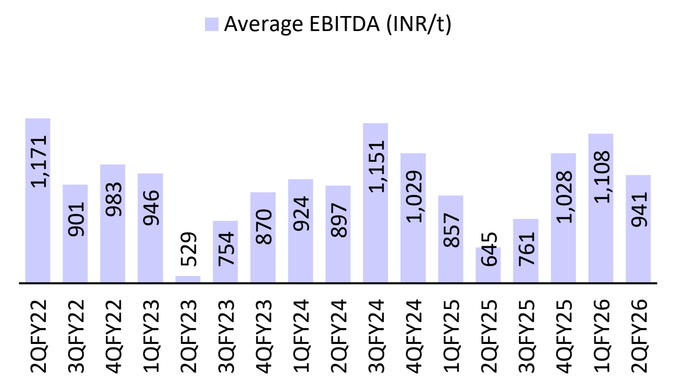


Exhibit 64: Average EBITDA/t was up 46% YoY in 2QFY26



Source: Company, MOFSL; Note: *EBITDA excluding Grasim and JSW Cement

CHEMICALS: Broadly in-line quarter with stable margins

- **Overall performance:** Revenue came in line with our estimate, while GALSURF and PI beat our estimates. EBITDA was also broadly in line (FINEORG, DN, and VO beat our estimates, while in contrast, AACL, ATPL, CLEAN, GALSUF, NOCIL, and TTCH fell short). Adj. PAT was in line (ELLEN, NFIL, and PI beat our estimates, while AACL, CLEAN, GALSUF, NOCIL, and TTCH were below our estimates; conversely, ATPL, DN, FINE, SRF, and VO were in line). Aggregate revenue grew 1% YoY to INR171.2b, EBITDA rose 4% YoY to INR32.4b, and adj. PAT grew 3% YoY to INR18.6b.
- Aggregate gross margin for our coverage universe contracted 80bp YoY in 2QFY26, led by 850bp/640bp gross margin contraction in GALSUF/ATPL, while VO and PI's gross margins expanded 1,000bp and 550bp, respectively. Aggregate EBITDA margin expanded 60bp YoY, led by margin expansion in NFIL, SRF, and VO.
- **Ratings and earnings revisions:** There have been no changes in ratings across our coverage universe following the 1QFY25 earnings season. We have revised down our FY26 and FY27 estimates for CLEAN, GALSURF, NOCIL, PI, TTCH, and ELLEN. We upgraded our earnings estimates for NFIL while maintaining our estimates for the remaining companies.
- **Top picks:**

➢ **SRF:** We expect the chemicals business (fluorochemicals and specialty chemicals) to witness higher growth momentum in 2HFY26 (vs. 1HFY26), fueled by 1) the ramp-up of recently commissioned plants, 2) the launch of new products, 3) a strong R&D and innovation pipeline, 4) stable demand for refrigerant gases, and 5) a diversified portfolio. The packaging business is also likely to report better margins driven by higher realizations of BOPP, a strong portfolio of high-impact, value-added products, and the anti-dumping duty on Chinese aluminum foil imports to India. **We value the stock on an SoTP basis to arrive at our TP of INR3,650.**

➢ **VO**: VOPL has commissioned a plant for MEHQ and Guaiacol, along with other products (Anisole, 4-MAP, Iso Amylene, etc.), to be commercialized in FY26. We expect them to be the key growth drivers for VO going forward. VO continues to be one of the largest producers of AOs in India. While Chinese competitors continue to pose a threat to the supply, the long-term outlook for the segment remains positive on the back of a novel AO for lubricant additives and further strengthening of the portfolio. We expect growth to be driven by capacity expansion of ATBS by 10,000mtpa, enabling VO to cater to growing global demand and reduce order backlogs. We value the stock at 35x FY27E EPS to arrive at a TP of INR2,100. **Reiterate BUY**.

Guidance highlights:

- **AACL:** Volume growth in 1H was slightly higher compared to last year; however, management does not expect to meet its volume growth target of 7-10% for FY26. The anti-dumping duties on acetonitrile are expected to benefit the company from 4Q onward.
- **ATLP:** The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share, and expanding its international presence.
- **CLEAN:** The broader operating backdrop remains challenging, shaped by uncertain demand in end-markets, aggressive pricing behavior from Chinese suppliers, evolving tariff structures, and global supply chain adjustments.
- **DN**: The global environment remains difficult due to rising geopolitical tensions and trade barriers. While near-term conditions are challenging, the company expects 2H performance to be better, led by the new capacities ramping up and new products being launched. Key projects are progressing well, with the Nitric Acid unit and Methyl isobutyl ketone (MIBK) and Methyl Isobutyl Carbino (MIBC) units likely to be operational by 4QFY26.
- **ELLEN:** The company is on track for its pan-India expansion, with the Uluberia-2 bulk plant scheduled to open by 3QFY26 and the East India on-site plant by 4QFY26. The North India project has faced a slight commissioning delay due to execution-related issues. Although this may cause a modest short-term impact, it does not alter the company's strong long-term growth outlook or its commitment to expanding national coverage.

- **GALSURF:** The company expects 3QFY25 performance to remain similar to 2QFY25 and maintains its confidence in medium-term consumption growth driven by GST reforms despite temporary softness from inventory adjustments and reformulations.
- **NFIL:** Management remains optimistic about 2HFY26 and beyond, supported by a strong order book, deep customer relationships, and continued focus on R&D. Reflecting this confidence, the company has raised its EBITDA margin guidance to 28-30% (from 25% earlier) for FY26.
- **NOCIL:** The company is introducing various cost savings and efficiency improvement initiatives to reduce conversion costs from 4QFY26 onwards and focusing on geographies other than the US.
- **PI:** Macro headwinds are expected to persist, underpinned by climatic volatility, evolving structural shifts among global innovators, and ongoing geopolitical supply-chain disruptions. Management reiterated its EBITDA margin guidance of 26-27%. PI commercialized eight new molecules in 1HFY26 (five in agchem and three in the domestic segment).
- **TTCH:** Soda ash remains very well supplied across the world, with inventories high in certain regions. Soda ash prices remain weak and, in certain instances, are nearing record low levels. Global demand is estimated to be flat in the near term. The medium-to-long-term trend is positive, driven by sustainability applications (solar PV + EV growth), even with short-term margin challenges.
- **SRF:** Management guided over 20% revenue growth for the chemicals business in FY26, driven by a strong 1H. This is despite some order deferment (for older products) from large global agro players to the later part of 2HFY26. The company plans to incur a capex of around INR22b-INR23b (including the Odisha land parcel ~INR2.82b) in FY26.
- **VO:** The company reported a strong operating performance in 2QFY26, as EBITDA surged 33% YoY to INR1.8b. For FY26, revenue growth across ATBS, Butyl Phenols (BP), and Anti-Oxidants (AO) segments is expected, supported by favorable demand trends and capacity additions. VO has completed the phase 1 expansion of its Acrylamide Tertiary-Butyl Sulfonic Acid (ATBS) production capacity by 10,000mtpa to cater to the growing global demand and reduce order backlogs.

Exhibit 65: Revenue for our Coverage Universe

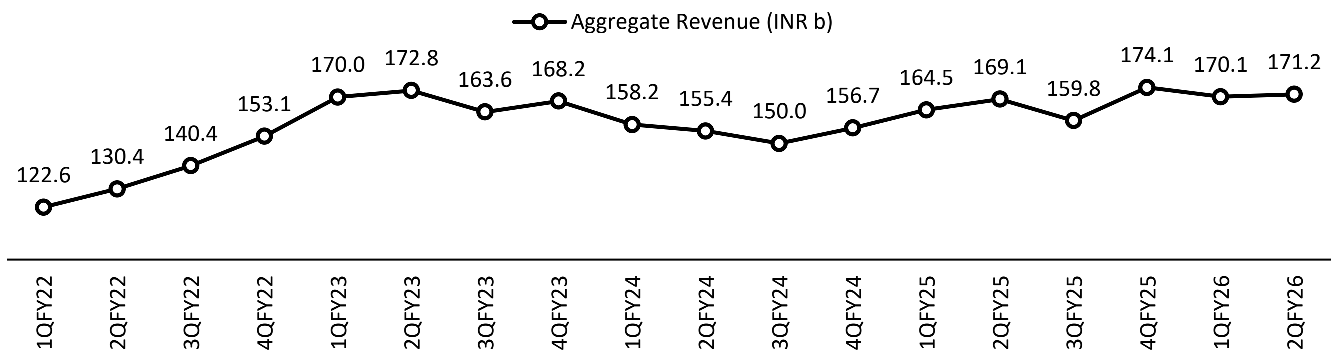


Exhibit 66: Gross margin for our Coverage Universe

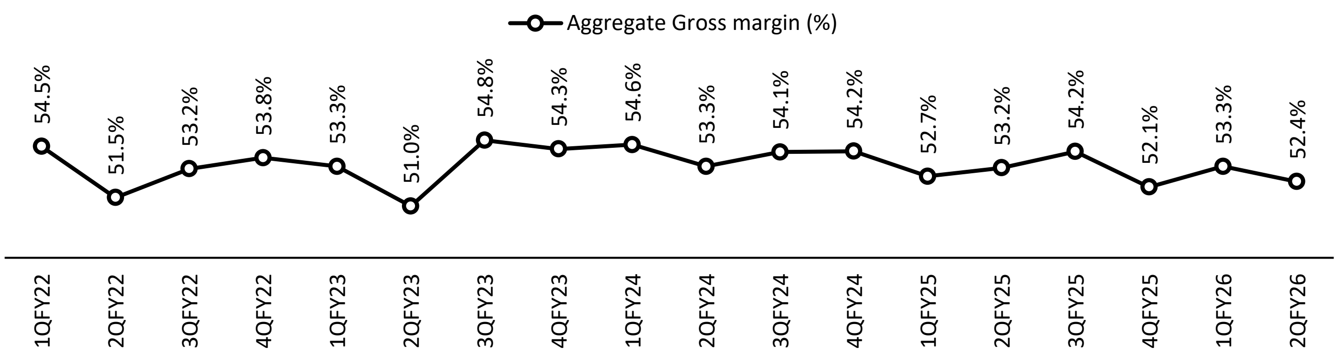


Exhibit 67: EBITDAM for our Coverage Universe

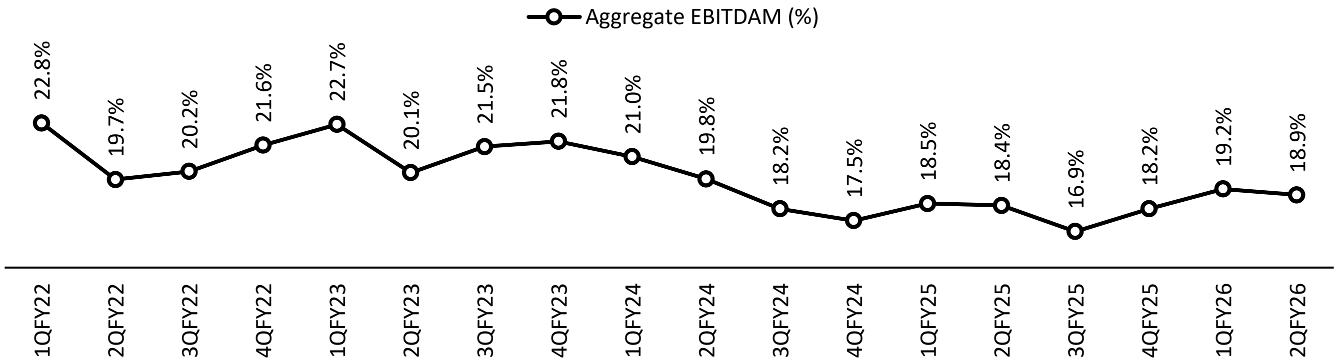


Exhibit 68: EBIT margin for our Coverage Universe

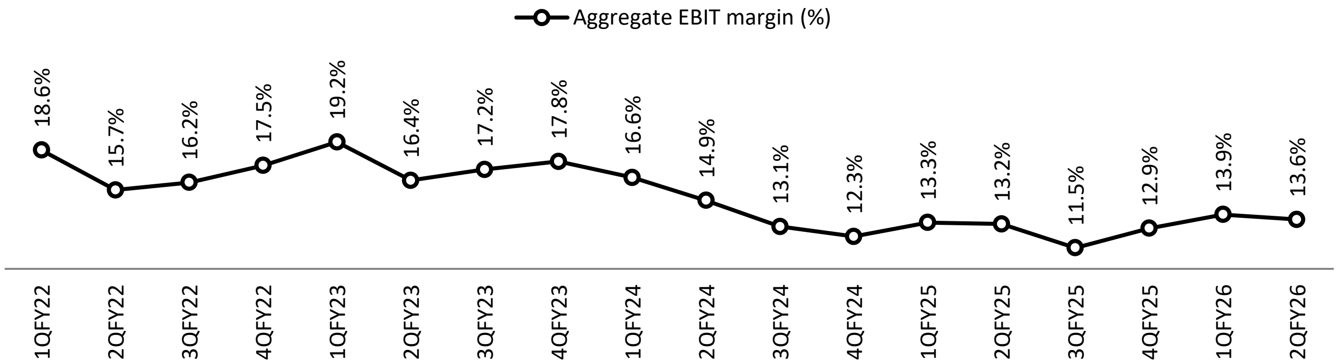
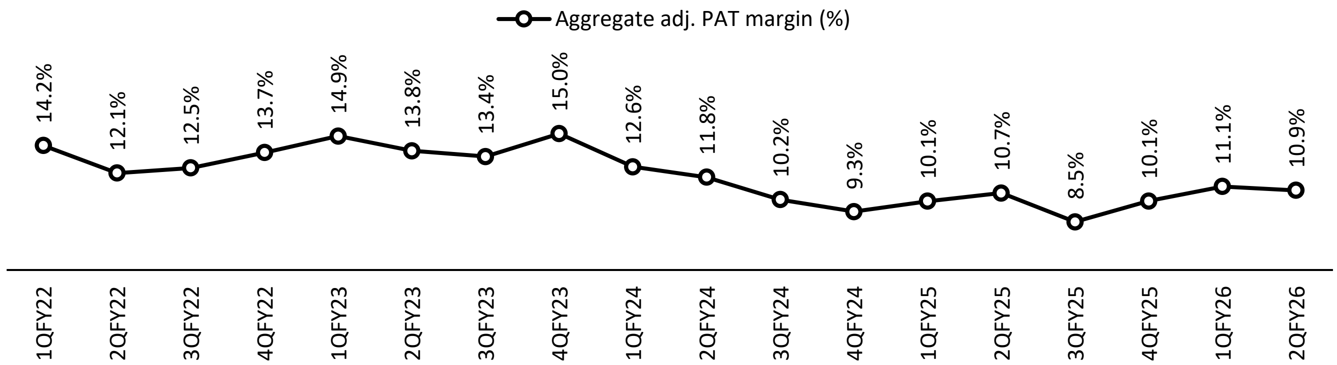


Exhibit 69: PAT margin for our Coverage Universe



CONSUMER – GST transition underway in FMCG; recovery signs in paint

- **Staples: GST-led transitory disruption –** Staple companies witnessed stable demand trends; however, the GST transition and an extended monsoon weighed on the overall performance during the quarter. The GST impact was more pronounced in personal care categories compared to packaged foods. All such transition changes will be interim and stability is expected from Nov'25 onward. About 2-3% of revenue of most companies was affected by the GST-led transition. Many companies have reduced prices and started increasing grammage in low-unit packs (LUPs) to pass on the GST benefits to consumers. Companies have also pre-loaded their winter portfolios into the market, anticipating a strong season and a robust offtake. Key raw material prices remain firm, thereby gross margin pressure persisted for most consumer companies. Copra price correction can boost the margin for Marico in the coming quarters. EBITDA margins for most companies were under pressure in 2Q. We downgraded Dabur to Neutral given persistent execution challenges, and upgraded Britannia to BUY owing to improving demand trends, benefits of grammage play and possible share gain from local and regional firms.

- **Paint: Recovery momentum strengthens; festive demand aids growth –** Paint companies reported clear signs of a demand revival in Sep-Oct'25, supported by festive demand and improving trade sentiments. The industry expects this uptrend to accelerate further in 2HFY26. Asian Paints delivered 6% revenue growth, driven by 11% domestic volume growth, while Indigo Paints posted 4% YoY growth. Margins improved meaningfully across the sector, aided by benign RM prices, a favorable product mix, and efficiency measures.
- **Liquor: Healthy P&A growth; beer soft on weather impact –** In the alcobev sector, spirits outperformed, while beer remained weak. UNSP reported 8% P&A volume growth, led by strength in Andhra Pradesh and a favorable base, though partially offset by the Maharashtra duty hike. Radico delivered an impressive 22% P&A volume growth, supported by premiumization and strong consumer uptake. Margins expanded across the spirits category, led by stable ENA/glass costs and operating leverage. UBBL volumes declined 3% due to an unusually weak summer and extended monsoon, and margins contracted due to negative operating leverage.
- **Innerwear: Muted performance –** Page Industries saw muted demand impacted by weak trends in Jul-Aug, though a gradual recovery was visible from mid-Sep, aided by an early festive season. Despite better gross margins from sourcing efficiencies, high marketing spends dented EBITDA. With increased efforts in product innovation, digital-first marketing, and channel expansion, we expect the company to benefit from improving consumer sentiment and witness a steady demand recovery.
- **Outperformers: APNT, BRIT, NEST and RDCK**
- **Underperformers: CLGT, Dabur, Page and UBBL**
- **Near-term outlook:** With trade stabilizing after the GST reduction, staples are expected to see a gradual pickup, supported by a steady rural recovery and improving urban sentiment. A favorable winter should further drive offtake in health supplements, winter personal care, beverages, and packaged foods. Government measures to boost rural incomes are likely to strengthen consumption from 3QFY26. Paints are already witnessing better traction, driven by festive demand and stronger construction activity. In liquor, premiumization continues to support healthy double-digit growth in spirits. The innerwear segment is seeing a slow but steady recovery as channel inventory normalizes, with the winter season expected to boost thermal and winterwear demand. **Our top picks are HUVR, BRIT and MRCO.**

Guidance highlights

- **APNT:** For FY26, the company expects mid-single-digit value growth and high-single-digit volume growth, with the 4-5% gap between value and volume likely to persist. In 2HFY26, the company anticipates high-single-digit value growth, supported by festive demand and improving macro conditions.
- **BRIT:** The company expects transitionary impact to normalize progressively in 3QFY26. By Oct end, BRIT revised ~65% of its SKUs and by mid-Nov, and all its SKUs will have updated grammages and prices. Annual A&P spends as a percentage of sales for FY26 are expected to be at historical levels.
- **DABUR:** Management guided for mid-to-high single-digit revenue growth and mid-single-digit volume growth for 2HFY26. The company expects rural demand momentum to remain intact and urban consumption to recover in 2H as trade stabilizes.
- **HMN:** The company expects high single-digit growth in 3QFY26, with the potential to deliver double-digit growth if the winter season continues to perform well.
- **HUVR:** It has loaded its winter portfolio into trade ahead of the season and expects a good winter to drive strong offtake. Near-term EBITDA margin guidance remains in the 22-23% range, with 50-60bp improvement expected after the demerger, as the low-margin ice cream business is excluded.
- **GCPL:** Management expects the Indian standalone business to achieve high single-digit underlying volume growth in FY26, alongside consolidated high single-digit revenue growth, with 2HFY26 anticipated to outperform 1HFY26. India standalone and GAUM businesses are expected to deliver double-digit EBITDA growth in FY26. Consolidated EBITDA growth may be marginally lower than the earlier guidance due to softness in Indonesia and LATAM, but management expects a sequential improvement.

- **PAGE -** PAGE expects double-digit sales growth in a normalized business environment. The festive season (Oct-Dec) is expected to help sustain healthy category growth and drive premiumization. The festive season has been better than the first half of 2QFY26. PAGE expects 2HFY26 to be better than 1HFY26.
- **PIDI:** Management expects double-digit volume growth momentum to continue in 2HFY26. The company has not taken any pricing actions. With no significant commodity inflation currently seen, the company does not plan any major price hikes. PIDI expects gross margins to remain in the 54-55% range through FY26. It maintains its EBITDA margin guidance of 20-24% for FY26.
- **RDKH –** For FY26, Radico's overall volume growth would be in the 20%+ range, with P&A continuing to grow 20%+ in 2HFY26. The company has maintained its margin expansion guidance of 125-150bp annually for the next three years, aiming to reach high-teen margins. It is on track to be debt free by FY27.
- **UNSP –** UNSP expects that 2HFY26 is expected to be more challenging than 1HFY26. The company continues to target double-digit growth; however, it remains cautious given the high base in AP and ongoing challenges in Maharashtra. The festive season (Oct-Dec) is expected to help sustain healthy category growth and drive premiumization.
- **TATACONSUMER -** Management expects to return to ~15% EBITDA margins by 4Q. Tea gross margins are expected to operate within the 34-36% range; going beyond this, it risks losing market share due to the competitive environment. The growth portfolio (~30% of the total portfolio) is expanding at a 30% rate, driven by low penetration, strong category tailwinds, and expanding distribution. It is expected to maintain the same growth rate in the near foreseeable future.

Exhibit 70: Quarterly volume growth

Volume growth (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Asian Paints	10.0	6.0	12.0	10.0	7.0	-0.5	1.6	1.8	3.9	10.9
Britannia	0.0	0.0	5.5	6.0	8.0	8.0	6.0	3.0	2.0	-3.0
Colgate	3.0	-1.0	-1.0	1.0	7.0	8.0	4.0	0.0	-3.0	-5.0
Dabur	3.0	3.0	4.0	3.0	5.2	-7.0	1.2	-5.0	-1.0	2.0
Emami	3.0	2.0	-1.0	6.4	8.7	1.7	4.0	5.0	-3.0	-16.0
Godrej Consumer	10.0	4.0	5.0	9.0	8.0	7.0	0.0	4.0	5.0	3.0
HUL	3.0	2.0	2.0	2.0	4.0	3.0	0.0	2.0	4.0	0.0
ITC	8.0	5.0	-2.0	2.0	3.0	3.5	6.0	5.0	6.0	6.0
Jyothy labs	9.0	9.0	11.0	10.0	10.8	3.0	8.0	5.0	3.6	2.8
Marico	3.0	3.0	2.0	3.0	4.0	5.0	6.0	7.0	9.0	7.0
Nestle	5.4	5.4	4.0	4.0	2.0	-1.5	2.5	2.0	2.0	7.0
Page Industries	-11.5	-8.8	4.6	6.1	2.6	6.7	4.7	8.5	1.9	2.5
UBBL	-12.4	7.0	8.0	10.9	5.0	5.0	8.0	5.0	11.0	-3.0
United spirits	5.8	1.0	-1.8	3.7	3.5	-4.4	10.2	6.9	9.4	7.7
-P&A	10.3	3.8	4.6	3.7	5.1	-3.7	11.2	9.2	9.0	8.0
Radico Khaitan	7.9	-3.1	3.6	-1.0	-4.1	-2.4	15.5	27.5	37.5	37.7
Radico Khaitan (P&A)	27.1	21.9	20.1	14.5	14.2	12.7	18.0	16.4	40.7	21.6

Source: Company, MOFSL

Exhibit 71: Revenue/EBITDA/PAT growth for 2QFY26

Company Name	Revenue	2QFY26 YoY %	EBITDA	2QFY26 YoY %	PAT	2QFY26 YoY %
Asian Paints	85,313	6.3	15,034	21.3	10,182	16.5
Britannia	48,406	3.7	9,545	21.8	6,551	23.2
Colgate	15,195	-6.2	4,654	-6.4	3,275	-7.9
Dabur	31,913	5.4	5,881	6.4	4,608	6.4
Emami	7,985	-10.3	1,785	-28.7	1,711	-26.7
Godrej Consumer	38,251	4.3	7,333	-3.7	4,811	-2.9
HUL	1,62,520	2.0	37,400	-1.4	24,986	-4.0
Indigo Paints	3,121	4.2	465	12.1	251	10.9
ITC	1,95,016	-6.0	66,947	-1.0	50,609	1.3
Jyothy	7,361	0.3	1,183	-14.6	878	-16.4
LT Foods	27,657	31.2	3,094	35.0	1,639	10.4
Marico	34,820	30.7	5,600	7.3	4,200	7.3
Nestle	56,436	10.6	12,539	5.2	7,432	-4.6
P&G Hygiene	11,502	1.3	2,848	-2.0	2,099	-1.0
Page Industries	12,909	3.7	2,795	-0.4	1,948	0.2
Pidilite	35,544	9.9	8,507	10.7	5,799	8.5
Tata consumer	49,659	17.8	6,718	7.3	4,045	5.1
United Breweries	20,511	-3.0	1,301	-42.6	469	-64.5
United Spirits	31,700	11.5	6,720	32.5	4,945	47.6
Radico Khaitan	14,939	33.8	2,376	45.6	1,390	69.1
Varun Beverages	48,967	1.9	11,474	-0.3	7,412	19.6

Source: Company, MOFSL

Exhibit 72: Gross and EBITDA margin expansion in 2QFY26

Companies	Gross Margin	YoY (bp)	QoQ (bp)	EBITDA Margin	YoY (bp)	QoQ (bp)
Staples						
Britannia	41.7%	16	138	19.7%	293	334
Colgate	69.5%	91	53	30.6%	-9	-93
Dabur	49.4%	10	241	18.4%	18	-119
Emami	71.0%	33	160	22.4%	-577	-134
Godrej Consumer	52.1%	-348	21	19.2%	-160	20
HUL	51.4%	-16	134	23.0%	-80	50
ITC	58.3%	235	585	34.3%	172	262
Jyothy	48.1%	-214	3	16.1%	-280	-46
LT Foods	34.0%	77	35	11.2%	31	42
Marico	42.6%	-814	-427	16.1%	-351	-402
Nestle	54.3%	-230	-83	22.2%	-113	27
P&G Hygiene	61.3%	-160	-230	24.8%	-83	-365
Tata consumer	42.1%	-152	198	13.5%	-133	83
Varun Beverages	56.7%	119	220	23.4%	-53	-505
Paints & Adhesives						
Asian Paints	43.2%	242	51	17.6%	218	-56
Indigo Paints	44.8%	107	-112	14.9%	106	57
Pidilite	55.0%	69	91	23.9%	17	-114
Liquor						
United Breweries	42.8%	-104	27	6.3%	-438	-450
United Spirits	47.1%	190	312	21.2%	337	492
Radico Khaitan	43.6%	1	64	15.9%	129	49
Innerwear						
Page Industries	59.9%	348	81	21.7%	-87	-73

Source: Company, MOFSL

CONSUMER: QSR – Recovery delayed; margins under pressure

- **Demand remains challenging**: The operating environment remained challenging through Aug and Sep, as out-of-home consumption was impacted by both Shraavana and Navaratri falling in the same quarter, as well as unseasonal rains. Oct saw improvement backed by a change in the festive season. QSR companies expect eatingout frequency to gradually pick up in 2HFY26. The sector benefited indirectly from GST-related advantages through lower raw material costs, particularly in cheese and sauces, which contributed ~50bp to margins. The benefit was passed on to consumers through price reductions in certain SKUs. However, weak underlying growth continued to impact operating margins, exerting pressure on restaurant and EBITDA margins for most brands. QSR companies continued to focus on value-focused menu offerings. While delivery channels remain strong, dine-in is showing a gradual improvement. Our coverage universe posted revenue growth of 10% YoY in 2QFY26 vs. 11% in 1QFY26 and 5% in 2QFY25. JUBI delivered robust LFL growth of 9% and RBA recorded SSSG of 3%, while Westlife/Devyani KFC/Devyani PH/Sapphire KFC/Sapphire PH/UFBL registered same-store sales decline of 3%/4%/4%/3%/8%/2% YoY. **We continue to prefer RBA in QSR given its outperformance in India and re-rating scope.**

- **Pressure on profitability:** With no material uptick in underlying growth, QSR companies continued to face an adverse impact on their unit economics. Both restaurant margin and EBITDA margin (pre-Ind AS) continued to contract YoY and QoQ in 2QFY26. EBITDA margin (pre-Ind AS) expanded YoY for JUBI and RBA.
- **Outperformers:** Jubilant
- **Underperformers:** Westlife, Devyani

Guidance highlights:

- **JUBI:** For FY26, JUBI expects India Domino's to grow by ~15% YoY, with 5-7% growth from LFL (1-2% price mix and 3-4% volume) and 7-10% from store additions. Management has reiterated its guidance of 200bp EBITDA margin expansion over the next three years.
- **Devyani**: The company is on track to open ~100-110 new stores of KFC in FY26. New store additions will continue to be muted for PH. Sky Gate would achieve brand contribution breakeven by FY26 end.
- **Westlife**: It has maintained EBITDA margin guidance of 18-20% by FY27 and is on track to achieve the target of 580-630 restaurants by 2027.
- **Sapphire**: The company aims to maintain its KFC expansion rate of 60-80 stores annually while adopting a cautious approach for PH, focusing on smaller-format stores of 1,000 and 1,200 sq. ft.
- **RBA**: BK plans to open 60-80 new restaurants each year and targets 800 restaurants by FY29 from the current 533 restaurants (20 stores opened in 1HFY26). RBA plans to open 580 stores by FY26 end. It aspires to achieve 70% gross margin by FY29; current GM stands at 68.3%.
- **UFBL**: The company opened 6 new restaurants during 2Q and remains well-placed to add 9-12 outlets per quarter, targeting 300+ stores by FY27. In FY26, the company plans capex of INR1,250m, which includes new restaurant additions (35 stores) along with maintenance and corporate capex.

Exhibit 73: Quarterly trends

Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Revenue Growth (%)									
United Foodbrands	-3%	1%	6%	-6%	1%	-1%	-2%	-3%	0%
Devyani (Consol)	10%	7%	39%	44%	49%	54%	16%	11%	13%
-KFC	15%	14%	11%	7%	7%	9%	3%	10%	5%
-Pizza Hut	2%	-2%	-4%	-1%	0%	6%	8%	3%	1%
Jubilant (Standalone)	5%	3%	15%	10%	9%	19%	10%	18%	16%
Sapphire	14%	12%	13%	10%	8%	14%	13%	8%	7%
-KFC	19%	16%	16%	11%	9%	12%	12%	11%	7%
-Pizza Hut	-6%	-4%	-3%	3%	3%	10%	5%	-6%	-6%
Restaurant Brands (Consol)	19%	15%	16%	6%	1%	6%	6%	8%	11%
Restaurant Brands (Standalone)	23%	20%	20%	16%	9%	11%	12%	13%	16%
Westlife	7%	-2%	1%	0%	1%	9%	7%	7%	4%
Total	**9%**	**6%**	**9%**	**5%**	**5%**	**20%**	**8%**	**11%**	**10%**
SSSG									
United Foodbrands	-11%	-5%	1%	-7%	-3%	-2%	-2%	-3%	-2%
Devyani - KFC	-4%	-5%	-7%	-7%	-7%	-4%	-6%	-1%	-4%
Devyani - PH	-10%	-13%	-14%	-9%	-6%	-1%	1%	-4%	-4%

Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Jubilant (LFL)	-1%	-3%	0%	3%	3%	13%	12%	12%	9%
Sapphire - KFC	0%	-2%	-3%	-6%	-8%	-3%	-1%	0%	-3%
Sapphire - PH	-20%	-19%	-15%	-7%	-3%	5%	1%	-8%	-8%
Restaurant Brands	4%	3%	2%	3%	-3%	-1%	5%	3%	3%
Westlife	1%	-9%	-5%	-7%	-7%	3%	1%	1%	-3%
Gross profit margin (%)									
United Foodbrands	65.9%	67.9%	68.9%	68.1%	68.1%	68.2%	68.5%	67.7%	66.2%
Devyani (Consol)	70.8%	70.6%	69.2%	69.2%	69.3%	68.7%	68.5%	68.2%	67.8%
-KFC	69.0%	69.4%	69.9%	69.5%	69.0%	68.6%	68.3%	67.1%	68.1%
-Pizza Hut	75.7%	75.8%	77.3%	76.8%	76.7%	76.2%	75.6%	74.7%	74.7%
Jubilant (Standalone)	76.4%	76.7%	76.6%	76.1%	76.1%	75.1%	74.5%	74.1%	74.4%
Sapphire	68.7%	68.9%	68.9%	68.6%	68.8%	68.6%	68.2%	67.4%	67.8%
-KFC	67.9%	68.4%	68.3%	68.2%	68.3%	68.2%	68.0%	67.1%	67.2%
-Pizza Hut	76.1%	75.7%	75.5%	76.1%	76.5%	75.6%	74.8%	74.6%	74.4%
Restaurant Brands (Consol)	64.2%	64.4%	64.2%	64.5%	64.9%	65.6%	65.3%	65.4%	66.1%
Restaurant Brands (Standalone)	66.8%	67.1%	67.7%	67.6%	67.5%	67.8%	67.8%	67.7%	68.3%
Westlife	70.1%	70.3%	70.2%	70.6%	69.7%	70.1%	70.0%	71.6%	72.4%
RoM % (pre-Ind AS)									
United Foodbrands									
Devyani (Consol)	15.4%	15.4%	13.6%	15.3%	13.6%	14.3%	13.8%	13.1%	11.7%
-KFC	19.4%	19.0%	19.0%	19.5%	16.6%	17.2%	16.2%	15.5%	14.1%
-Pizza Hut	7.7%	6.1%	4.4%	4.9%	3.1%	2.1%	0.7%	-1.1%	-0.2%
Jubilant (Standalone)									
Sapphire	16.1%	16.0%	13.8%	15.2%	13.8%	15.5%	12.0%	12.1%	11.3%
-KFC	19.2%	20.1%	18.7%	18.8%	16.5%	18.2%	15.7%	15.7%	13.8%
-Pizza Hut	7.6%	4.6%	-2.7%	4.6%	4.1%	4.7%	-4.6%	-2.5%	-1.8%
Restaurant Brands (Consol)	7.5%	9.3%	6.0%	7.1%	7.2%	8.2%	7.7%	7.7%	7.5%
Restaurant Brands (Standalone)	10.7%	12.2%	7.8%	8.9%	10.6%	12.0%	10.5%	9.7%	10.4%
Westlife									
EBITDA Pre-Ind AS margins (%)									
Barbeque Nation	4.5%	11.0%	6.4%	6.9%	5.4%	10.3%	6.5%	4.6%	1.1%
Devyani (Consol)	11.5%	9.3%	9.2%	11.6%	9.4%	10.1%	8.9%	8.1%	6.8%
Jubilant	13.3%	12.9%	10.9%	11.6%	11.7%	12.4%	11.8%	12.0%	12.1%
Sapphire	10.6%	10.8%	8.6%	9.8%	8.5%	10.7%	7.1%	7.1%	7.4%
Restaurant Brands (Consol)	1.5%	2.8%	-0.5%	1.3%	0.6%	2.1%	2.3%	1.7%	1.6%
Restaurant Brands (India)	5.4%	6.8%	2.4%	3.6%	5.0%	6.2%	5.4%	4.1%	5.0%
Westlife	11.9%	11.4%	8.7%	8.1%	7.7%	9.1%	7.6%	7.7%	6.2%
ADS ('000')									
United Foodbrands	158	175	153	155	153	162	141	140	141
Devyani									
-KFC	109	104	93	104	96	96	83	98	89
-Pizza Hut	39	37	32	36	35	35	31	33	33
Jubilant (Standalone)	78	78	75	79	78	84	82	85	81
Sapphire									
-KFC	125	125	114	122	111	115	108	116	103
-Pizza Hut	48	45	41	48	47	48	42	44	42
Restaurant Brands (India)	126	119	105	119	118	114	108	120	119
Westlife	185	176	157	170	168	173	153	165	158
Store (India)									
United Foodbrands	212	210	217	219	222	226	230	236	241
Devyani India	1,298	1,387	1,429	1,473	1,557	1,658	1,664	1,767	1,802
-KFC	540	590	596	617	645	689	696	704	734
-Pizza Hut	535	565	567	570	593	644	630	618	621
Jubilant	1,949	2,007	2,096	2,148	2,199	2,266	2,304	2,362	2,450
Sapphire	692	725	748	762	784	835	836	846	867
-KFC	381	406	429	442	461	496	502	510	529
-Pizza Hut	311	319	319	320	323	339	334	336	338
Restaurant Brands	404	441	455	456	464	510	513	519	533
Westlife	370	380	397	403	408	421	438	444	450
PBT (INR M)									

Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
United Foodbrands	(151)	75	(9)	(55)	(100)	47	(165)	(170)	(232)
Devyani (Consol)	330	97	44	381	(9)	56	(208)	19	(297)
Jubilant (Standalone)	963	819	508	683	698	788	677	883	856
Sapphire	214	140	8	118	53	168	45	(18)	(166)
Restaurant Brands (Consol)	(457)	(376)	(742)	(488)	(655)	(547)	(604)	(454)	(633)
Restaurant Brands (Standalone)	(93)	(64)	(310)	(269)	(166)	(186)	(254)	(116)	(202)
Westlife	302	231	20	45	7	65	13	16	(88)
PBT Margins									
United Foodbrands	-5.0%	2.3%	-0.3%	-1.8%	-3.3%	1.4%	-5.6%	-5.7%	-7.6%
Devyani (Consol)	4.0%	1.1%	0.4%	3.1%	-0.1%	0.4%	-1.7%	0.1%	-2.2%
Jubilant (Standalone)	7.2%	6.0%	3.8%	4.7%	4.8%	4.9%	4.3%	5.2%	5.0%
Sapphire	3.3%	2.1%	0.1%	1.6%	0.8%	2.2%	0.6%	-0.2%	-2.2%
Restaurant Brands (Consol)	-7.3%	-6.2%	-12.4%	-7.5%	-10.3%	-8.6%	-9.6%	-6.5%	-9.0%
Restaurant Brands (Standalone)	-2.1%	-1.4%	-7.1%	-5.5%	-3.4%	-3.8%	-5.2%	-2.1%	-3.6%
Westlife	4.9%	3.9%	0.4%	0.7%	0.1%	1.0%	0.2%	0.2%	-1.4%

CONSUMER DURABLES: Robust C&W momentum; sluggish RAC performance

- **Aggregate revenue in line:** Revenue for our consumer durables coverage universe increased ~8% YoY to INR246.7b in 2QFY26 (in line with our estimates). The cable and wire (C&W) segment revenue grew ~19% YoY to INR123.2b (in line with our estimates). Meanwhile, the UCP segment revenue declined ~8% YoY to INR56.5b (in line with our estimates) due to the extended monsoon and GST rate cut announcement, which delayed purchases. Revenue growth stood at ~20%/19%/18% YoY for RRKABEL/KEII/PLOYCAB, followed by ~5%/1% for HAVL/LGEIL in 2QFY26. VOLT reported a revenue decline of ~10% YoY in 2QFY26. C&W continues to deliver strong growth, led by robust domestic demand and supportive commodity prices. On the other side, the UCP segment witnessed an exceptional quarter, with muted retail offtake during the lean season and delayed consumer purchases due to the GST rate cut announcement, which also led to higher inventory. Companies remained confident of a demand recovery in 2H in the UCP and home appliances segments, led by the festive season, the GST rate cut, and the upcoming BEE transition, which are likely to unlock pent-up demand opportunities and, in turn, ease inventory levels over time.
- **C&W margin higher YoY/QoQ, while UCP margin was under pressure:** Average EBIT margin in the C&W segment surged 2.8pp YoY to 13.0% (+1.0pp vs. our estimates). However, EBIT margin in the UCP segment contracted 6.3pp YoY to 3.0% due to the under absorption of fixed expenses. Aggregate EBITDA for our coverage universe grew ~11% YoY to INR24.9b. EBITDA margin contracted 30bp YoY to 10.1%. RRKABEL EBITDA increased ~105% YoY to INR1.8b in 2QFY26, albeit on a low base. POLYCAB/KEII/HAVL's EBITDA surged ~56%/20%/17% YoY in 2QFY26, while VOLT/LGEIL EBITDA declined ~57%/28% YoY in 2QFY26.
- **Our earnings revisions:** We cut our EPS estimates for VOLT (~19%/3-5% for FY26/FY27-28) and LGEIL (~13%/6-7% for FY26/FY27-28). We have raised our EPS estimates for RRKABEL (~6-8% for FY26-FY27) while maintaining estimates for KEII/POLYCAB/HAVL.
- **Top picks:** We maintain our positive view on POLYCAB and LGEIL.
- **Surprises:** POLYCAB and RRKABEL
- **Misses:** VOLT and LGEIL

Guidance highlights:

- **POLYCAB:** Management indicated that the C&W demand outlook remains strong in 2HFY26. It maintains a long-term margin guidance of ~11-13%, though the near-term margin could be higher. The expansion of the EHV plant is continuing as planned and will be commissioned by 4QCY26-end. Commercial production is expected from early 2027. In FMEG, the fans category witnessed marginal growth, while demand for lighting, switches, switchgears, and conduit solutions remained healthy. Solar products continued their strong momentum, driven by central and state incentive schemes.

- **LGEIL:** Management highlighted that 1HFY26 was impacted by cool summer, early monsoons, currency volatility, US tariffs, and the GST rate cut, which temporarily delayed purchases. However, sales recovered quickly once the GST changes took effect, supported by the festive and wedding season demand. Looking ahead, the company expects growth to be driven by premiumization, deeper penetration through the newly launched LG Essential series, expansion of premium appliances and TVs, and a stronger push in B2B segments, such as HVAC, and in information displays.
- **HAVL:** Management indicated a weak performance in RAC, Fans, and Cooler due to a short summer season and higher channel inventory. It is collaborating with channel partners to boost consumer offtake and anticipates channel inventory to normalize by the end of 3QFY26. It expects a recovery in the ECD and RAC segments in 2H, led by positive consumer sentiments. The Cable segment continued to witness steady growth. The cable expansion plan is on track, and the company has acquired a land parcel of 39 acres adjacent to the existing manufacturing facility.
- **VOLT:** Management indicated that the UCP segment had an unusual quarter, with muted retail offtake during the lean season and delayed consumer purchases due to the GST-rate cut announcement. This led to higher inventory (currently at around two months). Despite this, it maintained its market leadership in the RAC segment and gained market share sequentially (at 18.5% vs. 17.8% in 1Q). It is optimistic for a recovery in the UCP segment in 2HFY26 and expects the channel to start stocking up for the upcoming season. It is also fully ready with new products for the upcoming transition to new energy labeling effective Jan'26.
- **KEII:** Management indicated that Phase-I of the Sanand project (accounting for +50% of total capacity) was delayed by four months due to extended rains and labor shortages. However, it expects this to be commissioned in Nov'25 and start contributing to revenue from 4QFY26. Further, phase-II (mainly consisting of EHV and MV cables) has been delayed by nine months due to certain complexities faced in construction. KEII, however, does not expect any further delays and anticipates the commissioning by 4QFY27. It maintains growth guidance of ~18% in FY26 and 20%+ over FY27-28 and expects margins to remain at current levels.
- **RRKABEL:** Management highlighted that the underlying demand environment continues to be favorable, led by infrastructure investments, formalization of the electrical sector, and rising consumer preference for branded and energy-efficient products. Margin expansion during the quarter was driven by positive operating leverage, better cost absorption, and sustained efficiency initiatives across the procurement and production chains. In C&W, the company targets ~18% volume CAGR, 10.5-11% EBIT margin (through better capacity utilization and product mix), and over 20% ROE over the next 2-3 years.

