

## Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	83,939	-0.6	7.4
Nifty-50	25,722	-0.6	8.8
Nifty-M 100	59,826	-0.4	4.6
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	6,840	0.3	16.3
Nasdaq	23,725	0.6	22.9
FTSE 100	9,717	-0.4	18.9
DAX	23,958	-0.7	20.3
Hang Seng	9,169	-1.9	25.8
Nikkei 225	52,411	2.1	31.4
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	65	0.0	-12.0
Gold (\$/OZ)	4,003	-0.5	52.5
Cu (US\$/MT)	10,873	-0.2	25.7
Almn (US\$/MT)	2,879	0.7	13.9
Currency	Close	Chg .%	CYTD.%
USD/INR	88.8	0.1	3.7
USD/EUR	1.2	-0.2	11.4
USD/JPY	154.0	-0.1	-2.0
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.5	-0.04	-0.2
10 Yrs AAA Corp	7.3	-0.02	0.0
Flows (USD b)	31-Oct	MTD	CYTD
FII's	-0.76	1.35	-15.3
DII's	0.80	6.64	72.6
Volumes (INRb)	31-Oct	MTD*	YTD*
Cash	1,179	1064	1067
F&O	2,11,909	2,85,306	2,29,058

Note: Flows, MTD includes provisional numbers.

\*Average



## Today's top research theme

### India Strategy | 2QFY26 Interim review: A beat driven by Commodities; Mid-Caps outperform

- ❖ 2QFY26 earnings of MOFSL coverage companies (151 cos.) grew 14% YoY (vs. est. of 9% YoY). Excl. financials, MOFSL earnings grew 25% YoY (vs est. of 18%), while excl. Metals and O&G, earnings rose 6% YoY (vs est. of +2% YoY).
- ❖ Overall earnings growth was driven by O&G (OMC's profit up 9x YoY), which grew 79% YoY, Technology (8% YoY), Cement (147% YoY), Capital Goods (17% YoY), and Metals (7% YoY). These five sectors contributed 86% of the incremental YoY accretion in earnings so far.
- ❖ Earnings of the 27 Nifty companies that have declared results so far have grown 5% YoY (vs. est. of +6% YoY)
- ❖ MOFSL Large (49 cos.) and Midcaps (47 cos.) delivered earnings strong growth of 13% YoY and 26% YoY (vs est. of 7% YoY and 19% YoY repetitively), while Small-caps (55 cos.) delivered earnings growth of 3% YoY (vs est. of 4% YoY).
- ❖ Nifty EPS estimates for FY26 have been raised marginally to INR1,101 (from INR1,096). The FY27E EPS was raised by 0.3% to INR1,278 (from INR1,274).



## Research covered

### Cos/Sector Key Highlights

#### India Strategy | Interim review:

A beat driven by Commodities; Mid-Caps outperform

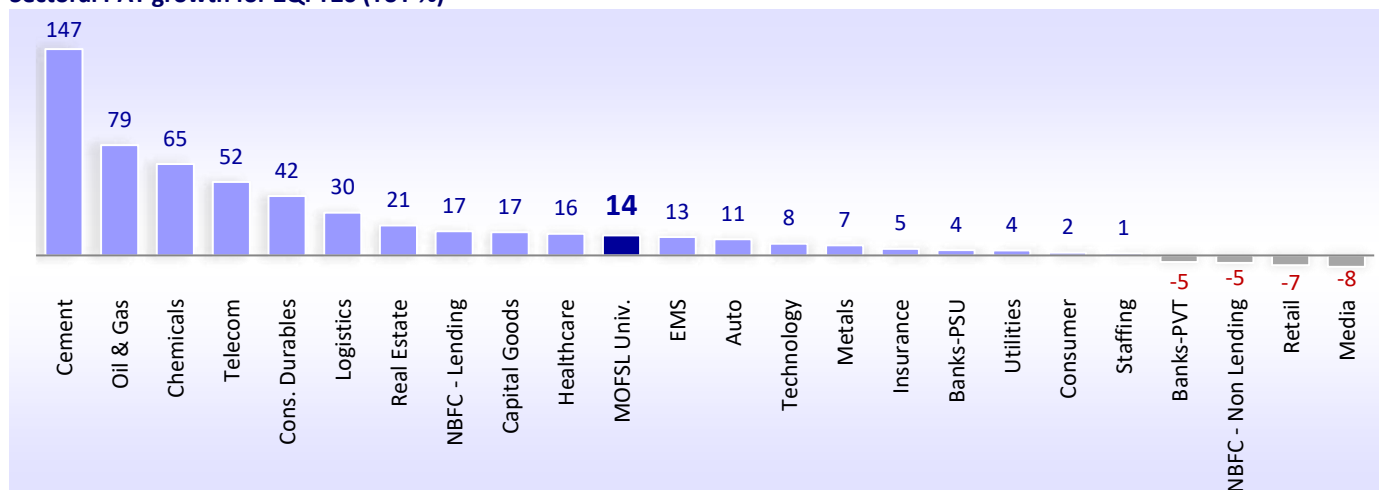
Maruti Suzuki | Bharat Electron | Vedanta | DLF | BPCL | Pidilite Inds. | Bank of Baroda | Shriram Fin. | GAIL | Lodha Dev. | Godrej Consumer | United Spirits | H P C L | Coromandel Inter. | Phoenix Mills | Mphasis | Balkrishna Inds. | ACC | IIFL Fin. | Kalpataru proj. | Zensar Tech. | Dr. Agarwal's Hea. | Vedant Fashions | LT Foods | Gravita India | Indian Energy Ex | Equitas Small Fin. | Restaurant Brand | Indostar Capital | Spandana Sphoort | Automobiles | Telecom | EcoScope (a. Fiscal; b. GST) | J K Cements | C D S L | Tata Chemicals | R R Kabel | Mahindra Life. | NOCIL

#### Other Updates



## Chart of the Day: India Strategy (A beat driven by Commodities; Mid-Caps outperform)

Sectoral PAT growth for 2QFY26 (YoY %)



Research Team (Gautam.Duggad@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

**India is set to triple rare earth magnets plan to \$788 million**

India plans to almost triple the size of its incentive program for rare earth magnet manufacturing to more than Rs 7,000 crore (\$788 million) as it races to build domestic capacity in a sector dominated by China, according to people familiar with the matter.

2

**Titagarh Rail Systems bags ₹2,481 crore Mumbai Metro line 5 order from MMRDA**

Titagarh Rail Systems Ltd received a letter of acceptance (LOA) from the Mumbai Metropolitan Region Development Authority (MMRDA) for the design, manufacture, supply, installation, and commissioning

3

**Dredging Corporation signs 22 MoUs worth ₹17,645 crore during India Maritime Week 2025**

Dredging Corporation of India Ltd (DCIL) said it has entered into 22 Memoranda of Understanding (MoUs) with 16 organisations worth ₹17,645 crore during the India Maritime Week 2025.

4

**HCCBL expects growth despite H1 disruptions; 4 Jubilant nominees join board**

Hindustan Coca-Cola Beverages, the bottling arm of beverage major Coca-Cola in India, expects a decent growth in FY26 despite facing disruptions in the first half, from adverse weather conditions to external macroeconomic pressures, according to a top company official.

5

**Borzo open to strategic investors, says Global CEO**

After turning profitable in India in 2024, same-day delivery platform Borzo (which operates under the brand WeFast in India) is now eyeing a global turnaround and is open to bringing in strategic investors to fuel its next phase of growth.

6

**Saudi Arabia's flyadeal to begin India flights in the first quarter of 2026**

Bullish on the fast-growing Indian aviation market, Saudi Arabia's no-frills carrier flyadeal will start flights to Indian cities, including Mumbai, from the first quarter of 2026. Greenway said flyadeal is looking to have a codeshare partnership with a domestic carrier in India.

7

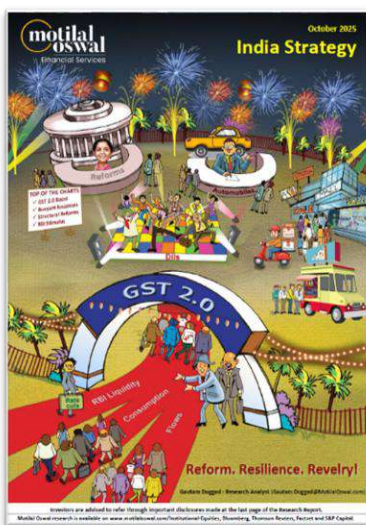
**Clixroute, China's TPV tie up to make AOC projectors, power units in India**

Electronics contract manufacturer Clixroute has partnered with Chinese electronics company TPV Audio and Visual Technology to manufacture AOC projectors and outdoor power supplies in India, a top company official said on Sunday.

BSE Sensex: 83,939

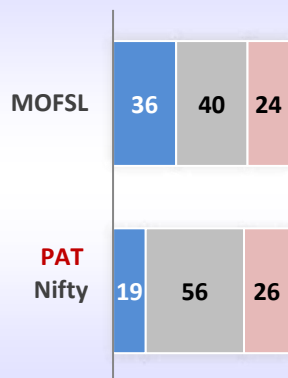
Nifty-50: 25,722

Refer to our Quarterly Preview



## Expectations vs. delivery: 2QFY26

% of companies that have declared results  
 ABOVE EXPECTATIONS IN-LINE BELOW EXPECTATIONS

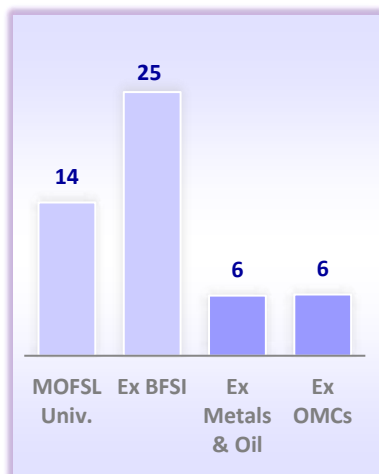


## Interim review: A beat driven by Commodities; Mid-Caps outperform

### Nifty witnesses marginal EPS upgrades

- In this report, we present our interim review of the 2QFY26 earnings season.
- As of 31<sup>st</sup> Oct'25, 151/27 companies within the MOFSL Universe/Nifty have announced their 2QFY26 results. These companies constituted i) 65% and 64% of the estimated PAT for the MOFSL and Nifty Universe, respectively; ii) 42% of India's market capitalization; and iii) 69% weightage in the Nifty.
- The earnings of the aforesaid 151 MOFSL Universe companies grew 14% YoY (in line with our estimate of 9% YoY) in 2QFY26. Overall earnings growth was driven by O&G (OMC's profit up 9x YoY), which grew 79% YoY, Technology (8% YoY), Cement (147% YoY), Capital Goods (17% YoY), and Metals (7% YoY). These five sectors contributed 86% of the incremental YoY accretion in earnings so far.
- Barring global commodities (i.e., Metals and O&G), the MOFSL Universe posted a 6% YoY earnings growth vs. our estimate of 2%. In contrast, **ex-Financials**, the earnings for the MOFSL Universe grew 25% YoY (vs. an est. of +18% YoY).
- Earnings of the 27 Nifty companies that have declared results so far have grown 5% YoY (vs. est. of +6% YoY), driven by HDFC Bank, Reliance Industries, TCS, JSW Steel, and Infosys. These five companies contributed 122% to the incremental YoY accretion in earnings. Conversely, Coal India, Axis Bank, Eternal, HUL, and Kotak Mahindra Bank dragged Nifty earnings lower. Seven companies within the Nifty reported lower-than-expected profits, while five recorded a beat, and fifteen registered in-line results.
- Large-caps and mid-caps deliver better than estimate, while small-caps' results are in line: Within our MOFSL Universe, large-caps (49 companies) posted an earnings growth of 13% YoY – similar to the overall universe. Mid-caps (47 companies) have extended their streak of the past three quarters and yet again delivered the highest growth at 26% YoY (vs. our est. of 19%). Multiple mid-cap sectors clocked impressive growth, including Technology, Cement, Metals, PSU Banks, Real Estate, and NBFC – Non-Lending. In contrast, small-caps (55 companies) continued to experience weakness in many sectors, with Private Banks, NBFC - Non-lending, Technology, Retail, and Media posting a YoY earnings decline. The small-cap earnings were up 3% YoY (our est. of +4%), with 69% of the coverage universe exceeding/meeting our estimates. Conversely, within the large-cap/mid-cap universes, 84%/77% of the companies exceeded/met our estimates.
- The Upgrade-to-Downgrade ratio at 0.7x: Until now, 29/42 companies within the MOFSL Coverage Universe have reported an upgrade/downgrade of more than 3% each, leading to an adverse upgrade-to-downgrade ratio for FY26E. The EBITDA margin of the MOFSL Universe (ex-Financials) expanded 170bp YoY to 16%, owing to margin expansion in Oil & Gas, Technology, Cement, Utilities, and Chemicals. However, the margin saw a contraction in the Telecom, Healthcare, Retail, Real Estate, and Media sectors.
- Nifty EPS raised marginally for FY26E/FY27E: The Nifty EPS for FY26E was raised marginally to INR1,101 (from INR1,096) due to upgrades in HDFC Bank, Tata Steel, Ultratech Cement, Dr. Reddy's Labs, and Shriram Finance. The FY27E EPS was raised by 0.3% to INR1,278 (from INR1,274).

PAT growth YoY in 2QFY26 (%)



- **MOFSL Universe estimated PAT experienced an upgrade of 1.2%/0.4% for FY26E/FY27:** MOFSL Universe witnessed a rise of 1.2% for FY26, led by Oil & Gas, Cement, PSU Banks, Healthcare, and Automobiles. The MOFSL Large-cap Universe experienced an upgrade of 1% for FY26, while the MOFSL Mid-cap Universe stood out with a 3.7% earnings upgrade for FY26. In contrast, the small-cap universes experienced earnings cuts of 4.3% for FY26.

#### Key result highlights: 2QFY26

- As of 31<sup>st</sup> Oct'25, **27 Nifty stocks** reported a sales/EBITDA/PBT/PAT growth of 9%/8%/5%/5% YoY (vs. est. of +7%/8%/5%/6%). Of these, 5/7 companies surpassed/missed our PAT estimates, each by more than 5%. On the EBITDA front, 6/3 companies exceeded/missed our estimates during the quarter.
- For the **151 companies within our MOFSL Universe**, sales/EBITDA/PBT/PAT were +8%/13%/13%/14% YoY (vs. est. of +5%/+8%/+7%/9%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 10%/5%/4%/6% YoY (vs. est. of +9%/3%/1%/2%) in 2QFY26 so far.
- **Summary of the 1QFY26 performance thus far:**
  - 1) Banks:** Private banks delivered better-than-expected 2QFY26 results, supported by better NIM performance and a healthy pickup in credit growth, while PSU banks also reported improved outcomes.
  - 2) Automobile:** The 2QFY26 results so far in Automobiles have largely been ahead of our estimates for OEMs, while for Auto Ancs, it has been a mixed bag. Festive season demand across segments has been healthy, and a pick-up in demand is expected in H2.
  - 3) Consumer:** Staples companies witnessed stable demand trends; however, the GST transition and an extended monsoon period weighed on overall performance during the quarter.
  - 4) Metals:** During 2QFY26, ferrous companies across the board reported NSR decline QoQ, led by heavy monsoon, but stood higher than our projection, leading to an earnings beat during the quarter.
  - 5) Oil & Gas:** The 2QFY26 results for the Oil & Gas sectors so far indicate a strong performance, primarily driven by OMCs. OMCs: All three OMCs delivered a significant beat on EBITDA estimates, driven by a 44-66% beat on our GRM estimates and strong marketing margins. RIL's 2QFY26 consolidated EBITDA increased 7% QoQ (+17% YoY) to INR459b.
  - 6) Technology:** The IT services companies offered some respite on already beaten-down expectations in 2QFY26, with median revenue growing 1.9% QoQ CC. Broadly, all large-cap companies managed to beat/meet revenue estimates. However, management commentary indicated that demand remains subdued, with no clear signs of a new spending cycle emerging.
- **View:** The 2QFY26 earnings have generally been in line, with the intensity of earnings cuts moderating. Although Indian equities have registered a lackluster performance over the past one year, we continue to highlight that the Indian markets now appear to be in a healthy state vs. last year. The earnings cycle is bottoming out, with growth expected to accelerate into double digits. Valuations are reasonable, with the Nifty trading at 21.4x, near its LPA of 20.8x. Any signs of earnings growth acceleration 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 SMIDs trade at expensive valuations, we continue to focus on this segment, selectively picking high-conviction SMID names in our portfolio.

### In-line performance, anchored by O&G

- **Aggregate performance of the MOFSL Universe:** sales/EBITDA/PBT/PAT were +8%/13%/13%/14% YoY (vs. est. of +5%/+8%/+7%/9%). Excluding Metals and O&G, the MOFSL Universe companies recorded a sales/EBITDA/PBT/PAT growth of 10%/5%/4%/6% YoY (vs. est. of +9%/3%/1%/2%) in 2QFY26 so far.
- **Nifty-50 companies that surpassed/missed our estimates:** HDFC Bank, Dr. Reddy's Labs, Bharat Electronics, Shriram Finance, and TCS exceeded our profit estimates. Conversely, Axis Bank, HDFC Life Insurance, SBI Life Insurance, Coal India, Reliance Industries, Tech Mahindra, and Eternal missed our profit estimates for 2QFY26.
- **Top FY26E upgrades:** HDFC Bank (4.2%), Shriram Finance (4.5%), Ultratech Cement (3.2%), and Dr. Reddy's Labs (2.9%).
- **Top FY26E downgrades:** Eternal (-37.9%), HDFC Life Insurance (-10.7%), NTPC (-9.2%), Coal India (-6.3%), Reliance Inds (-3.5%), and SBI Life Insurance (-3%).

### Sector-wise 2QFY26 performance of the MOFSL Universe companies (INR b)

Sector (no of companies)	Sales				EBITDA				PBT				PAT			
	Sep-25	Chg. % QoQ	YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	YoY	Var. over Exp. %	Sep-25	Chg. % QoQ	YoY	Var. over Exp. %
Automobiles (7)	811	8.9	11.8	2.9	100	11.0	8.1	6.5	87	-0.1	-2.4	-1.0	66	0.2	11.5	-0.2
Capital Goods (4)	793	8.3	12.4	-3.4	90	12.0	9.9	0.8	84	12.4	15.5	4.6	55	13.1	16.5	4.2
Cement (5)	343	-7.2	19.3	5.1	56	-24.5	67.7	3.8	29	-40.4	184.4	12.6	21	-42.6	147.3	4.0
Chemicals (4)	63	-1.4	10.0	-4.4	13	3.6	41.3	1.6	10	8.6	65.5	5.3	8	11.2	65.3	7.0
Consumer (12)	679	-5.4	2.4	-2.5	168	-4.6	1.3	0.2	158	-5.9	1.1	-1.0	117	-6.1	2.0	-1.4
Consumer Durables (4)	161	0.9	14.3	0.1	19	5.5	42.1	4.8	17	5.0	42.0	6.8	13	6.0	42.4	7.4
EMS (2)	152	15.6	27.2	3.0	6	16.8	29.4	6.8	9	154.7	71.7	124.5	3	11.9	13.2	-2.6
Financials (45)	2,388	8.0	6.1	2.3	1,318	-7.0	1.3	4.3	1,038	0.9	-0.8	4.2	790	2.9	0.5	4.7
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 (5)	469	0.9	0.5	3.1	350	-1.4	-4.8	5.8	287	0.4	-1.6	7.0	218	20.5	3.7	9.9
Insurance (5)	664	30.9	14.2	2.4	29	34.9	10.0	7.8	25	-13.3	6.1	22.3	21	-13.7	4.8	2.0
NBFC - Lending (14)	266	2.9	8.2	0.0	208	8.3	10.0	2.2	152	7.6	12.5	4.6	116	6.6	17.2	3.8
NBFC-Non Lend. (9)	51	7.5	8.7	1.8	28	11.7	-0.5	1.8	29	-6.1	-10.9	-1.7	23	-3.6	-5.4	0.8
Healthcare (4)	185	5.6	11.0	3.4	46	2.7	4.2	5.6	42	5.0	9.9	10.3	31	7.3	15.6	10.5
Logistics (4)	57	5.1	12.0	-1.1	10	11.4	18.5	1.1	7	13.7	18.0	-0.7	5	9.4	30.4	-1.9
Media (2)	38	15.1	4.7	0.1	5	40.3	-10.7	1.2	3	84.6	-6.8	5.4	2	84.0	-8.1	-14.5
Metals (7)	1,685	-0.5	8.4	6.4	354	-12.7	12.7	3.7	230	-21.2	12.1	7.9	150	-26.4	7.2	3.3
Oil & Gas (6)	6,763	-2.9	5.2	4.3	814	6.1	48.8	12.8	560	6.5	75.5	17.8	385	5.5	78.7	15.7
Ex OMCs (3)	2,917	4.0	9.6	3.8	494	5.7	14.3	0.5	322	3.3	11.6	-3.2	206	1.5	5.4	-8.8
Real Estate (8)	114	8.5	26.3	4.6	35	27.2	21.8	-7.9	36	41.8	44.4	4.8	34	43.1	21.3	6.5
Retail (8)	227	2.9	13.0	-0.2	22	-1.3	6.0	-1.1	12	-9.2	0.3	-7.8	9	-9.6	-7.0	-8.5
Staffing (1)	38	4.9	3.4	-1.3	1	10.0	10.7	-2.3	1	6.2	13.8	0.1	1	-2.2	1.5	-1.2
Technology (14)	2,092	4.5	6.4	0.4	474	7.7	7.8	2.3	441	3.9	6.5	1.6	330	4.6	8.4	2.7
Telecom (2)	143	1.9	9.0	0.5	57	4.7	-2.7	4.1	28	4.1	-13.8	4.1	19	0.9	52.4	-4.9
Utilities (3)	445	-7.0	1.8	-13.1	131	-0.3	14.5	-12.4	74	-0.1	3.1	1.4	53	1.4	3.6	0.5
Others (9)	407	30.8	51.9	18.1	37	16.2	12.8	0.8	17	26.4	-3.8	-19.1	10	46.2	-14.6	-25.3
<b>MOFSL Universe (151)</b>	<b>17,584</b>	<b>1.4</b>	<b>7.8</b>	<b>2.6</b>	<b>3,756</b>	<b>-1.5</b>	<b>13.3</b>	<b>4.6</b>	<b>2,882</b>	<b>0.1</b>	<b>13.4</b>	<b>6.0</b>	<b>2,101</b>	<b>0.2</b>	<b>14.3</b>	<b>5.2</b>
<b>Ex Financials (106)</b>	<b>15,196</b>	<b>0.4</b>	<b>8.0</b>	<b>2.7</b>	<b>2,438</b>	<b>1.8</b>	<b>20.9</b>	<b>4.7</b>	<b>1,845</b>	<b>-0.4</b>	<b>23.3</b>	<b>7.1</b>	<b>1,310</b>	<b>-1.3</b>	<b>24.6</b>	<b>5.5</b>
<b>Ex Metals &amp; Oil (138)</b>	<b>9,137</b>	<b>5.2</b>	<b>9.6</b>	<b>0.7</b>	<b>2,588</b>	<b>-1.9</b>	<b>5.4</b>	<b>2.3</b>	<b>2,092</b>	<b>1.5</b>	<b>3.7</b>	<b>3.1</b>	<b>1,566</b>	<b>2.5</b>	<b>5.6</b>	<b>3.1</b>
<b>Ex OMCs (148)</b>	<b>13,739</b>	<b>4.2</b>	<b>9.5</b>	<b>2.0</b>	<b>3,436</b>	<b>-2.2</b>	<b>7.3</b>	<b>2.2</b>	<b>2,644</b>	<b>-0.8</b>	<b>5.3</b>	<b>2.7</b>	<b>1,922</b>	<b>-0.6</b>	<b>5.7</b>	<b>1.7</b>
<b>Nifty (27)</b>	<b>8,797</b>	<b>4.4</b>	<b>9.0</b>	<b>1.5</b>	<b>2,115</b>	<b>-4.2</b>	<b>8.5</b>	<b>0.3</b>	<b>1,689</b>	<b>-1.7</b>	<b>5.2</b>	<b>0.2</b>	<b>1,223</b>	<b>-3.6</b>	<b>4.6</b>	<b>-0.9</b>
<b>Sensex (17)</b>	<b>7,090</b>	<b>3.9</b>	<b>8.9</b>	<b>1.1</b>	<b>1,810</b>	<b>-2.8</b>	<b>9.2</b>	<b>1.2</b>	<b>1,465</b>	<b>1.9</b>	<b>6.3</b>	<b>1.2</b>	<b>1,054</b>	<b>-0.1</b>	<b>5.9</b>	<b>0.3</b>

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

# Maruti Suzuki

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	5088.9 / 57.3
52-Week Range (INR)	16674 / 10725
1, 6, 12 Rel. Per (%)	-4/26/40
12M Avg Val (INR M)	5356

## Financials & valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	1,744	2,017	2,324
EBITDA	191	239	284
Adj. PAT	152	194	226
EPS (INR)	484	617	720
EPS Gr. (%)	9.1	27.3	16.8
BV/Sh. (INR)	3,341	3,807	4,337

## Ratios

RoE (%)	14.5	16.2	16.6
RoCE (%)	18.8	21.0	21.5
Payout (%)	31.0	30.8	30.6

## Valuations

P/E (x)	33.4	26.3	22.5
P/BV (x)	4.8	4.3	3.7
EV/EBITDA (x)	22.7	17.7	14.6
Div. Yield (%)	0.9	1.2	1.4

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	58.3	58.3	58.2
DII	22.6	23.3	20.9
FII	15.8	15.2	17.7
Others	3.3	3.2	3.2

FII includes depository receipts

**CMP: INR16,186 TP: INR18,712 (+16%) Buy**

## Margins maintained QoQ due to improved mix

### Targets eight new SUV launches by 2031

- Maruti Suzuki (MSIL)'s 2QFY26 PAT was in line, while EBITDA margin came in better than our estimate due to an improved mix.
- The GST rate cut has helped revive small car demand. This coupled with the launch of the new Victoris, as well as the e-Vitara, is likely to help drive market share gains for MSIL from here on. Further, the company anticipates exceeding its exports growth guidance of 400k units (+20% YoY) in FY26. Overall, we project MSIL to deliver a 17.5% earnings CAGR over FY25-28. **Reiterate BUY with a TP of INR18,712, valued at 28x Sep'27E EPS.**

### Margins ahead of our estimates; PAT in line

- MSIL's revenue grew 13% YoY to INR421b, outperforming our estimate of INR401b. This growth was driven largely by an 11.3% improvement in average realizations to INR764k per vehicle, reflecting a richer product mix in favor of higher SUVs, as well as improved exports.
- Volumes rose **2% YoY to 551k units**, with **domestic sales** down 5.1% (to 440k units) due to customer postponement of purchases in anticipation of GST-related price cuts, while **exports surged 42.2%** to an all-time quarterly high of **110k units**.
- Strong revenue growth led by an improved mix, and **tighter control on operating costs** led to an **EBITDA of INR44.3b** (flat YoY, +11% QoQ), exceeding our estimate of INR39.2b.
- EBITDA margin stood at **10.5%**, a dip of **140bp YoY**, but still **ahead of our estimate of 9.8%**. Margins remained stable sequentially despite higher discounts and promotional spending, supported by cost reduction initiatives and improved mix.
- **Adjusted PAT stood at INR32.9b**, broadly in line with our estimate of INR33.1b, up **7.3% YoY**. Upside to earnings was limited by **lower non-operating income** and **higher depreciation**, attributed to the ramp-up of the **Kharkhoda plant and the new Victoris launch**.
- For 1HFY26, CFO came in at INR62.8b, while capex stood at INR42.1b. MSIL's FCF for 1HFY26 was INR20.7b.
- MSIL's 1HFY26 were +11%/-6%/+4.3% at INR805b/ INR84.3b/INR70b. We expect MSIL revenue/EBITDA/PAT to post 18.5%/20%/14% to INR938b/ INR107b/INR82b in 2HFY26.

### Key highlights from the management commentary

- Buoyed by GST rate cuts, retail sales during the festive period (22<sup>nd</sup> Sep to 31<sup>st</sup> Oct'25) have been very strong, with MSIL recording 400k units, up sharply from 211k units YoY. Within this, small cars contributed about 250k units, reflecting 100% YoY growth.
- MSIL has also seen strong bookings in the festive period. Total bookings reached 500k units compared to 350k units YoY. Outstanding bookings currently stand at ~200k units.

- For 2HFY26 and beyond, management expects the overall PV industry to grow about 6% YoY, while the small-car segment is projected to grow by around 10% YoY (on a small base).
- MSIL expects to exceed its FY26 export guidance of 400k units, having already exported over 200,000 units in 1HFY26.
- Management reiterated that reaching a 50% market share in PVs remains its long-term objective. MSIL earmarked eight new SUV launches until 2031 (excluding Victoris), which will help the company move towards this target. Further, it would also be working to achieve a 10% EBIT margin in the long run, which is Suzuki Motor Corporation's guidance for the whole group as well.

### Valuation and view

- The GST rate cut has helped revive small car demand as vehicles are now much more affordable for price conscious consumers. This coupled with the launch of the new Victoris, as well as the e-Vitara, is likely to help drive market share gains for MSIL from here on.
- Also, the company anticipates exceeding its exports growth guidance of 400k units (+20% growth YoY) in FY26. Further, any favorable policy for hybrids by the government may drive a re-rating, as MSIL would be the key beneficiary of the same.
- Overall, we expect MSIL to deliver a 17.5% earnings CAGR over FY25-28E, driven by new launches and strong export growth. **Reiterate BUY with a TP of INR18,712, valued at 28x Sep'27E EPS.**

### S/A Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	(INR b)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
<b>Financial Performance</b>												
Volumes ('000 units)	521.9	541.6	566.2	604.6	527.9	550.9	605.8	662.7	2,234.3	2,347.2	550.9	0.0
Change (%)	4.8	-1.9	13.0	3.5	1.1	1.7	7.0	9.6	4.9	10.3	1.7	
ASP (INR '000/car)	680.9	687.0	679.8	672.7	727.7	764.3	734.2	744.9	679.9	742.8	728.2	5.0
Change (%)	4.9	2.3	2.3	2.8	6.9	11.3	8.0	10.7	2.7	12.2	6.0	
<b>Net operating revenues</b>	<b>355.3</b>	<b>372.0</b>	<b>384.9</b>	<b>406.7</b>	<b>384.1</b>	<b>421.0</b>	<b>444.8</b>	<b>493.6</b>	<b>1,519</b>	<b>1,744</b>	401.1	5.0
Change (%)	9.9	0.4	15.6	6.4	8.1	13.2	15.6	21.3	7.8	14.8	7.8	
RM Cost (% of sales)	70.2	71.9	71.6	71.9	72.2	73.1	72.8	72.9	71.4	72.8	72.8	30BP
Staff Cost (% of sales)	4.4	3.9	4.0	3.9	4.6	4.2	4.0	3.6	4.0	4.1	4.3	-10BP
Other Cost (% of sales)	12.8	12.3	12.8	13.8	12.8	12.2	12.0	11.9	12.8	12.2	13.1	-90BP
<b>EBITDA</b>	<b>45.0</b>	<b>44.2</b>	<b>44.7</b>	<b>42.6</b>	<b>40.0</b>	<b>44.3</b>	<b>49.7</b>	<b>56.8</b>	<b>178</b>	<b>191</b>	<b>39.2</b>	13.0
EBITDA Margins (%)	12.7	11.9	11.6	10.5	10.4	10.5	11.2	11.5	11.7	10.9	9.8	80BP
Depreciation	7.3	7.5	8.1	8.7	9.4	10.4	10.4	11.2	31.6	41.4	9.4	
<b>EBIT</b>	<b>37.7</b>	<b>36.7</b>	<b>36.7</b>	<b>33.9</b>	<b>30.6</b>	<b>33.9</b>	<b>39.3</b>	<b>45.6</b>	<b>146</b>	<b>149</b>	<b>29.8</b>	13.8
EBIT Margins (%)	10.6	9.9	9.5	8.3	8.0	8.1	8.8	9.2	9.6	8.6	7.4	
Interest	0.6	0.4	0.5	0.5	0.5	0.6	0.5	0.5	1.9	2.0	0.5	
Non-Operating Income	9.8	14.8	9.9	14.5	18.2	9.1	10.2	12.8	47.5	50.4	14.2	
<b>PBT</b>	<b>46.9</b>	<b>51.0</b>	<b>46.0</b>	<b>47.9</b>	<b>48.3</b>	<b>42.5</b>	<b>49.0</b>	<b>57.9</b>	<b>191.8</b>	<b>197.8</b>	<b>43.5</b>	
Effective Tax Rate (%)	22.2	39.8	23.4	22.6	23.2	22.5	23.0	23.2	27.3	23.0	24.0	
<b>Adjusted PAT</b>	<b>36.5</b>	<b>30.7</b>	<b>35.3</b>	<b>37.1</b>	<b>37.1</b>	<b>32.9</b>	<b>37.7</b>	<b>44.5</b>	<b>139.6</b>	<b>152.3</b>	<b>33.1</b>	-0.5
Change (%)	46.9	-17.4	12.6	-4.3	1.7	7.3	7.0	20.0	5.6	9.1	7.8	

# Bharat Electronics

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BHE IN
Equity Shares (m)	7310
M.Cap.(INRb)/(USDb)	3114.7 / 35.1
52-Week Range (INR)	436 / 240
1, 6, 12 Rel. Per (%)	1/30/43
12M Avg Val (INR M)	7329

## Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Sales	276.7	325.5	386.4
Sales Gr. (%)	17.0	17.6	18.7
EBITDA	78.9	92.8	108.2
EBITDA Margin	28.5	28.5	28.0
Adj. PAT	60.8	72.1	83.8
Adj. EPS (INR)	8.3	9.9	11.5
EPS Gr. (%)	15.0	18.6	16.2
BV/Sh.(INR)	34.3	43.0	53.0

## Ratios

RoE (%)	24.2	23.0	21.6
RoCE (%)	27.2	25.6	23.9
Payout (%)	12.4	12.4	12.4

## Valuations

P/E (x)	51.2	43.2	37.2
P/BV (x)	12.4	9.9	8.0
EV/EBITDA (x)	37.3	31.1	26.1
Div. Yield (%)	0.2	0.3	0.3

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.1	51.1	51.1
DII	20.9	20.6	20.2
FII	18.2	18.6	17.3
Others	9.8	9.7	11.4

FII Includes depository receipts

**CMP: INR426 TP: INR500 (+17%) Buy**

## Strong beat versus estimates

Bharat Electronics' (BHE) 2QFY26 revenue/EBITDA/PAT exceeded our estimates, driven by strong execution and better-than-expected margins. Concerns over BHE's plateauing order book seem unwarranted as despite order book growing at a CAGR of 9% during FY23-1HFY26, the company has consistently grown its revenue by 14-17% over the same period, supported by strong inflows, except in FY25. The future order pipeline also remains strong, driven by orders from the AoNs approved across Army, Navy and Air Force over the last two years. This will be further supported by large-sized order prospects from QRSAM, project Kusha and next-generation corvettes and export opportunities in future. We also expect margin performance to remain strong, led by project mix and indigenization. We, thus, maintain our positive stance on BHE and retain BUY with a marginally revised TP of INR500, based on 45x Dec'27E EPS (Rs490 earlier).

## Beat across all parameters

BHE reported a strong set of results with a beat across revenue, EBITDA and PAT. Revenue grew 26% YoY to INR57.6b, beating our estimate of INR52.6b by 10%. Order book stood strong at INR746b, with an inflow of ~INR54b (+116% YoY) during the quarter. Gross margin was slightly below our estimate at 50.9% in 2QFY26. Margin performance is dependent on the project mix during the quarter. However, lower-than-expected operating expenses led to 18% beat in absolute EBITDA at INR17b (+22% YoY), while margins stood at 29.4% vs. our estimate of 27.4%. Strong topline and margin performance resulted in 16%/15% beat to our PBT/PAT estimates. PAT stood at INR12.9b, up 18% YoY vs. our estimate of INR11.2b. For 1HFY26, revenue/EBITDA/PAT grew 16%/26%/21%, while margins expanded 230bp YoY to 28.8%. Operating cash outflow stood at INR8.9b in 1HFY26 vs. an outflow of INR22.9b in 1HFY25. FCF outflow stood at INR13.4b as of 1HFY26.

## Near- to long-term prospect pipeline remains strong

BHE's long-term order pipeline remains strong and well diversified across major defense platforms, ensuring growth visibility beyond FY26. Over the medium term, it sees opportunities exceeding INR500b from recent AoN approvals totaling INR1.7t, including about INR100b from the latest tranche of AoN approvals. The company has already received 11 emergency procurement orders worth around INR13-15b, with another INR20b in advanced approval stages. It also expects next-generation corvette subsystems (INR45b this year and INR80-100b next year) and INR25b avionics orders for the LCA Mk1A. Other programs such as GBMES, mountain radars, Shatrughat, Samaghat, AMCA, and Archer UAV further strengthen BHE's long-cycle growth outlook. BHE also expects QRSAM worth INR300b to be awarded by Mar'26, with prototype to take another 12-18 months and revenue recognition from FY28 onward with a five-to-six year execution timeline, and later Project Kusha, with production orders by Dec'29.

### **Transitioning from being an electronics supplier to a full system-level integrator**

BHE has entered a strategic consortium with L&T to participate in the AMCA stealth fighter program led by ADA/DRDO. Unlike previous aircraft programs where BHE's role was limited to supplying avionics and electronic modules, the company aims to move up the value chain into system integration, aircraft integration, and testing roles. The scope includes development of prototypes, validation, and higher-level integration, reflecting a deliberate shift toward end-to-end platform capability. The initial phase involves realization of five prototypes over the next six to eight years, with limited capex requirements of INR1-2b for module testing and jigs. AMCA is a long-cycle program that strengthens BHE's positioning in high-value aircraft platforms while deepening its collaboration with ADA and DRDO.

### **Targeted investment for long-term capability expansion**

BHE plans to invest about INR14b over the next three to four years in a new defence system integration complex (DSIC) in Andhra Pradesh, covering 920 acres. This facility will primarily support QRSAM system integration, testing, and validation while housing production for unmanned, missile, and radar systems. The investment has been endorsed by both state and central authorities, and BHE has retained flexibility to expand capacity further if programs like Kusha or AMCA advance to production. The company's steady capex discipline supports its long-term goal of maintaining advanced integration capabilities and readiness for next-generation defense projects.

### **Guidance maintained**

The company continues to target over 15% revenue growth, driven by timely deliveries and new project inflows. EBITDA margins are expected to remain above 27%, aided by favorable product mix, cost optimization, and ongoing indigenization efforts. Order inflows are guided at around INR270b and nearly INR570b including QRSAM, while R&D investment is expected to exceed INR16b and capex over INR10b. Management also reaffirmed its long-term export strategy, aiming to increase exports from the current 3-4% of turnover to about 5% over the next two to three years, and eventually to 10% of total revenues. The company's healthy USD326m export order book and strong leads across friendly nations provide visibility toward achieving this target.

### **Fourth Pay Revision Committee (PRC)**

BHE mentioned that the Eighth Pay Commission is not applicable to PSUs. Instead, BHE will come under the Fourth PRC, which will determine wage revisions for PSU employees, effective from 1<sup>st</sup> Jan'27. The committee has not yet been constituted, but management expects the framework to offer flexibility for each PSU to adapt based on its financial performance and profitability, with salaries expected to rise ~10-15% from current levels once the new structure is implemented. This financial impact is expected to begin in 4QFY27, though BHE believes strong revenue growth and operational efficiency will comfortably absorb the cost increase. We have already factored in this increase in employee cost in our estimates.

### **Valuation and view**

BHE is currently trading at 51.2x/43.2x/37.2x on FY26E/FY27E/FY28E EPS. We marginally tweak our estimates to bake in slight margin improvement and lower other income. **We marginally revise our TP to INR500, based on 45x Dec'27E EPS, and maintain BUY rating on BHE.**

### **Key risks and concerns**

A slowdown in order inflows from the defense and non-defense segments, intensified competition, further delays in the finalization of large tenders, a sharp rise in commodity prices, and delays in payments from the MoD can adversely impact our estimates on revenue, margins, and cash flows.

# Standalone Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
<b>Net Sales</b>	<b>41,988</b>	<b>45,834</b>	<b>57,561</b>	<b>91,197</b>	<b>44,168</b>	<b>57,637</b>	<b>67,801</b>	<b>107,132</b>	<b>236,580</b>	<b>276,738</b>	<b>52,580</b>	<b>10</b>
Change (%)	19.6	14.8	39.1	6.9	5.2	25.8	17.8	17.5	17.3	17.0	14.7	
<b>EBITDA</b>	<b>9,367</b>	<b>13,885</b>	<b>16,533</b>	<b>27,890</b>	<b>12,399</b>	<b>16,953</b>	<b>19,120</b>	<b>30,432</b>	<b>67,676</b>	<b>78,904</b>	<b>14,408</b>	<b>18</b>
Change (%)	41.0	38.2	57.5	22.3	32.4	22.1	15.6	9.1	35.4	16.6	3.8	
As of % Sales	22.3	30.3	28.7	30.6	28.1	29.4	28.2	28.4	28.6	28.5	27.4	
Depreciation	997	1,032	1,029	1,298	1,129	1,185	1,242	1,413	4,356	4,968	1,212	-2
Interest	12	13	13	58	14	17	13	52	96	96	13	25
Other Income	2,015	1,668	2,051	1,942	1,636	1,591	2,076	2,385	7,676	7,688	1,803	-12
<b>PBT</b>	<b>10,373</b>	<b>14,509</b>	<b>17,542</b>	<b>28,476</b>	<b>12,892</b>	<b>17,343</b>	<b>19,940</b>	<b>31,352</b>	<b>70,900</b>	<b>81,528</b>	<b>14,987</b>	<b>16</b>
Tax	2,612	3,596	4,381	7,428	3,201	4,482	5,067	7,968	18,017	20,718	3,809	
Effective Tax Rate (%)	25.2	24.8	25.0	26.1	24.8	25.8	25.4	25.4	25.4	25.4	25.4	
<b>Reported PAT</b>	<b>7,761</b>	<b>10,913</b>	<b>13,161</b>	<b>21,048</b>	<b>9,691</b>	<b>12,861</b>	<b>14,873</b>	<b>23,384</b>	<b>52,883</b>	<b>60,810</b>	<b>11,178</b>	<b>15</b>
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	13.0	11.1	31.5	15.0	2.4	
<b>Adj PAT</b>	<b>7,761</b>	<b>10,913</b>	<b>13,161</b>	<b>21,048</b>	<b>9,691</b>	<b>12,861</b>	<b>14,873</b>	<b>23,384</b>	<b>52,883</b>	<b>60,810</b>	<b>11,178</b>	<b>15</b>
Change (%)	46.2	34.3	47.3	18.0	24.9	17.9	13.0	11.1	31.5	15.0	2.4	

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR494      TP: INR540 (+9%)      Neutral**

## Earnings beat led by outperformance of the aluminum business

### Consolidated result highlights

- Vedanta (VEDL) reported a consolidated revenue of INR399b (+6% YoY and +5% QoQ) against our est. of INR371b, driven by higher LME, improved premiums, and forex gains in 2QFY26.
- Consolidated EBITDA stood at INR114b (+16% YoY and +15% QoQ) against our est. of INR96b, driven by higher premiums and forex gains, partially offset by higher costs and lower volumes.
- EBITDA margin for 2QFY26 stood at 28.6% compared to 26.2% in 1QFY26 and 26.1% in 2QFY25.
- APAT for the quarter stood at INR33.5b (+13% YoY and +5% QoQ) against our estimate of INR21.7b.
- The company reported an exceptional item of INR20.7b towards trade receivables written off and capital creditor settlement.
- In 1HFY26, revenue stood at INR777b (+6% YoY) and EBITDA was INR213b (+8%), while APAT remained flat YoY to INR65b.

### Segmental result highlights

#### Aluminum:

- VEDL produced 617kt of aluminum, registering a growth of 1% YoY and 2% QoQ, whereas the alumina production from Lanjigarh refinery grew 31% YoY and 11% QoQ to 653kt in 2QFY26.
- Net sales stood at INR156.7b (+14% YoY and +8% QoQ), in line with our est., while EBITDA grew 46% YoY and 24% QoQ to INR55.3b vs our est. of INR45.8b in 2QFY26.
- Aluminum's cost of production stood at USD1826/t (+5% YoY and +3% QoQ) during the quarter.

#### Zinc India (HZL):

- Hindustan Zinc's (HZ) revenue at INR85.5b (+4% YoY/+10% QoQ) remained largely in line with our est. of INR81b. The growth was driven by better commodity prices, offset by lower volumes.
- EBITDA was also in line at INR44.5b (+7% YoY/+15% QoQ) during the quarter. EBITDA margin stood at 52% in 2QFY26 vs. 49.7% in 1QFY26 and 50% in 2QFY25. The improvement was primarily on account of favorable metal prices and lower cost of production.
- Zinc CoP for the quarter stood at USD994/t, which declined 7% YoY/2% QoQ due to softened input commodity prices and higher by-product realizations.
- APAT stood at INR26.5b (+14% YoY/+19% QoQ) vs. our est. of INR25b.
- Mined metal for the quarter stood at 258kt (+1% YoY/-3% QoQ), led by better mine metal grades and improved recoveries.
- Refined metal production for 2Q stood at 247kt. Refined zinc production was 202kt (+2% YoY/flat QoQ), while the refined lead production stood at 45kt (-29% YoY/-7% QoQ), due to lower pyro plant availability.
- Salable silver production declined 22% YoY and 4% QoQ to 144kt, in line with lower lead production.

Bloomberg	VEDL IN
Equity Shares (m)	3910
M.Cap.(INRb)/(USDb)	1930 / 21.7
52-Week Range (INR)	527 / 362
1, 6, 12 Rel. Per (%)	1/12/0
12M Avg Val (INR M)	4354
Free float (%)	43.6

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	1,640	1,751	1,858
EBITDA	480.8	511.4	554.3
EBITDA margin	29.3	29.2	29.8
APAT	162.8	183.0	213.1
Adj. EPS (INR)	41.6	46.8	54.5
EPS Gr (%)	19.8	12.4	16.5
BV/Sh. (INR)	121.7	147.0	180.1

### Ratios

Net D:E	1.0	0.6	0.2
RoE (%)	36.7	34.8	33.3
RoCE (%)	27.6	27.3	27.8
Payout (%)	51.4	45.8	39.3

### Valuations

P/E (x)	11.9	10.6	9.1
P/BV	4.1	3.4	2.7
EV/EBITDA (x)	6.4	5.7	5.0
Div. Yield (%)	4.3	4.3	4.3
FCF Yield (%)	11.6	14.9	15.7

### Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.4	56.4	56.4
DII	16.3	16.5	16.5
FII	11.2	10.7	11.6
Others	16.1	16.4	15.5

FII includes depository receipts

### Zinc International:

- Mined metal production rose 38% YoY and 6% QoQ to 60kt, driven by higher milled tons and better lead grades.
- Revenue stood at INR12.4b, up 22% YoY and 8% QoQ, while EBITDA declined 1% YoY and 12% QoQ to INR3.7b, led by a rise in CoP by 24% YoY and +17% QoQ to USD1,482/t in 2QFY26.

### Copper:

- Copper cathodes production stood at 40kt, down 3% YoY and 9% QoQ due to temporary disruptions in raw material sourcing during the quarter.
- Revenue came in at INR66b (+4% YoY and QoQ), while reported EBITDA loss was INR130m in 2QFY26 against a loss of INR100m in 2QFY25 and INR260m in 1QFY26.

### Iron Ore:

- Saleable ore production stood at 1.1mt, down 19% YoY and 41% QoQ on account of prolonged monsoon. Pig iron production rose 26% YoY and 12% QoQ to 238kt over the debottlenecking of the blast furnace.
- Revenue stood at INR14.5b (+6% YoY and +9% QoQ), while EBITDA declined 21% YoY and 47% QoQ to INR1.1b during the quarter.

### Highlights from the management commentary

- The company maintained full-year capex guidance of USD1.7-1.9b for FY26, with USD0.9b already invested in 1HFY26.
- Hot metal cost increased to USD1,826/t in 2Q, compared to USD1,765/t in 1Q. Management targets to reduce hot metal costs to below USD1,650/t in 2HFY26, driven by lower power and alumina input costs.
- 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.
- PLF guidance: Meenakshi 65% (INR4.7/unit cost, INR5.7/unit realization), Athena 87% (INR2.8 cost, INR5.7 realization) by 4QFY26.
- VEDL expects a stronger 2H operational run rate across aluminum, zinc, power, and steel segments, which will drive higher consolidated earnings.

### Valuation and view

- VEDL's 2QFY26 performance came in better than our expectation, mainly driven by the outperformance of the aluminum business. We increase our FY26 revenue, EBITDA, and PAT estimates by 4%, 2%, and 4%, factoring in the earnings beat in 2QFY26 and a stronger near-term outlook. We largely retain FY27 earnings.
- Capex plans are progressing well and will likely lead to further cost savings. Management targets to maintain strong growth in earnings, led by the upcoming capacity, which will produce higher VAP products. VEDL remains firm on its deleveraging plans, and going forward, higher cash flows will support both its expansion plans and deleveraging efforts.
- **The stock currently trades at 5.7x EV/EBITDA and 3.4x P/BV on the FY27 estimate. We reiterate our Neutral rating on the stock with a SoTP-based TP of INR550.**

### Quarterly performance - Consolidated (INR b)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Vs.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est.%
<b>Net Sales</b>	<b>357.6</b>	<b>376.3</b>	<b>391.2</b>	<b>404.6</b>	<b>378.2</b>	<b>398.7</b>	<b>419.6</b>	<b>444.1</b>	<b>1,529.7</b>	<b>1,639.6</b>	<b>371.0</b>	<b>7.5</b>
Change (YoY %)	6.0	10.1	10.1	13.9	5.8	5.9	7.3	9.8	10.1	7.2		
Change (QoQ %)	0.7	5.2	3.9	3.4	(6.5)	5.4	5.2	5.9				
<b>EBITDA</b>	<b>99.5</b>	<b>98.3</b>	<b>111.0</b>	<b>114.7</b>	<b>99.2</b>	<b>114.0</b>	<b>124.4</b>	<b>143.3</b>	<b>423.4</b>	<b>480.8</b>	<b>95.7</b>	<b>19.1</b>
Change (YoY %)	54.9	46.3	30.2	30.8	(0.3)	16.0	12.0	25.0	39.1	13.6		
Change (QoQ %)	13.4	(1.2)	13.0	3.3	(13.5)	14.9	9.1	15.2				
As % of Net Sales	27.8	26.1	28.4	28.3	26.2	28.6	29.6	32.3	27.7	29.3		
Finance cost	22.2	26.7	24.4	25.8	20.3	21.1	24.8	28.0	99.1	94.2		
DD&A	27.3	27.0	26.8	29.9	28.2	28.7	28.7	29.1	111.0	114.7		
Other Income	9.3	13.0	6.8	7.6	9.9	6.0	6.2	6.6	36.8	28.7		
<b>PBT (before EO item)</b>	<b>59.3</b>	<b>57.7</b>	<b>66.6</b>	<b>66.6</b>	<b>60.5</b>	<b>70.2</b>	<b>77.2</b>	<b>92.8</b>	<b>250.1</b>	<b>300.7</b>	<b>48.7</b>	<b>44.1</b>
EO exp. (income)	-	(18.7)	-	-	-	20.7	-	-	(18.7)	(20.7)		
<b>PBT (after EO item)</b>	<b>59.3</b>	<b>76.3</b>	<b>66.6</b>	<b>66.6</b>	<b>60.5</b>	<b>49.5</b>	<b>77.2</b>	<b>92.8</b>	<b>268.8</b>	<b>270.0</b>		
Total Tax	8.3	20.3	17.9	17.0	16.0	14.7	22.0	26.3	63.4	79.0		
% Tax	14.0	26.6	26.8	25.5	26.4	29.7	28.5	28.4	23.6	29.2		
<b>PAT before MI and Asso.</b>	<b>51.0</b>	<b>56.0</b>	<b>48.8</b>	<b>49.6</b>	<b>44.6</b>	<b>34.8</b>	<b>55.2</b>	<b>66.5</b>	<b>205.3</b>	<b>201.0</b>		
Profit from Asso.	-	-	-	0.0	-	(0.0)	-	-	0.0	-		
Minority interest	14.9	12.5	13.3	14.8	12.7	16.8	13.4	10.7	55.5	53.7		
<b>PAT after MI and Asso.</b>	<b>36.1</b>	<b>43.5</b>	<b>35.5</b>	<b>34.8</b>	<b>31.9</b>	<b>18.0</b>	<b>41.8</b>	<b>55.8</b>	<b>149.9</b>	<b>147.4</b>		
<b>APAT</b>	<b>36.1</b>	<b>29.5</b>	<b>35.5</b>	<b>34.8</b>	<b>31.9</b>	<b>33.5</b>	<b>41.8</b>	<b>55.8</b>	<b>135.9</b>	<b>162.8</b>	<b>21.7</b>	<b>53.9</b>
Change (YoY %)	319.5	504.8	76.2	121.8	(11.7)	13.4	17.8	60.1	175.6	19.8		
Change (QoQ %)	129.8	(18.2)	20.2	(1.8)	(8.6)	5.0	24.9	33.5				

Sources: MOFSL, Company

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USD\$)	1872 / 21.1
52-Week Range (INR)	897 / 601
1, 6, 12 Rel. Per (%)	2/6/-14
12M Avg Val (INR M)	2578

#### Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	101.9	103.9	110.5
EBITDA	30.6	31.3	31.9
EBITDA (%)	30.0	30.1	28.9
PAT	43.0	42.8	44.7
EPS (INR)	17.4	17.3	18.1
EPS Gr. (%)	-1.5	-0.6	4.5
BV/Sh. (INR)	258.5	278.3	299.2

#### Ratios

Net D/E	0.0	-0.1	-0.1
RoE (%)	9.7	8.9	8.7
RoCE (%)	5.5	5.2	5.0
Payout (%)	17.3	17.4	16.6

#### Valuations

P/E (x)	43.5	43.7	41.9
P/BV (x)	2.9	2.7	2.5
EV/EBITDA (x)	60.5	58.9	57.5
Div Yield (%)	0.4	0.4	0.4

#### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	74.1	74.1	74.1
DII	5.2	5.0	4.7
FII	15.5	16.0	16.7
Others	5.3	4.9	4.6

**CMP: INR756 TP: INR1,002 (+33%) Buy**

### MMR launch and Dahlias' incremental sales drive bookings

#### Robust medium-term pipeline

- In 2QFY26, DLF reported bookings of INR43b, up 6x YoY and down 62% QoQ (55% above our est.). In 1HFY26, bookings stood at INR157.6b, up 2x YoY.
- This impressive performance was fueled by healthy sales from its maiden launch 'The Westpark' in Mumbai in 2Q, which contributed ~53% of sales. ~37% of sales came from Dahlias.
- Collections increased 13% YoY but declined 4% QoQ to INR27b (40% below estimate). Consequently, OCF rose 12% YoY but dipped 15% QoQ to INR14b. Net cash stood at INR77b vs. INR80b in 1QFY26.
- After the Westpark launch, the medium-term launch pipeline stands at INR602b. The company guided for launches worth INR172b+ in FY26, of which DLF has already achieved 80% in 1HFY26.
- **P&L performance:** 2Q revenue stood at INR16.4b, down 17% YoY/40% QoQ (33% below our est.). In 1HFY26, revenue was up 31% YoY at INR43.6b.
- EBITDA was down 44% YoY/22% QoQ at INR2.8b (61% below estimate). EBITDA margin stood at 17.3%. In 1HFY26, EBITDA came in at INR6.5b, down 11% YoY.
- PAT stood at INR11.8b, -15% YoY/+55% QoQ (8% above our estimate), with a margin of 72% due to a one-off reversal of impairment loss in JV business and a one-time receipt of interest recognized under extraordinary items and other income, respectively. In 1HFY26, PAT stood at INR19.4b, down 4% YoY with a 45% margin.

