Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	83,311	-0.2	6.6
Nifty-50	25,510	-0.3	7.9
Nifty-M 100	59,469	-0.9	4.0
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,720	-1.1	14.3
Nasdaq	23,054	-1.9	19.4
FTSE 100	9,736	-0.4	19.1
DAX	23,734	-1.3	19.2
Hang Seng	9,356	2.1	28.3
Nikkei 225	50,884	1.3	27.5
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	64	-2.4	-14.1
Gold ($/OZ)	3,977	1.1	51.5
Cu (US$/MT)	10,652	0.2	23.1
Almn (US$/MT)	2,830	-0.8	12.0
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	88.6	0.0	3.5
USD/EUR	1.2	0.6	11.5
USD/JPY	153.1	-0.4	-2.6
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.5	-0.01	-0.2
10 Yrs AAA Corp	7.2	0.00	0.0
Flows (USD b)	**6-Nov**	**MTD**	**CYTD**
FIIs	-0.37	-0.62	-16.5
DIIs	0.60	1.72	73.7
Volumes (INRb)	**6-Nov**	**MTD***	**YTD***
Cash	1,240	1139	1068
F&O	1,20,602	3,10,630	2,30,218

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

L&T Finance: Engineering resilience and digital engagement

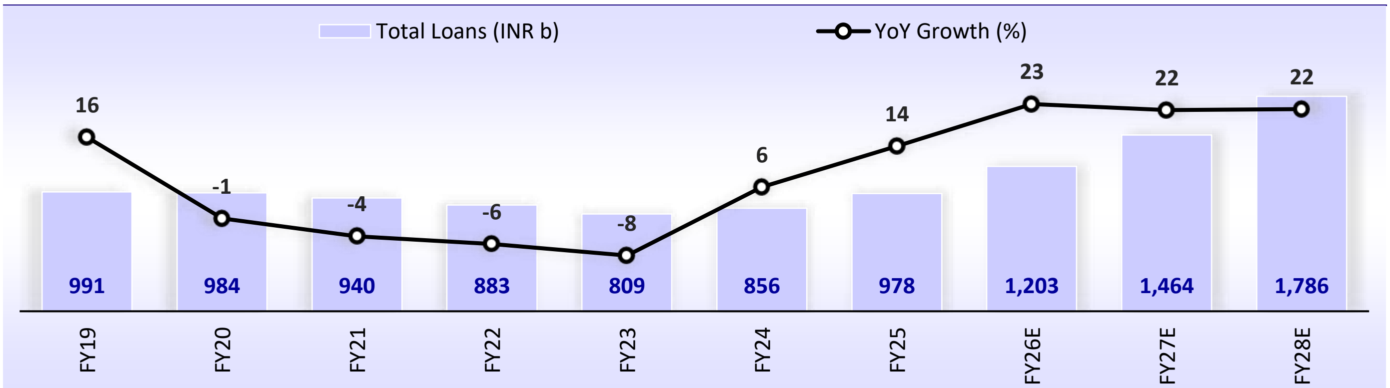
- We attended the L&T Finance (LTF) Investor Digital Day 2025, where the company showcased the progress of its digital lending model, AI-driven underwriting platform Cyclops, automated portfolio management engine Nostradamus, Planet 3.0 and Helios (AI underwriting co-pilot). The central theme was LTF's drive to become a "risk first, tech first, multi-product, retail financier of choice". The event highlighted significant achievements in core business acceleration, the scale-up of proprietary AI systems, cultural transformation, and key financial metrics, particularly strong disbursement growth and improved asset quality indicators.
- LTF indicated that its priorities over the next 12-18 months are to announce the Lakshya 2031 goals in 1QFY27, drive 20-25% risk-calibrated AUM growth, improve RoA to 2.8-3% by 4QFY27, develop the Service Intelligence layer, roll out an AI-enabled next-generation collections stack and progressively bring down credit costs toward ~2%.
- LTF can deliver a PAT CAGR of ~24% over FY25-28E, which will result in RoA/RoE of 2.7%/15% in FY28E. Reiterate our BUY rating on the stock with a TP of INR330 (based on 2.5x Sep'27E P/BV).

Research covered

Cos/Sector	Key Highlights
L&T Finance	Engineering resilience and digital engagement
Other Updates	Life Insurance | NSE | Mankind Pharma | Zydus Lifesci. | Bajaj Housing | Godrej Propert. | Aurobindo Pharma | UPL | Glaxomi. Pharma | P & G Hygiene | Astral | Piramal Pharma | Godrej Agrovet | Castrol India | Devyani Intl. | Clean Science | Prudent Corp. | Alkyl Amines | Avalon Tech. | MTAR Tech. | MAS Financ. Ser. | SIS | Fusion Fin. | TCI Express | Updater Ser. | AngelOne | Cholaman. Inv. & Fn | Cummins India | Apollo Hospitals | ABB | Lupin | Multi Comm. Exc. | Amber Enterp. | Amara Raja Ener. | JL Lakshmi Cem. | Happy Forgings | Indigo Paints

Chart of the Day: L&T Finance (Engineering resilience and digital engagement)

Total loans CAGR of ~22% over FY25-28E



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Zomato Hyperpure to shell out over ₹205 crore annually for new Bhiwandi warehouse

Zomato Hyperpure Private Ltd will pay over ₹205.8 crore annually in rent for a newly leased large-format warehousing facility in Thane district — one of the most notable logistics real estate deals in recent quarters.

2

Adani's Kutch Copper inks deal with Australia's Caravel minerals project

India's Adani Enterprises said its unit Kutch Copper Ltd (KCL) has signed a non-binding deal with Australia's Caravel Minerals to accelerate development of a copper project in Western Australia.