Exhibit 74: Aggregate* UCP revenue and growth

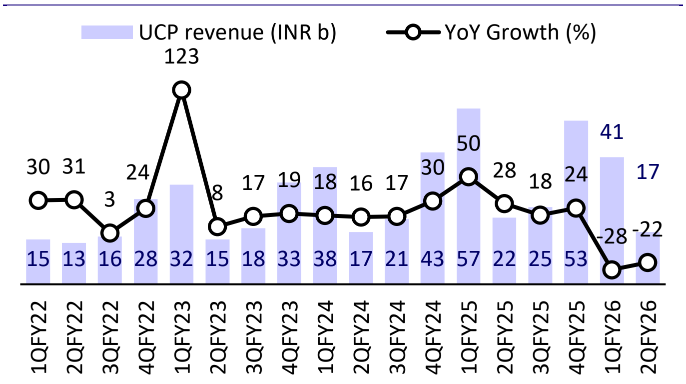
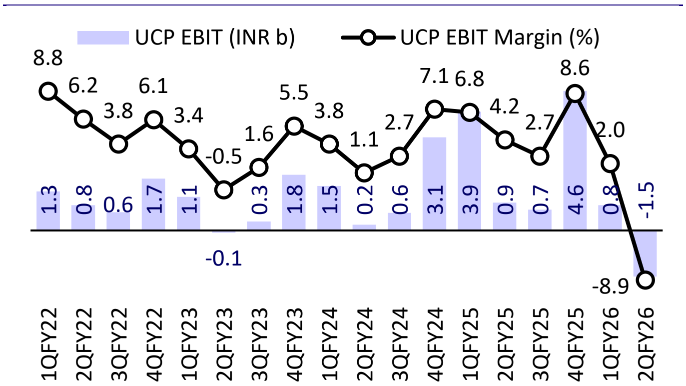


Exhibit 75: Aggregate* UCP EBIT and margin



Source: Company, MOFSL; Note: *In UCP revenue and EBIT, we have considered VOLT and HAVL; LGEIL not included due to base effect

Exhibit 76: Aggregate* C&W revenue and growth

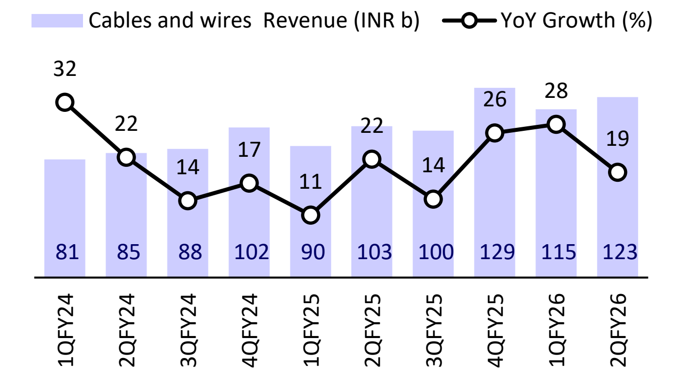
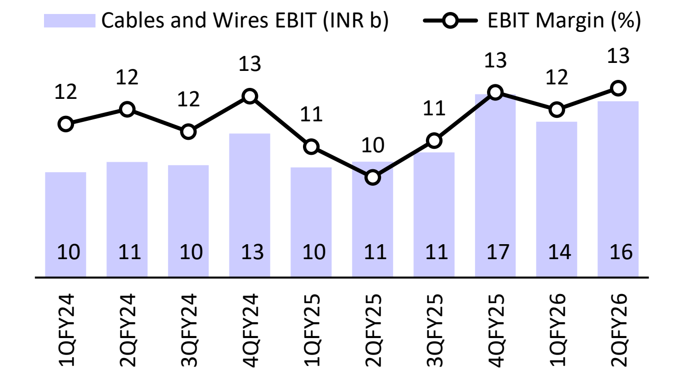


Exhibit 77: Aggregate* C&W EBIT and margin



Source: Company, MOFSL; Note: *In Cables and Wires, for revenue and EBIT, we have considered Polycab, KEII, HAVL, and RRKABEL

EMS: Robust order book and a shift to high-margin segments bolster operating performance

- **Continued strong revenue growth across EMS players:** The EMS sector continued its strong growth trajectory, with aggregate revenue surging 27% YoY to INR196b. This exceptional growth was driven by the execution of a strong order book. DATAPATT led the pack with revenue jumping 3.4x YoY, led by the execution of a large strategic order (INR1.8b, 59% of total revenue), followed by KAYNES (up 58%), Avalon (39%), Syrma (38%), and Dixon (29%). Cyient DLM witnessed a revenue decline of 20% YoY due to the high base of BEL order execution, while Amber's revenue declined marginally by 2% due to weak demand. Looking ahead, we expect strong revenue momentum in 2H, led by healthy demand traction and the execution of large orders in hand (~INR187.3b as of Sep'25; excluding Dixon and Amber, i.e., ~1.7x the TTM revenue of these companies). For our coverage universe, we expect an aggregate revenue growth of ~39% in FY26 (implying 35% YoY growth in 2HFY26) and a CAGR of 36% over FY25-FY28.
- **Order book (ex-Dixon, Amber) continues to remain healthy, led by client additions and increasing wallet share with existing clients:** The sector continued to witness healthy order inflows (~INR41.4b) in 2QFY26. Most companies are experiencing healthy and expanding order books, providing them with clear revenue visibility for the short to medium term. Among our coverage universe, KAYNES witnessed the highest order book growth of ~49% YoY, followed by Avalon/Syrma/CyientDL at ~25%/21%/16% YoY. DATAPATT continues to see a declining order book trend (down 31% YoY). From the order book in hand, a clear strategic shift is underway from low-margin consumer segments toward high-margin verticals such as defense, aerospace, automotive, telecom, power electronics, and clean energy.
- **Margins inch up for the universe, largely due to a steep contraction in DATAPATT's margin:** EBITDA margin for our coverage universe (ex Amber and Dixon) expanded 160bp YoY, led by an expansion across Kaynes/Syrma/CyientDL except DATAPATT/Avalon (EBITDA margin contracted 15.4pp/90bp). While overall coverage margins (including Amber and Dixon) marginally improved YoY (30bp), Amber's EBITDA margin contracted ~120bp YoY while Dixon's improved marginally by 10bp YoY. Kaynes witnessed the highest EBITDA margin expansion of ~200bp YoY, followed by CYIENTDL/SYRMA (up 190bp/150bp), benefitting from a favorable business mix and operating leverage during the quarter. Favorable operating leverage and a change in product mix played a role in margin expansion for these companies. **Going forward, we expect margins for our coverage universe to gradually expand, led by the execution of high-margin orders and operating leverage.**
- **The quarter experienced no earnings upgrades but two downgrades:** We downgraded our FY26/F27/FY28 earnings estimates for Amber by 22%/13%/14%, and for CYIENTDL by 20%/12%/12%. Conversely, we raised SYRMA's earnings estimate by 6% for FY27 only. For the rest of the coverage universe, we broadly retained our estimates.
- **Surprises**: AVALON, SYRMA, and DATAPATT **Miss:** AMBER

Guidance highlights:

- **Kaynes** maintains its full-year revenue guidance of INR45b, indicating an implied growth of ~64% YoY in 2HFY26. KAYNES also reiterated its EBITDA margin guidance of over 16% for FY26. However, working capital was elevated in 1HFY26, led by higher inventory levels toward the end of the quarter and a rise in trade receivables, reflecting strong growth and back-ended billing. The company is exploring multiple options, such as discounting and vendor inventory management, to reduce working capital.

- **Avalon** is witnessing growth across all business segments, with the order book growing ~25.5% YoY (INR18.6b). Supported by a robust order book visibility and strong performance in 1HFY26, management has further increased its FY26 guidance for revenue growth to 28-30% (vs. 23-25% earlier), with a sequential improvement in EBITDA margin. This marks the second consecutive quarter in which management has raised guidance.
- **Syrma SGS** has maintained revenue guidance of ~30- 35% for FY26, with an intact ~8.5-9% EBITDA guidance (expecting to surpass the guidance level). It anticipates the US to serve as a key market in the future. The company entered into multiple deals during the quarter across various sectors (defense, solar, auto, railways, and medical) as well as manufacturing capabilities (PCB and design-led manufacturing).
- **Cyient DLM**: The current book-to-bill ratio is ~1.6x, and the company aims to maintain it around ~1.4-1.5x by the end of FY26. Further, it expects growth in 4QFY26, largely led by growth in the industrial segment (as 3QFY25 had large order execution of BEL). The company is actively looking for inorganic acquisition targets in NAM and EMEA to drive growth in the medical and industrial segments and new industries like EV. Considering this, the company has guided for a revenue CAGR of ~30% over the next five years.
- **Data Patterns:** The company's order book stands at INR6.7b, with over INR3.5b in new orders received since the start of the financial year, including significant wins from ECIL and the Brahmos. Management is targeting over INR10b in additional orders over the coming quarters. The company has retained its FY26 revenue growth/EBITDA margin guidance of ~20-25%/35-40%
- **Amber:** Revenue growth of 13-15% YoY is expected in consumer durables, and revenue of over INR32b in electronics for FY26, with PCBA contributing over INR24b. Electronics margins are expected to reach 8-9% by FY26-end and cross double digits in FY27. The railways and defense segment is expected to double its revenue within two years. The company aims for its electronics division to achieve USD1b in revenue in the next three years, while consumer durables should grow in line with the expanding RAC market, expected to double by FY30.
- **Dixon Technologies** expects mobile phone volume of 40m-42m units in FY26 and 55-60m in FY27 through JVs and backward integration. In IT hardware, the management is expecting revenues of around INR12-13b for FY26 and INR40-50b over the next two years, with margin benefits from backward integration and PLI incentives.

Exhibit 78: Key operating indicators

	Revenue (INR m)					EBITDA margins (%)					Adj PAT (INR m)				
	2Q FY26	2Q FY25	YoY (%)	1Q FY26	QoQ (%)	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)
Kaynes	9,062	5,721	58	6,735	35	16.3	14.4	200	16.8	-50	1,214	602	102	746	63
Avalon	3,825	2,750	39	3,233	18	10.1	11.0	-90	9.2	90	250	175	43	142	76
Cyient DLM	3,106	3,895	-20	2,784	12	10.0	8.1	190	9.0	100	126	155	-19	75	68
Syrma SGS	11,459	8,327	38	9,440	21	10.1	8.5	150	9.2	90	641	362	77	497	29
Data Patterns	3,075	910	238	993	210	22.3	37.7	-1540	32.3	-1000	492	303	62	255	93
Dixon	1,48,550	1,15,341	29	1,28,357	16	3.8	3.7	10	3.8	0	6,700	3,899	72	2,250	198
Amber	16,470	16,847	-2	34,491	-52	5.5	6.8	-120	7.4	-190	-69	192	NA	-69	0
Agg.	**1,95,547**	**1,53,791**	**27**	**1,86,033**	**5**	**5.4**	**5.1**	**30**	**5.5**	**-10**	**9,353**	**5,688**	**64**	**3,896**	**140**
Agg. (ex. Dixon, Amber)	**30,527**	**21,603**	**41**	**23,185**	**32**	**13.2**	**11.5**	**160**	**12.4**	**80**	**2,722**	**1,597**	**70**	**1,715**	**59**

Source: MOFSL, Company

Exhibit 79: Our revised EPS estimates (INR)

	Rev			Old			Change %		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Dixon	175	277	364	174	275	362	1	1	1
Amber	90	158	225	116	181	263	-22	-13	-14
Kaynes	83	132	195	82	133	196	1	-1	-1
Avalon	15	25	34	16	25	34	-2	2	1
Cyient DLM	10	17	24	12	19	27	-20	-12	-12
Syrma SGS	15	24	31	15	22	31	-4	6	1
Data Patterns	46	64	83	48	63	81	-4	2	2

FINANCIALS – BANKS: Healthy NII aids earnings; healthy pickup in credit growth; NIMs surprise positively for most banks with further improvement expected in 2HFY26

- The banking sector posted a steady quarter, supported by better NIM performance and a healthy pickup in credit growth. Margins were ahead of expectations for most banks, aided by a faster decline in the cost of funds. Several banks have guided for further NIM improvement in 2HFY26, driven by benefits of CRR cut, continued deposit re-pricing and pickup in loan growth. Business growth showed signs of recovery, with large private banks posting robust loan growth, while deposit growth remained broadly in line, resulting in a higher CD ratio for most of them. Asset quality also improved, with private banks witnessing easing stress in the unsecured segment, though a few remain cautious on retail CV lending. Lenders expect growth in unsecured loans to revive as stress moderates and macro conditions strengthen. Most banks anticipate stronger earnings in 2H, supported by lower credit costs and better NIMs. We remain positive on banks' recovery prospects in 2H, though we are watchful of repo rate movements, as further rate cuts could weigh on the NII trajectory. Pickup in consumption activity, led by GST rate cuts and income tax relief, alongside lower borrowing costs, will drive a gradual recovery in loan demand in 2HFY26. We project sector credit growth to remain at 12% YoY for FY26.
- NII for our coverage universe grew 2.4% YoY, with private banks recording 3.1% growth and PSBs posting 1.8% growth. Within our coverage, all private banks reported growth in NII, barring Bandhan, IIB, RBK and Equitas. Adjusted NIM for ICICIBC improved 3bp QoQ, whereas Federal Bank saw a 12bp QoQ expansion, led by a decline in CoF and improved CASA mix. SBIN/AUBANK/DCBB reported margin expansion against our expectation of a decline. We expect NIM improvement in 2H to be aided by CRR cuts and better business growth, though we remain watchful of further cuts in repo rates. Earnings growth is projected to gradually recover in 2H, with a more meaningful rebound in FY27E as easing stress translates into lower credit costs and margin recovery takes hold. For FY26, we forecast earnings growth of 5% YoY for our coverage universe before accelerating to 15-17% in FY27E/28E.
- Asset quality for all banks continued to strengthen in 2QFY26, with most private banks witnessing easing stress in unsecured portfolios, even as some remain cautious on retail CV and MSME lending. Fresh slippages improved for most banks but remained elevated for some mid-size banks due to residual stress in unsecured personal and business loans, coupled with emerging pressure in vehicle finance. Our latest interactions indicate that stress levels are easing in retail and secured segments with stable collections, though mid-ticket MSME unsecured business loans are still showing rising stress through higher bounce rates and selective restructurings. Credit costs, though still elevated for certain mid-tier private banks, are expected to moderate gradually as macro conditions strengthen and recoveries improve. The new MFIN guardrails introduced in FY26 should support more disciplined growth and aid a steady decline in delinquencies through 2HFY26. Provision coverage ratios remain healthy across banks, and the restructured book continued its steady decline.
- **Private Banks – Business momentum recovering; margin surprises positively:** Advances growth was healthy at 4% QoQ for our banking universe coverage. HDFCB/ICICIBC reported 4%/3% QoQ growth, while AXSB/KMB posted steady growth of 5%/4% QoQ. IDFCB reported 6% QoQ growth. However, only IndusInd reported a third consecutive quarter of a decline in advances. Deposit growth was in line with our expectations and grew 2% QoQ. As a result, CD ratio for our private banking coverage universe increased further. NIMs for most banks surprised positively due to better management of funding costs, with ICICIBC/FB/RBK/AUBANK/DCBB reporting margin expansion, whereas Bandhan and Equitas witnessing the steepest NIM contractions due to a sharp reduction in MCLR rates and repricing of repo-linked loans.
- **Public Sector Banks – Healthy pickup in credit growth; asset quality steady:** NII for PSBs grew 2.7% QoQ, as NIMs saw expansion for banks like SBI, whereas others saw modest contraction. SBI, BOB and Indian Bank reported 3-5% QoQ growth in NII, while Union Bank posted a decline. Slippages remained well-contained for most PSBs, supported by minimal exposure to unsecured lending. The GNPA ratio improved across the board, with healthy PCR levels at ~75-90%. SMA pools also stayed under control, with no significant concerns, while restructured books continued to decline in 2Q.

- **Small Finance Banks – Asset quality broadly stable; NIMs to improve in 2H:** AUBANK posted strong advances growth of 22% YoY/5.3% QoQ, driven by retail secured assets and commercial banking, while the unsecured portfolios declined sharply in 2Q. Deposit growth was healthy at 20.8% YoY/3.8% QoQ. Slippages moderated during the quarter, leading to GNPA/NNPA down 6bp/flat QoQ at 2.41%/0.88%, while PCR slipped to 64.2%. NIMs expanded 5bp QoQ, led by low CoF and surplus liquidity utilization. Multiple levers are aligning for AUBANK—margin expansion from lower CoF, credit cost normalization, and renewed traction in the unsecured segment. Supported by consistent balance sheet growth, we expect a robust FY25-28E PAT CAGR of ~30%. EQUITASB reported 4.6% QoQ growth in advances. MFI portfolio declined 4% QoQ to 8.7% of the portfolio. Meanwhile, deposits grew 11% YoY (flat QoQ). CASA ratio improved to 30.9%. MFI DPD improved significantly QoQ on account of increased collection efficiency. The bank expects advances growth of 15% YoY for FY26.
- **Our view:** In 1QFY26, earnings estimates saw consensus cuts due to slower growth and rising stress in the unsecured segment. In 2QFY26, buoyed by resilient margin and robust asset quality performance, we have raised our aggregate banks earnings estimates by ~3%/1% for FY26/FY27, mainly led by PSU banks. NIMs for the sector showed significant resilience as most banks reported a lower decline vs. our/Street estimates, while some banks reported sequential NIM expansion. Slippages remained under control as most banks witnessed easing stress in unsecured portfolios. However, banks remain cautious about stress in retail CV and MSME lending now. We factor in calibrated expansion in margins over the coming quarters as we remain watchful of further cuts in repo rates. Credit costs are expected to ease in 2H, led by new MFIN guardrails, steady portfolio diversification and early signs of stabilization. Steady traction across RAM segments has helped PSBs sustain healthy credit momentum, while asset quality ratios continue to strengthen. With lower credit costs and stable-to-improving NIMs, the earnings outlook for 2H remains robust. We project private banks to deliver an aggregate earnings CAGR of 20% over FY26-28 and PSBs to clock a 12% CAGR. For our overall coverage universe, we estimate a 16% earnings CAGR. **Our preferred picks** are ICICIBC, HDFCB, FB and SBIN.
- **Surprises: AUBANK, FB and SBIN**
- **Misses: Bandhan, Axis and Equitas**

Guidance highlights

- **HDFCB** expects faster loan growth than system in FY27, with a medium-term target of achieving a CD ratio of less than 90%. The bank has been growing its gold loan book in a steady manner and will continue this cautiously. The bank is focusing on deepening liability relationships and expanding its branch network to grow its customer base, thereby driving both deposit and liability growth.
- **ICICIBC's** NIMs are expected to be range-bound and the bank does not expect much movement in the coming quarters. LDR has expanded by over 400bp in the past two quarters and could rise further with the release of liquidity from the CRR cut. Retail asset quality remains stable, with secured retail steady and early signs of growth recovery in PL and cards following portfolio actions.
- **KMB** expects NIMs to expand over the next two quarters, with a higher 4Q exit rate depending on macro trends; credit costs are easing in cards, MFI, and PL. However, the retail CV segment continues to face stress, with elevated credit costs likely in the near term.
- **AXSB's** higher provisions were driven by erosion in security value for 1-2 accounts, aging-related provisions, and higher standard provisions per RBI guidance. The RBI also directed a static INR12.31b provision on declassified farmer loan products, which should reverse by Mar'28; the bank offset this via PSLC purchases. With strengthening retail growth and an improving risk profile, the bank expects lower risk weights and continued retail expansion and aims to maintain its CD ratio around 92% (±2%).
- **SBIN** reiterated its domestic NIM guidance of over 3% and guided for 12-14% loan growth across segments. The bank has extraordinary gains of INR45b (gross)/INR33.86b (net) from the Yes Bank stake sale.
- **BOB's** margins improved and should stay stable or rise slightly, with FY26 guidance at 2.85-3% (incl. IT refund). ECL and risk-weight changes may impact CRAR by ~75bp over five years, with a 20-25bp rise in credit costs. The bank guided for a slippage ratio of 1-1.15% and credit cost of 0.75%, both likely to come in lower than guidance.

Exhibit 80: PAT for banking coverage universe grew 0.7% YoY/3.7% QoQ

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Sep'25	YoY (%)	QoQ (%)	Sep'25	YoY (%)	QoQ (%)	Sep'25	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	21,444	8.6	4.9	12,097	6.9	-7.8	5,609	-1.8	-3.4
Axis Bank	Neutral	1,37,446	1.9	1.4	1,04,125	-2.8	-9.6	50,896	-26.4	-12.3
Bandhan Bank	Neutral	25,886	-12.2	-6.1	13,104	-29.4	-21.5	1,119	-88.1	-69.9
DCB Bank	Buy	5,962	17.1	2.7	3,039	19.1	-7.0	1,839	18.3	16.9
Equitas Small Finance	Buy	7,737	-3.6	-1.5	2,406	-31.2	-23.6	241	87.4	NA
Federal Bank	Buy	24,952	5.4	6.8	16,442	5.0	5.6	9,553	-9.6	10.9
HDFC Bank	Buy	3,15,515	4.8	0.4	2,79,236	13.0	-21.9	1,86,413	10.8	2.7
ICICI Bank	Buy	2,15,295	7.4	-0.5	1,72,980	3.4	-7.7	1,23,589	5.2	-3.2
IDFC First Bank	Neutral	51,126	6.8	3.6	18,801	-4.2	-16.0	3,523	75.5	-23.8
IndusInd Bank	Neutral	44,094	-17.5	-5.0	20,473	-43.1	-20.3	-4,369	-132.8	-172.3
Kotak Mahindra Bank	Buy	73,107	4.1	0.7	52,683	3.3	-5.3	32,533	-2.7	-0.9
RBL Bank	Buy	15,507	-4.0	4.7	7,284	-19.9	3.6	1,785	-19.8	-10.9
Banks – Private		**9,38,069**	**3.1**	**0.4**	**7,02,669**	**2.0**	**-14.6**	**4,12,731**	**-4.7**	**-4.1**
Bank of Baroda	Neutral	1,19,536	2.9	4.5	75,760	-20.1	-8.0	48,094	-8.2	5.9
Canara Bank	Buy	91,412	-1.9	1.5	85,881	12.2	0.4	47,740	18.9	0.5
Indian Bank	Buy	65,510	5.8	3.0	48,365	2.3	1.4	30,182	11.5	1.5
Punjab National Bank	Buy	1,04,688	-0.5	-1.0	72,271	5.5	2.1	49,037	13.9	192.8
State Bank of India	Buy	4,29,841	3.3	4.7	2,73,109	-6.8	-10.6	1,67,737	-8.5	-12.5
Union Bank	Neutral	88,124	-2.6	-3.3	68,140	-16.0	-1.4	42,491	-10.0	3.2
Banks – PSU		**8,99,110**	**1.8**	**2.7**	**6,23,525**	**-5.7**	**-5.7**	**3,85,281**	**-2.0**	**3.5**
Total Banks		**18,37,179**	**2.4**	**1.5**	**13,26,194**	**-1.8**	**-10.6**	**7,98,011**	**-3.4**	**-0.6**
SBI Cards	Neutral	17,298	15.2	2.9	18,925	7.7	-9.9	4,448	10.0	-20.0
PAYTM	Neutral	20,620	24.2	7.5	1,770	NA	73.9	210	NA	-82.9

SBI 2QFY26 PAT excludes exceptional item* Source: MOFSL, Company

Exhibit 81: Margin trend across key banks under our coverage

NIM (%)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	YoY (bp)	QoQ (bp)
AXSB	4.05	3.99	3.93	3.97	3.80	3.73	-26	-7
HDFCB	3.47	3.46	3.43	3.54	3.35	3.27	-19	-8
ICICIBC*	4.36	4.27	4.25	4.41	4.27	4.30	3	3
IDFCFB	6.22	6.18	6.04	5.95	5.71	5.59	-59	-12
IIB	4.25	4.08	3.93	2.25	3.46	3.32	-76	-14
KMB	5.02	4.91	4.93	4.97	4.65	4.54	-37	-11
FB	3.16	3.12	3.11	3.12	2.94	3.06	-6	12
BoB**	3.18	3.10	2.94	2.98	2.91	2.96	-14	5
CBK	2.90	2.86	2.71	2.73	2.55	2.50	-36	-5
PNB	3.07	2.92	2.93	2.81	2.70	2.60	-32	-10
SBIN	3.22	3.14	3.01	3.00	2.90	2.97	-17	7
UNBK	3.05	2.90	2.91	2.87	2.76	2.67	-23	-9
INBK	3.53	3.49	3.57	3.48	3.35	3.34	-15	-1
AUBANK	6.00	6.05	5.90	5.80	5.40	5.50	-55	10
RBK	5.67	5.04	4.90	4.89	4.50	4.51	-53	1
BANDHAN	7.60	7.40	6.90	6.70	6.40	5.80	-160	-60
DCBB	3.39	3.27	3.30	3.29	3.20	3.23	-4	3
EQUITAS	7.97	7.69	7.39	7.13	6.55	6.29	-140	-26

* 1QFY26 NIM adjusted for IT refund **NIM expanded due to Interest on IT refund Source: MOFSL, Company

Exhibit 82: Overall business momentum started to recover, with CASA ratio improving for some banks

	Loans			Deposits			CASA ratio (%)		
INR b	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)
AUBANK	1,157	22.0	5.3	1,325	20.8	3.8	29.4	(260)	20
AXSB	11,167	11.7	5.4	12,035	10.7	3.6	40.0	(100)	-
BANDHAN	1,346	6.8	4.7	1,581	10.9	2.2	28.0	(521)	90
BoB	12,583	12.2	6.0	15,000	9.3	4.5	38.4	(142)	(91)
CBK	11,301	14.8	5.3	15,279	13.4	4.1	30.7	(58)	113
DCBB	530	19.1	3.4	648	18.8	4.4	23.5	(209)	20
FB	2,447	6.2	1.4	2,889	7.4	0.5	31.0	94	66
HDFCB	27,464	10.1	4.5	28,018	12.1	1.4	33.9	(143)	(2)
ICICIBC	14,085	10.3	3.2	16,128	7.7	0.3	40.9	21	(35)
IDFCFB	2,571	19.5	5.5	2,768	23.8	4.5	50.1	120	210
IIB	3,259	(8.8)	(2.3)	3,896	(5.5)	(1.9)	30.7	(513)	(73)
INBK	6,052	13.6	3.6	7,769	12.1	4.4	37.2	(168)	(6)
KMB	4,627	15.8	4.0	5,288	14.6	3.1	42.3	(130)	140
PNB	11,338	11.2	3.8	16,171	10.9	1.7	37.3	(202)	30
RBK	1,005	14.4	6.5	1,167	8.1	3.5	31.9	(169)	(62)
SBIN	43,617	13.1	3.9	55,917	9.3	2.2	39.6	(40)	27
UNBK	9,483	5.7	0.2	12,346	1.9	(0.4)	32.6	(16)	4

Source: MOFSL, Company

Exhibit 83: Asset quality ratios improved overall for banks, barring Bandhan Bank

Asset quality	1QFY26 (%)			2QFY26 (%)			QoQ change (bp)		
(%)	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AUBANK	2.47	0.88	64.7	2.41	0.88	64.2	(6)	-	(52)
AXSB	1.57	0.45	71.5	1.46	0.44	70.5	(11)	(1)	(103)
BANDHAN	4.96	1.36	73.7	5.02	1.37	73.7	6	1	6
BoB	2.28	0.60	74.0	2.16	0.57	74.1	(12)	(3)	9
CBK	2.69	0.63	77.1	2.35	0.54	77.4	(34)	(9)	31
DCBB	2.98	1.22	59.7	2.91	1.21	59.2	(7)	(1)	(60)
FB	1.91	0.48	75.2	1.83	0.48	74.3	(8)	-	(92)
HDFCB	1.40	0.47	66.9	1.24	0.42	66.6	(16)	(5)	(24)
ICICIBC	1.67	0.41	75.9	1.58	0.39	75.6	(9)	(2)	(29)
IDFCFB	1.97	0.55	72.3	1.86	0.52	72.2	(11)	(3)	(14)
IIB	3.64	1.12	70.2	3.60	1.04	71.8	(4)	(8)	163
INBK	3.01	0.18	94.3	2.60	0.16	93.9	(41)	(2)	(36)
KMB	1.48	0.34	76.9	1.39	0.32	77.0	(9)	(2)	5
PNB	3.78	0.38	90.3	3.45	0.36	90.0	(33)	(2)	(30)
RBK	2.78	0.45	84.0	2.32	0.57	75.9	(46)	12	(811)
SBIN	1.83	0.47	74.5	1.73	0.42	75.8	(10)	(5)	130
UNBK	3.52	0.62	82.9	3.29	0.55	83.8	(23)	(7)	88

Exhibit 84: Snapshot of the restructured books across banks (%)

INR b	Absolute	Restructured book								
		Sep'23	Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25
AXSB	10.7	0.20	0.18	0.16	0.14	0.13	0.12	0.12	0.11	0.10
DCBB	7.4	3.40	3.00	2.62	2.34	2.07	1.81	1.60	1.51	1.39
ICICIBC	16.2	0.32	0.29	0.26	0.22	0.20	0.16	0.15	0.13	0.12
IIB	2.6	0.54	0.48	0.40	0.34	0.29	0.18	0.12	0.10	0.08
KMB	NA	0.15	0.13	0.10	0.08	0.06	0.05	0.05	NA	NA
FB	12.1	1.30	1.10	0.97	0.83	0.71	0.68	0.61	0.55	0.49
RBK	NA	0.89	0.63	0.51	0.44	0.38	0.32	0.29	0.29	NA
AUBANK	2.3	0.80	0.70	0.60	0.40	0.40	0.30	0.30	0.30	0.20
SBIN	NA	0.62	0.54	0.47	0.38	0.38	0.34	0.31	0.31	NA
INBK	43.5	2.12	1.93	1.67	1.51	1.34	1.23	0.85	0.85	0.72
UNBK	80.5	1.71	1.57	1.48	1.30	1.21	1.08	0.91	0.91	0.83

Exhibit 85: We raise our earnings estimates for the sector, mainly PSU banks, led by better NIMs and healthy credit growth

PAT (INR b)	Old estimates			Revised estimates			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Private Banks									
AXSB	245.3	308.4	377.9	242.6	306.8	370.5	-1.1	-0.5	-2.0
BANDHAN	24.1	35.3	43.3	15.8	29.4	37.9	-34.5	-16.7	-12.5
DCBB	7.2	10.1	13.7	7.5	9.9	12.3	4.4	-2.1	-10.2
HDFCB	720.8	831.3	963.3	751.0	837.1	990.6	4.2	0.7	2.8
ICICIBC	520.6	584.8	684.6	518.4	589.1	682.0	-0.4	0.7	-0.4
IDFCFB	22.2	45.5	64.7	21.9	45.3	66.1	-1.7	-0.3	2.3
IIB	28.4	48.5	64.7	10.7	38.8	57.3	-62.3	-20.0	-11.5
KMB	141.0	166.9	203.3	140.6	167.3	202.2	-0.2	0.2	-0.6
FB	38.3	47.8	63.3	40.2	51.6	66.5	4.8	7.9	5.0
RBK	10.5	19.0	26.7	10.2	22.7	31.3	-2.5	19.5	17.2
AUBANK	26.0	36.4	47.5	26.2	35.5	46.9	0.7	-2.5	-1.1
EQUITASB	0.2	6.3	10.1	0.2	6.5	10.3	0.8	2.5	2.4
Total Private Banks	**1,784.7**	**2,140.3**	**2,563.1**	**1,785.4**	**2,140.0**	**2,573.9**	**0.0**	**0.0**	**0.4**
YoY growth (%)	**3.8**	**19.9**	**19.8**	**3.9**	**19.9**	**20.3**			
PSU Banks									
BOB	183.4	212.5	262.7	192.7	213.8	249.5	5.1	0.6	-5.0
CBK	184.8	201.7	228.1	194.1	207.6	232.6	5.0	2.9	2.0
INBK	122.7	128.6	144.4	125.5	129.9	144.5	2.3	1.0	0.0
PNB	162.2	211.6	244.8	165.7	217.6	253.5	2.1	2.9	3.6
SBIN	700.0	802.8	921.5	774.1	827.7	928.3	10.6	3.1	0.7
UNBK	161.6	178.8	207.8	166.7	183.3	209.7	3.2	2.5	0.9
Total PSU Bank	**1,514.7**	**1,735.9**	**2,009.3**	**1,618.8**	**1,779.9**	**2,018.2**	**6.9**	**2.5**	**0.4**
YoY growth (%)	**-1.0**	**14.6**	**15.7**	**5.8**	**10.0**	**13.4**			
Total for Banks	**3,299.3**	**3,876.2**	**4,572.4**	**3,404.2**	**3,919.9**	**4,592.1**	**3.2**	**1.1**	**0.4**
YoY growth (%)	**1.5**	**17.5**	**18.0**	**4.8**	**15.1**	**17.1**			
Other Financials									
SBICARD	26.7	37.7	45.6	23.6	33.6	41.6	-11.8	-10.7	-8.7
PAYTM	6.4	12.7	18.0	6.4	12.7	19.8	1.0	0.1	10.0

FINANCIALS – NBFC: Early signs of demand revival; asset quality trends still mixed

- NBFCs reported a mixed performance in 2QFY26 in terms of loan growth and asset quality, with early signs of demand revival visible across the vehicles (PV, Tractors, and 2W) and consumer durables (electronics) segments, while seasonal asset quality pressures persisted, which were more product-specific in nature. NBFCs (incl. HFCs) under our coverage reported AUM growth of ~16% YoY/3% QoQ in 2QFY26. Vehicle financiers (VFs) clocked AUM growth of 17% YoY. Large HFCs (PNBHF and LICHF) grew 11% YoY; affordable and small-ticket HFCs reported ~13% YoY growth; NBFC-MFIs' AUM declined ~22% YoY (down 4% QoQ), and gold loan NBFCs' AUM rose ~42% YoY (driven by strong growth in both MUTH and MGFL). For our coverage NBFCs, NII/PPoP/PAT grew 16%/16%/19% YoY.
- For HFCs (including affordable HFCs), NIM showed divergent trends during the quarter, with large HFCs (except BHFL) exhibiting margin contraction, while affordable HFCs reported NIM expansion. LIC reported a decline of ~5bp QoQ, while PNBHF reported a ~7bp decline, primarily due to PLR cuts taken by these companies and lower yields on new business as a result of heightened competition in a declining interest rate environment. In contrast, affordable HFCs reported margin expansion, supported by a decline in borrowing costs and no changes in PLR. HomeFirst reported NIM expansion of ~5bp QoQ, while Aavas and Repco also recorded a sequential expansion in NIM. Most of the NBFCs reported a decline in their cost of funds, supported by the repricing of EBLR-linked borrowings. However, the benefit of MCLR-linked borrowings (which has so far been limited) is expected to further benefit the CoB in 2HFY26, when banks pass it on through MCLR reduction.
- For vehicle financiers (VF), except for SHFL, the asset quality deteriorated, driven by seasonality and lower vehicle utilization caused by early and prolonged monsoons, along with excessive rainfall in certain regions. Some VFs also highlighted continued stress in the CV segment. However, 2H is expected to be much better as

favorable monsoons would support stronger rural cash flows. VFs also noted that broader macro softness, partly due to muted government capex, has necessitated elevated collection efforts during the quarter.

- Affordable HFCs (except Aavas) exhibited a sequential deterioration in asset quality, driven by US tariff-related problems in specific regions (like Surat, Tiruppur, Chennai), monsoon-related disruptions, and potentially some spillover of stress from the micro-LAP (and MFI) segment into the affordable housing segment.
- NBFC-MFIs continued to exhibit an improvement (or stability) in PAR levels across geographies. Although some geography-specific issues emerged due to excess rainfall, they remained well-contained and manageable. Sequentially, lower credit costs were supported by sustained collection efforts and a decline in PAR accretion. MFI lenders also reported better overall collection efficiency and stability in forward-flow rates, with expectations of a further improvement in the coming quarters. MFIs expect a significant recovery from 2HFY26, with growth gaining momentum alongside further improvement in asset quality and normalization in credit costs.
- **HFCs/AHFCs – Heightened competition resulting in higher BT-out; NIM contraction for large HFCs; Asset quality weakens for affordable HFCs:** Demand trends during the quarter remained subdued, primarily due to heightened competitive intensity from banks and a moderation in real estate activity in recent quarters. In the prime housing segment, HFCs faced aggressive pricing competition from banks, leading to higher portfolio attrition through BT-Outs. Asset quality remained broadly stable with a slight improvement seen for large HFCs, while affordable HFCs (excluding Aavas) exhibited some weakness, likely driven by seasonal factors such as excessive rainfall and the impact of US tariffs in certain geographies. Margins contracted for large HFCs, while affordable players witnessed some expansion, supported by a decline in the cost of funds. Large HFCs such as LICHF, PNBHF, and Bajaj Housing reduced their PLR, as a reflection of the heightened competitive landscape and the pass-through of lower borrowing costs. In contrast, small-ticket HFCs have kept their PLR unchanged, though portfolio yields moderated slightly as they focused on onboarding better-quality customers and lower new business yields.
- **Vehicle financiers – Demand revival visible in PV/2W/Tractors from GST cuts; Weakness persists in CV; Expect asset quality to improve in 2H:** Demand showed early signs of revival in the last week of Sep'25 and continued to sustain in Oct'25, following the GST cut. Most NBFCs highlighted that this demand momentum is expected to continue in Nov and Dec'25 as well. Growth was strong across PVs (particularly entry-level cars), tractors, and 2Ws. However, demand in the CV segment continues to remain subdued as lower OEM discounts limited the overall price benefit for customers. Vehicle financiers reported elevated credit costs (except SHFL), as the early and prolonged monsoons led to lower vehicle utilization and temporary disruption in certain geographies, leading to weakness in borrower cash flows. Several NBFCs highlighted that stress in the new CV segment persisted in 2Q as well. Disbursements (impacted by deferred sales due to GST cut) grew 5% YoY for the three VFs in our coverage universe. While SHFL and CIFC have a diversified AUM mix, we have classified them under VFs for this exercise. All three vehicle financiers reported sequential margin expansion, driven by a decline in the cost of funds. For SHFL, the reduction in surplus liquidity also aided in NIM expansion, which is likely to continue in 2H as well, as banks further transmit MCLR reductions.
- **Diversified financiers – Pickup in personal loans; Stress in unsecured MSME persists; micro-LAP <INR500K ticket size also exhibited heightened stress:** Diversified lenders reported stable credit costs sequentially, despite lingering stress in select segments such as unsecured business loans and micro-LAP. While industry-wide growth in the LAP segment remains robust, lenders expressed greater confidence in expanding their unsecured retail and consumer durable portfolios. Moreover, diversified lenders are now showing increased conviction in scaling up their personal loan business, with a clear shift toward prime and near-prime customers, higher ticket sizes, and borrowers with strong CIBIL scores, reflecting a more risk-calibrated approach to growth. There has been a significant pickup in consumer durable loans since the GST rate cuts in the last week of Sep'25, which was further supported by festive-season demand. Lenders expect this momentum to sustain through 2HFY26.
- **Gold financiers – Turbo-charged gold loan growth driven by higher gold prices and credit rationing in unsecured segments:** Demand for gold loans was strong during the quarter. This was primarily driven by lower

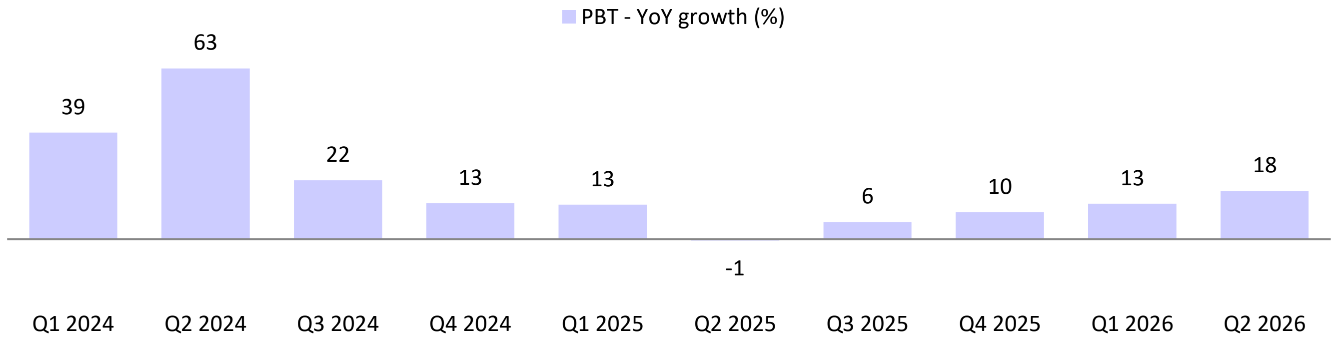
availability of MFI/Unsecured and MSME loans and a steady rise in gold prices over the past year. MUTH/MGFL reported ~45%/29% YoY growth in gold loans in 2QFY26. Gold loan NBFCs indicated that although competition has intensified, the sector still offers ample growth opportunities. For Asirvad, while losses have reduced sequentially due to moderation in credit costs, MFI AUM continued to witness a significant rundown. IIFL Finance recorded an improvement in gold loan yields, while MGFL reported a decline as part of its strategy to align pricing with other gold loan NBFC peers. MUTH, on the other hand, reported an NIM expansion, driven by higher recoveries from older NPA accounts and a higher share of higher-yield products disbursed over the past two quarters.