#### DCCDL: Healthy growth; debt-to-GAV 20% (down 13% from FY21)

- Occupancy in DCCDL's office portfolio was stable at 93% (98% in non-SEZ/ 86% in SEZ/97% in Retail).
- Rental income increased 15% YoY to INR13.6b, driven by steady growth across the portfolio.
- Net debt rose to INR174b from INR173b in 1QFY26, with net debt to GAV of 0.20x. Cost of debt declined to 7.3% in the quarter from 7.67% in 1QFY26.

#### Key management commentary

- Housing demand in Gurgaon remains robust, supported by a growing preference for quality residential options, both for ownership and rental purposes.
- Quarterly sales were driven by the Mumbai launch and incremental sales from the Dahlias project, which contributed ~37-40% of presales; Mumbai accounted for 50%.
- In 2Q, 18 units were sold at Dahlias, taking cumulative sales to 121 units, with current ASP ranging at INR125,000-150,000 psf on carpet.
- Collections were impacted by construction delays, but momentum is expected to recover in 2HFY26 as milestones are achieved; DLF targets INR130-140b of collections in FY27.

- All approvals for the Goa project have been received, with launches planned for 3Q/4QFY26; Arbour 2 and Panchkula are also on track, while Mumbai Phase 2 and Dahlias 2 are expected in FY27.
- The company launched Privana North in 1QFY26 with 39% embedded gross margins and the Mumbai project (~0.9msf) in 2QFY26; FY26 presales guidance is INR200-220b, ~72% already achieved in 1HFY26.
- RERA escrowed cash stands at ~INR84b, with ~INR8.5b remaining after dividend payout; this balance is expected to decline as the high-rise cycle matures.
- DLF remains focused on NCR, Tri-City, MMR, and Goa markets with limited scope for new land acquisitions but remains open to evaluating strategic opportunities.
- Capex is guided at around INR50b each for FY26 and FY27, supporting the next phase of project and annuity development.

#### Valuation and view: Growth trajectory remains intact

- DLF continues to enhance its growth visibility as it replenishes its launches with its existing vast land reserves. However, our assumption of a 12-13-year monetization timeline for its remaining 150msf of land bank adequately incorporates this growth.
- DLF's business (Devco/DLF commercial) is valued at INR1,721b, wherein land contributes INR1,304b. DCCDL is valued at INR708b. GAV is at INR2,429b. After taking FY26E net cash of INR52b (incl. DCCDL) into consideration, NAV stands at INR2,481b. **We reiterate our BUY rating with a TP of INR1,002.**

#### Quarterly performance

Y/E March	FY25				FY26E				FY25	(INR m)		
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		FY26	FY26E 2Q Est.	2QE Var (%/bp)
<b>Gross Sales</b>	<b>13,624</b>	<b>19,750</b>	<b>15,287</b>	<b>31,276</b>	<b>27,167</b>	<b>16,430</b>	<b>24,993</b>	<b>33,277</b>	<b>79,937</b>	<b>1,01,867</b>	<b>24,451</b>	<b>-33</b>
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-16.8	63.5	6.4	24.4	27.4	23.8	
Total Expenditure	11,337	14,730	11,287	21,496	23,525	13,595	17,483	16,656	58,850	71,259	17,104	
<b>EBITDA</b>	<b>2,286</b>	<b>5,020</b>	<b>4,000</b>	<b>9,780</b>	<b>3,642</b>	<b>2,836</b>	<b>7,510</b>	<b>16,621</b>	<b>21,086</b>	<b>30,608</b>	<b>7,347</b>	<b>-61</b>
Margins (%)	16.8	25.4	26.2	31.3	13.4	17.3	30.0	49.9	26.4	30.0	30.0	-1279bps
Depreciation	373	377	387	369	345	295	390	559	1,507	1,589	382	
Interest	1,012	935	939	1,086	786	631	789	1,011	3,972	3,217	772	
Other Income	3,675	2,058	2,088	2,202	2,642	6,188	1,625	-3,833	10,022	6,621	1,589	
<b>PBT before EO expense</b>	<b>4,576</b>	<b>5,766</b>	<b>4,761</b>	<b>10,527</b>	<b>5,153</b>	<b>8,097</b>	<b>7,955</b>	<b>11,218</b>	<b>25,630</b>	<b>32,423</b>	<b>7,782</b>	<b>4</b>
Extra-Ord expense	0	0	3,024	0	0	-2,352	0	0	3,024	-2,352	0	
<b>PBT</b>	<b>4,576</b>	<b>5,766</b>	<b>1,737</b>	<b>10,527</b>	<b>5,153</b>	<b>10,449</b>	<b>7,955</b>	<b>11,218</b>	<b>22,606</b>	<b>34,775</b>	<b>7,782</b>	<b>34</b>
Tax	1,183	-4,668	-8,396	1,666	1,332	2,763	2,001	2,653	-10,214	8,749	933	
Rate (%)	25.9	-81.0	-483.3	15.8	25.8	26.4	25.2	23.6	-45.2	25.2	12.0	
Minority Interest & P/L of Asso. Cos.	3,054	3,378	6,183	4,108	3,806	4,116	4,172	4,911	16,723	17,004	4,082	
<b>Reported PAT</b>	<b>6,447</b>	<b>13,812</b>	<b>16,316</b>	<b>12,969</b>	<b>7,627</b>	<b>11,801</b>	<b>10,125</b>	<b>13,477</b>	<b>49,544</b>	<b>43,030</b>	<b>10,931</b>	<b>8</b>
<b>Adj PAT</b>	<b>6,447</b>	<b>13,812</b>	<b>10,587</b>	<b>12,822</b>	<b>7,627</b>	<b>11,801</b>	<b>10,125</b>	<b>13,477</b>	<b>43,668</b>	<b>43,030</b>	<b>10,931</b>	<b>8</b>
YoY Change (%)	22.5	122.1	61.5	39.4	18.3	-14.6	-4.4	5.1	60.3	-1.5	-20.9	
Margins (%)	47.3	69.9	69.3	41.0	28.1	71.8	40.5	40.5	54.6	42.2	44.7	2712bps
<b>Operational Metrics</b>												
<b>Residential (INR b)</b>												
Pre-sales	64	7	121	20	114	43	43	32	212	233	28	<b>55</b>
Collections	30	24	31	33	28	27	41	75	118	170	44	<b>-40</b>
Net Debt	-29	-28	-45	-68	-80	-77	0	-20	-68	-20	0	

Source: Company, MOFSL

Estimate change



TP change



Rating change



Bloomberg	BPCL IN
Equity Shares (m)	4339
M.Cap.(INRb)/(USD\$)	1548 / 17.4
52-Week Range (INR)	361 / 234
1, 6, 12 Rel. Per (%)	1/9/9
12M Avg Val (INR M)	2688

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	3,980	3,664	3,464
EBITDA	339	272	234
Adj. PAT	210	160	134
EPS (INR)	49	38	31
EPS Gr. %	54.2	-23.6	-16.6
BV/Sh. (INR)	230	257	279

## Ratios

Net D:E	0.4	0.2	0.2
RoE (%)	23.3	15.4	11.7
RoCE (%)	15.9	11.6	9.5
Payout (%)	18.9	28.4	30.3

## Valuation

P/E (x)	7.3	9.5	11.4
P/BV (x)	1.6	1.4	1.3
EV/EBITDA (x)	4.5	5.6	6.5
Div. yield (%)	2.6	3.0	2.7
FCF yield (%)	8.7	10.3	5.8

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	53.0	53.0	53.0
DII	22.3	23.1	23.0
FII	16.5	15.5	15.4
Others	8.3	8.5	8.6

FII Includes depository receipts

**CMP: INR357**
**TP: INR395 (+11%)**
**Neutral**

## Strong 2Q; capex cycle clarity key to re-rating

- BPCL's EBITDA/PAT came in 32%/40% above expectations in 2QFY26, driven by higher-than-anticipated GRM (USD10.8/bbl). Blended marketing margin also stood 35% above our estimate at INR7.2/lit (up 25% YoY). Refining throughput and marketing volumes came in line with estimates.
- While we reiterate our Neutral rating on BPCL, we are incrementally more positive on the stock, given: 1) the continued robust marketing and refining environment supported by healthy demand, a favorable regulatory stance, and weak propane prices, 2) recent announcements (signing of non-binding MoU exploring investment collaboration on the Andhra refinery + potential tax sops) have alleviated concerns, to some extent, around the sharp rise in net debt and enhanced the economic attractiveness of the Andhra refinery project, 3) recent announcement by Total, BPCL's partner in Mozambique LNG project (INR15/share in TP), regarding the lifting of force majeure, which is a positive development and could reopen a new avenue for growth.
- The MoP&NG, through letters dated 3/24 Oct'25, approved a compensation of INR75.9b to the company for under-recoveries on the sale of domestic LPG up to 31 Mar'25, as well as those expected up to 31 Mar'26. The amount will be released in 12 equal monthly instalments, with accruals recognized on a monthly basis starting Nov'25.
- We factor in LPG under-recovery compensation of INR6.3b per month 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). These revisions collectively drive a 20% upward revision in our FY26/27 EBITDA estimates.
- BPCL currently trades at 1.4x one-year forward P/B vs the 10-year average of 1.8x. We have a Neutral rating on BPCL.

## Strong refining; marketing inventory gains boost profits

- BPCL's reported GRM came in above our estimate at ~USD10.8/bbl (our estimate USD9.0/bbl), with marketing margin (including inv.) coming in 35% above our estimate at INR7.2/lit.
- Consequently, standalone EBITDA was 32% above our estimate at INR97.8b, with marketing inventory gain amounting to INR9b and forex loss of INR5.6b.
- LPG under-recovery amounted to INR11.5b (INR20.8b in 1Q).
- Resulting standalone reported PAT stood 40% above our estimate at INR64.4b.
- Other income came in 12% above our estimates.
- **Operational details:**
  - Refining throughput stood below our estimate at 9.82mmt (-4% YoY).
  - Marketing volumes, excluding exports, were in line with our estimate at 12.7mmt (+2% YoY).
  - As of Sep'25, BPCL had a cumulative negative net buffer of INR136.7b due to the under-recovery on LPG cylinders (INR125.2b as of Jun'25).
  - Its debt has declined to INR112.6b, which is 47% below the debt as of 31<sup>st</sup> Mar'25.

### Valuation and view

- BPCL's GRMs have been at a premium to SG GRMs due to the continuous optimization of refinery production, product distribution, and crude procurement. The use of advanced processing capabilities of Bina and Kochi refineries allows BPCL to process 100% of high-sulfur crude and 50% of Russian crude.
- We maintain our GRM assumptions. Current marketing margins remain healthy, above the INR3.5/lit we are building in for MS/HSD.
- While valuation appears reasonable and strong marketing performance continues, a muted medium-term refining outlook (our FY27/FY28 PAT estimates are 9%/11% sensitive to every USD1/bbl change in GRM) and the commencement of a new capex cycle emerge as key concerns. Hence, we reiterate our Neutral rating with an SoTP-based valuation of INR340/share.

### SoTP-based valuation

Particulars	Amount/Particulars	Multiple	Amount
Dec'27E EBITDA (INR m)	2,41,063	7.0	16,82,620
FY28E CGD EBITDA (INR m)	2,512	15.0	37,681
(-) Dec'27E Net Debt (INR m)			2,65,890
<b>Core business value (INR m)</b>			<b>14,54,411</b>
(/) shares outstanding			4,273
<b>Core business value (INR/share)</b>			<b>340</b>
<b>Add: Investments (INR/share)</b>			
Listed investment (IGL, PLNG & OINL)	@25% discount to CMP		24
Mozambique Upstream Area 1	@40% discount to transaction value		15
Other upstream investments	Reserve-based valuation @USD7/boe		6
Unlisted CGD entities	@15x FY24 P/E		11
<b>Target price (INR/share)</b>			<b>395</b>

# Pidilite Industries

Estimate changes	↔
TP change	↔
Rating change	↔

**CMP: INR1,445      TP: INR1,500 (+4%)      Neutral**

## Growth trajectory sustains; rich valuations limit upside

- Pidilite Industries (PIDI) reported consolidated revenue growth of 10% YoY (in line) in 2QFY26. Standalone revenue grew 10% YoY, with underlying volume growth (UVG) of 10% (est. 7%). Value/volume growth stood at 11%/10% YoY in the consumer business and 9%/10% in the B2B business. The company has not implemented any price hike during the quarter. The volume-value gap has now neutralized and is likely to remain stable through 2HFY26. Urban demand improved in 2Q; however, rural demand growth continued to outpace urban demand growth. In FY26E, we model 11% volume growth and 12% revenue growth.
- Gross margin (GM) expanded 70bp YoY to 55% on benign RM prices. VAM dipped to ~USD883/t in 2QFY26 from USD980/t in 2QFY25. GM is expected to remain stable, with no major volatility in VAM prices. PIDI continues to prioritize reinvestment in brand building and customer acquisition. EBITDA margin expanded 20bp YoY to 23.9%. EBITDA grew 11% YoY.
- Consolidated EBIT growth for the consumer business was healthy at 11% YoY (10% in FY25). B2B business EBIT growth stood at 11% (53% in FY25).
- PIDI's volume growth trajectory is inspiring, particularly in the current challenging environment. Operating margins remain elevated (>23% EBITDA margin), and it will be crucial to monitor whether the company can sustain these levels. Given the rich valuations, we reiterate our Neutral rating on the stock with a TP of INR1,500 (50x Sep'27E EPS).

## Steady performance with consistent volume growth

- **Double-digit volume growth sustains:** Consolidated sales grew 10% YoY to INR35.5b (est. INR35.2b). Underlying volume growth (UVG) remained strong at 10.3% (est. 7%, 9.9% in 1QFY26). UVG was 10.4% for the Consumer & Bazaar (C&B) business and 9.9% for the B2B business.
- **Healthy growth in C&B:** The C&B segment's revenue rose 10% YoY to INR28.4b (est. INR27.8b), EBIT grew 11% YoY to INR8.6b (est. INR8.5b), and EBIT margins expanded 40bp YoY to 30.2%.
- **B2B outperformance continues:** The B2B segment's revenue rose 8% YoY to INR7.6b (est. INR7.7b), EBIT increased 11% to INR1.2b (est. INR1.3b), and EBIT margins expanded 40bp YoY to 15.2%.
- **High single-digit growth in profitability:** Gross margins expanded ~70bp YoY to 55% (est. 54.8%). Employee expenses rose 8% YoY, and other expenses rose 15% YoY. EBITDA margin expanded marginally 20bp YoY to 23.9% (est. 24.2%). EBITDA grew 11% YoY to INR8.5b (est. INR8.5b). PBT rose 8% YoY to INR7.9b (est. INR8.2b). Adj. PAT increased 9% YoY to INR5.8b (est. INR6.1b).
- In 1HFY26, net sales/EBITDA/APAT grew 10%/13%/14%.

Bloomberg	PIDI IN
Equity Shares (m)	1018
M.Cap.(INRb)/(USD\$)	1470.2 / 16.6
52-Week Range (INR)	1615 / 1306
1, 6, 12 Rel. Per (%)	-6/-10/-14
12M Avg Val (INR M)	995

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	147.0	166.8	189.1
Sales Gr. (%)	11.8	13.5	13.4
EBITDA	34.2	38.7	44.0
EBITDA Margin (%)	23.3	23.2	23.3
Adj. PAT	24.3	28.1	32.1
Adj. EPS (INR)	23.9	27.6	31.6
EPS Gr. (%)	15.7	15.5	14.3
BV/Sh.(INR)	108.0	122.1	138.2

### Ratios

RoE (%)	23.4	24.0	24.3
RoCE (%)	21.8	22.5	22.8
Payout (%)	49.2	49.1	49.0

### Valuations

P/E (x)	60.6	52.4	45.9
P/BV (x)	13.4	11.9	10.5
EV/EBITDA (x)	41.9	36.7	32.1
Div. Yield (%)	0.8	0.9	1.1

### Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	69.3	69.4	69.6
DII	9.1	9.2	8.9
FII	12.2	12.1	12.0
Others	9.4	9.4	9.5

FII includes depository receipts

- **Subsidiary performance:** Domestic subsidiaries' C&B revenue grew 17% YoY and EBITDA grew 41%. Domestic B2B's revenue grew 1% YoY, while EBITDA loss increased to 580m vs 210m in 2QFY25. The Middle East and Africa's revenue grew 3% and EBITDA declined 3%. Asia's revenue grew 6% and EBITDA grew 4%

#### Highlights from the management commentary

- The domestic operating environment is expected to improve, aided by a favorable monsoon, the indirect cascading impact of GST 2.0 on PIDI's demand, and accelerated growth in the construction sector driven by benign interest rates and enhanced liquidity.
- The company's **Haisha Paints** business continues to make steady progress. It had started with five southern states and is now present in several Eastern geographies. The focus remains on 'Rurban' (rural and smaller town) markets, with consistent QoQ growth.
- Capex is expected to be 3-5% of sales.
- The company has not implemented any pricing actions. With no significant commodity inflation seen currently, the company does not plan any major price hikes.

#### Valuations and view

- We maintain our EPS estimates for FY26, FY27, and FY28.
- PIDI's core categories still enjoy a GDP multiplier. The advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already high (23% in FY25). We do not estimate much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 13%/14%/15% in revenue/EBITDA/PAT during FY25-28E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. As a result, we **reiterate our Neutral rating** on the stock with a **TP of INR1,500 (premised on 50x Sep'27E EPS)**.

#### Consolidated - Quarterly Earning

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
<b>Volume growth (%)</b>	9.6	8.0	9.7	9.8	9.9	10.3	12.0	12.0	9.3	11.1	7.0	
<b>Net Sales</b>	33,954	32,349	33,689	31,411	37,531	35,544	38,129	35,767	131,403	146,964	35,204	1.0
YoY change (%)	3.7	5.2	7.6	8.2	10.5	9.9	13.2	13.9	6.1	11.8	8.8	
<b>Gross Profit</b>	18,268	17,583	18,301	17,288	20,314	19,563	20,971	19,718	71,440	80,566	19,292	1.4
Margin (%)	53.8	54.4	54.3	55.0	54.1	55.0	55.0	55.1	54.4	54.8	54.8	
Total Expenditure	25,826	24,661	25,705	25,086	28,121	27,037	28,959	28,630	41,315	46,373	26,673	
<b>EBITDA</b>	8,127	7,688	7,984	6,326	9,410	8,507	9,170	7,137	30,125	34,193	8,531	-0.3
YoY change (%)	15.0	13.1	7.5	9.6	15.8	10.7	14.9	12.8	11.3	13.5	11.0	
Margins (%)	23.9	23.8	23.7	20.1	25.1	23.9	24.1	20.0	22.9	23.3	24.2	
Depreciation	844	879	895	967	967	1,000	1,000	1,038	3,585	4,004	967	
Interest	118	117	125	144	138	133	135	126	504	532	135	
Other Income	539	571	558	804	857	502	725	977	2,472	3,061	750	
<b>PBT</b>	7,704	7,263	7,522	6,019	9,162	7,877	8,760	6,950	28,509	32,718	8,179	-3.7
Tax	1,984	1,848	1,947	1,487	2,383	2,027	2,190	1,579	7,265	8,180	2,045	
Rate (%)	25.7	25.4	25.9	24.7	26.0	25.7	25.0	22.7	25.7	25.0	25.0	
<b>Reported PAT</b>	5,669	5,346	5,524	4,223	6,724	5,799	6,515	5,310	20,762	24,318	6,079	-4.6
<b>Adj PAT</b>	5,669	5,346	5,524	4,473	6,724	5,799	6,515	5,310	21,012	24,318	6,079	-4.6
YoY change (%)	21.1	18.7	8.2	20.2	18.6	8.5	17.9	18.7	16.7	15.7	13.7	
Margins (%)	16.7	16.5	16.4	14.2	17.9	16.3	17.1	14.8	16.0	16.5	17.3	

E: MOFSL Estimates

# Bank of Baroda

Estimate change	↑
TP change	↑
Rating change	↔

**CMP: INR278 TP: INR290 (+4%) Neutral**

## Steady quarter; int on IT refund drives earnings beat

### Asset quality ratio improves further

- Bank of Baroda (BOB) reported 2QFY26 PAT of INR48.1b (up 5.9% QoQ, down 8% YoY, 12% beat), aided by NII growth (owing to IT refund of INR7.5b), lower provisions and contained opex growth.
- NII grew by 2.9% YoY/ 4.5% QoQ to INR119.5b (9% beat) amid interest on IT refund. Reported NIMs improved by 5bp QoQ to 2.96%, while adjusted NIMs would have been lower by 3-5bp QoQ.
- Business grew by a healthy 12.2% YoY/6% QoQ, fueled by growth in retail and pickup in corporate advances. Deposits grew by 9.3% YoY/4.5% QoQ. CD ratio increased to 83.9% (up 124bp QoQ), within the guided range.
- The bank made floating provisions of INR4b for ECL (O/S pool at INR10b) and guided to increase them further. Slippages declined to INR30.6b from INR36.9b in 1QFY26. GNPA/NNPA ratios declined 12bp/3bp QoQ to 2.16%/0.57%. PCR stood at ~74.1% vs. 74% in 1QFY26.
- We raise our FY26 earnings estimate by 5% while maintaining FY27 forecasts, projecting FY27E RoA/RoE at 1.03%/14.7%. We reiterate our Neutral rating with a TP of INR290 (1.0x FY27E ABV).**

### Business growth robust; credit cost declined to 29bp

- BOB reported 2Q PAT of INR48.1b (up 5.9% YoY, 12% beat). NII grew 2.9% YoY/4.5% QoQ to INR119.5b (9% beat). Reported NIMs improved by 5bp QoQ to 2.96%, while adjusted NIMs on calculated basis would have been lower by 3-5bp QoQ. It expects margin to remain at ~2.85-3% in FY26.
- Other income declined by 32% YoY/25% QoQ to INR35.2b (16% miss) amid lower treasury income and lower recovery from TWO. Total income thus declined by 8% YoY/4% QoQ to INR155b (largely in line).
- Opex was up 8% YoY/flat QoQ (largely in line). PPop thus declined by 20% YoY/8% QoQ to INR75.8b (6% beat). Provisions declined by 47% YoY/37% QoQ to INR12.3b (12% lower than MOFSLe).
- Advances grew by a robust 12.2% YoY/6% QoQ. Among segments, retail book grew 17.6% YoY/4.5% QoQ. In retail, home loan grew by 3.9% QoQ, Auto grew by 4.5% QoQ, and mortgage by 5.5% QoQ. Corporate book too grew by 3% YoY/8% QoQ. While corporate growth has been lower, the bank aspires growth to recover to 9-10% YoY.
- Deposits grew by 9.3% YoY/4.5% QoQ, while domestic CASA grew by 6.6% YoY/3.2% QoQ. As a result, domestic CASA ratio declined to 38.4% from 39.3% in 1QFY26.
- On the asset quality side, slippages declined to INR30.6b from INR36.9b in 1QFY26, led by a decline in fresh slippages. GNPA/NNPA ratios declined by 12bp/3bp QoQ to 2.16%/0.57%. PCR stood at ~74.1% vs. 74% in 1QFY26.
- SMA 1&2 stood at 0.39% vs. 0.4% in 1QFY26.

Bloomberg	BOB IN
Equity Shares (m)	5171
M.Cap.(INRb)/(USDb)	1439.7 / 16.2
52-Week Range (INR)	281 / 191
1, 6, 12 Rel. Per (%)	3/6/5
12M Avg Val (INR M)	2586

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	456.6	473.3	551.0
OP	324.3	322.3	373.1
NP	195.8	192.7	213.8
NIM (%)	2.8	2.6	2.7
EPS (INR)	37.8	37.2	41.3
EPS Gr. (%)	10.1	-1.6	11.0
BV/Sh. (INR)	254	273	304
ABV/Sh. (INR)	235	253	283

### Ratios

RoA (%)	1.2	1.0	1.0
RoE (%)	16.7	14.6	14.7

### Valuations

P/E(X)	7.4	7.5	6.8
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.2	1.1	1.0

### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	64.0	64.0	64.0
DII	19.0	18.8	16.6
FII	8.7	8.3	9.9
Others	8.3	8.9	9.6

### Highlights from the management commentary

- NIMs improved and are expected to remain **stable or slightly rise** in the coming quarters. The full-year NIM guidance stands at **2.85-3%** (including IT refund).
- ECL and Risk Weights – The overall impact on CRAR is estimated at around 1.25%. However, the reduction in credit RWAs is expected to provide a benefit of about 60bp. Overall, the maximum impact is likely to be around 75bp, spread over a five-year period. The implementation of ECL could increase credit costs by a maximum of 20-25bp.
- Slippage ratio is guided at 1-1.15% and credit cost at 0.75bp, although they will be fairly lower than the stated guidance.

### Valuation and view: Reiterate Neutral with a TP of INR290

BOB reported an earnings beat, driven by stronger NII growth, controlled operating expenses, and lower provisions. Reported NIMs improved 5bp QoQ to 2.96%, though on a calculated basis, NIMs moderated by 3-4bp QoQ. The bank expects NIMs to remain within the 2.85-3% range. Growth momentum picked up in 2Q after a muted 1Q, with the CD ratio rising 124bp QoQ to 83.9%. Corporate loan growth is expected to accelerate, with management guiding for 9-10% YoY growth (vs. 3% YoY in 2Q). Asset quality improved, reflected in a lower slippage ratio and contained credit costs. The bank created INR4b of floating provisions and plans to strengthen this buffer further. The ECL transition is expected to have a 1.25% impact on CRAR.

**We raise our FY26 earnings estimate by 5% while maintaining FY27 forecasts, projecting FY27E RoA/RoE at 1.03%/14.7%. We reiterate our Neutral rating with a TP of INR290 (1.0x FY27E ABV).**

### Quarterly Performance

	FY25				FY26E				FY25	FY26E	FY26E	(INR b) V/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
<b>Net Interest Income</b>	<b>116.0</b>	<b>116.2</b>	<b>114.2</b>	<b>114.9</b>	<b>114.3</b>	<b>119.5</b>	<b>117.2</b>	<b>122.2</b>	<b>456.6</b>	<b>473.3</b>	<b>109.9</b>	<b>9%</b>
% Change (YoY)	5.5	7.3	2.8	-2.5	-1.4	2.9	2.7	6.3	2.1	3.7	-5.4	
Other Income	24.9	51.8	37.7	47.4	46.7	35.1	41.2	50.0	166.5	173.1	41.9	-16%
<b>Total Income</b>	<b>140.9</b>	<b>168.0</b>	<b>151.9</b>	<b>162.3</b>	<b>161.1</b>	<b>154.7</b>	<b>158.4</b>	<b>172.2</b>	<b>623.1</b>	<b>646.4</b>	<b>151.8</b>	<b>2%</b>
Operating Expenses	69.3	73.3	75.2	81.0	78.7	78.9	81.0	85.4	298.7	324.1	80.3	-2%
<b>Operating Profit</b>	<b>71.6</b>	<b>94.8</b>	<b>76.6</b>	<b>81.3</b>	<b>82.4</b>	<b>75.8</b>	<b>77.4</b>	<b>86.8</b>	<b>324.3</b>	<b>322.3</b>	<b>71.5</b>	<b>6%</b>
% Change (YoY)	-8.5	18.2	9.3	0.3	15.0	-20.1	1.0	6.7	4.7	-0.6	-24.6	
Provisions	10.1	23.4	10.8	15.5	19.7	12.3	15.7	16.3	59.8	64.0	14.1	-12%
<b>Profit before Tax</b>	<b>61.5</b>	<b>71.4</b>	<b>65.8</b>	<b>65.8</b>	<b>62.7</b>	<b>63.4</b>	<b>61.7</b>	<b>70.5</b>	<b>264.5</b>	<b>258.3</b>	<b>57.4</b>	<b>10%</b>
Tax	16.9	19.0	17.4	15.3	17.3	15.3	15.5	17.5	68.7	65.6	14.5	6%
<b>Net Profit</b>	<b>44.6</b>	<b>52.4</b>	<b>48.4</b>	<b>50.5</b>	<b>45.4</b>	<b>48.1</b>	<b>46.1</b>	<b>53.1</b>	<b>195.8</b>	<b>192.7</b>	<b>42.9</b>	<b>12%</b>
% Change (YoY)	9.5	23.2	5.6	3.3	1.9	-8.2	-4.7	5.1	10.1	-1.6	-18.0	
<b>Operating Parameters</b>												
Deposit (INR b)	13,156	13,726	13,925	14,720	14,356	15,000	15,515	16,310	14,720	16,310	14,903	1%
Loan (INR b)	10,479	11,212	11,513	12,096	11,866	12,583	12,785	13,474	12,096	13,474	12,407	1%
Deposit Growth (%)	9.6	9.8	11.8	10.9	9.1	9.3	11.4	10.8	10.3	10.8	9.3	
Loan Growth (%)	8.8	12.3	12.4	13.5	13.2	12.2	11.0	11.4	13.5	11.4	10.7	
<b>Asset Quality</b>												
Gross NPA (%)	2.9	2.5	2.4	2.3	2.3	2.2	2.1	2.0	2.3	2.0	2.2	
Net NPA (%)	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.6	
PCR (%)	76.6	76.3	76.0	74.9	74.0	74.1	74.5	74.7	73.1	74.7	74.4	

# Shriram Finance

Estimate change	↔
TP change	↑
Rating change	↑

**CMP: INR749 TP: INR860 (+15%) Buy**

## Robust quarter driven by NIM expansion and lower credit costs

### Earnings beat; Stage 2 improves ~35bp QoQ

- Shriram Finance's (SHFL) 2QFY26 PAT rose ~11% YoY to ~INR23b (~5% beat). PAT in 1HFY26 grew 10% YoY, and we expect PAT in 2HFY26 to grow 24% YoY. NII in 2QFY26 grew ~10% YoY to INR60.3b (in line). Credit costs stood at ~INR13.3b (~11% lower than est.) and translated into annualized credit costs of ~1.9% (PQ: 1.9% and PY: 2.1%). PPOP grew ~11% YoY to ~INR44.4b (in line).
- Other income grew ~57% YoY to INR3.6b (PQ: INR3.7b and PY: INR2.8b). The cost-to-income ratio stood at 30.5% (PY: 30.6% and PQ: 31.7%), and the opex was broadly flat sequentially. This was due to branch consolidation and a reduction in employee count as the company focused on improving both branch and employee productivity as well as operating efficiencies.
- Yields (calc.) were stable QoQ at 16.7%, while CoB rose ~20bp QoQ to 9.25%, resulting in spreads (calc.) declining by ~20bp QoQ to ~7.45%. Reported NIM rose ~8bp QoQ to ~8.2%. SHFL reduced excess liquidity on its balance sheet (towards the end of Sep'25) by pre-closing a few loans and limiting fresh borrowings. The benefits of this liquidity reduction will accrue in NIM in the subsequent quarters. Management guided for NIM to improve to ~8.5% in 4QFY26 and FY26 NIM at 8.2-8.3%. We model NIM of 8.2%/8.6% for FY26/FY27E.
- AUM stood at INR2.81t and grew ~16% YOY/3.3% QoQ. While there was some deferment in customer demand during Aug-Sep'25, SHFL witnessed strong traction in Oct'25. Demand trends have remained healthy, and the company expects this positive momentum to be sustained through Nov'25, and it will target an AUM growth of 16-17% in 2HFY26.
- Management noted that repossessions have remained stable over the past two quarters, as there has been no major decline in the prices of new commercial vehicles. These were driven by a decline in OEM discounts and a better resale value of used vehicles than was earlier anticipated.
- **The Board has approved the appointment of Mr. Parag Sharma as the MD & CEO w.e.f. 5<sup>th</sup> Dec'25, upon completion of the term of Mr. Y S Chakravarti.**
- **We raise our FY26/FY27 estimates by 4%/3% to factor in higher NIM, lower opex, and credit costs.** SHFL has positioned itself to capitalize on its diversified AUM mix, improved access to liabilities, and enhanced cross-selling opportunities.
- SHFL is our [Top Idea \(refer to the report\)](#) in the NBFC sector for CY25, given its strong franchise and the potential to deliver a ~16%/~18% AUM/PAT CAGR over FY25-28E, along with an RoA/RoE of ~3.4%/17% by FY28. **Further, if SHFL is able to identify a strategic partner who can infuse fresh equity into the company, it will both reinforce the balance sheet and also make SHFL's case stronger for a credit rating upgrade. Reiterate BUY with a TP of INR860 (premised on 2x Sep'27E BVPS).**

Bloomberg	SHFL IN
Equity Shares (m)	1881
M.Cap.(INRb)/(USDb)	1408.8 / 15.9
52-Week Range (INR)	770 / 493
1, 6, 12 Rel. Per (%)	17/17/13
12M Avg Val (INR M)	4079

### Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	234	270	318
PPOP	163	188	224
PAT	82.7	97.1	116.3
EPS (INR)	44	52	62
EPS Gr. (%)	15	17	20
Standalone BV (INR)	299	343	392

### Valuations

NIM on AUM (%)	8.2	8.2	8.6
C/I ratio (%)	30.5	30.3	29.6
RoAA (%)	3.1	3.2	3.3
RoE (%)	15.8	16.1	16.8
Div. Payout (%)	22.5	22.3	22.5

### Valuations

P/E (x)	17.0	14.5	12.1
P/BV (x)	2.5	2.2	1.9
Div. Yield (%)	1.3	1.5	1.9

### Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	25.4	25.4	25.4
DII	18.7	16.3	16.2
FII	49.6	52.6	53.3
Others	6.3	5.7	5.1

FII Includes depository receipts

### Stage 2 improves ~35bp QoQ; AUM rises ~16% YoY

- GS3 rose ~5bp QoQ to 4.57%, while NS3 improved 8bp QoQ to 2.5%. Net slippages stood at 1.6% (as a % of standard loans) (PY: 1.6% and PQ: 1.4%). PCR on Stage 3 rose ~240bp QoQ to ~46.7%. (PQ: ~44.3% and PY: ~51.7%). PCR on Stage 1 and Stage 2 was broadly stable QoQ at ~3.5%/8.2%, respectively.
- Stage 2 assets declined by ~35bp QoQ to 6.9%. (PQ: 7.3% and PY: 6.6%).
- Management guided credit costs (as % of assets) of 2% for FY26 despite lower credit costs in 1HFY26. We estimate credit costs of ~1.9%/2.0% (as a % of assets) in FY26/FY27.

### Key highlights from the management commentary

- SHFL aims to expand its new vehicle financing business as it expects meaningful benefits to its cost of funds. The company sees strong customer aspiration to upgrade to new vehicles and plans to deepen its existing OEM relationships to participate more actively across the entire vehicle ecosystem.
- The company plans to place special emphasis on its Gold Loan business, with one of the regional heads set to lead this vertical. It intends to roll out more small-format branches dedicated exclusively to gold loans, typically staffed by 3-4 people and spread across compact spaces of about 200-250 sq. ft.
- Management shared that a key consideration in evaluating a potential strategic partner would be their ability to support SHFL in achieving a credit rating upgrade, which in turn could help lower the company's cost of borrowings.

### Valuation and view

- SHFL reported a strong operational quarter, with an earnings beat on account of lower credit costs and operating expenses. NIM improved sequentially, supported by a reduction in surplus liquidity, while S2 assets surprised positively with a 35bp QoQ improvement, which kept credit costs well contained.
- SHFL is effectively leveraging cross-selling opportunities to reach new customers and introduce new products, which will lead to improved operating metrics and a solid foundation for sustainable growth. The current valuation of ~1.9x FY27E P/BV is attractive for ~18% PAT CAGR over FY25-28E and RoA/RoE of ~3.4%/17% in FY28E. **Reiterate BUY with a TP of INR860 (based on 2x Sep'27E BVPS).**

## Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26	2Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Interest Income	93,628	98,145	1,03,408	1,07,895	1,11,732	1,15,506	1,19,953	1,24,579	4,03,076	4,71,769	1,15,531	0
Interest Expenses	41,289	43,504	47,513	52,240	54,008	55,248	53,701	55,712	1,84,546	2,18,669	55,034	0
<b>Net Interest Income</b>	<b>52,339</b>	<b>54,641</b>	<b>55,896</b>	<b>55,655</b>	<b>57,725</b>	<b>60,258</b>	<b>66,252</b>	<b>68,867</b>	<b>2,18,531</b>	<b>2,53,100</b>	<b>60,497</b>	<b>0</b>
YoY Growth (%)	24.6	18.9	13.8	9.4	10.3	10.3	18.5	23.7	16.3	15.8	10.7	
Other Income	2,343	2,805	3,646	6,707	3,685	3,643	4,544	5,305	15,518	17,177	4,011	-9
<b>Total Income</b>	<b>54,682</b>	<b>57,446</b>	<b>59,542</b>	<b>62,363</b>	<b>61,410</b>	<b>63,901</b>	<b>70,795</b>	<b>74,172</b>	<b>2,34,049</b>	<b>2,70,278</b>	<b>64,509</b>	<b>-1</b>
YoY Growth (%)	21.1	16.2	14.1	13.2	12.3	11.2	18.9	18.9	15.9	15.5	12.3	
Operating Expenses	16,140	17,597	18,692	19,010	19,486	19,486	21,029	22,008	71,440	82,008	20,413	-5
<b>Operating Profit</b>	<b>38,541</b>	<b>39,848</b>	<b>40,850</b>	<b>43,353</b>	<b>41,924</b>	<b>44,415</b>	<b>49,766</b>	<b>52,164</b>	<b>1,62,609</b>	<b>1,88,269</b>	<b>44,096</b>	<b>1</b>
YoY Growth (%)	23.3	14.5	10.7	11.0	8.8	11.5	21.8	20.3	14.5	15.8	10.7	
Provisions & Loan Losses	11,876	12,350	13,258	15,633	12,857	13,333	15,129	17,088	53,117	58,407	14,970	-11
<b>Profit before Tax</b>	<b>26,666</b>	<b>27,498</b>	<b>27,592</b>	<b>27,720</b>	<b>29,067</b>	<b>31,082</b>	<b>34,637</b>	<b>35,076</b>	<b>1,09,493</b>	<b>1,29,862</b>	<b>29,126</b>	<b>7</b>
Tax Provisions	6,860	6,803	6,788	6,326	7,510	8,028	8,659	8,528	26,776	32,725	7,223	11
<b>Net Profit</b>	<b>19,806</b>	<b>20,696</b>	<b>20,804</b>	<b>21,394</b>	<b>21,557</b>	<b>23,053</b>	<b>25,978</b>	<b>26,549</b>	<b>82,716</b>	<b>97,137</b>	<b>21,903</b>	<b>5</b>
YoY Growth (%)	18.2	18.2	14.4	9.9	8.8	11.4	24.9	24.1	15.0	17.4	5.8	
Exceptional gain (Post tax)			14,894						14,894	0		
<b>PAT (including exceptional gains/loss)</b>			<b>35,698</b>						<b>97,610</b>	<b>97,137</b>		
<b>Key Parameters (Calc., %)</b>												
Yield on loans	16.3	16.5	16.6	16.7	16.7	16.7	16.7	16.6				
Cost of funds	8.7	8.7	8.8	9.1	9.1	9.3	8.9	8.9				
Spread	7.6	7.8	7.8	7.5	7.6	7.4	7.7	7.7				
NIM	9.14	9.2	9.0	8.60	8.62	8.7	9.2	9.2				
C/I ratio	29.5	30.6	31.4	30.5	31.7	30.5	29.7	29.7				
Credit cost	2.1	2.1	2.1	2.4	1.9	1.9	2.1	2.3				
Tax rate	25.7	24.7	24.6	22.8	25.8	25.8	25.0	24.3				
<b>Balance Sheet Parameters</b>												
<b>Disbursements (INR b)</b>	<b>377</b>	<b>400</b>	<b>438</b>	<b>448</b>	<b>418</b>	<b>430</b>	<b>495</b>	<b>503</b>				
Growth (%)	23.8	15.5	15.8	14.0	10.9	7.6	13.0	12.2				
<b>AUM (INR b)</b>	<b>2,334</b>	<b>2,430</b>	<b>2,545</b>	<b>2,632</b>	<b>2,722</b>	<b>2,813</b>	<b>2,950</b>	<b>3,053</b>				
Growth (%)	20.8	19.9	18.8	17.0	16.6	15.7	15.9	16.0				
<b>Borrowings (INR b)</b>	<b>1,917</b>	<b>2,078</b>	<b>2,235</b>	<b>2,342</b>	<b>2,429</b>	<b>2,343</b>	<b>2,458</b>	<b>2,549</b>				
Growth (%)	18.4	25.7	25.9	26.0	26.7	12.7	10.0	8.9				
<b>Asset Quality Parameters</b>												
GS 3 (INR B)	124.1	127.6	135.2	118.4	122.0	127.4						
GS 3 (%)	5.39	5.3	5.4	4.55	4.53	4.57						
NS 3 (INR B)	60.62	61.7	65.4	67.14	67.93	67.9						
NS 3 (%)	2.71	2.6	2.7	2.64	2.57	2.49						
PCR (%)	51.15	51.7	51.6	43.28	44.31	46.7						

E: MOFSL estimates

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	GAIL IN
Equity Shares (m)	6575
M.Cap.(INRb)/(USDb)	1201.7 / 13.5
52-Week Range (INR)	217 / 151
1, 6, 12 Rel. Per (%)	-1/-9/-15
12M Avg Val (INR M)	2333

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	1,299.3	1,360.9	1,436.4
EBITDA	137.4	145.8	152.8
Adj. PAT	91.1	97.9	105.1
Adj. EPS (INR)	13.9	14.9	16.0
EPS Gr. (%)	-3.6	7.5	7.3
BV/Sh.(INR)	122.9	133.0	143.9

## Ratios

Net D:E	0.2	0.1	0.1
RoE (%)	12.4	12.2	12.1
RoCE (%)	10.5	10.5	10.6
Payout (%)	32.0	32.0	32.0

## Valuations

P/E (x)	13.2	12.3	11.5
P/BV (x)	1.5	1.4	1.3
EV/EBITDA (x)	7.0	6.5	6.0
Div. Yield (%)	2.4	2.6	2.8
FCF Yield (%)	2.6	4.8	5.4

## Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	51.5	51.5	51.5
DII	27.3	26.4	24.3
FII	14.3	15.5	17.4
Others	6.9	6.6	6.7

FII includes depository receipts

**CMP: INR183** **TP: INR205 (+12%)** **Buy**

## Tariff hikes & volume uplift key catalysts in 2HFY26-27

- GAIL's standalone EBITDA came in 5% above our estimate at INR31.9b. While gas transmission EBIT missed our estimate by 6%, the marketing segment posted a strong performance, and 1HFY26 EBIT now forms ~50% of the guidance of INR45b. Petchem sales were above our estimate at 209tmt, while the petchem segment reported an EBIT loss of INR3b.
- While management cut its FY26 transmission guidance to 123-124mmscmd, this reduction is largely known and in the price now. Transmission volumes are near-bottom and should see a sharp rebound in FY27 as 1) power demand normalizes, 2) the impact of one-off flood-related disruptions to specific pipelines wanes, and 3) there is a steady demand growth from the city gas distribution sector. While the tariff hikes (not built into our numbers yet) have been much delayed, we remain hopeful of a favorable outcome in 3QFY26.
- GAIL's valuations have corrected sharply from their Sep'24 highs, and the stock now trades close to its historical averages at ~1.1x one-year forward core P/B (ex-investment value), offering limited downside driven by attractive dividend yield and robust FCF outlook. Further, the anticipated transmission tariff revision effective from Jan'26 is likely to raise the FY27E PAT by ~11% (revised TP: INR228), serving as a key near-term catalyst. Reiterate BUY with a TP of INR205.

## Key highlights from the management commentary

- While the tariff outcome has seen a significant delay, management remains confident of an announcement in the coming months.
- Transmission volumes are guided to improve from 123-124 mmscmd in FY26 to 132-133 mmscmd in FY27, supported by higher offtake from CGD, power, and new pipeline connections, as well as upcoming refinery and fertilizer plant linkages.
- The Dabhol terminal is now fully all-weather capable, though utilization remains constrained pending heating system commissioning by FY27.
- Petchem margins remain under pressure amid high HH-linked gas prices.
- Capex stood at INR16.6b in 2QFY26, with major spending toward pipelines and petchem projects.
- The CGD business continues to expand its footprint with 213 CNG stations and 4.5 lakh DPNG connections, targeting further additions ahead.

## Results in line amid a strong marketing performance

- In 2QFY26, GAIL's standalone EBITDA was 5% above our estimate at INR31.9b. While gas transmission EBIT missed our estimate by 6%, the marketing segment posted a strong performance, and 1HFY26 EBIT now forms ~50% of the guidance of INR45b.
- Operating loss at the petchem segment widened QoQ despite a strong 18% pick-up in volumes amid elevated Henry Hub prices.
- LPG segment's profitability also remained weak, with EBIT declining 55% despite 2% higher volumes YoY.

- Reported PAT came in 5% above our estimate at INR22.2b, as other income and sales were above our estimates.
- **Operational performance:**
  - Natural gas transmission volume came in line with our estimate at 123.6mmscmd.
  - NG marketing volume came in above our estimate at 105.9mmscmd (our estimate 93.5mmscmd).
  - Petchem sales were below our estimate at 209tmt, while the petchem segment reported an EBIT loss of INR3b.

#### Valuation and view

- **We reiterate our BUY rating on GAIL with our SoTP-based TP of INR205.** Over FY26-28, we estimate a 7% CAGR in PAT, driven by:
  - an increase in natural gas transmission volumes to 132mmscmd in FY28 from 123mmscmd in FY26;
  - substantial improvement in the petchem segment's performance over FY27-28, as the new petchem capacity will be operational and spreads are bottoming out;
  - healthy profitability in the trading segment, with guided EBIT of at least INR40b in FY26/FY27.
- We expect RoE to stabilize at ~12% in FY27/28, with a healthy FCF generation of INR153b over FY26-28, which we believe can support its valuations.

#### Our SoTP-based valuation for GAIL

Business	EBITDA (INR b)	Target multiple (x)	Value (INR b)
Gas transmission	73	9.0	659
Gas trading	46	6.0	274
LPG transmission	5	7.5	35
Petrochemicals	10	7.0	73
LPG	18	6.5	120
Investments			294
<b>Enterprise value</b>			<b>1,457</b>
Net Debt			106
<b>Implied Equity value</b>			<b>1,350</b>
<b>Value (INR/sh)</b>			<b>205</b>

#### Standalone quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var. (INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			1QE	(%)
<b>Net Sales</b>	<b>336.7</b>	<b>329.1</b>	<b>349.4</b>	<b>356.9</b>	<b>347.7</b>	<b>350.1</b>	<b>319.9</b>	<b>281.6</b>	<b>1,372.1</b>	<b>1,299.3</b>	<b>342.0</b>	<b>8%</b>
Change (%)	3.9	3.4	2.0	10.4	3.3	6.4	-8.4	-21.1	4.9	-5.3	1.6	
<b>EBITDA</b>	<b>45.3</b>	<b>37.4</b>	<b>28.4</b>	<b>32.2</b>	<b>33.3</b>	<b>31.9</b>	<b>33.4</b>	<b>38.8</b>	<b>143.3</b>	<b>137.4</b>	<b>35.9</b>	<b>5%</b>
% of Net Sales	13.4	11.4	8.1	9.0	9.6	9.1	10.4	13.8	10.4	10.6	10.5	
Depreciation	10.5	8.2	8.3	9.0	8.8	9.3	8.8	10.1	36.0	37.0	11.1	
Interest	2.1	1.9	1.7	1.8	2.1	2.3	1.6	1.3	7.4	7.3	1.9	
Other Income	3.7	7.1	7.5	5.7	2.9	7.9	8.0	6.7	24.0	25.6	4.0	
Extraordinary item	0.0	0.0	24.4	0.0	0.0	0.0	0.0	0.0	24.4	0.0	0.0	
<b>PBT</b>	<b>36.4</b>	<b>34.5</b>	<b>50.3</b>	<b>27.0</b>	<b>25.3</b>	<b>28.2</b>	<b>30.9</b>	<b>34.1</b>	<b>148.2</b>	<b>118.6</b>	<b>26.8</b>	<b>2%</b>
Rate (%)	25.2	22.6	23.1	24.1	25.5	21.5	23.2	22.9	23.7	23.2	23.2	
<b>PAT</b>	<b>27.2</b>	<b>26.7</b>	<b>38.7</b>	<b>20.5</b>	<b>18.9</b>	<b>22.2</b>	<b>23.8</b>	<b>26.3</b>	<b>113.1</b>	<b>91.1</b>	<b>20.6</b>	
Change (%)	71.1	11.1	36.0	-5.9	-30.8	-17.0	-38.6	28.5	25.5	-19.4	-24.3	
Extraord.: Tax Prov. Write Back	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adj PAT</b>	<b>27.2</b>	<b>26.7</b>	<b>14.3</b>	<b>20.5</b>	<b>18.9</b>	<b>22.2</b>	<b>23.8</b>	<b>26.3</b>	<b>88.7</b>	<b>80.3</b>	<b>20.6</b>	<b>5%</b>
Change (%)	71.1	11.1	-49.8	-5.9	-30.8	-17.0	66.5	28.5	-1.6	-9.4	-24.3	
<b>Key Assumptions</b>												
Gas Trans. volume (mmscmd)	131.8	130.6	125.9	120.8	120.6	123.6	123.8	123.3	127.3	122.8	124.2	1%
Petchem sales ('000MT)	169.0	226.0	221.0	229.0	177.0	209.0	218.0	195.3	211.3	199.8	145.3	-4%

# Lodha Developers

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	LODHA IN
Equity Shares (m)	998
M.Cap.(INRb)/(USDb)	1196.1 / 13.5
52-Week Range (INR)	1534 / 1035
1, 6, 12 Rel. Per (%)	1/-16/-7
12M Avg Val (INR M)	2033

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	181.1	189.3	193.3
EBITDA	51.6	53.9	55.1
EBITDA Margin (%)	28.5	28.5	28.5
PAT	36.9	40.5	43.0
EPS (INR)	37.0	40.6	43.1
EPS Gr. (%)	33.6	9.8	6.2
BV/Sh. (INR)	235.0	271.3	310.1

## Ratios

RoE (%)	16.9	16.0	14.8
RoCE (%)	13.9	13.8	13.3
Payout (%)	11.5	10.5	9.9

## Valuations

P/E (x)	32.4	29.5	27.8
P/BV (x)	5.1	4.4	3.9
EV/EBITDA (x)	23.7	21.7	20.9
Div yld (%)	0.4	0.4	0.4

## Shareholding pattern (%)

As On	Sep-25	Mar-25	Sep-24
Promoter	71.9	71.9	72.1
DII	2.7	2.4	2.8
FII	24.1	24.6	24.2
Others	1.3	1.1	0.9

**CMP: INR1,198 TP: INR1,888 (+58%) Buy**

## Strong financials and steady presales fuel 2Q performance

### Achieves 100% of guided FY26 BD in the first half itself

- In 2QFY26, Lodha Developers (LODHA)'s presales rose 7%/3% YoY/QoQ to INR45.7b (in line). In 1HFY26, its presales grew 8% YoY to INR90.2b.
- With the Supreme Court of India approving the Environmental Clearance (EC) process in late August for certain projects, the company is set for significant project launches in the second half of the year.
- LODHA's collections grew 13%/21% YoY/QoQ to INR34.8b (13% below our estimates) and are expected to strengthen in 2HFY26. In 1HFY26, collections rose 10% YoY to INR63.6b.
- LODHA added one new project in MMR with a GDV of INR23b in 2QFY26. With this, it was able to achieve its full-year BD guidance of INR250b in 1HFY26 itself (six new projects added in MMR, Pune, and Bengaluru).
- Net debt increased ~INR2.7b to INR53.7b in 2QFY26, albeit below the ceiling of 0.5x net debt/equity.
- LODHA reported revenue of INR38b, +45%/+9% YoY/QoQ (17% above estimates). In 1HFY26, it reported INR73b in revenue, rising 33% YoY.
- EBITDA (excl. other income) rose 57% YoY/13% QoQ to INR11.1b (19% above our estimates). Reported EBITDA margin stood at 29%. According to management, the embedded EBITDA margin for presales stood at ~32% in 2Q. Adjusted EBITDA (excluding interest charge-off and capitalized interest) stood at INR13.1b, with a margin of 34.5%. In 1HFY26, EBITDA stood at INR21b, up 43% YoY, with a margin of 29%. Embedded EBITDA margin for presales stood at ~32%. Adjusted EBITDA (excluding interest charge-off and capitalized interest) stood at INR25.1b, with a margin of 34.4%.
- Reported PAT came in at INR7.9b, rising 86% YoY and 17% QoQ (19% above estimates), while adjusted PAT came in at INR7.9b, rising 88% YoY with a 21% margin. In 1HFY26, reported and adjusted PAT rose 63% YoY each, at INR14.6b and INR14.7b, respectively, with a 20% adjusted PAT margin.

## Key highlights from the management commentary

- LODHA continues to see strong housing demand, led by consumer preference for high-quality homes and expectations of lower interest rates, with an aim to raise weekly sales to INR4b by the end of FY26 (vs. INR2.5b in FY25).
- In 1HFY26, launches totaled INR133b (7.8msf), with another INR140b planned for 2HFY26, keeping new launches' contribution to overall sales at around 30–35%.
- Of the INR120b guided sales for 2H, about 60% is expected from non-launch projects; price growth of 5–6% is anticipated in FY26, with quarterly presales averaging INR50b.
- Embedded EBITDA margins remain healthy at ~32% overall, led by 38% for own projects and 28% for JDAs.

- The company is expanding geographically, with Bangalore emerging as a key growth driver (targeting 15% of sales over the next decade), Pune contributing 16–18% in FY26, NCR entering the pilot phase in FY27, and township and digital infrastructure segments enhancing visibility and annuity income.

#### Valuation and view

- The company has delivered steady performance across its key parameters, and as it prepares to capitalize on strong growth and consolidation opportunities, we expect this consistency in operational performance to continue.
- At Palava, LODHA has a development potential of 600msf. However, we assume that a portion of this would be monetized through industrial land sales. We value 250msf of residential land to be monetized at INR637b over the next three decades.
- We use a DCF-based method for the ex-Palava residential segment and arrive at a value of ~INR549b, assuming a WACC of 11.1%. **Reiterate BUY with a TP of INR1,888.**

#### Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 2Q Est.	2QE Var (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	28,465	26,257	40,830	42,243	34,917	37,985	50,707	57,488	1,37,795	1,81,097	32,597	17
YoY Change (%)	76	50	39	5	23	45	24	36	33.6	31.4	24.1	
Total Expenditure	20,897	19,211	27,771	30,036	25,073	26,897	36,256	41,259	97,915	1,29,484	23,307	
EBITDA	7,568	7,046	13,059	12,207	9,844	11,088	14,452	16,229	39,880	51,613	9,290	19
Margins (%)	26.6	26.8	32.0	28.9	28.2	29.2	28.5	28.2	28.9	28.5	28.5	
Adj. EBITDA (as per co.)	9,600	9,600	15,900	14,600	12,000	13,100	14,452	12,061	49,700	52,100	9,290	41
Margins (%)	33.7	36.6	38.9	34.6	34.4	34.5	28.5	21.0	36.1	28.8	28.5	
Depreciation	604	665	672	778	659	714	901	943	2,719	3,216	579	
Interest	1,172	1,365	1,441	1,517	1,478	1,565	923	-669	5,495	3,297	593	
Other Income	718	589	636	1,960	1,330	804	649	-466	3,903	2,317	417	
PBT before EO expense	6,510	5,605	11,582	11,872	9,037	9,613	13,276	15,490	35,569	47,416	8,535	13
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	6,510	5,605	11,582	11,872	9,037	9,613	13,276	15,490	35,569	47,416	8,535	13
Tax	1,747	1,368	2,137	2,637	2,284	1,710	2,945	3,578	7,889	10,517	1,893	
Rate (%)	26.8	24.4	18.5	22.2	25.3	17.8	22.2	23.1	0.2	0.2	22.2	
Minority Interest & Profit/Loss of Asso. Cos.	10	8	1	18	6	16	10	5	37	37	7	
Reported PAT	4,753	4,229	9,444	9,217	6,747	7,887	10,321	11,907	27,643	36,862	6,635	19
Adj PAT (as per co.)	4,800	4,200	9,400	9,200	6,800	7,900	10,321	11,841	27,600	36,862	6,635	19
YoY Change (%)	182	100	65	37	42	88	10	29	70.4	33.6	58.0	
Margins (%)	16.9	16.0	23.0	21.8	19.5	20.8	20.4	20.6	20.0	20.4	20.4	44bp

E: MOFSL Estimates

#### Key operational performance

Key metrics	FY25				FY26E				FY25	FY26E	FY26E 2Q Est.	2QE Var (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sale Volume (msf)	2.4	2.4	3.0	3.4	3.3	3.5	4.2	4.0	11	15	3	1.4
Sale Value (INRb)	40.3	42.9	45.1	48.1	44.5	45.7	54.0	69.1	176	213	47	-2.2
Collections (INRb)	26.9	30.7	42.9	44.4	28.8	34.8	46.3	73.0	145	183	40	-13.2
Realization (INR/sft)	14,708	17,716	15,011	13,971	13,390	12,920	12,920	12,920	15,654	14,226	13,390	-3.5

# Godrej Consumer

Estimate changes

TP change

Rating change



Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USD\$)	1144.4 / 12.9
52-Week Range (INR)	1320 / 980
1, 6, 12 Rel. Per (%)	-9/-17/-19
12M Avg Val (INR M)	1692

## Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	157.4	174.8	193.0
Sales Gr. (%)	9.6	11.0	10.4
EBITDA	31.2	36.8	41.9
EBITDA mrg. (%)	19.8	21.0	21.7
Adj. PAT	21.8	26.5	30.8
Adj. EPS (INR)	21.3	25.9	30.1
EPS Gr. (%)	15.2	21.6	16.0
BV/Sh.(INR)	122.5	126.9	133.5

## Ratios

RoE (%)	17.8	20.8	23.1
RoCE (%)	15.6	19.0	21.8
Payout (%)	103.1	92.5	86.4

## Valuations

P/E (x)	52.4	43.1	37.1
P/BV (x)	9.1	8.8	8.4
EV/EBITDA (x)	37.3	31.4	27.4
Div. Yield (%)	2.0	2.1	2.3

## Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	53.1	53.1	63.0
DII	13.6	12.4	9.6
FII	18.2	19.4	22.0
Others	15.1	15.2	5.4

FII includes depository receipts

**CMP: INR1,119**
**TP: INR1,400 (+25%)**
**Buy**

## Expectation building up for 2HFY26

- Godrej Consumer's (GCPL) consolidated revenue rose 4% YoY to INR38.3b (est. INR39.3b), while volume growth stood at 3%. EBITDA declined 4% YoY (est. -5%) due to soft margins for the Indian and Indonesian operations.
- India's revenue rose 4%, while volume grew 3%. The GST transition's impact was 3-4%. Excluding soaps, volume growth was in double digits. Home Care delivered 6% revenue growth. GCPL entered the Toilet Cleaner space (INR30b market, growing at a strong double digit) with the launch of Godrej Spic Toilet Cleaner in October in South India.
- The Personal Care portfolio's sales declined 2% YoY. The Personal Wash and Hair Color categories were adversely impacted by the GST-led supply disruption. Two-thirds of the Soaps portfolio experienced grammage increases, while the rest saw price cuts. GCPL has entered the men's facewash category (valued at INR10b and growing at ~25% YoY) through the acquisition of the 'Muuchstac' brand for ~INR4.5b.
- International revenue rose 5%, led by a 25% growth in GAUM. Indonesia and LATAM declined ~7% and ~9%, respectively. Indonesia's performance was impacted by weak economic conditions, changes in distributor arrangements, and increased competition.
- India's EBITDA declined 7% YoY, impacted by sustained GM pressure (440bp down). GCPL stated that Indian margins have bottomed out, and 2HFY26 margins are expected to be at the lower end of its guidance of 24-26%.
- The Indian business is witnessing a gradual recovery, with a steady 1H performance reinforcing confidence in an improving trajectory toward accelerated volume growth. With easing palm oil prices, the company is well-positioned for **margin recovery in 2HFY26**, supporting overall profitability. This combination of volume traction and margin tailwinds strengthens earnings visibility. We model 10%/12% revenue and EBITDA CAGR for FY25-28E. The company is expanding its TAM by foraying into new, faster-growing categories and continues to strengthen its core portfolio. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,400 (based on 50x Sep'27E EPS)**.

## India's (ex-Soap) UVG in double digits; pressure on margins continues

### Consolidated performance

- Steady volume growth:** Consolidated net sales grew 4% YoY to INR38.3b (est. INR39.3b). Consolidated volume growth was 3%.
- Continued pressure on margins:** Gross margins contracted 350bp YoY to 52.1% (est. 52.2%). EBITDA margin contracted 160bp YoY to 19.2% (est. 18.4%). Other expenses rose 2% and ad spends rose 3%, while employee expenses declined 13%.

- **Miss on profitability:** EBITDA declined 4% YoY to INR7.3b (est. INR7.2b). PBT was at INR6.5b (est. INR6.7b), declining 9% YoY. APAT declined 3% YoY to INR4.8b (est. INR5b).
- In 1HFY26, consolidated revenue/EBITDA/APAT grew 7%/declined 4%/declined 1%.
- **International performance:** Indonesia delivered 2% UVG, with sales declining 7% in CC and INR terms and EBITDA declining 6%. The company expects pricing pressure to ease in a few months. In Indonesia, Hair Colours continued its strong performance, delivering double-digit growth led by Shampoo Hair Colour. Baby Care continued to gain market share. GAUM revenue grew 25%. GAUM EBITDA grew 20%. The strong growth was led by Hair Fashion and the scale-up of Air Fresheners. In GAUM, Aer Pocket maintained its strong traction for the second consecutive quarter across markets. The Hair Care range continued to deliver strong double-digit growth across Africa.
- **Standalone performance:** Net sales (including OOI) grew 4% YoY to INR23.6b in 2QFY26. **The Indian business reported underlying volume growth of 3% YoY. Excluding soaps, India's UVG growth was in double digits.** The Home Care business registered robust 6% revenue growth, while Personal Care posted a 2% decline. Gross margin contracted 510bp YoY to 51.3%. Gross margin contracted 440bp YoY to 51.6%. GP declined 4%. EBITDA margin contracted 250bp YoY to 21.7% (est. 20.8%). EBITDA declined 7% YoY to INR5.2b.

#### Highlights from the management commentary

- The transition following the recent GST rate reduction led to short-term trade disruptions, as channels adjusted to new pricing and cleared old inventory, particularly impacting Soaps and Hair Colour. Despite this, GCPL continued to gain market share in Soaps and other key categories. Demand is expected to normalize in the coming months as trade channels stabilize.
- **The GST rate reduction caused short-term trade disruption. Management has quantified ~3-4% hit to the standalone topline for the quarter, driven by destocking and channel price adjustments.**
- Palm oil has been volatile but range-bound (~4,000–4,500 MYR recently). The company states that it is largely priced for current levels and does not anticipate any material additional margin pressure from palm oil at current prices. Adequate domestic refined palm availability and favorable pricing further support margins.
- Management expects the Indian standalone business to achieve high single-digit underlying volume growth for the year, alongside consolidated high single-digit revenue growth, with 2HFY26 anticipated to outperform 1HFY26.

#### Valuation and view

- We cut our EPS estimates by 2-3% over FY26-FY28 on account of a miss on margin.
- GCPL faced supply chain disruptions in its Indian business during the quarter due to GST rate revisions, which impacted sales. However, as palm oil prices ease, the benefits of this decline are expected to flow through in 2HFY26.
- The company is expanding its TAM by foraying into new, faster-growing categories and continues to strengthen its core portfolio. Besides, the company has made consistent efforts to address gaps in profitability and growth across its international business. Given the growth-centric focus, we remain constructive on GCPL and **reiterate our BUY rating with a TP of INR1,400 (based on 50x Sep'27E EPS).**

# Quarterly Performance (Consolidated)

(INR b)

Y/E March	FY25E				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
<b>Domestic volume Growth (%)</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>5</b>	<b>7</b>	<b>4</b>	
<b>Net Sales (including OOI)</b>	<b>33.3</b>	<b>36.7</b>	<b>37.7</b>	<b>36.0</b>	<b>36.6</b>	<b>38.3</b>	<b>42.1</b>	<b>40.5</b>	<b>143.6</b>	<b>157.4</b>	<b>39.3</b>	-2.7
YoY change (%)	-3.4	1.8	3.0	6.3	9.9	4.3	11.6	12.6	1.9	9.6	7.3	
<b>Gross Profit</b>	<b>18.6</b>	<b>20.4</b>	<b>20.4</b>	<b>18.9</b>	<b>19.0</b>	<b>19.9</b>	<b>22.2</b>	<b>22.2</b>	<b>78.3</b>	<b>83.3</b>	<b>20.5</b>	-2.9
Margin (%)	55.9	55.6	54.1	52.5	51.9	52.1	52.7	54.7	54.5	52.9	52.2	
<b>EBITDA</b>	<b>7.3</b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>6.9</b>	<b>7.3</b>	<b>8.3</b>	<b>8.7</b>	<b>30.0</b>	<b>31.2</b>	<b>7.2</b>	1.4
Margins (%)	21.8	20.8	20.1	21.1	19.0	19.2	19.7	21.4	20.9	19.8	18.4	
YoY growth (%)	6.5	5.3	-16.4	-0.2	-4.4	-3.7	9.4	13.9	-2.2	3.9	-5.1	
Depreciation	0.5	0.5	0.6	0.7	0.6	0.7	0.7	0.6	2.3	2.5	0.6	
Interest	0.9	0.8	0.9	0.9	0.9	0.8	0.8	0.8	3.5	3.1	0.8	
Other Income	0.8	0.8	0.8	0.7	0.8	0.6	0.9	1.2	3.2	3.6	0.9	
<b>PBT</b>	<b>6.6</b>	<b>7.1</b>	<b>6.9</b>	<b>6.7</b>	<b>6.3</b>	<b>6.5</b>	<b>7.8</b>	<b>8.5</b>	<b>27.3</b>	<b>29.1</b>	<b>6.7</b>	-1.8
Tax	1.9	2.2	1.8	2.3	1.6	1.7	1.9	2.1	8.2	7.3	1.7	
Rate (%)	29.2	30.3	26.7	33.9	25.5	25.3	24.9	24.5	30.0	25.0	25.0	
<b>Adj PAT</b>	<b>4.6</b>	<b>5.0</b>	<b>5.0</b>	<b>4.3</b>	<b>4.7</b>	<b>4.8</b>	<b>5.8</b>	<b>6.4</b>	<b>18.9</b>	<b>21.8</b>	<b>5.0</b>	-3.8
YoY change (%)	23.6	12.2	-14.3	-24.8	0.4	-2.9	15.5	47.2	-4.2	15.2	1.0	
<b>Reported PAT</b>	<b>4.5</b>	<b>4.9</b>	<b>5.0</b>	<b>4.1</b>	<b>4.5</b>	<b>4.6</b>	<b>6.1</b>	<b>6.6</b>	<b>18.5</b>	<b>21.8</b>	<b>5.0</b>	-8.2

E: MOFSL Estimate

# United Spirits

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	UNITDSPR IN
Equity Shares (m)	727
M.Cap.(INRb)/(USD\$)	1041.1 / 11.7
52-Week Range (INR)	1700 / 1271
1, 6, 12 Rel. Per (%)	4/-14/-7
12M Avg Val (INR M)	1385

## Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	127.7	137.9	148.2
Sales Gr. (%)	10.4	7.9	7.5
EBITDA	23.4	25.9	28.4
Margin (%)	18.4	18.8	19.2
PAT	16.7	18.5	20.5
EPS (INR)	23.0	25.6	28.2
EPS Gr. (%)	16.8	11.1	10.2
BV/Sh.(INR)	131.4	157.0	186.5

## Ratios

RoE (%)	17.5	16.3	15.1
RoCE (%)	20.6	18.8	17.4
Payout (%)	52.1	62.5	63.8

## Valuations

P/E (x)	62.1	55.9	50.7
P/BV (x)	10.9	9.1	7.7
EV/EBITDA (x)	42.6	38.0	34.1

## Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.7	56.7	56.7
DII	14.9	14.4	13.2
FII	14.4	15.0	16.1
Others	14.0	13.9	14.1

FII includes depository receipts

**CMP: INR1,431 TP: INR1,575 (+10%) Neutral**

## Beat on margin; watchful of evolving Maharashtra and AP trends

- United Spirits (UNSP) delivered a strong performance in 2QFY26, with revenue rising 12% YoY (beat) and total volumes up 8% (vs. est. 6%). Growth was driven by the company's re-entry into Andhra Pradesh (from Sep'24), continued innovation and renovation initiatives, and a favorable base, partly offset by the excise duty hike in Maharashtra. The Prestige & Above (P&A) segment posted healthy volume and value growth of 8% and 12%, respectively, while the Popular segment reported 6% volume and 9% revenue growth.
- For 1HFY26, revenue grew 10% YoY, led by an 11% increase in the P&A segment. Excluding Andhra Pradesh, total revenue and P&A segment revenue grew 5% each, while growth ex-Maharashtra and Andhra Pradesh remained in double digits, underscoring the strength of the core portfolio.
- Gross margin surprisingly expanded by 190bp YoY and 300bp QoQ to 47.1% (est. 45.2%), supported by pricing, improved product/state mix, sustained productivity gains, and relatively stable input costs. Lower A&P spends (down 6% YoY) further boosted profitability, resulting in a 340bp YoY expansion in EBITDA margin to an all-time high of 21.2% (beat). Management has reiterated its guidance of maintaining high-teen EBITDA margins, and we model margins of around ~19% in FY27-FY28.
- The re-entry into Andhra Pradesh contributed to UNSP's volume growth; however, the excise duty hike in Maharashtra (high-teen revenue share) led to a mid-teen decline in volumes in the state. The newly launched Maharashtra made liquor (MML) category, priced at INR160 for 180ml, was introduced in early Oct. Consumer response to this new segment remains uncertain, and we remain watchful over the next few quarters to assess its performance and potential impact.
- The steady double-digit revenue growth (despite Maharashtra), along with sharp beat in margin, certainly increased the possibility of strong growth delivery in the coming quarters. However, evolving trends in Maharashtra (post MML), a high base in 2HFY26 led by AP opening, and ENA prices will remain key monitorables to check the growth momentum. We increased margin assumptions and raised our estimates by 7-8% for FY26-FY27. We value 50x Sep'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,575. We maintain Neutral rating.

## Beat in performance; all-time high operating margins

- Volume up 8%:** Standalone net sales rose 11.5% YoY to INR31.7b (est. INR30.4b) in 2QFY26 on a weak base of 1% decline in 2QFY25. P&A revenue (90% revenue mix) rose 12% YoY and Popular revenue grew 9% YoY. Growth was supported by its re-entry into AP and the strong performance of innovation and renovation launches, partially offset by adverse policy changes in Maharashtra. Total volume rose 8% (est. 6%), with P&A volume up 8% YoY (est. 6% YoY, 9% in 1QFY26) to 13.9m cases. Popular volume rose 6% YoY (est. 5% YoY, 12% in 1QFY26) to 2.7m cases.

- **All-time high operating margins:** Gross margin saw a sharp expansion of 190bp YoY to 47.1% (est. 45.2%, 44% in 1Q). Employee expenses rose 8%, other expenses rose 13%, and A&P spends declined 6%. EBITDA margin expanded 340bp YoY to 21.2% (est. 18.5%), recording an all-time high.
- **Strong double-digit growth:** EBITDA rose 32% YoY to INR6.7b (est. INR5.6b). PBT increased 48% YoY to INR6.6b (est. INR5.1b). APAT rose 48% YoY to INR4.9b (est. INR3.8b). There was an exceptional item of INR300m toward severance costs related to a closing unit.
- In 1HFY26, net sales, EBITDA and APAT grew 10%, 13%, and 25%, respectively.

#### Highlights from the management commentary

- The festive season (Oct-Dec) is expected to sustain healthy category growth and drive premiumization. Pocket pack (180ml) format continues to drive penetration and attract new consumers.
- In Maharashtra, headwinds stemmed from a ~35% price increase post-tax change. Consumer spending grew ~20-25%, implying ~10-15% volume decline for the industry.
- 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.
- Smirnoff recorded double-digit growth, driven by new flavors—Minty Jamun, Mango Mirchi, and Citrón—with strong traction in UP, Haryana, and Odisha.

#### Valuation and view

- We increased margin assumptions and raised our estimates by 7-8% for FY26-27.
- The re-entry into AP contributed to UNSP's volume growth; however, the excise duty hike in Maharashtra led to a mid-teen decline in volumes in the state, which contributes a mid- to high-teen share of the company's total revenue. The newly launched MML category, priced at INR160 for 180ml, was introduced in early Oct. Consumer response to this new segment remains uncertain, and we remain watchful over the next few quarters to assess its performance and potential impact.
- We value 50x Sep'27E standalone EPS and an additional INR250/share for its RCB and other non-core assets to derive a TP of INR1,575. We maintain Neutral rating.

## Quarterly Performance

(INR m)

Y/E March (Standalone)	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume growth %	3.5	-4.4	10.2	6.9	9.4	7.7	4.9	4.7	4.1	6.5	5.8	
Total revenues	23,520	28,430	34,320	29,460	25,490	31,700	37,576	32,953	1,15,730	1,27,719	30,385	4.3%
YoY change (%)	8.3	-0.8	14.8	10.5	8.4	11.5	9.5	11.9	8.2	10.4	6.9	
Gross Profit	10,460	12,850	15,350	13,100	11,210	14,930	17,473	15,138	51,760	58,751	13,734	8.7%
Margin (%)	44.5	45.2	44.7	44.5	44.0	47.1	46.5	45.9	44.7	46.0	45.2	
Total Exp	18,940	23,360	28,440	24,410	21,340	24,980	30,624	27,339	95,150	1,04,283	24,764	
EBITDA	4,580	5,070	5,880	5,050	4,150	6,720	6,951	5,615	20,580	23,436	5,621	19.5%
Margins (%)	19.5	17.8	17.1	17.1	16.3	21.2	18.5	17.0	17.8	18.4	18.5	
EBITDA growth (%)	18.9	7.8	19.7	39.5	-9.4	32.5	18.2	11.2	20.5	13.9	10.9	
Depreciation	650	690	720	680	680	650	655	697	2,740	2,682	685	
Interest	220	250	200	220	490	210	240	250	890	1,190	245	
Other income	320	340	720	750	610	760	650	730	2,130	2,750	385	
PBT	4,030	4,470	5,680	4,900	3,590	6,620	6,706	5,398	19,080	22,314	5,076	30.4%
Tax	1,040	1,120	1,480	1,340	900	1,600	1,777	1,339	4,980	5,617	1,279	
Rate (%)	25.8	25.1	26.1	27.3	25.1	24.2	26.5	24.8	26.1	25.2	25.2	
Adj. PAT	2,990	3,350	4,203	3,750	2,963	4,945	4,929	4,059	14,293	16,698	3,797	30.2%
YoY change (%)	24.8	5.3	20.7	60.3	-0.9	47.6	17.3	8.2	25.4	16.8	13.3	
Extraordinary inc/(Exp)	0	0	527	760	-383	-300	0	0	1,287	904	0	
Reported PAT	2,990	3,350	4,730	4,510	2,580	4,720	4,929	4,059	15,580	16,698	3,797.0	

E: MOFSL Estimate

Estimate change



TP change



Rating change



Bloomberg	HPCL IN
Equity Shares (m)	2128
M.Cap.(INRb)/(USD\$)	1012.8 / 11.4
52-Week Range (INR)	484 / 288
1, 6, 12 Rel. Per (%)	3/20/19
12M Avg Val (INR M)	2183

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	3,870	3,550	3,399
EBITDA	292	260	223
Adj. PAT	167	135	99
Adj. EPS (INR)	79	64	47
EPS Gr. (%)	148	-19	-27
BV/Sh.(INR)	297	343	376

## Ratios

Net D:E	0.9	0.7	0.6
RoE (%)	29.3	19.9	13.0
RoCE (%)	15.0	11.9	9.1
Payout (%)	28.3	27.1	29.1

## Valuations

P/E (x)	6.1	7.5	10.2
P/BV (x)	1.6	1.4	1.3
EV/EBITDA (x)	5.5	6.0	6.9
Div. Yield (%)	4.7	3.6	2.8
FCF Yield (%)	15.5	12.2	8.5

## Shareholding pattern (%)

As Of	Sep-25	Jun-25	Sep-24
Promoter	54.9	54.9	54.9
DII	22.3	23.2	21.7
FII	14.5	13.6	14.1
Others	8.4	8.4	9.3

FII includes depository receipts

**CMP: INR476**
**TP: INR590 (+24%)**
**Buy**

## Strong refining, marketing momentum to continue

- HPCL's 2QFY26 EBITDA came in at INR76.2b (29% beat), aided by a higher-than-estimated reported GRM of USD8.9/bbl (48% beat). GRM, adj. for inventory gains, stood at USD8/bbl. Marketing margin (including inv.) stood at ~INR5.8/lit (est. INR5.4/lit). The resultant PAT came in 29% above our estimate at INR38.3b.
- The MoP&NG, through letters dated 3<sup>rd</sup> and 24<sup>th</sup> Oct'25, approved a compensation of INR79.2b to HPCL for under-recoveries on the sale of domestic LPG up to 31<sup>st</sup> Mar'25 and those expected up to 31<sup>st</sup> Mar'26. The amount will be released in 12 equal monthly installments, with accruals recognized monthly starting Nov'25.
- We factor in LPG under-recovery compensation of INR6.6b per month 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). These revisions collectively drive a 23/27% upward revision in our FY26/27 EBITDA estimates.
- In line with management's indication of deferring the lubricant business spinoff and associated value unlocking, we exclude the earlier embedded value of ~INR37.5/sh from our TP. We now value HPCL's standalone operations at 6.5x Dec'27E EV/EBITDA (vs 6.5x FY27E earlier), resulting in a revised SoTP-based target price of INR590/sh.
- 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.
- HPCL currently trades at 1.4x FY27E P/B. We estimate the company to deliver 29.3%/19.9% RoE during FY26/27 and estimate a 3.6% FY27E dividend yield. Our earnings assumptions remain conservative as we build in a refining GRM of USD6.5/bbl and an MS/HSD gross marketing margin of INR3.5/lit. We have not assumed any significant benefit from 1) the start-up bottom-upgradation unit and 2) Project Samriddhi, which has unlocked savings worth USD0.5/bbl in 1HFY26. We reiterate our BUY rating on the stock with our SoTP-based TP of INR590.

## Key takeaways from the management commentary

- HRRL has achieved **89% overall physical progress**, with the **refinery section surpassing 95%**. Crude feed into the CDU is anticipated within the current calendar year.
- HRRL shall be depreciated over a period of 40 years (~INR20b depreciation p.a.). Interest cost shall be ~INR40b p.a. (before refinancing).
- At the **Residue Upgradation Facility (RUF) in Visakhapatnam**, **pre-commissioning activities were completed on 30 Oct'25**.
- The Mumbai refinery, which was temporarily shut down due to contaminated fuel, is now fully operational and ramping up to its full capacity.
- In 2Q, the Russian crude proportion stood at 5% only.
- **Capex** for 2QFY26 was INR32.6b, bringing the total for 1HFY26 to INR61.2b.
- India's **largest LPG storage cavern**, with a capacity of 80 TMT, was commissioned in Mangalore during the quarter.

### Beat fueled by higher-than-estimated GRM

- HPCL's EBITDA stood at INR76.2b (29% beat), aided by a higher-than-estimated reported GRM of USD8.9/bbl (48% beat).
- Marketing margin (including inv.) stood at ~INR5.8/lit (est. INR5.4/lit). Refining throughput was in line at 6.6mmt. Marketing volumes also came in line at 12.1mmt.
- LPG under-recovery stood at INR12.4b (down 42% QoQ).
- PAT came in 29% above our estimate at INR38.3b. Other income, depreciation, and finance costs were below our estimates.
- However, forex loss stood at INR7.3b. As of Sep'25, HPCL had a cumulative negative net buffer of INR142.4b due to the under-recovery on LPG cylinders (INR130b as of Jun'24).
- As of Sep'25, net debt stood at INR549.2b (vs. INR631.6b as of 31st Mar'25).
- The Board has declared an interim dividend of INR5/sh (FV: INR10/sh).

### Valuation and view

- **HPCL** remains our preferred pick among the three OMCs. We model a marketing margin of INR3.5/lit for both MS and HSD in 2HFY26/FY27/FY28, while the current MS and HSD marketing margins are significantly above these levels. We view the following as key catalysts for the stock: 1) the commissioning of its bottom-upgrade unit by the end of 3QFY26, and 2) the start of its Rajasthan refinery by Dec'25.
- HPCL currently trades at 1.4x FY27E P/B, which we believe offers a reasonable margin of safety as we estimate FY27E RoE of 19.9%. **We value the stock at our SoTP-based TP of INR590. Reiterate BUY.**

### Standalone - Quarterly Earnings Model

Standalone - Quarterly Earnings Model												(INR b)
Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	1,138	999	1,105	1,095	1,108	1,008	869	882	4,337	3,867	905	11%
YoY Change (%)	1.6	4.4	-0.7	-4.4	-2.7	0.9	-21.3	-19.4	0.0	-10.8	-9.4	
EBITDA	21	28	65	58	77	76	65	73	171	291	59	29%
Margins (%)	1.8	2.8	5.8	5.3	6.9	7.6	7.5	8.3	3.9	7.5	6.5	
Depreciation	15	15	15	16	15	16	16	18	61	65	16.3	
Forex loss	0	0	5	0	1	7	0	0	4	8	0.0	
Interest	7	9	9	7	7	8	10	11	33	36	9.7	
Other Income	6	6	5	8	5	5	5	12	24	29	6.5	
PBT	5	8	40	43	58	51	45	57	96	211	39.5	29%
Tax rate (%)	24.5	24.4	24.6	22.1	25.0	25.2	25.2	25.2	23.5	25.1	25.2	
Adj PAT	3.6	6.3	30.2	33.5	43.7	38.3	33.7	42.4	73.6	158.2	29.6	29%
YoY Change (%)	-94.3	-87.7	471.4	18.0	1,128.5	506.9	11.5	26.5	-49.9	114.8	368.8	
Key Assumptions												
Refining throughput (mmt)	5.8	6.3	6.5	6.7	6.7	6.6	6.7	6.7	25.3	26.6	6.6	-1%
Reported GRM (USD/bbl)	5.0	3.1	6.0	8.5	3.1	8.9	6.5	6.5	5.7	6.2	6.0	48%
Marketing sales volume incl exports (mmt)	12.6	11.6	12.9	12.7	13.0	12.1	13.6	14.1	49.8	52.8	12.3	-2%
Marketing GM incl inv (INR/litre)	3.0	4.2	5.7	4.6	7.0	5.8	5.3	5.7	4.4	6.0	5.4	7%

# Coromandel International

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	CRIN IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	626.6 / 7.1
52-Week Range (INR)	2720 / 1588
1, 6, 12 Rel. Per (%)	-10/-10/21
12M Avg Val (INR M)	1335

## Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	312.8	348.7	374.3
EBITDA	33.6	41.6	45.8
PAT	23.1	29.7	33.6
EBITDA (%)	10.7	11.9	12.2
EPS (INR)	78.6	100.8	114.0
EPS Gr. (%)	28.3	28.2	13.2
BV/Sh. (INR)	441.2	528.0	628.0

## Ratios

Net D/E	-0.2	-0.4	-0.4
RoE (%)	19.2	20.8	19.7
RoCE (%)	20.5	21.7	20.6
Payout (%)	17.8	13.9	12.3

## Valuations

P/E (x)	27.0	21.1	18.6
EV/EBITDA (x)	17.9	13.8	11.9
Div Yield (%)	0.7	0.7	0.7
FCF Yield (%)	-1.0	4.8	4.1

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.9	56.9	57.2
DII	15.9	15.9	21.3
FII	14.6	14.4	7.8
Others	12.7	12.9	13.8

**CMP: INR2,125      TP: INR2,800 (+32%)      Buy**

## Favorable agri outlook to support growth momentum

### Operating performance in line

- Coromandel International (CRIN) continued to deliver healthy operating performance in 2QFY26 (EBIT up 15% YoY), supported by continued traction in crop protection (EBIT up 34% YoY) and nutrients and allied (EBIT up 16% YoY).
- A favorable agricultural scenario, supported by above-normal monsoon and high reservoir levels, is expected to sustain the growth trajectory. Moreover, the rising demand for crop protection products, easing global agrochemical channel inventories, the integration of NACL Industries (a company primarily engaged in the agrochemical sector and specializing in crop protection products like insecticides, fungicides, and herbicides), capacity expansion, introduction of new molecules in the crop protection segment, and the rising consumption of NPK are expected to reinforce growth going forward.
- We have modeled the acquisition of NACL Industries completed during the quarter and raised our revenue estimates by 5%/7%/8% and earnings estimates by 4% for FY26/FY27/FY28, respectively. We value the company at ~28x FY27E EPS to arrive at a **TP of INR2,800. Reiterate BUY**

### Healthy performance across segments drives profitability

- CRIN reported revenue of INR96.5b (est. INR85.8b) in 2QFY26, up 30% YoY. Total manufacturing fertilizer volumes (NPK+DAP) declined marginally by 1% YoY to ~1.1mmt, and total phosphate fertilizer manufacturing volumes (including SSP) declined 2% YoY to 1.29mmt. Overall phosphatic volumes (NPK + DAP) increased 7% to 1.4mmt.
- Nutrient & other allied business revenue rose 28% YoY to INR86.6b, while crop protection business revenue grew 42% YoY to INR10.7b. Standalone Crop protection (i.e. ex NACL) business grew 10% to INR8.3b.
- EBITDA grew 18% YoY to INR11.5b (est. in-line). According to our calculations, manufacturing EBITDA/mt (including SSP) stood at INR6,340 (up 17% YoY), while EBITDA/mt for phosphate fertilizers (DAP and NPK) stood at INR7,398 (up 17% YoY).
- EBIT margin for the nutrient & other allied business contracted 130bp YoY to 11.4%, while EBIT margin for the crop protection business contracted ~80bp YoY to 13.6% (Due to the consolidation of NACL). However, standalone EBIT margins expanded 500bp YoY to 19.5%.
- Adjusted PAT stood at IN8.1b (est. in line), up 21% YoY.
- CRIN's 1HFY26 revenue/EBITDA/Adj. PAT grew 37%/30%/34% to INR167b/INR19.3b/INR13.1b. Total manufactured fertilizer volume (NPK + DAP) grew 4% YoY to ~2mmt, and total phosphate fertilizer manufacturing volumes (including SSP) grew 4% YoY to 2.38mmt.

### Highlights from the management commentary

- **Outlook:** Healthy performance is expected to continue in 2HFY26, driven by a favorable rabi season outlook, the announcement of NBS rates, above-normal reservoir levels, and the anticipated normalization of weather conditions following the unseasonal rainfall.

- **Subsidy:** During the quarter, CRIN received INR33.4b/INR46.4b in subsidy claims for 2Q/1HFY26, compared to INR38.5b in 1QFY25. As of Sep'25, outstanding subsidies stood at ~INR32b compared to INR17.1b as of Sep'24.
- **Crop protection:** The export business, driven by strong momentum in Mancozeb, grew 6-7% during the quarter with a significant improvement in profitability, making it a key contributor to the overall performance of crop protection. The company continues to enhance its export portfolio through capacity expansion and the development of new molecules.

### Valuation and view

- We believe the company is well-positioned to sustain its growth momentum in FY26, supported by favorable market dynamics, increasing shift toward NPK fertilizers for balanced nutrition, and strong growth in crop protection led by synergy benefits of the NACL consolidation.
- CRIN's medium-term outlook remains strong, backed by: 1) expansion into new geographies, 2) development of new molecules across fertilizers and crop protection segments, 3) backward integration for the fertilizer business, 4) acquisition of NACL, and 5) the scale-up of BMCC.
- We have modeled the acquisition of NACL Industries completed during the quarter and raised our revenue estimates by 5%/7%/8% and earnings estimates by 4% for FY26/FY27/FY28, respectively. We value the company at ~28x FY27E EPS to arrive at a TP of **INR2,800. Reiterate BUY**

### Quarterly Performance

												(INR m)
Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
<b>Net Sales</b>	<b>47,288</b>	<b>74,328</b>	<b>69,352</b>	<b>49,884</b>	<b>70,423</b>	<b>96,541</b>	<b>84,774</b>	<b>61,017</b>	<b>2,40,852</b>	<b>3,12,755</b>	<b>85,817</b>	<b>12</b>
YoY Change (%)	-16.9	6.4	26.9	27.5	48.9	29.9	22.2	22.3	9.2	29.9	15.5	
Total Expenditure	42,231	64,581	62,134	45,624	62,602	85,076	76,147	55,334	2,14,569	2,79,159	74,641	
<b>EBITDA</b>	<b>5,058</b>	<b>9,748</b>	<b>7,218</b>	<b>4,260</b>	<b>7,821</b>	<b>11,465</b>	<b>8,627</b>	<b>5,683</b>	<b>26,283</b>	<b>33,596</b>	<b>11,176</b>	<b>3</b>
Margins (%)	10.7	13.1	10.4	8.5	11.1	11.9	10.2	9.3	10.9	10.7	13.0	
Depreciation	653	690	708	854	1,206	1,018	1,215	1,220	2,904	4,658	1,210	
Interest	574	661	731	659	680	1,018	550	450	2,624	2,698	660	
Other Income	541	650	1,137	1,260	837	1,165	1,307	1,389	3,587	4,698	900	
<b>PBT before EO expense</b>	<b>4,372</b>	<b>9,047</b>	<b>6,916</b>	<b>4,007</b>	<b>6,773</b>	<b>10,595</b>	<b>8,169</b>	<b>5,402</b>	<b>24,342</b>	<b>30,938</b>	<b>10,206</b>	
Extra-Ord expense	0	0	0	-3,468	0	0	0	0	-3,468	0	0	
<b>PBT</b>	<b>4,372</b>	<b>9,047</b>	<b>6,916</b>	<b>7,475</b>	<b>6,773</b>	<b>10,595</b>	<b>8,169</b>	<b>5,402</b>	<b>27,810</b>	<b>30,938</b>	<b>10,206</b>	
Tax	1,125	2,328	1,752	1,524	1,757	2,660	2,056	1,368	6,728	7,841	2,569	
Rate (%)	25.7	25.7	25.3	20.4	25.9	25.1	25.2	25.3	24.2	25.3	25.2	
MI & P/L of Asso. Cos.	137	79	46	154	-34	-119	-36	152	417	-37	-50	
<b>Reported PAT</b>	<b>3,110</b>	<b>6,641</b>	<b>5,118</b>	<b>5,797</b>	<b>5,050</b>	<b>8,053</b>	<b>6,149</b>	<b>3,882</b>	<b>20,665</b>	<b>23,134</b>	<b>7,687</b>	
<b>Adj PAT</b>	<b>3,110</b>	<b>6,641</b>	<b>5,118</b>	<b>3,036</b>	<b>5,050</b>	<b>8,053</b>	<b>6,149</b>	<b>3,882</b>	<b>18,036</b>	<b>23,134</b>	<b>7,687</b>	<b>5</b>
YoY Change (%)	-37.1	-12.3	121.6	89.4	62.4	21.3	20.1	27.9	9.8	28.3	15.8	
Margins (%)	6.6	8.9	7.4	6.1	7.2	8.3	7.3	6.4	7.5	7.4	9.0	

# Phoenix Mills

Estimate change

TP change

Rating change



Bloomberg	PHNX IN
Equity Shares (m)	358
M.Cap.(INRb)/(USD\$)	604.4 / 6.8
52-Week Range (INR)	1902 / 1392
1, 6, 12 Rel. Per (%)	4/-4/5
12M Avg Val (INR M)	1214

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	47.3	50.2	62.2
EBITDA	27.3	30.0	38.4
EBITDA (%)	57.7	59.7	61.7
PAT	16.5	18.0	24.8
EPS (INR)	46.1	50.2	69.5
EPS Gr. (%)	67.4	9.0	38.3
BV/Sh. (INR)	335.3	382.6	449.0

## Ratios

Net D/E	0.4	0.3	0.2
RoE (%)	14.7	14.0	16.7
RoCE (%)	12.5	12.2	14.9
Payout (%)	6.5	6.0	4.3

## Valuations

P/E (x)	36.5	33.5	24.2
P/BV (x)	5.0	4.4	3.7
EV/EBITDA (x)	23.9	21.5	16.3
Div Yield (%)	0.2	0.2	0.2

## Shareholding Pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter (%)	47.3	47.3	47.3
DII (%)	15.5	12.7	13.2
FII (%)	33.5	36.3	35.5
Others (%)	3.8	3.7	4.1

**CMP: INR1,690**
**TP: 2,003 (+19%)**
**Buy**

**Strong consumption growth and leasing; buoyant residential sales**

## Consumption grows 12% in 1HFY26

- PHNX reported revenue of INR11.2b, +22% YoY/+17% QoQ (in line with estimates), while EBITDA came in at INR6.7b, up 29% YoY/18% QoQ (6% above estimate). Margin stood at 59.8%, up 340bp YoY/58bp QoQ (210bp above our estimate). In 1HFY26, revenue stood at INR20.7b, +14% YoY, while EBITDA came in at INR12.3b, up 17% YoY. Margin stood at 59.5%, up 196bp YoY.
- Adj. PAT stood at INR3b, +39% YoY/+26% QoQ (20% below estimate due to higher values of taxes and associate profits). PAT margin stood at 27.3%. In 1HFY26, adj. PAT stood at INR5.4b, up 21% YoY, with margins of 26.3%.
- In 2QFY26, group net debt stood at INR22.03b from INR26.6b in 1QFY26.

## Retail witnesses strong consumption

- In 2QFY26, consumption increased 13% YoY to INR37b, while it grew 12% YoY to INR73b in 1HFY26. This was led by Phoenix Palladium (Mumbai), Phoenix Citadel (Indore), Palladium Ahmedabad, Phoenix Mall of the Millennium (Pune) and Phoenix Mall of Asia (Bengaluru).
- Consumption in Phoenix MarketCity Bangalore and Pune was flat YoY due to the ongoing strategic repositioning to enhance customer experience and long-term growth potential.
- In 2QFY26, on an overall basis, fashion/jewelry/electronics/multiplex outperformed with 17%/12%/23%/23% YoY growth, while gourmet declined 16% YoY. F&B grew 8% YoY.
- The company reported rental income of INR5.3b, up 10% YoY. In 1HFY26, rental income stood at INR10.4b, up 7% YoY.
- Retail EBITDA stood at INR5.5b in 2QFY26, up 10% YoY. In 1HFY26, it stood at INR10.9b, up 7% YoY.

## Office occupancy rises, while Hospitality occupancy remains flat

- **Commercial performance:** Gross leasing of ~0.72msf completed as of 1HFY26 for assets in Mumbai, Pune, Bangalore and Chennai.
- In 2QFY26, occupancy for operational assets in Mumbai and Pune was up 9% vs. 4QFY25 and up 7% QoQ to 76%.
- Completion certificate for One National Park (Chennai) was achieved in Aug'25.
- Phoenix Asia Towers in Bengaluru achieved the USGBC LEED Platinum<sup>TM</sup> Certification in Jul'25.
- Income from commercial offices in 2QFY26 stood at INR540m, flat YoY, and EBITDA came in at INR330m, down 2% YoY. Margins stood at 61%. In 1HFY26, income stood at INR1.06b, up 2% YoY, and EBITDA came in at INR670m, flat YoY. EBITDA margin stood at 63%.
- **Hospitality:** St. Regis - 2Q occupancy at 85% vs. 85% in 1QFY25. In 1HFY26, it was at 84%, down 1% vs. YoY.

- For 2QFY26, ARR at INR17,711 was up 2% YoY and RevPAR at INR15,025 was up 2% YoY. In 1HFY26, ARR grew 7% YoY to INR18,106 and RevPAR rose 7% YoY to INR15,251.
- In 2Q, total income for St. Regis inched up 1% YoY to INR1.1b. EBITDA grew 13% YoY to INR530m, with margins of 47%. In 1HFY26, total income stood at INR2.3b, up 5% YoY. EBITDA stood at INR1.03b, up 16% YoY with margins of 46%.
- Marriott, Agra: 2Q occupancy at 60% vs. 67% YoY. In 1H, it was flat YoY at 65%.
- For the quarter, ARR at INR4,396 was down 4% YoY and RevPAR was down 14% YoY at INR2,621. In 1HFY26, ARR was flat YoY at INR4,384 and RevPAR was up 1% YoY at INR2,862.
- Total income in 2QFY26 for Marriott was INR88m, down 11% YoY. EBITDA stood at INR4m, down 50% YoY, with margins of 5%. In 1HFY26, total income stood at INR198m, up 6% YoY. EBITDA stood at INR20m, down 8% YoY, with margins of 10%.

### Valuation and view

- While new malls continue to ramp up well, PHNX is implementing measures to accelerate consumption at mature malls. These initiatives, along with a further increase in trading occupancy, will help PHNX sustain healthy traction in consumption.
- The company's acquisition of the remaining 49% stake in Island Star Mall Developers (ISMDPL) strengthens its high-quality retail asset portfolio, unlocking long-term value. The transaction is expected to be earnings-accretive from year one with significant upside as rental income stabilizes and the 2.71msf incremental FSI potential is developed over the medium term.
- **We retain our BUY rating with a revised TP of INR2,003/share (earlier INR2,044/share), implying upside potential of 19%.**

### Financial Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q est	
<b>Gross Sales</b>	<b>9,041</b>	<b>9,180</b>	<b>9,751</b>	<b>10,163</b>	<b>9,530</b>	<b>11,154</b>	<b>12,290</b>	<b>14,295</b>	<b>38,136</b>	<b>47,269</b>	<b>10,872</b>	3%
YoY Change (%)	11.5	4.9	-1.1	-22.2	5.4	21.5	26.0	40.7	-4.1	24.0	18.4	
Total Expenditure	3,731	4,003	4,223	4,567	3,887	4,485	5,199	6,426	16,524	19,998	4,600	
<b>EBITDA</b>	<b>5,310</b>	<b>5,177</b>	<b>5,528</b>	<b>5,597</b>	<b>5,643</b>	<b>6,669</b>	<b>7,091</b>	<b>7,869</b>	<b>21,612</b>	<b>27,272</b>	<b>6,272</b>	6%
Margins (%)	58.7	56.4	56.7	55.1	59.2	59.8	57.7	55.0	56.7	57.7	57.7	210bps
Depreciation	775	775	813	902	934	912	918	766	3,265	3,531	812	
Interest	1,031	1,031	1,029	941	951	919	1,166	1,448	4,032	4,485	1,032	
Other Income	383	371	304	451	315	308	360	403	1,509	1,386	319	
<b>PBT before EO expense</b>	<b>3,887</b>	<b>3,741</b>	<b>3,991</b>	<b>4,204</b>	<b>4,072</b>	<b>5,145</b>	<b>5,367</b>	<b>6,057</b>	<b>15,824</b>	<b>20,641</b>	<b>4,748</b>	8%
Extra-Ord expense	-5	0	160	-27	0	0	0	0	127	0	0	
<b>PBT</b>	<b>3,882</b>	<b>3,741</b>	<b>4,151</b>	<b>4,177</b>	<b>4,072</b>	<b>5,145</b>	<b>5,367</b>	<b>6,057</b>	<b>15,951</b>	<b>20,641</b>	<b>4,748</b>	8%
Tax	747	835	641	712	873	1,317	988	621	2,936	3,799	874	
Rate (%)	19.3	22.3	15.4	16.9	21.4	25.6	18.4	10.3	18.4	18.4	18.4	
MI & P/L of Asso. Cos.	809	725	862	777	792	788	95	-1,310	3,173	366	84	
<b>Reported PAT</b>	<b>2,326</b>	<b>2,181</b>	<b>2,648</b>	<b>2,688</b>	<b>2,407</b>	<b>3,040</b>	<b>4,284</b>	<b>6,746</b>	<b>9,842</b>	<b>16,477</b>	<b>3,790</b>	-20%
<b>Adj PAT</b>	<b>2,326</b>	<b>2,181</b>	<b>2,648</b>	<b>2,693</b>	<b>2,407</b>	<b>3,040</b>	<b>4,284</b>	<b>6,746</b>	<b>9,842</b>	<b>16,477</b>	<b>3,790</b>	-20%
YoY Change (%)	-3.3	-13.7	-5.2	-17.6	3.5	39.4	61.8	150.5	-10.5	67.4	73.8	
Margins (%)	25.7	23.8	27.2	26.5	25.3	27.3	34.9	47.2	25.8	34.9	34.9	-760bps

Source: Company, MOFSL

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	MPHL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	526 / 5.9
52-Week Range (INR)	3240 / 2025
1, 6, 12 Rel. Per (%)	0/6/-10
12M Avg Val (INR M)	1509

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	157.2	173.4	188.7
EBIT Margin	15.4	15.5	16.1
PAT	19.2	21.3	23.9
EPS (INR)	100.3	111.2	124.8
EPS Gr. (%)	12.4	10.9	12.2
BV/Sh. (INR)	546.4	591.0	641.2

## Ratios

RoE (%)	19.1	19.6	20.3
RoCE (%)	16.7	17.5	18.2
Payout (%)	60.3	60.3	60.3

## Valuations

P/E (x)	27.6	24.8	22.1
P/BV (x)	5.1	4.7	4.3
EV/EBITDA (x)	17.1	15.2	13.3
Div Yield (%)	2.2	2.4	2.7

## Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	40.1	40.1	40.3
DII	37.1	36.5	37.0
FII	18.5	19.0	18.3
Others	4.3	4.4	4.4

FII includes depository receipts

**CMP: INR2,764**      **TP: INR2,900 (+5%)**      **Neutral**

## A mixed quarter

### Deal wins healthy; margins to remain within the guided range

- Mphasis's (MPHL) 2QFY26 net revenue rose 1.2% QoQ in Constant Currency (CC), largely in line with our estimate of 1.5% QoQ CC. Direct revenue rose 2.2% QoQ CC and 7.9% YoY CC. TCV rose 155% YoY to USD528m. EBIT margin stood at 15.3%, in line with our estimate of 15.3%. PAT came in at INR4.7b (up 6.2%/10.8% QoQ/YoY), in line with our estimate of INR4.7b.
- For 1HFY26, net revenue/EBIT/PAT grew 9.7%/10.3%/10.0% YoY in INR terms. We expect revenue/EBIT/PAT to grow 11.2%/12.3%/14.9% YoY in 2HFY26. MPHL targets a sustainable operating (EBIT) margin within the band of 14.75-15.75%. While deal wins has been consistent and execution is encouraging, the pace and consistency of conversion remain the key monitorables. **We reiterate our Neutral rating on the stock.**

### Our view: Revenue conversion yet to accelerate

- **Seasonal furloughs to weigh on 3Q:** MPHL posted a modest 1.2% QoQ CC growth in 2Q, driven by a steady ramp-up of deals. TMT and Insurance led growth during the quarter, with consistent ramp-ups and conversions. Although logistics experienced another decline, management expects sequential growth in the upcoming quarter. We expect furloughs to weigh on 3QE growth (1.8% QoQ CC), with a recovery in 4QE (2.8%) as ramp-ups from large deals offset near-term softness, supporting a stronger FY26 exit.
- **Revenue conversion remains a key monitorable:** TCV for MPHL stood at USD528m (up 155% YoY), with six large deal wins during the quarter. As a result, TCV won in 1HFY26 now exceeds the full-year TCV for FY25. That said, while TCV growth has consistently remained above 100% YoY over the past few quarters, meaningful revenue conversion has yet to follow. Unlike other mid-cap peers, revenue growth and deal conversion have not been at par. We would turn constructive on the stock once we observe sustained revenue conversion.
- **EBIT margins remain within the guided band, GTM investments continue:** MPHL has continued to deliver margins around the midpoint of its guided range (14.75-15.75%) over the past few quarters, now. The logistics vertical margin was impacted by a one-time client-specific investment. This is expected to normalize in 3Q. Further, utilization reached 87% (vs 76% YoY), and fixed price contracts increased 50% YoY. With elevated utilization and a rising fixed-price mix, the margin trajectory should remain stable in the near term. We estimate 15.4%/15.5% EBIT margin for FY26/FY27.

### Valuation and change in estimates

**We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain key monitorables.** Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~8.1% and an INR PAT CAGR of ~12%. We value the stock at 26x Jun'27E EPS with a TP of INR2,900. **We reiterate our Neutral rating on the stock.**

## Revenue and margins in-line with our estimates; deal TCV up 155% YoY, wins six large deals in 2Q

- MPHL's net revenue grew 1.2% QoQ CC, largely in line with our estimate of 1.5% QoQ CC growth.
- Direct revenue rose 2.2% QoQ CC and 7.9% YoY CC.
- TMT and Insurance led growth with a 9.1%/4.3% QoQ increase, while logistics declined 2.7% QoQ.
- EBIT margin stood at 15.3% vs our estimate of 15.3%.
- PAT was at INR4.7b (up 6.2% QoQ), in line with our estimates of INR4.7b.
- TCV stood at USD528m (up 155% YoY). About 87% of the deal wins were in NextGen Services. The company won six large deals in 2QFY26.
- Offshore utilization (excl. trainees) increased 300bp QoQ to 87%. Net headcount declined 0.8% in 2QFY26 to 30,809.
- The company maintained its sustainable EBIT margin within the target range of 14.75-15.75%.

## Key highlights from the management commentary

- Efficiency and savings continue to dominate client discussions, though bundled with transformation and modernization programs.
- The company expects to grow at >2x industry rate in FY26, backed by strong 1H performance and TCV conversion. Sequential growth is expected to continue through 2H, led by a steady ramp-up of large deals won in prior quarters.
- It is too early to assess the impact of furloughs, but the higher share of fixed contracts provides flexibility.
- The FY26 exit run rate is expected to improve meaningfully, with direct business being the primary growth driver.
- 1H FY26 TCV of USD1.3b already exceeds FY25 full-year TCV.
- The company has maintained margin stability despite continued investments in GTM and AI platforms.
- Conversion from TCV to revenue remains steady; ramp-ups are expected to strengthen over 3Q and 4Q.
- The 2Q margin impact in the logistics vertical was a one-off, tied to a client-specific investment, with normalization expected in 3Q.
- H1B reforms have limited direct impact but may drive work globalization and faster adoption of automation.
- The company has launched the NeoIP™ Agentic Platform, integrating multiple AI agents for transformation.

## Valuation and view

- **We are positive on the BFSI exposure as it remains relatively resilient amid current uncertainties. That said, broader demand visibility is still evolving, and the pace and consistency of TCV-to-revenue conversion remain key monitorables. Our estimates are largely unchanged. Over FY25-27, we expect a USD revenue CAGR of ~8.1% and an INR PAT CAGR of ~12%. We value the stock at 26x Jun'27E EPS with a TP of INR2,900. We reiterate our Neutral rating on the stock.**

## Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	Est. 2QFY26	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	410	421	419	430	437	445	453	466	1,680	1,801	445	0.1
QoQ (%)	-0.2	2.7	-0.5	2.7	1.6	1.8	1.7	2.8	4.4	7.2	1.7	11bp
Revenue (INR m)	34,225	35,362	35,613	37,101	37,324	39,019	39,878	41,003	1,42,301	1,57,232	38,795	0.6
YoY (%)	5.2	7.9	6.7	8.7	9.1	10.3	12.0	10.5	7.2	10.5	9.7	63bp
GPM (%)	30.8	31.3	31.7	31.8	31.9	30.9	31.2	31.3	31.4	31.3	31.5	-60bp
SGA (%)	12.7	12.9	12.7	12.9	13.1	12.4	12.5	12.5	12.8	12.6	12.7	-34bp
EBITDA	6,185	6,480	6,781	7,026	7,028	7,236	7,457	7,709	26,472	29,437	7,294	-0.8
EBITDA Margin (%)	18.1	18.3	19.0	18.9	18.8	18.5	18.7	18.8	18.6	18.7	18.8	-26bp
EBIT	5,135	5,444	5,458	5,673	5,709	5,958	6,141	6,355	21,710	24,171	5,936	0.4
EBIT Margin (%)	15.0	15.4	15.3	15.3	15.3	15.3	15.4	15.5	15.3	15.4	15.3	-3bp
Other income	238	182	235	239	392	289	399	410	894	1,490	388	-25.5
ETR (%)	24.7	24.7	24.8	24.5	27.6	24.9	24.5	24.5	24.7	25.3	25.4	-49bp
PAT	4,045	4,234	4,279	4,466	4,417	4,690	4,938	5,108	17,024	19,160	4,717	-0.6
QoQ (%)	2.9	4.7	1.1	4.4	-1.1	6.2	5.3	3.4			6.8	-8.9
YoY (%)	2.1	8.0	14.5	13.6	9.2	10.8	15.4	14.4	9.5	12.5	11.4	-5.6
EPS (INR)	21.3	22.2	22.4	23.4	23.1	24.5	25.8	26.7	89.3	100.3	24.7	-0.7

# Balkrishna Industries

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BIL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USD\$)	440.7 / 5
52-Week Range (INR)	2930 / 2152
1, 6, 12 Rel. Per (%)	-5/-20/-26
12M Avg Val (INR M)	732

## Financials & valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	105.9	118.4	130.2
EBITDA	24.5	29.0	32.6
Adj. PAT	15.1	18.7	20.7
EPS (Rs)	78.0	96.7	107.3
EPS Growth (%)	-19.1	24.0	11.0
BV/Share (Rs)	599.3	678.0	765.3

## Ratios

RoE (%)	13.7	15.1	14.9
RoCE (%)	12.1	12.4	12.4
Payout (%)	20.5	18.6	18.6

## Valuations

P/E (x)	29.3	23.6	21.3
P/BV (x)	3.8	3.4	3.0
Div. yield (%)	0.7	0.8	0.9
FCF yield (%)	-0.3	0.6	1.1

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter (%)	58.3	58.3	58.3
DII (%)	24.7	24.8	23.5
FII (%)	10.7	10.5	11.7
Others (%)	6.3	6.4	6.5

FII includes depository receipts

**CMP: INR2,280**      **TP: INR2,257 (-1%)**      **Neutral**

## Weak quarter

### Demand outlook remains uncertain in key markets

- Balkrishna Industries' (BIL) 2Q earnings at INR2.7b were below our estimate of INR3.7b due to an adverse mix, the impact of US tariffs, and weak demand.
- BIL continues to face demand headwinds in its key global markets. While the stock has underperformed in the recent past and valuations at 29.3x FY26E and 23.6x FY27E are not too demanding, its future target multiple is likely to depend on its ability to succeed in these new segments—not only by capturing market share, but by doing so without materially hurting core returns—which, in our view, is likely to be a challenge. We have not changed our target multiple for BIL yet and continue to value it at 22x Sep'27E. Reiterate Neutral with a TP of INR2,257.