- **Microfinance (MFIs) – Loan book continues to run down; sequential decline in credit costs driven by an improvement in PAR rates:** NBFC-MFIs reported further improvement in PAR levels and overall asset quality during the quarter. While the pace of improvement was slower-than-expected due to geography-specific issues arising from excess rainfall, these challenges remained well-contained and manageable, and we now expect a more meaningful recovery in 2H. NBFC-MFIs are focusing more on portfolio diversification, aided by the recent regulatory change of lowering the qualifying asset requirement to ~60%, which provides a supportive framework. AUM was sequentially flat for CREDAG, but Fusion and Spandana continued to report YoY/QoQ declines due to disbursements lagging the rundowns, alongside elevated technical write-offs. Disbursements improved sequentially, but a more meaningful recovery in disbursement momentum is expected in 2HFY26, when AUM growth is also likely to resume. NIM also expanded for MFIs due to a reduction in interest income reversals, driving improvement in overall yields.
- **Power financiers – Muted loan growth; NIM contracts QoQ; Asset quality stable:** PFC and REC posted a muted performance in the quarter, with loan growth remaining subdued due to elevated repayments. Loan growth came in at ~14% YoY for PFC and about ~7% YoY for REC. NIMs contracted by ~5bp for PFC and ~10bp for REC, while asset quality remained stable. There were no resolutions of any stressed assets during the quarter.
- **Our view:** Relative to expectations, NBFCs delivered a slightly better quarter, with early signs of demand revival becoming visible across most product segments. Lenders also shared their higher confidence in scaling their unsecured portfolios, supported by improving borrower profiles and a more risk-calibrated approach. Asset quality trends were mixed, with certain segments such as CV, unsecured MSME, and micro-LAP continuing to exhibit stress, while others, including NBFC-MFIs and personal loans, showed relatively stable trends. However, most lenders expect a stronger recovery in asset quality in 2HFY26, driven by stronger rural cash flows post-monsoon, improving macros, and better collection efficiency. With MFIs now exhibiting early recovery, we expect even micro-LAP lenders to exhibit recovery within the next six months. Any interest rate cut in Dec’24/Mar’25 MPC meeting will be positive for fixed-lenders and only marginally negative for large HFCs. **Our preferred ideas are SHFL, LTFH, Piramal Finance, and AB Capital.**
- **Positive Surprises:** Muthoot, CANF, and SHFL
- **Misses:** PFC
- **Rating Change:** Piramal Finance (Upgrade to BUY)

Guidance highlights

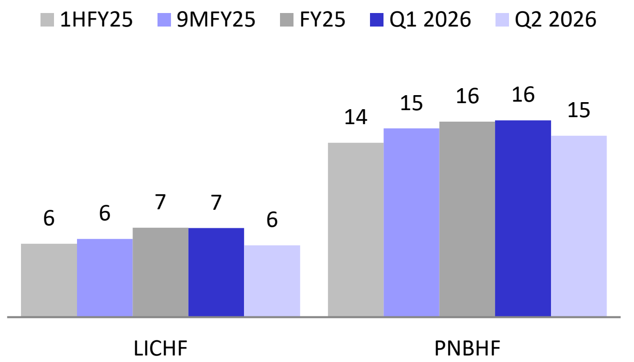
a) CIFC reiterated that the 20%+ AUM growth target remains intact, and it does not appear to be at risk; b) MUTH has revised its gold loan growth guidance to 30-35% (from the earlier 15%), and it expects NIM to sustain at current levels; c) BAF revised its FY26 AUM growth guidance to 22-23% (from 24 25%) to reflect the growth moderation in the MSME segment and a lower growth guidance in the mortgage (BHFL) portfolio. BAF also guided for credit costs to remain at the upper end of the guided range (~1.85-1.95%); d) PNBHF guided for retail recoveries to continue in FY26 and targets retail loan growth of ~17-18%; and e) NBFC-MFIs witnessed improvements in collection efficiencies and guided for moderation in credit costs and a resumption of sequential AUM growth in 2HFY26.

Exhibit 86: PBT grew 18% YoY and 4% QoQ for our NBFC coverage universe*



Source: MOFSL, Company, *MOFSL universe excl. Indostar

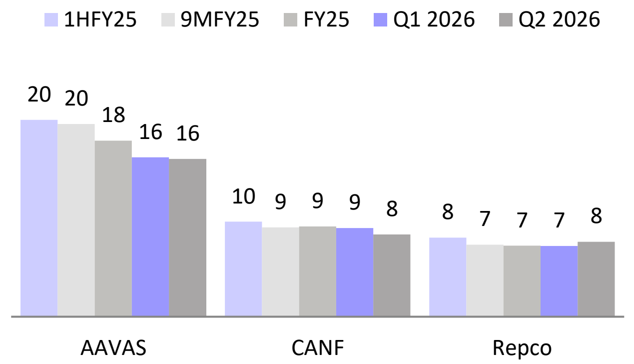
Exhibit 87: LICHF loan growth has lagged the industry, while PNBHF retail loan growth has been gaining momentum



Source: MOFSL, Company;

Note: YoY AUM growth for large HFCs

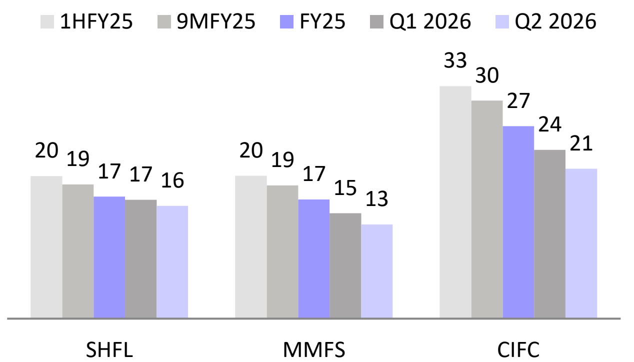
Exhibit 88: Loan growth was broadly stable across all affordable HFCs during the quarter



Source: MOFSL, Company;

Note: YoY AUM growth for affordable housing financiers

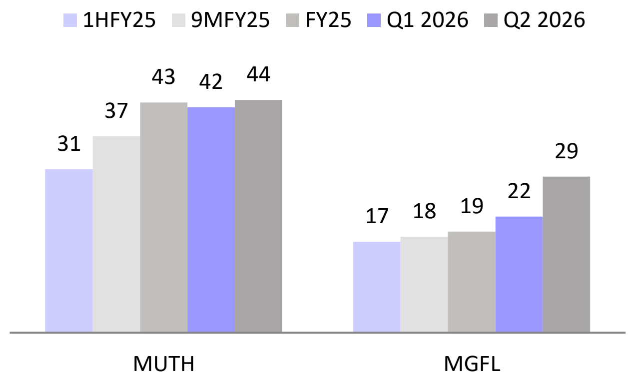
Exhibit 89: AUM growth for VFs moderated slightly due to seasonality; however, early signs of demand revival visible



Source: MOFSL, Company

Note: YoY AUM growth for vehicle financiers

Exhibit 90: Gold loan growth remained strong, aided by higher gold prices and lower availability of unsecured loans



Source: MOFSL, Company

Note: YoY AUM growth for gold financiers

Exhibit 91: PAT grew 19% YoY for our NBFC coverage universe*

INR m	NII			PPOP			PAT			NIM		
	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (bp)	QoQ (bp)
AAVAS	2,881	19	4	2,192	12.5	15.1	1,639	10.8	17.7	7.0	37	16
ABCAP (NBFC)	19,942	17	7	13,352	13.1	0.8	7,140	13.5	3.6	5.9	-28	12
ABCAP (HFC)	4,200	54	11	2,220	91.7	21.3	1,940	86.9	26.0	4.0	-20	-14
BAF	1,07,847	22	5	88,736	21.4	4.6	49,478	23.3	3.8	9.5	-16	1
Bajaj Housing Finance	9,565	34	8	8,823	23.8	10.6	6,430	17.8	10.2	4.0	-10	-
CANF	4,046	19	12	3,346	16.3	10.1	2,514	18.9	12.3	4.1	36	36
CIFC	33,787	25	6	24,578	27.9	1.9	11,553	20.0	1.7	6.9	13	15
Fivestar	5,931	15	3	4,330	13.9	7.5	2,861	6.8	7.4	18.8	-66	-23
HomeFirst	2,065	32	6	1,885	49.5	12.1	1,318	43.0	10.9	6.0	20	4
HDB Financial	21,925	20	5	15,305	24.4	9.1	5,814	-1.6	2.4	7.9	40	21
IIFL Finance	14,390	7	11	10,570	23.9	21.7	3,763	-338.7	61.3	3.1	-77	13
LTHF	27,015	6	3	16,335	2.7	3.7	7,349	5.5	4.9	10.3	-87	-17
LICHF	20,385	3	-1	18,729	7.5	-1.0	13,539	1.9	-0.4	2.6	-8	-5
MMFSL	21,116	17	5	14,989	25.3	10.8	5,693	54.1	7.5	6.8	16	12
MASFIN	1,645	24	1	1,574	22.6	1.6	897	17.1	6.9	7.7	59	2
MGFL	13,756	-16	-0	6,712	-35.0	1.6	2,173	-62.0	64.1	12.4	-238	-48
Muthoot	39,917	59	15	32,655	70.5	17.1	23,452	87.4	14.6	13.2	134	55
PIEL	10,183	31	13	4,326	36.6	11.7	3,270	100.7	18.3	7.1	50	-
PNBHF	7,505	13	1	6,465	15.6	2.3	5,816	23.8	9.0	3.7	-1	-7
PFL	7,644	37	20	3,866	36.1	19.1	742	-	18.5	7.7	-28	-4
REPCO	2,013	7	2	1,410	3.1	-1.9	1,069	-5.0	-0.9	5.5	40	10
SHFL	60,258	10	4	44,415	11.5	5.9	23,053	11.4	6.9	8.7	-47	8
CREDAG	9,346	0	3	6,948	3.4	6.4	1,258	-32.4	109.0	13.3	-20	50
FUSION	2,465	-38	-10	890	-68.6	2.8	-221	-92.7	-76.0	10.9	-65	55
SPANDANA	1,048	-70	-19	-690	-130.3	17.5	-2,492	15.2	-30.8	10.8	-317	30
PFC	52,893	20	-3	57,819	8.5	19.7	44,619	2.1	-0.9	3.7	17	-19
REC	54,455	10	-2	56,875	16.2	13.1	44,259	10.5	-0.6	3.7	2	-15
Total	**5,58,222**	**16**	**4**	**4,48,654**	**16.2**	**9**	**2,68,928**	**19**	**6**			

Source: MOFSL, Company, *MOFSL universe excl. Indostar

Exhibit 92: Advances/AUM growth

INR b	Advances/AUM		
	2QFY26	YoY (%)	QoQ (%)
AAVAS	214	16.1	3.0
ABCAP (NBFC)	1,396	21.7	6.4
ABCAP (HFC)	383	64.7	10.6
BAF	4,623	23.6	4.7
Bajaj housing finance	1,267	23.6	5.3
CANF	397	8.4	2.3
CIFC	1,992	21.0	3.6
Fivestar	128	17.6	3.1
HomeFirst	142	26.3	5.2
HDB Financial	1,114	13.0	1.9
IIFL Finance	901	34.6	7.4
LTHF	1,071	15.1	4.7
LICHF	3,118	5.8	0.7
MMFSL	1,272	13.2	4.3
MASFIN	130	18.0	4.0
MGFL	459	0.4	3.6
Muthoot	1,323	46.7	10.2
PIEL	914	22.4	6.6
PNBHF	798	14.8	2.6
PFL	477	68.0	15.6
REPCO	150	7.7	2.3
SHFL	2,813	15.7	3.3
CREDAG	259	3.1	-0.6
FUSION	70	-39.2	-8.5
SPANDANA	41	-61.2	-17.5
PFC	5,612	13.8	2.1
REC	5,822	6.6	-0.4
Total	**36,886**	**15.8**	**3.21**

Exhibit 93: Asset quality snapshot

Asset quality (%)	As on 1QFY26 (%)			As on 2QFY26 (%)			QoQ change (bp)		
	GNPA	NNPA	PCR	GNPA	NNPA	PCR	GNPA	NNPA	PCR
AAVAS	1.2	0.8	31.6	1.2	0.9	31.9	2	1	30
ABCAP (NBFC)	2.2	1.2	45.1	1.7	0.9	46.0	-52	-30	90
ABCAP (HFC)	0.6	NA	NA	0.6	NA	NA	-1	-	-
BAF	1.03	0.5	51.9	1.24	0.6	51.8	21	10	-14
Bajaj Housing	0.30	0.1	56.2	0.26	0.1	55.7	-4	-1	-49
CANF	1.0	0.5	45.0	0.9	0.5	48.8	-4	-4	382
CIFC	3.2	1.8	43.7	3.4	1.9	43.2	19	13	-48
HomeFirst	1.8	1.4	22.0	1.9	1.5	21.0	9	9	-106
HDB Financial	2.6	1.1	56.7	2.8	1.3	54.7	25	17	-196
IIFL Finance	2.3	1.1	52.3	2.1	1.0	52.8	-20	-11	53
LTFH	3.3	1.0	70.8	3.3	1.0	70.3	-1	1	-53
LICHF	2.6	1.3	50.8	2.5	1.2	53.1	-11	-11	228
MMFSL	3.9	1.9	51.4	3.9	1.9	53.0	9	-2	160
MASFIN	2.5	1.6	41.2	2.5	1.7	41.3	4	6	12
MGFL	3.0	2.6	NA	3.0	2.6	NA	0	0	-
Muthoot	2.6	NA	NA	2.3	NA	NA	-33	-	-
PIEL	2.6	1.9	29.4	2.4	1.8	29.4	-22	-17	8
PNBHF	1.1	0.7	35.4	1.0	0.7	34.2	-2	0	-118
PFL	1.8	0.9	53.9	1.6	0.8	49.7	-25	-4	-428
REPCO	3.3	1.2	64.7	3.2	1.5	52.5	-14	34	-1212
SFL	4.5	2.6	44.3	4.6	2.5	46.7	4	-8	239
CREDAG	4.7	1.8	63.2	3.7	1.3	66.3	-105	-53	310
FUSION	5.4	0.2	96.6	4.6	0.4	92.1	-82	19	-451
SPANDANA	5.5	1.3	78.9	5.6	1.3	79.3	12	-2	38
PFC	1.9	0.4	80.3	1.9	0.4	80.2	-5	-2	-6
REC	1.1	0.2	77.1	1.1	0.2	77.1	1	0	0

Source: MOFSL, Company

FINANCIALS – CAPITAL MARKETS AND INSURANCE: Capital market players continue to witness sequential recovery; modest premium growth for general insurers; VNB margin expands for life insurers

- **Cash volumes soft; F&O and MTF support recovery:** Capital market activity was slightly impacted by a volatile market environment, with cash volumes declining 16% MoM in Jul'25 before a slight recovery of 1%/3% MoM growth in Aug'25/Sep'25. While notional F&O ADTO witnessed sequential growth across the quarter, option premium ADTO declined 11% MoM in Jul'25 before witnessing a 15% MoM growth in Aug'25, and remained flattish in Sep'25. The run rate in demat account additions improved on a sequential basis to 7.9m in 2QFY26 vs. 6.7m in 1QFY26. ANGELONE continues to witness sequential growth in revenue post the F&O regulations impact in 4QFY25, driven by sequential growth in F&O orders (7% sequential rise in F&O orders), strong growth in commodity activity (7% sequential growth in commodity orders), and a continued surge in MTF book.
- **Premium-to-notional turnover ratio improves for exchanges; commodity sees a strong surge:** Strong growth in the premium turnover market share (24.4% in Sep'25 vs 13.3% in Sep'24)—driven by an improving premium-to-notional turnover ratio and increased non-expiry day trading activity—significantly boosted BSE's top line and profitability. Star MF continued to report healthy performance, marking an 18% YoY growth in revenue. Meanwhile, commodities markets achieved a new peak, backed by rising prices of precious metals, leading to a surge in options volumes (87% YoY growth in total volumes) and strong revenue growth for MCX. Options ADT surged 91% YoY in 2QFY26, largely supported by a 7x YoY growth in bullion contracts, while growth in energy contracts remained flattish. Futures ADT rose 54% YoY, fueled by 82%/21% YoY growth in bullion/energy contracts.
- **AMCs reported strong SIP inflows; other income declined sequentially:** MF industry QAAUM rose 7% QoQ to INR77.1t at the end of Sep'25, driven by strong SIP flows, with equity QAAUM share inching up QoQ to 57.5% (vs. 57.1% in Jun'25). SIP inflows remained robust at INR861b in 2QFY26, including a record INR294b in Sep'25, and **AMCs** expect this momentum to sustain. Yields marginally softened across AMCs, RTAs, and distributors, largely due to telescopic pricing. Other income declined sequentially for all players amid market volatility and

higher bond yields, resulting in MTM losses. The recent SEBI consultation paper—potentially influencing AMC yields and distributor commissions—remains a key monitorable. **Wealth managers** remain confident on sustaining flow momentum, with yields expected to stay largely stable.

- **VNB margin expands; early signs of growth post GST exemption:** APE growth softened after mid-teen growth in Jul'25 as buyers delayed purchases following the GST exemption announcement, resulting in ~9% YoY growth in 2QFY26. However, the sector rebounded with 19% YoY growth in Oct'25, reflecting strong momentum post GST exemption. Higher non-par mix, increased sum assured, and rising rider attachments supported broad-based VNB margin expansion. Management teams expect further margin gains, driven by product mix shift, GST-led higher sum assured, stronger rider penetration, and better persistency. The GST-related loss of input tax credit led to <1% EV impact for all players, with mitigation underway via commission renegotiation and efficiencies. APE grew 9%/10%/16% for HDFCLIFE/SBILIFE/MAXLIFE, while LIC/IPRU saw 1%/3% YoY declines. VNB margins declined 20bp YoY for HDFCLIFE but expanded 100bp/100bp/190bp/140bp YoY for SBILIFE/IPRU/MAXLIFE/LIC.
- **Industry growth soft; strong momentum in motor and health post GST changes:** Industry growth in 2QFY26 remained soft, weighed down by the 1/n regulation in health and some postponement of purchases post the GST-exemption announcement, partly offset by a recovery in motor. ICICIGI focused on profitable growth, gaining share in retail health and seeing improvement in other segments late in the quarter. STARHEAL maintained its retail health share, expecting price hikes and claims controls to support loss-ratio improvement. NIVABUPA saw flattish retail health loss ratios, while group health loss ratios rose due to 50% URR accounting. Most insurers have passed on the GST-related loss of input tax credit to distributors; post exemption, customer preference has been shifting toward higher coverage. NEP growth for ICICIGI/STARHEAL/NIVABUPA stood at 12%/10%/17% YoY, with slight improvement in retail health loss ratios across players.

Valuation and view: Recovery in F&O activity was witnessed while cash activity was low due to volatile market conditions, though **exchanges** and **brokers** are seeing a gradual recovery post the regulatory-driven dip. **Mutual fund** flows are expected to stay healthy, supported by improving fund performance, rising retail participation, and steady SIP momentum. **Wealth managers** should continue to benefit from strong inflows, with an increasing share of recurring revenues.

In **life insurance**, VNB margins are likely to improve as the product mix shifts toward retail protection and annuities, despite some drag from loss of input tax credit; overall growth should strengthen post GST exemption. For **general insurance**, a recovery in auto sales and robust health insurance growth post GST exemption are expected to drive premium expansion.

- **Top Picks: ABSLAMC, NIPPONAMC, NUVAMA, MAXLIFE, CAMS**
- **Surprises: MAXF, LIC, BSE, Nuvama, CDSL, HDFCAMC, ICICIGI**
- **Misses: NIVABUPA, UTI AMC**

Guidance highlights

- **NUVAMA:** In asset services, ~50% of the lost volume was regained, with full recovery expected by mid-4QFY26; yields should stay in the 2.6–3.3bp range. The capital markets segment is expected to strengthen with strong IPO momentum in 2H. The proposed SEBI brokerage changes may impact IE revenue by INR 200–250m, However, this could be offset if brokerage stabilizes at 5–6bp rather than the proposed 2bp, mitigating potential downside. The company has applied for an AMC license to tap the SIF opportunity by Apr'26.
- **ANGELONE:** Operating margin guidance remains at 40–45% for 4QFY26, supported by cost efficiencies and tech initiatives like the AI chatbot (long-term OPM is expected to reach 45–50%). Revenue growth is expected from sustained order run rates, MTF book expansion, steady client addition, and distribution traction. Broking is projected to grow ~25% CAGR, with newer businesses—wealth, AMC, distribution, and insurance—contributing double-digit revenue, aiding diversification. Price revisions in broking could add INR 500–600m annually. Wealth segment may break even in ~3 years, while AMC segment in 7–8 years.

- **CAMS:** EBITDA margins for the non-MF business are currently 10–13%, with management targeting 25–30% over the next few years. Cost growth guidance remains 10–11% YoY. The impact of price renegotiations with a large client has largely been absorbed (~90%), with only a minor residual effect expected. Yield compression of 3.5–4% p.a. remains on track, with limited impact from client renewals over the next 18 months. On the SIF front, CAMS launched its first scheme in Oct'25, with more expected soon; six AMCs have been onboarded in the past nine months, and three more are set to go live.
- **BSE:** The exchange will continue to contribute 5% of transaction revenue monthly to the core SGF until the corpus reaches 150% of the required level, smoothing earnings and mitigating sudden SGF spikes. All existing racks are fully allocated, with 70–90 additional racks planned by FY26, taking the total capacity to ~500 (6KVA and 15KVA). In derivatives, the focus remains on boosting institutional participation, longer-dated contracts, and strengthening data centre infrastructure.
- **NIPPON AMC:** The company guides for a 1–2bp annual yield decline from telescopic pricing, with revised commissions now covering four schemes (~60% of equity AUM). It has an SIF team in place and fund launches underway, supported by strong HNI demand. Offshore AUM softened on geopolitical and MTM impacts but is expected to recover. Retail distribution improved to 54% and is expected to remain stable. ESOP costs are guided at INR420–430m for FY26 and ~INR260m for FY27. A robust pipeline across AIF, offshore, and GIFT City products is underway.
- **ABSLAMC:** Equity yields saw a minor dip from telescopic pricing during the quarter but are expected to hold steady at 64–65bp. Other expenses should remain at the current run rate, while employee costs are projected to rise ~12% YoY for the full year. The company has secured SEBI approval for its SIF product and will first launch an Arbitrage scheme, with the Long-Short scheme to follow once the team onboarding is completed.
- **ICICIGI:** The company achieved strong motor profitability despite pricing pressure, aided by disciplined underwriting. Post-GST rate cuts, momentum has improved sharply, with Sep'25 showing a strong pickup after muted 1H growth; management expects this to continue into 2HFY26, driven by volume recovery and profitability gains. GST exemption on health insurance should boost affordability and coverage, with the company passing the full benefit to customers, while retail health loss ratios are expected to remain in the 65–70% range.
- **NIVABUPA:** Management reaffirmed its mid-to-high teens RoE outlook and sees no near-term price revisions. Claims remained stable and within guidance. The EoM ratio improved to 35.5% in 1HFY26, aided by lower commissions and scale benefits, with confidence in meeting the FY26 regulatory threshold. GST exemption has sharply boosted demand, with retail health up 50% YoY in Oct'25 and strong digital traction. It has passed the loss of input tax credit to distributors, who have responded positively, given the higher volume and ticket-size potential.
- **HDFCLIFE:** It has passed the full GST exemption benefit to customers, improving affordability and driving stronger demand. The loss of input tax credit will pressure margins—reducing VNB by 0.5% in 2QFY26 and ~3% for FY26—but management expects to offset this within 2–3 quarters through cost actions and distributor/vendor negotiations. Solvency declined due to dividend payout, debt repayment, GST impact, and new business strain, but the planned INR7.5b debt raise in 2HFY26 should add ~7% to solvency, supporting the 180–185% target. Tier-2/3 cities remain a key growth driver, contributing ~70% of new business, and are expected to sustain.
- **MAXLIFE:** The company has passed the full GST benefit to customers, boosting demand—especially in protection products. The loss of input tax credit impacted VNB margins by 60bp in 1HFY26 and will create a 300–350bp drag on a run-rate basis. However, the company plans to offset this through cost actions, distributor renegotiations, and product mix improvements, maintaining its 24–25% VNB margin guidance. RoEV guidance of 18–19% remains unchanged. Credit life recovered in 2Q and should sustain, supported by a shift toward higher-margin protection and non-par savings. The company continues to hold a 65–66% Axis Bank counter share in the individual business and ~60% in credit life, which is expected to rise to 65-70%. IRDAI SEZ and provisional IFSC approvals will enable deeper NRI servicing and expand the company's international reach.

INR m	Revenue			EBITDA			PAT		
AMCs	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)
HDFC	10,274	16	6	8,008	14	4	7,184	25	-4
ABSL	4,613	9	3	2,826	13	6	2,413	-0	-13
NAM	6,581	15	8	4,295	15	11	3,443	-4	-13
UTI	3,900	5	3	1,487	-19	-14	1,322	-50	-48
Broking/Exchanges									
ANGELONE	8,353	-15	5	2,939	-49	79	2,117	-50	85
BSE	10,684	44	12	6,909	78	10	5,570	61	4
MCX	3,742	31	0	2,436	36	1	1,975	29	-3
Wealth Management									
360 ONE WAM	7,628	30	15	3,627	25	17	3,156	28	10
Nuvama	7,718	4	0	3,346	-4	-4	2,540	-1	-4
Anand Rathi	2,974	23	9	1,375	32	8	999	31	6
Prudent Corporate	3,198	12	9	722	5	7	535	4	3
Intermediaries									
CAMS	3,767	3	6	1,676	-2	9	1,139	-6	5
KFIN Technologies	3,092	10	13	1,357	7	19	933	4	21
CDSL	3,189	-1	23	1,776	-11	36	1,400	-14	37
NSDL	4,000	12	28	1,279	13	34	1,104	15	23
General Insurance	Gross Premium			Underwriting Profit/(Loss)			PAT		
	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)
STARHEAL	44,238	1	23	-2,041	NA	NA	549	-51	-79
NIVA BUPA	18,431	4	13	-1,780	NA	NA	-353	NA	NA
ICICIGI	70,589	2	-12	-1,784	NA	NA	8,195	18	10
Life Insurance	APE			VNB			PAT		
	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)	2QFY26	YoY (%)	QoQ (%)
HDFCLIFE	41,880	9	30	10,110	8	25	4,472	3	-18
IPRU	24,220	-3	30	5,920	1	30	2,993	19	-1
SBILIFE	59,500	10	50	16,600	14	52	4,946	-7	-17
MAXFIN	25,070	16	50	6,390	25	91	60	-96	-93
LIC	1,63,820	-1	29	31,670	8	63	1,00,534	32	-8

Healthcare: EBITDA growth modest in the past eight quarters; Hospitals: High base affects YoY growth

- In the pharma coverage universe, 2QFY26 operational performance was in line with estimates. However, earnings were below estimates (6% miss). Excluding GNP (as it had a certain one-off related to the domestic formulation business), our pharma coverage universe's revenue/EBITDA/PAT was in line with our estimates. Additionally, the healthcare services coverage universe also delivered in-line sales/EBITDA/PAT for the quarter.
- Pharma companies, on an aggregate basis, have recorded YoY revenue growth for eight consecutive quarters, with growth of 10.2% in 2QFY26. EBITDA/PAT growth has been moderating for three quarters, as competition in certain niche products, like g-Revlimid, has dragged overall performance. Interestingly, several companies (DRRD, Cipla, ARBP, SUNP) benefited from this opportunity due to settlement agreements with the innovator. However, the quantum of this benefit has been reducing with the rise in competitive intensity. Additionally, the GST transition had a temporary impact on the companies' sales, with a strong focus on the domestic formulations segment. Unfavorable seasonality in 2QFY26, along with higher infection levels in 2QFY25, further affected YoY growth on an aggregate basis.
- EBITDA YoY growth of 5% in 2QFY26 would be the lowest in the past 12 quarters. PAT YoY growth has also decelerated to 12% on a YoY basis for 2QFY26.
- The stability in raw material prices provided some support to profitability in 2QFY26. EBITDA margin (ex-GNP) contracted 100bp YoY in 2QFY26 on an aggregate basis to 22.3%.
- Out of 27 companies under our coverage, 10 delivered higher-than-estimated performance for the quarter. About four companies delivered lower-than-estimated earnings, while the remaining 13 companies delivered performance that was largely in line with expectations. Specifically, LPC/LAURUS/IPCA/RUBICON were strong outperformers for the quarter, whereas PIRPHARM/LAXMIDEN were underperformers. BIOS delivered a surprise outperformance at the PAT level, driven by lower-than-expected minority interest.

- **Super-specialty hospitals** (Aphs/Maxh/Medanta), on an aggregate basis, delivered 11.6% YoY revenue growth to INR60b, the lowest in the past eight quarters. Likewise, EBITDA recorded a 12.6% YoY growth to INR17.2b, the lowest in the past eight quarters. The high base of the past year, driven by increased infection cases in 2QFY25, impacted revenue/EBITDA YoY growth for 2QFY26.
- **US sales** grew for 11 quarters straight till FY25. YoY growth dipped in 1QFY26. Subsequently, in 2QFY26, US sales grew modestly at 1.6% YoY (cc terms) to USD2.4b. Incremental revenue from specific launches drove YoY growth. Accordingly, broad-based, diversified portfolio-level growth in US generics has yet to materialize on an aggregate basis.
- Among our coverage universe, US sales of DRRD/SUN/CIPLA/ARBP declined 18%/4.1%/1.7%/1%. Lower G-Revlimid contribution and increased competition during the quarter have dented the trajectory of ARBP/DRRD/CIPLA. Notably, LPC/ALKEM/TRP/ALPM showed healthy YoY revenue growth. LPC grew 41.3% YoY, supported by 180 days of FTF exclusivity for Tolvaptan. Incremental revenue from g-Entresto drove 26.3%/14.2% YoY growth for ALKEM/ALPM. Rubicon delivered 33% YoY growth to USD47 in 2QFY26, driven by a steady ramp-up in existing products, and partly by new launches.
- GNP's DF revenue dipped 87.1% YoY and 86.7% QoQ to INR1.6b in 2QFY26 (vs INR12.8b/INR12.4b in 2QFY25/1QFY26), mainly due to one-time distributor inventory reductions, order postponements, and higher freight and reverse-logistics costs. Ex-GNP, the **DF business** grew 9.3% YoY, driven largely by chronic therapies, with some support from acute. Additionally, IPM growth in Sep'25 was 7.2%.
- Among therapies, Cardiac, Respiratory, Neuro, Antineoplast, and Urology delivered 12.5%/12.2%/10.2%/13.3%/10.2% YoY growth, outperforming IPM (8.6% YoY growth). However, Anti-infectives, Derma, Gynaec, and Gastro underperformed IPM by 280bp/260bp/ 340bp/170bp. Among our coverage companies, DRRD/ALKEM/AJP delivered 12.9%/12.4%/11.9% YoY growth. MANKIND grew 6.7% on an organic basis, and the consolidation of the BSV portfolio led to higher YoY growth on a reported basis.
- DRRD's growth was supported by the launch of 11 new brands during the quarter and strong outperformance vs IPM in Respiratory (1.5x) and Pain (1.4x). ALKEM delivered broad-based strength, with strong traction across key therapies—gastrointestinal/derma (3.1x IPM), VMN (2.5x), Pain (2.3x), Respiratory (1.5x), and AI (1.2x). AJP's performance was driven by double-digit growth in core therapies, including derma and ophthalmic.
- Among our coverage companies that have reported earnings so far, four recorded earnings upgrades, while five registered earnings downgrades. Upgrades in FY26/FY27/FY28 earnings were observed for LUPIN (14%/4%/2%), LAURUS (11%/10%/6%), AGARWALE (6%/2%/0%), and ZYDUSLIF (-1%/6%/3%). Meanwhile, PIRPHARM (down 131%/42%/32%), LAXMIDEN (down 6%/9%/11%), and ERIS (down 5%/7%/2%) witnessed the maximum downgrades.
- **Top picks: BIOS, MAXH, LAURUS, RUBICON**
- **Surprises:** LPC, LAURUS, IPCA
- **Misses:** PIRPHARM, LAXMIDEN

Guidance highlights

- **AJP** plans to file 10-12 ANDAs in FY26 and deliver low-teen growth in Asia-branded generics, with a sustained momentum in US generics (high-teen growth in FY27). The company guides for a 78% (±1%) gross margin and 27% (±1%) EBITDA margin for FY26.
- **ALPM** is targeting an 18-20% EBITDA margin over the next two years. It expects 15-20% YoY growth in the non-US segment and ~10% YoY growth in APIs in FY26. The DF business saw a GST-related disruption, but this is expected to recover partially in the coming quarter.
- **ALKEM** aims to consistently outperform the DF market by 100-150bp, anticipating low double-digit to high-teen YoY growth in the US and non-US segments in FY26. Moreover, it has raised its EBITDA margin guidance to 19.5-20% for FY26.
- **APHS** saw muted IP/OP growth due to a strong seasonal base and weaker Bangladesh inflows. However, a 14% YoY growth in CONGO specialties helped offset this. Healthco cash break-even (ex-ESOP) was delayed by a

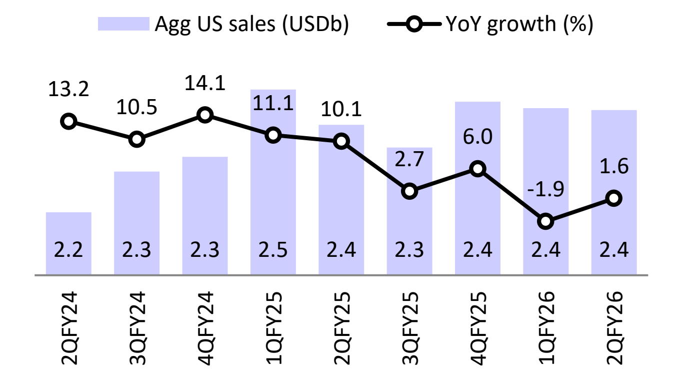
quarter, and new hospitals in Delhi and Pune began commissioning with additional units in Bengaluru (4QFY26) and Hyderabad/Gurugram (1QFY27), carrying an annualized opex of INR1.5b.

- **ARBP** guided for a 20-21% EBITDA margin in FY26. The company reported QoQ growth of 7% in sales, 10% in gross profit, and 14% in EBITDA (ex-g-Revlimid) in 2QFY26. The USFDA has accepted the company's request for a re-inspection of the Eugia III plant, which is expected within eight months.
- **BIOS** expects generics profitability to improve with upcoming launches, including Liraglutide in the EU and g-Entresto, Micafungin, and Everolimus in the US, while awaiting US approval for Liraglutide and preparing for the US launch of Insulin Aspart.
- **CIPLA** has trimmed its EBITDA margin guidance to 22.75–24.0% (from 23.5–24.5%) due to higher R&D spend, with g-Revlimid sales softening QoQ and expected to decline further. Following its Terzepatide partnership with Eli Lilly, the company will assess the Semaglutide opportunity once Indian regulatory approvals are in place.
- **DIVI** has inaugurated its Peptide Center of Excellence and is working with several large pharma clients across clinical stages while continuing to invest in peptide labs and manufacturing. Capex stood at INR15.5b in 1HFY26, with over INR20b planned for FY26.
- **DAHL** maintains its FY26 capex at INR3b (+INR700m for the flagship) and plans to open ~30 new centers in 2H, mainly in Tier 2-3 markets. Management expects a stronger 2H, supported by seasonality and sustained growth momentum.
- **DRRD** expects feedback on its Semaglutide filing from Canadian regulators within weeks and sees competition tied to approval timelines. It remains confident of selling 12m pens globally (Canada, Brazil, India, and other EMs). Moreover, it expects overall opex at 28-30% of sales through FY27 and guides EBITDA margin to ease from 26.7% to ~25% over the next two years as Revlimid normalizes and efficiencies improve.
- **ERIS** has shifted the start-up of cartridge production from 4QFY26 to 1QFY27 and moved its debt reduction target to INR18b from 4QFY26 to 3QFY27. The company also highlighted three growth drivers over the next 3-4 quarters: its diabetes franchise, biotech manufacturing integration, and international business ramp-up.
- **GLAND** expects mid-teen (±2%) revenue growth in FY26 (vs. 6.6% YoY in 1H), with 2H driven by key launches, stronger volumes, and improved Cenexi performance. Capex is pegged at INR2.5b/INR3b for FY26/FY27, and despite Cenexi's lower 67% GM, the company remains confident of achieving a 74-75% GM in FY26.
- **GLXO** expects operations to normalize from 2HFY26 after full remediation of the fire incident, with margins recovering from monsoon-driven product-mix pressure and sustaining through the full year. It plans to accelerate India launches in line with global timelines, with several new oncology and specialty assets expected in FY27.
- **MEDANTA** launched its Noida hospital in Sep'25 and has onboarded 150+ doctors, with 2QFY26 revenue/opex of INR39m/INR197m and insurance empanelment nearing completion. In Mumbai, additional FSI approval has expanded the planned capacity from 500 to 750 beds, with the project cost revised to INR15.3b.
- **GRAN** is building its CDMO platform by integrating Senn Chemicals' peptide R&D with scalable manufacturing in India. It expects the peptide business to turn profitable from 4QFY26. Consultancy costs of USD4m in 1HFY26 should decline sharply in 2H and become minimal by FY27.
- **IPCA** expects FY26 revenue growth of 10–11% in DF, 14–15% in APIs, and 9–10% in branded exports, with 8–9% YoY growth guided for generics export formulations in 2H. It is progressing well on the Unichem integration, including shifting outsourced APIs to IPCA sites (12–15 months for full regulatory transition) and filing 12 Unichem products through the IPCA channel, which should see commercial traction in 1–1.5 years.
- **LAXMIDEN** guides for 22–25% revenue growth and 13–15% PAT margin in FY26, with Kidz-e-Dental seeing a steady QoQ pickup and CE approval expected in 4QFY26.
- **LAURUS** guided ARV revenue of INR25b (±INR2b) for FY26, with 23% of the INR36b FY22–26 capex allocated to API/CDMO projects and the balance to drug-product capacity. Multiple validation-phase projects in animal health are scaling gradually in FY26 ahead of a stronger FY27 ramp-up.
- **LPC** has raised its FY26 EBITDA margin guidance to 25-26% (from 24-25%), though 2H margins are expected to reduce due to higher R&D spend and reduced PLI income. It anticipates a USD1b US sales run rate in FY27, with

EBITDA sustaining at 24-25%, and expects R&D spend of 7.5–8.5% of sales, ~70% of which is focused on complex products.

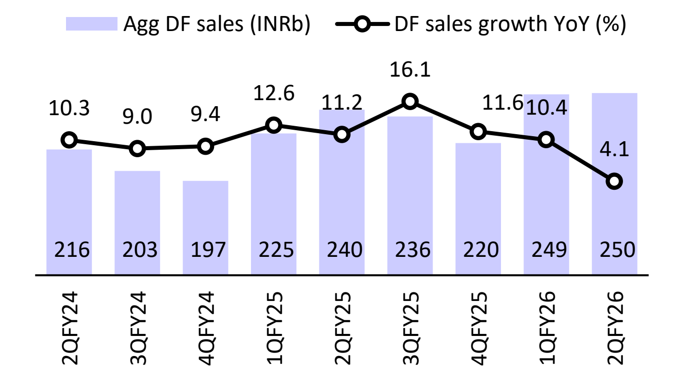
- **MANKIND** expects a 2HFY26 recovery in Rx and OTC segments and guides for the lower end of the 25–26% EBITDA margin, while maintaining 18–20% YoY growth guidance for BSV sales in FY26.
- **PIRPHARM** expects flat YoY revenue in FY26, with EBITDA margin moderating to low teens (including other income) vs prior mid-teen guidance, while 2H is expected to outperform 1H. Its FY30 targets of USD2b revenue and 25% EBITDA margin remain intact.
- **SUNP** plans to launch Unloxcyt and file Illumya for psoriatic arthritis in 2HFY26, while g-Revlimid sales were lower YoY and stable QoQ with potential further declines. R&D spend is expected at the lower end of the 6–8% guidance for FY26.
- **TRP** reported a 13% YoY growth in the chronic segment vs 11% for the industry, led by strong performance in cardiac and gastro therapies. Its DF segment saw minimal GST-related impact, and the company has filed Semaglutide in Brazil, where regulatory prioritization could support a timely approval.
- **ZYDUSLIF** maintains its FY26 EBITDA margin guidance of 26% and plans for 25+ product launches in the US, including Beizray, to strengthen its 505(b)(2) portfolio. The injectables business is expected to scale over the next two years, with facility challenges anticipated to be resolved. Additionally, G-Copaxone will be launched soon.
- **RUBICON** plans annual R&D spend of 10–11% of sales over the next 4–5 years and expects EBITDA margin to remain steady, factoring in additional opex from the Alkem plant, with the Pithampur facility operational from mid-CY26.