### Earnings miss due to weak demand and adverse mix

- BIL's revenue declined ~6% YoY to INR23.2b, coming in below our estimates of INR25.5b. Volumes declined 4% YoY to 70,252MT and were below our estimate of 74k MT
- Blended ASPs also declined 2% YoY to INR 330k/MT due to a weaker geographical as well as product mix.
- As a result, EBITDA margin sharply contracted 360bp YoY (230bp QoQ) to 21.5% (well below our estimate of 24.4%).
- EBITDA declined 19% YoY to INR5b (20% miss).
- Adj PAT declined 24% YoY to INR2.7b, sharply below our estimates of INR3.7b
- Operating cash flow for BIL during 1HFY26 stood at INR14.1b, while capex was INR16.7b. This resulted in negative free cash of INR2.6b.
- BIL has approved its 2<sup>nd</sup> interim dividend of INR4 per share.
- BIL's volumes/revenue/EBITDA/PAT for 1HFY26 declined ~4%/2.4%/13.2%/33.2 to 151k MT/INR50.8b/INR11.6b/INR5.5b, respectively.

### Highlights from the management commentary

- Currently, no global exporters are exporting to the US due to the sharp rise in tariffs. Most distributors are consuming existing stock and are adopting a wait-and-watch approach regarding the tariff situation. Thus, a favorable outcome on tariffs could prompt inventory restocking in the US.
- European demand remains weak but is showing early signs of stabilization. Management expects a gradual recovery in 2H.
- The impact of the EUDR regulation has started reflecting in 2Q and will be fully realized in 3Q. However, management expects this to be offset by the softening of commodity prices.

- Capex for 1H FY26 stood at INR16.7b, mainly towards the new TBR/PCR tire project and carbon black capacity expansion. FY26 capex is expected to be INR20-22b, with the remaining ~INR35b three-year plan to be incurred in subsequent years. Net debt currently stands at INR4.5b.

### Valuation and view

BIL continues to face demand headwinds in its key global markets. Further, its foray into the PCR/TBR segments is likely to be closely monitored for: 1) the pace at which it gains material traction and 2) whether margins and returns will be materially dilutive in the long run. While the stock has underperformed in the recent past and valuations at 29.3x FY26E and 23.6x FY27E are not too demanding, its future target multiple is likely to depend on its ability to succeed in these new segments—not only by capturing market share, but by doing so without materially hurting core returns—which, in our view, is likely to be a challenge. We have not changed our target multiple for BIL yet and continue to value it at 22x Sep'27E. However, this may warrant a change going forward if BIL's returns plunge due to this foray. Reiterate Neutral with a TP of INR2,257.

### Quarterly Earning Model (Standalone)

												(INR m)
Y/E March	FY25				FY26E				FY25	FY26E	2QE	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volumes (Ton)	83,570	73,298	76,343	82,062	80,664	70,252	77,106	87,210	315,273	315,232	74,031	-5.1
YoY Change (%)	24.3	3.8	4.9	0.0	-3.5	-4.2	1.0	6.3	7.7	0.0	1.0	
Realizations (INR '000/ton)	328.1	336.3	336.8	345.8	342.1	330.3	346.9	357.6	336.7	345.0	344.7	-4.2
YoY Change (%)	4.2	5.6	5.8	5.2	4.3	-1.8	3.0	3.4	5.1	2.5	2.5	
Net Revenues	27,415	24,648	25,716	28,376	27,594	23,207	26,752	31,187	106,150	108,740	25,517	-9.1
YoY Change (%)	29.6	9.7	11.0	5.2	0.7	-5.8	4.0	9.9	13.2	2.4	3.5	
EBITDA	7,137	6,185	6,391	7,035	6,560	4,999	6,501	8,351	26,813	26,411	6,226	-19.7
Margins (%)	26.0	25.1	24.9	24.8	23.8	21.5	24.3	26.8	25.3	24.3	24.4	-290bp
Depreciation	1,617	1,647	1,708	1,760	1,862	1,901	1,885	1,875	6,735	7,524	1,880	
Interest	143	404	150	490	290	319	270	266	1,252	1,145	300	
Forex loss/(gain)	-60	530	-1,120	580	1,540	10	0	-10	-68	1,540	0	
Other Income	830	1,048	240	550	1,042	709	200	712	2,668	712	950	
PBT before EI	6,267	4,653	5,894	4,755	3,910	3,478	4,546	6,932	21,562	18,865	4,996	-30.4
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	6,267	4,653	5,894	4,755	3,910	3,478	4,546	6,932	21,562	18,865	4,996	-30.4
Rate (%)	23.8	24.9	25.4	23.8	26.6	23.7	26.5	28.7	24.5	24.0	26.5	
Adj PAT	4,773	3,496	4,398	3,622	2,869	2,652	3,341	4,944	16,283	13,807	3,672	-27.8
YoY Change (%)	52.7	4.3	42.6	-25.8	-39.9	-24.1	-24.0	36.5	12.6	-15.2	5.0	

E: MOFSL Estimates

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	ACC IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	353.3 / 4
52-Week Range (INR)	2367 / 1775
1, 6, 12 Rel. Per (%)	-1/-6/-25
12M Avg Val (INR M)	689

#### Financials & Valuations (INR b)

Y/E Dec	FY26E	FY27E	FY28E
Sales	243.0	270.4	299.6
EBITDA	32.8	38.9	44.7
Adj. PAT	16.6	21.9	25.6
EBITDA Margin (%)	13.5	14.4	14.9
Adj. EPS (INR)	88.2	116.3	136.1
EPS Gr. (%)	23.9	31.9	17.0
BV/Sh. (INR)	1,095	1,203	1,330

#### Ratios

Net D:E	-0.1	-0.2	-0.2
RoE (%)	8.5	10.1	10.7
RoCE (%)	11.9	10.3	10.9
Payout (%)	6.1	7.7	6.6

#### Valuations

P/E (x)	21.3	16.2	13.8
P/BV (x)	1.7	1.6	1.4
EV/EBITDA(x)	9.7	7.5	6.2
EV/ton (USD)	85	78	74
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	-3.2	7.0	5.1

#### Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	56.7	56.7	56.7
DII	22.7	24.3	24.6
FII	5.1	4.7	5.5
Others	15.6	14.4	13.2

FII includes depository receipts

**CMP: INR1,882 TP: INR2,040 (+8%) Neutral**

### Cost improvement drives a beat on EBITDA

#### Capacity expansion of 3.4mtpa on track; commissioning expected in 3Q

- ACC reported a strong EBITDA growth of ~91% YoY to INR8.2b in 2QFY26 (37% above our estimate, led by higher volume and lower opex/t vs. our estimate). EBITDA/t increased ~59%/8% YoY/QoQ to INR732 (vs. est. INR585). OPM up 4.7pp YoY to ~14% (est. ~11%). PAT (adjusted for tax reversal and interest income) increased ~37% YoY to INR3.2b (~3% above estimates driven by lower other income and higher tax provisioning).
- Management indicated that the industry demand grew ~5% YoY in 2QFY26. With the GST rate reduction, demand is likely to see an uptick, and it estimate ~7-8% YoY growth in FY26. Its Salai Banwa (2.4mtpa) and Kalamboli (blending unit 1.0mtpa) units are likely to be commissioned in 3QFY26, taking the total capacity to 43.7mtpa. Further, debottlenecking initiatives are going to unlock an incremental capacity of 5.6mtpa by FY28 at a capex of USD48/MT.
- We raise our EBITDA by 8% for FY26E and by ~2% for FY27/FY28 (each) to factor in the outperformance in 2QFY26. However, we retain our EPS estimates. The stock is trading at 10x/8x FY26E/FY27E EV/EBITDA and USD85/USD78 EV/t. We value the stock at 8x Sep'27E EV/EBITDA to arrive at our TP of INR2,040. **Reiterate Neutral.**

#### Sales volume up ~20% YoY; EBITDA/t at INR732 (est. INR585)

- ACC's revenue/EBITDA/PAT stood at INR58.5b/INR8.2b/INR3.2b (+26%/+91%/+37% YoY and +9%/+37%/+3% vs. estimates) in 2QFY26. Sales volumes were up 20% YoY at 11.2mt (+9% vs. our estimate). Cement realization rose 3% YoY (down 2% QoQ; 1% below our estimates) at INR4,820/t. Blended realization improved ~5% YoY (down 1% QoQ). Its RMC revenue increased sharply by 57% YoY to INR4.5b (42% above our estimates).
- Opex/t was flat YoY at INR4,494 (down 3% QoQ; ~4% below our estimate), led by a 12%/6% YoY decline in other expenses/freight cost. However, variable cost/t was up ~5% YoY. OPM surged 4.7pp YoY to ~14%, and EBITDA/t grew 59% YoY to INR732. It also received lease rental (included in revenue) of INR180m (INR16/t) from the holding company, and this will continue to be received going forward. Depreciation rose ~11% YoY, whereas finance cost declined ~13% YoY. Other income dipped 88% YoY, and the effective tax rate was 41.7% vs. 26.5% in 2QFY25.
- In 1HFY26, revenue/EBITDA/adj. PAT grew 21%/44%/18% YoY to INR119.2b/INR15.9b/INR7.1b. EBITDA/t was up ~24% YoY to INR703. Operating cash outflow stood at INR22.3b vs. INR6.1b in 1HFY25 due to a sharp increase in working capital. Capex stood at INR6.4b vs. INR7.1b in 1HFY25. Net cash outflow was at INR13.2b vs. INR28.7b in 1HFY25. We estimate revenue/EBITDA/PAT growth of 10%/43%/29% YoY in 2HFY26.

#### Key highlights from the management commentary

- It acquired new limestone blocks in Wadi, Kymore, and Chanda, ensuring continued operations and cost efficiency through better-quality resources.
- RMC business expanded with the addition of 28 plants YoY, taking the total to 116 plants across 45 cities. Volumes grew 49% YoY to 0.9m m<sup>3</sup>.

- The company's net cash balance sheet is at INR7.9b as of Sep'25 and INR15.0b as of now (including the INR7.5b tax refund received in Oct'25) vs. the cash balance of INR35.9b as of Mar'25.

### Valuation and view

- ACC reported strong operating performance in 2QFY26, above our estimates, led by higher volume and better cost control. Management indicated that synergies with group companies drive benefits in business operations. Volume growth continued to surprise positively, led by MSA through group companies. While higher operating leverage drives lower-than-estimated opex/t. We remain watchful for a sustainable cost reduction and profitability improvement.
- We estimate a CAGR of 13%/23%/24% for revenue/EBITDA/PAT over FY25-28. We estimate a volume CAGR of ~10% over FY25-28 and EBITDA/t at INR708/ INR763/ INR798 in FY26/FY27/FY28 vs INR570 in FY25. We continue to believe that the Adani group will have a single listed cement entity, eventually leading to the merger of ACC and ACEM. Hence, the consolidated financials of ACEM reflect a clear picture of the group's cement business performance. We value the stock at 8x Sep'27E EV/EBITDA to arrive at our TP of INR2,040. **Reiterate Neutral.**

### Standalone quarterly performance

Standalone quarterly performance											(INR b)	
Y/E March	FY25				FY26				FY25	FY26E	FY26	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cement Sales (mt)	10.20	9.30	10.70	11.90	11.45	11.20	11.66	12.00	42.1	46.3	10.2	9
Change (YoY %)	8.5	14.8	20.5	14.0	12.3	20.4	9.0	0.8	36.4	10.0	10.0	
Net Sales	52.0	46.3	52.6	60.6	60.7	58.5	60.4	63.4	210.5	243.0	53.9	9
Change (YoY %)	(0.0)	4.4	6.9	12.2	16.7	26.4	14.8	4.7	(5.2)	15.4	17.0	
EBITDA	6.8	4.3	4.7	8.0	7.7	8.2	8.0	8.9	22.9	32.8	6.0	
Margin (%)	13.0	9.3	9.0	13.2	12.7	14.0	13.2	14.0	10.9	13.5	11.1	37
Change (YoY %)	(11.9)	(21.7)	(47.7)	(4.4)	14.1	90.9	69.2	10.9	140.5	43.4	39.5	289
Depreciation	2.2	2.3	2.5	2.5	2.4	2.6	2.6	2.6	9.6	10.2	2.5	5
Interest	0.3	0.3	0.3	0.1	0.3	0.3	0.3	0.4	1.1	1.2	0.3	(8)
Other Income	0.7	1.5	1.1	0.6	0.7	0.2	0.3	0.8	4.0	2.0	0.8	(78)
PBT before EO Item	4.9	3.2	3.1	6.0	5.7	5.5	5.4	6.7	16.2	23.3	4.1	36
EO Income/(Expense)	0.0	0.0	11.7	2.6	0.0	2.1	0.0	0.0	14.3	2.1	0.0	
PBT after EO Item	4.9	3.2	14.8	8.6	5.7	7.6	5.4	6.7	30.5	25.4	4.1	87
Tax	1.3	0.8	3.9	1.2	1.9	-3.6	1.1	1.4	7.2	0.9	0.9	
Rate (%)	25.6	26.5	26.2	14.4	33.0	(47.0)	21.0	21.4	23.6	3.6	23.0	
Reported PAT	3.7	2.3	10.9	7.4	3.8	11.1	4.3	5.3	23.3	24.5	3.1	256
Adjusted PAT	3.7	2.3	2.3	5.1	3.8	3.2	4.3	5.3	13.4	16.6	3.1	3
Margin (%)	7.0	5.1	4.3	8.5	6.3	5.5	7.1	8.3	6.4	6.8	5.8	
Change (YoY %)	(21.1)	(39.1)	(57.3)	4.5	5.0	37.3	89.5	2.4	35.3	23.9	33.5	

Source: MOSFL, Company

# IIFL Finance

## Estimate changes

TP change

Rating change



Bloomberg	IIFL IN
Equity Shares (m)	425
M.Cap.(INRb)/(USD\$)	227.3 / 2.6
52-Week Range (INR)	552 / 280
1, 6, 12 Rel. Per (%)	14/43/16
12M Avg Val (INR M)	823

## Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	53.3	57.4	74.0
Total Income	57.5	75.4	90.9
PPoP	27.9	39.7	46.8
PAT (pre-NCI)	5.8	16.3	21.7
PAT (post-NCI)	3.8	14.7	19.9
EPS (INR)	8.9	34.7	47.0
EPS Gr. (%)	-81	289	35
BV (INR)	292	323	365

## Ratios (%)

NIM	6.8	6.3	6.6
C/I ratio	51.5	47.4	48.5
Credit cost	2.8	2.8	2.3
RoA	0.9	2.1	2.3
RoE	3.3	11.3	13.6

## Valuations

P/E (x)	60.0	15.4	11.4
P/BV (x)	1.8	1.7	1.5

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	24.9	24.9	24.9
DII	9.1	8.1	6.3
FII	26.8	26.6	29.6
Others	39.2	40.4	39.2

FII Includes depository receipts

**CMP: INR535**
**TP: INR635 (+19%)**
**Buy**

## Earnings beat with off-book gaining traction; strong gold loan growth

- **Asset quality stress persists in micro-LAP, unsecured MSME, and MFI**
- IIFL Finance (IIFL)'s 2QFY26 NII grew 7% YoY and ~11% QoQ to ~INR14.4b (in line). Other income stood at ~INR4.9b (PQ: INR3.8b). This was primarily due to higher assignment income of ~INR3.5b (PQ: INR2.3b).
- Net total income grew ~22% YoY to ~INR19.3b. Opex rose ~19% YoY to INR8.7b (~6% higher than MOFSLe), with the cost-to-income ratio declining to ~45% (PQ: 48% and PY: 46%). PPop was INR10.6b; it grew ~24% YoY (~15% beat). Consol. PAT (post-NCI) was INR3.8b (~27% beat) in 2QFY26.
- Consol. yields/CoB rose ~25bp/10bp QoQ to ~13%/~9.9%. Calculated NIM rose ~25bp QoQ.
- Credit costs stood at INR5b (in line). This translated into annualized credit costs of ~3.4% (PQ: ~3.65% and PY: ~3.6%). NPAs were impacted by macro trends in MFI, unsecured business/personal, and small-ticket LAP.

## Consol. AUM rises ~35% YoY; strong 27% QoQ growth in gold loans

- Consol. AUM grew 35% YoY and ~7% QoQ to INR901b. On-book loans grew ~34% YoY. Off-book formed ~32% of the AUM mix, with co-lending forming ~13% of the AUM mix.
- Gold loan AUM stood at ~INR346b and rose ~27% QoQ. Sequential growth in consol. AUM was driven by gold loans (+27%). Home loan AUM was flat QoQ, while MSME loans declined ~4% QoQ and MFI declined ~6% QoQ.
- Management indicated that momentum in the gold loan segment remains strong, supported by high gold prices and sustained customer demand. IIFL expects robust growth in this segment in 2HFY26 and remains confident of maintaining both volume and customer growth.
- Management reiterated its guidance for medium-term AUM growth of 15-20%, with co-lending expected to remain a key growth driver. The company also expects the off-book portfolio share to rise to ~40% and also exudes confidence that current assignment income levels can be sustained.
- We estimate gold loans/consolidated AUM to grow ~116%/~31% YoY in FY26, resulting in a consol. AUM CAGR of ~23% over FY25-28E.

## GS3 declines ~20bp QoQ; credit costs elevated

- GS3 (consol.) declined ~20bp QoQ to ~2.14%, while NS3 dipped ~10bp QoQ to ~1%. PCR rose ~50bp QoQ to ~52.8%. NPAs were impacted by macro trends in MFI, unsecured business/personal loans, and small-ticket LAP.
- IIFL has done a portfolio reset as it now plans to exit unsecured MSME, micro-LAP, and high-risk MFI geographies. IIFL's (standalone) CRAR stood at ~18.6% as of Sep'25.
- Management indicated that credit costs are expected to exhibit relative moderation in 2HFY26 and guided for consolidated credit costs of ~2.8-3% (as a % of avg. loan book) for FY26 and 2.2-2.4% for 2HFY26. We model credit costs of 2.8%/2.3% for FY26/FY27E.

### Highlights from the management commentary

- Management indicated that the housing subsidiary maintained a cautious approach in 1H, focusing on improving collections and stabilizing asset quality.
- The company has guided for 15% growth in its Home Loan portfolio, with the improvement accompanied by stronger collection performance under the leadership of its new Housing Finance CEO, Mr. Girish Kousgi.
- Bihar was among the first states where IIFL Samasta introduced its new control framework, resulting in arrears now moderating to ~6%. Collection efficiency in the state remains strong at about 99%, supported by improved on-field discipline.

### Valuation and view

- IIFL reported an operationally mixed quarter, with strong momentum in the gold loan segment supported by robust demand and higher gold prices, while growth in other segments remained subdued. The company exhibited asset quality pressures in its micro-LAP, unsecured business loan, and MFI portfolio, resulting in credit costs continuing to remain elevated. However, it expects an improvement in housing segment growth and a moderation in credit costs in 2H, aided by strengthened collection architecture and ongoing recovery efforts.
- We cut our FY26E EPS by ~2% to factor in higher credit costs, slightly offset by higher assignment income. The stock trades at 1.5x FY27E P/BV and ~11x P/E for an estimated RoA/RoE of 2.3%/14% in FY27. **We have a BUY rating on the stock with a TP of INR635 (based on SoTP valuation; refer to the table below).**

#### IIFL: SoTP – Sep'27

Particulars	Stake	Value (INR b)	Value (USD b)	INR per share	% To Total	Target Multiple(x)	Basis
IIFL Finance (Standalone)	100	167	2.0	394	62	2.0	PBV
IIFL Home Finance (HFC)	80	91	1.1	213	34	1.4	PBV
IIFL Samasta Finance (MFI)	100	12	0.1	27	4	0.6	PBV
<b>Target Value</b>		<b>269</b>	<b>3.2</b>	<b>635</b>	<b>100</b>		
Current market cap.		227	2.7	535			
<b>Upside (%)</b>		<b>19</b>	<b>19</b>	<b>19</b>			

**IIFL Finance (Consolidated): Quarterly performance (INR m)**

Y/E March	FY25					FY26E				FY25	FY26E	2Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Interest Income	24,721	23,181	22,308	24,833	25,835	28,209	30,466	29,242	95,043	1,13,752	27,902	1	
Interest Expenses	10,340	9,788	9,957	11,694	12,888	13,819	14,510	15,101	41,695	56,318	13,584	2	
Net Interest Income	14,381	13,394	12,352	13,139	12,947	14,390	15,956	14,141	53,348	57,434	14,318	1	
YoY Growth (%)	9.7	-6.0	-21.6	-20.2	-10.0	7.4	29.2	7.6	-10.4	7.7	6.9		
Other Income	-43	2,467	1,051	810	3,758	4,882	4,106	5,254	4,202	18,000	3,728	31	
Total Income	14,338	15,861	13,402	13,949	16,705	19,272	20,062	19,396	57,550	75,435	18,045	7	
YoY Growth (%)	-1	-2	-21	-10	17	22	50	39	-8.5	31.1	13.8		
Operating Expenses	7,461	7,329	7,478	7,367	8,017	8,702	8,905	10,133	29,634	35,757	8,248	6	
Operating Profit	6,878	8,531	5,925	6,582	8,688	10,570	10,057	10,363	27,916	39,677	9,199	15	
YoY Growth (%)	-14.9	-8.9	-38.2	-16.6	26.3	23.9	69.7	57.4	-19.9	42.1	7.8		
Provisions & Loan Losses	2,516	4,063	4,914	3,487	5,125	5,003	4,603	3,264	14,980	17,995	4,817	4	
Profit before Tax	4,362	4,468	1,011	3,095	3,563	5,567	5,454	7,099	7,070	21,683	4,382	27	
Exceptional items		-5,865				0					0		
Tax Provisions	980	-466	193	581	821	1,388	1,265	1,875	1,289	5,349	1,017	36	
PAT (Pre NCI)	3,382	-931	818	2,514	2,742	4,179	4,189	5,224	5,782	16,333	3,365	24	
NCI	501	646	410	437	408	416	449	326	1,994	1,600	404	3	
PAT (Post NCI)	2,881	-1,577	408	2,077	2,334	3,763	3,739	4,897	3,788	14,733	2,961	27	
YoY Growth (%)	-32	-133	-92	-44	-19	-339	817	136	-79	289	-288		
Key Parameters (%)													
Yield on AUM	13.3	13.58	12.9	13.3	12.7	12.97	13.0	11.6					
Cost of funds	9.5	9.72	9.5	9.7	9.8	9.88	9.9	9.4					
Spread	3.8	3.9	3.4	3.5	3.0	3.1	3.0	2.2					
NIM (on AUM)	7.7	7.8	7.1	7.0	6.4	6.6	6.3	6.1					
Credit cost	2.09	3.61	4.2	2.67	3.65	3.42	3.0	1.9					
Cost to Income Ratio (%)	52.0	46.2	55.8	52.8	48.0	45.2	47.0	49.4					
Tax Rate (%)	22.5	-10.4	19.1	18.8	23.1	24.9	23.2	26.4					
Balance Sheet Parameters	-11.8	-3.8											
Consol. AUM (INR B)	696	670	714	783	839	901	981	1,028					
Change YoY (%)	2	-8	-8	-1	21	35	37	31					
Disbursements - Core (INR B)	43	73	176	197	191	233	228	256					
Change YoY (%)	-71	-54	6	21	345	221	30	30					
Borrowings (INR B)	414	391	451	509	545	574	598	685					
Change YoY (%)	8	-3	5	11	32	47	33	34					
Borrowings/AUM (%)	59.5	58.4	63.2	65.0	65.0	63.7	61.0	66.6					
Debt/Equity (x)	3.4	3.3	3.7	4.1	4.3	4.5	4.2	4.4					
Asset Quality (%)													
GS 3 (INR M)	10,231	10,687	12,028	12,253	13,170	12,534							
G3 %	2.25	2.40	2.42	2.23	2.34	2.14							
NS 3 (INR M)	4,982	4,756	4,956	5,685	6,295	5,916							
NS3 %	1.1	1.08	1.0	1.0	1.1	1.02							
PCR (%)	51.3	55.5	58.8	53.6	52.3	52.8							
ECL (%)	2.9	3.2	2.8	2.2	2.1	1.9							
Return Ratios - YTD (%)													
ROA (Rep)	2.3	0.8	0.8	0.9	1.6	1.9							
ROE (Rep)	10.3	2.3	2.0	3.4	7.6	9.8							

E: MOFSL Estimates

# Kalpataru Projects International

Estimate changes

TP change

Rating change



Bloomberg	KPIL IN
Equity Shares (m)	171
M.Cap.(INRb)/(USDb)	214.6 / 2.4
52-Week Range (INR)	1353 / 770
1, 6, 12 Rel. Per (%)	-4/24/-8
12M Avg Val (INR M)	426

## Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Net Sales	228.8	269.4	304.7
EBITDA	19.4	24.8	28.0
PAT	9.0	12.6	14.6
EPS (INR)	52.7	73.5	85.6
GR. (%)	33.9	39.6	16.4
BV/Sh (INR)	466.7	533.5	612.4

## Ratios

ROE (%)	11.9	14.7	14.9
RoCE (%)	10.9	13.1	13.5

## Valuations

P/E (X)	23.9	17.1	14.7
P/BV (X)	2.7	2.4	2.1
EV/EBITDA (X)	11.8	9.3	8.0
Div Yield (%)	0.5	0.5	0.5

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	33.6	33.5	35.2
DII	44.1	44.8	45.9
FII	12.0	11.8	10.7
Others	10.4	9.8	8.1

FII Includes depository receipts

**CMP: INR1,257**
**TP: INR1,500 (+19%)**
**Buy**

## In-line performance

Kalpataru Projects' (KPIL) 2QFY26 performance was in line with our estimates as strong execution offset the impact of slightly lower margins. Revenue growth was driven by strong execution across T&D, B&F, and the oil & gas division. Prospect pipeline for KPIL remains strong across T&D and buildings & factories, while the company continues to be cautious on water and railways projects. With a strong order book of INR647b and a fairly diversified mix across better-margin projects, we expect KPIL to benefit from 1) execution ramp-up from the existing strong order book, 2) margin improvement, 3) comfortable working capital, and 4) divestment of non-core assets. We marginally cut our estimates by 8%/2%/2% for FY26/27/28 to bake in the slightly lower margin and lower other income. The stock is currently trading at attractive valuations of 17.1x/14.7x P/E on FY27/28E earnings. Reiterate BUY with a revised SoTP-based TP of INR1,500, valued at 18x P/E on Dec'27 estimates for the core business.

## Results largely in line

KPIL's 2QFY26 revenue at INR54b (+31% YoY) was 5% above our estimate. Growth was driven by execution ramp-up and a strong order backlog. T&D/B&F revenue grew 51%/20% YoY, while O&G/Urban Infra jumped 21%/65% YoY. Railways grew moderately by 9% YoY, while Water segment continued to witness challenges, declining 5% YoY. Absolute EBITDA grew 28% YoY to INR4.5b, in line with our estimate of INR4.4b. EBITDA margin was 8.3%, slightly below our estimate of 8.6%, owing to warranty provisions worth INR300m made during the quarter. Adj. PAT surged 51% YoY to INR2.0b, in line with our estimate. Order inflows at INR51b were up 4% YoY. The order book stood at INR647b (+7% YoY). NWC days stood at 102 in 2QFY26 vs. 118 in 2QFY25. Net debt was down YoY at INR22b in 2QFY26 (vs. INR28b in 2QFY25). For 1HFY26, revenue/EBITDA/PAT stood at INR104.6b/INR8.8b/INR4b, up 33%/32%/61%. YTD order inflows of INR150b rose 26% YoY. For 1HFY26, OCF and FCF outflow stood at INR4b and INR8b.

## T&D continues to grow at a healthy pace

T&D segment delivered a strong performance with a 51% YoY increase in revenue, driven by strong execution across India, Sweden, and other international markets. YTD order inflows stood at INR69b, with L1 positions exceeding INR45b, primarily from overseas markets, taking the order book in this division to INR263b (+18% YoY). The tender pipeline expanded to around INR1.5t for the next 12-18 months, supported by upcoming HVDC projects, grid strengthening in southern India, and increased tendering activity across the Middle East, Africa, and Latin America. The pipeline also includes large-scale solar EPC opportunities in the Middle East, reflecting the company's strategic foray into renewable infrastructure within its broader power transmission portfolio. The segment maintains stable profitability with EBITDA margins in the range of 9-10%, with selective participation in high-quality bids and potential margin improvement in international markets providing further upside.

### **B&F, oil and gas remain growth drivers in non-T&D businesses**

The B&F and O&G segments continued to witness strong execution momentum, supported by a strong order pipeline and healthy demand across key end markets. The B&F business sustained healthy momentum with 20% YoY revenue growth and YTD order inflows of INR80b. The order book rose 43% YoY to an all-time high of INR188b, backed by a strong presence in large design-build projects and partnerships with marquee developers. EBITDA margins remained in the 9-11% range, with expected growth of over 20% in the medium term. The Oil & Gas segment grew 21% YoY in 2Q, led by steady progress on the large Saudi project. The company remains qualified with Aramco and ADNOC, though some tender awards have been deferred amid crude price volatility. The Railways segment reported INR2b in revenue (+9% YoY), supported by progress in metro and urban infrastructure projects. International railway bids have been submitted and prequalification has been achieved in several markets, but no major wins are expected in the near term.

### **Water projects continue to see payment delays in JJM funding**

The Water business continues to see a delay in payments and saw a 5% YoY revenue decline to INR5b in 2Q. Order backlog stood at INR84b. Collections improved in Madhya Pradesh, Punjab, and Bihar, but remained sluggish in Uttar Pradesh and Jharkhand, resulting in an INR1b QoQ increase in receivables to INR16b. Receivables from Uttar Pradesh (INR7b) and Jharkhand (INR2b) are the largest and include several overdue accounts exceeding 180 days. The company highlighted funding constraints in these states due to pending central government approvals under the Jal Jeevan Mission program. The company continues to prioritize the completion of ongoing civil works while limiting fresh material supply until receivable visibility improves.

### **Non-core assets divestment**

The roads portfolio reported steady performance with average daily collections of INR6.14m in 2Q, up 9% YoY. The company terminated the WEPL project in Jul'25 and handed over to NHAI, effective 30th Sep'25. The sale process for the Vindhyachal Expressway is progressing well and is expected to conclude in 2H. Shree Shubham Logistics reduced its external debt to INR0.9b and plans to monetize certain warehouse assets to bring down debt to INR0.4-0.5b by end of FY26, targeting a near-zero external debt position by the end of FY27.

### **LMG subsidiary is doing well**

LMG (Sweden) subsidiary continues to do well, delivering a strong 2Q performance with revenue of INR7.2b (+89% YoY) and 1HFY26 revenue of INR15b (+80% YoY). The business maintained healthy profitability, achieving an EBITDA margin of above 7.5% and a PBT margin of around 7% in 1HFY26. The order backlog stands at INR36b, providing visibility for 20-25% annual growth over the next 2-3 years, maintaining stable PBT margins of 6.5-7.5%. Fundraising options for the Swedish business are under evaluation through appointed advisors, with potential progress expected in FY26-27. Fasttel, however, faced project-related challenges and delays, reporting 1HFY26 revenue of INR4b and EBITDA loss. Management's near-term focus is on operational stabilization and returning to profitability rather than pursuing growth.

### Future growth guidance

KPIL raised its FY26 revenue growth guidance to 25%+ YoY (from 20-25% earlier) at both standalone and consolidated levels, supported by a record order book and strong execution pipeline. Management reaffirmed its commitment to improving PBT margins by at least 50bp YoY in FY26, aided by favorable business mix. EBITDA margins are expected to trend toward 9% in FY27, supported by better project mix. Order inflow guidance stands at INR250b+ for FY26, with a possible upward revision later in the year. Consolidated net working capital stood at 90 days (standalone: 102 days) and is expected to remain below 100 days for standalone and less than 90 days on consolidated through FY26.

### Financial outlook

We marginally cut our estimates by 8%/2%/2% for FY26/27/28 to bake in the slightly lower margin and lower other income. We expect KPIL to report a CAGR of 17%/21%/30% in revenue/EBITDA/PAT over FY25-28. This would be driven by: 1) inflows of INR280b/INR318b/INR366b in FY26/FY27/FY28 on a strong prospect pipeline, 2) a gradual recovery in EBITDA margin to 9.2% by FY28E, 3) control over working capital owing to improved customer advances, better debtor collections from water and railways, and claims settlement. Driven by improvement in margins and moderation in working capital, we expect KPIL's RoE/RoCE to improve to 15%/14% in FY28.

### Valuation and view

KPIL is currently trading at 17.1x/14.7x P/E on FY27/28 earnings. Reiterate BUY with a revised SoTP-based TP of INR1,500, based on 18x P/E for the core business.

### Key risks and concerns

Slowdown in execution, lower-than-expected order inflows, sharp rise in commodity prices, and increase in promoter pledge are some of the key concerns that can weigh on financials and valuations of the company.

### Standalone - Quarterly Earning Model

Y/E March	FY25E				FY26E				FY25	FY26E	FY26	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est Var (%)
<b>Net Sales</b>	<b>37,219</b>	<b>41,361</b>	<b>48,257</b>	<b>62,042</b>	<b>50,397</b>	<b>54,188</b>	<b>57,210</b>	<b>67,046</b>	<b>1,88,879</b>	<b>2,28,842</b>	<b>51,718</b>	<b>5</b>
YoY Change (%)	2.8	7.6	16.4	20.5	35.4	31.0	18.6	8.1	12.7	21.2	25.0	
Total Expenditure	34,085	37,877	44,239	56,810	46,114	49,716	52,348	61,235	1,73,009	2,09,412	47,271	
<b>EBITDA</b>	<b>3,135</b>	<b>3,485</b>	<b>4,019</b>	<b>5,232</b>	<b>4,284</b>	<b>4,472</b>	<b>4,863</b>	<b>5,812</b>	<b>15,870</b>	<b>19,430</b>	<b>4,448</b>	<b>1</b>
YoY Change (%)	-0.2	13.1	16.8	30.8	36.7	28.3	21.0	11.1	16.2	22.4	27.6	
Margins (%)	8.4	8.4	8.3	8.4	8.5	8.3	8.5	8.7	8.4	8.5	8.6	
Depreciation	929	914	956	949	936	966	1,029	1,184	3,749	4,116	1,085	-11
Interest	861	998	1,071	877	840	1,025	1,043	1,043	3,807	3,951	897	14
Other Income	295	264	185	235	234	242	288	317	979	1,081	264	-8
<b>PBT before EO expense</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,641</b>	<b>2,742</b>	<b>2,723</b>	<b>3,079</b>	<b>3,901</b>	<b>9,294</b>	<b>12,444</b>	<b>2,730</b>	<b>-0</b>
Extra-Ord expense	-	-	-	330	-	-	-	-	330	-	-	
<b>PBT</b>	<b>1,640</b>	<b>1,836</b>	<b>2,177</b>	<b>3,311</b>	<b>2,742</b>	<b>2,723</b>	<b>3,079</b>	<b>3,901</b>	<b>8,964</b>	<b>12,444</b>	<b>2,730</b>	<b>-0</b>
Tax	474	513	604	894	734	724	854	1,140	2,485	3,451	757	
Rate (%)	28.9	27.9	27.7	27.0	26.8	26.6	27.7	29.2	27.7	27.7	27.7	
<b>Reported PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,416</b>	<b>2,008</b>	<b>1,999</b>	<b>2,225</b>	<b>2,761</b>	<b>6,479</b>	<b>8,993</b>	<b>1,973</b>	<b>1</b>
<b>Adj PAT</b>	<b>1,166</b>	<b>1,323</b>	<b>1,574</b>	<b>2,657</b>	<b>2,008</b>	<b>1,999</b>	<b>2,225</b>	<b>2,761</b>	<b>6,718</b>	<b>8,993</b>	<b>1,973</b>	<b>1</b>
YoY Change (%)	-7.4	17.1	9.3	51.8	72.1	51.1	41.4	3.9	20.3	33.9	49.1	
Margins (%)	3.1	3.2	3.3	4.3	4.0	3.7	3.9	4.1	3.6	3.9	3.8	

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	ZENT IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	181.3 / 2
52-Week Range (INR)	985 / 536
1, 6, 12 Rel. Per (%)	0/5/7
12M Avg Val (INR M)	992

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	57.4	60.9	64.3
EBIT Margin (%)	13.7	13.8	14.2
PAT	7.3	7.8	8.4
EPS (INR)	31.7	34.1	36.5
EPS Gr. (%)	11.8	7.4	7.2
BV/Sh. (INR)	194.3	210.5	227.8

## Ratios

RoE (%)	17.2	17.0	16.9
RoCE (%)	13.4	13.3	13.3
Payout (%)	45.9	45.9	45.9

## Valuations

P/E (x)	25.1	23.4	21.8
P/BV (x)	4.1	3.8	3.5
EV/EBITDA (x)	17.9	16.3	14.7
Div Yield (%)	1.8	2.0	2.1

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	49.0	49.1	49.1
DII	22.2	20.5	19.1
FII	13.3	14.6	14.8
Others	15.4	15.9	17.0

FII Includes depository receipts

**CMP: INR798** **TP: INR730 (-8%)** **Neutral**

## TMT drags the quarter

### Maintains mid-teens margin guidance

- Zensar (ZENT) reported 2QFY26 with flat revenue growth (est. a decline of 0.5% CC). BFS/HLS grew 4.8%/3.9% QoQ CC, while TMT declined 10.2% QoQ CC. **Deal TCV**: Bookings came in at USD159m (down 8% QoQ/21% YoY), and the book-to-bill was 1.0x. EBIT margin was 13.7% (est. 13.4%), up 20bp QoQ. PAT stood at INR1,821m (flat QoQ/up 17% YoY), above our estimate of INR1,739m.
- For 1HFY26, revenue/EBIT/PAT grew 8.1%/11.5%/16.1% YoY. For 2HFY26, we expect revenue/EBIT/PAT to grow 9.3%/8.9%/8.6% YoY. Our TP of INR730 is based on 21x Jun'27E EPS. **Reiterate Neutral**.

### Our view: Steady margin execution, but growth momentum yet to turn

- **Weak growth as TMT softness offsets BFSI gains; seasonal moderation ahead**: ZENT reported flat QoQ growth in CC terms during 2QFY26, as continued weakness in the TMT vertical offset steady growth in BFSI. In our view, the macro environment remains largely unchanged, with client caution on discretionary tech spends and deal delays post the 'Liberation Day' tariff. We expect **3Q to see typical furlough-related softness**, though the impact should be relatively limited given the company's reduced TMT exposure.
- **TMT correction likely behind; Manufacturing and BFSI cushion growth**: We believe the worst of TMT could be behind, as ZENT's exposure has now declined to 20% (from 27% in FY24), cushioning its impact on overall growth. Ex-TMT, growth would have been ~4% higher. BFSI and Manufacturing continue to witness healthy traction, aided by vendor consolidation and modernization mandates, which should drive a steadier growth base in the coming quarters. **A sustained recovery in TMT through 2HFY26 will be a key monitorable**.
- **Deal pipeline healthy, but TCV conversion pace remains key**: Deal TCV stood at USD159m (-8% QoQ/-21% YoY), impacted by slower renewals and Europe's summer-related decision deferrals. While the underlying pipeline remains healthy with a strong large-deal funnel, we think the conversion timelines will be critical to monitor. AI-led transformation programs are gaining traction (28% of total bookings vs. ~20% in 1Q), but we believe revenue conversion from these wins will take time to reflect meaningfully.
- **Margins resilient despite wage hikes; mid-teens guidance maintained**: EBIT margin expanded 20bp QoQ to 13.7% despite the impact of wage hikes (~USD3.2m). We think this reflects sound operational control, supported by higher utilization, improved offshore mix (54.2% vs. 50.3% YoY), and FX tailwinds. Management reiterated **its mid-teens margin outlook**, and we expect ongoing cost optimization to help maintain profitability even amid subdued growth. We estimate EBITDA margins at 15.5%/15.6% for FY26E/FY27E.

### Valuation and change in estimates

- While we think the worst of the TMT correction could be behind, a sustained recovery is yet to materialize. Deal conversion delays and cautious discretionary spending could continue to cap near-term growth momentum. We await clearer signs of traction in TMT and faster deal-to-revenue conversion before turning more constructive on the stock. We keep our estimates largely unchanged. We expect FY26/FY27 EBITDA margin estimates at 15.5%/15.6%, resulting in a PAT CAGR of 10% over FY25–27E. Our TP of INR730 is based on 21x Jun'27E EPS. **Reiterate Neutral.**

### Revenue and margins in line with our estimates

- ZENT's revenue stood at USD163m, flat QoQ in CC terms, in line with our estimates of USD162m. Reported USD revenue was up 0.5% QoQ.
- BFSI and HLS grew 4.8%/3.9% QoQ CC, while TMT declined 10.2% QoQ CC.
- Deal TCV: Bookings came in at USD159m (down 8% QoQ/21% YoY), and the book-to-bill was 1.0x.
- EBIT margin was 13.7% (est. 13.4%), up 20bp QoQ.
- In 2Q, the total headcount reached 10,550 (down 0.6% QoQ). LTM attrition was 9.8%, stable QoQ. Utilization rose 50bp QoQ to 84.8%.
- PAT stood at INR1,821m (flat QoQ/ up 17% YoY), above our estimate of INR1,739m.

### Key highlights from the management commentary

- Cost optimization and productivity-led programs are seeing stronger traction, supported by cloud modernization, cybersecurity, and early generative AI initiatives.
- Clients remain cautious in their discretionary technology spending; however, AI-led investments are being prioritized, while non-AI discretionary spend remains subdued.
- Management indicated that 3Q is typically a seasonally weak quarter for the industry due to furloughs, though the impact on ZENT is expected to be relatively lower this year given the reduced exposure to the TMT vertical.
- AI-infused deals contributed 28% to total bookings vs 21% in the prior quarter, reflecting growing client interest in AI-led transformation.
- Deal renewals were lower as renewals typically occur in 4Q and 1Q, while the summer period in Europe also contributed to slower decision-making.
- Margins are expected to remain in the mid-teens range going forward, consistent with recent quarters.
- **TMT:** The sector remains under pressure as client budgets shift from opex to capex (notably into GPUs and data centers). ZENT's TMT exposure has declined from 27% of revenue in FY24 to 20% in the current quarter, which should limit future impact relative to peers.
- H1-B dependency remains very low (less than 3% of the workforce). The company continues to focus on local hiring, with minimal impact expected from visa-related policy changes next year.

### Valuation and view

- While we think the worst of the TMT correction is largely behind, a sustained recovery is yet to materialize. Deal conversion delays and cautious discretionary spending could continue to cap near-term growth momentum. We await clearer

signs of traction in TMT and faster deal-to-revenue conversion before turning more constructive on the stock. We keep our estimates largely unchanged. We expect FY26/FY27 EBITDA margin estimates at 15.5%/15.6%, resulting in a PAT CAGR of 10% over FY25-27E. Our TP of INR730 is based on 21x Jun'27E EPS.

**Reiterate Neutral.**

#### Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			Est. 2QFY26	Var. (% / bp)
Revenue (USD m)	154	156	157	157	162	163	164	166	624	656	162	0.3
QoQ (%)	4.3	1.2	0.5	-0.1	3.3	0.5	1.0	1.3	5.4	5.0	0.2	32bp
Revenue (INR m)	12,881	13,080	13,256	13,589	13,850	14,213	14,581	14,771	52,806	57,415	14,163	0.3
YoY (%)	5.0	5.4	10.1	10.5	7.5	8.7	10.0	8.7	7.7	8.7	8.3	38bp
GPM (%)	30.4	28.1	30.1	30.3	30.5	31.0	30.0	30.2	29.7	30.4	28.6	244bp
SGA (%)	15.2	12.7	14.5	14.7	15.3	15.6	14.5	14.5	14.3	15.0	13.5	207bp
EBITDA	1,961	2,011	2,069	2,125	2,106	2,199	2,260	2,319	8,166	8,884	2,139	2.8
EBITDA Margin (%)	15.2	15.4	15.6	15.6	15.2	15.5	15.5	15.7	15.5	15.5	15.1	37bp
EBIT	1,714	1,714	1,832	1,887	1,875	1,947	2,012	2,038	7,147	7,873	1,898	2.6
EBIT Margin (%)	13.3	13.1	13.8	13.9	13.5	13.7	13.8	13.8	13.5	13.7	13.4	30bp
Other income	383	366	270	411	531	454	336	413	1,430	1,733	396	14.7
ETR (%)	24.7	25.1	24.0	23.2	24.4	24.2	24.0	23.9	24.2	24.1	24.2	
Adj. PAT	1,579	1,558	1,597	1,764	1,820	1,821	1,785	1,864	6,498	7,290	1,739	4.7
QoQ (%)	-8.9	-1.3	2.5	10.5	3.2	0.1	-2.0	4.5			-4.5	
YoY (%)	1.1	-10.4	-1.2	1.8	15.3	16.9	11.7	5.7	-2.3	12.2	11.6	
EPS (INR)	6.9	6.8	7.0	7.7	7.9	7.9	7.8	8.1	28.4	31.7	7.6	4.8

# Dr. Agarwal's Health Care

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	AGARWALE IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	160.1 / 1.8
52-Week Range (INR)	568 / 327
1, 6, 12 Rel. Per (%)	-5/33/-
12M Avg Val (INR M)	277

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	20.5	24.7	29.7
EBITDA	5.4	6.6	8.1
Adjusted PAT	1.3	1.6	2.5
EBIT Margin (%)	13.0	15.3	16.4
Cons. Adj EPS (INR)	4.0	5.2	7.9
EPS Growth (%)	50.5	31.1	50.4
BV/Share (Rs)	63.5	68.7	76.6

## Ratios

Net D-E	-0.1	-0.1	-0.1
RoE (%)	6.5	7.9	10.8
RoCE (%)	8.4	9.9	12.5
Payout (%)	0.0	0.0	1.0

## Valuations

P/E (x)	129.6	98.9	65.7
EV/EBITDA (x)	30.6	24.6	20.1
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-6.5	4.3	2.1
EV/Sales (x)	8.0	6.6	5.5

## Shareholding Pattern (%)

As On	Sep-25	Jun-25
Promoter	32.4	32.4
DII	28.0	26.6
FII	38.0	39.2
Others	1.5	1.9

FII includes depository receipts

**CMP: INR506** **TP: INR600 (+19%)** **Buy**

## Strong operational momentum continues

### Comprehensive strategy keeps earnings outlook intact

- Dr. Agarwal Health Care's (DAHL) 2QFY26 revenue was in line with our expectation, whereas EBITDA/PAT came in 5%/11% above our estimates. Robust growth in surgeries and opticals/pharmacy products was supported by better realization.
- DAHL witnessed strong 24% YoY growth in terms of patients served at clinics and surgery centers. To support this growth, DAHL added 44 doctors YoY, taking the cumulative number to 881 doctors.
- DAHL also expanded its infrastructure by adding 49 facilities in 1HFY26 and increasing its presence to 141 cities as of 1HFY26 from 129 as of FY25.
- The premiumization of services and an increased share of high-end surgeries led to 8% YoY growth in revenue per surgery for the quarter.
- Though DAHL's 2Q performance was better than our estimates, we maintain our estimates for FY26/FY27/FY28. For FY26, though 2H would be better than 1H in terms of revenue, the pre-opex is expected to increase due to the addition of surgical centers.
- We expect 44% earnings CAGR over FY25-28, led by 19% CAGR in surgeries, 17% CAGR in opticals/pharmacy products and 70bp margin expansion.
- We value DAHL on an SoTP basis (25x EV/EBITDA for the surgery business, 15x EV/EBITDA for the opticals business, 13x EV/EBITDA for the pharmacy business, adj for a stake in Dr. Agarwal eye hospital/Thind hospital) and arrive at a TP of INR600. Maintain BUY.

## Superior margins backed by favorable surgery mix and better operational efficiency

- 2Q revenue grew 19.7% YoY to INR5.0b (in line).
- India revenue rose 19.8% YoY to INR4.4b, contributing 89% of total revenue. International revenue grew 18.9% YoY to INR454m (11% of total revenue).
- Mature facilities reported 12.7% YoY growth to INR3.7b (83% of revenue), while new facilities delivered a strong 75% YoY growth to INR0.7b.
- EBITDA margin expanded 160bp YoY to 27.3% (our estimate: 26.2%), driven primarily by lower raw material costs (down 90bp YoY as % of sales) and employee expenses (down 70bp YoY).
- Consequently, EBITDA grew 27.3% YoY to INR1.36b (our estimate: INR1.3b).
- PAT came in at INR297m in 2QFY26, up from INR165m in 2QFY25, backed by improved operational performance, low finance costs, and a reduced tax rate.
- For 1HFY26, revenue/EBITDA/PAT grew 20%/25%/108% YoY, driven by facility expansion and operational efficiencies.
- DAHL added 24 new centers in 1HFY26, expanding its network to 258 facilities, while surgeries increased 14.6% YoY to 157,281 during the same period.
- Service sales accounted for 78% of total revenue, whereas product sales contributed 22% in 1HFY26.

### Highlights from the management commentary

- High-end cataract and refractive surgeries led mix improvement, driving up average revenue per surgery by ~5-6% on YoY basis.
- DAHL added 24 new facilities in 1HFY26 (13 in 1Q/11 in 2Q) and now operates 258 centers (239 in India, 19 overseas).
- Of the 11 centers added in 2Q, six were secondary hospitals (Sivakasi, Tenkasi, Bhopal, Aurangabad, Palakkad, Hassan) and five were primary centers (two in Belgaum, one each in Gadag, Haveri, Jhattakuda).
- 123 mature facilities (3+ years old) reported 13.4% YoY growth, contributing 75% of total revenue.
- FY26 capex is maintained at INR3b (+INR700m for flagship); about 30 new centers to be launched in 2HFY26.
- 2HFY26 is expected to be stronger on seasonality; management is confident of sustaining growth momentum in 2H as well.

### Quarterly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	vs Est
<b>Net Sales</b>	<b>4,035</b>	<b>4,166</b>	<b>4,307</b>	<b>4,602</b>	<b>4,874</b>	<b>4,987</b>	<b>5,169</b>	<b>5,445</b>	<b>17,110</b>	<b>4,958</b>	<b>0.6%</b>
YoY Change (%)			29.5	31.9	20.8	19.7	20.0	18.3	28.4	19.0	
Total Expenditure	2,998	3,096	3,211	3,272	3,596	3,626	3,830	4,059	12,578	3,659	
<b>EBITDA</b>	<b>1,037</b>	<b>1,070</b>	<b>1,096</b>	<b>1,330</b>	<b>1,279</b>	<b>1,361</b>	<b>1,339</b>	<b>1,386</b>	<b>4,532</b>	<b>1,299</b>	<b>4.8%</b>
YoY Change (%)			23.2	24.2	23.3	27.3	22.1	4.2	25.1	21.4	
Margins (%)	25.7	25.7	25.4	28.9	26.2	27.3	25.9	25.4	26.5	26.2	
Depreciation	555	572	582	604	630	679	690	705	2,313	630	
<b>EBIT</b>	<b>482</b>	<b>498</b>	<b>514</b>	<b>726</b>	<b>649</b>	<b>683</b>	<b>649</b>	<b>681</b>	<b>2,220</b>	<b>669</b>	<b>2.1%</b>
YoY Change (%)			10.7	18.4	34.7	37.2	26.2	-6.2	15.7	34.4	
Interest	270	284	284	250	247	226	230	270	1,088	274	
Other Income	60	119	127	154	134	79	131	147	460	120	
<b>PBT before EO expense</b>	<b>272</b>	<b>333</b>	<b>358</b>	<b>630</b>	<b>536</b>	<b>537</b>	<b>550</b>	<b>558</b>	<b>1,592</b>	<b>515</b>	<b>4.2%</b>
Extra-Ord expense	0	0	-52	45	0	0	0	0	7	0	
<b>PBT</b>	<b>272</b>	<b>333</b>	<b>409</b>	<b>585</b>	<b>536</b>	<b>537</b>	<b>550</b>	<b>558</b>	<b>1,599</b>	<b>515</b>	<b>4.2%</b>
Tax	89	119	128	160	155	172	162	144	495	150	
Rate (%)	32.6	35.9	31.2	27.3	29.0	32.0	29.4	25.7	31.0	29.2	
MI & P/L of Asso. Cos.	62	48	59	100	80	68	75	73	269	97	
<b>Reported PAT</b>	<b>121</b>	<b>165</b>	<b>223</b>	<b>326</b>	<b>301</b>	<b>297</b>	<b>313</b>	<b>342</b>	<b>835</b>	<b>268</b>	<b>11.0%</b>
<b>Adj PAT</b>	<b>121</b>	<b>165</b>	<b>187</b>	<b>358</b>	<b>301</b>	<b>297</b>	<b>313</b>	<b>342</b>	<b>832</b>	<b>268</b>	<b>11.0%</b>
YoY Change (%)			-5.6	-7.4	148.3	79.5	67.3	-4.6	0.2	61.7	
Margins (%)	3.0	4.0	4.3	7.8	6.2	6.0	6.1	6.3	4.9	5.4	
<b>EPS</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>	<b>2.7</b>	<b>0.9</b>	<b>11.0%</b>

E: MOFSL Estimates

# Vedant Fashions

Estimate change

TP change

Rating change

Bloomberg	MANYAVAR IN
Equity Shares (m)	243
M.Cap.(INRb)/(USD\$)	156.9 / 1.8
52-Week Range (INR)	1512 / 642
1, 6, 12 Rel. Per (%)	-11/-23/-60
12M Avg Val (INR M)	223

## Financials & Valuations Consol (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	14.8	15.7	17.0
EBITDA	6.6	7.0	7.6
Adj. PAT	3.9	4.2	4.5
EBITDA Margin (%)	44.7	44.7	45.1
Adj. EPS (INR)	16.3	17.2	18.6
EPS Gr. (%)	1.6	5.6	8.1
BV/Sh. (INR)	79.3	88.1	97.8

## Ratios

Net D:E	(0.5)	(0.5)	(0.5)
RoE (%)	19.9	18.9	18.4
RoCE (%)	18.6	18.0	17.6
Payout (%)	50.0	50.0	50.0

## Valuations

P/E (x)	39.7	37.6	34.7
EV/EBITDA (x)	23.8	22.2	20.1
EV/Sales (X)	10.6	9.9	9.1
Div. Yield (%)	1.3	1.3	1.4

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	11.0	11.1	11.6
FII	9.8	9.9	9.5
Others	4.4	4.1	3.9

FII Includes depository receipts

CMP: INR646

TP: INR725 (+12%)

Neutral

## Growth pangs continue; all hopes pinned on stronger 2H

- Vedant Fashion's (VFL) 2Q performance was impacted by GST-linked dispatch disruptions, creating a ~6% delta between primary and secondary sales. However, the company has been struggling to revive growth sustainably, with its 1HFY26 revenue tracking 5% below 1HFY23 levels.
- Margins contracted ~270bp/340bp YoY at the gross/EBITDA level, reflecting a lower wedding mix and continued operating deleverage.
- VFL continued to consolidate its retail footprint in order to improve overall quality. The company closed eight net domestic EBOs and seven SIS for a net closure of 13 stores during 2Q. Management indicated that further store consolidation is likely in 2HFY26.
- We cut our FY26-27E earnings estimates by 5-8% due to lower gross margins and operating deleverage. We build in 7%/6%/5% Revenue/EBITDA/PAT over FY25-28E.
- Following a sharp correction (VFL: -50% YTD), the stock now trades at ~38x FY27E EPS (~40% below its LT average). While valuations have moderated, we await evidence of sustainable growth rebounding for VFL before we turn constructive. **Reiterate Neutral with a revised TP of INR725 (earlier INR785), premised on 40x Dec'27E P/E.**

## Another weak quarter; revenue/EBITDA declines 2%/9% YoY

- Customer sales grew 4.6% YoY to INR3.5b, driven largely by ~5% YoY store additions as SSS declined 2% YoY.
- Consolidated 2Q revenue declined 2% YoY to INR2.6b (weaker vs. our estimate of +1% YoY) due to low wedding days and the transitory impact of the GST implementation.
- VFL closed net 13 stores (net closure of eight domestic EBOs and seven SIS offset by two EBO additions internationally). However, net area inched up 3.5k sqft QoQ to 1.79m sqft (up 5% YoY).
- Gross profit (GP) declined 7% YoY to INR1.9b, as gross margin contracted 375bp YoY to 71.6% (355bp miss). Including job work charges, GP declined ~6% YoY, with margins contracting ~270bp YoY.
- Employee cost increased 14% YoY (8% higher), while other expenses declined ~7% YoY (10% lower).
- EBITDA declined ~9% YoY to INR1.1b (8% miss), driven by weaker revenue growth and lower gross margin.
  - EBITDA margin contracted ~340bp YoY to 42.1% (~220bp miss).
  - Pre-IND AS EBITDA for 1HFY26 came in at INR1.39b (down 8% YoY), with margins at 25.5% (down 420bp YoY).
- Depreciation/finance cost rose 12%/9% YoY, while other income rose ~3% YoY.
- As a result, reported PAT declined ~16% YoY to INR0.56b (14% miss).
- For 1HFY26, revenue grew at a modest 7% YoY (on a low base), but remained ~5% below 1HFY23 levels, while EBITDA/PAT declined 1%/2% YoY.

- Based on our estimates, the implied growth rate for revenue/EBITDA/PAT in 2HFY26 stands at 6%/5%/4%.
- OCF (post interest and leases) stood at INR186m (vs. INR55m outflow YoY), driven by favorable WC movement. FCF (post interest and leases) came in at INR74m (vs. INR77m outflow YoY).
- Overall WC capital days declined to 201 (vs. 247 YoY), led by a sharp decline in receivable days to 158 (vs. 220 YoY), partly offset by lower payable days at 20 (vs. 35 YoY). Inventory days were broadly steady YoY at ~63.

### Highlights from the management commentary

- **Demand:** VFL's primary sales were adversely impacted by the GST transition during 2Q, due to disruptions in dispatches for 15-20 days. This led to ~6pp delta between reported and customer sales.
- **Pricing post GST 2.0:** For VFL, most of its products are priced upwards of INR2,500, where GST rates have increased from 12% to 18%. The company took calibrated pricing actions with selective pass-throughs, partial price absorption, and tactical markdowns. Management expects improvement in broader consumer sentiment, with GST rationalization at the lower end to aid demand.
- **Regional trends:** After a slump in FY25, AP and Telangana markets have rebounded sharply in 1HFY26, with 20%+ growth.
- **SSSG:** Management targets for ~8-9% SSSG in the medium to long term, driven by an ASP increase (~2.5–3%), a change in the brand mix (~0.5–0.6%), and a focus on footfall recovery and repeat behavior to unlock volume leverage.
- **Store additions:** Management continues to focus on improving the quality of retail footprint, which is likely to result in the continuation of store consolidation in the near term.

### Valuation and view

- Over the past few years, VFL has experienced sales stagnation, driven by a high base (COVID bump in FY23), weaker wedding calendar, and subdued overall consumer sentiment. However, we believe that rising competition and slower-than-expected shift from unorganized to organized in the ethnic wear category have also been the key headwinds for VFL.
- Growth recovery in Manyavar (on a low base over the past few years), the scale-up of Mohey (women's celebration wear), and Twamev (premium offering in celebration wear), along with improved traction from recent forays into newer categories (Diwas, value brand catering to festive wear) remain the key growth drivers.
- VFL's focus on boosting SSSG and improving the retail area quality is a positive development and remains key for the re-rating of the stock.
- We cut our FY26-27E earnings estimates by 5-8% due to lower gross margins and operating deleverage. We build in 7%/6%/5% Revenue/EBITDA/PAT over FY25-28E.
- Following a sharp correction (VFL: -50% YTD), the stock now trades at ~38x FY27E EPS (~40% below its LT average). While valuations have moderated, we await evidence of sustainable growth rebounding for VFL before we turn constructive. **Reiterate Neutral with a revised TP of INR725 (earlier INR785), premised on 40x Dec'27E P/E.**

## Quarterly Earnings Snapshot

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
<b>Revenue</b>	<b>2,398</b>	<b>2,679</b>	<b>5,113</b>	<b>3,674</b>	<b>2,812</b>	<b>2,632</b>	<b>5,534</b>	<b>3,824</b>	<b>13,865</b>	<b>14,801</b>	<b>2,709</b>	<b>-2.9</b>
YoY Change (%)	-23.0	22.7	7.8	1.2	17.2	-1.8	8.2	4.1	1.4	6.7	1.1	
Total Expenditure	1,271	1,460	2,691	2,017	1,606	1,524	2,918	2,138	7,439	8,186	1,508	1.0
<b>EBITDA</b>	<b>1,127</b>	<b>1,220</b>	<b>2,422</b>	<b>1,657</b>	<b>1,206</b>	<b>1,108</b>	<b>2,615</b>	<b>1,686</b>	<b>6,426</b>	<b>6,614</b>	<b>1,201</b>	<b>-7.7</b>
EBITDA margins (%)	47.0	45.5	47.4	45.1	42.9	42.1	47.3	44.1	46.3	44.7	44.3	
Change YoY (%)	-23.9	31.4	0.1	-5.3	7.0	-9.2	8.0	1.7	63.2	172.1	-1.6	
Depreciation	372	373	391	395	398	417	425	438	1,531	1,678	410	1.8
Interest	139	137	139	136	141	150	146	173	552	610	141	5.9
Other Income	215	192	224	221	258	199	242	237	852	937	221	-10.0
<b>PBT before EO expense</b>	<b>831</b>	<b>902</b>	<b>2,115</b>	<b>1,347</b>	<b>925</b>	<b>740</b>	<b>2,285</b>	<b>1,312</b>	<b>5,195</b>	<b>5,263</b>	<b>871</b>	<b>-15.0</b>
Tax	206	233	535	336	222	180	575	338	1,310	1,316	219	-18.1
Rate (%)	24.8	25.8	25.3	24.9	24.1	24.3	25.2	25.8	25.2	25.0	25.2	-3.6
<b>Reported PAT</b>	<b>625</b>	<b>669</b>	<b>1,580</b>	<b>1,011</b>	<b>703</b>	<b>561</b>	<b>1,710</b>	<b>974</b>	<b>3,885</b>	<b>3,947</b>	<b>652</b>	<b>-14.0</b>
YoY Change (%)	-32	37	0	-13	12	-16	8	-4	-6	2	-	

E: MOFSL Estimates

# LT Foods

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	146 / 1.6
52-Week Range (INR)	519 / 288
1, 6, 12 Rel. Per (%)	-1/16/1
12M Avg Val (INR M)	398

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	109.3	122.9	136.0
EBITDA	12.3	14.7	16.6
Adj. PAT	7.1	9.4	11.0
EBITDA Margin (%)	11.3	11.9	12.2
Cons. Adj. EPS (INR)	20.5	26.9	31.8
EPS Gr. (%)	17.6	31.3	18.1
BV/Sh. (INR)	126.5	148.4	175.2

### Ratios

Net D:E	0.1	0.0	-0.1
RoE (%)	17.3	19.6	19.7
RoCE (%)	16.0	18.3	19.2

### Valuations

P/E (x)	20	16	13
EV/EBITDA (x)	12	10	9

## Shareholding pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter	51.0	51.0	51.0
DII	8.3	7.2	5.8
FII	10.1	10.2	8.0
Others	30.5	31.6	35.2

Note: FII includes depository receipts

**CMP: INR421 TP: INR550 (+31%) Buy**

## Volume growth continues to drive revenue

### Earnings in line

- LT Foods (LTFOODS) reported a strong quarter with revenue growth of 31% in 2QFY26, led by 36% YoY growth in Basmati and Other Specialty Rice (branded business volume up 26% YoY). Normalized growth is ~15%, excluding Golden Star integration and the US tariff-related price hikes. Organic and RTC segments grew 21% and 9% in 2QFY26, respectively.
- Demand remained strong across regions, with volume likely to grow in the double digits for FY26. The US market is expected to see some uncertainty due to tariffs, while other regions are expected to see good growth in 2HFY26. Margin is expected to be under pressure due to the tariff impact, integration of Golden Star, and plant ramp-up in the EU.
- Factoring in this, we cut our FY26 earnings by 6% while broadly retaining our FY27E/FY28E earnings. **We reiterate our BUY rating on the stock with a TP of INR550 (premised on 20x FY27E EPS).**

## Margins under pressure due to higher ad spending and strategic investments

- In 2QFY26, LTFOODS's consolidated revenue stood at INR27.7b (+31% YoY, +12% QoQ) (est. INR26b). EBITDA grew 35%/17% YoY/QoQ to INR3.1b (est. of INR2.9b). EBITDA margin expanded 30bp/40bp YoY/QoQ to 11.2% (est. 11%), led by a gross margin expansion of 80bp YoY, offset by a 60bp YoY increase in other expenses. Adj. PAT grew 10% YoY, while declining 3% QoQ to INR1.6b (in line) for the quarter.
- The Basmati & Other Specialty Rice segment's** revenue grew 36% YoY (including the Golden Star acquisition), led by strong demand across geographies. Gross margin expanded 300bp YoY to 34%, and EBITDA margin expanded 100bp YoY to 13%, while volumes grew 26%. India business grew 13% YoY, while the International business grew 47% YoY, led by the integration of Golden Star and tariff-related price increases.
- Organic Foods'** revenue grew 21% YoY. Gross/EBITDA margins contracted 1100bp/800bp YoY to 33%/3.9% due to the higher initial cost of commissioning a new plant in Europe. The **RTC segment** revenue grew 9% YoY, mainly due to the strong performance of the Dawat Biryani Kit and the introduction of the Thai Green Curry kit. Gross margin dipped 1,100bp to 31%, and operating loss stood at INR72m, led by a rise in brand investments.
- In 1HFY26, its revenue/EBITDA/Adj. PAT grew 25%/22%/10% YoY to INR52.3b/INR5.7b/INR3.3b. Region-wise, India/North America/EU grew 13%/47%/31%, while the Middle East declined 18% for 1HFY26. For 2HFY26, our implied revenue/EBITDA/Adj. PAT growth is ~27%/29%/25%.

## Highlights from the management commentary

- Acquisition in Hungary:** LTFoods entered into the EUR15b European processed canned food market via the acquisition of Global Green. The acquisition is at an EV of ~EUR25m, financed largely by debt on an all-cash basis. This acquisition strengthens the company's footprint across Central & Southern Europe.

- **Organic business:** LTFoods entered the B2C segment in Europe with the inauguration of a new facility in Rotterdam. With an initial investment of INR200m, a further INR150m over the next three years. LTFoods is expecting incremental revenue of INR4b over the next five years, with expected revenue acceleration from FY26-27.
- **Working capital days** improved by 21 days vs. Sep'24, led by higher payable days by 15. An increase in payables days was on account of better negotiation with vendors.

#### Valuation and view

- LTFOODS reported a strong performance in 1HFY26, fueled by growth in both India and international markets. We expect this momentum to continue, led by 1) strong demand in the Indian market, led by a continued shift from the unorganized to organized players and increased consumption of basmati rice, 2) increasing demand in global markets, 3) new plants and partnerships with the top four retail chains in the EU, and 4) the rising global adoption of basmati rice.
- We estimate a revenue/EBITDA/adj. PAT CAGR of 16%/19%/22% over FY25-28. **We reiterate our BUY rating** with a TP of INR550 (based on 20x FY27E EPS).

#### Consolidated - Quarterly Earnings Model

	(INR m)											
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
<b>Gross Sales</b>	<b>20,705</b>	<b>21,078</b>	<b>22,748</b>	<b>22,284</b>	<b>24,639</b>	<b>27,657</b>	<b>28,959</b>	<b>28,051</b>	<b>86,815</b>	<b>1,09,307</b>	<b>25,958</b>	<b>7%</b>
YoY Change (%)	16.4	6.6	17.2	7.4	19.0	31.2	27.3	25.9	11.7	25.9	23.2	
Total Expenditure	18,296	18,785	20,250	19,701	21,985	24,563	25,758	24,690	77,032	96,997	23,095	
<b>EBITDA</b>	<b>2,409</b>	<b>2,293</b>	<b>2,498</b>	<b>2,583</b>	<b>2,654</b>	<b>3,094</b>	<b>3,201</b>	<b>3,361</b>	<b>9,783</b>	<b>12,310</b>	<b>2,863</b>	<b>8%</b>
Margins (%)	11.6	10.9	11.0	11.6	10.8	11.2	11.1	12.0	11.3	11.3	11.0	
Depreciation	420	448	458	531	523	599	610	630	1,857	2,362	530	
Interest	187	196	236	257	280	280	230	200	877	990	235	
Other Income	175	263	134	313	371	67	110	130	885	678	150	
<b>PBT before EO expense</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>2,221</b>	<b>2,283</b>	<b>2,471</b>	<b>2,661</b>	<b>7,934</b>	<b>9,636</b>	<b>2,248</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>2,221</b>	<b>2,283</b>	<b>2,471</b>	<b>2,661</b>	<b>7,934</b>	<b>9,636</b>	<b>2,248</b>	
Tax	530	494	525	554	598	653	642	692	2,102	2,585	585	
Rate (%)	26.8	25.8	27.1	26.3	26.9	28.6	26.0	26.0	26.5	26.8	26.0	
Minority Interest & Profit/Loss of Asso. Cos.	-84	-66	-19	-52	-62	-8	0	0	-222	-70	0	
<b>Reported PAT</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>1,685</b>	<b>1,639</b>	<b>1,828</b>	<b>1,969</b>	<b>6,053</b>	<b>7,121</b>	<b>1,664</b>	
<b>Adj PAT</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>1,685</b>	<b>1,639</b>	<b>1,828</b>	<b>1,969</b>	<b>6,053</b>	<b>7,121</b>	<b>1,664</b>	<b>-2%</b>
YoY Change (%)	11.4	-7.2	-5.2	7.9	10.0	10.4	27.6	22.7	1.3	17.6	12.1	
Margins (%)	7.4	7.0	6.3	7.2	6.8	5.9	6.3	7.0	7.0	6.5	6.4	

# Gravita India

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	GRAV IN
Equity Shares (m)	74
M.Cap.(INRb)/(USDb)	123 / 1.4
52-Week Range (INR)	2475 / 1380
1, 6, 12 Rel. Per (%)	2/-11/-28
12M Avg Val (INR M)	684

## Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	45.3	59.7	75.6
Adj. EBITDA	4.8	6.5	8.5
Adj. EBITDA Margin (%)	10.6	10.9	11.2
Adj. PAT	4.1	5.3	6.7
Cons. Adj. EPS (INR)	55.3	72.3	90.1
EPS Gr. (%)	31	31	25
BV/Sh. (INR)	335	406	495

## Ratios

Net D:E	-0.1	-0.1	0.0
RoE (%)	18.0	19.5	20.0
RoCE (%)	17.2	18.9	19.2

## Valuations

P/E (x)	30.1	23.1	18.5
EV/EBITDA (x)	26.0	18.3	14.4

## Shareholding pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter	55.9	55.9	63.4
DII	4.9	4.4	3.2
FII	16.0	16.4	15.5
Others	23.3	23.3	18.0

Note: FII includes depository receipts

**CMP: INR1,667 TP: INR2,200 (+32%) Buy**

## Subdued volumes; better growth expectations in 2H

### Earnings in line with our estimates

- Gravita India (GRAVITA) reported 12% YoY revenue growth in 2QFY26, driven by a 4% YoY rise in total volumes, mainly led by 5% YoY volume growth in Lead. Aluminum business volumes surged 27% YoY, while plastic volumes declined 32% YoY. EBITDA grew only ~10% YoY, owing to muted volume growth and a 4% YoY increase in overall EBITDA/kg.
- However, GRAVITA remains on track to achieve its 'Vision 2029' targets, aided by capacity expansion (700KTPA by FY28) initiatives for domestic and overseas markets. Future growth will be driven by its continued focus on increasing the share of value-added products (50%+ by FY29) and higher contribution (30%+) from non-lead business segments.
- We broadly maintain our FY26E/FY27E/FY28E EPS and reiterate our BUY rating on the stock with a TP of INR2,200 (premised on 30x FY27E EPS).

### Steady operating performance despite lower volumes

- Consolidated revenue grew 12% YoY to INR10.4b (in line) in 2QFY26. Consolidated sales volume rose 12% YoY to 51KMT.
- Adjusted EBITDA margin contracted 15bp YoY to 10.8% (est. 11.0%), while adjusted EBITDA grew ~10.1% YoY to INR1.1b (est. INR1.2b). Adj. PAT grew 33% YoY to INR960m (in line).
- Lead business revenue grew 11% YoY to INR9.3b, led by 5% YoY volume growth. Volume stood at 44.2KMT in 2Q. EBITDA/kg was INR23.2 (+7% YoY).
- Aluminum business revenue jumped 37% YoY to INR942m. Volumes surged 27% YoY to 4.5KMT, while EBITDA/kg declined 20% YoY to INR15.
- Plastic business revenue declined 32% YoY to INR130m, and its volume dipped 32% YoY to 2.0KMT. EBITDA/kg stood at INR10 (down 4% YoY).
- For 1HFY26, revenue/adj. EBITDA/adj. PAT grew 13%/16%/36% to INR20.8b/INR2.2b/INR1.9b.
- Gross debt stood at INR4.4b as of Sep'25 as against INR2.8b as of Mar'25. Further, company had a negative cash outflow of INR505m as of Sept'25 as against CFO of INR684m as of Sept'24

### Highlights from the management commentary

- **Outlook:** The company maintains its 'Vision 2029' targets of a CAGR of ~25%/35% in sales volume/PAT, with RoIC of more than 25%. Further, it aims to increase its non-lead business/value-added products (VAP) mix to 30%/50% over the next three to four years. For FY26, the company considers INR19-20 of EBITDA/kg as sustainable, while INR22-23 of EBITDA per kg can be achieved through some compromise on volumes.
- **Rubber:** Mundhra rubber plant is expected to be commissioned in FY26, with revenue contributions expected to come from FY27. Even without the VAP mix, GRAVITA expects EBITDA per kg of INR7-8 (i.e. EBITDA margins of ~30%).
- **Capex:** Capex guidance is lowered to INR12.3b from INR15b earlier, as the company is planning a similar capex through the brownfield route. It plans to spend INR8.5b on existing verticals and the balance capex on new verticals.

## Valuation and view

- As a leading player in India's rapidly expanding recycling industry, GRAVITA is well-positioned to deliver strong earnings growth over the medium term, supported by: 1) strategic capacity expansion across verticals and geographies, 2) an increased focus on VAPs, and 3) increased domestic scrap availability, driven by favorable regulatory tailwinds.
- We expect a CAGR of 25%/28%/29% in revenue/adj. EBITDA/adj. PAT over FY25-28. We broadly retain our FY26E/FY27E/FY28E EPS and reiterate our BUY rating on the stock with a TP of INR2,200 (premised on 30x FY27E EPS).

## Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26				FY25	FY26E	FY25E	(INR m)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var %
<b>Sales</b>	<b>9,079</b>	<b>9,274</b>	<b>9,964</b>	<b>10,371</b>	<b>10,399</b>	<b>10,355</b>	<b>12,062</b>	<b>12,488</b>	<b>38,688</b>	<b>45,305</b>	<b>10,655</b>	<b>-3</b>
YoY Change (%)	29.1	10.9	31.5	20.1	14.5	11.7	21.1	20.4	22.4	17.1	17.4	
Total Expenditure	8,166	8,259	8,942	9,286	9,282	9,237	10,780	11,209	34,652	40,508	9,480	
<b>Adjusted EBITDA</b>	<b>912</b>	<b>1,015</b>	<b>1,023</b>	<b>1,085</b>	<b>1,117</b>	<b>1,118</b>	<b>1,282</b>	<b>1,279</b>	<b>4,036</b>	<b>4,797</b>	<b>1,174</b>	<b>-5</b>
Margins (%)	10.1	10.9	10.3	10.5	10.7	10.8	10.6	10.2	10.4	10.6	11.0	
Depreciation	65	72	76	78	87	92	110	122	291	412	100	
Interest	130	120	128	56	61	78	65	60	434	264	60	
Other Income	33	23	73	194	190	165	160	150	324	665	100	
<b>PBT before EO expense</b>	<b>751</b>	<b>847</b>	<b>891</b>	<b>1,146</b>	<b>1,159</b>	<b>1,113</b>	<b>1,267</b>	<b>1,247</b>	<b>3,635</b>	<b>4,787</b>	<b>1,114</b>	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>751</b>	<b>847</b>	<b>891</b>	<b>1,146</b>	<b>1,159</b>	<b>1,113</b>	<b>1,267</b>	<b>1,247</b>	<b>3,635</b>	<b>4,787</b>	<b>1,114</b>	
Tax	71	128	111	197	229	153	190	132	506	704	167	
Rate (%)	9.4	15.1	12.4	17.2	19.7	13.8	15.0	10.6	13.9	14.7	15.0	
Minority Interest & Profit/Loss of Asso. Cos.	7	-1	1	-2	-2	0	1	2	5	1	1	
<b>Reported PAT</b>	<b>673</b>	<b>720</b>	<b>779</b>	<b>951</b>	<b>933</b>	<b>960</b>	<b>1,076</b>	<b>1,113</b>	<b>3,124</b>	<b>4,082</b>	<b>946</b>	
<b>Adj PAT</b>	<b>673</b>	<b>720</b>	<b>779</b>	<b>951</b>	<b>933</b>	<b>960</b>	<b>1,076</b>	<b>1,113</b>	<b>3,124</b>	<b>4,082</b>	<b>946</b>	<b>1</b>
YoY Change (%)	29.3	24.4	29.3	37.9	38.5	33.3	38.1	17.0	30.6	30.7	40.5	
Margins (%)	7.4	7.8	7.8	9.2	9.0	9.3	8.9	8.9	8.1	9.0	8.9	

# Indian Energy Exchange

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	IEX IN
Equity Shares (m)	892
M.Cap.(INRb)/(USD\$)	124 / 1.4
52-Week Range (INR)	215 / 130
1, 6, 12 Rel. Per (%)	-5/-33/-28
12M Avg Val (INR M)	1581

Financials & Valuations		(INR b)	
Y/E March	FY26E	FY27E	FY28E
Sales	6.1	6.2	6.6
EBITDA	5.2	5.2	5.5
Adj. PAT	4.7	4.8	5.2
EPS (INR)	5.3	5.4	5.8
EPS Gr.%	13.1	3.4	6.4
BV/Sh. (INR)	14.4	16.6	18.9

Ratios			
Net D:E	(0.2)	(0.3)	(0.4)
RoE (%)	39.4	35.1	32.6
RoCE (%)	38.5	34.4	32.1
Payout (%)	60.0	60.0	60.0

Valuation			
P/E (x)	26.4	25.6	24.0
P/B (x)	9.6	8.4	7.4
EV/EBITDA (x)	23.3	22.8	21.3
Div. yield (%)	2.3	2.3	2.5

## Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	36.4	34.1	31.5
FII	13.5	18.8	15.9
Others	50.1	47.1	52.6

FII includes depository receipts

**CMP: INR139 TP: INR150 (+8%) Neutral**

## Robust volume growth; upside risk if coupling delays

- **In-line result; robust volume growth trends continue:** Indian Energy Exchange (IEX) reported 2QFY26 standalone revenue of INR1.5b and EBITDA of INR1.3b, both in line with estimates, supported by traded electricity volumes of 35.2BUs, which were also in line with expectations. Standalone PAT was 5% above our estimate at INR1.2b, primarily due to higher other income. IEX's electricity volumes increased 16% YoY, while renewable energy certificate (REC) volumes saw a dip of 30%.
- **Risk of earnings upside if market coupling implementation delayed:** In light of the Central Electricity Regulatory Commission's (CERC) announcement of the phased implementation of market coupling in India, starting with the day-ahead market (DAM) (~45% of IEX volumes in FY25) by Jan'26, we had lowered our FY27 earnings estimates by 17% (at the time of the market coupling announcement), factoring in a 30% volume decline and a 10% reduction in transaction fees in the DAM segment. We are now building in volume CAGR of only 7% (ex-REC) over FY26-28. The delayed implementation of market coupling/lower than anticipated market share loss can lead to significant upside risks to our earnings estimates.
- **Strong franchise, experienced management:** We continue to like IEX for its competitive technological platform, robust new product leadership, and strong management. We expect near-term stock performance to remain under pressure as competitive dynamics (fight for market share, redefining of transaction fees) unfold in the sector.
- **Key monitorables** in the coming months include: 1) any legal recourse initiated by IEX, 2) practical challenges in operationalizing market coupling in DAM, 3) whether the timeline for market coupling in DAM extends beyond Jan'26, and 4) the roadmap for market coupling implementation in the real time market (RTM) segment.
- **Valuation:** We value IEX at a 28x FY27E EPS, in line with its long-term average, and reiterate our Neutral rating on the stock with a TP of INR150.

## Revenue/EBITDA in line; PAT beats on higher-than-expected other income

- **Financial performance:**
  - IEX reported standalone revenue of INR1.5b in 2QFY26, in line with our estimate (+9.3% YoY, +8.8% QoQ), with traded electricity volumes of 35.2BUs, also in line with our estimate.
  - EBITDA stood at INR1.3b, reflecting a 9.7%/15.9% uptick YoY/QoQ, in line with our estimates. EBITDA margin stood at 86.7% (vs. 81.4% in 1QFY26, 86.4% in 2QFY25).
  - Standalone PAT was 5% above our estimate at INR1.2b (+14.6% YoY, +7.6% QoQ), mainly on account of higher-than-expected other income.
  - IGX recorded a PAT of INR96m, up 57% YoY from INR61m.

#### ■ **Operational performance:**

- Electricity volumes rose 16% YoY to 35.2BUs in 2QFY26.
- In the electricity segment, DAM and term ahead market (TAM) volumes were flat YoY, whereas RTM volumes registered a growth of 39% YoY in 2QFY26.
- REC volumes saw a dip in 2QFY26, declining 30% YoY to 4.4m certificates.
- DAM and RTM prices dropped to INR3.93/unit (-12.5% YoY) and INR3.51/unit (-16% YoY), respectively, on account of increased liquidity due to higher generation from hydro, wind, and sustained coal-based generation.
- Indian Gas Exchange (IGX) traded gas volumes of 16.1m MMBtu in 2QFY26 (+37% YoY).
- International Carbon Exchange (ICX) issued over 3.8m I-RECs in 2QFY26 and reported revenue of INR19m.

#### **Highlights of IEX's 2QFY26 performance**

- The company's electricity market share stood at 84%, while its certificate market share was slightly above 50%, resulting in an overall market share of ~75%.
- IEX has filed an appeal before APTEL challenging the market coupling framework; the next hearing is scheduled for November 28, 2025.
- Operational and procedural details regarding the implementation of market coupling are yet to be clarified.
- IEX holds a 47.5% equity stake in IGX, which, as per PNGRB regulations, must be reduced to 25% by December 2025. 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.

#### **Valuation and view**

- Our TP of INR150 for IEX is based on the following:
- We value the business at 28x FY27E EPS of INR5.4, in line with the long-term average P/E of 28x.
- We have not assumed any value for IGX's stake in our valuation.

### Standalone quarterly performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%	%	%
<b>Net Sales</b>	<b>1,236</b>	<b>1,392</b>	<b>1,313</b>	<b>1,413</b>	<b>1,400</b>	<b>1,522</b>	<b>1,558</b>	<b>1,588</b>	<b>5,354</b>	<b>6,068</b>	1,542	-1%	9.3	8.8
<i>YoY Change (%)</i>	18.8	28.3	13.9	16.5	13.3	9.3	18.6	12.4	19.2	13.3	10.7			
<b>EBITDA</b>	<b>1,000</b>	<b>1,203</b>	<b>1,128</b>	<b>1,220</b>	<b>1,139</b>	<b>1,320</b>	<b>1,347</b>	<b>1,378</b>	<b>4,551</b>	<b>5,184</b>	1,315	0%	9.7	15.9
<i>Margin (%)</i>	81.0	86.4	85.9	86.3	81.4	86.7	86.5	86.8	85.0	85.4	85.2			
Depreciation	52	53	54	53	54	57	51	42	212	204	54	5%	6.9	4.7
Interest	7	7	7	6	6	5	7	8	26	26	7	-19%	-19.2	-8.1
Other Income	308	286	285	310	425	345	289	209	1,189	1,269	285	21%	20.6	-18.9
<b>PBT before EO items</b>	<b>1,249</b>	<b>1,429</b>	<b>1,353</b>	<b>1,471</b>	<b>1,504</b>	<b>1,603</b>	<b>1,579</b>	<b>1,537</b>	<b>5,502</b>	<b>6,222</b>	1,539			
<b>PBT</b>	<b>1,249</b>	<b>1,429</b>	<b>1,353</b>	<b>1,471</b>	<b>1,504</b>	<b>1,603</b>	<b>1,579</b>	<b>1,537</b>	<b>5,502</b>	<b>6,222</b>	1,539	4%	12.1	6.6
Tax	315	368	322	351	374	387	389	384	1,356	1,533	379	2%	5.0	3.5
<i>Rate (%)</i>	25.2	25.8	23.8	23.8	24.8	24.1	24.6	25.0	24.6	24.6	24.6			
<b>Reported PAT</b>	<b>934</b>	<b>1,061</b>	<b>1,031</b>	<b>1,120</b>	<b>1,130</b>	<b>1,216</b>	<b>1,190</b>	<b>1,153</b>	<b>4,146</b>	<b>4,689</b>	1,159	5%	14.6	7.6
<b>Adj PAT</b>	<b>934</b>	<b>1,061</b>	<b>1,031</b>	<b>1,120</b>	<b>1,130</b>	<b>1,216</b>	<b>1,190</b>	<b>1,153</b>	<b>4,146</b>	<b>4,689</b>	1,159	5%	14.6	7.6
<i>YoY Change (%)</i>	26.0	28.0	15.5	17.8	21.0	14.6	15.3	3.0	21.4	13.1	9.3			
<i>Margin (%)</i>	75.6	76.2	78.6	79.3	80.8	79.9	76.4	72.6	77.5	77.3	75.2			

### IEX – Valuation table

Particulars	Units	Amount
FY27 EPS	INR	5.4
Valuation multiple	(x)	28
<b>Target Price</b>	<b>INR</b>	<b>150</b>
CMP	INR	139
<b>Upside / (Downside)</b>	<b>%</b>	<b>8%</b>

Source: MOFSL

# Equitas Small Finance Bank

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	EQUITASB IN
Equity Shares (m)	1141
M.Cap.(INRb)/(USDb)	65 / 0.7
52-Week Range (INR)	76 / 50
1, 6, 12 Rel. Per (%)	-5/-21/-25
12M Avg Val (INR M)	274

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	31.8	37.8
OP	13.3	11.3	15.4
NP	1.5	0.2	6.5
NIM (%)	7.5	6.4	6.6
EPS (INR)	1.3	0.2	5.7
BV/Sh. (INR)	53	52	56
ABV/Sh. (INR)	50	50	55

## Ratios

RoA (%)	0.3	0.0	1.0
RoE (%)	2.4	0.4	10.5

## Valuations

P/E(X)	44.1	273.8	10.0
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.1	1.1	1.0

## Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	0.0	0.0	0.0
DII	48.2	47.1	43.7
FII	15.7	16.3	16.9
Others	36.1	36.6	39.4

FII includes depository receipts

**CMP: INR57**
**TP: INR70 (+23%)**
**Buy**

## High provisions drive slight earnings miss

### NIMs contract by 26bp QoQ; asset quality broadly stable

- Equitas SFB (EQUITASB) reported 2QFY26 PAT at ~INR241m (87% YoY, miss to our estimate) vs. loss of INR2.2b in 1QFY26, owing to higher-than-expected provisions. During 2QFY26, the bank sold its NPA assets amounting to INR2.16b to an ARC.
- NII declined 3.6% YoY (down 2% QoQ) to INR7.7b (4% beat). NIM contracted 26bp QoQ to 6.29% due to the cascading effect of portfolio rundown in MFI.
- Advances grew 4.6% QoQ/7% YoY. MFI portfolio declined 4% QoQ, which now stands at 8.7% of the portfolio. Meanwhile, deposits grew 11% YoY/flat QoQ. CASA ratio improved 148bp QoQ to 30.9%.
- Slippages stood at INR6b vs. INR6.6b in 1QFY26. MFI DPD showed significant improvement sequentially on account of increased collection efficiency. GNPA/NNPA ratios remained stable at 2.92%/0.98%. PCR was stable at 67%.
- We fine-tune our earnings estimates and estimate RoA/RoE of 1.0%/10.5% by FY27. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

### FY26 loan growth guided at 15%; credit cost to sustain at 1.5-1.7%

- 2QFY26 PAT stood at ~INR241m (87% YoY) vs. loss of INR2.2b in 1QFY26.
- NII declined 3.6% YoY (down 2% QoQ) to INR7.7b (4% beat). NIM contracted 26bp QoQ to 6.29%. Provisions declined 37% YoY/66% QoQ to INR2.1b (17% higher than MOFSLe).
- Other income declined 4% YoY/21.5% QoQ to INR 2.3b (6% miss). Treasury income stood at INR340m vs. INR1.2b in 1QFY26. Opex grew 10% YoY/ flat QoQ at INR7.6b (in line). Thus, PPOP stood at INR2.4b (down 31% YoY and 24% QoQ, 11% beat).
- Advances grew 7% YoY/4.6% QoQ to INR363b. MFI business declined 40% YoY/4% QoQ. HF posted healthy growth, rising 4.1% QoQ. VF loan grew by 10.4% YoY/3.1% QoQ amid growth in used CV at 7% QoQ. Deposits grew 11% YoY/flat QoQ. CASA ratio improved 148bp QoQ to 30.9%. CD ratio stood at 82%.
- Disbursements grew to INR53.8b in 2QFY26 (up 11% YoY and 53% QoQ), with MFI disbursements improving to INR6.8b vs. INR2.7b in 1QFY26 (INR9.5b in 2QFY25). The share of MFI AUM decreased to 8.7% from 9.4% in 1QFY26, and the bank has guided to maintain this mix around ~8-10% going forward.
- On the asset quality front, slippages stood at INR6b vs. INR6.6b in 1QFY26. GNPA/NNPA ratios remained stable at 2.92%/0.98%. PCR was stable at 67%. Credit cost significantly improved to 2.16% in 2QFY26 from 6.48% in 1QFY26.

### Highlights from the management commentary

- MFI DPD showed significant improvement QoQ on account of increased collection efficiency. TN constitutes more than 50% of the MFI portfolio and its collection efficiency remains under control (higher than overall portfolio). Karnataka started showing improvement in collections (~8% of MFI portfolio).
- Provisions related to ARC were INR1.84b; INR400m reversed regarding ARC sale. The bank has received INR720m cash from this sale.
- For FY26, the bank expects advances growth of about 15% YoY. Beyond FY26, it expects to sustain a steady-state trajectory of ~20% growth.
- The bank expects to achieve an exit RoA of about 1% in 4QFY26 and credit cost of ~1.5-1.7% in the medium term.
- EQUITASB expects NIMs to cross ~6.5% by year end. At steady-state, it expects margins of ~6.5%-7%.

### Valuation and view: Reiterate BUY with TP of INR70

- EQUITASB reported a profitable quarter, compared to a loss in 1QFY26. Margins declined due to average MFI portfolio, though the bank expects NIM expansion in 3Q and 4Q. Loan book grew 4.6% QoQ due to healthy growth in used CV. However, MFI book further declined. MFI disbursements improved and the bank expects this to improve to INR10b in 3Q. On the asset quality front, GNPA/NNPA ratios were stable and slippages saw slight improvement. Credit cost is expected to taper down by 4QFY26, supported by improved collection efficiencies, and management expects that with sustained improvement in DPD metrics and disbursements, MFI is expected to move toward normal profitability by 4QFY26. We fine-tune our earnings estimates and estimate RoA/RoE of 1.0%/10.5% by FY27E. **Reiterate BUY with a TP of INR70 (1.3x FY27E ABV).**

### Quarterly Performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
<b>Net Interest Income</b>	<b>8.0</b>	<b>8.0</b>	<b>8.2</b>	<b>8.3</b>	<b>7.9</b>	<b>7.7</b>	<b>7.9</b>	<b>8.3</b>	<b>32.5</b>	<b>31.8</b>	<b>7.5</b>	<b>4%</b>
% Change (YoY)	7.9	4.8	4.2	5.5	-2.0	-3.6	-3.5	0.6	5.6	-2.1	-7.0	
Other Income	2.1	2.4	2.4	2.3	2.9	2.3	2.6	3.1	9.1	10.9	2.4	-6%
<b>Total Income</b>	<b>10.1</b>	<b>10.4</b>	<b>10.6</b>	<b>10.5</b>	<b>10.8</b>	<b>10.0</b>	<b>10.5</b>	<b>11.4</b>	<b>41.6</b>	<b>42.8</b>	<b>9.9</b>	<b>1%</b>
Operating Expenses	6.7	6.9	7.2	7.4	7.6	7.6	7.9	8.3	28.3	31.5	7.7	-1%
<b>Operating Profit</b>	<b>3.4</b>	<b>3.5</b>	<b>3.3</b>	<b>3.1</b>	<b>3.1</b>	<b>2.4</b>	<b>2.6</b>	<b>3.1</b>	<b>13.3</b>	<b>11.3</b>	<b>2.2</b>	<b>11%</b>
% Change (YoY)	9.1	5.9	-7.6	-16.9	-7.5	-31.2	-20.6	-0.2	-3.1	-15.3	-37.8	
Provisions	3.0	3.3	2.4	2.6	6.1	2.1	1.7	1.2	10.9	11.0	1.8	17%
<b>Profit before Tax</b>	<b>0.4</b>	<b>0.2</b>	<b>0.9</b>	<b>0.5</b>	<b>-3.0</b>	<b>0.3</b>	<b>1.0</b>	<b>1.9</b>	<b>2.4</b>	<b>0.3</b>	<b>0.4</b>	<b>-19%</b>
Tax	0.1	0.1	0.2	0.1	-0.7	0.1	0.3	0.5	0.9	0.1	0.1	-10%
<b>Net Profit</b>	<b>0.3</b>	<b>0.1</b>	<b>0.7</b>	<b>0.4</b>	<b>-2.2</b>	<b>0.2</b>	<b>0.7</b>	<b>1.5</b>	<b>1.5</b>	<b>0.2</b>	<b>0.3</b>	<b>-22%</b>
% Change (YoY)	-86.5	-93.5	-67.2	-79.7	-968.7	87.4	12.1	254.1	-81.6	-83.9	140.1	
<b>Operating Parameters</b>												
Deposits	375	399	407	431	444	441	473	491	431	491	452	-2%
Loans	319	340	354	362	347	364	387	411	362	411	365	0%
Deposit Growth (%)	35.4	29.2	25.8	19.3	18.3	10.6	16.0	14.0	19.3	14.0	13.4	
Loan Growth (%)	16.0	18.1	21.1	16.9	8.8	7.0	9.2	13.5	16.9	13.5	7.3	
<b>Asset Quality</b>												
Gross NPA (%)	2.73	2.95	2.97	2.89	2.92	2.92	3.49	2.70	2.91	2.70	3.01	
Net NPA (%)	0.83	0.97	0.96	0.98	0.98	0.98	1.17	0.79	1.48	0.79	1.02	
PCR (%)	70.3	67.7	68.3	66.8	67.0	66.9	67.2	71.2	50.0	71.2	66.7	

E: MOFSL Estimates

# Restaurant Brands Asia

Estimate change

TP change

Rating change



Bloomberg	RBA IN
Equity Shares (m)	582
M.Cap.(INRb)/(USD\$)	39.1 / 0.4
52-Week Range (INR)	94 / 59
1, 6, 12 Rel. Per (%)	-17/-23/-32
12M Avg Val (INR M)	138

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	28.8	33.7	38.8
Sales growth (%)	12.9	17.1	15.0
EBITDA	3.3	5.0	6.6
Margins (%)	11.4	14.8	16.9
Adj. PAT	-1.9	-0.8	-0.1
Adj. EPS (INR)	-3.2	-1.4	-0.2
EPS Growth (%)	N/M	N/M	N/M
BV/Sh.(INR)	12.1	10.7	10.5

## Ratios

RoE (%)	-23.4	-12.4	-2.0
RoCE (%)	-1.0	3.4	6.7

## Valuations

P/E (x)	N/M	N/M	N/M
P/BV (x)	5.5	6.2	6.4
EV/EBITDA (x)	11.7	7.7	5.7
EV/EBITDA (x) *	63.7	19.5	12.2
EV/Sales (x)	1.3	1.1	1.0

\* pre Ind-AS

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	11.3	11.3	13.2
DII	40.1	40.0	37.8
FII	20.7	20.5	17.5
Others	28.0	28.2	31.6

FII Includes depository receipts

CMP: INR67

TP: INR120 (+78%)

Buy

## India sees steady performance; Indonesia remains gloomy

- Restaurant Brands Asia (RBA) posted revenue growth of 16% YoY for its Indian business (in line), led by a 15% YoY rise in store additions. Same-store sales rose 2.8%, led by healthy traction across both the channels and value offerings. RBA witnessed a strong performance in October following the GST rate reduction and a healthy festive season. Management remains confident of a robust 3QFY26 performance.
- In 2QFY26, its Indian business GM expanded 80bp YoY and 60bp QoQ to 68.3%, backed by changes in the menu mix and supply chain efficiencies. We model ~68-68.5% GM for FY26 and FY27. RBA aspires to achieve 70% GM by FY29. India ROM (pre-Ind AS) expanded 14% YoY to INR592m, while margins contracted 20bp YoY to 10.4% (est. 10.2%). EBITDA (Pre-Ind AS) rose 16% YoY to INR284m, while margins remained flat YoY to 5%. RBA remains focused on enhancing delivery profitability by optimizing pricing, improvising its menu, and cutting fixed costs such as utilities.
- Indonesia's revenue dipped 4% YoY, hit by geopolitical crises and store closures (3 BK store closures in 2QFY26). Indonesia BK ADS grew 7% YoY. Indonesia ROM (pre-IND AS) witnessed a loss of INR63mn in 2QFY26 vs. a loss of INR67m in 2QFY25 and a profit of INR2m in 1QFY26. The loss was mainly due to higher promotional spends. Adjusted for this, margins were slightly positive. In Indonesia, RBA has largely concluded the rationalization of BK stores but does not plan to pursue expansion plans for Popeyes at this stage.
- Consolidated revenue rose 11% YoY to INR7b, led by a healthy performance in the Indian business, while the Indonesian business continued to be a laggard. Consolidated reported EBITDA (post IND AS) rose 24% YoY to INR762m, and margins expanded 110bp YoY to 10.8%. High operating costs and interest costs led to a consolidated loss of INR633m.
- RBA's continued emphasis on improving store unit economics in India and sustaining store rollouts positions its Indian business for strong growth. The company has outperformed other dine-in peers on all fronts in FY25, and we expect the company to continue delivering a strong performance in FY26. RBA opened 20 stores in 1HFY26 and plans to reach 580 stores by the end of FY26 and 800 stores by FY29. Indonesia experienced some geopolitical turbulence towards the end of 2Q, but conditions have since normalized. The trend will need to be monitored in the near term to assess the recovery. The company is taking several initiatives to control costs in Indonesia and cut down on losses. **We reiterate BUY with a TP of INR120. We value India at 25x Sep'27E EV/EBITDA (pre-IND AS) and Indonesia EV at INR5b (~0.7x EV/sales Sep'27E).**

## India delivers ~3% SSSG; Indonesia performance remains subdued

### India business

- **India SSSG rose 2.8%:** The Indian business revenue rose 16% YoY to INR5.7b (est. INR5.6b), led by 15% YoY store additions. Same-store sales growth was 2.8% (est. 2.5%), led by consistent growth across the dine-in and delivery channels. The Indian business ADS rose 1% YoY to INR119k. The company added 14 stores in 2QFY26 in India, bringing the total store count to 533 stores. BK Café's store count reached 507 stores (95% of total BK stores).

- **Margin expansion continues:** India's GP rose 17% YoY to INR3.9b (est. INR3.8), while margins expanded 80bp YoY and 60bp QoQ to 68.3%, backed by changes in the menu mix and supply chain efficiencies. India's ROM (pre-Ind AS) increased 14% YoY to INR592m, while margins contracted 20bp YoY to 10.4% (est. 10.2%). EBITDA (Pre-Ind AS) rose 16% YoY to INR284m, and margins remained flat YoY to 5%. EBITDA (Post-Ind AS) rose 16% YoY to INR813m (est. INR794m). Margins expanded 10bp YoY to 14.3% (est. 14.1%). Higher operating and interest costs led to a loss of INR202m in the Indian business in 2QFY26 (est. loss of INR146m).

#### Indonesian business continues to witness store rationalization

- The Indonesian business revenue declined 4% YoY to INR1,348m due to store rationalization (7% YoY dip in the BK store count) and geopolitical headwinds. BK's ADS rose 7% YoY to IDR18.1m. The company closed three BK stores during the quarter (136 BK stores/25 Indonesia Popeyes stores).
- Indonesia GP declined 2% YoY to INR767m, with gross margin expansion of 110bp YoY to 56.9% (56.7% in 1QFY26).
- **EBITDA (post-IND AS) witnessed a loss of INR51m in 2QFY26 vs. a loss of INR87m in 2QFY25 and a profit of INR10m in 1QFY26.**
- **Indonesia ROM (pre-IND AS) faced a loss of INR63m in 2QFY26 vs. a loss of INR67m in 2QFY25 and a profit of INR2m in 1QFY26.**
- **EBITDA (Pre-Ind As) witnessed a loss of INR170m vs a loss of INR206m in 2QFY25.**
- **Consolidated business**
- Consol revenue rose 11% YoY to INR7b, led by healthy Indian business performance, while the Indonesian business continued to be a laggard.
- Consolidated GP rose 13% YoY to INR4.65b, and margins expanded 120bp YoY and 70bp QoQ to 66.1%.
- Consolidated reported EBITDA (post IND AS) rose 24% YoY to INR762m, and margins expanded 110bp YoY to 10.8%.
- High operating and interest costs led to a consolidated loss of INR633m.

#### Key takeaways from the management commentary

- RBA witnessed a strong performance in October following the GST rate reduction and a healthy festive season. Management remains confident of a strong 3QFY26 performance.
- Delivery channel revenue grew 15.6%, while profits rose 1%, as the company continues to drive restaurant traffic and focus on delivery and restaurant-level profitability.
- BK plans to open 60-80 new restaurants each year, targeting 800 restaurants by FY29 from its current count of 533 (20 stores opened in 1HFY26). RBA aims to reach 580 stores by FY26 end.
- BK continues to deliver steady performance. The 2Q performance was impacted for about a week and a half in September by geopolitical headwind, but management indicated that conditions have stabilized from October onwards.
- RBA has largely completed BK store optimization in Indonesia.

#### Valuation and view

- RBA added 20 restaurants in 1HFY26 and plans to expand to 580 restaurants by the end of FY26, up from the current 533. Further, it plans to open 60-80 new restaurants each year in India, targeting 800 restaurants by FY29, leading to strong store-led growth. BK Café and ongoing cost-efficiency measures are likely

to be key drivers of growth and margins over the medium term. EBITDA margin is also expected to expand with higher dine-in traffic, improved traction/penetration of BK Café, and other cost-saving initiatives.

- As more stores mature, improving the contribution of new outlets across the network is expected to support margin recovery. The Indonesian business should witness a gradual recovery as the company has rationalized its portfolio by closing non-performing stores. That said, we expect near-term challenges in Indonesia to sustain.
- **We reiterate BUY with a TP of INR120. We value India at 25x Sep'27E EV/EBITDA (pre-IND AS) and Indonesia EV at INR5b (~0.7x EV/sales Sep'27E).**

#### Quarterly Standalone Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
<b>SSSG (%)</b>	<b>3.1%</b>	<b>-3.0%</b>	<b>-0.5%</b>	<b>5.1%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>1.1%</b>	<b>3.5%</b>	<b>2.5%</b>	
<b>No. of stores</b>	<b>456</b>	<b>464</b>	<b>510</b>	<b>513</b>	<b>519</b>	<b>533</b>	<b>563</b>	<b>578</b>	<b>513</b>	<b>578</b>	<b>531</b>	
<b>Net Sales</b>	<b>4,905</b>	<b>4,921</b>	<b>4,954</b>	<b>4,898</b>	<b>5,523</b>	<b>5,687</b>	<b>5,846</b>	<b>5,857</b>	<b>19,678</b>	<b>22,912</b>	<b>5,613</b>	<b>1.3</b>
YoY change (%)	16.2	8.5	11.2	11.6	12.6	15.6	18.0	19.6	11.8	16.4	14.1	
<b>Gross Profit</b>	<b>3,318</b>	<b>3,322</b>	<b>3,361</b>	<b>3,322</b>	<b>3,739</b>	<b>3,884</b>	<b>3,981</b>	<b>3,976</b>	<b>13,322</b>	<b>15,580</b>	<b>3,817</b>	<b>1.8</b>
Margin (%)	67.6	67.5	67.8	67.8	67.7	68.3	68.1	67.9	67.7	68.0	68.0	
<b>EBITDA</b>	<b>618</b>	<b>700</b>	<b>789</b>	<b>777</b>	<b>745</b>	<b>813</b>	<b>911</b>	<b>878</b>	<b>2,890</b>	<b>3,347</b>	<b>794</b>	<b>2.5</b>
EBITDA growth %	27.5	10.3	11.5	41.1	20.6	16.2	15.4	13.0	21.6	15.8	13.4	
Margin (%)	12.6	14.2	15.9	15.9	13.5	14.3	15.6	15.0	14.7	14.6	14.1	
<b>EBITDA (Pre - Ind As)</b>	<b>175</b>	<b>244</b>	<b>309</b>	<b>266</b>	<b>225</b>	<b>284</b>	<b>373</b>	<b>312</b>	<b>994</b>	<b>1,194</b>	<b>260</b>	<b>9.2</b>
EBITDA growth %	72.7	0.4	2.3	150.9	28.6	16.4	20.7	17.2	32.0	20.1	7.0	
Margin (%)	3.6	5.0	6.2	5.4	4.1	5.0	6.4	5.3	5.1	5.2	4.6	
Depreciation	633	611	632	670	663	690	710	749	2,546	2,811	689	
Interest	319	326	364	403	410	404	400	427	1,411	1,640	400	
Other Income	64	71	21	42	212	78	100	102	192	492	150	
<b>PBT</b>	<b>-269</b>	<b>-166</b>	<b>-186</b>	<b>-254</b>	<b>-116</b>	<b>-202</b>	<b>-99</b>	<b>-195</b>	<b>-876</b>	<b>-612</b>	<b>-146</b>	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adjusted PAT</b>	<b>-269</b>	<b>-166</b>	<b>-186</b>	<b>-254</b>	<b>-116</b>	<b>-202</b>	<b>-99</b>	<b>-195</b>	<b>-876</b>	<b>-612</b>	<b>-146</b>	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

#### Quarterly Consolidated Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
<b>No. of stores</b>	<b>630</b>	<b>638</b>	<b>682</b>	<b>681</b>	<b>683</b>	<b>694</b>	<b>725</b>	<b>751</b>	<b>681</b>	<b>751</b>	<b>696</b>	
<b>Net Sales</b>	<b>6,467</b>	<b>6,324</b>	<b>6,391</b>	<b>6,325</b>	<b>6,977</b>	<b>7,034</b>	<b>7,383</b>	<b>7,398</b>	<b>25,508</b>	<b>28,793</b>	<b>7,058</b>	<b>-0.3</b>
YoY change (%)	5.9	1.2	5.8	5.9	7.9	11.2	15.5	17.0	4.7	12.9	11.6	
<b>Gross Profit</b>	<b>4,171</b>	<b>4,104</b>	<b>4,191</b>	<b>4,129</b>	<b>4,564</b>	<b>4,651</b>	<b>4,857</b>	<b>4,860</b>	<b>16,595</b>	<b>18,932</b>	<b>4,638</b>	<b>0.3</b>
Margin (%)	64.5	64.9	65.6	65.3	65.4	66.1	65.8	65.7	65.1	65.8	65.7	
Other expenses	3,513	3,492	3,465	3,357	3,809	3,889	3,985	3,960	13,858	15,644	3,832	
<b>EBITDA</b>	<b>658</b>	<b>612</b>	<b>727</b>	<b>772</b>	<b>755</b>	<b>762</b>	<b>872</b>	<b>900</b>	<b>2,737</b>	<b>3,289</b>	<b>806</b>	<b>-5.5</b>
EBITDA growth %	36.3	0.0	2.8	-11.4	14.7	24.4	20.0	16.6	2.9	20.1	31.5	
Margin (%)	10.2	9.7	11.4	12.2	10.8	10.8	11.8	12.2	10.7	11.4	11.4	
<b>EBITDA (Pre - Ind As)</b>	<b>87</b>	<b>38</b>	<b>133</b>	<b>146</b>	<b>119</b>	<b>113</b>	<b>216</b>	<b>215</b>	<b>370</b>	<b>606</b>	<b>154</b>	<b>-26.8</b>
EBITDA growth %	-557.9	-59.6	-22.7	-586.7	36.8	197.4	62.7	47.4	81.4	63.7	306.0	
Margin (%)	1.3	0.6	2.1	2.3	1.7	1.6	2.9	2.9	1.5	2.1	2.2	
Depreciation	916	907	934	958	934	969	1,035	1,102	3,715	4,040	1,009	
Interest	374	380	397	457	468	456	420	267	1,609	1,611	420	
Other Income	145	21	57	38	193	30	100	102	259	492	150	
<b>PBT</b>	<b>-488</b>	<b>-655</b>	<b>-547</b>	<b>-604</b>	<b>-454</b>	<b>-633</b>	<b>-483</b>	<b>-366</b>	<b>-2,328</b>	<b>-1,871</b>	<b>-474</b>	
Tax	0	0	0	0	0	0	0	0	0	0	0	
Rate (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Adjusted PAT</b>	<b>-488</b>	<b>-655</b>	<b>-547</b>	<b>-604</b>	<b>-454</b>	<b>-633</b>	<b>-483</b>	<b>-366</b>	<b>-2,328</b>	<b>-1,871</b>	<b>-474</b>	
YoY change (%)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	

E: MOFSL Estimates

# Indostar Capital Finance

Bloomberg	INDOSTAR IN
Equity Shares (m)	137
M.Cap.(INRb)/(USDb)	33.2 / 0.4
52-Week Range (INR)	369 / 218
1, 6, 12 Rel. Per (%)	-6/-25/-18
12M Avg Val (INR M)	65

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	4.6	5.6	6.5
PPP	1.9	2.4	3.5
PAT	0.5	6.3	2.3
EPS (INR)	3.9	39.2	13.9
EPS Gr. (%)	-27	915	-64
BV (INR)	252	264	278

## Ratios

NIM (%)	6.1	8.6	10.4
C/I ratio (%)	71.7	68.8	61.5
RoA (%)	0.5	5.8	1.9
RoE (%)	1.6	16.5	5.1
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	62.6	6.2	17.4
P/BV (x)	1.0	0.9	0.9
Div. Yield (%)	0.0	0.0	0.0

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	73.0	73.0	73.6
DII	2.5	2.4	1.8
FII	2.9	3.1	2.3
Others	21.7	21.5	22.3

FII Includes depository receipts

**CMP: INR243**
**TP: INR285 (+17%)**
**Buy**

## Weak quarter; disbursements and loan growth remain muted

### GS3 improved ~1pp QoQ aided by an ARC transaction; credit costs elevated

IndoStar Capital Finance (IndoStar) delivered a weak performance in 2QFY26, with muted disbursements and weak AUM growth as it continued to follow tightened underwriting norms and prioritized asset quality. However, the company expects growth momentum to pick up in 2HFY26, supported by improving business activity and a gradual revival in demand.