Exhibit 94: US sales grew 1.6% YoY (CC terms)



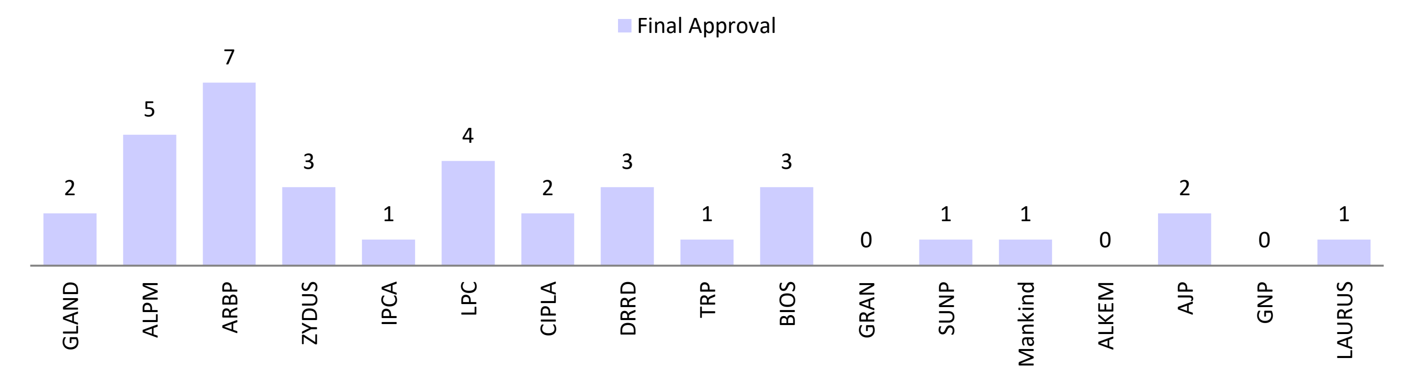
Ex-APHS/MAXHEALT/MEDANTA Source: MOFSL, Company

Exhibit 95: DF sales up 4.1% YoY



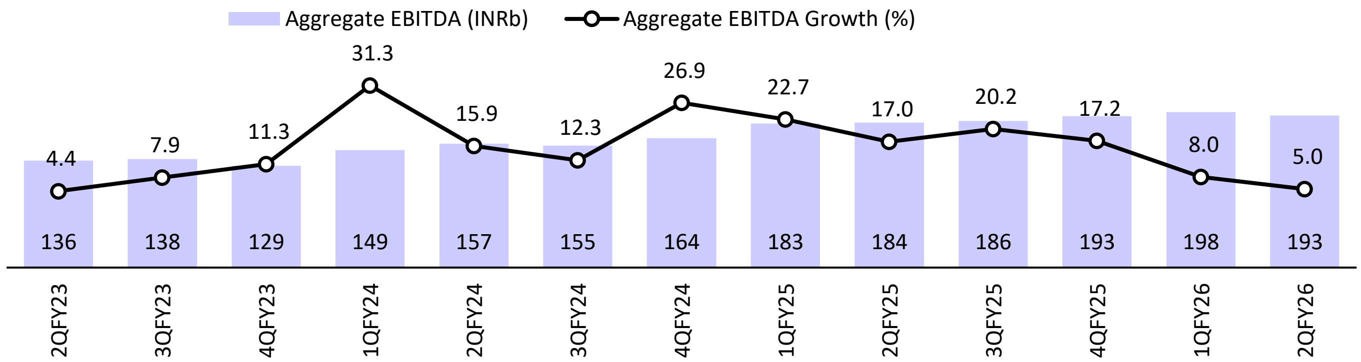
Ex-APHS/MAXHEALT/MEDANTA Source: MOFSL, Company

Exhibit 96: 36 Final ANDAs approved on an aggregate basis for our coverage universe in 2Q



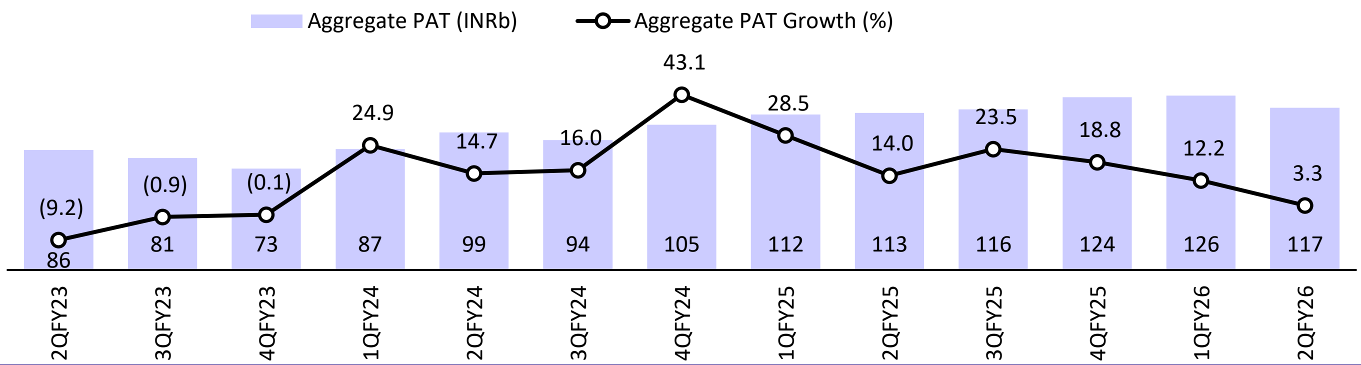
Source: MOFSL, Company

Exhibit 97: Aggregate EBITDA up 20.2% YoY to INR186b for the pharma universe



Note: Ex-APHS/MAXHEALT/MEDANTA/DAHL/MANKIND/LAXMIDEN; Source: MOFSL, Company

Exhibit 98: Aggregate PAT up 3.3% YoY for pharma companies under coverage



Note: Ex-APHS/MAXHEALT/MEDANTA/DAHL/MANKIND/LAXMIDEN; Source: MOFSL, Company

Exhibit 99: USFDA inspection history of our coverage companies for the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Aurobindo Pharma	Aug-25	Bachupally, Telangana	Form 483	8
Biocon	Aug-25	Bengaluru	Form 483	5
Dr Reddy's Lab	Sep-25	Bachupally, Hyderabad	Form 483	5
Granules	Aug-25	Hyderabad	Form 483	1
Lupin	Jul-25	Pithampur Unit -3	Form 483	5
	Jul-25	Pithampur Unit -2	Form 483	4
	Sep-25	Biotech facility, Pune	Form 483	4
Zydus	Sep-25	Jarod, Gujarat	Form 483	4

Source: MOFSL, Company

Exhibit 100: Performance of top therapies in Sep’25 - (INR b)

Therapy	MAT Sep’25 (INR b)	Market share (%)	Growth (%)	YoY growth (%) in the last eight quarters								One month
				Dec'23	Mar'24	Jun'24	Sep'24	Dec'24	Mar'25	Jun'25	Sep'25	Sep'25
IPM	2,428	100.0	7.8	8.1	5.7	9.0	8.3	7.7	7.5	8.8	7.2	6.1
Cardiac	319	13.1	11.7	8.2	10.8	12.5	12.2	12.3	11.5	12.6	11.5	10.6
Anti-Infectives	260	10.7	4.3	7.8	-3.2	5.9	8.2	2.5	6.3	6.6	4.4	3.1
Gastro Intestinal	256	10.6	6.3	9.3	5.4	11.2	9.7	7.6	8.9	6.9	1.7	0.3
Anti Diabetic	216	8.9	8.5	5.7	7.2	7.6	9.1	9.0	8.4	8.6	9.3	8.8
Respiratory	195	8.0	8.2	5.5	-2.8	1.7	2.8	4.5	6.4	12.3	14.0	15.0
Pain / Analgesics	191	7.9	6.6	8.4	6.0	8.4	7.7	7.8	9.3	7.0	5.0	2.9
Vitamins/Minerals/Nutrients	190	7.8	7.4	9.0	6.7	9.1	8.2	8.0	9.7	8.0	6.2	4.6
Derma	167	6.9	6.7	3.8	8.3	9.9	9.8	11.2	11.4	6.0	2.6	0.4
Neuro / CNS	147	6.1	8.6	8.8	7.9	8.5	9.4	8.1	8.7	10.2	7.2	6.0
Gynaec.	117	4.8	4.7	6.5	5.5	6.9	3.1	3.6	4.2	5.6	5.8	4.5
Antineoplast/Immunomodulator	68	2.8	15.5	24.4	21.7	21.3	12.2	12.5	11.4	14.0	23.7	24.6
Ophthal / Otologicals	47	1.9	8.1	0.9	3.5	5.5	-4.0	10.5	11.5	8.6	5.5	2.9
Urology	55	2.3	11.8	12.4	14.0	13.7	13.2	14.3	13.9	10.7	9.1	6.3
Hormones	37	1.5	7.4	6.0	2.9	7.2	5.2	4.7	6.0	9.1	9.8	8.0

Source: IQVIA, MOFSL

Infrastructure: NHAI awarding remains muted in FY26YTD; a delay in appointed dates and heavy monsoons hurt execution

- **Execution weak due to sluggish awarding:** The pace of project awarding by NHAI has remained muted in the initial months of FY26, with only ~504km awarded from Apr’25 to date against the annual target of 6,376km. The subdued awarding, coupled with delays in appointed dates and heavy monsoons, weighed on execution for road EPC players. Companies within our coverage universe (ex-IRB) reported a 13% YoY revenue dip in 2QFY26, with KNR falling 42% YoY and GRIL rising 9% YoY (on a low base). With awarding momentum yet to pick up, both KNR and GRIL are actively pursuing diversification into non-road infrastructure segments such as power transmission, water projects, and solar EPC to broaden their order books. IRB’s revenue grew by 10% YoY.
- **Margins under pressure; a strong tender pipeline offers recovery potential:** Coverage universe companies (ex-IRB) experienced a 240bp YoY contraction in gross margin and a 280bp YoY dip in EBITDA margin for 2QFY26, due to elevated costs. Despite the weak awarding pace so far, the tender pipeline remains robust, with substantial inflows expected in the coming quarters. Execution momentum is projected to improve from 2HFY26, aided by the resumption of projects post-monsoons. GRIL has set an FY26 order inflow target of INR200-250b, while KNR is aiming for INR80-100b.
- **Elevated input costs keep margins under check:** Coverage universe companies witnessed a YoY decline in gross and EBITDA margins during the quarter, reflecting elevated raw material costs and muted revenues. Though commodity prices have eased from their peaks, cement prices remain ~8% higher than Oct’23 levels, and other construction inputs continue to trade above pre-COVID averages.
- **Focus on asset monetization:** For FY26, NHAI has set an asset monetization target of INR300b (vs INR287b achieved in FY25). The monetization drive will be executed through the Toll-Operate-Transfer (ToT) model and Infrastructure Investment Trusts (InvITs). A pool of 24 assets covering 1,472km has been earmarked for monetization, with proceeds to be deployed for highway development, debt repayment, and generating returns for investors. FASTag toll collections rose ~12% YoY in volume and ~18% YoY in value during Jul’25–Oct’25, reinforcing monetization prospects.
- **Our view:** Awarding activities by NHAI and execution have been muted and are expected to improve only in 2HFY26. Companies with decent order backlogs, a solid financial position, and involvement in multiple segments are well positioned to benefit in the near to medium term.

Exhibit 101: Revenue dipped ~13% YoY for our coverage universe

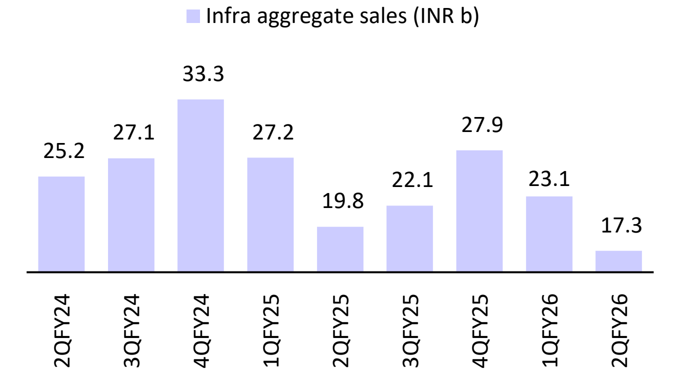


Exhibit 102: Gross margin contracted on a YoY basis

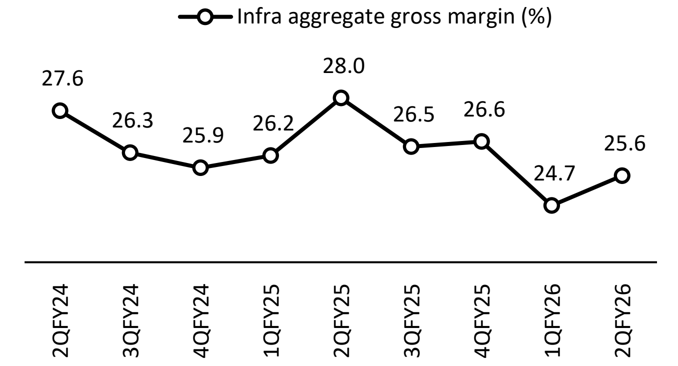


Exhibit 103: EBITDA margin dipped on a YoY basis

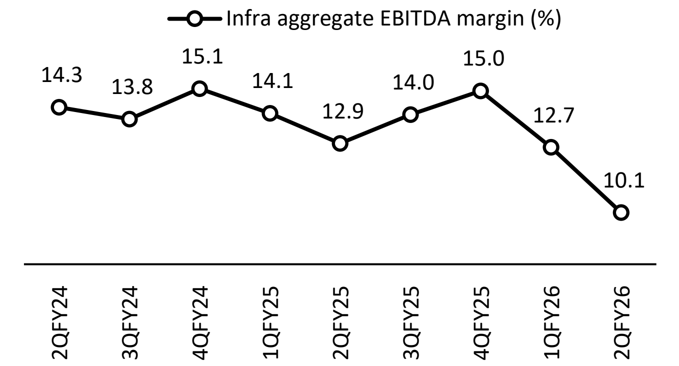
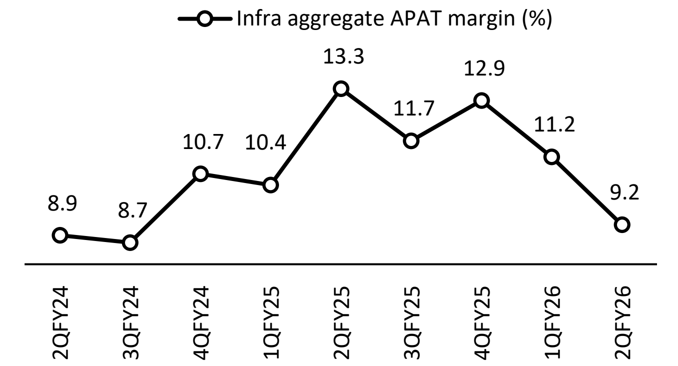


Exhibit 104: APAT margin contracted on a YoY basis



Note: Data in charts above is for our coverage universe excluding IRB

Logistics: Steady revenue growth in 2QFY26; volume growth supported by a strong festive season while private port operators maintain their outperformance

- **Logistics sector posts steady growth; volume growth aided by a strong festive season:** Logistics companies (excl. APSEZ and JSWINFRA) posted ~8% YoY revenue growth in 2Q FY26, reflecting steady improvement in demand over last year, supported by a strong festive season. Revenue growth was driven by strong volumes and selective yield improvements. The volume growth could have been better, but it was hit in Sep'25 due to the GST rate cut announcement, which delayed purchases. APSEZ and JSWINFRA reported 12% and 3% YoY growth in cargo volumes, respectively, with a slowdown seen in coal and iron ore handling volume in a few terminals, affecting volume growth. In 2QFY26, APSEZ managed ~29% of the country's total cargo and ~46% of container cargo. With volume ramp-up at recently acquired ports/terminals, volumes are expected to be strong ahead for APSEZ and JSWINFRA.
- **EBITDA margin flat YoY, but it expanded 50bp QoQ:** Gross margin for our coverage universe, barring APSEZ and JSWINFRA, stood at 30.4% in 2QFY26 (up 140bp YoY and 90bp QoQ). EBITDA margin was flat YoY but expanded 50bp QoQ, driven by improved volume growth and higher gross margins, supported by better pricing discipline, targeted cost-control measures, and operational efficiencies in organized networks. APSEZ's margins stood at 60.5% (down 130bp YoY and up 30bp QoQ), and JSWINFRA's margins were 48.2% (down 380bp YoY/70bp QoQ).
- **Organized players with a pan-India network and technological advantage to gain higher market share:** The introduction of GST 2.0, e-way bills, and reduced e-invoicing turnover limits have driven businesses to partner with organized logistics providers. Express companies are expanding their infrastructure and digitalizing operations. This positions them to capture higher volumes. The government's port privatization efforts offer opportunities, with APSEZ and JSWINFRA well-placed to benefit due to their strong balance sheets.
- **Top picks**: Delhivery and JSWINFRA are our preferred picks in this space.

Guidance

- **APSEZ:** In FY26, APSEZ expects cargo volumes of 505-515mmt, revenue of INR360-380b, EBITDA of INR210-220b, and a net debt-to-EBITDA ratio not exceeding 2.5x. It plans a capex of INR120b, primarily for ports (INR60b), logistics, and renewables.
- **JSWINFRA:** Management is aiming to achieve ~8-10% volume growth for FY26, expecting a stronger second half despite a slower 1HFY26. In FY26, the logistics business is expected to contribute INR7–8b in revenue and ~INR1b in EBITDA. JSWINFRA plans to invest INR55b in capex (vs. INR24.4b in FY25), including INR40b for ports and INR15b for logistics.
- **Delhivery:** The company's revenue growth will be led by Express Parcel and PTL, with SCS and new services contributing in later quarters. The Ecom Express integration cost stood at INR900m this quarter and is expected to be ~INR3b on an overall basis. Peak period profitability is anticipated in 3Q and 4QFY26.
- **VRLL:** It expects a volume recovery led by higher tonnage and new client additions, with ~4% QoQ growth in 3QFY26 aided by festive spillover and GST cuts. Revenue is guided to grow ~4–5% in FY26. EBITDA margin is expected to normalize to ~19% despite higher admin and salary costs, supported by steady tonnage growth.
- **TRPC:** TRPC reiterated its FY26 revenue and profit growth guidance of 10–12%. Management expects the post-GST consumption uplift to partly extend into 2HFY26, with some moderation in Nov–Dec. The company invested INR 1.7b in H1FY26, majorly through internal accruals, and maintained its FY26 capex guidance at INR 4.5b, with execution expected to accelerate in the second half.
- **BDE:** Management did not specify a growth target but expects to gain share, led by e-commerce and SME-driven B2C. Margin expansion is expected through better yields, cost controls, product mix, and network efficiencies. B2C ground express may see demand-linked volatility with road infrastructure supporting stronger pricing. Growth will be driven by the ground express (B2C) segment.
- **CCRI:** For FY26, CCRI maintained its guidance of 13% growth in total volume, with 10%/20% growth in EXIM/domestic volumes. The commissioning of the Western DFC to JNPT by Mar'26 is expected to boost rail volumes by shifting light cargo from road. Four terminals are expected for commissioning in FY26.
- **MLL:** The company plans to enhance profitability by tightening costs, exiting loss-making contracts, and reducing warehousing white space by 95% by Sep'26. It has not specified a timeline to achieve EBITDA. Its focus remains on long-term value creation through cost optimization and improved segment-level performance.
- **TCIE:** Management guided tonnage growth at ~8% for FY26, with revenue expected to rise ~10% on the back of price hikes, network expansion, and higher multimodal contribution (expected to reach ~20-22% over 2-3 years). EBITDA margin is expected to improve through cost optimization, with a near-term target of 12%+. Total capex planned for FY23–27 stands at INR 5b, of which INR 2.3b has been incurred.

Exhibit 105: Sales rose ~8% YoY for our Coverage Universe

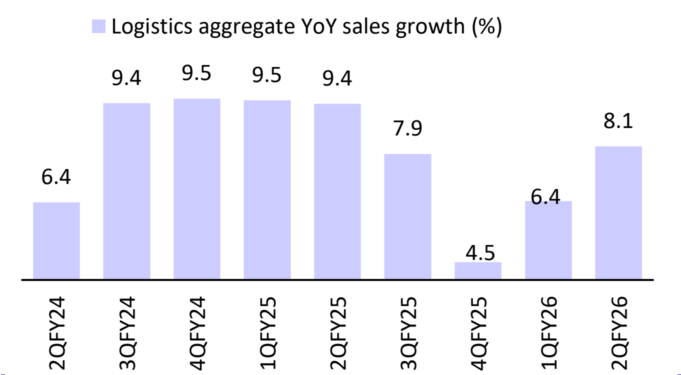


Exhibit 106: Margin improved on a YoY basis

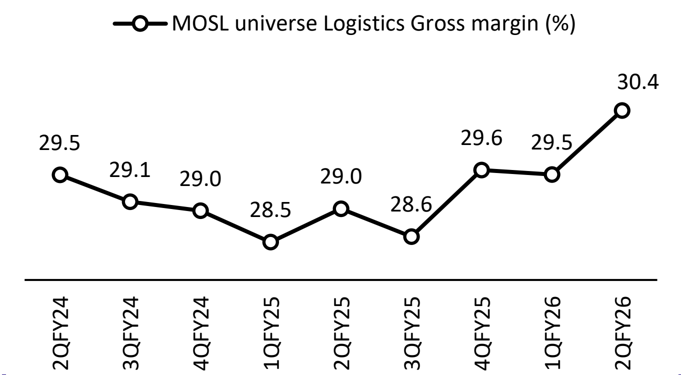
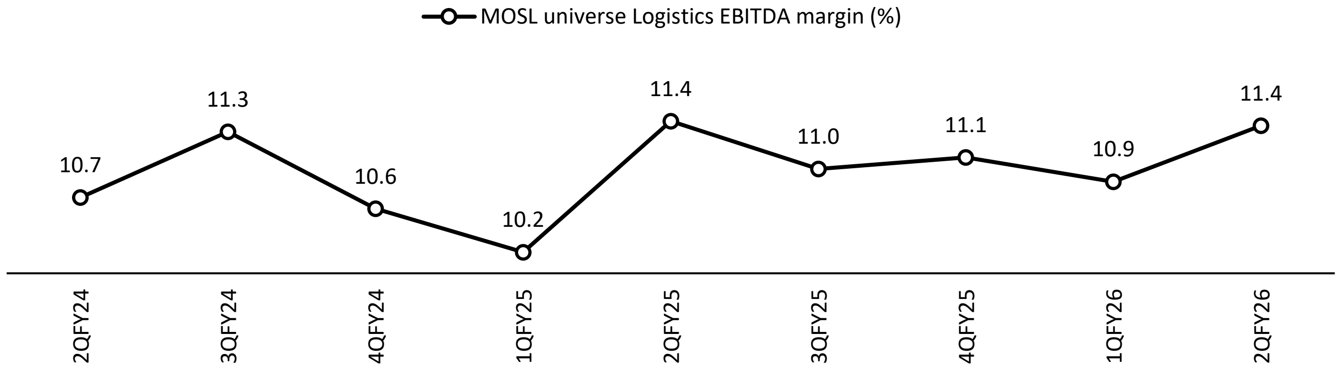


Exhibit 107: EBITDA margin has been stable on a YoY basis



Note: Data in charts above is for our coverage universe excluding APSEZ & JSWINFRA Source: Company, MOFSL

METALS: Decent volume growth with muted NSR for ferrous; high LME prices propel non-ferrous earnings

Overall metal earnings remained decent during 2Q. Ferrous companies' revenue rose 12% YoY despite softer realizations (better-than-expected NSR led the earnings beat), while EBITDA jumped 41% YoY on healthy volume and lower costs. This led to a 2.2x YoY surge in APAT in 2Q for ferrous companies. Non-ferrous companies posted earnings growth led by favorable metal prices and steady volumes. Revenue and EBITDA rose 10% and 14% YoY, respectively, with major beats from NACL and VEDL. APAT grew 16% YoY due to strong operating performance. Mining companies experienced a muted sequential performance due to heavy monsoons. NMDC's reported in-line earnings were supported by healthy NSR, while COAL reported weak volumes and realizations, leading to a significant miss on EBITDA and PAT.

Ferrous companies: Strong volumes as anticipated; earnings beat driven by better-than-anticipated NSR

- Aggregate revenue for ferrous companies under coverage increased by 11% YoY and 6% QoQ (+5% above our est.) in 2Q, aided by healthy volume growth of 12% YoY and 9% QoQ in 2QFY26. Average realization for ferrous companies fell by 1% YoY and 3% QoQ (~4% above our estimate). The volume growth was driven by the demand recovery with receding monsoon and capacity ramp-up post maintenance shutdowns in 1Q, whereas the average steel prices saw ~8% QoQ correction (HRC -4% and Rebar -13%) during 2QFY26. JSTL/SAIL volume grew by 20% YoY (~8-10% QoQ), while JINDALST volume grew merely 1% YoY with a 2% QoQ decline during 2Q.
- Aggregate EBITDA for our coverage companies increased 41% YoY and was flat QoQ (+13% above our estimate, driven by better-than-expected NSR and volumes). Strong EBITDA/t beat was reported by JINDALST/SAIL, which came in at INR11,129/5,149 per ton. EBITDA/t for TATA/JSTL stood at INR11,247/9,693 per ton, which came slightly better than our estimate. TATA's consolidated margin was supported by strong domestic earnings and the EU being profitable. EU reported a USD8m profit for 2QFY26, which was flat QoQ.
- Aggregate APAT for ferrous companies increased by 2.2x YoY and was flat YoY (+27% above our est.) in 2QFY26, led by strong operating performance supported by better volume.

Non-ferrous companies: Favorable prices with a decent volume-led earnings growth

- Aggregate revenue for non-ferrous companies was up by 10% YoY and 5% QoQ (+6% above our estimate), supported primarily by favorable metal prices and decent volume growth. A big revenue surprise was reported by NACL/VEDL, which came 10/16% above our estimate, while others (HZ/HNDL) stood broadly in line.
- HNDL's domestic aluminum volume grew by 4% YoY and 5% QoQ, while copper volume growth remained muted at 3% YoY and 9% QoQ. Novelis (HNDL's subsidiary) reported flat volumes due to subdued global demand, trade tensions, and a fire incident at Oswego (NY) capacity. HNDL consolidated revenue came in line and was up 13% YoY and 3% QoQ, while EBITDA grew by +14% YoY and +13% QoQ (+20% above our estimate).
- EBITDA for non-ferrous companies rose 14% YoY and 15% QoQ, driven by healthy NSR with decent revenues and muted costs. A surprise was observed in NACL/VEDL, where EBITDA jumped 24%/16% YoY (29%/15% QoQ) and came 20%/67% above our estimate.

- Non-ferrous companies' aggregate APAT increased by 16% YoY and 17% QoQ (+36% above our estimate), driven by healthy operating performance in 2Q.

Mining Companies: Weak mining activity leads to muted earnings QoQ

- NMDC's earnings were broadly in line, where revenue grew 30% YoY, led by healthy NSR (+20% YoY) and volume growth (+10% YoY). On a QoQ basis, revenue declined 13%, and EBITDA dipped 20%.
- COAL reported weak earnings in 2Q, while revenue came in line. However, its EBITDA/PAT missed estimates by 30% each. Sales (dispatches) declined 1% YoY and 13% QoQ to 191mt. Revenue declined 2% YoY and 16% QoQ in 2Q. EBITDA/PAT dipped 18%/31% YoY and 48%/50% QoQ in 2Q.
- **Top picks:** TATA and JDSL
- **Surprises:** NACL, VEDL, and COAL

Guidance highlights:

- **TATA:** For 3QFY26, TATA guided the India business NSR to decline by INR1,500/t QoQ, while NSR is expected to decline by EUR30/t for the Netherlands in 3Q and expects a stronger recovery from 4QFY26 onwards with the effect of recent protectionist measures. Consumption costs for coking coal are expected to increase USD6/t QoQ in 3Q due to a rise in coking coal prices, while in the Netherlands, it could fall by EUR5-10/t in 3QFY26 owing to a lower-cost inventory.
- **JSTL:** The company expects EBITDA/t to improve in 2HFY26, supported by better NSR and subdued input costs. Management foresees a rise in coking cost by USD3-5/t in 3QFY26. Domestic steel prices currently trade at a discount to import parity, but normalization is expected as demand strengthens and imports moderate. JSTL has limited exposure to Europe (<3% of volumes); hence, the implementation of CBAM will have a limited impact.
- **JINDALST:** The company expects a significant ramp-up in production volumes in 2HFY26 and reiterated its FY26 crude steel production guidance of 9-10mt. Management expects a price recovery post the festive season, driven by improving construction and infrastructure demand. Coking coal costs are expected to increase by USD3-5/t in 3QFY26. Iron ore prices from NMDC have seen cuts recently, but OMC auction prices remain elevated. Management reiterates its capex guidance of INR75-100b for FY26.
- **JDSL:** The company guided a volume growth of 9-10% YoY for FY26 and expects short-term export volumes to remain subdued until uncertainties surrounding CBAM are resolved. In the long term, management indicated that the company is largely compliant with CBAM requirements (rising RE share), which should facilitate easier access to EU markets once the regime stabilizes. JDSL increased its RE share to 42% in 2QFY26 from 26% in 2QFY25 and targets to increase it further with the commissioning of a green hydrogen plant at its Jajpur facility by mid-CY26.
- **HNDL:** The production cost in 3QFY26 is expected to remain broadly flat, with easing coal prices offset by a slight rise in CPC and coke costs. At Novelis, the company expects an FCF impact of USD550-650m in FY26 (majorly in 3Q) due to the fire incident at Oswego (NY), including an adj. EBITDA loss of USD100-150m. To support Novelis' equity requirements, HNDL will infuse USD750m as equity, funded through debt raised at AV Minerals, taking advantage of its stronger borrowing capacity.
- **VEDL/HZ:** The company has maintained its full-year capex guidance at USD1.7-1.9b for FY26. The commissioning of Lanjigarh Train-2 (1.5mtpa) has started and is likely to get fully ramped up soon. Alumina cost is expected to decline USD50/t for the next two quarters, aided by lower third-party purchases and higher captive share via Lanjigarh. The company revised the refined metal guidance to 1,075–1,000ktpa and silver output to 680t (±10t) for FY26, adjusting for plant availability and input performance in 1HFY26.

Exhibit 108: Domestic spot steel spreads (USD/t) moved below their LTA

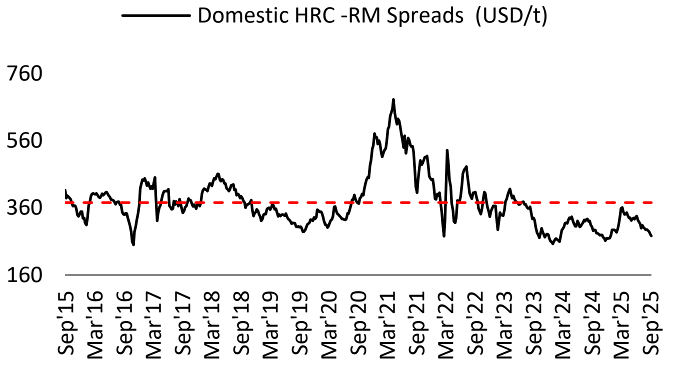
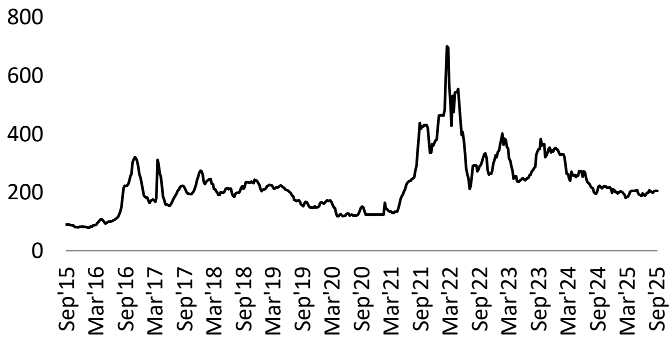


Exhibit 109: Coking coal (USD/t) prices moderated significantly from their peak and are now range-bound near USD200/t

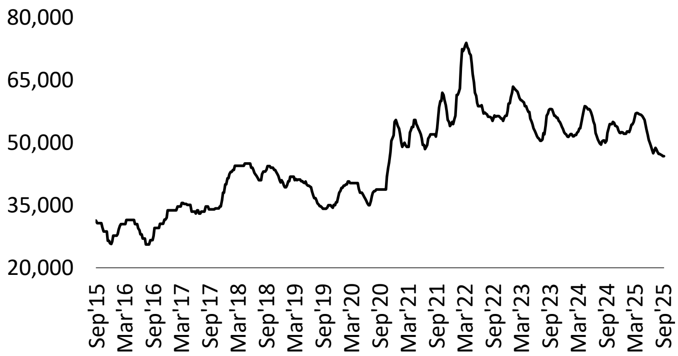


Source: MOFSL, BigMint

Exhibit 110: HRC (INR/t) prices softened to INR48,500/t amid import pressure

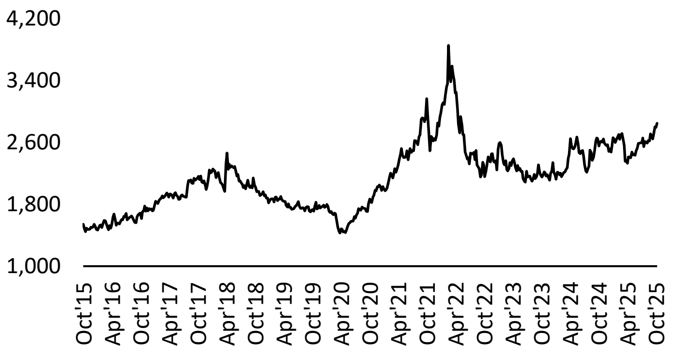
Source: MOFSL, BigMint

Exhibit 111: Rebar (INR/t) prices corrected to 47,000/t due to the monsoon-led muted construction activity



Source: MOFSL, BigMint

Exhibit 112: Aluminum prices remained at ~USD2,800/t



Source: MOFSL, Bloomberg

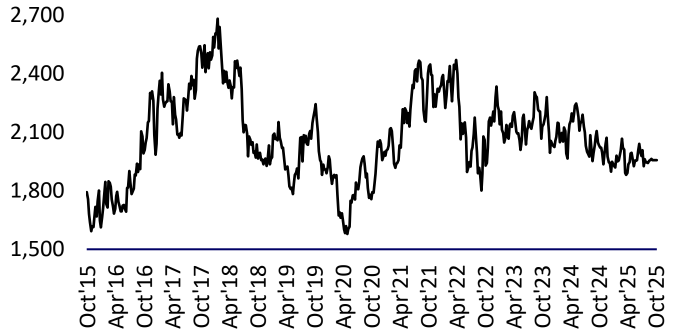
Exhibit 113: Zinc prices rebound to ~USD3,000/t

Source: MOFSL, Bloomberg

Exhibit 114: Copper prices steady at USD10,800/t levels

Source: MOFSL, Bloomberg

Exhibit 115: Lead prices hover below USD2,000/t



Source: MOFSL, Bloomberg

Exhibit 116: EBITDA/t for steel companies under our coverage (consolidated)

EBITDA/t	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
JSW Steel	11,967	9,100	9,003	8,869	8,314	8,515	11,324	9,693
Tata Steel	8,760	8,271	9,059	7,343	9,268	7,874	10,432	11,247
SAIL	5,638	3,879	5,536	3,111	4,582	6,536	5,704	5,149
JSPL	15,705	12,162	13,585	11,893	11,494	11,651	15,819	11,129
JDSL	24,339	18,161	20,964	21,000	20,536	16,499	20,915	21,416

Source: MOFSL, Company

OIL & GAS: Robust performance by OMCs; soft quarter for CGDs

- **Overall performance:** Revenue came in line with our estimates. However, excluding OMCs, revenue was 3.2% above our estimates. EBITDA was 8% above estimates (up 33% YoY). Excluding OMCs, EBITDA remained in line (up 8% YoY). Adjusted PAT was 11% above estimates (up 38% YoY), primarily as OMCs reported strong profitability. Excluding OMCs, adjusted PAT was 6% below estimates (-4% YoY).
- **RIL: RIL's** 2QFY26 consolidated EBITDA increased 5% QoQ (+17% YoY) to INR459b. O2C EBITDA grew 17% YoY to INR98.6b, reflecting a sharp rebound in transportation fuel cracks (up 22-37%) and improved polymer margins. The E&P segment's revenue dipped 2.6% YoY, mainly due to the natural decline in production from the KGD6 block (-8.4% YoY). Additionally, lower realizations for CBM gas and condensate further weighed on revenues.
- **Upstream: ONGC's** 2QFY26 revenue came in line with our est. at INR330b. Crude oil/gas sales were in line with our est. at 4.8mmt/3.9bcm. VAP sales stood at 592tmt (est. 681.5tmt). Reported oil realization was USD67.3/bbl, at USD3.2/bbl discount to Brent in 2Q. EBITDAX/PAT also stood in line with our est. at INR177b/INR98.5b. **OINL's** 2Q oil/gas sales at 0.83mmt/0.66bcm stood in line with estimates. Oil/gas production remained flat YoY at 848mmt/804bcm. Oil realization stood at USD68.2/bbl (in-line). However, EBITDA was 39% below our estimate at INR13.3b, down 39% YoY, primarily due to higher-than-expected opex.
- **OMCs: HPCL/BPCL/IOCL** reported EBITDA 29%/32%/51% above our estimates, while their reported PAT came in 29%/40%/146% ahead of expectations. OMCs reported a strong beat on refining and marketing margin estimates. The MoP&NG has approved compensation of INR145b/76b/79b for IOCL/BPCL/HPCL toward LPG under-recoveries. The amount will be released in 12 equal monthly instalments, with accruals recognized on a monthly basis starting Nov'25.
- **CGDs: MAHGL's/IGL's** EBITDA came in 4%/13% below our estimates, while **GUJGA's** EBITDA came in line with our estimates. Total volumes for MAHGL were 5% above our estimates at 4.6mmscmd; GUJGA's volumes were broadly in line with our estimates at 8.7mmscmd, whereas IGL's volumes were 4% below our estimates at 9.3mmscmd.
- **Gas utilities: GAIL's** 2QFY26 EBITDA came in 5% above our estimates at INR31.9b. EBIT for gas transmission missed our estimates by 6%, while the marketing segment posted a strong performance. Volumes for natural gas transmission came in line with our estimate at ~123.6mmscmd. **GUJS's** EBITDA was 13% below our estimates, driven by transmission volumes of 28.5mmscmd, which was 8% lower than expected, and higher-than-estimated

opex. The implied tariff stood in line at INR839/mmscm. Volumes continue to remain soft amid weak demand from the refining/petchem and power sectors. **PLNG's** EBITDA was 4% below our estimate. PAT came in line with our estimate, supported by higher-than-expected other income. Total volumes came in line with our estimate at 228tbtu. No spot volumes were recorded during the quarter.

- **Others: CSTRL's** EBITDA margin expanded 150bp YoY/35bp QoQ. Its 3Q volumes stood in line with our estimates at 59m liters (up 7% YoY). **Aegislog's** EBITDA came in 13% above our estimates. Normalized EBITDA of the gas division came in 68% above our estimate, while that of the liquid division stood 15% below our estimates.
- **Ratings and earnings revisions:** There have been no changes in ratings across our coverage universe following the 2QFY26 earnings season. We have revised up our FY26/FY27 estimates for OMCs as we factor in monthly LPG under-recovery compensation over Nov'25-Oct'26 under revenue. Additionally, we raise our MS/HSD marketing margin assumptions for 2HFY26-FY28 slightly to INR3.5/lit (from INR3.3/lit earlier).
- **Top picks: HPCL:** We continue to prefer HPCL among OMCs due to the following factors: 1) HPCL's higher leverage toward the marketing segment, 2) higher dividend yield as HPCL's capex cycle is tapering off, and 3) start-up of HPCL's multiple mega-projects in the next 12 months, providing a push to earnings. **MAHGL** remains our preferred pick among CGDs, given the robust 11% CAGR volume growth over FY25-28, a stable EBITDA/scm margin outlook (~INR9/scm), and cheap valuations.
- **Surprise:** HPCL, BPCL, IOCL, Aegislog
- **Misses:** IGL, GSPL

Guidance highlights

- **Upstream: ONGC:** Management has lowered its FY26 SA production guidance marginally to 19.8mmt/20bcm for oil/gas. For FY27, guidance is maintained at 21mmt/21.5bcm of oil/gas. KG-98/2 gas productions are expected to reach 10mmscmd by Jul'26. FY26 capex guidance is maintained at INR300-350b. NW gas is expected to ramp up to 30-35% of total gas in the next three years.
- **OMCs: HPCL:** HRRL's refinery section is expected to be capable of running at 100% within three months. The full impact of the Residue Upgradation Facility (RUF) in Visakhapatnam shall be visible from Feb'26. **IOCL's** Panipat, Gujarat, and Barauni refinery expansions are scheduled for commissioning by Jun'26, Jun'26, and Aug'26, respectively, while the PX-PTA plant (INR140b) will be commissioned by 3QFY27. The poly-butadiene rubber plant (INR30b) is expected to be commissioned by Jun'26.
- **CGDs: MAHGL's** management expects EBITDA margin to be around INR8-9/scm. For FY26, the company targets adding 80 new CNG stations. ~INR350m of tax benefit should accrue in two years due to the amalgamation of UEPL. **GUJGA:** FY26 capex is expected to be INR8b, while that of FY27 is expected to be INR8-10b. Margin guidance is maintained at INR4.5-5.5/scm. **IGL's** management maintained its EBITDA margin guidance of INR7-8 per scm in the long term. Management expects an exit rate of 10mmscmd in FY26 and maintains its long-term volume growth target of 10% YoY, driven by strong CNG PV sales.
- **Others: GAIL:** The final tariff order is expected by end-Nov'25.The heating system at the Dabhol terminal is likely to be commissioned by FY27. Management has lowered its transmission guidance to 123-124mmscmd/132-133mmscmd for FY26/27. **PLNG:** Dahej terminal's 5mmtpa capacity shall be operational by end-Mar'26. Kochi terminal - KMBPL is likely to be connected to NGG by the end of FY26. The FY26 capex guidance is maintained at INR50b.