**Key highlights:** 1) Disbursements declined ~46% YoY and grew 8% QoQ to ~INR9.3b and standalone AUM was flat YoY and declined 3% QoQ to INR75.6b; 2) Credit costs stood at INR586m (PY: INR193m) 2) IndoStar sold a stressed CV portfolio of INR3.1b to an ARC for a consideration of INR2.2b, 3) NIM (calc.) expanded ~130bp QoQ driven by decline in CoB, and 5) opex optimization will be the most important theme in FY26, given that management targets to bring down the cost-to-income ratio to ~50% (from ~64%) over the medium term.

## Financial highlights

- 2QFY26 PAT declined 67% YoY to INR105m. NII grew ~40% YoY to INR1.5b. Other income stood at INR396m (PQ: ~INR290m). Opex declined ~5% YoY to INR1.2b, translating into a cost-to-income ratio of ~64% in 2QFY26 (PY: 77% and PQ: 88%).
- PPOP grew ~86% YoY to INR692m. Credit costs stood at ~INR586m (PQ: ~INR193m), which translated into annualized credit costs of ~3% (PY: ~1%).
- AUM stood at ~INR75.6b and was flat YoY. VF AUM was flat YoY and declined 3% QoQ to INR70.3b due to weak disbursements and sale of stressed portfolio to an ARC.
- Micro-LAP AUM grew ~33% QoQ to INR1b. Disbursements in micro-LAP was flat QoQ at INR270m. LTV in this segment stood at 34.4% as of Sep'25.
- Management shared that disbursements in 2HFY26 are expected to be around 1.4-1.5x of 1H levels, indicating stronger seasonality-led momentum in the upcoming quarters. The micro-LAP segment will also likely see a rebound in 2HFY26, following a temporary slowdown after Mar'25.
- We estimate a CAGR of 11%/86% in AUM/PAT over FY25-28, aided by improvements in NIM to 8.6%/10.4% in FY26E/FY27E. **Maintain BUY with a TP of INR285 (premised on 1x Sep'27E BVPS).**

## AUM was flat YoY; disbursements declined 38% YoY in VF

- Disbursements declined ~46% YoY and grew 8% QoQ to ~INR9.3b. Vehicle finance (VF) disbursements declined ~38% YoY to INR9b.
- Management shared that micro-LAP will be a key growth driver for IndoStar, supported by the appointment of a seasoned COO (with over 25 years of experience in the segment). The company has expanded its operations beyond Tamil Nadu by commencing disbursements in Andhra Pradesh and has strengthened its team with senior professionals possessing deep local market expertise.

- IndoStar plans to further scale its micro-LAP business in Tier-5 towns through smaller ticket sizes and a lean operating model and targets to be present across 3-4 states by the end-FY26.

### GS3 declines ~1pp driven by sale of stressed CV portfolio to ARC

- Asset quality exhibited improvement, with standalone GNPA declining ~1pp QoQ to ~3.05% and standalone NNPA declining ~55bp QoQ to ~1.4%. The improvement in GNPA was primarily driven by the sale of a stressed portion of the CV portfolio to an ARC, involving a principal outstanding of INR3.1b, against which the company realized ~INR2.2b.
- Management shared that loans originated under the revised policy framework are performing much better with lower delinquency rates and with 30+dpd at nearly half the levels relative to what was seen in the past.
- Collection efficiency (including overdue) stood at ~94% (PQ: ~94%). CRAR was healthy at ~37.2% and the debt-equity ratio stood at 1.4x.

### Key highlights from the management commentary

- The company is leveraging existing VF infrastructure to expand micro-LAP presence, resulting in minimal incremental capex.
- Forward flows and early delinquencies continue to trend downward, supported by proactive collection and monitoring mechanisms.
- The company plans to convert 48 micro-branches (currently operating with one sales staff) into full-fledged branches, which will result in further improvement in its growth momentum.

### Valuation and View

- IndoStar delivered a weak performance in 2QFY26, with muted disbursements and weak AUM growth as it continued to follow tightened underwriting norms and prioritized asset quality. However, the company expects growth momentum to pick up in 2HFY26, supported by improving business activity, gradual revival in demand and improvement in forward flows, leading to better asset quality.
- IndoStar has prioritized the expansion of its loan book in the used CV segment and micro-LAP. A reinforced management team, enhanced processes, opex rationalization and expectations of an improvement in the economic climate will serve as catalysts for IndoStar. **Maintain BUY** rating on the stock with a TP of **INR285 (premised on 1x Sep'27E BVPS)**.

## Quarterly Performance

(INR M)

Y/E March	FY25				FY26		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q		
Interest Income	2,703	2,956	3,125	3,184	3,146	3,172	11,965	12,596
Interest Expenses	1,668	1,878	1,930	1,933	1,855	1,667	7,408	7,031
<b>Net Interest Income</b>	<b>1,035</b>	<b>1,078</b>	<b>1,196</b>	<b>1,251</b>	<b>1,291</b>	<b>1,506</b>	<b>4,557</b>	<b>5,565</b>
YoY Growth (%)	-12.2	40.5	47.9	44.6	24.7	39.7	36.6	22.1
Other Income	387	565	611	566	291	396	2,159	2,156
<b>Total Income</b>	<b>1,422</b>	<b>1,643</b>	<b>1,806</b>	<b>1,817</b>	<b>1,582</b>	<b>1,902</b>	<b>6,716</b>	<b>7,721</b>
YoY Growth (%)	-1.9	75.6	93.1	-21.7	11.3	15.7	23.4	15.0
Operating Expenses	1,106	1,272	1,212	1,198	1,393	1,210	4,815	5,309
<b>Operating Profit</b>	<b>317</b>	<b>371</b>	<b>594</b>	<b>619</b>	<b>189</b>	<b>692</b>	<b>1,901</b>	<b>2,413</b>
YoY Growth (%)	6.4	333.5	1,044.5	-49.1	-40.2	86.3	22.9	26.9
Provisions & Loan Losses	210	193	479	494	4,904	586	1,375	6,155
<b>Profit before Tax and exceptional item</b>	<b>297</b>	<b>363</b>	<b>331</b>	<b>442</b>	<b>-4,579</b>	<b>105</b>	<b>526</b>	<b>-3,742</b>
Exceptional item (post-tax)	0	0	0	0	11,760	0	0	10,070
<b>PBT (incl. exception gain/loss)</b>	<b>297</b>	<b>363</b>	<b>331</b>	<b>442</b>	<b>7,181</b>	<b>105</b>	<b>526</b>	<b>6,328</b>
Tax Provisions	48	46	54	80	1,725	0	0	0
<b>Reported PAT</b>	<b>249</b>	<b>317</b>	<b>277</b>	<b>362</b>	<b>5,456</b>	<b>105</b>	<b>526</b>	<b>6,328</b>
YoY Growth (%)	-36.0	27.9	64.3	2.6	2,088.4	-66.9	-26.6	1,103.2
AUM Growth (%)	13.5	30.0	31.7	23.1	8.9	0.2		
NIM (%)	6.1	5.9	6.2	6.3	6.6	7.8		
Cost to Income Ratio (%)	77.7	77.4	67.1	65.9	88.0	63.6		
Tax Rate (%)	16.1	12.8	16.4	18.2	24.0	0.2		
<b>Key Operating Parameters (%)</b>								
Yield on loans (Cal)	17.0	17.1	17.6	17.8	17.6	18.0		
Cost of funds (Cal)	10.9	11.2	10.9	11.2	10.8	10.6		
Spreads (Cal)	6.1	5.9	6.7	6.6	6.8	7.4		
NIMs (Cal)	6.1	5.9	6.2	6.3	6.6	7.8		
Credit Cost (Cal)	1.2	1.0	2.5	2.5	24.9	3.1		
Cost to Income Ratio	77.7	77.4	67.1	65.9	88.0	63.6		
Tax Rate	0.1	0.1	0.1	0.2	24.0	0.2		
<b>Balance Sheet Parameters</b>								
AUM (INR B)	71.5	75.5	78.6	79.6	77.8	75.6		
Change YoY (%)	13.5	30.0	31.7	23.1	8.9	0.2		
AUM Mix (%)								
Vehicle	88.5	92.3	92.9	93.0	92.9	92.9		
Micro-LAP	0.0	0.0	0.0	0.7	1.0	0.0		
SME & Others	6.3	5.4	4.9	4.4	4.7	4.5		
Corporate	5.2	2.3	2.2	2.0	1.4	1.3		
<b>Asset Quality Parameters (%)</b>								
GS 3 (INR B)	3.5	3.7	3.6	3.4	3.0	2.2		
Gross Stage 3 (% on Assets)	4.2	5.0	4.9	4.5	4.0	3.0		
Net Stage 3 (% on Assets)	2.1	2.5	2.7	2.5	1.7	1.1		
PCR (%)	53.7	51.0	46.2	46.6	59.6	63.6		

E: MOFSL estimates

# Spandana Sphoorty

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SPANDANA IN
Equity Shares (m)	71
M.Cap.(INRb)/(USDb)	20.2 / 0.2
52-Week Range (INR)	494 / 184
1, 6, 12 Rel. Per (%)	-4/-9/-41
12M Avg Val (INR M)	204

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	12.6	4.7	7.3
Total Income	14.9	6.5	10.8
PPoP	6.1	-0.9	4.6
PAT	-10.4	-6.9	2.4
EPS (INR)	-145	-87	27
EPS Gr. (%)	-	-	-
BV (INR)	369	241	291
<b>Ratios (%)</b>			
NIM	15.1	9.1	13.7
C/I ratio	59.3	113.3	57.5
Credit cost	23.8	16.2	4.0
RoA	-9.5	-9.1	3.2
RoE	-33.0	-29.0	10.2

## Valuations

P/E (x)	-	-	9.3
P/BV (x)	0.7	1.1	0.9

## Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	48.2	48.1	55.8
DII	6.1	5.7	7.3
FIIFII	20.3	19.8	22.6
Others	25.5	26.4	14.2

FI Includes depository receipts

**CMP: INR253 TP: INR280 (+11%) Neutral**

## Loss narrows QoQ; early signs of stabilization

### Sequential decline in credit costs; reported NIM expands ~20bp QoQ

- Spandana Sphoorty (SPANDANA)'s 2QFY26 loss stood at ~INR2.5b (vs. MOFSL's loss of INR2.4b). NII dipped 70% YoY to ~INR1.05b (in line). Opex declined ~14% YoY to ~INR1.9b (in line). Operating loss stood at INR690m (PQ: operating loss of ~INR590m). Total borrower count declined ~18% QoQ to 2m.
- Credit costs declined to ~INR2.6b, resulting in annualized credit costs of ~27% (PQ: ~34% and PY: ~21%). This included an additional credit cost of INR860m in 2QFY26 due to accelerated technical write-offs. Excluding this, the credit costs would have been INR1.7b.
- Management expects stronger disbursement momentum in the subsequent quarters, supported by ~1m customers who are eligible for MFI loans and a corresponding ~INR55–60b lending opportunity to such customers.
- X-bucket CE has been on an improving trajectory, with positive trends observed across the company's top 5 states. Additionally, slippages declined to ~INR4b in 2QFY26 from ~INR5.5b in 1Q, driven by lower flow rates. The company shared that the new loan book (being built under stringent guardrails) will gradually become a dominant proportion of the loan mix and will help in further improving the flow rates in the subsequent quarters.
- **Management shared that the appointment of the new MD & CEO is expected within the next 30 days.** Management further shared that FY26 will be a year of rebuilding for the company, with process enhancements aimed at improving efficiency and reducing operating costs.
- We model an AUM decline of ~23% YoY to ~INR53b in FY26 and expect the company to get back to profits from 4QFY26 onwards. SPANDANA has stepped up recovery efforts in its 90+ dpd pool through frequent SMS alerts, demand notices, and selective legal action, which have yielded encouraging results. Elevated credit costs from the stressed pool, along with a sharp run-down in the AUM, suggest that a meaningful earnings expansion will be more back-ended and visible only after 3-4 quarters. Given this delayed recovery trajectory and muted near-term catalysts, **we reiterate our Neutral rating** on the stock with a TP of INR280 (based on 0.9x Sep'27E P/BV).

### AUM dips ~61% YoY; disbursements down ~38% YoY

- AUM declined ~61% YoY and ~18% QoQ to ~INR41b. Disbursement declined ~38% YoY to INR9.3b. Disbursements in Sep'25 stood at INR4.2b, but SPANDANA shared that it expects disbursements of ~INR3.5b in Oct'25 because of a lesser number of working days and festivities across the country. With the flow rate stabilizing, disbursements are expected to now pick up pace. Management has guided further improvement in the disbursement momentum in 2HFY26.
- Loan officers (net) declined by ~850 during the quarter. SPANDANA currently employs ~8,000 loan officers.

### Reported NIM improves ~20bp QoQ; Yields rise ~20bp QoQ

- Reported yields improved ~20bp QoQ to ~19.6%, while CoF declined ~10bp QoQ to ~12.2%, resulting in ~30bp QoQ improvement in spreads to 7.4%.
- Reported NIM rose ~20bp QoQ to ~8.4%.
- The company shared that it has revised its lending rate to 23%–26% (previously 19.75%–24.75%), effective from 1st Oct'25, along with a corresponding increase in the processing fees as well.

### GNPA broadly stable at 5.6%; credit costs decline sequentially

- GNPA/NNPA increased marginally by ~10bp/5bp QoQ to ~5.6%/1.2%. S3 PCR was broadly stable QoQ at ~80%. Stage 2 declined ~4pp QoQ to ~3.9%.
- Gross collection efficiency (including arrears) improved to 92.9% (PQ: 91.1%), and net collection efficiency improved to 92.4% (PQ: 90.6%). The **X-bucket collection efficiency stood at 98.8% in Sep'25 vs. 98.0% in Jun'25**.
- Customers having loans from SPANDANA +>= 3 lenders as of Sep'25 declined to ~17% (v/s ~21% in Jul'25).
- Slippages declined to ~INR4b in 2Q from ~INR5.5b in 1QFY26, aided by a reduction in flow rates. The new loan book built under stringent guardrails and higher credit filters is likely to have lower credit costs going forward.
- CRAR stood at ~47% as of Sep'25.

### Key highlights from the management commentary

- Criss Financials, the subsidiary company, offers LAP and unsecured individual loans, with a total portfolio of INR6.7b. The unsecured individual loan segment is facing stress due to floods in Andhra Pradesh and Telangana. However, the micro-LAP book continues to perform well, with minimal slippages and NPAs below 1%. The company plans to increase the share of secured loans from ~39% currently to 50–55% by the end of FY26.
- The successful closure of the rights issue has strengthened the company's capital position. Management is evaluating CGFMU to enhance credit protection, but has not made any firm decision as yet.
- Despite upcoming state elections in Bihar, this state has performed very well for SPANDANA with an X-bucket CE of 98.8%.

### Valuation and view

- SPANDANA reported a minor sequential improvement in the disbursement momentum and expects this to be sustained in the subsequent quarters. The flow rates have reduced, and with its new (and stricter) underwriting standards, we expect the sequential moderation in credit costs to continue over the next few quarters till it attains steady-state normalized credit costs of 3.5%–4.0%. While FY26 is a phase of rebuilding, SPANDANA will rebound to decent profitability from FY27.
- We estimate SPANDANA to deliver RoA/RoE of 3.2%/10% in FY27E. Elevated credit costs from the stressed pool, along with a sharp run-down in the AUM, suggest that a meaningful earnings expansion will be more back-ended and visible only after 3–4 quarters. Given this delayed recovery trajectory and muted near-term catalysts, we maintain our Neutral rating on the stock with a TP of INR280 (based on 0.9x Sep'27E P/BV).

## Quarterly Performance

(INR M)

Y/E March	FY25				FY26E				FY25	FY26E	2QFY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	6,935	6,071	5,029	3,907	2,837	2,246	2,134	2,630	21,943	9,847	2,327	-3
Interest Expenses	2,594	2,584	2,290	1,855	1,538	1,199	1,109	1,295	9,323	5,140	1,261	-5
<b>Net Interest Income</b>	<b>4,342</b>	<b>3,487</b>	<b>2,739</b>	<b>2,052</b>	<b>1,300</b>	<b>1,048</b>	<b>1,025</b>	<b>1,335</b>	<b>12,621</b>	<b>4,708</b>	<b>1,066</b>	<b>-2</b>
YoY Growth (%)	48.0	10.4	-13.4	-46.8	-70.1	-70.0	-62.6	-35.0	-3.8	-62.7	-69.4	
Other Income	435	994	697	282	204	149	391	1,095	2,298	1,839	316	-53
<b>Total Income</b>	<b>4,776</b>	<b>4,481</b>	<b>3,436</b>	<b>2,335</b>	<b>1,504</b>	<b>1,196</b>	<b>1,416</b>	<b>2,430</b>	<b>14,918</b>	<b>6,547</b>	<b>1,382</b>	<b>-13</b>
YoY Growth (%)	45.7	8.6	-15.5	-49.3	-68.5	-73.3	-58.8	4.1	-5.8	-56.1	-69.2	
Operating Expenses	1,908	2,203	2,651	2,083	2,091	1,886	1,745	1,696	8,843	7,417	1,947	-3
<b>Operating Profit</b>	<b>2,869</b>	<b>2,278</b>	<b>784</b>	<b>251</b>	<b>-587</b>	<b>-690</b>	<b>-328</b>	<b>735</b>	<b>6,075</b>	<b>-871</b>	<b>-565</b>	<b>22</b>
YoY Growth (%)	51.7	-11.6	-67.4	-90.5	-120.5	-130.3	-141.8	192.2	-34.7	-114.3	-124.8	
Provisions & Loan Losses	2,118	5,164	6,661	6,028	4,222	2,582	1,033	540	19,863	8,376	2,660	-3
<b>Profit before Tax</b>	<b>751</b>	<b>-2,886</b>	<b>-5,876</b>	<b>-5,776</b>	<b>-4,809</b>	<b>-3,271</b>	<b>-1,361</b>	<b>194</b>	<b>-13,788</b>	<b>-9,247</b>	<b>-3,225</b>	<b>1</b>
Tax Provisions	193	-723	-1,474	-1,433	-1,207	-780	-340	6	-3,436	-2,321	-806	-3
<b>Net Profit</b>	<b>557</b>	<b>-2,163</b>	<b>-4,402</b>	<b>-4,343</b>	<b>-3,602</b>	<b>-2,492</b>	<b>-1,021</b>	<b>189</b>	<b>-10,352</b>	<b>-6,926</b>	<b>-2,419</b>	<b>-3</b>
YoY Growth (%)	-53	-273	-446	-438	-747	15	-77	-104	-307	-33	12	
<b>Key Parameters (%)</b>												
Yield on loans	25.4	24.4	24.0	23.4	23.0	23.2						
Cost of funds	11.4	12.4	12.6	12.0	12.3	12.6						
Spread	14.1	12.0	11.5	11.5	10.6	10.6						
NIM	15.9	14.0	13.1	12.3	10.5	10.8						
Credit cost	7.8	20.7	31.8	36.2	34.2	26.7						
Cost to Income Ratio (%)	39.9	49.2	77.2	89.2	139.1	157.6						
Tax Rate (%)	25.8	25.0	25.1	24.8	25.1	23.8						
<b>Performance ratios (%)</b>												
AUM/Branch (INR m)	0	69	54	38	29	0						
AUM/Loan Officer (INR m)	11.9	9.5	7.1	5.7	5.6	5.1						
Borrowers/Branch	2,048	2,022	1,669	1,380	1,186	910						
Borrowers/Loan Officer	219	191	149	135	131	116						
<b>Balance Sheet Parameters</b>												
<b>AUM (INR B)</b>	<b>117.2</b>	<b>105.4</b>	<b>89.4</b>	<b>68.2</b>	<b>49.6</b>	<b>40.9</b>						
Change YoY (%)	32.5	7.7	-14.1	-43.0	-57.7	-61.2						
<b>Disbursements (INR B)</b>	<b>22.8</b>	<b>15.1</b>	<b>14.4</b>	<b>3.7</b>	<b>2.8</b>	<b>9.3</b>						
Change YoY (%)	37.2	-39.8	-43.3	-90.8	-87.7	-38.3						
<b>Borrowings (INR B)</b>	<b>90.4</b>	<b>78.5</b>	<b>67.5</b>	<b>56.6</b>	<b>43.1</b>	<b>32.9</b>						
Change YoY (%)	42.6	1.1	-15.3	-40.0	-52.4	-58.1						
Borrowings/Loans (%)	77.1	74.5	75.5	82.9	86.8	80.5						
Debt/Equity (x)	2.4	2.2	2.2	2.1	1.9	1.5						
<b>Asset Quality (%)</b>												
<b>GS 3 (INR M)</b>	<b>2,920</b>	<b>4,770</b>	<b>4,000</b>	<b>3,540</b>	<b>2,510</b>	<b>2,170</b>						
G3 %	2.6	4.9	4.8	5.6	5.5	5.6						
<b>NS 3 (INR M)</b>	<b>590</b>	<b>970</b>	<b>810</b>	<b>750</b>	<b>530</b>	<b>450</b>						
NS3 %	0.5	1.1	1.1	1.3	1.3	1.3						
<b>PCR (%)</b>	<b>79.8</b>	<b>79.7</b>	<b>79.8</b>	<b>78.8</b>	<b>78.9</b>	<b>79.3</b>						
ECL (%)	4.4	7.5	8.5	9.6	9.0	7.5						
<b>Return Ratios - YTD (%)</b>												
ROA (Rep)	1.7	-7.1	-16.3	-18.7	-18.9	-16.1						
ROE (Rep)	6.1	-24.0	-53.5	-60.8	-58.6	-44.1						

E: MOFSL Estimates

# Automobiles

## Healthy growth visible across segments

October wholesales have remained healthy across segments and OEMs, largely in line with expectations. PV wholesales for the four listed players grew 11% YoY, led by MM (+31%, above expectations) and TTMT (+27%, in line). MSIL reported a 7% YoY growth in sales, reaching 221k units (record high) over a high base, broadly in line with estimates. However, HMIL underperformed within the PV segment, posting flat YoY growth. In 2Ws, BJAUT and HMCL are yet to report their numbers. Meanwhile, both TVS (+11%) and RE (+13%) have delivered performances in line with estimates. The top three CV players registered a healthy 12% YoY growth, led by double-digit growth by all three listed peers. However, while AL posted a 16% YoY growth over a low base, sales declined 5% MoM and came in below estimates. Given the seasonal anomaly in the current month, tractor growth was expected to normalize after a record-high growth in September. However, MM posted 12.5% YoY growth (ahead of expectations) over a high base, while Escorts posted a 4% growth. We expect the demand uptick to continue going forward, supported by positive consumer sentiment. As demand recovers, we expect discounts to gradually reduce after the festive season. Within OEMs, MSIL, MM, HMIL, and TVS are our top picks.

- **PVs (in line):** Customer footfalls, bookings, inquiries, and deliveries have surged following the GST rate cuts. PVs continued to witness healthy retail demand during the festive season, leading most PV OEMs to post strong wholesales in October. MSIL's Oct sales rose 7% YoY to 221k units (in line), driven largely by strong demand in UVs, compact cars, and vans. Retail sales grew 20% YoY to 240k units. Inventory levels at the end of October declined to about three weeks, which is below normal. Sales could have been even higher if not for a missed export shipment (which will flow into the next month). Consequently, exports declined 5% YoY. MM posted record-high UV sales of 71.6k units, marking a 31% YoY increase, well ahead of our estimates of 60k units. TTMT posted a healthy 27% YoY growth for PVs to 61k units (flat mom) and was in line with our estimates. Hyundai delivered a disappointing performance, with sales remaining flat YoY at 70k units. Overall, PV wholesale volumes grew 11.4% YoY for the four listed players in Sep'25 and 4% YoY on a YTD basis.
- **2Ws (in line):** BJAUT and HMCL are yet to report their numbers. TVSL maintained its steady pace, posting 11% YoY growth in October to 544k units (in line). While motorcycle sales grew 16% YoY, scooter sales rose 7% YoY. 3Ws witnessed a strong YoY growth of 70%, reaching 18,407 units. RE posted a 13% YoY growth to 125k units (in line). Domestic sales grew 15% YoY, while exports declined 7% YoY to 8.1k units.
- **CVs (in line):** The three listed players posted a healthy ~12% YoY growth in CV sales in Oct'25 over last year's low base. TTMT and VECV sales were in line, while AL missed estimates. TTMT posted a 10% YoY growth in CV sales to 37.5k units. Domestic sales rose 7% YoY, and exports grew by a solid 56% YoY. VECV outperformed the industry with a 13% YoY growth to 8k units for Oct'25. Ashok Leyland's sales rose 16% YoY over a low base to 17.8k units, while they reduced 5% MoM. On a YTD basis, the top three CV players posted a 5% YoY growth.
- **Tractors (mixed):** The two listed tractor players posted 11% YoY growth in tractor volumes in Oct'25. It is important to note that due to the shift in festive dates (Navratri falling in October last year vs September this year), we expected

tractor sales to normalize in October. However, MM posted a strong 12.5% YoY growth in tractor volumes to 73.6k units over last year's high base, outperforming our estimates. On the other hand, Escorts posted a 4% YoY growth in tractors, in line with expectations. Combined tractor sales for both companies increased 17% YoY on a YTD basis.

- **Valuation and view:** Wholesales for Oct'25 were healthy across segments and broadly in line with expectations. Notably, demand for entry-level vehicles in both 2W and PV segments is showing a marked pickup. We expect this demand momentum to continue, supported by positive consumption sentiment. With a recovery in demand, we expect discounts to reduce gradually after the festive season. Within OEMs, MSIL, MM, HMIL, and TVS are our top picks.

#### Auto OEM sales snapshot Oct'25

Company Sales	Oct-25	Oct-24	YoY (%) chg	Sep-25	MoM (%) chg	YTD FY26	YTD FY25	(%) chg	FY26E	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
<b>Maruti Suzuki</b>	<b>2,20,894</b>	<b>2,06,434</b>	<b>7.0</b>	<b>1,89,665</b>	<b>16.5</b>	<b>12,99,629</b>	<b>12,69,852</b>	<b>2.3</b>	<b>23,47,233</b>	<b>5.1</b>	<b>8.6</b>	<b>1,85,661</b>
Domestic	1,89,590	1,73,266	9.4	1,47,461	28.6	10,60,866	10,88,408	-2.5	19,31,634	1.6	7.1	1,51,552
Export	31,304	33,168	-5.6	42,204	-25.8	2,38,763	1,81,444	31.6	4,15,599	25.0	17.1	34,109
<b>Hyundai Motor</b>	<b>69,894</b>	<b>70,078</b>	<b>-0.3</b>	<b>70,347</b>	<b>-0.6</b>	<b>4,41,214</b>	<b>4,54,072</b>	<b>-2.8</b>	<b>7,80,852</b>	<b>2.5</b>	<b>10.3</b>	<b>63,031</b>
Domestic	53,792	55,568	-3.2	51,547	4.4	3,25,572	3,54,662	-8.2	5,83,890	-2.5	5.8	46,510
Exports	16,102	14,510	11.0	18,800	-14.4	1,15,642	99,410	16.3	1,96,962	20.6	27.2	16,520
<b>Mahindra &amp; Mahindra</b>	<b>1,94,777</b>	<b>1,62,101</b>	<b>20.2</b>	<b>1,66,409</b>	<b>17.0</b>	<b>9,58,941</b>	<b>8,17,660</b>	<b>17.3</b>	<b>15,44,247</b>	<b>13.1</b>	<b>6.8</b>	<b>1,36,992</b>
UV (incl. pick-ups)	1,07,380	85,838	25.1	86,161	24.6	5,54,117	4,79,580	15.5	9,40,794	11.7	6.6	79,160
Tractors	73,660	65,453	12.5	66,111	11.4	3,30,685	2,80,302	18.0	4,82,392	13.6	5.1	47,241
<b>Escorts Kubota</b>	<b>18,798</b>	<b>18,110</b>	<b>3.8</b>	<b>18,267</b>	<b>2.9</b>	<b>83,256</b>	<b>74,475</b>	<b>11.8</b>	<b>1,29,536</b>	<b>12.1</b>	<b>12.7</b>	<b>11,894</b>
<b>Tata Motors</b>	<b>98,825</b>	<b>82,682</b>	<b>19.5</b>	<b>96,769</b>	<b>2.1</b>	<b>5,48,318</b>	<b>5,27,607</b>	<b>3.9</b>	<b>9,89,210</b>	<b>6.0</b>	<b>8.7</b>	<b>78,331</b>
CV's	37,530	34,259	9.5	35,862	4.7	2,17,817	2,09,749	3.8	3,99,181	5.9	8.5	31,117
PVs	61,295	48,423	26.6	60,907	0.6	3,30,501	3,17,858	4.0	5,90,029	6.1	8.9	47,214
<b>TVS Motor</b>	<b>5,43,557</b>	<b>4,89,015</b>	<b>11.2</b>	<b>5,41,064</b>	<b>0.5</b>	<b>33,27,679</b>	<b>28,04,413</b>	<b>18.7</b>	<b>57,42,547</b>	<b>21.1</b>	<b>24.5</b>	<b>4,75,383</b>
Domestic	4,27,751	3,93,307	8.8	4,18,956	2.1	24,59,307	21,46,585	14.6	41,92,489	18.2	23.8	3,51,330
Exports	1,15,806	95,708	21.0	1,22,108	-5.2	8,68,372	6,57,828	32.0	15,50,058	29.7	26.9	1,24,053
<b>Eicher Motors</b>												
<b>Royal Enfield</b>	1,24,951	1,10,574	13.0	1,24,328	0.5	7,16,854	5,65,353	26.8	11,75,253	16.4	3.1	1,02,408
<b>VECV</b>	8,050	7,112	13.2	7,619	5.7	51,596	47,588	8.4	96,678	4.4	0.2	7,371
<b>Ashok Leyland</b>	<b>17,820</b>	<b>15,310</b>	<b>16.4</b>	<b>18,813</b>	<b>-5.3</b>	<b>1,11,174</b>	<b>1,04,827</b>	<b>6.1</b>	<b>207,032</b>	<b>6.1</b>	<b>6.2</b>	<b>15,882</b>
M&HCV	10,865	9,408	15.5	11,808	-8.0	69,654	65,473	6.4	133,726	6.1	5.8	9,951
LCV	6,955	5,902	17.8	7,005	-0.7	41,520	39,354	6	73,306	6.1	7.0	5,931

## Home broadband (HBB) – the biggest growth driver for Bharti and RJio

Driven by the launch of affordable home broadband (HBB) services (unlimited internet starting at INR399) by RJio in Sep'19, India's HBB subscriber base has almost tripled to over 56m as of Sep'25 and is set to soon surpass the country's DTH subscriber base. This exponential growth has also been fueled by the increased adoption of hybrid working models (post-COVID-19), rising traction of OTT streaming, and a pick-up in connected TVs/bundled connectivity services. Notably, Bharti and RJio together account for ~62% of India's HBB subscriber market share (SMS) (vs. ~75% in wireless SMS). However, the top two telcos have together accounted for ~86% of incremental HBB net adds since Sep'19, a trend that has only accelerated with the launch of fixed wireless access (FWA) offerings (currently offered exclusively by RJio and Bharti). We believe HBB will be the biggest growth driver for telcos over FY25-28E, given a significant headroom for subscriber growth (modest penetration at ~3-4%) and strong potential for ARPU improvement (one of the lowest prices globally for unlimited data at <USD5/month). We expect India's HBB market size to potentially double by CY28 to ~INR650b. Despite the impending entry of Starlink, we believe the market is likely to evolve into a duopoly between Bharti and RJio. We ascribe an enterprise valuation of ~INR1.57t and INR790b, respectively, for RJio's (~12% of our overall JPL EV) and Bharti's (~6% of our India EV) HBB segment.

## India's HBB market tripled since the launch of JioFiber in Sep'19

- RJio commercially launched its fiber broadband offering, JioFiber, in Sep'19, almost three years after the rollout of its wireless services. At launch, the company had set a target of connecting 100m homes.
- The initial uptake of HBB services was slower than the company's expectations. However, similar to the wireless segment, RJio disrupted the industry by offering unlimited data across all its plans (vs. the earlier model of fixed monthly data allowances), starting at a lucrative price point of INR399 per month.
- Similarly, Bharti strengthened its HBB play by offering unlimited data plans starting at INR499 and partnering with local cable operators for last-mile connectivity, enabling it to expand its presence to over 1,000 cities (vs. <100 before Sep'19).
- Driven by affordable unlimited data plans, the COVID-led adoption of remote working and e-learning, and the rise of OTT streaming, India's HBB market—which had remained largely stagnant at ~18m subscribers—witnessed a sharp acceleration in growth over the next few years.
- Further, with the rollout of 5G, RJio and Bharti introduced FWA offerings, which helped overcome challenges associated with the fiber rollout, thereby expanding the TAM for HBB services.
- India's HBB market has almost tripled since the launch of JioFiber in Sep'19, reaching ~57m subscribers. With increasing content bundling alongside internet services, the HBB market is now on track to soon surpass the DTH subscriber base in India.

## Bharti and RJio capture ~86% of incremental HBB net adds since Sep'19

- From ~18m HBB subscribers prior to JioFiber's launch, RJio alone has grown to ~23m subscribers, accounting for 40%+ of the HBB SMS.

- Similar to the trend seen in the wireless segment, Bharti also emerged as the winner from RJio-led disruption in the HBB space. Bharti's HBB subscriber base has expanded ~5x since Sep'19, with its SMS rising to 21%+ (vs. ~12% before the launch of JioFiber).
- Bharti and RJio together account for ~61% of the HBB SMS (still below their combined ~75% SMS in the wireless segment). However, since Sep'19, the two have contributed ~86% of incremental HBB net adds since Sep'19 and almost 100% of the net adds in the past 12 months.
- With HBB net additions accelerating to 1m/month for RJio and ~1m/quarter for Bharti, we believe India's HBB market is heading towards a duopoly. Even the impending Starlink launch is unlikely to significantly alter this scenario.

#### **Significant headroom for growth as HBB penetration in India remains low**

- Rolling out fiber has long been a key bottleneck in accelerating HBB penetration in India, primarily due to challenges such as delays in securing right-of-way permissions, prohibitive rollout costs, and frequent cable cuts.
- However, with pan-India 5G availability and the subsequent launch of FWA services, Bharti and RJio are now able to seamlessly deliver high-speed home internet, collectively connecting ~4m homes each quarter now.
- Despite a 3x growth in India's HBB subscriber base since Sep'19, the country remains among the most under-penetrated markets globally, with HBB penetration at ~3-4% (vs. ~48-49% for leaders such as France and South Korea), and even trailing regional peers such as Thailand (~15%), Malaysia (~14%), and Indonesia (~5%).
- Given the rising affluence, shifting preference for connected TVs/OTTs, and the growing popularity of converged offerings that bundle content with internet services, we believe India's HBB base still has significant headroom for growth (to ~100m homes potentially over the medium term).

#### **Focus could shift to monetization once the land-grab phase tapers off**

- Currently, the top telcos' focus has been on increasing the HBB subscriber base, with their affordable unlimited HBB offerings starting at INR399-499/month.
- India's HBB tariffs are among the lowest globally, with unlimited broadband data plans starting at <USD5/month. We believe there is considerable scope for tariff hikes once the current land-grab phase tapers off.
- While there have been three rounds of smartphone tariff hikes (in Dec'19, Dec'21, and Jun'24) and a significant increase in minimum recharge packs, HBB plan prices have not increased since the launch of JioFiber in Sep'19.
- The cost differential between wireless and HBB services has reduced significantly (from 4.4x earlier to 1.55x currently) and could decline further following the anticipated potential wireless tariff hike (we expect ~15% from Dec'25).
- With the cost differential between wireless and HBB narrowing, we believe there is a genuine risk of downtrading (potentially 8-10% of household connectivity spends), as non-working members of the family may shift to lower/minimum recharge packs, relying on the HBB connection to meet their data requirements.

- We believe telcos may consider raising HBB plan prices in the upcoming tariff hikes or pursue monetization/premiumization opportunities by bundling content and value-added services (gaming, cloud PC, home security, etc).

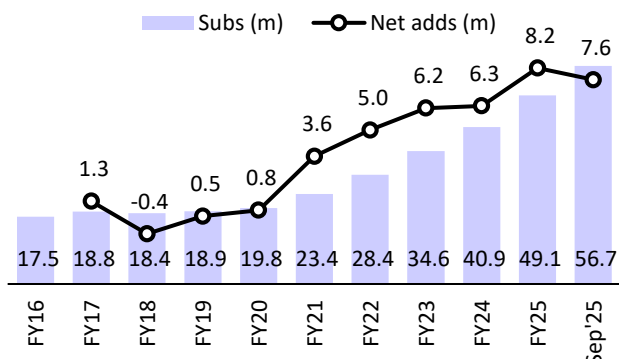
### HBB to be the biggest growth driver for Bharti and RJio over FY25-28

- Driven by the ramp-up of FWA offerings (AirFiber), we expect RJio's HBB subscriber base to more than double to ~50m by FY28 (vs. ~23m currently), with HBB subs accounting for ~9% of its total base (vs. <5% currently).
- Given the higher ARPU contribution from HBB subs, we expect HBB to account for ~14% of RJio's overall revenue by FY28 (vs. ~7-8% as of 1HFY26).
- Similarly, for Bharti, we expect HBB or WiFi subs to double by FY28 to ~20m (vs. ~10m in FY25).
- We expect Bharti's Homes segment revenue/EBITDA to reach ~INR125b/INR68b by FY28, clocking a CAGR of 28%/32% over FY25-28, substantially outpacing the growth in its Mobility segment (13%/16%).

### Valuation and view

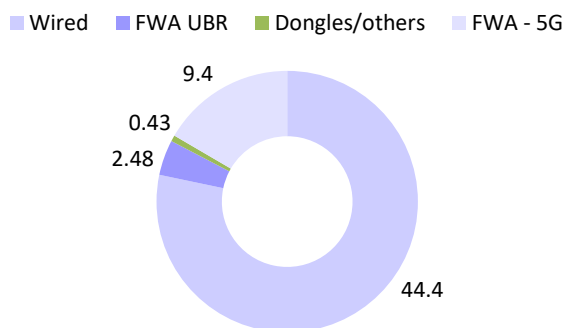
- Given its strong growth trajectory and significant headroom for ARPU expansion, we believe the HBB segment could potentially command a higher valuation (vs. the Mobility segment).
- However, we ascribe the same multiple as the Mobility segment to both Bharti's and RJio's HBB segment. We believe there could be upsides to our multiples if the current high growth momentum continues beyond FY28.
- We value RJio's HBB segment at a DCF-implied multiple of ~12x FY28 EV/EBITDA for our valuation of INR1.57t (or USD18b), contributing ~12% to JPL's overall EV.
- Similarly, we value Bharti's Homes segment at a DCF-implied multiple of ~12x FY28 EV/EBITDA to arrive at our EV of ~INR790b (or INR136/share), accounting for ~6% of our India EV for Bharti.
- We continue to prefer Bharti (BUY, TP INR2,285) and RJio (RIL, BUY, TP INR1,700) in the telecom space.

**India's HBB subscriber base has almost tripled since FY19, reaching ~57m as of Sep'25**



Source: Company, MOFSL

**FWA (5G + UBR) already accounts for ~21% of India's HBB subscriber base**



Source: Company, MOFSL

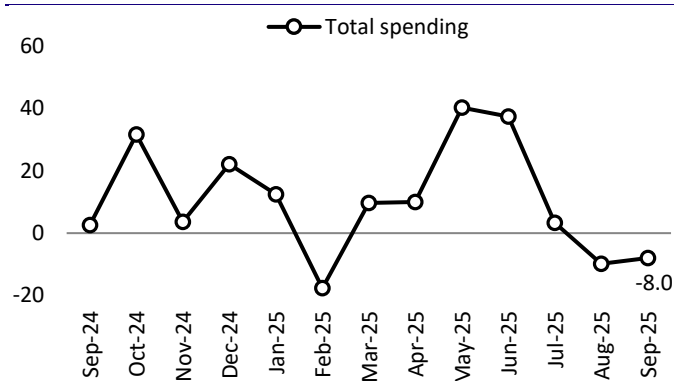
# EcoSCOPE

## The Economy Observer

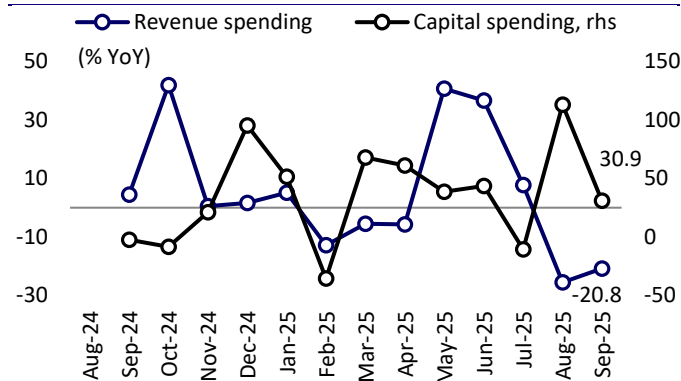
### Centre's capex at 52% of FY26BE in 1HFY26

- Capital spending continued to grow strongly in Sep'25. On an FYTD basis, capital outlay stood at INR5.8t or 52% of FY26BE, highest in last six years. Within capex, defence spending remained robust, rising sharply YoY in 1HFY26 and outlay on roads maintained healthy growth. However, railway spending remained comparatively weak.
- Revenue spending contracted for the second consecutive month. On an FYTD basis, revenue spending remained subdued in 1HFY26 (44% of FY26BE, lowest in over a decade). Within revex, subsidies contracted in 1HFY26, while YoY growth in pensions and interest payments was lower than in the last year.
- On the receipts side, government receipts rebounded in Sep'25 after three months of decline, aided by strong non-tax inflows and a pickup in income tax collections.
- Total receipts stood at 50% of FY26BE in 1HFY26 vs. 52% in 1HFY25. Within receipts, net tax revenue remained weak (43% of FY26BE, lowest in 5 years), mainly led by muted GST and direct tax collections. On the other hand, non-tax inflows remained robust in 1HFY26 (82% of FY26BE), highest in over a decade.
- Consequently, the fiscal deficit widened in 1HFY26 (INR5.7t vs. INR4.7t in 1HFY25), achieving 37% of FY26BE, highest in 5 years, reflecting robust capital spending alongside weaker GST and direct taxes growth.
- **Outlook:** We believe the fiscal deficit remains manageable despite higher defense spending.
- We see a possibility of 10bps of slippage risk due to trailing revenue receipts. But the positive in fiscal math is that revenue expenditure is yet to pick up
- We expect G-sec 10Y to be around 6.3% by end March on our expectations of an additional 50ps rate cut spread over December and February

**Exhibit 1: Total spending contracted 8% YoY in Sep'25**

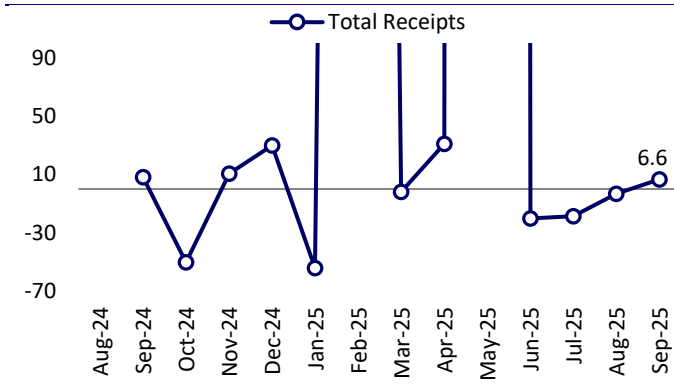


**Exhibit 2: Deceleration in spending was led by revenue spending**

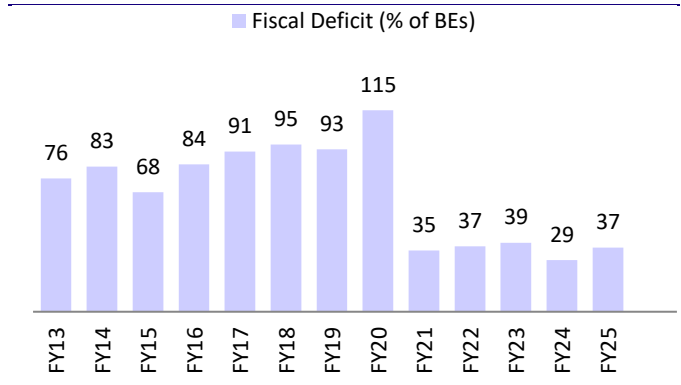


Source: Controller General of Accounts (CGA), MOFSL

**Exhibit 3: Total receipts increased 6.6% YoY in Sep'25**



**Exhibit 4: Fiscal deficit stood at 37% of BEs in Apr-Sep'25 vs. 29% in Apr-Sep'24**

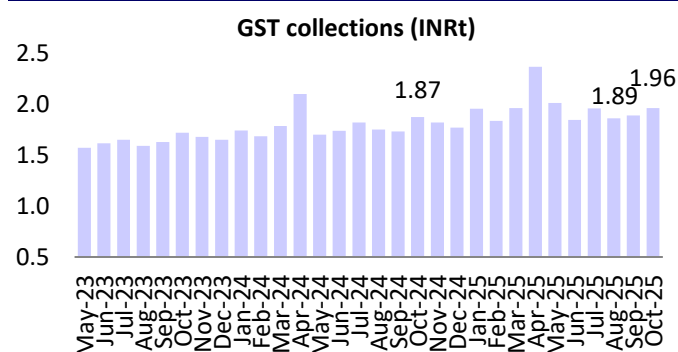


Apr-Jun for all years; Source: CGA, MOFSL

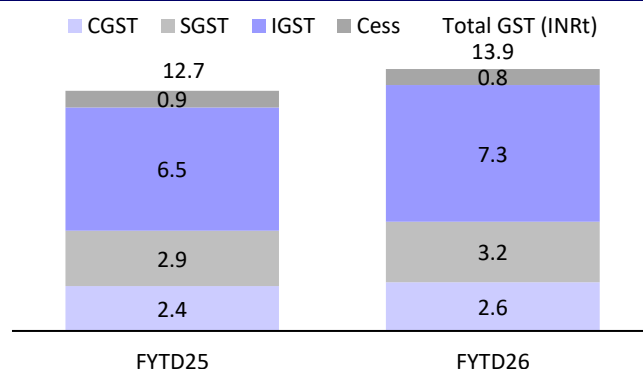
### GST tops 1.8t for 10<sup>th</sup> month

- GST collections stood at INR 1.96t (INR1.89t in Oct'25), registering a 4.6% YoY increase. While collections remained solid in value terms, growth momentum moderated from previous months, reflecting the impact of recent GST rate cuts, festive-season timing, and a high base effect.
- October marked the 10<sup>th</sup> consecutive month of GST collections exceeding INR1.8t, underscoring a stable revenue base.
- GST from domestic transactions contributed around INR1.5t, growing 5.7% YoY, while GST from import of goods stood at INR500b, up about 2% YoY. After refunds, net collections recorded only marginal growth, signaling softening tax momentum but continued stability in inflows.
- The data shows steady but slowing growth, as GST inflows from domestic activity continue to drive the bulk of revenues, while import-related collections remain stable. The moderation largely reflects the impact of recent GST rate cuts and base effects from strong growth last year.
- The government has collected GST of INR13.8t in FY26YTD (vs. INR12.7t FY25YTD). It means that GST collections have averaged INR1.81t per month in FY26YTD, compared to the budgeted estimate of INR1.88t per month. Lower GST collections so far indicate that the mop-up for FY25 may be lower than what has been estimated in the Budget.

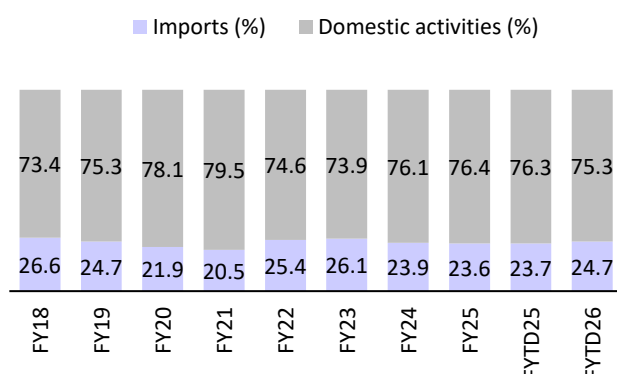
**Exhibit 1: GST collections stood at INR1.96t in Oct'24...**



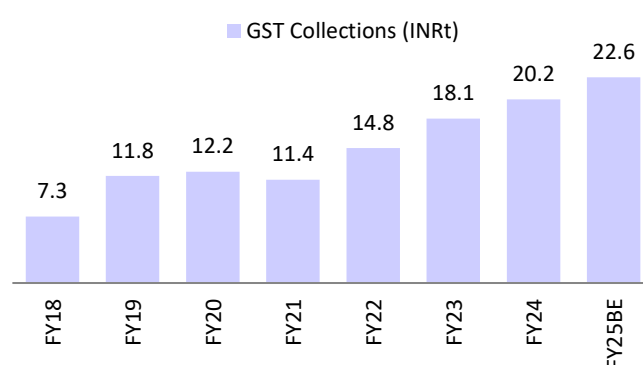
**Exhibit 2: ...led by higher IGST collections**



**Exhibit 3: GST collected on domestic activities reached 75.3% in FY26YTD**



**Exhibit 4: FY26 GST collections budgeted at INR22.6t, implying average monthly receipts of INR1.88t**



Source: Finance Ministry, MOFSL

# JK Cement

BSE Sensex  
83,939

S&P CNX  
25,722

## Conference Call Details


**Date:** 4<sup>th</sup> November 2025

**Time:** 16:00 IST

**Dial-in details:**

+ 91 22 6280 1143

+ 91 22 7115 8044

### Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	136.0	155.8	173.4
EBITDA	26.5	31.8	35.7
Adj. PAT	12.1	15.0	17.0
EBITDA Margin (%)	19.5	20.4	20.6
Adj. EPS (INR)	156.0	193.8	219.7
EPS Gr. (%)	50.8	24.2	13.4
BV/Sh. (INR)	924	1,093	1,288
<b>Ratios</b>			
Net D:E	0.6	0.6	0.5
RoE (%)	18.2	19.2	18.5
RoCE (%)	12.2	13.1	13.0
Payout (%)	12.8	12.9	11.4
<b>Valuations</b>			
P/E (x)	40.4	32.5	28.7
P/BV (x)	6.8	5.8	4.9
EV/EBITDA(x)	19.4	16.4	14.8
EV/ton (USD)	170	172	146
Div. Yield (%)	0.3	0.4	0.4
FCF Yield (%)	0.6	(0.2)	1.7

**CMP: INR6,214**
**Buy**

## Robust 14% YoY volume growth; EBITDA in line

- JK Cement's (JKCE) 2QFY26 EBITDA increased ~57% YoY to INR4.5b (in line). Consol. volume grew ~14% YoY to 5.0mt (in line). EBITDA/t increased ~37% YoY to INR894 (estimated INR934). OPM surged 3.7pp YoY to ~15% (85bp below estimate). Adj. PAT increased ~347% YoY to INR1.6b (in line), led by higher other income vs. estimates.
- Construction work has commenced for the integrated unit in Jaisalmer, Rajasthan, which is scheduled for commissioning in 1HFY28. Meanwhile, the 0.6MTPA capacity expansion at Nathdwara, Rajasthan, is expected to be completed by 2QFY27. The company's grey cement capacity stood at 26.26mtpa (including 0.42mtpa belonging to two subsidiaries).

## Grey cement volume/realization increase ~16%/3% YoY

- JKCE's consol. revenue/EBITDA/PAT stood at INR30.2b/INR4.5b/INR1.6b (+18%/+57%/+347% YoY and +3%/-3%/-2% vs. our estimate). Sales volume grew ~14% YoY (in line) as grey cement volume was up ~16% YoY (in line) and white cement volume was up 5% YoY (in line).
- Blended realization increased 3% YoY/1% QoQ (+1% vs. estimate). Grey cement realization was up 3% YoY but declined 2% QoQ. White cement realization was up 8% YoY/3% QoQ.
- Opex/t was down 1% YoY (+2% vs. estimate), led by ~4%/1% YoY decline in employee cost/variable cost per ton. Freight expenses/other expenses per ton declined ~1% YoY (each). Depreciation increased ~2% YoY, while interest cost declined ~14% YoY. Other income increased ~35% YoY.
- In 1HFY26, revenue/EBITDA/adj PAT stood at INR63.7b/INR11.3b/INR4.8b, up ~19%/47%/119% YoY. OPM increased 3.5pp YoY to ~18%. EBITDA/t increased ~28% YoY to INR1,070. OCF stood at INR5.1b vs. INR3.0b in 1HFY25. Capex stood at INR10.1b vs. INR7.5b. Net cash outflow stood at INR6.5b (including INR1.5b spent on acquiring stake in Saifco Cements Private Limited) vs. INR4.4b in 1HFY25.

## Highlights from investor presentation

- Cement/clinker capacity utilization stood at 69%/90%. Blended cement sales stood at ~67%, down ~1% QoQ due to lower trade sales. Trade sales stood at 67% vs. 68% (each) in 2QFY25/1QFY26. Premium product sales stood at ~15% of trade sales vs. ~14% in 1QFY26.
- Green energy contributed ~53% of total energy requirements in 2QFY26, with a target of increasing this share to ~75% by FY30. The thermal substitution rate was 12.3% in 2QFY26 vs. 13% in 2QFY25, and the company targets to increase this to 35% by FY30.
- Net debt stood at INR31.4b vs. INR30.4b/INR25.5b in 2QFY25/FY25.

## Valuation and view

- JKCE's EBITDA was in line with our estimate, aided by strong double-digit volume growth and improved margins. Capacity expansion projects are progressing as planned, which should reinforce its growth momentum.
- We have a **BUY** rating on the stock and will review our assumptions after the concall on 4<sup>th</sup> Nov'25 at 4pm ([Link](#)).

### Quarterly Performance (Consolidated)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var	YoY
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)	(%)
<b>Net Sales</b>	<b>28.1</b>	<b>25.6</b>	<b>29.3</b>	<b>35.8</b>	<b>33.5</b>	<b>30.2</b>	<b>33.0</b>	<b>39.2</b>	<b>118.8</b>	<b>136.0</b>	<b>29.4</b>	3	18
YoY Change (%)	1.6	(7.0)	(0.2)	15.3	19.4	17.9	12.8	9.6	2.8	14.5	14.8		
Total Expenditure	23.2	22.8	24.4	28.2	26.6	25.7	26.6	30.4	98.5	109.5	24.8	4	13
<b>EBITDA</b>	<b>4.9</b>	<b>2.8</b>	<b>4.9</b>	<b>7.6</b>	<b>6.9</b>	<b>4.5</b>	<b>6.4</b>	<b>8.8</b>	<b>20.3</b>	<b>26.5</b>	<b>4.6</b>	(3)	57
YoY Change (%)	19.2	-39.2	-21.3	36.6	41.4	57.3	29.9	15.0	-1.6	30.9	57.3		
Margins (%)	17.3	11.1	16.8	21.4	20.5	14.8	19.3	22.4	17.1	19.5	15.6	(84)	370
Depreciation	1.5	1.5	1.5	1.6	1.5	1.5	1.6	1.9	6.0	6.4	1.5	0	2
Interest	1.1	1.2	1.1	1.1	1.1	1.1	1.1	1.5	4.6	4.7	1.1	(4)	(14)
Other Income	0.4	0.4	0.4	0.5	0.6	0.5	0.3	0.4	1.7	1.8	0.3	82	35
<b>PBT before EO expense</b>	<b>2.7</b>	<b>0.5</b>	<b>2.8</b>	<b>5.4</b>	<b>4.9</b>	<b>2.4</b>	<b>4.1</b>	<b>5.7</b>	<b>11.4</b>	<b>17.2</b>	<b>2.3</b>	6	361
Extra-Ord expense	-	(1.0)	-	-	-	-	-	-	(1.0)	-	-		
<b>PBT</b>	<b>2.7</b>	<b>1.6</b>	<b>2.8</b>	<b>5.4</b>	<b>4.9</b>	<b>2.4</b>	<b>4.1</b>	<b>5.7</b>	<b>12.4</b>	<b>17.2</b>	<b>2.3</b>	6	57
Tax	0.9	0.2	0.9	1.7	1.6	0.8	1.2	1.4	3.7	5.1	0.6		
Minority interest	(0.0)	0.1	(0.0)	0.0	(0.0)	(0.0)	-	-	0.1	(0.0)	-		
Rate (%)	32.3	12.2	32.1	32.5	33.7	34.5	29.0	25.1	29.8	29.8	28.0		
<b>Reported PAT</b>	<b>1.9</b>	<b>1.3</b>	<b>1.9</b>	<b>3.6</b>	<b>3.2</b>	<b>1.6</b>	<b>2.9</b>	<b>4.3</b>	<b>8.6</b>	<b>12.1</b>	<b>1.6</b>	(2)	28
<b>Adj PAT</b>	<b>1.9</b>	<b>0.4</b>	<b>1.9</b>	<b>3.6</b>	<b>3.2</b>	<b>1.6</b>	<b>2.9</b>	<b>4.3</b>	<b>7.7</b>	<b>12.1</b>	<b>1.6</b>	(2)	347
YoY Change (%)	49.3	(80.0)	(33.3)	69.1	75.1	346.8	54.2	19.1	(3.7)	56.4	358.2		
PAT margin (%)	6.6	1.4	6.5	10.1	9.7	5.3	8.8	11.0	6.5	8.9	5.6		

### Sales volume (mt)

Grey Cement	4.3	3.8	4.3	5.5	5.1	4.4	4.8	6.0	17.9	20.3	4.4	2	16
Growth (%)	5.6	(2.5)	3.5	16.8	16.7	15.6	12.4	9.8	6.3	13.3	14.5		
% of total Vols	89.5	87.8	88.2	90.1	90.2	88.8	89.3	90.6	89.0	89.8	88.4		
White Cement	0.5	0.5	0.6	0.6	0.5	0.6	0.6	0.6	2.2	2.3	0.6	(1)	5
Growth (%)	(3.6)	(11.8)	5.9	14.3	8.7	5.5	1.2	3.8	0.8	4.7	7.1		
% of total Vols	10.5	12.2	11.8	9.9	9.8	11.2	10.7	9.4	11.0	10.2	11.6		

### Per ton analysis (INR/t)

<b>Net realization</b>	<b>5,801</b>	<b>5,862</b>	<b>6,015</b>	<b>5,912</b>	<b>5,981</b>	<b>6,043</b>	<b>6,104</b>	<b>5,935</b>	<b>5,900</b>	<b>6,011</b>	<b>5,974</b>	1	3
RM Cost	990	1,034	980	1,007	984	930	970	1,059	1,007	991	1,000	(7)	(10)
Employee Expenses	452	514	470	379	441	496	465	443	450	460	506	(2)	(4)
Power, Oil & Fuel	1,177	1,128	1,135	932	1,067	1,216	1,040	912	1,088	1,048	1,050	16	8
Freight & handling	1,280	1,318	1,356	1,361	1,365	1,305	1,360	1,364	1,338	1,350	1,360	(4)	(1)
Other Expenses	898	1,218	1,064	971	897	1,203	1,088	827	1,035	990	1,124	7	(1)
<b>Total Expense</b>	<b>4,797</b>	<b>5,212</b>	<b>5,005</b>	<b>4,650</b>	<b>4,754</b>	<b>5,150</b>	<b>4,923</b>	<b>4,604</b>	<b>4,919</b>	<b>4,838</b>	<b>5,040</b>	2	(1)
<b>EBITDA</b>	<b>1,005</b>	<b>650</b>	<b>1,010</b>	<b>1,263</b>	<b>1,227</b>	<b>894</b>	<b>1,181</b>	<b>1,331</b>	<b>1,012</b>	<b>1,173</b>	<b>934</b>	(4)	37

BSE Sensex 83,939  
S&P CNX 25,722

**CMP: INR1,587**

**Buy**

## Conference Call Details



**Date:** 3<sup>rd</sup> November 2025

**Time:** 03:00 PM IST

[Link for the call](#)

### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Revenue	11.6	13.4	15.4
EBITDA	6.1	7.3	8.6
EBITDA Margin (%)	52.9	54.4	55.9
PAT	4.6	6.0	7.1
PAT Margin (%)	39.4	44.6	45.8
EPS	21.8	28.5	33.8
EPS Grw. (%)	-13.0	30.8	18.5
BVPS	93.5	106.0	123.8
RoE (%)	24.5	28.6	29.4
Div. Payout (%)	57.4	56.1	47.4
<b>Valuations</b>			
P/E (x)	73.0	55.8	47.1
P/BV (x)	17.0	15.0	12.8
Div. Yield (%)	0.8	1.0	1.0

## Overall strong quarter

- CDSL's operating revenue declined 1% YoY but grew 23% QoQ to INR3.2b (7% beat). The QoQ growth was driven by a 195% growth in IPO and corporate action charges and 28% growth in online data charges. For 1HFY26, revenue remained flat YoY to INR5.8b.
- EBITDA declined 11% YoY but rose 36% QoQ to INR1.8b, resulting in an EBITDA margin of 55.7% (vs. 62% in 2QFY25 and 50.4% in 1QFY26). For 1HFY26, EBITDA declined 13% YoY to INR3.1b.
- Operating expenses grew 15% YoY to INR1.4b, driven by 32%/10% YoY increase in employee costs/other expenses.
- Other income declined 38% YoY and 38% QoQ to INR225m.
- Tax provisions were 28% lower than estimates at INR427m, leading to a lower tax rate of 23% in 2QFY26 vs 28% in 2QFY25 and 32% in 1QFY26.
- PAT for the quarter declined 14% YoY but rose 37% QoQ to ~INR1.4b (18% beat due to operational efficiencies). PAT margins came in at 43.9% vs 50.3% in 2QFY25 and 39.6% in 1QFY26. For 1HFY26, PAT declined 18% YoY.

## Valuation and view

- Continued investments in human resources and technology for future growth could restrict gains from operating leverage; however, we still expect EBITDA margins to remain at over 52%.
- We estimate a CAGR of 13%/11%/11% in revenue/EBITDA/PAT for CDSL over FY25-28E. **We reiterate our Neutral rating on CDSL** with a one-year TP of INR1,520 (based on a P/E multiple of 45x FY27E).

### Quarterly Performance

Y/E March	FY25						FY26						(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	FY25	FY26E	2Q FY26E	Act v/s Est. (%)	YoY	QoQ		
Revenue from Operations	2,574	3,223	2,781	2,244	2,588	3,189	10,822	12,127	2,983	6.9	-1%	23%		
Change YoY (%)	72.0	55.4	29.7	-6.8	0.6	-1.0	33.2	12.1	-7.4					
Employee expenses	267	314	323	315	390	414	1,219	1,610	398	4.1	32%	6%		
Other Expenses	762	910	852	836	894	999	3,360	3,833	1,026	-2.6	10%	12%		
Total Operating Expenses	1,029	1,225	1,175	1,151	1,284	1,413	4,580	5,442	1,424	-0.8	15%	10%		
Change YoY (%)	49	57	41	24	25	15	42	19	16					
<b>EBITDA</b>	<b>1,544</b>	<b>1,998</b>	<b>1,606</b>	<b>1,094</b>	<b>1,305</b>	<b>1,776</b>	<b>6,242</b>	<b>6,685</b>	<b>1,559</b>	<b>13.9</b>	-11%	36%		
Other Income	295	362	200	313	364	225	1,171	1,521	378	-40.5	-38%	-38%		
Depreciation	98	119	130	143	152	161	490	627	155	3.8	35%	6%		
<b>PBT</b>	<b>1,741</b>	<b>2,241</b>	<b>1,676</b>	<b>1,264</b>	<b>1,516</b>	<b>1,840</b>	<b>6,923</b>	<b>7,578</b>	<b>1,782</b>	<b>3.3</b>	-18%	21%		
Change YoY (%)	76	54	15	-24	-13	-18	24	9	-20					
Tax Provisions	405	627	386	268	488	427	1,686	2,453	595	-28.2	-32%	-12%		
P&L from associate	5	6	7	8	-4	-13	26	-17	0					
<b>Net Profit</b>	<b>1,342</b>	<b>1,620</b>	<b>1,298</b>	<b>1,004</b>	<b>1,025</b>	<b>1,400</b>	<b>5,264</b>	<b>5,109</b>	<b>1,187</b>	<b>17.9</b>	-14%	37%		
Change YoY (%)	82	49	21	-22	-24	-14	25	-3	-27					

### Key Operating Parameters (%)

Cost to Operating Income Ratio	40.0	38.0	42.2	51.3	49.6	44.3	42.3	44.9	47.7	-343 bps	630bps	-529bps
EBITDA Margin	60.0	62.0	57.8	48.7	50.4	55.7	57.7	55.1	52.3	343 bps	-630bps	529bps
PBT Margin	67.7	69.5	60.3	56.3	58.6	57.7	64.0	62.5	59.7	-204 bps	-1184bps	-88bps
Tax Rate	23.2	28.0	23.0	21.2	32.2	23.2	24.3	32.4	33.4	-1018 bps	-478bps	-896bps
PAT Margin	52.1	50.3	46.7	44.8	39.6	43.9	48.6	42.1	39.8	410 bps	-637bps	431bps

**BSE SENSEX** 83,939  
**S&P CNX** 25,722

## Conference Call Details



**Date:** 03<sup>rd</sup> Nov, 2025

**Time:** 04:30 pm IST

**Concall link:**

[Click here](#)

**CMP: INR891**

**Buy**

## Operating performance below our estimates

### Consolidated

- TTCH reported total revenue of INR38.8b (est. INR41.9b) in 2QFY26 (down 3% YoY/up 4% QoQ).
- EBITDA margin contracted by 160bp YoY to 13.9% (est. ~14.9%). EBITDA stood at INR5.4b (est. INR6.3b), down 13% YoY/17% QoQ.
- Adj. net profit was INR1.3b vs. ~INR1.9b in 2QFY25 (est. ~INR2.1b).
- Basic Chemistry Products revenue fell 2% YoY to INR29.8b, EBIT declined 53% YoY to INR1.2b, and EBIT margins stood at 4%.
- Specialty Products revenue grew 2% YoY to INR9b, EBIT was up 2% YoY at INR1.2b, and EBIT margins stood at 13.7%.
- For 1HFY26, revenue/EBITDA declined 2%/1% to INR76b/INR12b, while adj. PAT grew 15% to INR3.8b.
- Gross debt stood at INR67.2b as of Sept'25 vs. INR63.0b as of Mar'25. CFO stood at INR5.4b as of Sept'25 vs. INR6.7b as of Sept'24.

### Standalone

- Standalone revenue came in at INR12b, up 19% YoY.
- EBITDA margin expanded by 560bp YoY to 19.9%. EBITDA grew 67% YoY to INR2.4b.
- Adj. PAT stood at INR1.8b, up 80% YoY
- For 1H, revenue/EBITDA/adj. PAT grew 15%/35%/37% to INR23b/INR5b/INR4b.

### Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	(INRm)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	Var %
<b>Net Sales</b>	<b>37,890</b>	<b>39,990</b>	<b>35,900</b>	<b>35,090</b>	<b>37,190</b>	<b>38,770</b>	<b>38,120</b>	<b>38,843</b>	<b>1,48,870</b>	<b>1,52,923</b>	<b>41,974</b>	<b>-8</b>
YoY Change (%)	-10.2	0.0	-3.8	1.0	-1.8	-3.1	6.2	10.7	-3.5	2.7	5.0	
<b>Total Expenditure</b>	<b>32,150</b>	<b>33,810</b>	<b>31,560</b>	<b>31,820</b>	<b>30,700</b>	<b>33,400</b>	<b>32,004</b>	<b>32,155</b>	<b>1,29,340</b>	<b>1,28,259</b>	<b>35,723</b>	
<b>EBITDA</b>	<b>5,740</b>	<b>6,180</b>	<b>4,340</b>	<b>3,270</b>	<b>6,490</b>	<b>5,370</b>	<b>6,116</b>	<b>6,689</b>	<b>19,530</b>	<b>24,664</b>	<b>6,250</b>	<b>-14</b>
Margins (%)	15.1	15.5	12.1	9.3	17.5	13.9	16.0	17.2	13.1	16.1	14.9	
Depreciation	2,730	2,770	2,800	2,930	2,800	2,850	2,950	3,050	11,230	11,650	2,850	
Interest	1,330	1,450	1,480	1,370	1,470	1,440	1,100	951	5,630	4,961	1,200	
Other Income	470	1,080	280	420	960	1,380	311	492	2,250	3,142	1,000	
<b>PBT before EO expense</b>	<b>2,150</b>	<b>3,040</b>	<b>340</b>	<b>-610</b>	<b>3,180</b>	<b>2,460</b>	<b>2,377</b>	<b>3,179</b>	<b>4,920</b>	<b>11,196</b>	<b>3,200</b>	
Extra-Ord expense	0	0	700	550	0	650	0	0	1,250	650	0	
<b>PBT</b>	<b>2,150</b>	<b>3,040</b>	<b>-360</b>	<b>-1,160</b>	<b>3,180</b>	<b>1,810</b>	<b>2,377</b>	<b>3,179</b>	<b>3,670</b>	<b>10,546</b>	<b>3,200</b>	
Tax	940	810	170	-250	440	820	582	788	1,670	2,631	784	
Rate (%)	43.7	26.6	-47.2	21.6	13.8	45.3	24.5	24.8	45.5	24.9	24.5	
MI & Profit/Loss of Asso. Cos.	-140	290	0	-170	220	220	0	-64	-20	376	319	
<b>Reported PAT</b>	<b>1,350</b>	<b>1,940</b>	<b>-530</b>	<b>-740</b>	<b>2,520</b>	<b>770</b>	<b>1,794</b>	<b>2,455</b>	<b>2,020</b>	<b>7,539</b>	<b>2,097</b>	
<b>Adj PAT</b>	<b>1,350</b>	<b>1,940</b>	<b>-5</b>	<b>-328</b>	<b>2,520</b>	<b>1,258</b>	<b>1,794</b>	<b>2,455</b>	<b>2,958</b>	<b>8,027</b>	<b>2,097</b>	<b>-40</b>
YoY Change (%)	-73.8	-44.8	-100.3	-68.7	86.7	-35.2	NA	NA	-67.9	171.4	8.1	
Margins (%)	3.6	4.9	0.0	-0.9	6.8	3.2	4.7	6.3	2.0	5.2	5.0	

**BSE SENSEX**

83,939

**S&P CNX**

25,722

## Conference Call Details


**Date:** 3<sup>rd</sup> November 2025

**Time:** 12:30 IST

**Dial-in details:**

+ 91 22 6280 1550

+ 91 22 7115 8378

[Link for the call](#)

### Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	88.5	102.0	117.5
EBITDA	6.5	7.6	9.1
PAT	4.2	4.6	5.4
EBITDA Margin (%)	7.3	7.5	7.7
Adj. EPS (INR)	37.0	40.9	48.2
EPS Gr. (%)	34.1	10.7	17.7
BV/Sh. (INR)	220.3	254.2	294.4

### Ratios

Net D:E	0.2	0.2	0.1
RoE (%)	18.0	17.2	17.6
RoCE (%)	16.7	15.9	16.3
Payout (%)	18.9	17.1	16.6

### Valuations

P/E (x)	38.3	34.6	29.4
P/BV (x)	6.4	5.6	4.8
EV/EBITDA(x)	25.3	21.6	18.2
Div. Yield (%)	0.5	0.5	0.6
FCF Yield (%)	(2.2)	0.5	1.0

**CMP: INR1,411**
**Neutral**

### Earnings above estimate; OPM expands 3.4pp YoY to ~8%

- RRKABEL's 2QFY26 earnings were above our estimates. Consolidated revenue grew ~20% YoY to INR21.6b (in line). EBITDA increased ~105% YoY at INR1.8b (~14% above estimate). EBITDA margin expanded 3.4pp YoY to ~8% (80bp above estimate). Adj. PAT increased 135% YoY to INR1.2b (~20% above estimate).
- Revenue contribution from the domestic market was ~73% in 2QFY26 vs. 76%/74% in 2QFY25/1QFY26. Net working capital days stood at 57 days as of Sept'25 vs. 56 days as of Mar'25
- **We have a Neutral rating on the stock.** However, we will review our assumptions following the conference call on 3<sup>rd</sup> Nov'25.

### Revenue up 20% YoY; C&W margins up 4.1pp YoY

- Consol. revenue/EBITDA/PAT stood at INR21.6b/INR1.8b/INR1.2b (up 20%/105%/135% YoY and in line/+14%/+20% vs estimates). Gross margin expanded 3.0pp YoY to ~19%. Employee cost increased 13% YoY (stood at 4.7% of revenue vs. 4.9% in 2QFY25). Other expenses increased 16% YoY (stood at 6.1% of revenue vs. 6.2% in 2QFY25). Depreciation/interest cost increased ~25%/4% YoY, whereas other income increased ~134% YoY
- Segmental highlights: a) Cables and Wires: Revenue increased ~22% YoY to INR19.7b, and EBIT increased ~120% YoY to INR1.8b. EBIT margin expanded 4.1pp YoY to ~9%. b) FMEG business: Revenue declined marginally ~3% YoY at INR1.9b. The company reported a segment loss of INR117m vs. INR117m/INR71m in 2QFY25/1QFY26.
- In 1HFY26, Revenue/EBITDA/PAT stood at INR42.2b/INR3.2b/INR2.1b, which was +17%/+76%/+81% YoY vs our estimates. OPM expanded 2.5pp YoY to ~8%. Operating cash outflow stood at INR1.3b vs operating cash inflow of INR338m in 1HFY25. Capex stood at INR1.7b vs INR1.6b. Free cash outflow stood at INR3b vs INR1.3b in 1HFY25.

### Highlights from the management commentary

- The C&W segment reported margin expansion, driven by better operating leverage and cost efficiencies.
- The FMEG segment delivered a stable performance despite muted demand arising from seasonal headwinds. Segment losses remained steady, indicating improved operational efficiency.

### Valuation and view

- The company's performance was above our estimates, driven by higher value realization and improved margins in the C&W segment.
- **We have a Neutral rating on the stock.** However, we will review our assumptions following the conference call on 3<sup>rd</sup> Nov'25 ([Concall Link](#)).

## Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	MOSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
<b>Sales</b>	<b>18,081</b>	<b>18,101</b>	<b>17,822</b>	<b>22,178</b>	<b>20,586</b>	<b>21,638</b>	<b>20,697</b>	<b>25,596</b>	<b>76,182</b>	<b>88,517</b>	<b>21,063</b>	<b>3</b>
YoY Change (%)	13.2	12.5	9.1	26.4	13.9	19.5	16.1	15.4	15.5	16.2	16.4	
<b>EBITDA</b>	<b>949</b>	<b>858</b>	<b>1,105</b>	<b>1,944</b>	<b>1,421</b>	<b>1,758</b>	<b>1,485</b>	<b>1,824</b>	<b>4,856</b>	<b>6,488</b>	<b>1,548</b>	<b>14</b>
YoY Change (%)	(15.9)	(29.1)	(1.8)	68.6	49.6	104.9	34.4	0.9	5.2	33.6	80.5	
Adj EBITDA margin (%)	5.3	4.7	6.2	8.8	6.9	8.1	7.2	7.1	6.4	7.3	7.4	77
Depreciation	162	175	178	190	203	219	229	115	705	766	207	5
Interest	116	156	162	155	151	162	170	196	589	679	160	1
Other Income	185	72	134	119	124	169	145	89	511	526	120	41
<b>PBT</b>	<b>857</b>	<b>599</b>	<b>900</b>	<b>1,718</b>	<b>1,190</b>	<b>1,546</b>	<b>1,231</b>	<b>1,602</b>	<b>4,074</b>	<b>5,569</b>	<b>1,301</b>	<b>19</b>
Tax	218	101	219	441	303	386	315	422	978	1,426	344	
Effective Tax Rate (%)	25.4	16.9	24.3	25.6	25.4	25.0	25.6	26.3	24.0	25.6	26.5	
JV share	5	(2)	4	14	10	3	8	14	21	35	8	
<b>Reported PAT</b>	<b>644</b>	<b>495</b>	<b>686</b>	<b>1,291</b>	<b>898</b>	<b>1,163</b>	<b>924</b>	<b>1,194</b>	<b>3,116</b>	<b>4,178</b>	<b>965</b>	<b>20</b>
Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	86.5	4.8	4.5	549.0	95	
<b>Adj PAT</b>	<b>644</b>	<b>495</b>	<b>686</b>	<b>1,291</b>	<b>898</b>	<b>1,163</b>	<b>924</b>	<b>1,194</b>	<b>3,116</b>	<b>4,178</b>	<b>965</b>	<b>20</b>
YoY Change (%)	(13.4)	(33.2)	(3.4)	64.0	39.4	134.7	34.7	4.8	4.5	549.0	94.8	
Margins (%)	3.6	2.7	3.8	5.8	4.4	5.4	4.5	4.7	4.1	4.7	4.6	

## Segmental Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	MOFSL	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
<b>Sales</b>												
Cables & Wires	15,782	16,118	15,425	19,562	18,335	19,712	17,893	22,172	66,888	78,112	19,020	3.6
FMEG	2,300	1,984	2,396	2,616	2,251	1,926	2,804	3,424	9,296	10,405	2,043	(5.7)
<b>EBIT</b>												
Cables & Wires	1,130	818	1,075	1,941	1,391	1,804	1,414	1,570	4,965	6,179	1,503	20.1
FMEG	(207)	(117)	(44)	(91)	(71)	(117)	(56)	15	(459)	(229)	(92)	27.0
<b>EBIT Margin (%)</b>												
Cables & Wires	7.2	5.1	7.0	9.9	7.6	9.2	7.9	7.1	7.4	7.9	7.9	125
FMEG	(9.0)	(5.9)	(1.8)	(3.5)	(3.2)	(6.1)	(2.0)	0.4	(4.9)	(2.2)	(4.5)	(156)

# Mahindra Lifespace

BSE SENSEX

83,939

S&P CNX

25,722

## Conference Call Details



**Date:** 03 November 2025

**Time:** 11:00 IST

**Webcast details:**

<https://rmgwebcast.com/mahindralifespaces/031125/>

### Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	4.9	8.2	10.7
EBITDA	-0.9	-0.1	0.5
EBITDA Margin (%)	NM	NM	NM
PAT	0.6	2.7	3.2
EPS (INR)	2.7	12.8	15.1
EPS Gr. (%)	-32.4	380.6	17.6
BV/Sh. (INR)	158.9	168.9	181.2
<b>Ratios</b>			
RoE (%)	2.2	7.8	8.6
RoCE (%)	-2.8	-0.2	1.3
Payout (%)	104.8	21.8	18.5
<b>Valuations</b>			
P/E (x)	144.5	30.1	25.6
P/BV (x)	2.4	2.3	2.1
EV/EBITDA (x)	NM	NM	NM
Div yld (%)	0.7	0.7	0.7

**CMP: INR386**

**Neutral**

## Strong operational but weak financials

### Net cash company

### Operational performance

- MLDL achieved bookings of INR7.5b, up 89% YoY and 67% QoQ (in line with estimate). In 1HFY26, presales stood at INR12b, down 15% YoY.
- Sales volume in 2QFY26 stood at 1.2msf, up 121% YoY/102% QoQ. In 1HFY26, booking area stood at 1.8msf, up 3% YoY.
- Blended realization in 2QFY26 was down 14% YoY and 17% QoQ at ~INR6,427psf.
- Quarterly collections rose 24% YoY/10% QoQ to INR5.7b.
- In 2QFY26, MLDL added projects with INR17b GDV, up 2.6x YoY. In 1HFY26, the company added projects with INR52b GDV, up 2.5x YoY.
- Revenue from IC&IC business stood at INR990m, down 11% YoY. Total leased area stood at 16.9 acres.
- MLDL is a net cash company and the net cash-to-equity ratio stands at 0.17x.

### Financial performance

- Revenue came in at INR176m, +131% YoY/-45% QoQ (80% below estimate). In 1HFY26, revenue came in at INR495m, down 75% YoY.
- 2QFY26 operating loss was INR525m vs. a loss of INR478m for 2QFY25. In 1HFY26, operating loss came in at INR1.1b vs. loss of INR893m YoY.
- PAT was at INR479m (4x above estimate) against loss of INR141m YoY due to higher share of profit realization from JV. In 1HFY26, PAT came in at INR991m vs. loss of INR13m YoY.

## Quarterly performance

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	2QE Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q Est.	(%/bp)
<b>Income from Operations</b>	<b>1,881</b>	<b>76</b>	<b>1,673</b>	<b>92</b>	<b>320</b>	<b>176</b>	<b>1,360</b>	<b>3,060</b>	<b>3,723</b>	<b>4,915</b>	<b>857</b>	<b>-80</b>
YoY Change (%)	91.9	-57.2	104.0	-35.3	-83.0	130.7	-18.7	3,211.2	75.5	32.0	1,026.8	
Total Expenditure	2,297	554	1,927	644	870	700	1,617	2,658	5,422	5,845	1,020	
<b>EBITDA</b>	<b>-416</b>	<b>-478</b>	<b>-254</b>	<b>-552</b>	<b>-550</b>	<b>-525</b>	<b>-258</b>	<b>402</b>	<b>-1,699</b>	<b>-931</b>	<b>-162</b>	<b>N/A</b>
Margins (%)	-22.1	-627.5	-15.2	-597.2	-172.1	-298.8	-18.9	13.1	-45.6	-18.9	-18.9	
Depreciation	43	40	40	55	61	65	63	39	178	228	40	
Interest	60	70	42	21	40	19	50	74	194	182	32	
Other Income	186	84	185	462	86	155	54	-99	916	197	34	
<b>PBT before EO expense</b>	<b>-334</b>	<b>-504</b>	<b>-151</b>	<b>-166</b>	<b>-564</b>	<b>-453</b>	<b>-317</b>	<b>190</b>	<b>-1,155</b>	<b>-1,145</b>	<b>-200</b>	<b>N/A</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>-334</b>	<b>-504</b>	<b>-151</b>	<b>-166</b>	<b>-564</b>	<b>-453</b>	<b>-317</b>	<b>190</b>	<b>-1,155</b>	<b>-1,145</b>	<b>-200</b>	<b>N/A</b>
Tax	-97	0	173	15	-97	28	25	134	92	91	16	
Rate (%)	28.9	0.0	-114.6	-8.9	17.1	-6.2	-7.9	70.6	-7.9	-7.9	-7.9	
JV, Minority Interest & P/L of Asso. Cos.	365	364	99	1,032	980	961	499	-635	1,859	1,805	315	
<b>Reported PAT</b>	<b>127</b>	<b>-141</b>	<b>-225</b>	<b>851</b>	<b>512</b>	<b>479</b>	<b>158</b>	<b>-579</b>	<b>613</b>	<b>570</b>	<b>99</b>	<b>382</b>
<b>Adj PAT</b>	<b>127</b>	<b>-141</b>	<b>-225</b>	<b>851</b>	<b>512</b>	<b>479</b>	<b>158</b>	<b>-579</b>	<b>613</b>	<b>570</b>	<b>99</b>	<b>382</b>
YoY Change (%)	NM	NM	NM	19.0	NM	NM	NM	-168.1	-37.6	-7.0	NM	
Margins (%)	6.8	-184.6	-13.4	920.8	160.3	272.8	11.6	-18.9	16.5	11.6	11.6	
E: MOSL Estimates												
<b>Operational Performance</b>												
<b>Area sold (msf)</b>	1.2	0.5	0.5	1.0	0.6	1.2	0.7	0.8	<b>3.2</b>	<b>3.2</b>	0.7	<b>67</b>
<b>Booking value (INR b)</b>	10.2	4.0	3.3	10.5	4.5	7.5	7.4	14.6	<b>28</b>	<b>34</b>	7.4	<b>2</b>
<b>Avg Realization (INR)</b>	8718	7491	7422	10223	7741	6427	10500	19131	<b>8,818</b>	<b>10,566</b>	10566	<b>-39</b>

Source: MOFSL, Company Note: We will revisit our estimates after the concall

BSE SENSEX

83,939

S&P CNX

25,722

**CMP: INR185**

**Neutral**

## Conference Call Details



**Date:** 3<sup>rd</sup> November 2025

**Time:** 1130 hours IST

**Dial-in details:**

[click here](#)

## Operating performance below estimate

- NOCIL's revenue stood at INR3.2b (est. of INR3.5b), down 12% YoY and 5% QoQ in 2QFY26.
- Gross margin stood at 41.3% (-30bp YoY and -120bp QoQ).
- Employee costs as a % of sales stood flat YoY at ~7%, while other expenses as a % of sales stood at ~28%, compared to ~27% in 2QFY25.
- EBITDAM came in at 6.5% (-370bp YoY and -230bp QoQ).
- EBITDA stood at INR209m (est. of INR310m; -44% YoY and -29% QoQ).
- Adjusted PAT was INR173m (est. of INR195m), down 58% YoY/up 4% QoQ.
- In 1HFY26, NOCIL's revenue/EBITDA/Adj. PAT declined 11%/34%/51% to INR6.6b/INR505m/INR338m,
- CFO stood at INR1.3b as of Sep'25 compared to INR567m in Sep'24.

## Standalone - Quarterly Earnings Model

(INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			2QE	(%)
Gross Sales	3,722	3,627	3,181	3,397	3,362	3,206	3,567	3,771	13,927	14,147	3,448	-7%
YoY Change (%)	-6.2	3.4	-6.6	-4.7	-9.7	-11.6	12.1	11.0	-3.6	1.6	-4.9	
Total Expenditure	3,324	3,256	2,943	3,062	3,066	2,996	3,204	3,367	12,585	12,775	3,137	
Gross Margin (%)	41.7%	43.3%	44.4%	41.6%	42.5%	41.3%	42.4%	42.6%	42.7%	42.3%	41.7%	
EBITDA	398	371	238	335	296	209	363	403	1,342	1,372	310	-33%
Margin (%)	10.7	10.2	7.5	9.9	8.8	6.5	10.2	10.7	9.6	9.7	9.0	
Depreciation	128	130	132	132	133	133	140	169	523	577	135	
Interest	5	5	4	4	4	4	6	10	18	24	5	
Other Income	100	88	148	54	64	160	111	116	389	381	91	
PBT before EO expense	364	324	249	254	222	233	328	341	1,191	1,152	261	-11%
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	364	324	249	254	222	233	328	341	1,191	1,152	261	-11%
Tax	92	-91	64	50	57	60	82	85	115	290	66	
Rate (%)	25.3	-28.0	25.7	19.7	25.4	25.9	25.2	25.1	9.7	25.2	25.2	
Reported PAT	272	415	185	204	166	173	245	255	1,076	862	195	-12%
Adj PAT	272	415	185	204	166	173	245	255	1,076	862	195	-12%
YoY Change (%)	-18.9	54.3	-37.8	-50.4	-39.1	-58.4	32.5	25.3	-18.1	-19.9	-52.9	
Margin (%)	7.3	11.4	5.8	6.0	4.9	5.4	6.9	6.8	7.7	6.1	5.7	



### Dr Agarwal : Margin will improve by 1-2% post-Merger; Dr Adil Agarwal, CEO

- Our Network has expanded to 250 Facilities, with 127 reaching maturity
- Robotic cataract surgeries is now 25% earlier 18%
- Merger to be completed in next 12-18 months

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### Bandhan Bank : Consecutive Holidays in sept resulted in hike In dues from MFI Borrower; Partha Senguota, MD & CEO

- Non EEB Book is going in line with Industry
- Rs 1,100Cr of gross slippages were contributed by EEB Segment alone
- Whole sale banking is seeing structural Changes
- Consecutive Holidays in sept resulted in hike In dues from MFI Borrower

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### Pidilite : Improvement in demand will add another 100-150bps of volume growth; Sudhanshu Vats, MD

- Aims to target double digit volume Growth
- Growth category is now 48% of co, core category is now 52%
- Tile Adhesives business continue to grow for the company

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### Dabur : Gained Market share across 95% of the portfolio; Mohit Malhotra, CEO

- Expects FY26 Margins to be better than last year
- Volume hit by GST Transition but positive for the long term
- In Oral care, Herbal segment is growing at 4-5x non herbal segment

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Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Automobiles																
Amara Raja Ener.	Neutral	1004	1039	3	45.4	54.7	60.7	-5.8	20.5	11.0	22.1	18.4	2.3	2.1	12.0	12.8
Apollo Tyres	Buy	502	551	10	24.0	29.1	32.1	22.6	21.3	10.2	20.9	17.2	1.6	1.5	10.0	11.4
Ashok Ley.	Buy	141	166	17	6.0	7.2	8.5	10.1	19.7	17.0	23.4	19.5	6.3	5.5	28.8	30.0
Bajaj Auto	Neutral	8894	9197	3	329.0	362.1	396.5	9.9	10.1	9.5	27.0	24.6	7.1	6.6	27.4	27.9
Balkrishna Inds	Neutral	2282	2257	-1	78.0	96.7	107.3	-19.1	24.0	11.0	29.3	23.6	3.8	3.4	13.7	15.1
Bharat Forge	Neutral	1324	1109	-16	24.2	33.0	40.9	13.0	36.3	24.1	54.7	40.1	6.3	5.7	12.0	14.9
Bosch	Neutral	37251	36375	-2	824.3	976.1	1,113.4	20.8	18.4	14.1	45.2	38.2	7.1	6.5	16.6	17.9
CEAT	Buy	4030	4523	12	161.3	210.5	241.8	32.1	30.5	14.9	25.0	19.1	3.4	2.9	14.1	16.4
Craftsman Auto	Neutral	6666	6391	-4	156.2	229.2	303.4	69.6	46.7	32.4	42.7	29.1	5.0	4.3	12.3	15.8
Eicher Mot.	Sell	7006	5772	-18	192.1	213.0	241.2	11.3	10.9	13.2	36.5	32.9	7.8	6.8	23.0	22.1
Endurance Tech.	Buy	2840	3311	17	72.0	84.4	99.5	22.5	17.2	17.9	39.4	33.7	6.1	5.3	16.5	16.9
Escorts Kubota	Neutral	3789	3683	-3	119.5	128.6	134.4	18.8	7.6	4.5	31.7	29.5	4.0	3.7	13.4	13.0
Exide Ind	Neutral	382	404	6	15.3	16.7	17.7	21.1	9.1	5.7	24.9	22.8	2.1	2.0	8.4	8.5
Happy Forgings	Buy	1023	1147	12	30.2	37.5	49.6	6.3	24.2	32.2	33.9	27.3	4.6	4.0	14.4	15.7
Hero Moto	Buy	5545	6315	14	258.3	283.1	311.5	14.3	9.6	10.0	21.5	19.6	5.2	4.8	25.1	25.3
Hyundai Motor	Buy	2439	2801	15	73.6	87.5	105.6	6.0	18.9	20.7	33.1	27.9	9.6	7.7	32.4	30.6
M&M	Buy	3486	4091	17	120.7	143.7	163.0	22.3	19.0	13.5	28.9	24.3	5.7	4.8	21.5	21.6
CIE Automotive	Buy	432	502	16	21.5	23.2	25.7	-1.0	8.2	10.8	20.1	18.6	2.3	2.1	11.8	11.7
Maruti Suzuki	Buy	16192	18712	16	484.4	616.5	720.0	9.1	27.3	16.8	33.4	26.3	4.8	4.3	14.5	16.2
MRF	Sell	157588	125764	-20	5,100.4	5,918.4	6,658.0	15.7	16.0	12.5	30.9	26.6	3.3	2.9	11.1	11.6
Samvardh. Motherson	Buy	105	123	17	3.2	4.7	5.7	-11.2	47.8	21.0	33.3	22.5	3.0	2.8	9.4	12.8
Motherson Wiring	Buy	47	53	12	1.0	1.3	1.6	8.8	35.1	19.3	47.5	35.2	15.8	12.7	35.8	40.0
Sona BLW Preci.	Neutral	473	448	-5	11.2	12.4	13.9	13.8	10.6	11.7	42.0	38.0	4.8	4.5	11.9	12.2
Tata Motors	Neutral	410	687	68	41.9	54.5	74.7	-33.7	30.1	36.9	9.8	7.5	1.2	1.0	12.6	14.5
TVS Motor	Buy	3508	4159	19	76.2	96.4	121.9	33.6	26.5	26.5	46.0	36.4	12.9	10.0	31.7	31.0
Tube Investments	Buy	3022	3716	23	41.6	47.1	52.1	7.9	13.2	10.5	72.6	64.1	9.9	8.7	14.5	14.4
Aggregate								1.3	21.7	18.7	28.7	23.6	4.6	4.0	16.0	17.1
Banks - Private																
AU Small Finance	Buy	878	925	5	35.2	47.5	62.6	18.0	35	31.8	25.0	18.5	3.3	2.9	14.3	16.7
Axis Bank	Neutral	1233	1300	5	78.3	99.0	119.6	-8.2	26.4	20.8	15.7	12.4	1.9	1.7	12.8	14.4
Bandhan Bank	Neutral	157	175	12	9.8	18.2	23.5	-42.5	86	29.1	16.0	8.6	1.0	0.9	6.4	11.3
DCB Bank	Buy	158	165	4	23.5	30.9	38.5	20.0	31.7	24.3	6.7	5.1	0.8	0.7	13.2	15.3
Equitas Small Fin.	Buy	57	70	23	0.2	5.7	9.0	-84.0	2,659.6	57.9	273.8	10.0	1.1	1.0	0.4	10.5
Federal Bank	Buy	237	260	10	16.4	19.9	24.4	-1.2	21.6	22.4	14.5	11.9	1.6	1.3	11.4	12.1
HDFC Bank	Buy	988	1175	19	49.1	54.7	64.7	11.5	11.5	18.3	20.1	18.1	2.7	2.4	14.3	14.3
ICICI Bank	Buy	1345	1700	26	72.8	82.7	95.7	9.0	13.6	15.8	18.5	16.3	2.9	2.5	16.7	16.5
IDFC First Bk	Neutral	82	80	-2	2.7	5.3	7.7	29.8	92.3	45.9	29.7	15.5	1.5	1.4	5.1	9.3
IndusInd	Neutral	794	800	1	13.7	49.8	73.5	-58.5	262.5	47.6	57.8	15.9	1.0	0.9	1.7	5.8
Kotak Mah. Bk	Buy	2102	2500	19	105.3	126.0	152.4	-5.4	19.6	21.0	20.0	16.7	2.4	2.1	11.7	12.7
RBL Bank	Buy	326	350	7	16.8	14.5	20.0	47.2	-13.9	37.9	19.4	22.5	1.2	1.2	6.5	7.5
Aggregate								4.4	19.9	20.3	19.3	16.1	2.5	2.2	12.9	13.5
Banks - PSU																
BOB	Neutral	278	290	4	37.2	41.3	48.2	-1.6	11.0	16.7	7.5	6.7	1.0	0.9	14.6	14.7
Canara Bank	Buy	137	153	12	21.4	22.9	25.6	14.0	6.9	12.1	6.4	6.0	1.1	1.0	19.5	18.6
Indian Bank	Buy	859	900	5	93.1	96.4	107.2	14.9	3.5	11.2	9.2	8.9	1.6	1.4	18.6	17.0
Punjab Natl.Bank	Buy	123	135	10	14.4	18.9	22.1	-2.5	31.4	16.5	8.5	6.5	1.0	0.9	13.2	15.4
SBI	Buy	937	1000	7	87.4	101.1	119.6	0.5	16	18.3	10.7	9.3	1.6	1.3	15.4	15.3
Union Bank (I)	Neutral	149	155	4	21.8	24.0	27.5	-7.3	10	14.4	6.8	6.2	0.9	0.8	14.7	14.4
Aggregate								2.6	15	16	9	8.0	1.3	1.2	14.6	15.0
NBFCs																
AAVAS Financiers	Neutral	1650	1800	9	80.3	97.6	117.4	10.6	21.6	20.3	20.6	16.9	2.6	2.3	13.6	14.4
Aditya Birla Cap	Buy	325	380	17	15.2	19.5	25.3	18.9	28.2	29.7	21.4	16.7	2.5	2.2	12.3	14.2
Bajaj Fin.	Neutral	1043	1090	5	32.9	42.6	53.8	21.8	29.4	26.5	31.7	24.5	5.7	4.7	19.4	21.1
Bajai Housing	Neutral	110	120	9	3.1	3.8	4.7	19.0	22.9	23.1	35.7	29.0	4.1	3.6	12.1	13.1



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Can Fin Homes	Neutral	867	915	5	75.9	79.5	92.8	18.0	4.7	16.7	11.4	10.9	2.0	1.7	18.4	16.7
Cholaman.Inv.&Fn	Buy	1697	1920	13	61.3	79.0	97.5	21.2	28.7	23.4	27.7	21.5	4.7	3.9	19.4	19.9
CreditAccess	Buy	1416	1690	19	51.7	88.4	116.3	55.4	70.9	31.6	27.4	16.0	2.9	2.5	11.2	16.6
Fusion Finance	Buy	182	240	32	0.6	19.9	27.2	-100.5	3,464.6	36.6	325.4	9.1	1.4	1.1	0.4	13.4
Five-Star Business	Buy	653	710	9	40.3	45.2	54.6	10.6	12.3	20.6	16.2	14.4	2.6	2.2	17.3	16.5
IIFL Finance	Buy	535	635	19	35.6	47.0	62.0	298.7	32.1	31.9	15.4	11.4	1.7	1.5	11.3	13.6
HDB Financial	Neutral	731	820	12	31.4	40.8	50.5	15.0	29.8	23.6	23.3	17.9	2.9	2.5	14.2	15.0
Home First Finan	Buy	1195	1530	28	51.7	64.2	77.4	21.8	24.3	20.6	23.1	18.6	2.9	2.5	15.7	14.5
IndoStar	Buy	242	285	18	39.2	13.9	20.9	914.5	-64.5	50.4	6.2	17.4	1.0	0.9	16.5	5.1
L&T Finance	Buy	270	320	18	11.9	16.1	20.2	12.6	34.9	25.4	22.7	16.8	2.4	2.2	11.1	13.6
LIC Hsg Fin	Neutral	571	630	10	99.3	103.3	111.9	0.7	4.0	8.3	5.8	5.5	0.8	0.7	14.2	13.3
Manappuram Fin.	Neutral	269	305	13	11.3	19.2	24.9	-20.3	69.4	29.8	23.7	14.0	1.6	1.5	7.5	11.3
MAS Financial	Buy	305	400	31	19.4	25.5	29.0	15.2	31.2	13.8	15.7	12.0	1.9	1.7	13.1	15.1
M&M Fin.	Buy	316	350	11	20.2	24.7	28.4	6.5	22.4	14.6	15.6	12.8	1.8	1.6	12.6	13.2
Muthoot Fin	Neutral	3172	3100	-2	195.5	221.5	250.0	50.9	13.3	12.9	16.2	14.3	3.6	3.0	24.7	23.0
Piramal Enterp.	Buy	1124	1460	30	63.7	106.8	177.6	195.9	67.7	66.3	17.7	10.5	0.9	0.8	5.2	8.2
PNB Housing	Buy	928	1080	16	88.2	96.4	117.3	18.4	9.3	21.7	10.5	9.6	1.3	1.1	12.8	12.4
Poonawalla Fincorp	Buy	482	605	26	8.7	21.8	32.0	-783.5	150.2	46.9	55.4	22.2	3.8	3.3	7.6	15.8
PFC	Buy	403	490	22	59.4	61.1	69.7	12.9	3.0	14.1	6.8	6.6	1.3	1.1	20.0	18.1
REC	Buy	375	465	24	65.9	70.6	80.8	10.4	7.0	14.5	5.7	5.3	1.1	1.0	20.7	19.2
Repco Home Fin	Neutral	420	400	-5	69.9	73.6	84.4	-0.5	5.3	14.7	6.0	5.7	0.7	0.6	12.4	11.7
Spandana Sphoorty	Neutral	255	280	10	-86.6	27.3	45.8	-40.4	LP	67.8	NM	9.3	1.1	0.9	-29.0	10.2
Shriram Finance	Buy	749	860	15	51.7	61.8	72.9	17.4	19.7	17.8	14.5	12.1	2.2	1.9	16.1	16.8
<b>Aggregate</b>								<b>23.2</b>	<b>20.1</b>	<b>21.0</b>	<b>16.9</b>	<b>14.1</b>	<b>2.6</b>	<b>2.2</b>	<b>15.1</b>	<b>15.7</b>
<b>NBFC-Non Lending</b>																
360 ONE WAM	Buy	1081	1400	29	31.1	36.9	43.7	20.4	18.7	18.4	34.8	29.3	5.3	4.5	16.5	17.0
Aditya Birla AMC	Buy	760	1100	45	37.1	42.3	48.1	14.8	14.0	13.8	20.5	18.0	5.2	4.6	26.9	27.3
Anand Rathi Wealth	Neutral	3088	2800	-9	46.8	59.8	73.5	29.3	27.9	22.8	66.0	51.6	26.2	18.6	47.0	42.0
Angel One	Buy	2492	2900	16	91.1	136.0	187.2	-29.9	49.4	37.6	27.4	18.3	3.4	3.0	14.0	18.7
BSE	Neutral	2479	2250	-9	50.8	56.3	65.4	56.7	10.8	16.1	48.8	44.0	16.8	13.0	34.4	29.5
Cams Services	Buy	3937	4900	24	95.0	112.1	131.9	0.2	17.9	17.7	41.4	35.1	14.8	12.7	38.4	38.8
CDSL	Neutral	1587	-		21.8	28.5	33.8	-13.0	30.8	18.5	72.8	55.7	17.0	15.0	24.5	28.6
HDFC AMC	Buy	5375	6800	27	134.6	153.2	177.1	16.8	13.8	15.6	39.9	35.1	13.0	11.9	33.9	35.3
KFin Technologies	Neutral	1099	1300	18	21.8	26.4	31.6	12.0	21.0	19.8	50.3	41.6	13.0	11.4	27.4	29.2
MCX	Neutral	9249	8500	-8	169.9	203.4	234.4	54.3	19.7	15.3	54.4	45.5	22.9	20.8	43.8	47.9
NSDL	Neutral	1159	1200	4	18.0	21.6	26.0	5.9	19.8	20.1	64.2	53.6	9.9	8.4	16.6	16.9
Nippon Life AMC	Buy	875	1060	21	23.9	27.9	32.0	17.0	17.1	14.5	36.6	31.3	12.8	12.6	35.4	40.6
Nuvama Wealth	Buy	7099	7900	11	292.9	351.2	416.2	5.8	19.9	18.5	24.2	20.2	6.4	5.6	28.1	29.7
Prudent Corp.	Neutral	2554	2600	2	53.4	67.3	85.8	12.9	26.2	27.4	47.8	37.9	61.2	47.8	28.9	28.3
UTI AMC	Buy	1248	1700	36	54.7	78.1	90.4	-14.4	42.9	15.7	22.8	16.0	3.0	2.8	13.2	18.0
<b>Aggregate</b>								<b>13.9</b>	<b>20.5</b>	<b>18.2</b>	<b>40.0</b>	<b>33.1</b>	<b>10.0</b>	<b>8.6</b>	<b>24.9</b>	<b>26.0</b>
<b>Insurance</b>																
HDFC Life Insur.	Buy	732	910	24	8.4	10.0	11.5	0.2	18.9	14.7	87.1	73.3	2.5	2.1	15.4	16.5
ICICI Lombard	Buy	1995	2300	15	62.5	72.6	82.9	22.7	16.1	14.3	31.9	27.5	5.9	5.1	19.9	19.9
ICICI Pru Life	Buy	591	720	22	8.7	11.0	13.2	6.6	26.1	19.9	67.6	53.6	1.6	1.4	11.7	13.0
Life Insurance Corp.	Buy	895	1080	21	79.9	87.9	95.6	5.0	10.0	8.8	11.2	10.2	0.7	0.6	11.6	11.4
Max Financial	Buy	1546	2000	29	11.9	14.1	15.6	26.5	17.8	11.0	129.6	110.0	2.2	1.9	19.2	19.4
Niva Bupa Health	Buy	75	100	33	0.7	1.7	3.3	-37.2	132.9	93.0	102.8	44.1	3.5	3.3	3.8	7.7
SBI Life Insurance	Buy	1955	2240	15	24.1	25.7	28.0	-0.3	6.7	9.0	81.3	76.2	2.4	2.0	18.1	18.3
Star Health Insu	Buy	494	570	15	11.4	16.3	21.7	3.9	42.6	33.3	43.3	30.4	3.8	3.4	9.1	11.7
<b>Chemicals</b>																
Alkyl Amines	Neutral	1862	2000	7	38.7	44.5	47.3	6.6	14.9	6.4	48.1	41.8	6.2	5.6	13.5	14.0
Atul	Buy	5766	7520	30	216.8	250.5	270.7	28.1	15.5	8.1	26.6	23.0	2.8	2.5	10.9	11.4
Clean Science	Neutral	1009	1175	16	31.1	39.2	44.7	25.0	26.0	14.1	32.5	25.8	6.3	5.2	21.3	22.3
Deepak Nitrite	Sell	1729	1540	-11	47.9	61.7	64.1	-6.2	28.6	3.9	36.1	28.0	4.0	3.5	11.5	13.3



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Ellenbarrie Industrial	Buy	463	640	38	9.4	15.6	18.7	59.3	65.3	20.2	49.2	29.8	6.4	5.2	17.5	19.3
Fine Organic	Sell	4437	3980	-10	136.8	138.7	158.2	7.7	1.4	14.1	32.4	32.0	5.2	4.5	17.4	15.2
Galaxy Surfact.	Buy	2227	2630	18	89.7	105.2	118.8	4.3	17.3	13.0	24.8	21.2	3.0	2.7	12.8	13.6
Navin Fluorine	Neutral	5697	5400	-5	108.2	129.8	149.4	86.0	19.9	15.1	52.6	43.9	7.6	6.7	17.2	16.3
NOCIL	Neutral	185	-		5.2	6.5	7.5	-19.9	26.4	15.0	35.9	28.4	1.7	1.6	4.8	5.9
PI Inds.	Buy	3574	4310	21	98.8	118.0	134.3	-9.6	19.4	13.9	36.2	30.3	4.8	4.2	13.9	14.7
SRF	Buy	2927	3650	25	68.1	91.8	105.7	47.9	34.7	15.1	43.0	31.9	6.2	5.3	15.2	17.9
Tata Chemicals	Neutral	891	-		34.8	54.4	60.6	111.1	56.4	11.4	25.6	16.4	1.0	1.0	4.1	6.1
Vinati Organics	Buy	1651	2050	24	50.4	58.5	69.7	26.0	16.0	19.0	32.7	28.2	5.3	4.6	17.3	17.4
<b>Aggregate</b>								<b>18.1</b>	<b>20.5</b>	<b>10.8</b>	<b>36.4</b>	<b>30.2</b>	<b>4.5</b>	<b>4.0</b>	<b>12.3</b>	<b>13.1</b>
<b>Capital Goods</b>																
ABB India	Buy	5215	6000	15	80.0	95.1	111.9	-9.5	18.8	17.6	65.1	54.8	14.2	12.9	22.8	24.6
Bharat Electronics	Buy	426	500	17	8.3	9.9	11.5	15.0	18.6	16.2	51.2	43.2	12.4	9.9	24.2	23.0
Bharat Dynamics	Buy	1530	1900	24	28.2	37.8	52.0	88.4	34.0	37.4	54.2	40.4	11.6	9.4	21.5	23.3
Cummins India	Buy	4342	4500	4	83.2	98.0	114.0	16.0	17.9	16.3	52.2	44.3	15.1	13.3	30.8	32.0
Hind.Aeronautics	Buy	4681	5800	24	141.2	161.2	197.9	13.0	14.2	22.7	33.2	29.0	7.5	6.3	22.6	21.8
Hitachi Energy	Sell	17752	16500	-7	177.4	238.4	319.9	129.1	34.3	34.2	100.0	74.5	15.1	12.5	15.9	17.6
Kalpataru Proj.	Buy	1257	1500	19	52.7	73.5	85.6	33.9	39.6	16.4	23.9	17.1	2.7	2.4	11.9	14.7
KEC International	Neutral	818	950	16	34.9	44.2	53.6	62.6	26.9	21.1	23.5	18.5	3.6	3.1	16.2	17.9
Kirloskar Oil	Buy	999	1230	23	33.6	40.9	47.6	16.7	21.8	16.5	29.8	24.5	4.3	3.8	15.3	16.4
Larsen & Toubro	Buy	4031	4500	12	130.2	154.9	184.9	21.9	19.0	19.4	31.0	26.0	5.0	4.4	17.2	18.1
Siemens	Neutral	3097	3300	7	75.8	66.9	77.8	33.5	-11.7	16.3	40.9	46.3	6.1	5.4	14.9	11.7
Siemens Energy	Buy	3185	3800	19	32.4	41.5	61.4	65.3	28.2	47.8	98.3	76.7	25.9	19.4	26.4	25.3
Thermax	Sell	3220	3450	7	68.0	79.8	94.6	20.5	17.5	18.5	47.4	40.3	6.6	5.8	14.6	15.2
Triveni Turbine	Buy	535	620	16	11.8	14.0	16.8	4.4	19.0	19.8	45.4	38.2	11.4	9.4	27.7	27.1
Zen Technologies	Neutral	1356	1400	3	21.6	40.5	53.3	-26.0	87.6	31.8	62.9	33.5	6.5	5.4	10.9	17.7
<b>Aggregate</b>								<b>20.7</b>	<b>17.8</b>	<b>20.8</b>	<b>40.5</b>	<b>34.4</b>	<b>7.5</b>	<b>6.5</b>	<b>18.6</b>	<b>18.9</b>
<b>Cement</b>																
Ambuja Cem.	Buy	565	730	29	10.2	14.5	17.4	28.0	42.3	20.5	55.6	39.1	2.5	2.4	4.6	6.3
ACC	Neutral	1881	2040	8	88.2	116.3	136.1	23.9	31.9	17.0	21.3	16.2	1.7	1.6	8.5	10.1
Birla Corp.	Buy	1177	1600	36	67.9	84.8	95.9	60.7	25.0	13.1	17.3	13.9	1.2	1.1	7.2	8.4
Dalmia Bhar.	Buy	2096	2660	27	68.0	72.8	84.7	83.5	7.0	16.4	30.8	28.8	2.1	2.0	7.1	7.2
Grasim Inds.	Buy	2893	3540	22	85.1	105.5	127.4	14.8	24.0	20.7	34.0	27.4	3.5	3.3	-4.1	-1.1
India Cem	Sell	403	300	-26	-1.2	3.8	11.3	-95.2	LP	195.1	NM	105.6	1.3	1.3	-0.4	1.2
JSW Cement	Neutral	136	150	10	2.3	2.9	3.6	-510.2	27.0	21.5	59.2	46.6	3.0	2.8	7.4	6.2
J K Cements	Buy	6215	-		155.8	193.5	219.5	50.5	24.2	13.4	39.9	32.1	6.7	5.7	18.2	19.2
JK Lakshmi Ce	Buy	869	1150	32	43.2	52.4	53.4	68.0	21.3	1.8	20.1	16.6	2.6	2.3	13.8	14.8
Ramco Cem	Neutral	1043	1050	1	15.8	24.7	34.3	302.3	56.5	39.3	66.2	42.3	3.2	3.0	4.9	7.3
Shree Cem	Neutral	28288	30030	6	529.5	561.8	676.6	56.7	6.1	20.4	53.4	50.3	4.5	4.3	8.7	8.7
Ultratech	Buy	11947	14460	21	272.7	350.5	423.9	31.4	28.5	20.9	43.8	34.1	4.6	4.3	11.0	13.0
<b>Aggregate</b>								<b>40.9</b>	<b>26.8</b>	<b>20.4</b>	<b>40.6</b>	<b>32.0</b>	<b>3.3</b>	<b>3.1</b>	<b>8.2</b>	<b>9.8</b>
<b>Consumer</b>																
Asian Paints	Neutral	2510	2500	0	44.2	51.8	58.3	4.1	17.3	12.5	56.8	48.4	12.3	11.7	21.7	24.8
Britannia	Neutral	5841	6500	11	103.6	121.6	138.3	12.8	17.4	13.7	56.4	48.0	28.2	23.4	53.4	53.3
Colgate	Buy	2244	2850	27	51.9	57.8	63.0	1.0	11.5	8.9	43.3	38.8	38.7	38.8	87.0	99.7
Dabur	Neutral	488	525	8	10.8	12.2	13.4	6.7	12.4	9.7	45.0	40.0	7.5	7.3	17.2	18.4
Emami	Buy	535	725	36	20.7	22.7	24.6	2.2	9.5	8.4	25.8	23.6	7.7	6.9	31.7	31.1
Godrej Cons.	Buy	1118	1400	25	21.3	25.9	30.1	15.0	21.6	16.2	52.4	43.1	9.1	8.8	17.8	20.8
HUL	Buy	2467	3050	24	45.8	52.1	56.4	3.3	13.8	8.2	53.8	47.3	11.5	11.2	21.6	24.0
ITC	Buy	420	515	23	16.8	18.5	19.8	5.4	9.6	7.4	25.0	22.8	7.3	7.0	29.6	31.3
Indigo Paints	Buy	1000	1350	35	31.3	36.5	42.2	5.1	16.4	15.6	31.9	27.4	4.2	3.6	13.7	14.1
Jyothy Lab	Neutral	315	365	16	10.7	11.9	13.3	4.7	11.8	11.2	29.5	26.4	5.5	5.0	18.8	19.8
L T Foods	Buy	420	550	31	20.5	26.9	31.8	17.6	31.3	18.1	20.5	15.6	3.3	2.8	17.3	19.6
Marico	Buy	720	850	18	14.0	16.3	18.1	13.4	15.8	11.4	51.3	44.3	22.3	20.5	44.5	48.2
Nestle	Neutral	1272	1300	2	16.9	20.1	22.5	5.4	19.6	11.8	75.4	63.1	56.6	51.9	77.9	85.8