Exhibit 117: Implied gross marketing margin (INR/lit)

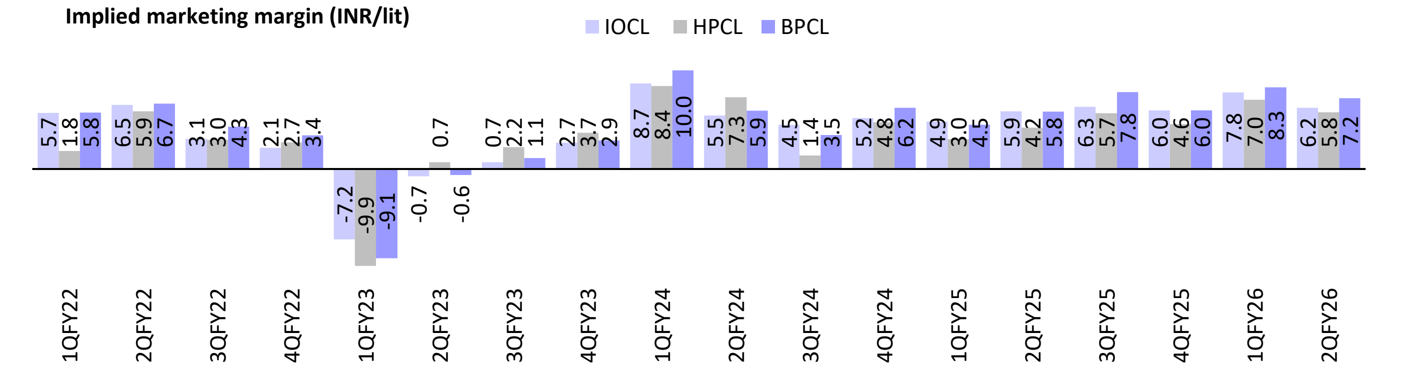


Exhibit 118: Reported refining margin (USD/bbl)

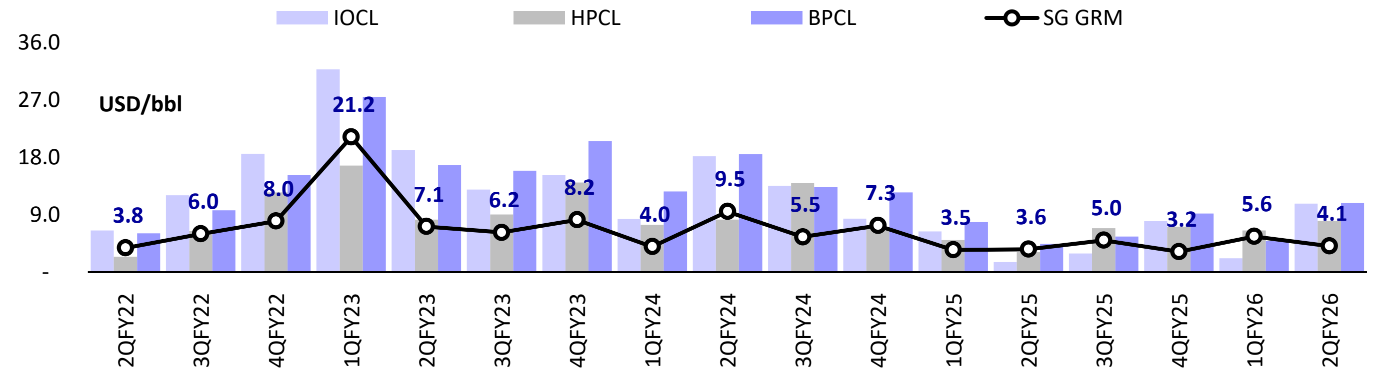


Exhibit 119: Sales volume of CGDs (mmscmd)

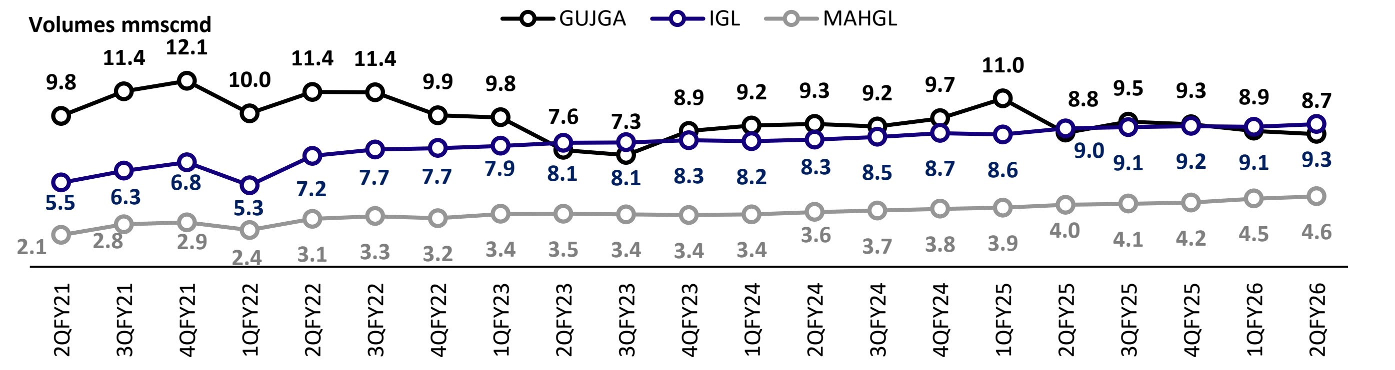
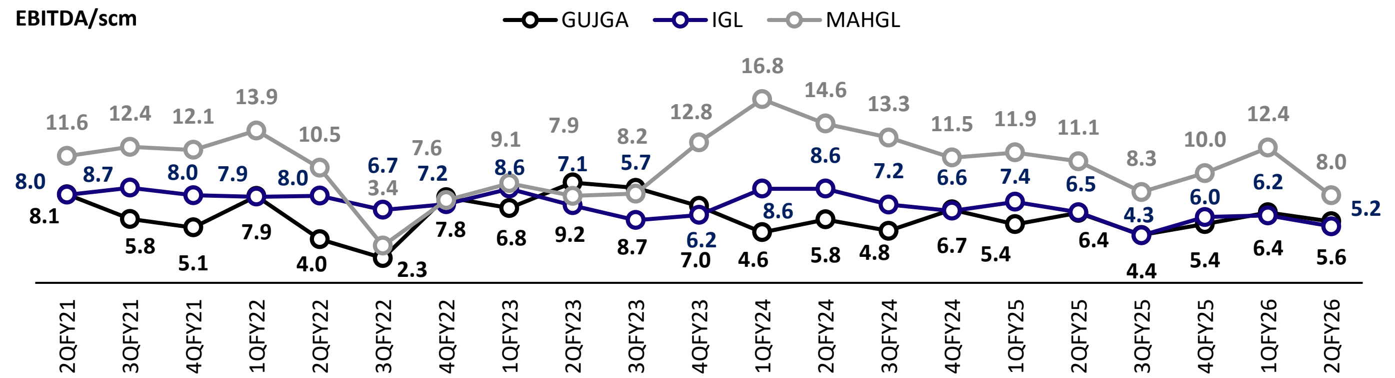


Exhibit 120: EBITDA/scm trend for CGDs (INR)



Plastic Pipes: Healthy recovery in operating performance with a robust 2H outlook

- **Steady revenue growth across industry:** The plastic pipes sector reported a steady quarter amid volatile PVC prices and a weak demand scenario. Aggregate revenue (coverage companies) grew 7% YoY to INR45.7b. This growth was due to improved pipe volumes across players (up 14% YoY), while blended realization is still lower by 4% YoY (improved QoQ by 11%). ASTRA delivered the highest pipe volume growth of 21% YoY to 61K tonnes, followed by SI (up 17%), while PRINCPIP's volume declined marginally YoY (-1%). In terms of overall revenue, ASTRA delivers healthy growth of 15% YoY, followed by SI (up 5%), while PRINCPIP dipped 4% YoY. For our coverage universe, we expect an aggregate revenue growth of ~14% in FY26 (implying 17% YoY growth in 2HFY26) and a CAGR of 14% over FY25-FY28.
- **Mixed bag margin performance across companies:** The sector witnessed an expansion in EBITDA margins by 200bp YoY/210bp QoQ, with aggregate EBITDA growing 25% YoY to INR7.6b. While for coverage companies, margins were muted (down 10bp), with EBITDA growth of ~6% YoY. FNXP reported the highest margin expansion (13.8pp YoY) and EBITDA growth (11.8x), primarily due to a lower base and improved operational performance. From our coverage, PRINCPIP reported the highest margin expansion and EBITDA growth of 190bp/21% YoY, followed by ASTRA with 100bp/22% YoY, while SI reported a contraction/decline in margins by 160bp/7% YoY. Improvements in operational performance in ASTRA/PRINCPIP were due to a better product mix (higher CPVC growth). Blended EBIT/kg of the pipes segment declined 11% YoY to INR13.7. The sharpest decline was seen in SI, which dropped 28% YoY to INR10.6, followed by ASTRA, which dipped 2% to INR25.7, while PRINCPIP saw growth of 26% YoY to INR5.3. As highlighted earlier by the companies, 2Q marked some stabilization in operating performance and PVC prices and has indicated a higher growth in 2HFY26.
- **Outlook remains positive with an improving demand scenario and stabilizing PVC prices:** A common indication from all the companies is the expectation of a gradual demand revival, supported by renewed government thrust on infrastructure spending and improving residential real estate activity. While 1HFY26 was challenging due to macroeconomic headwinds, subdued demand, and raw material price volatility, a pickup is expected from 2HFY26. PVC resin prices have stabilized and are at the bottom, which should improve channel sentiment and reduce inventory losses, paving the way for better margins. Most companies reported healthy volumes in 1HFY26 with further growth in 2HFY26. Hence, all our coverage companies have retained their FY26 guidance despite a steady performance in 1HFY26.
- **The quarter experienced no downgrades/upgrades:** We have retained our estimates for FY27/FY28 for all our coverage companies. We have only raised our FY26 earnings estimate for ASTRA by 6% while maintaining our estimates for SI/PRINCPIP.
- **Surprises**: Astral and PRINCPIP **Miss:** SI

Guidance highlights:

- **ASTRA:** Management commentary remained positive for 2H, led by an improving demand outlook for pipes (gaining market share), recovery in performance of the UK adhesive business, steady growth in the India Adhesive business, and a healthy outlook for the Paints business. The company is witnessing a good 3QFY26 to date for its piping and adhesives business (including paints) and remains confident of maintaining its earlier guidance of double-digit revenue growth in FY26. ASTRA maintained double-digit growth guidance for the next five years. Margins are expected to stay at 15-16% and may improve with new plant utilization and CPVC integration by Sep'26.
- **SI:** Management has also maintained its overall volume growth for FY26 at 12-14% YoY, driven by a positive demand outlook from the housing/plumbing and agriculture segments, expected stabilization of prices (with the implementation of ADD), and the addition of Wavin capacity (~71,000MTPA). The company guided INR110-115b revenue with an EBITDA margin of ~14.5-15% for FY26.
- **PRINCPIP:** Management anticipates a healthy recovery in demand in 2HFY26, driving high single-digit volume growth for FY26 (Oct'25 was subdued due to festivals and ADD-related uncertainties, while Nov'25 is seeing a healthy pickup). Consequently, margins are expected to recover sequentially to low double digits by 4QFY26

(normalized levels), fueled by operating leverage and an improved product mix. The implementation of ADD by mid-Nov'25 is expected to be a key trigger for the PVC industry and for PRINCPIP.

Exhibit 121: Key operating indicators

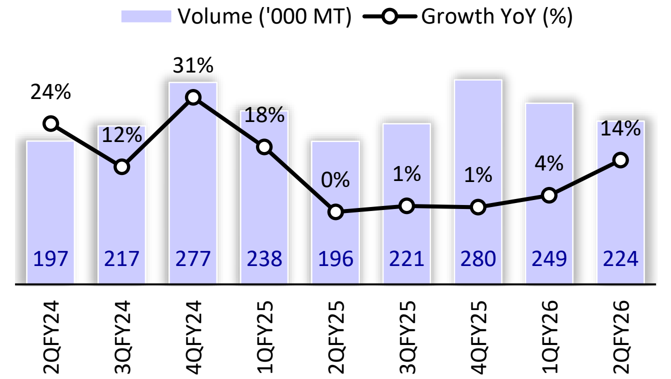
	Revenue (INR m)					EBIT/kg (INR)					Adj PAT (INR m)				
	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)	2Q FY26	2Q FY25	YoY (%)	1Q FY25	QoQ (%)
ASTRA	15,774	13,704	15	13,612	16	25.7	26.1	-2	17.6	45	1,348	1,100	23	811	66
SI	23,939	22,730	5	26,092	-8	10.6	14.7	-28	10.6	0	1,647	2,066	-20	2,023	-19
PRINCPIP	5,946	6,221	-4	5,804	2	5.3	4.2	26	2.0	162	146	147	0	48	204
FNXP	8,587	8,280	4	10,432	-18	10.3	-5.6	-285	7.3	41	1,236	407	204	982	26
APOLP	2,357	2,504	-6	2,750	-14	0.6	4.4	-87	3.4	-83	16	42	-61	81	-80
Aggregate	**45,658**	**42,654**	7	**45,508**	**0**	**13.7**	**15.3**	**-11**	**10.7**	**28**	**3,142**	**3,313**	**-5**	**2,882**	**9**
Aggregate (inc Finolex and Apollo)	**56,603**	**53,439**	6	**58,690**	**-4**	**12.1**	**9.5**	**27**	**9.3**	**30**	**4,394**	**3,762**	**17**	**3,945**	**11**

Source: MOFSL, Company

Exhibit 122: Our revised EPS estimates (INR)

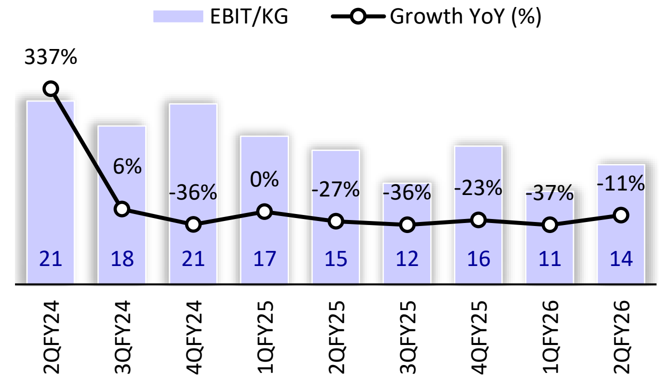
	FY26E			FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)	Rev	Old	Chg (%)
SI	79	82	-4	108	110	-2	130	132	-2
ASTRA	22	21	6	29	29	1	36	34	4
PRINCPIP	8	8	4	14	14	3	20	20	2

Exhibit 1: Agg. volume trend (coverage companies)



Source: Company, MOFSL

Exhibit 2: Agg. EBIT/KG trend (INR/KG)



Source: Company, MOFSL

REAL ESTATE: 2QFY26 presales up 42% YoY, driven by healthy launches and premium-luxury demand

- **Presales rise 42% YoY:** In 2QFY26, our coverage universe reported bookings of INR331b, up 42% YoY, aided by strong launches even in a seasonally weak quarter, while the presales were 30% above our estimates. In 1HFY26, presales stood at INR774b, up 41% YoY. In 2QFY26, the sector witnessed exceptional performance by most of our coverage companies – LODHA, DLF, GPL, LOTUS, PEPL, SOBHA, MLDL, and SRIN – even when sales from other listed players were considerably lower. These key players contributed ~82% of total reported bookings of our coverage universe, while DLF, GPL, LODHA, and PEPL jointly contributed to ~71%, mainly driven by big launches like Prestige Indirapuram phase 2, DLF Mumbai/Dahlias, etc., a good number of launches from Godrej and Brigade, and sustained sales. The total booking area of listed players within our coverage universe was also up by ~30% YoY at 23.7msf. In 1HFY26, the booking area was at 54msf, up 15% YoY. Overall demand for premium and luxury remained strong, and sales were higher in the premium and luxury segments with higher ticket sizes during the quarter.
- In 2QFY26, DLF and LOTUS were the best performers in terms of YoY growth in presales, posting 526% and 126%, respectively. LOTUS also posted 321% QoQ growth. GPL performed the best in terms of value, i.e., INR85.1b out of total reported bookings of INR331b from our coverage universe.

- Realization also improved 10% YoY due to higher sales from the luxury and premium segments. In 1HFY26, realization improved 13% YoY.
- **Double-digit growth aspiration intact for FY26:** Our coverage universe posted a 40% CAGR in cumulative bookings over FY21-25, and the companies aspire for a 20-30% growth in FY26 as the delay/absence of key launches in FY25 has spilled over into FY26. In 1HFY26, of the presales growth aspired to, over 50% was already achieved. In 1HFY26, business development remained strong, led by LODHA, GPL, and PEPL, which added new projects worth GDV of INR250b, INR163b, and INR331b, respectively. Consequently, companies have a significant launch pipeline for 2HFY26, which can support their future growth aspirations.
- **Launches dominated by a few players:** Launches in 1HFY26 grew 34% YoY, mainly led by large launches by PEPL, GPL, DLF, and LODHA. Overall, launches grew by 97%/123%/87%/39%/48% YoY for DLFU/LODHA/PEPL/BRGD/MLDL in 1HFY26, while other listed players in our coverage universe reported a declining trend. SOBHA saw a 55% decline in launches. KPDL and Sunteck did not see any launches in 1H. However, the missed launches are expected to be planned for 2HFY26.
- **Collections:** Total collections for 2QFY26 increased 18% YoY to INR225b, while there was a reduction in collection efficiency (collections-to-sales) to 68% from 82% in 2QFY25. In 1HFY26, collections stood at INR435b, up 17% YoY, with collection efficiency of 56% vs 68% YoY.
- **P&L performance – a mixed bag:** Aggregate revenue for our coverage universe grew 12% YoY to INR159b (8% below our estimate). The individual performance was a mixed bag, as nearly 50% of our coverage stocks – LODHA/LOTUS/OBER/BRGD/SOBHA/MLDL/SRIN – reported healthy revenue growth, while other coverage companies were affected by lower project deliveries. In 1HFY26, revenue stood at INR307b, up 15% YoY. Cumulative EBITDA stood at INR40b, up 8% YoY, with an EBITDA margin of 25% (2% below 4QFY24). In 1HFY26, EBITDA stood at INR76b, up 5% YoY, with margin levels at 25% (2% below 1HFY25).
- **Our view:** The operational performance of our coverage universe exceeded our expectations due to impressive launches and good contribution of presales coming from ongoing projects in a seasonally weak quarter. We retain our FY26 pre-sales estimates (except for the downward revision of KPDL) for all the companies. However, we will critically monitor launches and deliveries, as many companies have expressed concerns regarding approval delays. We prefer PEPL and LODHA as our top picks.

- **Surprises:** GPL, PEPL, and LODHA
- **Miss**: KPDL

Management commentaries

- **LODHA:** It reported strong housing demand driven by preference for premium homes and expects weekly sales to rise to INR4b by FY26-end. In 1HFY26, it launched projects worth INR133b (7.8msf) across MMR, Pune, and Bangalore, with 3QFY26 presales guided at INR60b and overall FY26 sales from new launches seen at 30–35%. Average quarterly presales are expected to reach INR50b with 5–6% annual price growth and embedded margins of 32%. Bangalore is a key growth focus, with sales share targeted to rise to 15% over the next decade, while Delhi NCR is set to begin pilot operations in FY27. Township projects like Palava and the annuity business are expected to drive long-term value, with rentals targeted at INR15b by FY31 to support a debt-free balance sheet.
- **OBER:** It had no new launches in 2QFY26, with only Elysian Tower D at Goregaon launched in 1HFY26. For FY26, it plans launches in Borivali, Forestville (Thane), Peddar Road, and Gurugram, with potential additions from Adarsh Nagar, Worli, and Tardeo, while further towers in Goregaon and Alibaug are set for FY27. Commerz I and II are fully leased, and both Commerz III (87% occupied) and Sky City Mall (53% occupied) are expected to stabilize at 80–90% occupancy by FY26-end. The Gurugram project is on track for launch this year, while construction of the Ritz-Carlton Mumbai is 70–80% complete and set for FY26 launch. In Thane, steady demand is expected to drive ~INR10b in annual sales with potential price gains as the project nears completion.

- **DLF:** The company reported steady housing demand in Gurgaon, driven by strong sales from its Mumbai and Dahlias projects, with ASPs of INR125,000–150,000psf. Collections are expected to rebound in 2HFY26, with FY27 guidance at INR130–140b. Key launches in FY26 include Goa, Arbour 2, and Panchkula, while Phase 2 of Mumbai, Dahlias' next phase, and DLF City are slated for FY27; presales guidance of INR200–220b is already 72% achieved. The commercial segment remains resilient with low vacancies, and major assets such as Downtown Gurugram, Chennai, and Atrium Place are set to commence rentals in FY26, alongside retail additions including Highstreet Plaza, DLF 5 Mall, and Promenade Goa.
- **GPL:** It aims to strengthen leadership across key markets, supported by rising incomes, job stability, and housing demand, favoring branded developers. In 2QFY26, it launched projects worth INR101b GDV, with ~65% of sales from new launches, maintaining FY26 guidance of INR400b in launches and INR325b in presales. The restructured Worli JV project will launch in 2H with ASPs of INR90,000–150,000psf, while multiple launches are planned across NCR, Mumbai, Pune, Bengaluru, and emerging cities. Nine new projects with a GDV of INR163b were added in 1HFY26, and revenue is expected to ramp up in 4QFY26 as key completions come through.
- **PEPL:** The company launched ~18.8msf of projects worth INR176b GDV in 1HFY26 across NCR, Bengaluru, and Chennai, including key developments like Prestige Mulberry, Oakwood, and Pallavaram Gardens. Stock in hand stood at 14.09msf valued at INR199b across major cities. The company achieved 67% of its FY26 presales guidance of INR270b, with a remaining GDV pipeline of INR272b (26.7msf) for the year and INR500b under planning. In 1HFY26, it added 12 new projects totaling 266 acres and INR331b GDV through a mix of owned and JDA developments, while Hyderabad launches include Rock Cliff in FY26 and Imperial Park in FY27.
- **BRGD:** It reported strong demand and aims to sell 50% of new inventory soon after launch. It launched 4.37msf in 1HFY26, with 40% of sales from new projects, and has an 11msf residential pipeline across Bengaluru, Chennai, Hyderabad, and Mysuru, including key 2HFY26 launches worth INR80–83b GDV. In 1HFY26, it added INR140b GDV (13msf) in new projects, while the commercial portfolio maintained 92% occupancy with INR16.9b capex planned. The hospitality arm, Brigade Hotel Ventures, posted 20% YoY revenue growth and has nine upcoming hotels totaling 1,700 keys.
- **MLIFE:** The company launched four projects in 1HFY26, achieving strong sales across Bengaluru, Pune, MMR, and Chennai, with major upcoming launches in Hopefarm, Mahalaxmi, Citadel Phase 3, and Bhandup. It added six new projects with a total GDV of INR95b, taking its overall development pipeline to INR463b, led by large projects in Bhandup, Thane, and redevelopment assets. The company remains net cash positive, with healthy cash flows and a strong balance sheet, positioning it to achieve its long-term presales target of INR95b over the next five years.
- **SOBHA:** It launched three projects in 1HFY26 with a total TDA of 1.65msf, including its first in Greater Noida (SOBHA Aurum), Marina One in Kochi, and the Lifestyle Boutique extension in North Bengaluru. It plans a 30% growth in presales for FY26, supported by major upcoming launches across Bengaluru, NCR, and MMR, with Hoskhote (5msf) slated for 1QFY27. With a strong 17msf launch pipeline, INR6.3b land spending in 1HFY26, and targeted EBITDA margins of 33%, SOBHA expects robust growth driven by higher completions, new launches, and steady cash flow expansion.
- **SIGNATUR:** The company achieved presales of INR47b in 1HFY26, selling 3msf at an average realization of INR15,700/sqft, and remains confident of achieving INR125b in FY26. Focus continues on mid-income and premium housing, with upcoming 2HFY26 launches of ~7.5msf (GDV INR130–140b) across Sectors 37D and 71 in Gurugram. With 41.5msf of projects in the pipeline, INR4b operating surplus in 1HFY26, and INR8.75b raised via NCDs, the company maintains a strong balance sheet and steady momentum in launches, collections, and deliveries.
- **KPDL:** Weak 1H. Launches are slated to accelerate in 2HFY26, with ~6–7msf (GDV INR50–52b) planned across Pune and Mumbai, including the Laxmi Ratan–Versova project and NIBM/Wadgaon phases. Unsold inventory stands at 2.9msf (LR forming 1.6msf), and total GDV potential across markets is INR294b. Blackstone management has been appointed to the company's Board and senior management, strengthening governance and strategic direction.

- **SRIN:** Collections are expected to strengthen in the coming quarters of FY26 as key projects, including Sunteck City – 4th Avenue, move into the revenue recognition phase post-OC. SRIN plans launches worth INR110b in 3Q–4QFY26, covering major projects across ODC Goregaon, Vasai, Mira Road, Bandra, Naigaon, Andheri redevelopment, and Nepean Sea Road. The marquee Burj Khalifa Community in Dubai (1msf, GDV INR90b) is planned for launch in 4QFY26 or early FY27, with targeted sales over 3–4 years. Construction of 5th Avenue will commence shortly, while demolition and approvals for Nepean Sea Road Phase 1 are nearing completion.
- **PHNX:** Its 1st tranche payment of INR12.6b to acquire the remaining 49% stake in ISMDPL is scheduled in Nov'25. Expansion at PMC Bengaluru includes Phase 2 (0.57msf retail/office + 400-key Grand Hyatt by 2027) and Phase 3 (1.8msf retail/office + 300-key hotel). Core portfolio revenue rose 22% YoY to INR11.1b, with 14% consumption growth led by electronics and fashion. Multiple malls across Thane, Coimbatore, Chandigarh, Surat, and Grand Victoria remain on schedule, supported by steady annual capex of INR12–13b and ongoing revamps to lift mature mall performance.
- **ARCP:** The company is in advanced stages of launching The Estate One (1.09msf) on Golf Course Extension Road, Gurugram, while Phase IV of Anant Raj Estate (0.5msf) has commenced, and Project Navya Phase 2 deliveries are scheduled from Dec'25. Work has also begun on Ashok Towers and Bella Monde—its first Delhi project comprising commercial, hotel, and service apartment components—with a new luxury group housing project planned for FY27. A QIP of INR11b strengthened the balance sheet, keeping the company net cash positive. In its data center business, Panchkula (7MW) and Manesar (21MW) facilities are operational, with full 28MW potential expected by 4QFY26 and expansion underway at Rai (Sonipat) to achieve 117MW capacity by FY28. The segment continues to deliver robust 75% EBITDA margins, supported by a 75:25 capex allocation between colocation and cloud.
- **LOTUS:** Luxury housing demand in MMR remains robust, with strong traction across Bandra, Versova, Juhu, Andheri, and Prabhadevi, and projects are consistently delivered 12–18 months ahead of RERA timelines. The company is net debt-free with INR8.5b in net cash and operates 17 of 18 projects under an asset-light redevelopment model. It launched The Arcadian (Juhu) and Amalfi (Versova) in 2QFY26 (GDV INR10b) and plans four more launches in 2HFY26 (GDV ~INR35–37b), with presales guidance of INR11–13b for FY26 and expectations of a 3–5x growth in sales and revenue over the next three years.

Exhibit 123: Presales for our coverage universe rose 42% YoY…

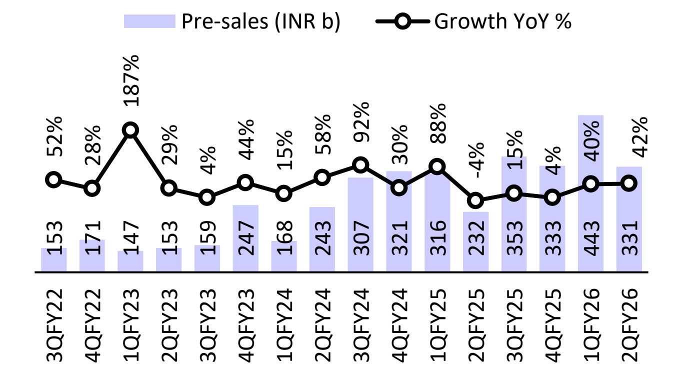


Exhibit 124: …while volumes increased 30% YoY

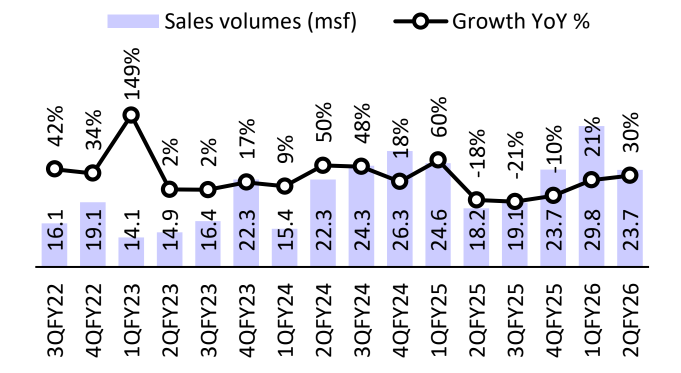


Exhibit 125: Collections improved 18% YoY

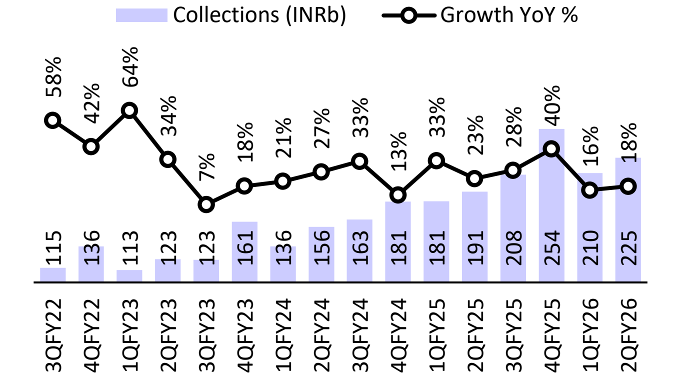


Exhibit 126: Bookings grew 19% YoY

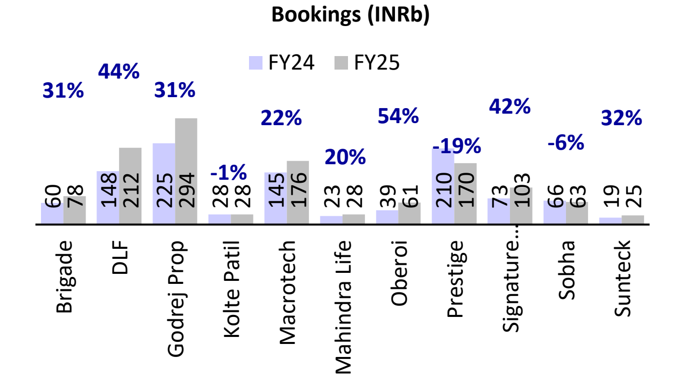


Exhibit 5: Summary of our revised estimates for our coverage universe

INR b	Revenue								
	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	102	104	110	102	104	110	0	0	0
Godrej Properties	54	58	66	54	58	66	0	0	0
Lodha	181	189	193	181	189	193	0	0	0
Lotus	11	16	22	11	16	22	0	0	0
Oberoi Realty	64	89	91	64	89	91	0	0	0
Prestige Estates	114	141	153	114	141	153	0	0	0
Brigade	49	61	86	49	61	86	0	0	0
Sobha	50	58	72	50	58	72	0	0	0
Mahindra Lifespaces	5	8	11	5	8	11	0	0	0
Sunteck	11	15	20	11	15	20	0	0	0
Phoenix Mills	47	52	64	47	50	62	1	-4	-2
Anant Raj	22	27	51	22	27	51	0	0	0
Kolte Patil	29	26	50	17	34	48	-41	29	-2
Signature Global	44	74	105	44	74	105	0	0	0

INR b	EBITDA								
	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	31	31	32	31	31	32	0	0	0
Godrej Properties	7	9	10	7	9	10	0	0	0
Lodha	52	54	55	52	54	55	0	0	0
Lotus	4	8	10	4	8	10	0	0	0
Oberoi Realty	41	50	54	41	50	54	0	0	0
Prestige Estates	31	34	36	31	34	36	0	0	0
Brigade	18	23	30	18	23	30	0	0	0
Sobha	6	8	11	6	8	11	0	0	0
Mahindra Lifespaces	-1	0	0	-1	0	0	0	0	0
Sunteck	2	2	3	2	2	3	0	0	0
Phoenix Mills	29	35	44	27	30	38	-6	-14	-13
Anant Raj	8	9	21	8	9	21	0	0	0
Kolte Patil	6	5	11	3	7	11	-48	36	-3
Signature Global	8	18	26	8	18	26	0	0	0

INR b	PAT								
	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	41	43	45	43	43	45	4	0	0
Godrej Properties	25	24	38	25	24	38	0	0	0
Lodha	36	39	39	37	40	43	1	4	11
Lotus	2	3	6	2	3	6	0	0	0
Oberoi Realty	29	36	40	29	36	40	0	0	0
Prestige Estates	11	13	14	11	13	14	0	0	0
Brigade	9	13	19	9	13	19	0	0	0
Sobha	4	5	8	4	5	8	0	0	0
Mahindra Lifespaces	1	3	3	1	3	3	0	0	0
Sunteck	1	1	2	1	1	2	0	0	0
Phoenix Mills	18	22	30	16	18	25	-7	-19	-17
Anant Raj	5	4	11	5	4	11	-2	-3	-2
Kolte Patil	4	3	7	2	5	7	-48	35	-3
Signature Global	8	18	26	8	18	26	0	0	0

INR b	Presales								
	Old			New			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	233	253	161	233	253	161	0	0	0
Godrej Properties	321	341	339	321	341	339	0	0	0
Lodha	213	253	317	213	253	317	0	0	0
Lotus	11	35	59	11	35	59	0	0	0
Oberoi Realty	83	102	101	83	102	101	0	0	0
Prestige Estates	264	316	463	264	316	463	0	0	0
Brigade	105	115	133	105	115	133	0	0	0
Sobha	101	123	104	101	123	104	0	0	0
Mahindra Lifespaces	34	35	34	34	35	34	0	0	0
Sunteck	30	39	45	30	39	45	0	0	0
Kolte Patil	41	48	38	32	48	43	-23	0	12
Signature Global	123	178	232	123	178	232	0	0	0

	Collections								
	Old			New			Change (%)		
INR b	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	170	198	217	170	198	217	0	0	0
Godrej Properties	263	284	276	263	284	276	0	0	0
Lodha	144	172	214	144	172	214	0	0	0
Lotus	11	17	40	11	17	40	0	0	0
Oberoi Realty	65	85	87	65	85	87	0	0	0
Prestige Estates	151	214	364	151	214	364	0	0	0
Brigade	78	94	123	78	94	123	0	0	0
Sobha	67	113	119	67	113	119	0	0	0
Mahindra Lifespaces	29	34	40	29	34	40	0	0	0
Sunteck	23	31	41	23	31	41	0	0	0
Kolte Patil	33	41	43	29	39	43	-10	-7	-1
Signature Global	63	103	151	63	103	151	0	0	0

Retail: Jewelry – Stable strong revenue growth trajectory with healthy margins

- Jewelry companies continued to deliver robust sales growth despite facing challenges such as the Shraddh period, heavy rainfall and a significant rise in gold price, up ~45% YoY and ~8% QoQ, crossing the INR100k mark (per 10gm) in the retail market. Consumer demand remained strong, fueled by the early festive season. Titan (Jewelry standalone, ex-bullion), Kalyan, P N Gadgil (retail), and Senco delivered revenue growth of 19%, 31%, 29%, and 2% in 2Q. SSSG of Titan/Kalyan stood at 14%/16%, while Senco reported a same-store sales decline of 4% in 2Q. The studded mix improved for most jewelry companies. **Our top picks are Titan and PN Gadgil.**

- **Outperformers (2Q):** Titan, P N Gadgil
- **Underperformer (2Q):** Senco

Guidance highlights:

- **TTAN:** For Tanishq in FY26, TTAN expects to open 35-40 stores and renovate ~70 stores. Standalone EBIT margin (ex-bullion) guidance remains at 11-11.5%, with a stronger focus on absolute growth.
- **Kalyan Jewellers**: In FY26, the company plans to launch 170 showrooms across the Kalyan and Candere formats - 90 Kalyan showrooms and 80 Candere showrooms in India.
- **Senco:** For FY26, the company maintains its revenue growth guidance of 18-20%. Additionally, it expects to record an EBITDA margin of 7.2-7.4%. The company plans to open 8-10 franchise outlets in 2HFY26.
- **P N Gadgil:** It plans to open 13-15 additional stores in 2HFY26, comprising 7-8 PNG stores and 7-8 Lifestyle stores, evenly split between COCO and FOCO formats, taking the total store count to 78-80 by the end of FY26.

RETAIL: Muted trends persist in 2QFY26; optimism all around of a demand recovery from 3Q

- **Apparel and grocery retail: Demand remains patchy, as the early festive season boost was offset by weather disruptions and the GST transition**
  - Demand environment remained soft in 2QFY26 as prolonged monsoons and the GST transition offset the boost from the early festive season. Footfalls improved during the festive season, but they fell short of managements' expectations. Several retailers indicated early signs of recovery and expect demand to rebound in 2HFY26, supported by recent policy measures.
  - The aggregate revenue for nine apparel stocks under our coverage grew **14% YoY** to **INR160b** (vs. 15% YoY in 1Q, in line). However, the growth was more broad-based, with value retailers Vishal Mega Mart (VMM) and V-Mart delivering ~22% YoY growth on the back of double-digit SSSG, while growth decelerated further for Trent to 17% YoY (from 20% YoY in 1Q). Including D-Mart, aggregate revenue rose **15% YoY** (similar to 1Q). Retail LTL rebounded for retailers such as ABFRL, ABLBL, and Shoppers Stop, driven by early festive momentum and store rationalizations.
  - Profitability trends were mixed, with aggregate gross profit (ex-D-Mart) rising 13% YoY to INR71b (vs. 15% YoY in 1Q), as **gross margin contracted ~35bp YoY** (90bp miss). Vedant (-380bp), Raymond (-115bp), and Trent (-90bp) were the key drags on aggregate gross margin, while ABFRL (~400bp), ABLBL (+130bp) witnessed margin expansion driven by lower discounting and optimization of channel mix.
  - **Aggregate reported EBITDA** (excl. D-Mart) grew 18% YoY (vs. 23% YoY in 1Q) to INR22b as margins expanded ~50bp YoY (vs. 95bp YoY in 1Q and ~50bp beat), led by improved profitability for V-Mart (+300bp), Trent (+135bp, though pre-INDAS EBITDA margin declined ~10bp YoY), ABLBL (+125bp), and VMM (+80bp).
  - **Aggregate PAT** stood at INR4.5b, up 24% YoY (17% below our estimates) due to weaker profitability for ABFRL and ABLBL. Excluding them, PAT grew 25% YoY to INR7.2b (in line), driven by robust profitability improvement for VMM (+46% YoY), Raymond (78% YoY, on a low base), and V-Mart (reduced losses), though offset by weaker profitability for Trent (+6% YoY).
  - D-Mart delivered 15% YoY revenue growth (vs. 16% YoY in 1Q). After three successive quarters of compression, pressure eased on gross margin (up ~5bp YoY to 14.2%, a 20bp beat). However, the elevated cost of retailing compressed EBITDA margin, resulting in an 11% YoY EBITDA growth and a modest 5% YoY PAT growth.

Footwear: Tepid performance continues; Metro and Campus fare relatively better due to premiumization

Aggregate revenue for the footwear stocks under our coverage grew ~1% YoY (vs. ~2% YoY decline in 1Q, but weaker than our estimate of 5% YoY growth) to ~INR25b, due to subdued demand in the mass footwear market and the transient impact of GST 2.0. Bata and Relaxo (7-8% miss on revenue) posted 4-8% YoY revenue decline. We note that Relaxo's revenue has now declined by 5%+ YoY for the past five quarters. Metro and Campus fared better with double-digit growth, driven by premiumization. Aggregate gross profit was flat YoY (~5% miss, -2% YoY in 1Q), as gross margin contracted ~55bp YoY (~55bp miss). Campus was the outlier with +100bp gross margin expansion, while BATA reported 155bp margin compression. Aggregate EBITDA declined ~2% YoY (vs. +5% YoY in 1Q, 15% miss) as EBITDA margin dipped ~60bp YoY to 18.1% (245bp miss), due to higher A&P spends (Metro and Campus) and operating deleverage (Bata and Relaxo). Aggregate PAT declined 15% YoY (vs. -8%/-5% YoY in 1QFY26/4QFY25) to INR1.5b (~30% miss).

Store additions accelerate, driven by a positive outlook on consumer sentiments

In 2QFY26, aggregate revenue for the 14 retail stocks under coverage **grew 14% YoY (in line)** to INR347b (similar growth trends have been sustained since 4QFY25), driven by a combination of improved store additions, SSSG recovery led by early festive momentum, and rising e-commerce salience for a few retailers. Excluding RRVL, net store additions improved to 212 stores (vs. 58 QoQ in 1Q, led by Trent (58), Metro (38), VMM (25), and V-Mart (23)), taking the total footprint to 14,430 stores (+5% YoY). Driven by a positive outlook on consumer sentiments, a few retailers such as Metro, V-Mart, and VMM are accelerating store expansions, while Go Colors, Vedant, and Raymond have turned cautious and trimmed their rollout plans. Similar to 1QFY26, **aggregate gross profit grew** ~12% YoY as gross margin contracted ~50bp YoY. **Aggregate EBITDA grew ~13% YoY** (vs. ~15% YoY in 1Q), with margins largely stable YoY at 11.3%, driven by robust cost controls. **Aggregate PAT** rose by a modest 8% YoY (vs. 13% YoY in 1Q), dragged by higher losses for ABFRL, muted profitability growth for heavyweights such as Trent (6% YoY) and D-mart (5% YoY), and a decline for footwear retailers, offsetting the strong growth posted by VMM (up 45% YoY).

Earnings downgrades restricted to select laggards; broad-based earnings cut likely behind: Amid an improving demand outlook, our aggregate FY26-27 EBITDA estimate increased by ~1% since 1QFY26 results (vs. 3% cuts over 4QFY25-1QFY26), as higher reported EBITDA for Trent and V-Mart were continued cuts for Go Fashions and Vedant. Our aggregate FY26-27E PAT was cut by ~1-2%, since 1QFY26 results (vs. 4-5% cuts over 4QFY25-1QFY26). The earnings cut was skewed by a few laggards such as Bata, Raymond, and Vedant. In contrast, V-Mart witnessed significant earnings upgrades for the second consecutive quarter (albeit on a low base).