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Page Inds	Buy	41172	50000	21	725.3	830.8	937.2	11.1	14.5	12.8	56.8	49.6	27.1	22.6	47.7	45.6
Pidilite Ind.	Neutral	1446	1500	4	23.9	27.6	31.6	15.7	15.5	14.3	60.5	52.3	13.4	11.8	23.4	24.0
P&G Hygiene	Neutral	13347	15000	12	269.5	297.0	330.7	37.6	10.2	11.4	49.5	44.9	47.5	39.2	106.2	95.7
Radico Khaitan	Buy	3130	3600	15	41.9	53.3	65.5	62.5	27.3	22.8	74.7	58.7	13.3	11.3	17.9	19.2
Tata Consumer	Buy	1165	1320	13	16.7	19.9	21.8	19.3	18.9	9.5	69.7	58.6	5.1	4.8	8.1	9.1
United Brew	Neutral	1797	1750	-3	16.4	26.9	34.8	-7.2	64.0	29.6	109.7	66.9	10.3	9.6	9.7	14.9
United Spirits	Neutral	1431	1575	10	23.0	25.6	28.2	16.3	11.3	10.2	62.1	55.9	10.9	9.1	17.5	16.3
Varun Beverages	Buy	470	580	23	9.1	10.7	12.8	18.3	18.4	18.9	51.7	43.7	8.4	7.3	17.3	18.0
<b>Aggregate</b>								<b>7.9</b>	<b>14.3</b>	<b>10.7</b>	<b>45.3</b>	<b>39.7</b>	<b>10.8</b>	<b>10.1</b>	<b>23.9</b>	<b>25.5</b>
<b>Consumer Durables</b>																
Havells India	Neutral	1493	1640	10	24.5	31.2	37.5	4.5	27.2	20.4	60.9	47.9	10.0	8.8	16.5	18.4
KEI Industries	Buy	4028	4960	23	92.2	108.5	128.9	26.5	17.7	18.8	43.7	37.1	5.8	5.1	14.2	14.6
LG Electronics	Buy	1663	1800	8	33.2	39.0	45.1	2.4	17.2	15.8	50.0	42.7	15.2	12.3	33.7	31.9
Polycab India	Buy	7705	9110	18	176.2	199.0	237.5	31.2	12.9	19.4	43.7	38.7	9.7	8.2	22.2	21.1
R R Kabel	Neutral	1411	-		37.0	40.9	48.2	34.1	10.7	17.7	38.2	34.5	6.4	5.5	18.0	17.2
Voltas	Neutral	1384	1340	-3	23.0	31.4	38.0	-9.4	36.3	21.0	60.1	44.1	6.5	5.8	10.8	13.1
<b>Aggregate</b>								<b>12.7</b>	<b>19.1</b>	<b>18.7</b>	<b>49.7</b>	<b>41.7</b>	<b>9.4</b>	<b>8.1</b>	<b>19.0</b>	<b>19.4</b>
<b>EMS</b>																
Amber Enterp.	Buy	8029	9000	12	116.2	181.4	262.9	61.4	56.1	44.9	69.1	44.3	10.1	8.2	15.8	20.6
Avalon Tech	Buy	1191	1220	2	15.6	24.6	33.8	63.1	57.1	37.5	76.2	48.5	11.0	9.0	15.6	20.4
Cyient DLM	Buy	452	550	22	9.5	16.8	23.7	2.4	76.0	41.1	47.4	26.9	3.4	3.0	7.6	12.0
Data Pattern	Neutral	2744	2500	-9	48.2	62.8	80.6	21.6	30.3	28.5	57.0	43.7	8.7	7.3	16.4	18.1
Dixon Tech.	Buy	15497	22500	45	174.9	276.9	363.8	49.3	58.3	31.4	88.6	56.0	23.3	16.6	30.0	34.7
Kaynes Tech	Buy	6711	8300	24	82.2	132.9	196.2	79.6	61.6	47.6	81.6	50.5	8.6	7.3	14.1	16.4
Syrma SGS Tech.	Buy	814	940	15	15.3	22.4	30.6	58.3	46.4	36.8	53.3	36.4	7.3	6.1	14.5	18.3
<b>Aggregate</b>								<b>53.2</b>	<b>55.1</b>	<b>37.6</b>	<b>76.0</b>	<b>49.0</b>	<b>12.0</b>	<b>9.7</b>	<b>15.8</b>	<b>19.8</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	897	955	7	34.9	45.4	52.1	19.9	29.9	14.9	25.7	19.8	3.1	2.7	12.4	14.4
Alkem Lab	Neutral	5507	5270	-4	206.3	182.6	209.5	13.9	-11.5	14.7	26.7	30.2	4.8	4.3	19.2	15.1
Ajanta Pharma	Buy	2464	2940	19	83.8	97.0	109.3	13.2	15.8	12.6	29.4	25.4	6.8	5.7	25.1	24.3
Apollo Hospitals	Buy	7680	8990	17	126.7	152.2	188.8	26.0	20.2	24.0	60.6	50.4	10.7	8.9	20.1	19.9
Aurobindo	Buy	1139	1300	14	63.8	77.7	93.0	4.6	21.7	19.7	17.8	14.7	1.8	1.6	10.8	11.8
Biocon	Buy	372	408	10	4.1	8.8	11.6	99.0	117.4	31.7	91.5	42.1	2.0	1.9	2.2	4.7
Blue Jet Health	Buy	656	1100	68	25.3	32.1	38.6	43.6	27.1	20.1	26.0	20.4	7.4	5.5	32.8	30.9
Cipla	Neutral	1502	1500	0	61.3	61.8	68.7	-2.3	0.9	11.1	24.5	24.3	3.4	3.0	13.8	12.4
Divis Lab	Neutral	6746	6020	-11	90.5	120.3	140.2	11.5	33.0	16.5	74.5	56.1	10.8	9.5	15.2	18.0
Dr Reddy's	Neutral	1198	1250	4	68.9	63.1	68.5	2.4	-8.4	8.6	17.4	19.0	2.6	2.3	15.8	12.7
Dr Agarwal's Hea	Buy	510	600	18	4.0	5.2	7.9	50.5	31.1	50.4	127.7	97.4	8.0	7.4	6.5	7.9
ERIS Lifescience	Neutral	1589	1635	3	37.7	54.4	62.5	47.1	44.3	14.9	42.2	29.2	6.6	5.5	16.8	20.6
Gland Pharma	Buy	1930	2340	21	55.6	68.4	81.1	31.2	23.0	18.6	34.7	28.2	3.2	2.8	9.5	10.6
Glenmark	Buy	1890	2400	27	58.9	77.9	91.1	23.3	32.3	17.0	32.1	24.3	5.1	4.3	17.2	19.2
GSK Pharma	Neutral	2624	2830	8	57.6	67.2	76.4	5.2	16.7	13.6	45.6	39.0	18.1	14.2	39.7	36.4
Global Health	Buy	1314	1590	21	24.2	30.3	36.8	24.9	25.5	21.5	54.4	43.3	9.0	7.7	17.7	19.1
Granules India	Buy	565	625	11	23.0	30.7	37.6	16.7	33.7	22.4	24.6	18.4	3.2	2.8	14.1	16.3
IPCA Labs	Buy	1272	1570	23	40.9	50.8	60.1	13.7	24.2	18.4	31.1	25.1	4.1	3.6	14.0	15.4
Laxmi Dental	Buy	314	400	27	8.8	12.2	15.0	84.4	38.5	23.6	35.8	25.8	6.7	5.3	20.7	23.0
Laurus Labs	Buy	955	1110	16	13.4	16.8	19.6	131.5	25.0	16.8	71.0	56.8	9.9	8.6	14.7	16.2
Lupin	Neutral	1964	2040	4	95.1	97.3	99.8	32.7	2.4	2.6	20.7	20.2	4.0	3.4	21.9	18.2
Mankind Pharma	Buy	2382	2930	23	44.9	60.9	73.8	-10.1	35.6	21.2	53.0	39.1	6.2	5.6	12.3	15.0
Max Healthcare	Buy	1148	1350	18	18.7	24.3	25.6	23.6	30.1	5.5	61.5	47.2	9.2	7.8	16.0	17.8
Piramal Pharma	Buy	200	230	15	0.9	2.3	5.2	38.0	143.1	124.2	210.4	86.5	2.9	2.8	1.5	3.6
Rubicon Research	Buy	618	740	20	13.1	17.8	24.0	60.4	35.9	34.7	47.2	34.7	8.5	7.0	24.7	22.0
Sun Pharma	Buy	1690	1900	12	51.1	59.5	66.2	8.5	16.3	11.3	33.1	28.4	4.9	4.3	15.9	16.3
Torrent Pharma	Neutral	3559	3580	1	69.9	84.5	104.1	20.9	21.0	23.1	50.9	42.1	6.6	5.5	28.3	28.6
Zydus Lifesciences	Neutral	975	1020	5	45.1	42.8	47.1	-2.0	-5.2	10.2	21.6	22.8	3.5	3.1	17.5	14.4



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Aggregate																
Infrastructure																
G R Infraproject	Buy	1166	1433	23	79.9	101.1	116.5	7.0	26.4	15.2	14.6	11.5	1.3	1.2	9.3	10.7
IRB Infra	Neutral	45	45	0	2.2	2.8	3.9	92.9	27.6	39.7	20.7	16.3	1.3	1.2	6.4	7.7
KNR Constructions	Neutral	181	210	16	8.7	14.4	15.1	-38.2	65.9	5.2	20.9	12.6	1.2	1.1	6.0	9.2
Aggregate																
Logistics																
Adani Ports	Buy	1451	1700	17	62.7	73.1	82.0	24.9	16.6	12.2	23.2	19.9	4.2	3.6	19.9	19.6
Blue Dart Express	Buy	6573	7200	10	134.1	201.1	215.8	30.1	49.9	7.4	49.0	32.7	8.3	6.8	18.2	22.8
Concor	Buy	545	670	23	18.3	22.8	26.4	7.5	24.4	16.1	29.8	24.0	3.1	2.9	10.9	12.6
Delhivery	Buy	466	540	16	4.8	6.1	8.0	115.6	25.0	32.9	96.3	77.1	3.6	3.4	3.8	4.5
JSW Infra	Buy	290	360	24	7.5	8.9	12.6	7.3	18.6	42.1	38.7	32.7	5.5	4.8	15.3	15.8
Mahindra Logistics	Neutral	353	330	-7	2.5	17.2	22.3	-149.9	595.7	29.3	142.5	20.5	2.9	2.6	3.3	13.4
Transport Corp.	Buy	1201	1500	25	61.5	66.9	76.2	14.9	8.8	14.0	19.5	18.0	3.6	3.1	19.8	18.2
TCI Express	Neutral	677	730	8	26.1	33.2	36.3	16.5	27.4	9.1	25.9	20.4	3.1	2.8	12.5	14.4
VRL Logistics	Buy	281	350	25	12.6	14.8	16.5	20.6	17.4	11.6	22.2	19.0	4.0	3.8	19.2	20.6
Aggregate																
Media																
PVR Inox	Neutral	1207	1245	3	25.1	31.0	39.3	-262.6	23.6	26.5	48.1	38.9	1.6	1.6	3.4	4.1
Sun TV	Neutral	562	645	15	43.4	44.4	46.3	0.0	2.2	4.2	12.9	12.7	1.8	1.6	13.7	12.9
Zee Ent.	Neutral	101	100	-1	6.3	7.5	8.8	-22.8	18.6	17.1	15.9	13.4	0.8	0.8	5.2	5.9
Aggregate																
Metals																
Coal India	Buy	389	440	13	51.3	57.7	60.3	-10.6	12.4	4.6	7.6	6.7	2.1	1.8	27.6	27.0
Hindalco	Buy	848	890	5	69.2	74.0	80.2	-7.6	7.0	8.3	12.3	11.4	1.7	1.5	14.8	13.9
Hind. Zinc	Neutral	476	510	7	27.5	32.2	35.1	11.3	17.3	8.8	17.3	14.8	10.1	7.1	70.0	56.4
JSPL	Buy	1067	1240	16	58.8	87.1	97.9	41.9	48.1	12.5	18.2	12.3	2.1	1.8	12.1	15.8
JSW Steel	Buy	1206	1350	12	44.2	72.4	89.9	184.0	63.7	24.2	27.3	16.7	3.3	2.8	12.8	18.0
Jindal Stainless	Buy	754	875	16	36.4	44.7	49.2	19.2	23.0	10.0	20.7	16.9	3.2	2.7	15.4	16.2
Nalco	Neutral	234	230	-2	19.1	19.4	20.1	-33.3	1.3	3.6	12.2	12.1	2.1	1.8	18.3	16.1
NMDC	Buy	76	88	16	8.6	9.5	10.2	15.8	10.4	7.3	8.8	8.0	1.9	1.6	23.5	22.2
SAIL	Neutral	137	150	9	8.4	13.2	14.2	158.3	57	8.0	16.4	10.4	0.9	0.9	5.7	8.5
Tata Steel	Buy	183	210	15	9.2	14.2	15.6	174.9	54	9.7	19.8	12.9	2.3	2.0	12.1	16.5
Vedanta	Neutral	494	540	9	41.6	46.8	54.5	19.8	12	16.5	11.9	10.5	4.1	3.4	36.7	34.8
Aggregate																
Oil & Gas																
Aegis Logistics	Neutral	751	725	-3	22.0	24.1	25.5	16.3	9.7	5.7	34.1	31.1	5.1	4.6	15.8	15.7
BPCL	Neutral	357	395	11	49.1	37.5	31.3	54.2	-23.6	-16.5	7.3	9.5	1.6	1.4	23.3	15.4
Castrol India	Buy	195	251	29	9.5	9.6	10.3	1.2	1.4	7.3	20.6	20.3	7.8	7.3	39.5	37.1
GAIL	Buy	183	205	12	13.9	14.9	16.0	-3.3	7.2	7.4	13.2	12.3	1.5	1.4	12.4	12.2
Gujarat Gas	Buy	407	500	23	16.3	18.8	21.7	-1.8	15.1	15.6	24.9	21.7	3.0	2.8	12.7	13.5
Gujarat St. Pet.	Neutral	310	327	6	12.9	13.6	14.3	-10.2	5.6	5.3	24.1	22.8	1.5	1.5	6.6	6.6
HPCL	Buy	476	590	24	78.6	63.5	46.6	148.3	-19.2	-26.6	6.1	7.5	1.6	1.4	29.3	19.9
IOC	Neutral	166	152	-8	18.6	14.6	10.6	140.0	-21.7	-27.2	8.9	11.4	1.1	1.0	13.1	9.4
IGL	Buy	212	250	18	10.9	12.8	13.8	3.8	17.9	7.6	19.5	16.5	2.9	2.6	15.6	16.7
Mahanagar Gas	Buy	1274	1700	33	98.5	102.8	113.8	-7.3	4.4	10.7	12.9	12.4	1.9	1.8	15.7	15.0
Oil India	Neutral	433	426	-2	32.7	32.0	28.4	-12.9	-2.4	-11.1	13.2	13.6	1.4	1.3	11.3	10.2
ONGC	Neutral	255	240	-6	31.0	32.0	32.6	1.4	3.1	2.0	8.2	8.0	0.9	0.8	10.9	10.5
PLNG	Buy	281	400	42	24.3	30.9	26.3	-7.1	27.1	-15.0	11.6	9.1	2.0	1.7	17.8	20.1
Reliance Ind.	Buy	1487	1700	14	55.6	61.2	67.8	8.0	10.1	10.8	26.7	24.3	2.2	2.0	8.6	8.7
Aggregate																
Real Estate																
Anant Raj	Buy	644	831	29	14.7	13.0	31.9	18.2	-11.5	146.1	43.9	49.6	4.8	4.4	10.8	8.8
Brigade Enterpr.	Buy	1039	1494	44	38.1	54.0	78.1	35.9	41.7	44.6	27.2	19.2	3.9	3.3	15.3	18.4
DLF	Buy	756	1002	33	17.4	17.3	18.1	-1.5	-0.6	4.5	43.5	43.7	2.9	2.7	9.7	8.9



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Godrej Propert.	Buy	2290	2843	24	82.3	80.0	126.4	78.4	-2.8	57.9	27.8	28.6	3.5	3.1	13.4	11.5
Kolte Patil Dev.	Buy	427	514	20	41.6	38.6	78.6	196.7	-7.2	103.8	10.3	11.1	2.3	1.9	30.2	19.1
Oberoi Realty	Neutral	1779	1779	0	78.8	99.7	109.3	28.7	26.6	9.6	22.6	17.8	3.5	3.0	16.9	18.2
Lodha Developers	Buy	1198	1888	58	37.0	40.6	43.1	33.6	9.8	6.2	32.4	29.5	5.1	4.4	16.9	16.0
Mahindra Lifespace	Neutral	386	-		2.7	12.8	15.1	-32.4	380.6	17.6	144.4	30.0	2.4	2.3	2.2	7.8
SignatureGlobal	Buy	1084	1760	62	55.7	125.3	184.8	674.8	124.7	47.5	19.5	8.7	10.1	4.7	70.0	73.6
Sri Lotus	Buy	182	250	37	6.1	12.0	15.8	30.5	97.7	31.6	30.0	15.2	4.5	3.5	20.5	26.0
Sunteck Realty	Buy	442	574	30	9.4	8.4	15.8	-8.5	-10.5	88.5	47.1	52.7	1.9	1.9	4.1	3.6
Sobha	Buy	1618	1877	16	33.7	50.6	72.4	281.0	49.9	43.2	48.0	32.0	3.5	3.2	7.6	10.5
Prestige Estates	Buy	1745	2038	17	27.5	32.1	35.7	116.0	16.6	11.3	63.5	54.4	4.3	4.0	6.9	7.5
Phoenix Mills	Buy	1679	2003	19	46.1	50.2	69.5	67.4	9.0	38.3	36.4	33.4	5.0	4.4	14.7	14.0
<b>Aggregate</b>								<b>38.6</b>	<b>17.0</b>	<b>26.4</b>	<b>35.0</b>	<b>29.9</b>	<b>4.2</b>	<b>3.7</b>	<b>11.9</b>	<b>12.3</b>
<b>Retail</b>																
Aditya Birla Fashion	Neutral	82	95	16	-5.0	-5.0	-4.0	-18.4	Loss	Loss	NM	NM	1.3	1.5	-9.4	-10.3
Aditya Birla Lifestyle	Neutral	134	150	12	2.0	2.3	2.6	55.0	13.8	12.0	66.6	58.5	10.7	9.1	17.5	16.8
Avenue Supermarts	Buy	4152	5000	20	45.0	53.9	64.8	8.1	19.9	20.2	92.3	77.0	11.1	9.7	12.8	13.4
United Foodbrands	Neutral	204	265	30	-8.1	-7.6	-7.1	16.6	Loss	Loss	NM	NM	2.4	2.6	-9.5	-9.9
Bata India	Neutral	1072	985	-8	16.3	21.4	25.6	-16.1	31.3	19.9	65.8	50.1	8.3	7.6	12.9	15.8
Campus Activewe.	Buy	279	315	13	4.8	6.2	7.8	20.1	29.5	27.1	58.8	45.4	9.8	8.3	16.7	18.3
Devyani Intl.	Buy	162	200	24	0.3	1.4	2.3	62.5	369.2	63.9	532.4	113.5	29.7	35.8	4.2	28.6
Go Fashion (I)	Buy	646	912	41	16.2	21.2	24.4	-6.3	31.0	14.9	39.9	30.4	4.6	4.1	10.8	12.6
Jubilant Food.	Neutral	598	700	17	5.8	8.2	10.8	62.1	41.3	32.5	103.4	73.2	19.0	18.7	18.4	25.5
Kalyan Jewellers	Buy	510	650	27	11.1	13.6	16.2	41.9	22.7	19.1	45.9	37.4	9.3	8.1	21.9	23.1
Metro Brands	Buy	1127	1400	24	14.9	17.8	20.9	6.9	19.1	17.7	75.6	63.5	15.2	13.1	22.1	22.8
P N Gadgil Jewellers	Buy	649	825	27	23.8	29.0	35.4	36.6	21.9	22.1	27.3	22.4	4.7	3.9	18.8	19.0
Raymond Lifestyle	Buy	1182	1405	19	35.2	54.5	66.7	113.5	54.6	22.5	33.6	21.7	0.7	0.7	4.8	7.1
Restaurant Brand	Buy	67	120	79	-3.2	-1.4	-0.2	-19.6	Loss	Loss	NM	NM	5.5	6.3	-23.4	-12.4
Relaxo Footwear	Sell	436	400	-8	8.3	9.4	10.6	21.6	12.8	12.9	52.4	46.4	4.8	4.5	9.5	10.0
Sapphire Foods	Buy	286	350	22	-0.3	2.0	3.1	-128.6	LP	54.6	NM	141.9	6.6	6.3	-0.7	4.6
Senco Gold	Neutral	325	385	19	17.2	18.4	22.7	38.9	6.9	23.5	18.9	17.7	2.4	2.1	13.4	12.8
Shoppers Stop	Neutral	514	520	1	1.4	-0.4	-1.3	127.4	PL	Loss	369.3	NM	12.1	12.2	4.4	-1.3
Titan Company	Buy	3745	4150	11	55.1	65.5	77.7	30.4	18.8	18.6	67.9	57.2	22.1	17.4	36.8	34.1
Trent	Buy	4694	6315	35	49.7	57.8	64.6	15.2	16.1	11.8	94.3	81.2	22.2	17.6	28.3	25.8
Vedant Fashions	Neutral	648	725	12	16.3	17.2	18.6	1.6	5.6	8.1	39.8	37.7	8.2	7.4	19.9	18.9
Vishal Mega Mart	Buy	145	170	18	1.8	2.3	2.8	30.6	27.5	24.1	80.5	63.2	9.2	8.1	12.2	13.6
V-Mart Retail	Buy	829	1055	27	13.7	22.5	33.1	429.1	64.2	46.9	60.4	36.8	7.2	6.0	12.6	17.7
Westlife Foodworld	Neutral	595	750	26	1.1	4.2	7.6	41.5	280.1	80.0	537.2	141.3	14.5	13.2	2.8	9.8
<b>Aggregate</b>								<b>28.4</b>	<b>24.3</b>	<b>21.7</b>	<b>79.3</b>	<b>64.9</b>	<b>11.2</b>	<b>10.1</b>	<b>14.2</b>	<b>15.5</b>
<b>Technology</b>																
Cyient	Sell	1162	1050	-10	60.7	75.5	93.6	9.5	24.4	24.1	19.2	15.4	2.3	2.2	11.4	13.5
HCL Tech.	Buy	1541	1800	17	65.9	73.6	77.0	3.2	11.6	4.6	23.4	20.9	6.1	6.2	25.8	29.3
Hexaware Tech.	Buy	688	900	31	23.9	27.8	32.0	24.1	16.0	15.4	28.7	24.8	6.9	6.0	25.8	26.3
Infosys	Neutral	1483	1650	11	69.1	72.4	76.7	8.4	4.7	5.9	21.4	20.5	6.4	6.4	29.9	31.3
KPIT Technologies	Buy	1167	1500	29	29.8	37.2	45.6	2.6	24.7	22.7	39.1	31.4	9.0	7.6	25.4	26.5
LTI Mindtree	Buy	5686	6650	17	185.8	207.1	234.1	19.6	11.5	13.0	30.6	27.5	6.5	5.7	22.6	22.1
L&T Technology	Neutral	4120	4400	7	128.4	154.6	176.6	7.9	20.4	14.2	32.1	26.6	6.3	5.5	20.9	21.9
Mphasis	Neutral	2763	2900	5	100.3	111.2	124.8	12.4	10.9	12.2	27.6	24.8	5.1	4.7	19.1	19.6
Coforge	Buy	1780	2400	35	44.7	58.7	74.3	77.3	31.4	26.5	39.8	30.3	8.3	7.3	17.4	20.7
Persistent Sys	Buy	5914	6550	11	119.1	147.0	172.7	32.0	23.4	17.5	49.7	40.2	12.4	10.4	27.1	28.3
TCS	Buy	3058	3500	14	141.8	149.5	156.1	5.6	5.5	4.4	21.6	20.5	11.2	10.8	53.1	53.8
Tata Elxsi	Sell	5457	4400	-19	105.4	136.6	156.3	-16.4	29.6	14.4	51.8	40.0	10.3	9.3	21.3	24.5
Tata Technologies	Sell	692	570	-18	16.8	19.8	22.5	1.4	17.7	13.5	41.2	35.0	7.0	6.6	18.0	19.4
Tech Mah	Buy	1425	1900	33	60.1	78.0	86.3	25.3	29.8	10.7	23.7	18.3	4.5	4.3	19.2	24.1
Wipro	Sell	241	200	-17	12.5	12.6	13.1	-0.2	1.2	3.6	19.3	19.0	3.0	2.9	15.7	15.6
Zensar Tech	Neutral	798	730	-8	31.7	34.1	36.5	11.8	7.4	7.2	25.1	23.4	4.1	3.8	17.2	17.0



		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
Company	Reco	(INR)	(INR)	Downside	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Aggregate								7.3	8.2	6.6	23.3	21.5	6.8	6.5	29.1	30.4
Telecom																
Bharti Airtel	Buy	2055	2285	11	48.9	65.3	86.1	61.4	33.5	31.9	42.0	31.5	8.7	6.7	23.0	26.2
Bharti Hexacom	Neutral	1859	1900	2	38.0	54.8	71.9	48.4	44.0	31.3	48.9	34.0	12.7	10.2	28.7	33.4
Indus Towers	Neutral	364	390	7	25.9	30.1	30.3	41.3	15.9	0.8	14.0	12.1	2.5	2.4	19.0	19.8
Vodafone Idea	Neutral	9	10	15	-2.5	-2.4	-2.0	-35.8	Loss	Loss	NM	NM	-0.5	-0.3	NM	NM
Tata Comm	Neutral	1876	1750	-7	42.0	61.5	75.3	46.0	46.6	22.5	44.7	30.5	15.6	11.7	37.1	44
Aggregate								LP	124.2	69.6	137	61	12.9	11.4	9.5	18.7
Utilities																
Acme Solar	Buy	282	370	31	9.0	10.7	24.5	99.8	18.3	129.9	31.3	26.4	3.4	3.0	11.4	12.1
Indian Energy Exchange	Neutral	139	150	8	5.3	5.4	5.8	13.1	3.4	6.4	26.4	25.6	9.6	8.4	39.4	35.1
Inox Wind	Buy	155	168	8	3.9	6.6	7.4	11.0	69.8	12.7	39.9	23.5	4.7	3.9	12.5	18.1
JSW Energy	Buy	528	655	24	10.9	15.3	23.8	1.8	41.0	55.3	48.6	34.5	3.2	2.9	6.7	8.8
NTPC	Neutral	337	372	10	22.5	27.7	31.1	8.4	23.0	12.3	14.9	12.2	1.7	1.6	11.9	13.4
Power Grid Corpn	Buy	288	346	20	18.7	19.8	20.8	12.2	5.8	4.8	15.4	14.6	2.7	2.5	18.1	17.8
Suzlon Energy	Buy	59	80	35	1.3	2.3	2.4	17.6	78.0	6.5	46.8	26.3	10.3	7.4	24.9	32.9
Tata Power Co.	Buy	405	480	19	13.4	17.5	20.3	9.2	31.1	16.0	30.3	23.1	3.3	2.9	11.4	13
Aggregate								10.8	20.6	13.2	19	16	2.5	2.3	12.8	14.1
Others																
APL Apollo Tubes	Buy	1792	2100	17	42.0	54.9	64.5	54.0	30.6	17.3	42.6	32.6	9.5	7.6	24.8	25.9
Astral	Buy	1449	1600	10	21.2	28.6	34.3	8.6	35.4	19.6	68.5	50.6	7.2	6.2	14.8	17.6
Cello World	Buy	654	700	7	16.3	22.1	25.2	6.5	35.1	14.2	40.0	29.6	5.5	4.8	14.4	17.8
Coromandel Intl	Buy	2125	2800	32	78.6	100.8	114.0	28.3	28.2	13.2	27.0	21.1	4.8	4.0	19.2	20.8
Dreamfolks Services	Buy	129	160	25	14.6	17.7	0.0	22.3	21.3	-100.0	8.8	7.3	1.8	1.4	23.4	22.5
EPL	Buy	202	280	39	13.8	16.7	19.4	21.7	21.5	15.7	14.6	12.0	2.4	2.1	17.6	18.9
Eternal	Buy	318	410	29	0.8	2.7	5.6	32.2	246.9	107.7	408.7	117.8	9.2	8.5	2.3	7.5
Godrej Agrovet	Buy	662	900	36	27.1	35.2	39.6	21.1	30.0	12.5	24.4	18.8	7.2	5.7	25.1	33.7
Gravita India	Buy	1668	2200	32	55.3	72.3	90.1	30.7	30.7	24.7	30.2	23.1	5.0	4.1	18.0	19.5
Indiamart Inter.	Buy	2457	2900	18	81.9	93.7	109.1	-10.6	14.3	16.4	30.0	26.2	5.7	5.0	20.7	20.3
Indian Hotels	Buy	742	880	19	13.1	15.9	17.7	13.8	21.6	11.0	56.6	46.5	8.2	7.0	15.5	16.2
Info Edge	Neutral	1379	1450	5	16.2	19.3	20.3	35.8	19.4	5.2	85.2	71.4	3.1	3.1	3.7	4.3
Interglobe	Buy	5623	7290	30	222.1	246.4	276.2	18.1	10.9	12.1	25.3	22.8	12.4	8.2	64.2	43.4
Kajaria Ceramics	Buy	1207	1451	20	33.6	38.4	44.6	91.4	14.2	16.2	35.9	31.5	6.2	5.5	17.3	17.6
Lemon Tree Hotel	Buy	166	195	18	3.5	4.4	4.9	39.3	26.0	13.2	47.9	38.0	9.1	7.4	21.1	21.4
MTAR Tech	Buy	2547	2250	-12	33.2	54.7	72.4	92.9	64.9	32.3	76.8	46.6	9.4	7.8	13.1	18.4
One 97	Neutral	1303	1025	-21	9.8	19.0	26.6	-194.0	94.1	39.8	132.9	68.5	5.5	5.5	4.2	8.1
Prince Pipes	Buy	320	420	31	8.0	13.9	19.5	104.0	73.3	41.0	40.0	23.1	0.9	0.8	5.5	8.9
Qess Corp	Neutral	239	280	17	14.8	16.7	19.2	-2.4	12.9	14.7	16.2	14.3	2.9	3.4	21.8	28.5
SBI Cards	Neutral	878	1000	14	24.8	35.4	43.7	22.9	42.8	23.7	35.5	24.8	5.3	4.4	15.9	19.3
Safari Inds.	Buy	2128	2700	27	42.7	50.0	59.1	46.3	17.0	18.3	49.8	42.6	9.1	7.6	20.0	19.5
SIS	Buy	334	430	29	31.5	37.3	42.6	43.0	18.4	14.3	10.6	8.9	0.8	0.7	17.3	17.2
Supreme Inds.	Buy	3812	4850	27	78.5	107.8	129.6	3.8	37.2	20.3	48.5	35.4	7.8	6.8	16.8	20.5
Swiggy	Buy	410	550	34	-17.2	-8.7	3.8	26.3	Loss	LP	NM	NM	13.2	16.0	-45.5	-30.9
Team Lease Serv.	Buy	1681	2050	22	93.9	111.6	130.3	44.8	18.8	16.7	17.9	15.1	2.7	2.3	14.9	15.2
Time Technoplast	Buy	215	289	34	10.6	13.1	16.0	24.4	23.7	21.7	20.3	16.4	2.9	2.6	15.5	16.7
Updater Services	Buy	237	310	31	20.3	22.9	24.5	14.2	13.2	6.9	11.7	10.3	1.4	1.3	13.0	12.9
UPL	Neutral	720	679	-6	38.4	57.1	64.0	53.5	48.7	12.0	18.7	12.6	1.2	1.1	9.8	13.5
VIP Inds.	Buy	407	530	30	2.4	9.3	13.4	-145.4	288.2	44.9	170.4	43.9	8.9	7.4	5.4	18.3
VA Tech Wabag	Buy	1414	1900	34	61.3	73.1	87.8	28.7	19.2	20.2	23.1	19.4	3.5	3.0	15.3	15.7



Index	1 Day (%)	1M (%)	12M (%)
<b>Sensex</b>	-0.6	4.6	5.7
<b>Nifty-50</b>	-0.6	4.5	6.3
<b>Nifty Next 50</b>	-0.4	2.9	-0.1
<b>Nifty 100</b>	-0.6	4.2	5.2
<b>Nifty 200</b>	-0.5	4.5	5.5
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>	-0.1	1.0	14.0
Amara Raja Ener.	-1.2	1.6	-27.7
Apollo Tyres	-0.3	6.0	-0.7
Ashok Leyland	0.5	-0.8	36.0
Bajaj Auto	-0.3	2.5	-9.6
Balkrishna Inds	-2.0	-0.7	-19.7
Bharat Forge	0.6	9.3	-6.1
Bosch	0.1	-2.4	6.0
CEAT	-1.7	19.2	43.7
Craftsman Auto	0.2	-1.9	30.8
Eicher Motors	1.7	0.0	43.2
Endurance Tech.	-0.5	3.4	19.5
Escorts Kubota	2.0	9.9	1.1
Exide Inds.	-0.3	-2.3	-16.1
Happy Forgings	0.2	11.3	-5.1
Hero Motocorp	0.5	1.3	11.1
Hyundai Motor	1.0	-5.6	33.8
M & M	-0.4	1.8	27.8
CIE Automotive	-1.8	7.3	-13.0
Maruti Suzuki	-0.1	1.0	46.1
MRF	-0.4	8.0	28.6
Sona BLW Precis.	-2.1	14.8	-31.1
Motherson Sumi	-1.4	-0.2	-12.6
Motherson Wiring	-0.4	3.3	12.8
Tata Motors	-0.6	-0.4	-18.8
TVS Motor Co.	0.5	2.0	40.7
Tube Investments	-1.2	-2.4	-32.6
<b>Banks-Private</b>	-0.8	6.0	11.2
AU Small Fin. Bank	-0.3	19.8	43.0
Axis Bank	-0.5	8.9	6.3
Bandhan Bank	-8.2	-3.5	-14.1
DCB Bank	2.0	24.6	28.6
Equitas Sma. Fin	-3.7	-0.3	-18.5
Federal Bank	0.8	22.6	16.0
HDFC Bank	-1.1	3.8	13.8
ICICI Bank	-1.3	-0.2	4.1
IDFC First Bank	3.6	17.2	24.0
Indusind Bank	-0.8	8.1	-24.7
Kotak Mah. Bank	-1.6	5.5	21.4
RBL Bank	0.4	17.7	92.3
SBI Cards	-0.8	0.2	27.6
<b>Banks-PSU</b>	1.6	8.7	21.7
BOB	2.1	7.7	10.9
Canara Bank	3.1	10.7	33.5
Indian Bank	0.5	14.4	44.9
Punjab Natl.Bank	2.3	8.9	25.5
St Bk of India	0.3	7.4	14.2

Index	1 Day (%)	1M (%)	12M (%)
<b>Nifty 500</b>	-0.5	4.3	4.5
<b>Nifty Midcap 100</b>	-0.4	5.8	6.6
<b>Nifty Smallcap 100</b>	-0.5	4.7	-1.2
<b>Nifty Midcap 150</b>	-0.5	4.8	5.6
<b>Nifty Smallcap 250</b>	-0.6	3.7	-2.5
Union Bank (I)	4.5	7.3	26.9
<b>NBFCs</b>	-0.9	4.3	13.6
Aditya Birla Capital Ltd	-0.8	10.9	59.5
AAVAS Financiers	-1.8	1.0	-1.3
Bajaj Fin.	-0.9	4.4	51.4
Bajaj Housing	-0.5	0.2	-17.8
Cholaman.Inv.&Fn	-0.9	5.3	33.3
Can Fin Homes	-0.8	13.7	0.0
CreditAcc. Gram.	-3.3	5.2	45.0
Fusion Microfin.	-0.7	-5.1	-13.7
Five-Star Bus.Fi	1.6	21.6	-8.2
HDB FINANC SER	-0.4	-2.5	
Home First Finan	-1.2	-1.7	1.3
Indostar Capital	-1.2	-1.2	-12.2
IIFL Finance	-1.3	18.3	22.4
L&T Finance	1.0	8.5	85.3
LIC Housing Fin.	0.1	1.1	-9.5
MCX	1.6	18.6	41.9
M & M Fin. Serv.	0.0	14.7	19.9
Muthoot Finance	-0.4	3.3	64.7
Manappuram Fin.	-2.0	-4.0	71.6
MAS Financial Serv.	-1.0	1.1	6.2
PNB Housing	-0.7	7.5	-4.0
Power Fin.Corp.	-0.4	-1.7	-11.4
REC Ltd	-0.9	0.5	-28.3
Repco Home Fin	0.7	15.9	-11.0
Shriram Finance	1.4	21.6	19.3
Spandana Sphoort	-2.5	0.8	-35.1
Nippon Life Ind.	0.3	0.7	23.5
UTI AMC	0.0	-4.3	-6.4
Nuvama Wealth	-1.9	12.5	1.5
Prudent Corp.	-2.8	-0.9	-17.9
<b>NBFC-Non Lending</b>			
360 One	-3.5	5.5	-0.9
Aditya AMC	-1.9	-3.7	-4.1
Anand Rathi Wea.	-1.6	9.3	49.8
Angel One	-0.8	16.9	-18.3
BSE	1.5	21.5	66.5
C D S L	-1.7	8.8	2.7
Cams Services	-0.4	4.9	-11.3
HDFC AMC	0.3	-2.8	25.1
KFin Technolog.	-1.3	4.4	9.8
MCX	1.6	18.6	41.9
N S D L	-1.2	-4.1	
Nippon Life Ind.	0.3	0.7	23.5
Nuvama Wealth	-1.9	12.5	1.5
Prudent Corp.	-2.8	-0.9	-17.9
UTI AMC	0.0	-4.3	-6.4



Company	1 Day (%)	1M (%)	12M (%)
<b>Insurance</b>			
HDFC Life Insur.	-2.0	-3.3	1.6
ICICI Pru Life	-1.5	-0.7	-20.2
ICICI Lombard	-0.6	5.9	4.4
Life Insurance	-0.7	-0.6	-3.1
Max Financial	-0.7	-1.9	20.5
Niva Bupa Health	0.3	-8.3	
SBI Life Insuran	-0.6	9.2	20.6
Star Health Insu	2.8	10.7	-1.9
<b>Chemicals</b>			
Alkyl Amines	-1.5	-3.0	-11.2
Atul	-0.7	-4.7	-26.4
Clean Science	-0.6	-8.2	-33.9
Deepak Nitrite	-0.7	-5.8	-34.4
Ellen.Indl.Gas	-0.4	-1.4	
Fine Organic	-0.4	-0.8	-8.9
Galaxy Surfact.	-0.3	1.1	-24.0
Navin Fluor.Intl.	14.3	23.1	70.8
NOCIL	-0.8	6.2	-35.8
P I Inds.	-0.5	1.8	-20.3
SRF	-1.7	3.8	30.6
Tata Chemicals	-1.1	-3.2	-22.5
Vinati Organics	-2.5	-4.8	-16.3
<b>Capital Goods</b>	<b>0.4</b>	<b>3.1</b>	<b>1.9</b>
A B B	-1.1	0.7	-29.7
Bharat Dynamics	1.0	2.5	41.0
Bharat Electron	4.0	5.5	49.6
Cummins India	-0.9	10.6	24.1
Hind.Aeronautics	0.6	-1.4	10.2
Hitachi Energy	-0.9	-1.2	28.6
K E C Intl.	-0.8	-6.3	-17.0
Kalpataru Proj.	-0.5	0.1	-1.4
Kirloskar Oil	-1.6	8.8	-12.8
Larsen & Toubro	1.1	10.2	11.3
Siemens	-1.0	-1.1	-10.7
Siemens Ener	-0.7	-7.2	
Thermax	-1.2	1.5	-34.6
Triveni Turbine	1.3	3.2	-22.6
Zen Technologies	-1.4	-5.3	-28.0
<b>Cement</b>			
Ambuja Cem.	-0.4	-0.8	-2.6
ACC	1.2	3.1	-18.9
Birla Corp.	-1.4	-3.3	0.9
Dalmia Bhar.	-0.1	-5.9	14.4
Grasim Inds.	-2.0	4.9	7.3
India Cem	0.5	4.6	10.4
JSW Cement	0.4	-1.1	
J K Cements	-0.2	-1.1	44.2
JK Lakshmi Cem.	-0.2	1.5	7.4
The Ramco Cement	-1.0	6.0	17.8
Shree Cement	-1.5	-3.3	12.9
UltraTech Cem.	-0.9	-2.3	8.0

Company	1 Day (%)	1M (%)	12M (%)
<b>Consumer</b>	<b>-0.2</b>	<b>2.7</b>	<b>-5.1</b>
Asian Paints	-0.5	6.8	-14.5
Britannia Inds.	-0.2	-2.4	2.1
Colgate-Palm.	-0.5	0.9	-26.8
Dabur India	-2.8	-0.8	-9.7
Emami	-1.5	-0.7	-24.0
Godrej Consumer	0.5	-4.1	-12.8
Hind. Unilever	-0.2	-1.9	-2.5
ITC	0.4	4.7	-9.1
Indigo Paints	-1.1	-5.0	-39.2
Jyothy Lab.	-1.7	-0.2	-39.4
L T Foods	0.8	3.6	7.7
Marico	0.1	3.5	12.8
Nestle India	-0.6	10.3	12.4
Page Industries	0.6	1.3	-4.5
Pidilite Inds.	-2.8	-1.6	-8.2
P & G Hygiene	-0.5	-5.6	-17.1
Radico Khaitan	-0.4	8.4	31.6
Tata Consumer	-1.0	3.2	16.2
United Breweries	0.4	-0.2	-6.5
United Spirits	2.6	8.1	-1.2
Varun Beverages	-3.2	5.8	-21.4
<b>Consumer Durables</b>	<b>-0.7</b>	<b>5.0</b>	<b>-0.2</b>
Havells	-0.8	-0.5	-8.8
KEI Industries	-1.9	-0.7	-0.5
LG Electronics	0.4		
Polycab India	-1.8	5.7	18.9
R R Kabel	0.1	11.8	-6.4
Voltas	-2.5	2.2	-16.1
<b>EMS</b>			
Amber Enterp.	-0.6	-0.6	33.0
Avalon Tech	-0.9	18.0	100.3
Cyient DLM	-2.0	7.2	-29.9
Data Pattern	1.3	7.6	13.4
Dixon Technolog.	-1.0	-5.1	10.2
Kaynes Tech	-1.4	-4.9	23.2
Syrma SGS Tech.	-1.1	6.0	57.1
<b>Healthcare</b>	<b>-0.6</b>	<b>3.4</b>	<b>-2.5</b>
Ajanta Pharma	0.1	2.6	-19.4
Alembic Pharma	-0.2	-0.3	-20.4
Alkem Lab	-0.6	1.2	-5.0
Apollo Hospitals	-1.4	3.7	9.4
Aurobindo	3.3	5.1	-18.4
Biocon	-1.2	9.1	17.7
Blue Jet Health	1.4	4.2	38.8
Cipla	-2.5	-0.1	-3.3
Divis Lab	1.2	18.4	14.4
Dr Agarwals Health	-2.4	-0.2	
Dr Reddy's	-0.4	-2.1	-6.0
ERIS Lifescience	-1.7	0.4	20.3
Gland Pharma	1.2	-3.1	16.8
Glenmark	0.4	-3.1	11.6
Global Health	-4.5	-0.2	18.6
Granules	-1.5	9.4	-0.7



Company	1 Day (%)	1M (%)	12M (%)
GSK Pharma	-0.1	-1.5	-3.5
IPCA Labs	-1.4	-5.1	-20.0
Laurus Labs	-1.7	13.3	94.1
Laxmi Dental	-0.8	-3.4	
Lupin	1.2	3.1	-9.9
Mankind Pharma	-2.6	-2.1	-10.6
Max Healthcare	-2.6	3.0	12.8
Piramal Pharma	-1.1	4.4	-25.6
Rubicon Research	1.4		
Sun Pharma	-0.7	6.0	-8.6
Torrent Pharma	-1.5	-1.6	10.8
Zydus Lifesci.	-1.2	-0.8	-2.7
<b>Infrastructure</b>	<b>-0.4</b>	<b>6.2</b>	<b>8.4</b>
G R Infraproject	-1.6	-4.8	-28.2
IRB Infra.Devl.	0.4	8.7	-13.6
KNR Construct.	-1.6	-8.6	-39.0
<b>Logistics</b>			
Adani Ports	-0.4	3.4	5.5
Blue Dart Exp.	-1.8	15.2	-19.3
Delhivery	-2.0	3.5	30.8
Container Corp.	-0.8	3.7	-19.5
JSW Infrast	-1.9	-8.1	-8.0
Mahindra Logis.	-2.7	2.9	-5.4
Transport Corp.	-0.4	1.6	11.1
TCI Express	0.3	-7.5	-30.2
VRL Logistics	3.7	2.4	0.2
<b>Media</b>	<b>-1.3</b>	<b>-0.3</b>	<b>-23.8</b>
PVR INOX	-2.8	12.2	-23.2
Sun TV	-1.0	7.3	-25.3
Zee Ent.	-1.3	-10.5	-17.7
<b>Metals</b>	<b>-1.1</b>	<b>5.7</b>	<b>13.8</b>
Hindalco	-1.6	11.3	23.6
Hind. Zinc	-0.2	-1.2	-13.9
JSPL	-0.3	0.3	15.9
JSW Steel	-0.3	5.5	25.1
Jindal Stainless	-3.7	2.2	11.6
Nalco	-1.7	9.5	3.0
NMDC	-0.1	-0.7	2.5
SAIL	-0.1	1.8	18.2
Tata Steel	-0.8	8.3	23.1
Vedanta	-2.6	6.0	6.4
<b>Oil &amp; Gas</b>	<b>0.2</b>	<b>6.4</b>	<b>4.3</b>
Aegis Logistics	-2.6	-2.0	-6.3
BPCL	-0.2	5.0	14.8
Castrol India	-0.6	-2.3	-7.3
GAIL	-0.2	3.7	-8.6
Gujarat Gas	-1.0	-5.2	-21.5
Gujarat St. Pet.	-0.9	0.0	-20.5
HPCL	1.3	7.4	25.0
IOCL	1.5	10.8	16.3
IGL	0.0	1.6	0.9
Mahanagar Gas	0.4	-1.4	-11.4
Oil India	-0.3	4.7	-8.1
ONGC	0.3	6.6	-4.1

Company	1 Day (%)	1M (%)	12M (%)
PLNG	-0.3	0.9	-15.5
Reliance Ind.	-0.1	9.0	11.6
<b>Real Estate</b>	<b>-0.4</b>	<b>9.2</b>	<b>-5.2</b>
Anant Raj	0.2	-7.7	-13.0
Brigade Enterpr.	-0.1	15.8	-12.0
DLF	-2.6	6.1	-7.8
Godrej Propert.	-0.5	16.2	-20.4
Kolte Patil Dev.	-1.0	-1.6	16.2
Mahindra Life.	0.5	9.2	-15.1
Macrotech Devel.	2.3	5.5	-0.7
Oberoi Realty Ltd	1.6	12.4	-9.6
SignatureGlobal	-1.1	2.9	-20.5
Sri Lotus	-0.9	-3.6	
Sobha	2.7	5.0	1.9
Suntech Realty	-2.6	6.6	-19.9
Phoenix Mills	-0.8	8.7	11.0
Prestige Estates	-0.6	15.5	6.6
<b>Retail</b>			
Aditya Bir. Fas.	-1.6	-3.4	-27.3
A B Lifestyle	-0.7	0.5	
Avenue Super.	-0.2	-7.2	5.7
United Foodbrands	-1.8	-12.3	-64.2
Bata India	-0.1	-8.1	-21.0
Campus Activewe.	-0.1	3.8	-5.1
Devyani Intl.	-3.6	-3.7	-4.6
Go Fashion (I)	-1.4	-4.4	-43.3
Jubilant Food	-2.5	-3.2	3.8
Kalyan Jewellers	-0.6	12.2	-22.4
Metro Brands	-0.7	-12.5	-6.0
P N Gadgil Jewe.	-0.2	7.3	-9.5
Raymond Lifestyl	0.0	1.8	-46.5
Relaxo Footwear	-1.2	-2.2	-43.5
Restaurant Brand	-6.4	-12.7	-25.8
Sapphire Foods	-5.1	-2.6	-10.9
Senco Gold	-1.2	-5.5	-46.8
Shoppers St.	-0.9	-0.9	-23.5
Titan Co.	-0.1	11.3	14.7
Trent	-1.1	0.4	-34.1
Vedant Fashions	-3.9	-6.4	-53.9
V-Mart Retail	-1.0	16.9	-22.1
Vishal Mega Mart	-0.7	-2.9	
Westlife Food	-1.2	-13.7	-21.9
<b>Technology</b>	<b>-0.5</b>	<b>6.1</b>	<b>-11.6</b>
Cyient	-1.1	1.4	-36.7
HCL Tech.	-0.5	11.3	-12.7
Hexaware Tech.	-2.4	2.5	
Infosys	-0.8	2.8	-15.6
KPIT Technologi.	-0.4	6.3	-16.3
LTIMindtree	-0.3	10.2	-0.5
L&T Technology	0.2	0.2	-16.7
Mphasis	-4.5	4.1	-4.0
Coforge	-1.6	11.8	16.6
Persistent Sys	-0.8	22.7	10.1
TCS	0.7	5.9	-22.9



Company	1 Day (%)	1M (%)	12M (%)
Tata Technolog.	-1.1	3.4	-31.2
Tata Elxsi	-1.5	4.4	-22.3
Tech Mah	-0.7	1.7	-11.5
Wipro	-0.5	0.5	-12.8
Zensar Tech	-0.8	4.5	13.3
<b>Telecom</b>	<b>-0.9</b>	<b>7.2</b>	<b>4.0</b>
Bharti Airtel	-0.6	9.4	27.4
Indus Towers	-1.3	6.0	6.8
Idea Cellular	0.0	7.4	7.5
Tata Comm	-2.0	16.2	5.7
<b>Utilities</b>	<b>-1.0</b>	<b>3.1</b>	<b>-11.5</b>
ACME Solar Hold.	-2.4	1.7	
Coal India	0.2	-0.3	-14.0
Indian Energy Ex	-3.1	-0.1	-21.8
Inox Wind	0.3	10.6	-29.7
JSW Energy	-2.0	-0.6	-22.3
NTPC	-2.4	-1.0	-17.4
Power Grid Corpn	-1.1	2.8	-10.2
Suzlon Energy	1.4	7.7	-11.4
Tata Power Co.	-1.2	4.2	-8.0
<b>Others</b>			
APL Apollo Tubes	0.4	6.3	17.8
Astral	-1.0	6.1	-18.1
Cello World	-0.7	13.7	-21.0
Coromandel Intl	-2.3	-5.5	27.3
Dreamfolks Servi	-0.8	24.6	-71.8
EPL Ltd	0.0	-2.1	-25.6
Eternal Ltd	-3.5	-2.4	31.4
Godrej Agrovet	-0.2	-3.9	-7.0
Gravita India	-0.4	6.2	-21.4
Havells	-0.8	-0.5	-8.8
Indiamart Inter.	-0.5	4.3	-1.7
Indian Hotels	-0.6	3.4	10.1
Info Edge	-0.4	5.3	-7.4
Interglobe	-1.7	0.5	38.8
Kajaria Ceramics	-0.8	3.5	0.6
Lemon Tree Hotel	-1.7	-0.6	40.4
MTAR Technologie	3.3	37.6	52.5
One 97	-0.5	16.0	71.7
Prince Pipes	1.7	0.1	-32.3
Quess Corp	-2.6	-5.8	-32.2
Safari Inds.	-0.7	-2.4	-3.3
SIS	-1.1	-4.6	-17.1
Supreme Inds.	0.1	-9.6	-11.2
Swiggy	-1.9	-3.1	
Time Technoplast	3.5	2.6	1.7
Team Lease Serv.	-1.2	-5.7	-39.9
Updater Services	-0.6	-4.6	-42.1
UPL	-0.2	9.8	35.6
Voltas	-2.5	2.2	-16.1
V I P Inds.	-0.9	-2.4	-15.0
Va Tech Wabag	-0.2	-1.5	-20.5

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

## NOTES

Explanation of Investment Rating	
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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Nainesh Rajani

Email: [nainesh.raiani@motilaloswal.com](mailto:nainesh.raiani@motilaloswal.com)

Contact: (+65) 8328 0276

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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; [www.motilaloswal.com](http://www.motilaloswal.com).

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.: 022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	<a href="mailto:query@motilaloswal.com">query@motilaloswal.com</a>
Ms. Kumud Upadhyay	022 40548082	<a href="mailto:servicehead@motilaloswal.com">servicehead@motilaloswal.com</a>
Mr. Ajay Menon	022 40548083	<a href="mailto:am@motilaloswal.com">am@motilaloswal.com</a>
Mr. Neeraj Agarwal	022 40548085	<a href="mailto:na@motilaloswal.com">na@motilaloswal.com</a>
Mr. Siddhartha Khemka	022 50362452	<a href="mailto:po.research@motilaloswal.com">po.research@motilaloswal.com</a>

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