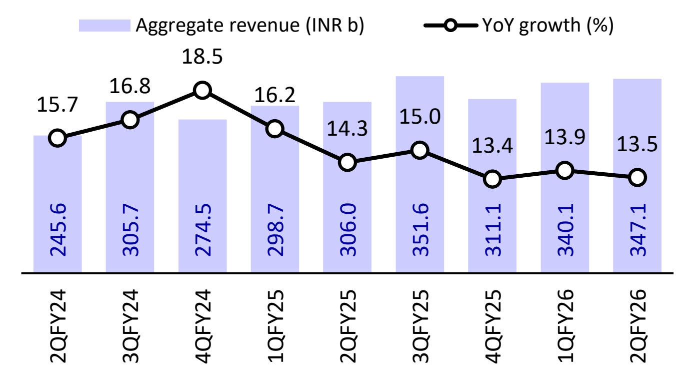
Top picks: V-Mart, VMM, and Metro

- **Surprises:** VMM and V-Mart
- **Misses:** Relaxo, Bata, ABFRL, and Vedant Fashions

- **Guidance highlights:**
- **VMM:** Management remains optimistic about an improvement in consumer demand, led by higher disposable income after GST rationalization, income tax rate cuts, and healthy monsoons. Accelerated store expansion remains a key priority, with encouraging traction in its forays in Kerala and Gujarat. Further, the endeavor is to keep gross margin broadly stable, while operating margins are expected to expand through operating leverage.
- **V-MART:** Consumer sentiment improved in 2Q on policy support, lower inflation, and early festive momentum. GST aided overall sentiment, and winter-driven pickup supports management's outlook for mid- to high-single-digit SSSG. Management has raised its guidance of store additions to 75 (from 65 earlier).
- **Metro Brands:** Management reiterated its long-term guidance of 15-18% CAGR, driven by mid-to-high single-digit SSSG, new store openings, and rising contribution from new banners. Further, driven by its robust cost controls and superior store economics, it aims to deliver a 30%+ EBITDA margin and a mid-teen profit margin.
- **Shoppers Stop:** It saw a sharp demand rebound, with 9.4% LFL (multi-year high). Momentum improved through the quarter and moved to double-digit LFL in the ongoing festive season. Management expects mid-to-high single-digit full-year margins, aided by 3Q strength.
- **Campus Activewear:** Management sees strong underlying demand momentum, supported by festive recovery, premium category growth, and expanding distribution reach. It expects sustained double-digit growth in 2HFY26 as premium and D2C channels scale further, with margins expanding to 17-18%.
- **BATA:** Demand improved during the festive season, with a rebound post-GST 2.0. Recovery should strengthen from 3Q as cleaner inventory and faster turns aid productivity, while the value segment stabilizes with GST pass-through and price re-indexing boosting volumes.
- **Vedant Fashion:** Management expects consumer sentiment to improve, while AP and Telangana have already rebounded strongly with 20%+ growth in 1HFY26. However, net store additions are likely to be muted in FY26.
- **Raymond Lifestyle:** Management sees strong festive and wedding-led demand sustaining into 2HFY26, supported by tax cuts and GST rationalization. Margins in branded apparel could remain subdued in the near term due to higher A&P and weaker-than-anticipated performances of new stores.
- **Relaxo:** The company is witnessing a gradual improvement in demand following the rollout of GST 2.0. Management expects 3Q to be muted, with revenue expected to decline by 3-4% or slightly better. Growth is expected to return in 4Q, with FY27 anticipated to be better than FY26.

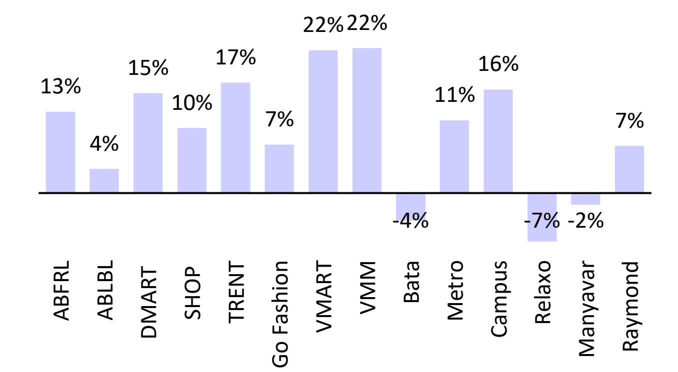
- **ABLBL:** Demand benefited from early festive and small-town strength, but overall consumption stayed muted. Diwali was modest, and near-term trends depend on demand recovery in the ongoing wedding season. Store consolidation is largely done, and expansion is expected to accelerate from 2HFY26.
- **ABFRL:** The early onset of the Pujo boosted footfalls and conversions, leading to healthy LFL growth across segments. However, heavy monsoons in the East dampened festive momentum. ABFRL plans to open 15 new Pantaloons stores in a revamped format annually (8 closures, 6 openings in 1HFY26) and renovate 8-15 stores annually. It aims to improve gross margins to over 50% (vs. ~50% currently), raise private label share to 70-75% (from the mid-60s), and achieve 25% store-level profitability (15-17% segment level).
- **Go Fashion:** Demand is recovering, led by strong festive sales in markets such as Tamil Nadu and Maharashtra, though post-Diwali softness persists. West and North are improving, while South is still lagging. FY26 store guidance is trimmed to 80-90 net store additions (vs. 120 gross) to safeguard margins during weak SSSG.

Exhibit 127: Aggregate revenue for retailers under our coverage grew 14% YoY (similar to 4QFY25 and 1QFY26)



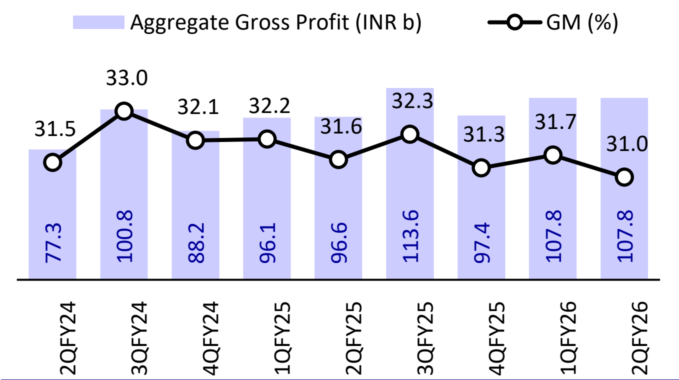
Source: Company, MOFSL

Exhibit 128: Value retail led with 20%+ growth, while selective pockets saw an uptick owing to the early festive season



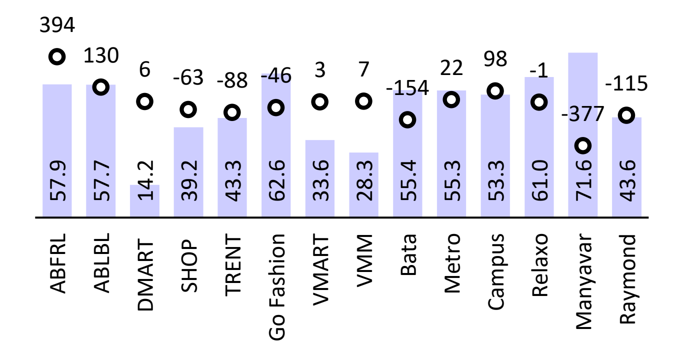
Source: Company, MOFSL

Exhibit 129: Similar to 1QFY26, aggregate gross profit grew 12% YoY with ~50bp margin contraction in 2QFY26



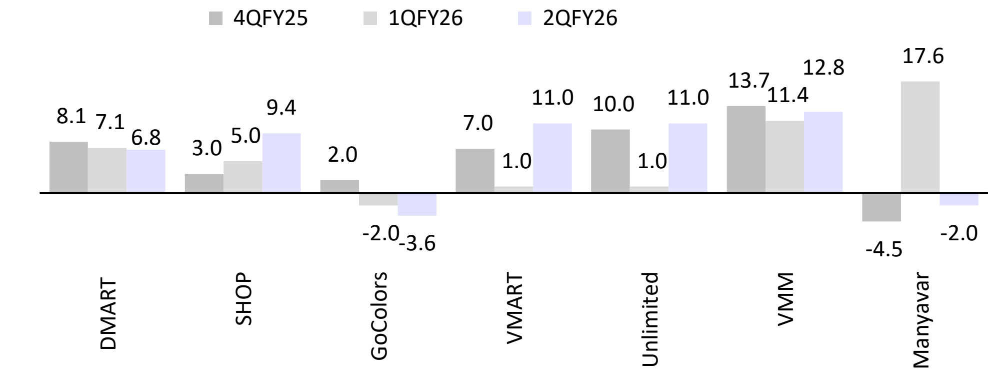
Source: Company, MOFSL

Exhibit 130: Gross margin contraction driven by weaker GM for Trent, Manyavar, Bata, and Raymond



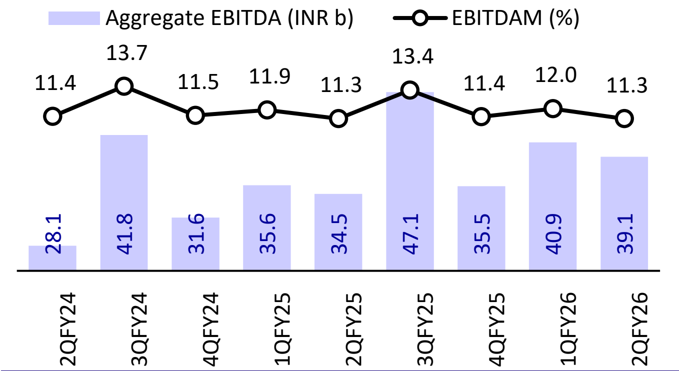
Source: Company, MOFSL

Exhibit 131: Value retailers continue to post strong SSSG, while Shoppers Stop witnessed a marked improvement in 2QFY26



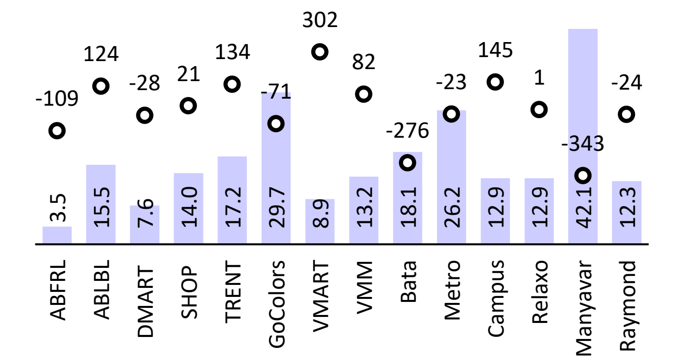
Source: Company, MOFSL

Exhibit 132: Aggregate EBITDA grew ~13% YoY (vs. 15% YoY in 1Q); margin remained broadly stable YoY



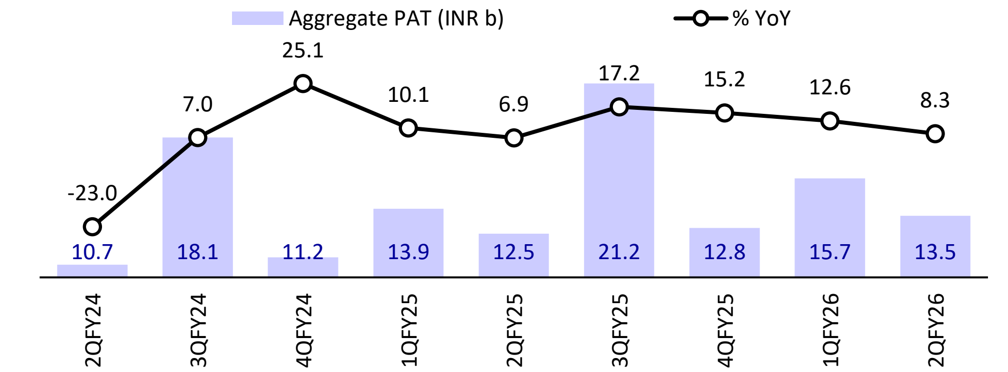
Source: Company, MOFSL

Exhibit 133: Margin expanded for V-Mart, Trent, VMM, and Campus, offset by contraction in Manyavar, BATA, and ABFRL



Source: Company, MOFSL

Exhibit 134: Aggregate PAT rose ~8% YoY (vs. ~13% YoY in 1QFY26) due to muted profitability growth for heavyweights such as Trent and D-Mart



Source: Company, MOFSL

Exhibit 135: Store consolidation largely done with, companies are now setting up for expansions ahead

Total Stores	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	YoY (%)	QoQ (%)
ABFRL + ABLBL	4,056	4,753	4,664	4,607	4,538	4,492	4,420	4,398	4,446	-2	1
Bata	1,781	1,835	1,862	1,916	1,955	1,953	1,962	1,978	1,995	2	1
Raymond	1,453	1,512	1,518	1,539	1,592	1,653	1,688	1,675	1,663	4	-1
TRENT	661	715	811	823	831	907	1,043	1,043	1,101	32	6
Metro	817	840	839	854	873	895	908	928	966	11	4
Go Fashion	678	704	714	734	755	775	776	803	812	8	1
VMM	576	589	611	626	645	668	696	717	742	15	3
Vedant Fashion	669	673	676	662	650	666	678	684	671	3	-2
VMART	437	454	444	448	467	488	497	510	533	14	5
DMART	336	341	365	371	377	387	415	424	432	15	2
Relaxo	394	399	405	399	403	410	418	406	414	3	2
SHOP	281	290	306	320	341	345	363	362	365	7	1
Campus	240	250	268	275	288	290	296	290	290	1	0
Total (Ex-RRVL)	**12,379**	**13,355**	**13,483**	**13,574**	**13,715**	**13,929**	**14,160**	**14,218**	**14,430**	**5**	**1**

Note: Excluding Reliance Retail stores

Source: Company, MOFSL

Exhibit 136: Summary of the retail performance in the last two years

% YoY Growth	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Revenue (YoY Change)	**15.7**	**16.8**	**18.5**	**16.2**	**14.3**	**15.0**	**13.4**	**13.9**	**13.5**
D-Mart	18.5	17.2	19.9	18.4	14.2	17.5	16.7	16.2	15.4
Footwear	1.7	3.0	2.3	-1.0	3.7	2.9	1.6	-1.5	1.3
Apparel retail	16.1	19.9	21.3	18.8	17.9	15.0	12.4	14.5	13.6
% Gross Margin	**31.5**	**33.0**	**32.1**	**32.2**	**31.6**	**32.3**	**31.3**	**31.7**	**31.0**
D-Mart	14.0	14.2	13.7	14.9	14.2	14.1	13.5	14.6	14.2
Footwear	57.3	56.4	57.8	57.7	57.0	56.0	56.3	57.2	56.5
Apparel retail	47.1	45.7	45.1	44.7	44.5	45.2	45.1	45.0	44.1
Gross Margin (Change in bps)	**248**	**306**	**362**	**-41**	**8**	**-68**	**-82**	**-47**	**-51**
D-Mart	-52	-9	29	34	21	-14	-24	-27	6
Footwear	462	212	293	142	-30	-33	-154	-47	-53
Apparel retail	686	449	601	-375	-265	-43	-2	28	-33
EBITDA (YoY Change)	**8.2**	**15.7**	**20.0**	**10.9**	**12.1**	**12.7**	**12.4**	**14.8**	**13.3**
D-Mart	11.9	15.0	20.2	17.8	10.3	10.2	4.4	7.6	11.3
Footwear	10.2	-8.8	5.0	-14.0	0.5	12.4	6.4	4.9	-1.8
Apparel retail	-2.2	49.8	48.4	46.6	39.6	13.8	18.6	22.5	18.1
% EBITDA Margin	**11.4**	**13.7**	**11.5**	**11.9**	**11.3**	**13.4**	**11.4**	**12.0**	**11.3**
D-Mart	8.1	8.5	7.6	8.9	7.9	7.9	6.8	8.2	7.6
Footwear	19.3	19.3	21.1	19.8	18.7	21.0	22.1	21.1	18.1
Apparel retail	13.7	17.3	13.5	13.4	13.4	17.2	14.2	14.4	13.9
EBITDA Margin (Change in bps)	**-124**	**13**	**20**	**-37**	**-16**	**-28**	**-10**	**10**	**-2**
D-Mart	-48	-16	2	-4	-27	-53	-80	-66	-28
Footwear	149	-248	54	-300	-60	178	99	130	-59
Apparel retail	-256	41	30	-4	-28	-18	75	95	53
PAT (YoY Change)	**-23.0**	**7.0**	**25.1**	**10.1**	**6.9**	**17.2**	**15.2**	**12.6**	**8.3**
D-Mart	-9.8	14.9	19.6	16.8	7.9	6.5	2.6	2.1	5.1
Footwear	3.9	-19.8	10.8	-14.3	-0.7	21.0	-5.1	-8.2	-15.4
Apparel retail	-68.2	60.0	915.0	129.1	53.4	25.5	62.4	53.2	25.7

Source: Company, MOFSL

TECHNOLOGY: Holding ground; awaiting revival

- **Aggregate performance:** IT companies (within the MOFSL Universe) offered some respite on the already beaten-down expectations in 2QFY26, with median revenue growing 1.5% QoQ CC (-1.1%/-0.6%/+1.7%/+1.6% in 1QFY26/4Q/3Q/2QFY25). 2QFY26 earnings offered some respite, as expectations were already beaten down and the quarter was seasonally strong. Largely all large-cap companies managed to beat/meet revenue estimates, helped by steady deal ramp-ups. However, management commentary indicated that demand remains subdued, with no clear signs of a new spending cycle emerging. Among Tier-1 firms, HCLTech stood out, raising its services revenue guidance on the back of strong deal wins, positioning it as the fastest-growing among the top four.

LTIMindtree delivered a strong beat on both revenue and margins, prompting a 4-5% upgrade in our FY26/FY27 estimates. On the other hand, Infosys maintained the top end of its full-year guidance, indicating that growth recovery will be gradual, while TCS's commentary suggests a measured demand environment into 2H. Midcaps continue to do well. Persistent posted 4.4% QoQ CC growth in 2Q (above consensus). Coforge continued to outperform (~6% QoQ CC), and we expect it to remain the growth leader within our coverage. In terms of margins, they broadly met or beat expectations this quarter, largely aided by favorable currency movement, pyramid rationalization, SG&A efficiencies, and utilization gains. Of the 16 companies under our coverage, 10 reported a QoQ improvement in EBIT margin —Tier-1 players saw a median EBIT margin uptick of ~60bp QoQ, while Tier-2 increased ~90bp. Valuations are not the problem anymore, but questions are being asked of the structural demand outlook. We believe sustained rerating will likely require evidence of GenAI-led spending translating into meaningful revenue momentum, which, as of now, remains some distance away. We continue to prioritize a bottom-up play in IT: HCLT and TechM in large-cap and Coforge in mid-tier categories.

- **Tier-2 pack outpaces tier-1**: Tier-1 players posted an average revenue growth of 1.6% QoQ CC, while tier-2 companies recorded a growth of 2.3% QoQ CC. COFORGE (6.0% CC QoQ growth), Persistent (4.4% QoQ CC), LTIM/HCLT (2.4% QoQ CC), and HEXT (3.4% QoQ CC) reported robust performance this quarter. TCS (0.8% QoQ CC), MPHL (1.2% QoQ CC), KPIT (0.3% QoQ CC), and WPRO (0.3% QoQ CC) reported weak growth. On the margin front, tier-1 companies reported a margin improvement of ~30bp YoY, while tier-2 companies largely maintained their margin YoY. Margins broadly met or beat expectations this quarter, largely aided by favorable currency movement, pyramid rationalization, SG&A efficiencies, and utilization gains. INR depreciation against the USD provided a sharp translation benefit across the board. That said, we expect margins to remain largely flat over the next 18–24 months across the industry.
- **Steady TCV performance:** A majority of tier-1 companies reported steady TCV performance, except for HCLT/LTIM (up 41.8% QoQ). Tier-2 companies also reported robust growth in TCV, with MPHL's TCV rising 155% YoY to USD528m. PSYS's TCV was USD609m, up 17% QoQ/15% YoY. COFORGE recorded an order intake of USD514m in 2Q, including five large deals. The 12-month executable order book rose 26.7% YoY to USD1.6b. The 1Q book-to-bill was decent at ~1.2x for tier-1 firms and ~1.0x for tier-2 players.
- **Headcount movement**: Hiring activity was muted in 2Q, with net headcount additions of ~1k in tier-1 firms, while tier-2 companies saw only ~2.6k additions. Attrition rates and utilization remained stable in 2Q. For PSYS/MPHL, utilization stood at 89%/86%, and we believe this margin lever is now maxed out.
- **Top picks:** We prefer TECHM and HCLT among large caps and COFORGE in the mid-cap space. Our positive outlook on TECHM is driven by early signs of transformation under new leadership and improved execution in BFSI. Margin expectations are now more reasonable, and niche offerings are resonating well. We believe TECHM's transformation remains relatively decoupled from discretionary spending. We continue to favor HCLT for its all-weather portfolio. Often perceived as defensive, its strengths in data, product engineering, and modernization should enable it to benefit from a recovering demand environment. We believe COFORGE's strong executable order book and a rebound in BFS client spending bode well for its organic business. Cigniti could prove to be an effective long-term asset.
- **Significant beats:** HCLT (revenue growth and margin), TECHM (margin), LTIM (revenue growth and margin), and Persistent (revenue growth).
- **Significant misses:** Infosys (revenue growth and margin), TTL/TELX (margin), and KPIT (margin).
- **Significant surprises:** HCLT (IT services' guidance upgraded to 4-5% YoY cc vs. 3-5% earlier, Advanced AI revenue called out; now comprises 3% of HCLT's total revenue), TCS (plans to invest USD5-7b over the next 5-7 years to develop up to 1GW DC capacity), LTIM (Deal TCV at USD1.59b was up 22% YoY)
- **Major EPS upgrades/downgrades:** KPIT's FY26E/FY27E EPS estimates were lowered by -4.6%/-2.0% following higher depreciation linked to the CareSoft acquisition. TELX saw cuts of 5.4%/2.4%, while HEXT estimates were reduced by 2.7%/3.0% for FY26/FY27. In contrast, LTIM's EPS estimates for FY26/FY27 were raised by 5%/4%.

Guidance highlights

- **TCS:** Demand trends remain broadly stable, with clients maintaining tight control over discretionary spending and focusing on vendor consolidation. Growth is expected to be led by international markets, which should outpace domestic performance, supported by continued traction in core transformation and cloud programs. TCS's planned 1GW AI data-center buildout over the next 5–7 years underscores rising demand for AI workloads and positions the company well for medium-term opportunities. However, near-term profitability will be weighed down by redundancy-related costs and wage hikes in 3Q, which will impact two months of the quarter. Continued investments may also pose temporary margin headwinds, though management remains committed to inching closer to its 26% margin aspiration as operating leverage improves.
- **INFO:** Demand trends remain steady, with enterprise clients accelerating AI-led modernization in partnership with specialist Enterprise AI companies, an area where INFO is leveraging its deep understanding of complex IT estates. Growth, however, remains volume-challenged, with most traction coming from improved pricing driven by value-based engagements under Project Maximus and additional working days. The company continues to invest in its sales engine, technology capabilities, and workforce, which may create near-term margin pressure, though long-term levers remain intact. INFO raised its FY26 CC revenue growth guidance to 2–3%, from 1-3% earlier. BFSI sees continued momentum by improving activity in mortgages, capital markets, and wealth management. Furlough patterns are expected to remain similar to last year.
- **WPRO:** The midpoint of WPRO's revised guidance (-0.5% to 1.5%) is positive for the first time in several quarters, signaling a gradual improvement in underlying momentum. Management expects several large deals signed in 1H to begin ramping up through 2H, aided by strong activity in vendor consolidation, AI-led transformation, and consulting-driven programs. Operating margins are expected to remain within the narrow 17.0–17.5% band, though 3Q will be seasonally weak due to furloughs, fewer working days, and ongoing large-deal transition costs. BFSI growth in 2Q was led by Europe and APMEA, with the Americas likely to improve as deal ramps gather pace. Hiring will remain closely aligned to execution needs, and with over 80% of the US workforce localized, no supply-side constraints are anticipated.
- **HCLT:** The demand environment remains largely unchanged, with BFSI and Technology continuing to show healthy momentum, while the auto segment remains soft. Several pockets of discretionary spending have effectively turned into mandatory initiatives, driven by client M&A activity and carve-outs linked to broader transformation programs. The company has raised its full-year IT Services growth guidance to 4–5% (from 3–5%), supported by sustained traction across key accounts. Overall revenue growth guidance is maintained at 3–5%, reflecting muted performance in 3Q in the Products business. Pricing frameworks are steadily evolving from traditional licensing-based models for proprietary IP toward outcome- and value-sharing structures, particularly for productivity-led engagements such as SDLC efficiency programs. Advanced AI revenue has now crossed USD100m and contributes ~3% of total revenue, with a balanced mix across services and software. The company aims to lift its quarterly TCV run rate from USD2b to USD2.5b, backed by a strong pipeline, robust qualification activity, and steady win ratios.
- **TECHM:** The company remains satisfied with the progress achieved in 1HFY26, which was largely focused on strengthening its execution foundation. The company expects 2HFY26 to reflect a shift toward decisive delivery supported by strategic actions, seasonality, and an improving demand environment. As discretionary spending stabilizes, revenue conversion from recent deal wins is set to accelerate. Management expects TCV to rise further if the environment remains steady, while an improvement in macro conditions would sustain the current run rate. Margin expansion in the quarter was aided by fixed-cost project optimization, SG&A rationalization, and a 40bp currency benefit. With 55–60% of the portfolio comprising fixed-price projects, additional GM levers remain intact. Communication and Media saw strong performance in APAC and the US, while temporary softness in Europe is expected to recover in 2H. Comviva continues to deliver robust growth, and vendor consolidation discussions in Europe are progressing, with positive outcomes anticipated in the coming quarters.
- **LTIM:** The company remains confident of sustaining growth momentum through 2H, supported by a strong large-deal pipeline and continued traction in transformation programs. Management noted a client's interests in

legacy modernization as client priorities shift toward modernizing data, technology, and infrastructure through vendor-consolidation-led large deals. Revenue growth is expected to accelerate over the coming quarters, with the company targeting high single-digit to low double-digit USD growth by FY26-end. LTIM also secured a major government engagement with the Department of Direct Taxes to modernize the 'PAN 2.0' platform, which has begun ramping and will scale meaningfully in 3QFY26. Wage hikes are being staggered across January and April 2026, reflecting a broader focus on cross-skilling and continuous upskilling. Most new deals continue to arise from consolidation opportunities, though net-new demand remains healthy.

Exhibit 137: Tier 1 companies grew 0.8% YoY

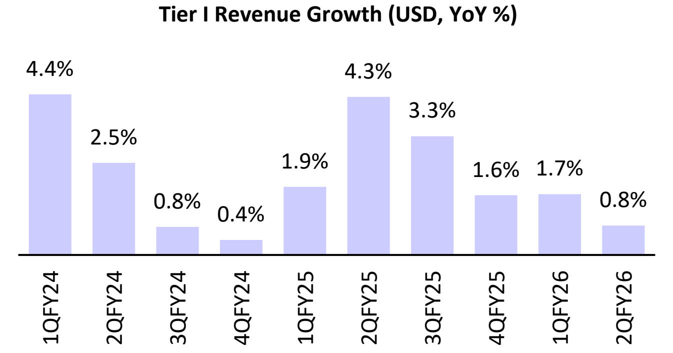


Exhibit 138: Tier-2 companies continued to grow

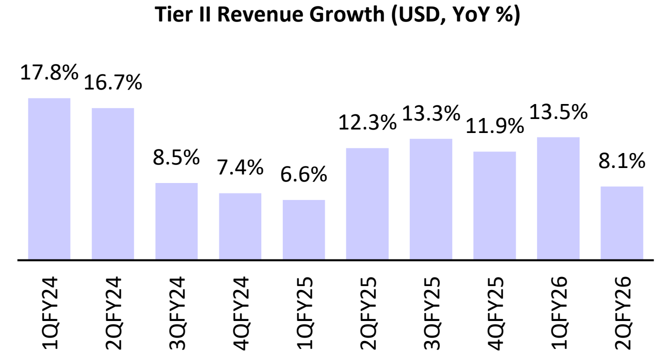
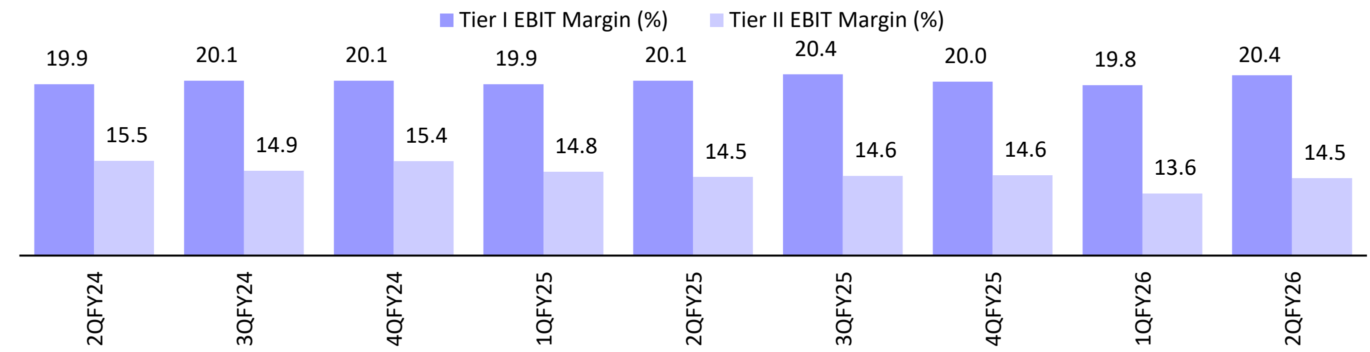
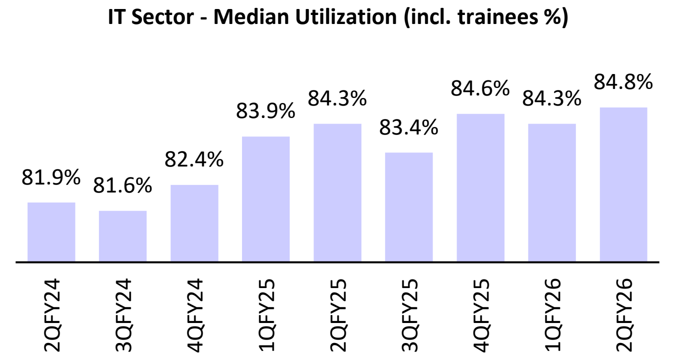


Exhibit 139: A favorable currency aided margin expansion across our Coverage Universe in 2Q



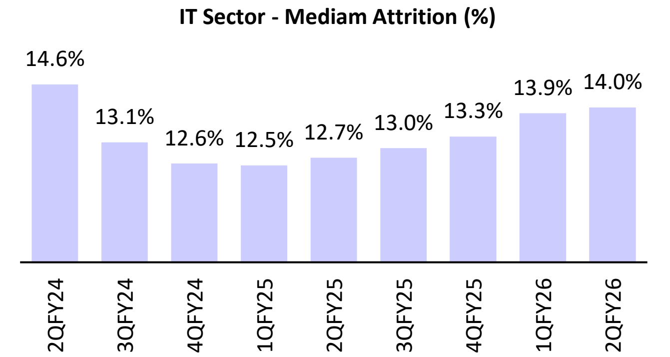
Source: Company, MOFSL

Exhibit 140: Median utilization (%) improved 50bp QoQ



Figures excl. LTTS. from 2QFY24; MPHL (Offshore); Source: Company, MOFSL

Exhibit 141: Median attrition remained stable in 2Q



Figures exclude KPIT & MPHL; Source: Company, MOFSL

TELECOM: Steady revenue growth with better-than-expected margin expansion

2QFY26 was a steady quarter for telcos, with the benefits of the Jul'24 tariff hike reflected in the base. The combined wireless revenue for the three private telcos grew 2.2% QoQ to INR671b (+10% YoY), largely on expected lines. The growth was primarily attributed to a 1.5% QoQ growth (~9% YoY) in blended wireless ARPU to INR215, supported by one extra day QoQ and improvements in the subscriber mix. Subscriber net adds across telcos were impacted by pronounced seasonality, with combined wireless net adds for the three private telcos moderating to 6m (vs. ~8m in 1Q). The key surprise for the quarter came on the margin front, with combined wireless EBITDA for the three private telcos rising 3.6% QoQ (+15% YoY), driven by better-than-expected incremental margins. Among these telcos, Bharti remained the biggest gainer in 2QFY26, posting a 17bp QoQ increase (+127bp YoY) in Revenue Market Share (RMS). However, it witnessed a 7bp QoQ decline (though still gained ~44bp YoY) in Subscriber Market Share (SMS). RJio's RMS remained broadly stable in 2QFY26 with a 3bp QoQ increase (though still 10bp lower YoY), while it emerged as the biggest gainer in SMS with a 27bp QoQ rise (and 81bp YoY). Vi continued to lose market share, with RMS declining ~20bp QoQ (-117bp YoY) and SMS declining ~20bp QoQ (-124bp YoY). Home broadband (HBB) continued its strong momentum, with both RJio (~2.8m) and Bharti (~950k) reporting record quarterly net home connections. Going forward, the focus will be on the next tariff hike, valuations for the impending JPL IPO (vs. our EV of USD150), and potential relief of AGR dues. We continue to bake in a 15% (or INR50/month) tariff hike on smartphone plans from Dec'25, which should further support ARPU growth.

One extra day and subscriber mix improvement drive ARPU growth; Bharti remains the biggest gainer in 2QFY26

Benefiting from one extra day QoQ and a continued rise in the proportion of data subscribers, blended ARPU for the private telcos grew 1.5% QoQ and ~8.7% YoY. Bharti remained the biggest beneficiary of subscriber-mix premiumization, delivering ~2% QoQ growth in wireless ARPU (vs. ~1.2-1.3% QoQ for peers).

Overall, wireless net adds (6m vs. ~8m QoQ) were adversely impacted by the pronounced seasonality and heightened competitive intensity. RJio maintained its lead with 5.6m net adds in 2QFY26, while Bharti's subscriber net adds remained muted for the second successive quarter (+1.4m). However, Bharti continues to benefit from the shift of customers from prepaid to postpaid and from non-data to data plans. Vi's subscriber losses were contained at ~1m in 2Q, though moderating capex could weigh on its subscriber trajectory over the medium term. With steady improvement in ARPU, combined wireless revenue for the private telcos rose ~2.2% QoQ to INR671b (+10% YoY). Bharti was once again the biggest gainer in 2QFY26, delivering ~2.6% QoQ growth (+13.2% YoY), followed by RJio with ~2.3% QoQ wireless revenue growth (+9.5% YoY). In contrast, Vi's wireless revenue growth remained modest at 0.8% QoQ (+1.7% YoY), as higher ARPU (+7.1% YoY) was offset by continued net subscriber losses (-8m or ~-4% YoY).

Robust incremental margin drives ~4% sequential growth in combined EBITDA for the three private telcos

Combined EBITDA for the three private telcos grew ~3.6% QoQ (+15.3% YoY, vs. our est. of ~2% QoQ), supported by improved incremental margins across all three telcos. Bharti led with 4.2% QoQ EBITDA growth, delivering ~94% incremental margins. RJio reported ~3.5% QoQ growth, driven by a modest ~20bp margin expansion, while Vi's reported EBITDA rose modestly by ~1.6% QoQ. Vi's pre-INDAS 116 EBITDA grew ~3% QoQ to INR22.5b in 2QFY26. Bharti's consolidated EBITDA grew 6% YoY, driven by robust performance in Airtel Africa (+16% QoQ, Nigeria tariff hike flow-through and favorable FX movements) and Homes (+9% QoQ, ramp-up in net additions).

Capex normalizes for Bharti; Vi's capex plans moderate

- Following lower capex in 1Q, Bharti's consolidated capex accelerated, growing 37% QoQ to INR114b (+26% YoY). India capex excluding Indus Towers (Indus), rose ~33% QoQ (+16% YoY) to INR71b.
- Bharti's consolidated FCF remained robust at INR146b (vs. ~INR143b in 1Q), despite a moderation in FCF generation from Indus in 2Q, reflecting the diversified and profitable nature of Bharti's portfolio.
- Bharti's net debt (excluding leases) inched up INR12b QoQ to INR1.267t. India net debt-to-EBITDAaL dipped to 1.19x (vs. 1.26x QoQ).
- RJio's 1HFY26 cash capex (including payments to creditors for capex and the principal component of spectrum repayments) was broadly stable YoY at INR224b, while gross block additions (a proxy for committed capex) inched up to INR251b in 1HFY26 (vs. ~INR204b YoY).

- RJio's 1HFY26 FCF (post interest, leases, and spectrum repayments) improved to INR63b (vs. IN6b/INR39b in 1HFY25/FY25), driven by a 17% YoY increase in EBITDA. Effective net debt (including spectrum debt and creditors for capex) declined INR78b in 1HFY26 to INR1.79t.
- Similar to Bharti, BHL's capex also surged in 2QFY26, which led to a moderation in FCF generation to INR4.4b (vs. INR8.9b QoQ). Net debt (excluding leases) was broadly stable QoQ at INR28b (with leverage at modest 0.64x).
- Vi's capex moderated further to INR17.5b (vs ~INR42b in 1H), with management expecting INR75-80b for FY26, based on its internal accruals. We believe that, without an expedited debt raise, Vi's INR500-550b capex plan over the next three years remains in jeopardy, which could also weigh on the company's ability to retain its subscriber base.
- Vi's net debt (excluding leases) increased ~INR56b QoQ to ~INR2t, primarily consisting of deferred spectrum liabilities and AGR dues to the GoI.

Elevated capex weighed on FCF generation for Indus amid stable operating performance

Indus' 2Q recurring results were broadly in line with estimates, with recurring EBITDA (excluding provision reversals) rising 3% QoQ to INR43.8b. Reported EBITDA at INR45.7b benefited from reversals of prior-period bad debt provisions. Operationally, tower additions picked up QoQ after a subdued 1Q, driven by share gains from Bharti's new builds and relocations from other towercos. However, tenancy additions moderated, reflecting a slowdown in Vi's rollouts during 2Q. Management indicated that the order book for both tower and tenancy additions remains robust in the near term. With a pickup in tower additions, capex surged 31% QoQ to INR25.6b. Maintenance capex also remained elevated, as the company continues to invest in energy-efficiency initiatives, such as solarization and battery replacement. Elevated capex and an increase in receivables (up INR5b QoQ) led to a decline in FCF to INR3b (vs. INR15.7b QoQ). Indus' recent announcement of its foray into Africa appears to be at a preliminary stage, with further clarity on investments and potential return ratios expected over the next 3-6 months.

TCOM's steady performance with expansion in data EBITDA margin

TCOM delivered a stable quarter, with data revenue growing modestly 1% QoQ (+7% YoY) and consolidated EBITDA margin expanding ~15bp. Consolidated reported revenue grew ~2.3% QoQ (+8.1% YoY). However, adjusted for FX benefits, the growth was modest at ~0.4% QoQ. The expansion in data EBITDA margin (up 145bp QoQ), driven by lower losses in the digital portfolio, was offset by weaker margins in voice and other subsidiaries (especially TCR).

- **Top picks: BHARTI, RIL**
- **Positive surprises: Bharti Airtel, Airtel Africa**

Guidance highlights:

- **RJio:** The 5G user base rose to 234m in 1QFY26 (vs. 213m QoQ), with 5G now accounting for ~50% of RJio's overall wireless data traffic. HBB net adds accelerated to ~1m per month, and management indicated there is potential to further increase the pace of monthly additions from the current ~1m connections.
- **Bharti:** The capex required to transition from NSA to SA 5G is not material, and the acceleration in HBB capex is already built into management's FY26 India (excluding Indus) capex guidance, which is expected to be lower than FY25 levels (~INR300b). The company plans to increase investments in data centers (both through Nxtra and via a recent tie-up with Google for an AI data center). Bharti welcomed the SC's recent stance on AGR dues and aims to push for inclusion in broader sector-wide relief with the GoI. The company has passed an enabling resolution to raise its stake in Indus by 5% in one or more tranches (vs. 51% currently). Management indicated that it views Indus as a vital asset for Bharti's network, one which is comparatively undervalued (vs. global towercos). However, management reiterated that there are no plans to fold the Nxtra datacenter into Indus, citing limited synergies between the two businesses.
- **BHL:** BHL experienced pronounced seasonality during the quarter, largely due to migration patterns and heavy monsoons across Rajasthan, resulting in a marginal decline in its customer base in 2Q. Management highlighted

that the seasonality impact was a one-off event, and 3Q has started on a strong note, with customer additions normalizing. Quarterly capex trends were influenced by seasonality and prioritization, but overall, capex is expected to trend downwards in FY26.

- **Vi:** Management expects INR75-80b capex for FY26 (vs. INR42b in 1H) from Vi's internal cash flows, with a focus on enhancing coverage as well as capacity. A pick-up in capex beyond INR80b is contingent on the completion of an external fund raise. Management remains engaged with banks and NBFCs for long-pending debt raise and believes GoI's support to Vi's LT survival would support the company's funding plans.
- **TCOM:** Management expects strategic bets (Voice AI, AI Cloud, digital fabric tool) to contribute at least 10% to incremental digital revenue in FY26, which will scale up to INR100b by FY30. On the order book and funnel, management noted that 1HFY25 benefited from several large deal wins, while the 1HFY26 order book was better than 2HFY25, which faced macro headwinds. Cloud and international order books grew in healthy mid-teen/double digits in 2Q. The funnel remains robust, with digital portfolio accounting for ~60%.
- **Indus:** Management indicated that the order book is expected to remain strong, at least in the near term, for both tenancy and tower additions. Indus' foray into Africa is at a nascent stage, and management expects to provide further clarity on the quantum of investments, return metrics, and other details over the next 3-6 months.

Exhibit 142: Subscriber trends for the industry in 2Q

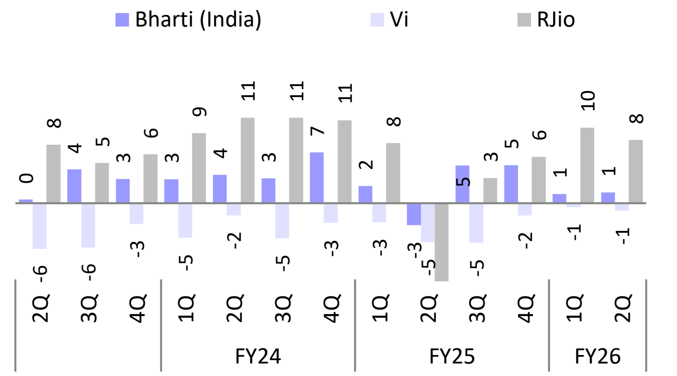


Exhibit 143: Bharti continued to lead peers on ARPU

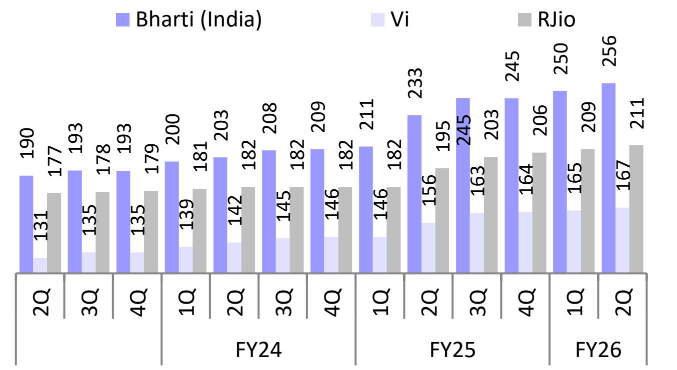


Exhibit 144: Wireless KPI comparison

	FY24				FY25				FY26		YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	(%)	(%)
EOP SUBS (m)												
Bharti (India)	339	342	346	352	355	352	357	362	363	364	3.6	0.4
Idea (incl. M2M)	221	220	215	213	210	205	200	198	198	197	-4.0	-0.5
RJio (incl. FTTH)	449	460	471	482	490	479	482	488	498	506	5.8	1.7
Avg. Wireless Subs (m)												
Bharti (India)	337	340	344	349	353	353	354	359	362	363	3.0	0.4
Idea (incl. M2M)	224	221	218	214	211	208	202	199	198	197	-5.0	-0.4
RJio (incl. FTTH)	444	454	465	476	486	484	480	485	493	502	3.7	1.8
ARPU (INR/month)												
Bharti (India)	200	203	208	209	211	233	245	245	250	256	9.8	2.2
Idea (incl. M2M)	139	142	145	146	146	156	163	164	165	167	7.1	1.2
RJio (incl. FTTH)	181	182	182	182	182	195	203	206	209	211	8.4	1.3
MOU/Sub (min)												
Bharti (India)	1,138	1,123	1,127	1,158	1,128	1,135	1,160	1,163	1,143	1,145	0.9	0.2
Idea	626	613	615	626	607	586	593	598	589	585	-0.2	-0.8
RJio	1002	979	981	1008	974	977	1013	1024	1007	996	1.8	-1.2
Voice traffic (B min)												
Bharti (India)	1,149	1,148	1,161	1,210	1,195	1,200	1,233	1,254	1,242	1,249	4.1	0.6
Idea	420	406	401	402	385	365	360	357	350	346	-5.2	-1.1
RJio (incl. FTTH)	1335	1334	1370	1440	1420	1420	1460	1490	1490	1500	5.6	0.7
Data usage/Sub (Gb)												
Bharti (India)	21.1	21.7	22.0	22.6	23.7	23.9	24.5	25.1	26.9	28.3	18.6	5.3
Idea	14.4	14.6	14.2	14.3	14.5	14.4	14.2	15.0	16.3	17.6	22.4	7.6
RJio (incl. FTTH)	24.9	26.6	27.3	28.6	30.3	31.0	32.3	33.6	37.0	38.8	25.1	4.8
Data traffic (B Gb)												
Bharti (India)	15.3	16.1	16.8	17.8	19.2	19.8	20.7	21.6	23.4	25.0	26.6	7.0
Idea	6.0	6.1	6.0	6.0	6.1	6.0	5.9	6.2	6.7	7.3	21.4	7.8
RJio (incl. FTTH)	33.2	36.3	38.1	40.9	44.1	45.0	46.5	48.9	54.7	58.4	29.8	6.8

Source: MOFSL, Company

Exhibit 145: Key financial metrics for the private telcos

	FY24				FY25				FY26		YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	(%)	(%)
Revenue (INR b)												
Bharti (India wireless)	204	210	216	221	225	248	263	266	274	281	13.2	2.6
Bharti (consolidated)	374	370	379	376	385	415	451	479	495	521	25.7	5.4
Idea	107	107	107	106	105	109	111	110	110	112	2.4	1.6
RJio (incl. FTTH)	240	248	254	260	265	283	293	300	309	319	12.4	3.2
EBITDA (INR b)												
Bharti (India wireless)	112	115	119	122	125	142	155	158	163	170	19.6	4.2
Bharti (consolidated)	196	195	198	194	197	218	246	270	278	296	35.3	6.2
Idea	42	43	44	43	42	45	47	47	46	47	3.0	1.6
RJio (incl. FTTH)	126	130	133	136	139	150	155	159	167	173	14.9	3.5
EBITDA Margin (%)												
Bharti (India wireless)	54.8	54.9	55.1	55.1	55.6	57.1	58.8	59.2	59.4	60.3	*323bp*	*89bp*
Bharti (consolidated)	52.3	52.7	52.3	51.5	51.2	52.7	54.5	56.4	56.3	56.7	*402bp*	*41bp*
Idea	39.0	40.0	40.8	40.9	40.0	41.6	42.4	42.3	41.8	41.9	*23bp*	*1bp*
RJio (incl. FTTH)	52.3	52.3	52.3	52.4	52.6	53.1	52.8	52.8	54.0	54.2	*117bp*	*18bp*
Reported PAT (INR b)												
Bharti (consolidated)	16.1	13.4	24.4	20.7	41.6	35.9	147.8	110.2	59.5	67.9	89.0	14.2
Idea	(78.4)	(87.4)	(77.4)	(76.7)	(64.3)	(71.8)	(66.1)	(71.7)	(66.1)	(55.6)	22.5	15.8
RJio (incl. FTTH)	48.6	50.6	52.1	53.4	54.5	62.3	64.8	66.4	67.1	69.7	11.9	3.9
EPS (INR)												
Bharti	2.8	2.4	4.3	3.6	7.2	6.2	25.5	19.0	10.3	11.7	88.7	14.2
Idea	(1.6)	(1.8)	(1.4)	(1.6)	(1.0)	(1.0)	(1.0)	(1.0)	(0.6)	(0.5)	50.5	19.0

Source: MOFSL, Company

UTILITIES: Overall soft quarter as demand remains weak

- **Overall performance:** For our coverage universe, revenue/EBITDA came in 11% below our estimates (+4%/+5% YoY), largely due to weaker-than-expected results from NTPC, PWGR, and TPWR. Adjusted PAT came in 3% below our expectations (flat YoY), with JSWE/TPWR/PWGR underperforming by 16%/13%/16% and ACME/Suzlon exceeding our estimates by 13%/182%.
- **Mixed performance in 2Q – SUEL and ACME deliver a strong beat; NTPC, PWGR and TPWR report a miss: IEX's** standalone revenue and EBITDA were in line with our estimate, while PAT was 5% above our estimate, primarily due to higher-than-expected other income. IEX's electricity volumes rose 16% YoY, while REC volumes dipped 30% YoY. **JSWE's** consolidated revenue missed our est. by 9% but EBITDA was in line, supported by a higher EBITDA margin of 58% vs. our est. of 53%. Adj. PAT was 16% below our estimate primarily due to lower-than-estimated other income and higher interest/depreciation expenses, arising from additional capitalization of new assets during the quarter. The impact was partially offset by a lower effective tax rate of 13.8%. Installed capacity stood at 13.2GW as of 2Q end, up 71% YoY, while net generation increased 52% YoY to 14.9BUs. **NTPC's** adjusted PAT was 4% above our estimate, mainly supported by higher-than-estimated other income. EBITDA missed our estimate as weak power demand led to soft generation. Gross power generation declined 6% YoY to 83BUs. Coal PLF fell 627bp YoY to 66.01%, primarily due to grid restrictions impacting generation. Hydro PLF stood at 104.6% and gas PLF remained flat at 6.8%. Total consolidated installed capacity stood at 83.9GW as of 2Q end. **TPWR** missed our revenue/EBITDA/APAT estimates by 15.3%/11.6%/12.6%, largely attributable to the Mundra plant shutdown in 2Q, which offset the stronger performance at Odisha distribution and the solid ramp-up at TP Solar on a YoY basis. **PWGR** reported standalone revenue, EBITDA, and adjusted PAT below our estimates amid weaker-than-expected capitalization trends due to persistent RoW issues. EBITDA was hit by a 55% YoY spike in other expenses. **ACME Solar** reported an in-line EBITDA and a 13% beat on APAT, driven by higher-than-expected other income. Revenue came in 3% above our estimate on account of an improved CUF of 24.1%. **IWL's** deliveries were in line with our estimate, whereas revenue came in below our estimate by 8%. EBITDA beat our estimate by 4% on account of higher EBITDA margin of 20% (our est. 18%). **SUEL** earnings beat our expectations, with revenue exceeding our estimates by 39% on account of higher-than-expected deliveries of 565MW (~55% higher than our estimates). EBITDA also beat our estimates by 71% due to a strong margin of 19%. The company reported PAT of INR12.7b, which included a deferred tax asset of INR7b.
- **Ratings and earnings revisions: PWGR –** We have downgraded PWGR to Neutral and cut our FY26E/FY27E APAT by 6%/4% due to the slower-than-expected pace of capitalization, with PWGR capitalizing INR45b in 1HFY26 vs. FY26 guidance of INR220b. **SUEL –** We have raised our FY26E APAT by 8% due to a lower tax rate in 1HFY26. However, TP was cut by 7% on account of a lower PE multiple of 30x (35x earlier). **NTPC –** We have cut FY26E APAT by 9%, mainly due to a cut in EBITDA margin. **JSWE–** We have cut FY26E APAT by 14% to build in the increased depreciation and finance costs arising from recent acquisitions to align with the current run rate.

- **Top picks: ACME Solar, TPWR and JSWE**.
- **Surprises: SUEL and ACME Solar**
- **Misses: NTPC, PWGR, TPWR and JSWE**

Guidance highlights:

- **PWGR:** Management reiterated its capex guidance of INR280b/INR350b/INR450b for FY26/FY27/FY28, with the FY26 capex having a potential to rise to INR280-300b. Capitalization targets for FY27/28 are INR250b/INR280b. However, the capitalization target for FY26 might be reduced to INR200b (from INR220b earlier) due to persistent right-of-way (RoW) issues. The company participated in several BESS tenders but was not awarded any contracts, though it remains committed to actively participating in upcoming tenders. The Ministry of Power has announced a project in the Brahmaputra basin with a total investment opportunity of INR6.4t. The plan involves 42GW of HVDC corridors with PSP integration of total ~11.1GW. This project is currently in the study stage and is likely to follow the TBCB route. The Leh-Ladakh HVDC project had received a single bid, which was not found acceptable and the Government of India is evaluating the possibility of replacing the HVDC system with an AC transmission alternative, estimated to cost ~300b. The project timeline should remain unchanged, with commissioning targeted by 2029 under the proposed AC configuration.

- **JSWE:** Management has maintained its growth strategy of achieving 30GW of generation capacity and 40GWh of energy storage by 2030. 12.5GW of the capacity under construction is tied to long-term PPAs and on completion of these projects, JSWE's capacity will nearly double to 26GW. The locked-in capacity for BESS stands at 29.4GWh. The battery assembly plant of 5GWh in Pune is expected to come online by 3QFY26. It has signed a definitive agreement to acquire Tidong (150 MW hydro), which is expected to be commissioned in Oct'26. Of 150MW, 75MW is under PPA with UPPCL, and the rest is for the merchant market. The commissioning of the WB Salboni plant is expected by 2030.
- **TPWR:** Capacity addition of ~700MW is targeted in 3Q and ~600MW in 4Q, predominantly from solar projects. RE capacity is expected to surpass 7GW by FY26-end, with 2-2.5GW to be added annually thereafter. The company plans a 10GW ingot-wafer facility for backward integration to serve both internal and third-party requirements. Construction commenced on the 600MW Kholongchhu Hydro Power Project in Bhutan, in which the company's equity contribution is estimated at INR8.5b. The company also plans to invest in the upcoming 1,125MW Dorjilung Hydro Project, with a total project cost of INR130b and Tata Power's equity contribution at INR15.7b, for which the financial closure is expected by mid-FY27. The company's discussions with the Gujarat government to reach a long-term resolution for the Mundra SPPA are at advanced stages and expected to close within a month. Management remains optimistic about the upcoming UP DISCOM privatization; awaiting bid announcement.
- **IEX:** The company has filed an appeal against the market coupling order in the Appellate Tribunal for Electricity; next hearing is scheduled for 28th Nov'25. After coupling, IEX would remain responsible for the settlement of all volumes cleared on its platform. Management expects volume growth of 15-20% for the remainder of FY26 and remains optimistic about sustaining historical growth trends. Guidelines for carbon credit certificate trading are expected soon, with compliance targets already notified for major industrial entities. IEX holds a 47.5% equity stake in IGX, which, as per PNGRB regulations, must be reduced to 25% by Dec'25, and the company has sought a 1.5-year extension, citing slower growth and prevailing market challenges in the gas exchange segment. PNGRB is expected to support the request.
- **ACME Solar:** ACME remains on track to meet its full-year target of INR120b of capex, subject to a delay of a maximum of one quarter due to contingent transmission issues. 1GWh of BESS (merchant capacity) from 4QFY26 onward is expected to generate an annual EBITDA of INR1.7b, assuming an INR5/unit difference between merchant power sale during peak hours and the cost of generation of the same. The 300MW ACME Sikar project will operate under long-term open access after Dec'25 (it is currently operating under short-term open access because of early commissioning by one quarter). Credit rating upgrades are likely to bring down rates from 8.4% to about 8% for AA-rated assets under bank financing. Management does not foresee any risk of project cancellation where PPAs are pending.
- **SUEL:** Management highlighted that the reduction of GST on wind turbines from 12% to 5% is expected to significantly reduce capital costs and the levelized cost of energy, improving project viability. Carry-forward losses, as per FY25 AR, were ~INR140b. DTAs have been recognized only for ~INR60b so far, with a further potential for recognition of up to ~INR80b as profit certainty rises. Management reaffirmed its FY26 guidance of 60% YoY growth across revenue and EBITDA. Total order book of 6GW (as of 2Q end) is expected to be executed in 18-24 months. SUEL is focusing on increasing the share of EPC business, with the mix targeted to reach 50:50 by FY28. SUEL is focusing on export potential, with the first export order expected early next year.
- **NTPC:** For the remainder of FY26, NTPC has guided for an addition of 800MW of thermal capacity, 4GW of renewable capacity and two PSP units. Management highlighted its vision to take group capacity to 244GW by 2037. Medium-term capacity addition targets are guided at 9.8/9.6/10.5GW in FY26/27/28. For FY26, NTPC Green's total capex is expected to reach ~INR300b in FY26 and increase further to INR450-460b in FY27. NTPC's long-term estimates indicate a total capex requirement of INR7t by 2032 to meet their revised capacity addition

targets of 149GW by 2032 and 244GW by 2037. The planned additions during FY32-37 include 13GW of thermal, 0.3GW of hydro, 55-60GW of renewable energy, and 2.1GW of nuclear capacity. NTPC is developing 1,990MWh of BESS capacity through the TBCB route, 1,520 MWh at colocated solar sites, and another 5,000 MWh at existing thermal project locations, eligible for VGF of INR1.8m/MWh.

- **IWL:** Management remains confident of delivering the 1,200 MW execution target for FY26. IWL is in advanced discussions with multiple customers, including the group IPP, to finalize framework agreements that would secure 1GW+ of annual recurring orders (comprising 500-700MW from the group IPP and the balance from third parties). The company is expanding its manufacturing footprint in South India by setting up a new blade and tower manufacturing unit to be built on 70 acres of land allotted by the Karnataka Industrial Areas Development Board. It involves investments of ~INR4b and is expected to become operational in 2026. The new nacelle & hub manufacturing plant at Kalyangarh, Ahmedabad, is ramping up its operations. IGL's O&M portfolio has scaled to 12.5GW (10GW wind; 2.5GW solar), including the recently acquired 6.5GW of operational wind O&M assets. After statutory approvals, these acquisitions will be consolidated into IGL's financials in FY27. Capex for FY26 is guided at ~INR2b.

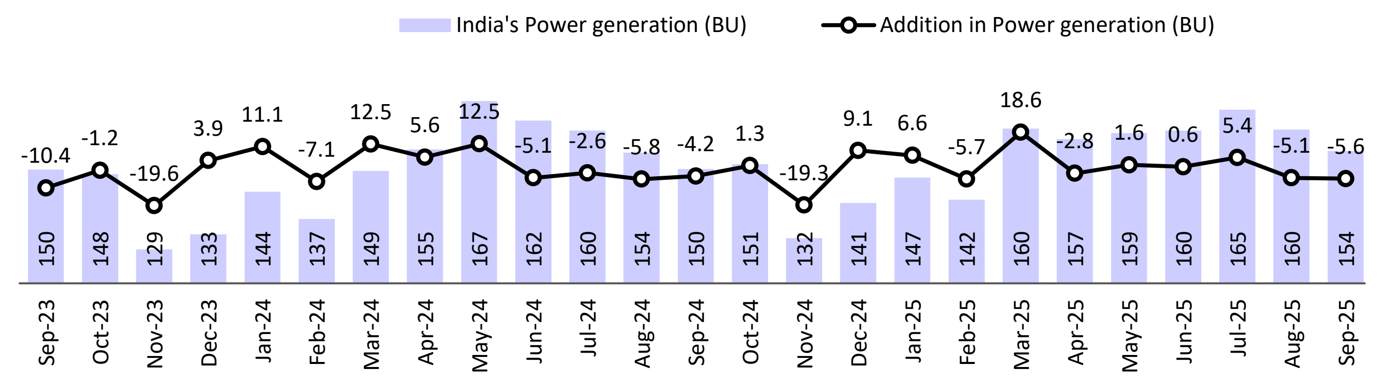
Exhibit 146: Key Snapshot

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1QFY26*	2QFY26*
Total generation growth (%)	**5.4**	**5.2**	**0.7**	**-0.6**	**8.1**	**9.0**	**7.2**	**5.0**	**-1.7**	**2.6**
Conv. Generation growth (%)	4.1	3.6	0.0	-1.6	7.1	7.7	6.7	4.0	-5.8	1.8
RE generation growth (%)	24.9	24.4	7.8	7.7	16.2	19.1	10.9	11.7	24.8	7.1
**1QFY26 compared with 1QFY25*										
2QFY26 compared with 2QFY25										
All India Peak Demand (GW)	**161**	**176**	**183**	**189**	**201**	**212**	**240**	**250**	**242**	**230**

Capacity addition (GW)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	1HFY26
Thermal	5.4	3.4	4.3	4.1	1.4	1.2	5.9	3.7	-2.2
Nuclear	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0	0.6
Hydro	0.8	0.1	0.3	0.5	0.5	0.1	0.1	0.8	2.4
Solar	9.4	6.5	6.4	5.5	13.9	12.8	15.0	23.8	21.7
Wind	1.8	1.6	2.1	1.6	1.1	2.3	3.3	4.2	3.1
Other RE	0.6	0.5	0.9	0.4	0.4	0.2	0.2	0.7	0.1
Total capacity addition	**18.0**	**12.1**	**14.0**	**12.0**	**17.3**	**16.6**	**25.9**	**33.3**	**25.7**
Total capacity (GW)	**344.0**	**356.1**	**370.1**	**382.2**	**399.5**	**416.1**	**442.0**	**475.2**	**500.9**

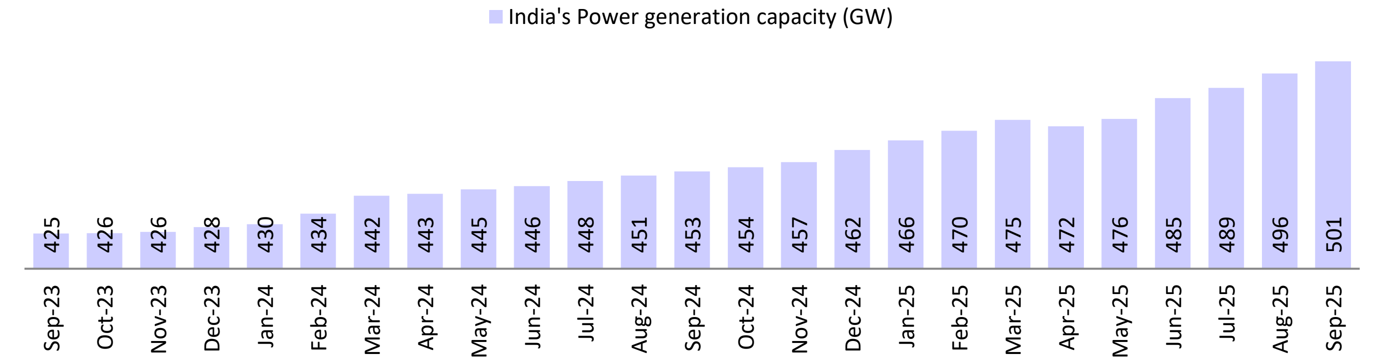
Source: NPP, CEA, MOFSL

Exhibit 147: India's power generation



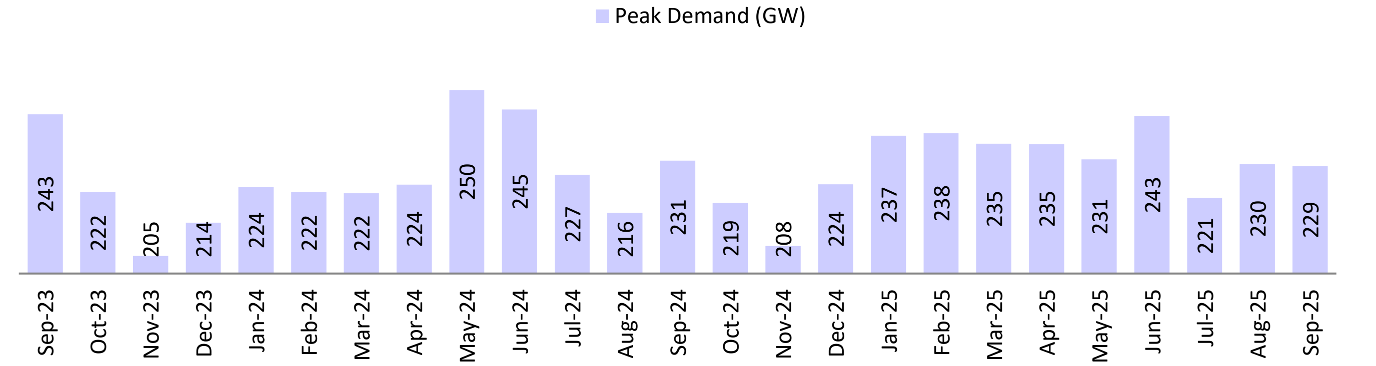
Source: NPP, CEA, MOFSL

Exhibit 148: Domestic power generation capacity (GW)



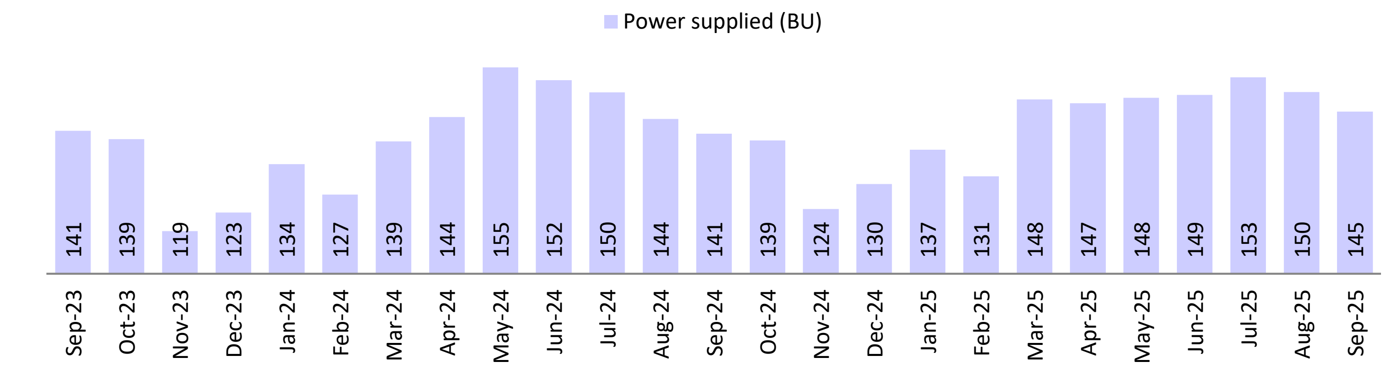
Source: NPP, MOFSL

Exhibit 149: India's peak demand



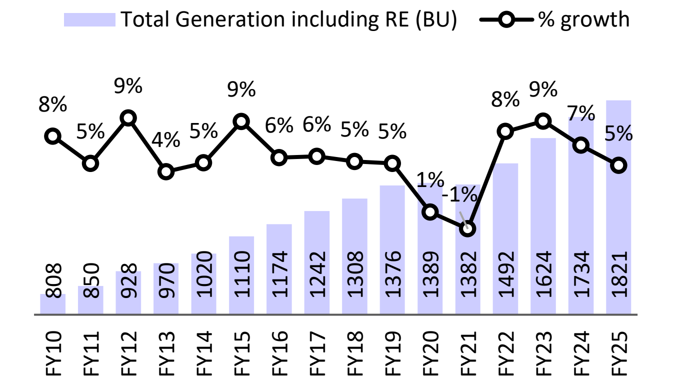
Source: CEA, MOFSL

Exhibit 150: Domestic power supply (BUs)



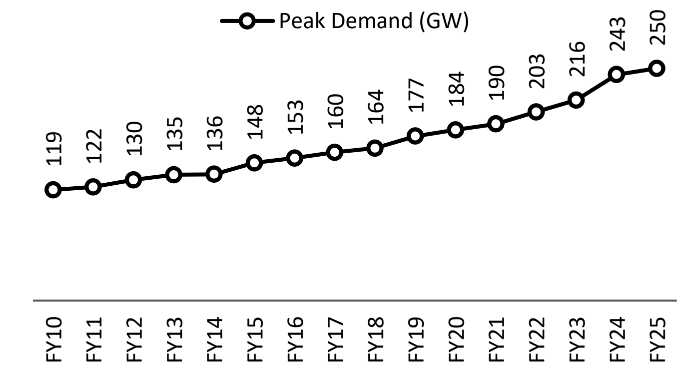
Source: CEA, MOFSL

Exhibit 151: Domestic power generation growth



Source: NPP, CEA, MOFSL

Exhibit 152: Peak demand growth



Source: CEA, MOFSL

ANNEXURE: MOFSL UNIVERSE (ACTUAL V/S EXPECTATIONS)

	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
Company	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**
Automobiles	**3,187.0**	**4.7**	**-0.2**	**-0.1**	**319.8**	**-18.1**	**-15.2**	**-14.6**	**194.3**	**-12.4**	**-15.6**	**-16.5**
Amara Raja Energy	33.9	8.0	1.1	1.0	4.1	-7.9	5.0	0.8	2.1	-12.1	9.1	2.5
Apollo Tyres	68.3	6.1	4.1	-2.4	10.2	16.3	17.6	6.5	3.9	29.0	38.2	4.7
Ashok Leyland	95.9	9.3	9.9	-1.4	11.6	14.2	19.9	1.3	8.0	15.5	34.9	7.8
Bajaj Auto	149.2	13.7	18.6	1.7	30.5	15.1	23.0	4.0	24.8	11.9	18.3	2.7
Balkrishna Inds	23.2	-5.8	-15.9	-9.1	5.0	-19.2	-23.8	-19.7	2.7	-24.1	-7.6	-27.8
Bharat Forge	19.5	-13.3	-7.5	-7.1	5.5	-11.9	-3.6	5.2	3.2	-10.1	-6.8	3.8
Bosch	47.9	9.1	0.1	-1.7	6.2	10.1	-3.5	-4.2	5.5	10.8	-17.3	-1.5
CEAT	37.7	14.2	6.9	3.8	5.0	38.9	29.8	17.4	1.9	52.3	61.7	31.2
CIE Automotive	23.7	11.1	0.1	2.1	3.6	7.6	5.6	8.5	2.1	9.5	5.0	8.6
Craftsman Auto	20.0	64.9	12.2	9.3	3.0	56.6	14.0	9.1	0.9	47.9	20.5	5.7
Endurance Tech.	35.8	23.0	8.0	3.2	4.8	24.8	7.4	2.5	2.3	12.0	0.4	-7.6
Eicher Motors	61.7	44.8	22.4	1.5	15.1	39.0	25.7	-2.7	13.7	24.5	13.6	-5.0
Escorts Kubota	27.8	22.6	11.8	0.7	3.6	56.0	11.8	-3.2	3.2	6.1	1.9	-13.3
Exide Inds.	41.8	-2.1	-7.4	-5.9	4.0	-18.1	-27.8	-26.9	2.2	-25.4	-30.7	-32.0
Happy Forgings	3.8	4.5	6.7	-0.5	1.2	9.9	14.5	6.0	0.7	10.2	11.8	2.2
Hero Motocorp	121.3	15.9	26.6	2.1	18.2	20.3	32.0	1.1	13.9	15.7	23.7	-3.5
Hyundai Motor	174.6	1.2	6.4	0.5	24.3	10.1	11.2	3.9	15.7	14.3	14.8	5.9
Mahindra & Mahindra	334.2	21.3	-1.9	1.5	48.6	23.1	-0.5	5.3	45.2	17.7	31.0	5.3
Maruti Suzuki	421.0	13.2	9.6	5.0	44.3	0.4	11.0	13.0	32.9	7.3	-11.3	-0.5
Samvardhana Motherson	301.7	8.5	-0.1	1.1	26.1	6.6	6.2	11.5	8.6	14.6	37.8	35.0
Motherson Wiring	27.6	18.8	10.7	6.0	2.8	12.1	14.5	3.3	1.7	8.7	15.5	1.6
MRF	72.5	7.2	-4.1	-4.3	10.9	11.9	5.4	1.4	5.1	12.3	5.7	2.0
Sona BLW Precis.	11.4	23.6	34.4	28.7	2.9	13.4	42.7	31.7	1.7	11.1	31.2	25.5
Tata Motors	892.1	-12.1	-13.7	-3.6	10.5	-91.1	-89.2	-86.5	-18.6	PL	PL	PL
Tube Investments	21.2	2.6	5.6	-0.7	2.8	12.4	11.8	6.3	1.9	11.3	11.1	4.6
TVS Motor	119.1	29.0	18.1	0.1	15.1	39.7	19.4	-2.4	9.1	36.7	16.4	-8.0
Capital Goods	**1,112.3**	**13.6**	**12.1**	**-1.9**	**137.8**	**10.5**	**16.6**	**-0.5**	**96.5**	**16.8**	**18.4**	**3.4**
ABB India	33.1	13.7	4.3	-0.9	5.0	-7.4	20.8	4.7	4.1	-7.2	16.1	3.5
Bharat Dynamics	11.5	110.6	362.6	61.7	1.9	89.7	LP	32.1	2.2	76.2	1076.5	31.9
Bharat Electronics	57.6	25.8	30.5	9.6	17.0	22.1	36.7	17.7	12.9	17.9	32.7	15.1
Cummins India	31.7	27.2	9.1	10.2	6.9	44.4	11.4	20.7	6.4	41.5	14.8	21.2
Hind.Aeronautics	66.3	10.9	37.6	-1.8	15.6	-5.0	21.5	-16.1	16.7	10.9	20.6	-4.9
Hitachi Energy	18.3	17.9	23.9	-12.4	3.0	172.5	93.0	19.0	2.6	405.6	100.9	42.5
KEC International	60.9	19.1	21.3	4.0	4.3	34.4	22.9	0.7	1.6	88.2	29.0	-5.8
Kalpataru Proj.	54.2	31.0	7.5	4.8	4.5	28.3	4.4	0.5	2.0	51.1	-0.4	1.3
Kirloskar Oil	16.0	34.3	11.1	11.5	2.1	30.0	12.7	14.6	1.4	26.8	14.7	17.4
Larsen & Toubro	679.8	10.4	6.8	-5.0	68.1	7.0	7.7	-2.5	39.3	15.6	8.5	1.1
Siemens	51.7	16.0	19.0	7.8	6.2	13.2	18.4	-3.8	4.9	-7.1	14.6	-6.3
Thermax	24.7	-5.3	15.1	-14.3	1.7	-38.1	-23.6	-37.7	1.2	-39.7	-21.2	-32.9
Triveni Turbine	5.1	1.0	36.3	1.8	1.1	2.9	55.7	12.4	0.9	0.4	41.9	7.7
Zen Technologies	1.2	-48.4	12.2	-9.6	0.4	-47.4	9.9	-13.4	0.5	-29.2	24.4	15.9
Cement	**635.1**	**20.4**	**-6.1**	**4.7**	**93.1**	**65.0**	**-21.0**	**9.7**	**39.3**	**91.1**	**-22.5**	**11.0**
ACC	58.5	26.4	-3.5	8.5	8.2	90.9	6.0	36.8	3.2	37.3	-16.5	2.9
Ambuja Cements	91.7	24.3	-10.8	3.5	17.6	80.9	-10.2	28.4	5.6	13.6	-28.5	35.0
Birla Corporation	22.1	13.0	-10.1	3.3	3.0	72.1	-12.1	30.9	0.9	LP	-24.3	139.0
Dalmia Bharat	34.2	10.7	-6.0	-1.5	7.0	60.4	-21.2	3.9	2.4	329.1	-36.7	11.1
Grasim Industries	96.1	26.1	4.2	4.2	3.7	12.6	-4.8	14.5	8.0	6.2	LP	3.5
India Cements	11.2	9.9	9.0	4.7	0.8	LP	-1	24.4	-0.1	Loss	Loss	Loss
J K Cements	30.2	17.9	-9.9	2.7	4.5	57.3	-35.1	-2.8	1.6	346.8	-50.5	-2.5
JK Lakshmi Cem.	15.3	24.1	-12.0	9.0	2.1	133.3	-33.1	3.8	0.8	LP	-46.1	22.4
JSW Cement	14.4	17.4	-7.9	6.8	2.7	65.2	-17.1	39.8	0.9	LP	-21.6	115.2
Ramco Cements	22.3	9.6	8.0	5.5	3.9	24.0	-2.7	11.7	0.7	190.5	-13.6	55.2
Shree Cement	43.0	15.5	-13.0	1.5	8.8	47.7	-28.8	-9.3	2.9	215.1	-52.6	36.2
Ultratech Cement	196.1	20.3	-7.8	6.1	30.9	52.6	-29.8	1.0	12.3	75.2	-45.4	-3.9

	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
Company	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**	**Sep-25**	**YoY**	**QoQ**	**Exp. (%)**
Chemicals-Specialty	**171.2**	**1.2**	**0.6**	**-3.5**	**32.4**	**4.3**	**-1.0**	**0.8**	**18.6**	**3.1**	**-1.9**	**2.1**
Alkyl Amines	3.9	-6.1	-4.0	-8.0	0.7	-4.5	-8.3	-9.6	0.4	-9.5	-13.1	-14.9
Atul	15.5	11.4	5.0	-1.7	2.7	10.2	13.6	-7.4	1.8	30.7	37.8	1.9
Clean Science	2.4	2.7	0.7	-6.1	0.9	-2.9	-12.8	-10.9	0.6	-5.6	-20.9	-17.0
Deepak Nitrite	19.0	-6.4	0.6	-1.1	2.0	-31.3	7.8	5.8	1.2	-38.9	5.8	3.1
Ellenbarrie Industrial	0.9	-5.8	6.6	-4.1	0.3	-7.6	9.1	-4.7	0.4	23.8	96.2	44.7
Fine Organic	6.0	0.2	1.5	-4.5	1.4	-10.3	9.4	5.9	1.1	-7.6	-3.1	4.2
Galaxy Surfactants	13.3	24.8	3.8	6.1	1.1	-13.4	-10.8	-16.6	0.7	-21.5	-16.4	-19.3
Navin Fluorine	7.6	46.3	4.6	0.9	2.5	129.3	19.0	42.2	1.5	152.2	26.6	66.3
NOCIL	3.2	-11.6	-4.7	-7.0	0.2	-43.6	-29.3	-32.6	0.2	-58.4	4.1	-11.6
P I Industries	18.7	-15.7	-1.5	5.4	5.4	-13.8	4.3	24.5	4.1	-19.5	2.3	25.4
SRF	36.4	6.3	-4.7	-6.3	8.0	43.5	-2.0	-2.4	4.2	87.0	-1.1	-2.3
Tata Chemicals	38.8	-3.1	4.2	-7.6	5.4	-13.1	-17.3	-14.1	1.3	-35.2	-50.1	-40.0
Vinati Organics	5.5	-1.3	0.7	-13.4	1.8	33.3	7.7	5.1	1.3	21.6	14.4	3.2
Consumer	**938.8**	**4.2**	**-3.7**	**-1.4**	**214.2**	**3.1**	**-3.6**	**1.3**	**149.2**	**3.2**	**-4.8**	**0.0**
Asian Paints	85.3	6.3	-4.6	5.2	15.0	21.3	-7.5	11.3	10.2	16.5	-8.8	12.2
Britannia	47.5	4.1	4.8	-3.6	9.5	21.8	26.1	9.2	6.6	23.2	25.9	7.3
Colgate	15.2	-6.2	6.0	-0.4	4.7	-6.4	2.8	2.4	3.3	-7.9	2.1	1.9
Dabur	31.9	5.4	-6.3	-0.5	5.9	6.4	-11.9	0.2	4.6	6.4	-11.8	0.8
Emami	8.0	-10.3	-11.7	-0.4	1.8	-28.7	-16.7	3.9	1.7	-26.7	-7.2	7.4
Godrej Consumer	38.3	4.3	4.5	-2.7	7.3	-3.7	5.6	1.4	4.8	-2.9	3.1	-3.8
Hind. Unilever	162.5	2.0	-1.6	-0.1	37.4	-1.4	0.6	2.5	25.0	-4.0	-1.1	-2.2
Indigo Paints	3.1	4.2	1.0	3.1	0.5	12.1	5.0	8.3	0.3	10.9	-3.1	4.8
ITC	195.0	-6.0	-9.3	-10.1	66.9	-1.0	-1.8	-3.0	50.6	1.3	-3.5	-4.0
Jyothy Labs	7.4	0.3	-2.0	-2.7	1.2	-14.6	-4.7	-12.5	0.9	-16.4	-9.3	-13.0
L T Foods	27.7	31.2	12.2	6.5	3.1	35.0	16.6	8.1	1.6	10.4	-2.8	-1.5
Marico	34.8	30.7	6.8	1.9	5.6	7.3	-14.5	0.7	4.2	7.3	-16.7	-0.4
Nestle	56.4	10.6	10.7	5.0	12.5	5.2	12.1	4.9	7.4	-4.6	14.9	1.7
P&G Hygiene	11.5	1.3	22.7	-0.7	2.8	-2.0	7.0	-3.6	2.1	-1.0	9.3	-4.3
Page Industries	12.9	3.7	-2.0	-1.8	2.8	-0.4	-5.1	-6.3	1.9	0.2	-3.0	-5.1
Pidilite Inds.	35.5	9.9	-5.3	1.0	8.5	10.7	-9.6	-0.3	5.8	8.5	-13.8	-4.6
Radico Khaitan	14.9	33.8	-0.8	7.2	2.4	45.6	2.4	11.8	1.4	69.1	-1.0	13.4
Tata Consumer	49.7	17.8	3.9	3.7	6.7	7.3	10.7	6.0	4.0	5.1	21.0	8.3
United Breweries	20.5	-3.0	-28.3	-5.8	1.3	-42.6	-58.1	-39.0	0.5	-64.5	-74.4	-60.9
United Spirits	31.7	11.5	24.4	4.3	6.7	32.5	61.9	19.5	4.9	47.6	66.9	30.2
Varun Beverages	49.0	1.9	-30.2	-0.6	11.5	-0.3	-42.6	-0.1	7.4	19.6	-43.7	10.9
Consumer Durables	**184.9**	**10.4**	**-7.3**	**0.7**	**19.4**	**31.3**	**-0.5**	**2.7**	**13.3**	**27.4**	**-2.4**	**2.8**
Havells India	47.8	5.3	-12.4	0.3	4.4	16.9	-15.0	-3.4	3.2	18.9	-8.4	5.2
KEI Industries	27.3	19.4	5.3	-0.5	2.7	19.8	4.4	-5.0	2.0	31.5	4.0	-3.1
Polycab India	64.8	17.8	9.7	-0.5	9.9	56.4	15.2	10.6	6.6	50.1	11.5	10.1
R R Kabel	21.6	19.5	5.1	2.7	1.8	104.9	23.7	13.6	1.2	134.7	29.5	20.5
Voltas	23.5	-10.4	-40.4	4.4	0.7	-56.6	-60.6	-33.1	0.3	-74.4	-75.6	-60.8
EMS	**195.5**	**27.2**	**5.1**	**1.8**	**10.5**	**33.6**	**2.8**	**1.7**	**4.9**	**23.8**	**-2.7**	**-8.7**
Amber Enterp.	16.5	-2.2	-52.2	-18.1	0.9	-19.7	-64.4	-36.7	-0.3	PL	PL	PL
Avalon Tech	3.8	39.1	18.3	15.9	0.4	28.1	29.2	5.3	0.2	42.9	75.7	7.6
Cyient DLM	3.1	-20.2	11.6	-0.3	0.3	-1.4	24.5	3.0	0.1	-18.7	68.4	9.1
Data Pattern	3.1	237.8	209.5	125.2	0.7	99.7	113.5	25.8	0.5	62.5	92.9	7.9
Dixon Tech.	148.6	28.8	15.7	3.1	5.6	31.7	16.4	7.1	2.5	15.5	10.0	-3.1
Kaynes Tech	9.1	58.4	34.6	-4.0	1.5	80.2	30.9	-4.1	1.2	101.7	62.7	6.4
Syrma SGS Tech.	11.5	37.6	21.4	7.5	1.2	62.4	33.0	25.1	0.6	76.8	28.8	12.5
Financials	**4,476.5**	**6.9**	**7.5**	**1.3**	**1,864.1**	**2.4**	**-4.8**	**3.6**	**1,211.8**	**2.2**	**-0.3**	**4.4**
Banks-Private	**938.1**	**3.1**	**0.4**	**2.4**	**702.7**	**2.0**	**-14.6**	**4.1**	**412.7**	**-4.7**	**-4.1**	**2.8**
AU Small Finance	21.4	8.6	4.9	6.0	12.1	6.9	-7.8	7.6	5.6	-1.8	-3.4	13.4
Axis Bank	137.4	1.9	1.4	4.4	104.1	-2.8	-9.6	0.6	50.9	-26.4	-12.3	-8.0
Bandhan Bank	25.9	-12.2	-6.1	0.8	13.1	-29.4	-21.5	-7.4	1.1	-88.1	-69.9	-63.5
DCB Bank	6.0	17.1	2.7	5.4	3.0	19.1	-7.0	13.7	1.8	18.3	17.0	29.6
Equitas Small Fin.	7.7	-3.6	-1.5	3.7	2.4	-31.2	-23.6	10.5	0.2	87.4	LP	-21.9
Federal Bank	25.0	5.4	6.8	7.9	16.4	5.0	5.6	10.5	9.6	-9.6	10.9	13.2

	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
Company	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)
HDFC Bank	315.5	4.8	0.4	2.4	279.2	13.0	-21.9	10.0	186.4	10.8	2.7	11.4
ICICI Bank	215.3	7.4	-0.5	1.8	173.0	3.4	-7.7	-0.2	123.6	5.2	-3.2	3.5
IDFC First Bank	51.1	6.8	3.6	2.1	18.8	-4.2	-16.0	-2.6	3.5	75.5	-23.8	2.4
IndusInd Bank	44.1	-17.5	-5.0	0.3	20.5	-43.1	-20.3	5.7	-4.4	PL	PL	PL
Kotak Mahindra Bank	73.1	4.1	0.7	-0.1	52.7	3.3	-5.3	-1.1	32.5	-2.7	-0.9	-0.5
RBL Bank	15.5	-4.0	4.7	2.1	7.3	-19.9	3.6	5.9	1.8	-19.8	-10.9	-5.1
Banks-PSU	**899.1**	**1.8**	**2.7**	**4.4**	**623.5**	**-5.7**	**-5.7**	**3.8**	**385.3**	**-2.0**	**3.5**	**5.5**
Bank of Baroda	119.5	2.9	4.5	8.8	75.8	-20.1	-8.0	6.0	48.1	-8.2	5.9	12.0
Canara Bank	91.4	-1.9	1.5	1.9	85.9	12.2	0.4	10.9	47.7	18.9	0.5	12.2
Indian Bank	65.5	5.8	3.0	3.5	48.4	2.3	1.4	1.3	30.2	11.5	1.5	2.8
Punjab National Bank	104.7	-0.5	-1.0	-0.7	72.3	5.5	2.1	3.9	49.0	13.9	192.8	2.5
Union Bank	88.1	-2.6	-3.3	1.6	68.1	-16.0	-1.4	5.1	42.5	-10.0	3.2	20.4
State Bank	429.8	3.3	4.7	5.9	273.1	-6.8	-10.6	1.4	167.7	-8.5	-12.5	0.3
Insurance	**2,033.9**	**8.8**	**14.6**	**-0.7**	**65.1**	**8.8**	**55.7**	**10.3**	**121.4**	**24.0**	**-9.6**	**17.2**
HDFC Life Insur.	192.9	13.9	29.7	0.7	10.1	7.8	25.0	-1.3	4.5	3.3	-18.2	-5.9
ICICI Lombard	56.5	12.5	10.0	15.7	-1.8	Loss	Loss	Loss	8.2	18.1	9.7	16.9
ICICI Pru Life	123.0	1.8	37.3	-7.7	5.9	1.0	29.5	2.7	3.0	18.9	-0.9	-0.2
Life Insurance Corp.	1,264.8	5.5	6.1	-2.4	31.7	7.7	62.9	15.7	100.5	31.9	-8.5	24.3
Max Financial	90.9	17.5	42.1	1.4	6.4	24.8	90.7	7.2	0.1	-95.7	-93.0	-96.1
Niva Bupa Health	14.2	17.2	16.6	-1.1	-1.8	Loss	Loss	Loss	-0.4	PL	Loss	PL
SBI Life Insurance	250.8	22.9	40.8	6.7	16.6	14.5	52.3	5.1	4.9	-6.6	-16.8	-9.1
Star Health	40.8	10.2	3.6	2.5	-2.0	Loss	PL	Loss	0.5	-50.7	-79	0.4
NBFC - Lending	**521.6**	**16.2**	**3.8**	**1.4**	**428.8**	**15.9**	**9.1**	**1.3**	**256.6**	**13.1**	**5.6**	**0.3**
AAVAS Financiers	2.9	19.2	3.8	1.7	2.2	12.5	15.1	7.0	1.6	10.8	17.7	7.6
Bajaj Finance	107.8	22.0	5.5	0.3	88.7	21.4	4.6	0.2	49.5	23.3	3.8	1.2
Bajaj Housing	9.6	34.1	7.9	2.1	8.8	23.8	10.6	4.2	6.4	17.8	10.2	3.6
Can Fin Homes	4.0	19.1	11.5	7.6	3.3	16.3	10.1	5.2	2.5	18.9	12.3	5.4
Chola. Inv & Fin.	33.8	24.5	6.1	1.4	24.6	27.9	1.9	0.5	11.6	20.0	1.7	2.0
CreditAccess	9.3	0.2	3.2	0.9	6.9	3.4	6.4	3.5	1.3	-32.4	109.0	37.9
Five-Star Business	5.9	14.9	2.7	-1.7	4.3	13.9	7.5	0.7	2.9	6.8	7.4	0.9
Fusion Finance	2.5	-38.2	-9.7	-7.5	0.9	-68.6	2.8	-11.2	-0.2	Loss	Loss	PL
HDB Financial	21.9	19.6	4.8	1.8	15.3	24.4	9.1	5.2	5.8	-1.6	2.4	2.5
Home First Fin.	2.1	31.8	6.4	-1.5	1.9	49.5	12.1	4.9	1.3	43.0	10.9	2.2
IIFL Finance	14.4	7.4	11.1	0.5	10.6	23.9	21.7	14.9	3.8	LP	61.3	27.1
L&T Finance	24.0	10.3	5.5	1.4	16.3	2.7	3.7	-2.3	7.3	5.5	4.9	1.4
LIC Housing Fin	20.4	3.3	-1.3	2.3	18.7	7.5	-1.0	4.7	13.5	1.9	-0.4	2.4
M & M Financial	21.1	16.6	4.9	0.0	15.0	25.3	10.8	3.8	5.7	54.1	7.5	13.3
Manappuram Finance	13.8	-15.9	-0.3	2.2	6.7	-35.0	1.6	4.2	2.2	-62.0	64.1	12.0
MAS Financial	2.5	29.0	4.0	0.9	1.6	22.6	1.6	-0.8	0.9	17.1	6.9	4.0
Muthoot Finance	39.9	58.5	14.9	15.9	32.7	70.5	17.1	21.9	23.5	87.4	14.6	22.9
PFC	52.9	20.0	-3.3	1.3	57.8	8.5	19.7	-8.6	44.6	2.1	-0.9	-16.6
PNB Housing	7.5	13.4	0.6	-0.7	6.5	15.6	2.3	0.2	5.8	-70.3	9.0	7.0
Poonawalla Fincorp	7.6	36.7	19.6	12.6	3.9	36.1	19.1	17.8	0.7	LP	18.5	-0.2
REC	54.5	9.6	-2.2	-4.2	56.9	16.2	13.1	-0.3	44.3	10.5	-0.6	0.0
Repco Home Fin	1.9	14.2	4.1	2.6	1.4	3.1	-1.9	-4.1	1.1	-5.0	-0.9	-1.8
Shriram Finance	60.3	10.3	4.4	-0.4	44.4	11.5	5.9	0.7	23.1	11.4	6.9	5.3
Spandana Sphoorty	1.0	-70.0	-19.4	-1.7	-0.7	PL	Loss	Loss	-2.5	Loss	Loss	Loss
NBFC - Non Lending	**83.7**	**12.5**	**8.3**	**3.3**	**44.1**	**8.2**	**10.7**	**4.4**	**35.8**	**3.4**	**-0.3**	**3.5**
360 ONE WAM	7.6	29.6	15.2	4.1	3.6	25.4	16.7	7.2	3.2	27.7	9.9	4.1
Aditya Birla AMC	4.6	8.7	3.1	0.3	2.8	12.8	6.2	2.9	2.4	-0.4	-12.9	-3.3
Anand Rathi Wealth	3.0	22.7	8.5	2.3	1.4	32.1	7.6	0.3	1.0	31.0	6.4	-1.0
Angel One	8.4	-14.5	5.0	0.1	2.9	-48.6	78.7	6.0	2.1	-50.0	84.9	3.2
BSE	10.7	44.2	11.5	5.3	6.9	77.9	10.5	9.7	5.6	61.5	5.3	9.6
Cams Services	3.8	3.2	6.4	2.3	1.7	-1.5	8.6	1.3	1.1	-5.7	5.5	-2.6
CDSL	3.2	-1.0	23.2	6.9	1.8	-11.1	36.2	13.9	1.4	-13.6	36.6	17.9
HDFC AMC	10.3	15.8	6.1	1.6	8.0	13.8	3.6	0.1	7.2	24.6	-3.9	8.9
KFin Technologies	3.1	10.3	12.8	1.7	1.4	7.2	19.2	4.7	0.9	4.5	20.8	2.5
MCX	3.7	31.0	0.3	-0.5	2.4	35.8	0.8	2.2	2.0	28.5	-2.8	0.6

Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)
Nippon Life AMC	6.6	15.2	8.5	3.9	4.3	14.7	10.7	5.0	3.4	-4.4	-13.0	-0.6
NSDL	4.0	12.2	28.2	20.0	1.3	13.3	34.4	20.2	1.1	14.8	23.2	12.7
Nuvama Wealth	7.7	4.3	0.2	3.0	3.3	-3.8	-4.2	8.5	2.5	-1.4	-3.7	8.9
Prudent Corp.	3.2	11.8	8.9	4.3	0.7	5.0	7.3	5.7	0.5	4.0	3.4	1.1
UTI AMC	3.9	4.6	2.8	-0.4	1.5	-18.7	-13.7	-17.5	1.3	-49.7	-47.9	-26.7
Healthcare	**974.3**	**11.0**	**4.7**	**1.6**	**223.1**	**5.9**	**-1.2**	**-2.3**	**133.2**	**3.1**	**-5.3**	**-5.8**
Alembic Pharma	19.1	15.9	11.7	6.3	3.2	31.9	12.2	6.5	1.7	20.4	11.1	-0.5
Alkem Lab	40.0	17.2	18.7	5.9	9.2	22.3	24.6	9.3	8.0	16.4	22.7	13.1
Ajanta Pharma	13.5	14.1	3.9	3.5	3.7	9.5	-2.1	-0.7	2.6	10.9	-2.4	-1.1
Apollo Hospitals	63.0	12.8	7.9	2.7	9.4	15.4	10.5	5.8	4.8	26.0	10.3	9.1
Aurobindo Pharma	82.9	6.3	5.3	2.1	16.8	7.1	4.7	1.4	8.5	3.4	2.4	-2.2
Biocon	43.0	19.7	9.0	3.7	8.4	21.6	9.2	-0.2	0.9	149.2	203.3	30.0
Blue Jet Healthcare	1.7	-20.5	-53.4	-41.7	0.5	-20.9	-54.6	-40.5	0.5	-10.6	-42.8	-26.4
Cipla	75.9	7.6	9.1	3.5	18.9	0.5	6.6	3.8	13.5	3.7	4.1	3.2
Divis Labs	27.2	16.1	12.7	4.1	8.9	24.0	21.8	9.8	6.4	30.8	24.3	9.6
Dr Agarwals Health.	5.0	19.7	2.3	0.6	1.4	27.3	6.5	4.8	0.3	79.5	-1.2	11.0
Dr Reddy' s Labs	88.1	9.8	3.0	3.0	21.3	-3.5	-1.2	5.3	15.4	13.5	8.8	14.7
ERIS Lifescience	7.9	6.9	2.5	-1.9	2.9	9.0	4.2	-1.5	1.2	31.0	2.3	-5.6
Gland Pharma	14.9	5.8	-1.2	-1.9	3.1	5.7	-14.7	-8.8	1.8	12.3	-14.8	-11.2
Glenmark Pharma	23.8	-30.8	-27.2	-32.5	-8.7	PL	PL	PL	-8.8	PL	PL	PL
Global Health	11.0	14.9	6.6	9.0	2.3	-1.5	1.7	-2.5	1.5	11.4	1.2	-2.1
Granules India	13.0	34.2	7.2	9.5	2.8	36.8	12.8	8.3	1.3	34.3	-1.7	-1.2
GSK Pharma	9.8	-3.0	21.7	-5.4	3.4	4.4	33.7	3.2	2.5	2.9	24.4	3.1
IPCA Labs.	25.6	8.6	10.7	3.1	5.4	23.2	30.9	18.8	3.2	40.9	39.3	21.9
Laurus Labs	16.5	35.1	5.3	5.8	4.0	126.1	5.5	17.9	1.9	877.9	21.0	37.8
Laxmi Dental	0.7	26.5	10.2	3.7	0.1	26.3	-7.4	-14.5	0.1	44.8	3.1	-12.0
Lupin	70.5	27.1	12.4	9.3	21.4	72.8	30.2	30.0	13.3	72.8	15.9	28.3
Mankind Pharma	37.0	20.2	3.6	-1.8	9.2	8.4	8.8	-5.1	5.1	-22.4	17.3	0.2
Max Healthcare	25.7	21.4	4.9	-1.0	6.9	21.2	11.3	4.1	4.3	14.9	14.7	-2.3
Piramal Pharma	20.4	-8.8	5.7	-0.5	1.6	-53.5	48.7	-29.8	-1.0	PL	Loss	PL
Sun Pharma	144.1	8.6	4.5	2.6	40.2	6.3	0.4	1.2	27.9	-3.8	-6.7	-7.8
Torrent Pharma	33.0	14.3	3.9	2.7	10.8	15.3	3.4	1.4	6.0	32.6	7.4	0.4
Zydus Lifesciences	61.2	16.9	-6.9	1.6	16.0	13.1	-21.2	-3.3	10.1	15.5	-28.7	-5.9
Infrastructure	**34.8**	**-2.6**	**-21.0**	**-7.0**	**11.0**	**7.5**	**-11.7**	**0.2**	**3.0**	**-17.6**	**-35.1**	**-10.5**
G R Infraproject	12.3	9.4	-32.4	-11.3	1.2	2.8	-47.9	-26.0	1.3	12.7	-39.4	-9.5
IRB Infra	17.5	10.4	-16.6	-0.6	9.2	20.6	-2.9	8.2	1.4	41.0	-30.5	4.2
KNR Constructions	4.9	-42.4	2.9	-15.9	0.5	-61.2	-13.2	-31.8	0.3	-81.1	-35.6	-49.3
Logistics	**208.9**	**17.7**	**4.3**	**2.5**	**73.5**	**22.6**	**3.1**	**4.4**	**43.7**	**30.3**	**1.9**	**3.5**
Adani Ports	91.7	29.7	0.5	5.9	55.5	27.0	1.0	6.3	34.2	38.7	1.5	8.1
Blue Dart Express	15.5	7.0	7.4	-3.0	1.6	29.0	56.9	13.1	0.8	30.8	69.4	5.8
Concor	23.5	3.0	9.4	0.2	5.7	-1.1	33.4	12.3	3.8	-4.9	46.2	9.8
Delhivery	25.6	16.9	11.6	2.3	0.7	19.0	-54.2	-58.1	-0.5	PL	PL	PL
JSW Infra	12.7	26.4	3.4	5.4	6.1	17.1	4.9	0.7	3.7	38.9	2.2	1.0
Mahindra Logistics	16.9	10.8	3.7	-3.0	0.9	28.2	11.6	-3.9	-0.1	Loss	Loss	PL
TCI Express	3.1	-1.0	7.6	-1.9	0.4	-3.7	26.2	6.1	0.3	0.9	29.2	6.1
Transport Corp.	12.0	7.5	5.8	-2.5	1.3	8.2	4.7	-6.0	1.1	5.8	5.7	-0.5
VRL Logistics	8.0	-0.3	7.1	1.5	1.5	13.6	-0.3	0.9	0.5	39.2	-0.3	-4.0
Media	**49.6**	**9.7**	**9.0**	**3.5**	**12.0**	**16.0**	**28.0**	**15.0**	**5.6**	**-9.5**	**-12.3**	**-23.6**
PVR Inox	18.2	12.4	24.1	0.7	3.1	64.1	222.2	10.0	1.3	464.7	LP	-8.3
Sun TV	11.7	29.9	-7.0	16.3	7.5	41.8	21.5	25.4	3.6	-10.3	-32.4	-28.0
Zee Entertainment	19.7	-1.6	7.9	-0.5	1.5	-54.4	-35.8	-13.4	0.8	-61.5	-46.8	-23.1
Metals	**3,084.6**	**9.7**	**2.5**	**5.2**	**565.8**	**19.0**	**-3.6**	**7.6**	**253.6**	**24.5**	**-10.3**	**13.0**
Coal India	301.9	-1.6	-15.8	1.0	58.5	-18.3	-47.5	-31.1	43.5	-30.8	-50.2	-30.4
Hindalco	660.6	13.5	2.8	3.6	89.7	13.7	13.4	20.1	48.7	14.0	21.6	33.9
Hindustan Zinc	85.5	3.6	10.0	5.6	44.5	7.8	15.2	1.6	26.5	9.9	18.6	6.2
Jindal Stainless	108.9	11.4	6.7	3.9	13.9	17.0	6.0	6.7	7.9	29.2	10.6	6.4
Jindal Steel	116.9	4.2	-5.0	9.1	20.8	-5.4	-30.8	31.4	6.6	-23.9	-56.1	78.9
JSW Steel	451.5	13.8	4.6	4.9	71.2	30.9	-6.1	10.5	16.2	151.9	-25.7	4.8

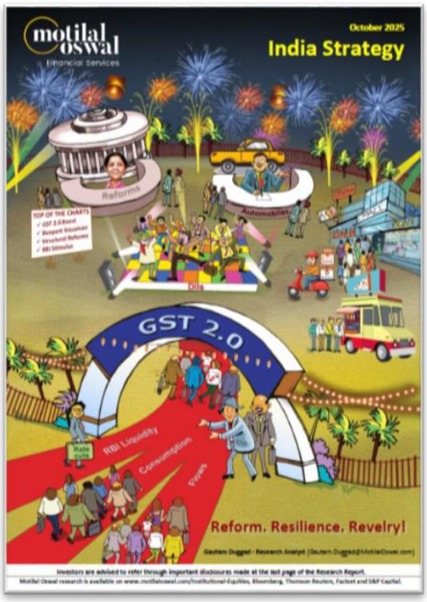
	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
Company	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)
Nalco	42.9	7.3	12.8	15.7	19.3	24.3	29.1	66.9	14.3	36.7	36.3	84.3
NMDC	63.8	29.7	-5.4	6.0	19.9	43.9	-19.6	-6.3	17.0	40.2	-13.7	3.8
SAIL	267.0	15.9	3.7	9.6	25.3	98.2	-2.6	53.6	6.7	LP	17.8	566.8
Tata Steel	586.9	8.9	10.4	3.3	89.0	61.1	19.8	4.3	32.7	625.0	53.5	17.9
Vedanta	398.7	5.9	5.4	9.9	114.0	16.0	14.9	20.1	33.5	13.4	5.0	57.9
Oil & Gas	**7,374.4**	**4.5**	**-2.6**	**4.0**	**1,037.3**	**32.9**	**3.5**	**8.3**	**521.2**	**38.4**	**9.4**	**10.8**
Oil Ex OMCs	**3,528.6**	**7.1**	**3.6**	**3.2**	**717.5**	**7.7**	**2.1**	**-1.4**	**342.4**	**-4.0**	**8.8**	**-5.8**
Aegis Logistics	22.9	31.1	33.4	19.8	2.9	29.8	21.1	12.6	1.8	42.6	36.8	40.4
BPCL	1,049.1	2.1	-6.8	13.3	97.8	116.7	1.2	31.5	64.4	168.7	5.2	39.7
Castrol India	13.6	5.8	-9.0	3.1	3.2	12.8	-7.6	7.0	2.3	9.8	-6.6	7.3
GAIL	350.1	6.4	0.7	7.8	31.9	-14.8	-4.3	4.6	22.2	-17.0	17.5	4.8
Gujarat Gas	37.8	0.0	-2.3	1.0	4.5	-13.0	-14.0	1.4	2.8	-8.4	-14.0	15.1
Gujarat State Petronet	2.3	-4.4	-6.2	-9.0	1.7	-10.2	-14.4	-12.9	3.8	-1.8	168.4	14.7
HPCL	1,007.8	0.9	-9.0	11.4	76.2	175.1	-0.7	29.0	38.3	506.9	-12.4	29.4
Indraprastha Gas	40.2	8.8	2.8	-6.3	4.4	-17.4	-13.5	-12.5	3.7	-13.6	4.7	-7.1
IOC	1,788.8	2.9	-7.3	-2.7	145.8	247.8	15.7	50.8	76.1	LP	33.8	145.5
Mahanagar Gas	20.5	14.7	-1.5	5.2	3.4	-18.3	-32.5	-3.7	1.9	-32.6	-39.5	-19.3
Oil India	54.6	-1.1	8.9	0.6	18.4	-15.5	-3.6	-15.7	15.6	-14.8	39.5	-6.6
ONGC	330.3	-2.5	3.2	1.7	177.0	-3.0	-5.1	-4.5	98.5	-17.8	22.7	-1.6
Petronet LNG	110.1	-15.5	-7.3	-3.1	11.2	-6.9	-3.7	-3.7	8.1	-4.9	-5.3	2.6
Reliance Inds.	2,546.2	10.0	4.5	3.2	458.9	17.5	6.9	0.2	181.7	9.7	0.5	-10.2
Real Estate	**158.5**	**12.3**	**6.8**	**-7.8**	**40.3**	**7.7**	**11.7**	**-24.1**	**43.3**	**24.7**	**26.8**	**-2.2**
Anant Raj	6.3	23.0	6.5	18.5	1.7	48.8	11.4	-11.5	1.4	30.8	9.7	11.9
Brigade Enterpr.	13.8	29.0	8.0	13.6	3.3	12.4	1.4	-23.6	1.6	36.6	8.4	-30.9
DLF	16.4	-16.8	-39.5	-32.8	2.8	-43.5	-22.1	-61.4	11.8	-14.6	54.7	8.0
Godrej Properties	7.4	-32.3	70.4	-34.4	-5.1	PL	Loss	PL	4.0	20.7	-32.7	-22.6
Kolte Patil Dev.	1.4	-55.0	68.4	-79.8	-0.4	PL	Loss	PL	-0.1	PL	Loss	PL
Lodha Developers	38.0	44.7	8.8	16.5	11.1	57.4	12.6	19.4	7.9	88.1	16.2	20.3
Mahindra Lifespace	0.2	130.7	-45.1	-79.5	-0.5	Loss	Loss	Loss	0.5	LP	-6.5	381.9
Oberoi Realty	17.8	34.8	80.1	25.0	10.2	25.4	96.1	12.0	7.6	29.0	80.5	18.6
Phoenix Mills	11.2	21.5	17.0	3.8	6.7	28.8	18.2	0.4	3.0	39.4	26.3	-25.6
Prestige Estates	24.3	5.5	5.4	-13.3	9.1	44.1	1.8	20.9	4.3	123.9	47.1	42.0
SignatureGlobal	3.4	-54.8	-60.9	-61.2	-0.7	Loss	PL	PL	-0.5	PL	PL	PL
Sobha	14.1	50.8	65.2	20.5	1.0	24.0	301.6	-34.5	0.7	178.0	432.6	-17.4
Sri Lotus Developers	1.8	43.5	187.2	-35.1	0.5	-23.1	71.2	-48.9	0.5	-8.4	80.2	-37.8
Sunteck Realty	2.5	49.3	34.0	13.1	0.8	108.2	63.0	132.0	0.5	41.4	46.5	79.7
Retail	**708.0**	**18.4**	**5.5**	**3.5**	**73.0**	**15.8**	**-3.3**	**-0.1**	**27.7**	**12.0**	**-9.9**	**-7.8**
Aditya Birla Fashion	19.8	12.6	8.2	1.0	0.7	-14.3	-38.4	-37.2	-3.0	Loss	Loss	Loss
Aditya Birla Lifestyle	20.4	10.0	10.7	3.6	3.2	12.7	20.4	3.1	0.2	-46.6	-2.6	-50.6
Avenue Supermarts	166.8	15.5	1.9	-0.2	12.1	11.0	-6.6	0.3	6.9	4.1	-11.2	-1.8
United Foodbrands	3.0	-0.3	2.6	-0.7	0.4	-17.2	-18.0	-14.1	-0.2	Loss	Loss	Loss
Bata India	8.0	-4.3	-14.9	-7.1	1.4	-16.9	-27.1	-30.6	0.2	-62.1	-65.0	-68.5
Campus Activewear	3.9	16.0	12.6	2.8	0.5	30.7	1.3	-0.2	0.2	40.3	-9.6	-10.0
Devyani Intl.	13.8	12.6	1.5	4.8	1.9	-2.2	-5.2	-1.5	-0.2	Loss	PL	Loss
Go Fashion	2.2	7.5	0.6	0.8	0.7	5.0	-3.0	0.5	0.2	6.3	-2.0	17.3
Jubilant Foodworks	17.0	15.8	-0.2	-0.6	3.3	15.9	1.9	1.6	0.6	22.8	-4.1	1.3
Kalyan Jewellers	78.6	29.5	8.1	2.8	5.0	25.4	-2.2	-2.7	2.6	43.1	-1.4	-2.4
Metro Brands	6.5	11.2	3.6	0.0	1.7	10.3	-12.0	-2.7	0.7	-2.8	-29.4	-12.6
P N Gadgil Jewellers	21.8	8.8	27.0	1.4	1.1	48.6	-2.6	-13.7	0.8	49.9	14.4	5.2
Raymond Lifestyle	18.3	7.3	28.1	1.9	2.3	5.2	193.5	29.3	0.8	-21.4	LP	17.0
Relaxo Footwear	6.3	-7.5	-4.0	-7.5	0.8	-7.4	-18.4	-13.1	0.4	-1.6	-26.1	-16.0
Restaurant Brands	5.7	15.6	3.0	1.3	0.8	16.2	9.1	2.5	-0.2	Loss	Loss	Loss
Sapphire Foods	7.4	6.7	-4.4	-1.9	1.0	-8.9	-9.5	2.4	-0.1	PL	Loss	Loss
Senco Gold	15.4	2.4	-15.9	-14.7	1.1	30.3	-42.0	-9.0	0.5	41.4	-53.4	-4.1
Shoppers Stop	11.8	10.0	7.4	1.7	1.6	11.7	-1.3	-4.0	-0.2	Loss	Loss	Loss
Titan Company	187.3	28.8	13.3	14.4	18.8	22.9	2.5	2.4	11.2	20.2	2.6	-2.7
Trent	47.2	17.1	-1.2	-0.8	8.1	26.9	-2.9	6.1	4.5	6.5	6.7	4.5
V-Mart Retail	8.1	22.1	-8.9	0.0	0.7	85.2	-43.3	11.0	-0.1	Loss	PL	Loss

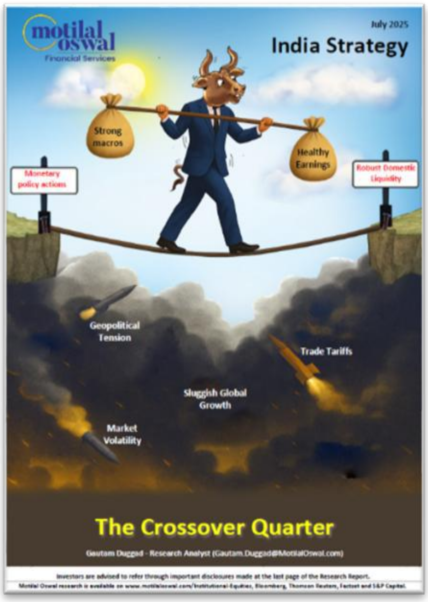
	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
Company	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)
Vedant Fashions	2.6	-1.8	-6.4	-2.9	1.1	-9.2	-8.1	-7.7	0.6	-16.2	-20.2	-14.0
Vishal Mega Mart	29.8	22.4	-5.1	1.0	3.9	30.5	-14.1	4.5	1.5	46.5	-26.1	8.0
Westlife Foodworld	6.4	3.9	-2.4	-2.9	0.8	-3.5	-11.2	-8.2	-0.2	PL	PL	PL
Staffing	**113.5**	**8.6**	**5.2**	**-0.3**	**3.1**	**8.1**	**7.9**	**-6.1**	**1.8**	**4.3**	**-9.9**	**-24.7**
Quess Corp	38.3	3.4	4.9	-1.3	0.8	10.7	10.0	-2.3	0.5	1.5	-2.2	-1.2
SIS	37.6	15.0	5.9	5.5	1.7	16.2	10.6	1.2	0.8	17.4	-13.1	-29.7
Team Lease Serv.	30.3	8.4	4.9	-4.2	0.4	14.4	25.0	-15.0	0.3	11.9	11.3	-30.2
Updater Services	7.3	7.3	4.2	-5.2	0.3	-27.8	-19.7	-30.5	0.2	-29.3	-31.7	-38.3
Technology	**2,142.8**	**6.5**	**4.5**	**0.5**	**483.7**	**8.0**	**8.0**	**2.3**	**335.2**	**8.4**	**4.5**	**2.5**
Coforge	39.9	30.2	8.1	-3.1	7.3	50.7	15.6	-2.0	3.8	63.1	-3.8	-0.3
Cyient	17.8	-3.7	4.0	-2.7	2.4	-19.3	3.7	-20.7	1.5	-20.9	-7.8	-16.7
HCL Technologies	319.4	10.7	5.2	0.9	66.7	4.8	11.0	3.2	42.4	0.0	10.2	-2.6
Hexaware Tech.	34.8	11.1	6.8	0.5	6.0	22.4	48.7	0.3	3.7	23.4	-2.6	-2.5
Infosys	444.9	8.5	5.2	0.3	106.5	8.0	6.1	-0.4	73.6	13.2	6.4	2.8
KPIT Technologies	15.9	7.9	3.2	2.0	3.4	11.0	3.5	3.0	1.7	-17.0	-1.6	-17.6
LTIMindtree	103.9	10.2	5.6	1.1	19.3	13.6	17.0	7.9	13.8	10.4	10.1	7.3
L&T Technology	29.8	15.8	4.0	0.6	4.9	5.3	6.1	3.6	3.3	2.8	4.1	1.8
MphasiS	39.0	10.3	4.5	0.6	7.2	11.7	3.0	-0.8	4.7	10.8	6.2	-0.6
Persistent Systems	35.8	23.6	7.4	1.6	6.8	42.2	11.8	5.4	4.7	45.1	10.9	5.2
Tata Elxsi	9.2	-3.9	2.9	-0.8	1.9	-27.4	3.5	-9.2	1.5	-32.5	7.2	-6.9
Tata Technologies	13.2	2.1	6.4	3.0	2.1	-11.8	3.8	-4.8	1.7	5.2	-2.8	0.9
TCS	658.0	2.4	3.7	0.6	179.9	7.2	6.5	3.9	132.7	11.0	3.5	5.7
Tech Mahindra	139.9	5.1	4.8	1.0	21.7	23.9	12.0	4.3	11.9	-4.4	4.7	-8.7
Zensar Tech	14.2	8.7	2.6	0.3	2.2	9.3	4.4	2.8	1.8	16.9	0.1	4.7
Wipro	227.0	1.8	2.5	-0.6	45.4	1.8	5.3	1.4	32.5	1.2	-2.5	3.4
Telecom	**799.5**	**18.2**	**4.1**	**1.6**	**412.0**	**23.7**	**5.4**	**2.9**	**35.5**	**LP**	**120.0**	**53.0**
Bharti Airtel	521.5	25.7	5.4	2.1	295.6	35.3	6.2	3.1	67.9	73.6	14.2	4.6
Bharti Hexacom	23.2	10.5	2.4	0.5	12.1	20.6	4.1	-2.1	4.2	66.4	7.6	-5.1
Indus Towers	81.9	9.7	1.6	0.3	45.7	-6.0	5.1	6.0	16.9	47.6	1.3	0.4
Tata Comm	61.0	8.1	2.3	0.8	11.7	12.5	3.2	-2.9	2.0	108.5	-3.0	-33.7
Vodafone Idea	111.9	2.4	1.6	0.9	46.9	3.0	1.6	1.8	-55.6	Loss	Loss	Loss
Utilities	**755.0**	**3.8**	**-6.0**	**-10.9**	**258.1**	**4.5**	**-3.3**	**-11.0**	**101.5**	**1.0**	**-2.2**	**-3.3**
ACME Solar	4.7	80.2	-8.5	2.6	4.0	81.3	-12.6	-0.1	1.1	624.4	-24.5	13.1
Indian Energy Exch.	1.5	9.3	8.8	-1.3	1.3	9.7	15.9	0.4	1.2	14.6	7.6	4.9
Inox Wind	11.2	52.8	35.5	-8.0	2.3	31.7	24.0	4.2	0.9	-1.2	-13.4	-13.8
JSW Energy	51.8	59.9	0.7	-9.1	30.0	77.8	7.5	-1.1	7.0	-17.4	-5.2	-15.7
NTPC	391.7	-2.9	-8.0	-13.6	100.2	3.5	-2.6	-15.4	45.2	7.5	2.4	3.5
Power Grid Corp.	100.0	-2.5	0.7	-6.5	80.1	-8.8	-1.3	-13.1	31.2	-10.9	-10.2	-16.1
Suzlon Energy	38.7	84.0	23.6	39.0	7.2	145.0	20.3	70.6	5.6	179.0	73.1	181.6
Tata Power	155.4	-1.0	-13.8	-15.3	33.0	-11.8	-20.2	-11.6	9.2	-14.6	-13.2	-12.6
Others	**866.4**	**25.7**	**14.4**	**9.0**	**91.3**	**2.1**	**-26.9**	**-12.7**	**6.6**	**-27.1**	**-84.8**	**-73.2**
APL Apollo Tubes	52.1	9.1	0.7	-7.9	4.5	223.8	20.2	8.4	3.0	460.4	27.1	13.1
Astral	15.8	15.1	15.9	8.0	2.6	22.2	38.9	18.2	1.3	22.5	66.2	21.2
Cello World	5.9	19.9	11.0	5.1	1.3	7.6	17.1	0.7	0.9	4.9	17.3	1.1
Coromandel International	96.5	29.9	37.1	12.5	11.5	17.6	46.6	2.6	8.1	21.3	59.5	4.8
Dreamfolks Services	2.1	-35.1	-41.1	-38.4	0.1	-48.2	-55.6	-52.2	0.1	-29.9	-47.2	-41.4
EPL	12.1	11.0	8.8	-0.5	2.5	14.1	10.9	-5.3	1.0	19.9	4.3	-17.6
Eternal	135.9	183.2	89.6	68.5	2.4	5.8	107.8	-24.1	0.7	-63.1	160.0	-78.3
Godrej Agrovet	25.7	4.8	-1.8	0.0	2.1	-4.5	-20.9	-2.8	0.9	-17.6	-42.3	-27.3
Gravita India	10.4	11.7	-0.4	-2.8	1.1	10.1	0.1	-4.8	1.0	33.3	2.9	1.4
Indiamart Inter.	3.9	12.5	5.1	2.7	1.3	-3.5	-2.3	0.3	0.8	-38.6	-45.8	-29.4
Indian Hotels	20.4	11.8	0.0	-1.0	5.7	13.7	-1.0	-0.2	2.8	-12.1	-3.9	0.8
Info Edge	7.5	13.7	1.3	0.3	3.0	7.7	6.3	5.0	2.6	9.9	0.5	-0.6
Interglobe Aviation	185.6	9.3	-9.5	1.3	8.7	-63.7	-84.8	-66.5	-23.7	Loss	PL	Loss
Kajaria Ceramics	11.9	2.1	7.6	-2.6	2.1	30.6	14.2	2.6	1.3	57.8	22.0	9.0
Lemon Tree Hotel	3.1	7.7	-3.0	-1.6	1.3	0.0	-7.0	-5.7	0.3	16.7	-9.7	4.7
MTAR Tech	1.4	-28.7	-13.4	-10.9	0.2	-53.8	-40.1	-39.8	0.0	-77.4	-60.7	-64.2
One 97 Comm.	20.6	24.2	7.5	2.5	1.4	LP	97.8	84.0	2.1	LP	51.6	56.8

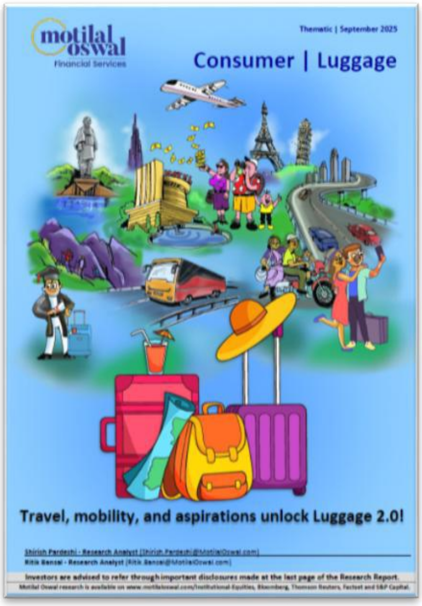
Company	Sales (INR b)				EBITDA (INR b)				PAT (INR b)			
		Gr (%)		Var. over		Gr (%)		Var. over		Gr (%)		Var. over
	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)	Sep-25	YoY	QoQ	Exp. (%)
Prince Pipes	5.9	-4.4	2.4	-6.1	0.6	20.6	39.3	10.0	0.1	-0.5	203.6	14.3
Safari Inds.	5.3	16.5	1.1	3.1	0.7	54.6	-6.6	7.6	0.5	58.0	-7.2	11.4
SBI Cards	17.3	15.2	2.9	0.7	18.9	7.7	-9.9	-9.5	4.4	10.0	-20.0	-26.4
Supreme Inds.	23.9	5.3	-8.3	1.5	3.0	-6.8	-6.7	-2.0	1.6	-20.3	-18.6	-14.5
Swiggy	55.6	54.4	12.1	1.8	-8.0	Loss	Loss	Loss	-10.9	Loss	Loss	Loss
Time Technoplast	15.1	10.3	11.7	-1.9	2.2	13.5	14.3	-1.9	1.2	17.4	21.4	-2.9
UPL	120.2	8.4	30.4	7.6	22.1	40.0	69.2	23.3	6.8	LP	604.4	105.5
Va Tech Wabag	8.3	19.2	13.7	2.0	1.2	17.0	47.0	14.4	0.8	20.1	28.9	13.9
VIP Inds.	4.1	-25.3	-27.6	-29.9	-1.1	Loss	PL	PL	-1.5	Loss	Loss	Loss

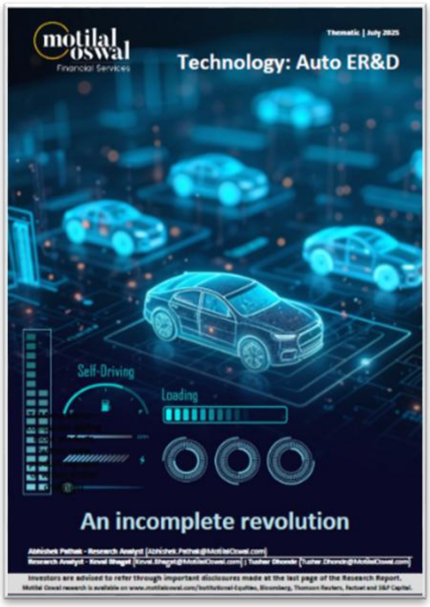
NOTES

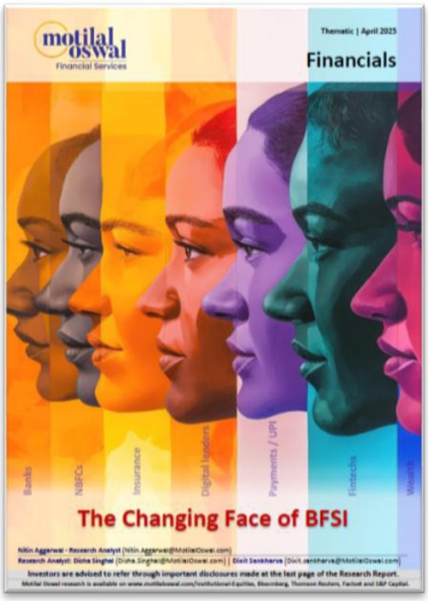
Quant Research and India Strategy gallery

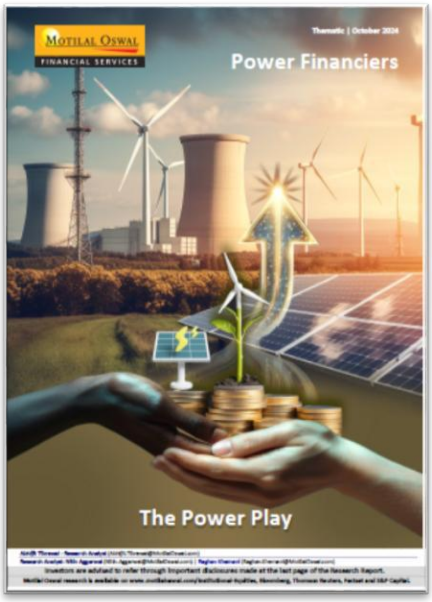












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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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