3

Infosys sets November 14 as record date for Rs 18,000 crore share buyback

Infosys has fixed November 14 as the record date for its Rs 18,000 crore share buyback. The buyback proposal was approved by the shareholders with overwhelming majority of 98.81%.

4

Discussions on with RBI to build big, world-class banks: FM Nirmala Sitharaman

Finance Minister Nirmala Sitharaman said that India needs large and world-class banks and that discussions are underway with the Reserve Bank of India (RBI).

5

Apple to dial up India output to $28 billion as exports rise sharply

Buoyed up by strong growth in exports during the first half (H1) of this financial year, Apple Inc, based on discussions with the government, is aiming for a production free-on-board value of $28 billion in India

6

State Bank of India board approves selling 6.3% stake in SBI Funds Management via IPO

State Bank of India, the country's largest lender by assets, on November 6 said it will sell a 6.3% stake in SBI Funds Management through an initial public offering.

L&T Finance

BSE SENSEX	S&P CNX
83,311	25,510

Bloomberg	LTF IN
Equity Shares (m)	2500
M.Cap.(INRb)/(USDb)	688.3 / 7.8
52-Week Range (INR)	284 / 129
1, 6, 12 Rel. Per (%)	4/63/82
12M Avg Val (INR M)	1260

Financials &Valuations (INR b)

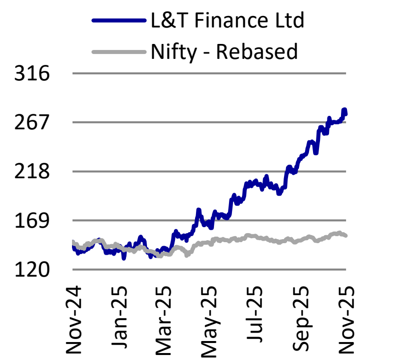
Y/E March	FY25	FY26E	FY27E
Total Income	86.7	97.5	121.3
PPP	59.6	67.5	85.9
PAT	26.4	29.8	40.2
EPS (INR)	10.6	11.9	16.1
EPS Gr. (%)	13.8	12.6	34.9
BV/Sh. (INR)	102	112	125
Ratios			
NIM (%)	9.9	9.3	9.5
C/I ratio (%)	40.1	40.0	38.0
RoAA (%)	2.4	2.3	2.6
RoE (%)	10.8	11.1	13.6
Payout (%)	26.0	26.0	25.0
Valuation			
P/E (x)	26.0	23.0	17.1
P/BV (x)	2.7	2.5	2.2
Div. Yield (%)	1.0	1.1	1.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	66.1	66.2	66.3
DII	14.3	14.1	12.3
FII	6.4	6.2	6.7
Others	13.2	13.5	14.7

FII Includes depository receipts

Stock performance (one-year)



CMP: INR275 TP: INR330 (+20%) Buy

Engineering resilience and digital engagement

Deep-dive into LTF's strategy for risk-calibrated growth and profitability

We attended the L&T Finance (LTF) Investor Digital Day 2025, where the company showcased the progress of its digital lending model, AI-driven underwriting platform Cyclops, automated portfolio management engine Nostradamus, Planet 3.0 and Helios (AI underwriting co-pilot).
Below are the key takeaways:

- The central theme was LTF's drive to become a "risk first, tech first, multi-product, retail financier of choice". The event highlighted significant achievements in core business acceleration, the scale-up of proprietary AI systems, cultural transformation, and key financial metrics, particularly strong disbursement growth and improved asset quality indicators.
- LTF demonstrated tangible improvements in credit outcomes, superior customer selection, and better risk-adjusted returns across key businesses. The company outlined strong growth momentum across retail businesses, strategic scaling of digital partnerships, full integration of the newly acquired gold loan business, and strengthening organizational culture with better talent stability and execution accountability at branch levels.
- The company shared that Nostradamus is now live in the 2W business, and the company plans to push Cyclops in personal loans through Nov/Dec'25 while laying the foundation for implementation in rural business loans and mortgage segments.
- Digital partnership disbursements stood at INR11.4b in 2QFY26 and are currently growing at 7-10% monthly, driven by mega partnerships with PhonePe, CRED, Amazon, Google Pay and SuperMoney. The company has also entered the gold loan segment after observing that its microfinance customers had cumulatively borrowed ~INR170b of gold loans from external lenders. The integration of the acquired gold portfolio was completed within three months, and the company now operates ~130 branches, with plans to expand by an additional ~200 by year-end. The strategic intent is to scale a high-yield secured product in a market that is expanding at over 20% CAGR.
- LTF indicated that its priorities over the next 12-18 months are to announce the Lakshya 2031 goals in 1QFY27, drive 20-25% risk-calibrated AUM growth, improve RoA to 2.8-3% by 4QFY27, develop the Service Intelligence layer, roll out an AI-enabled next-generation collections stack and progressively bring down credit costs toward ~2%.

Integrated digital architecture driving structural RoA expansion

LTF is building a unified, intelligence-led digital and risk architecture that connects customer acquisition, underwriting, portfolio monitoring and servicing into one scalable framework. Proprietary engines such as Cyclops for underwriting and Nostradamus for portfolio surveillance are central to this transformation, enabling the company to lower credit costs, accelerate decision-making, and reduce cost-to-serve. In SME, the Helios AI co-pilot automates data extraction and preliminary assessment, sharply reducing underwriter workloads and enabling materially faster TATs—critical in higher-quality, speed-sensitive segments. With AI models increasingly influencing risk selection, collections, field efficiency, and customer servicing across businesses, the technology stack is structurally improving return ratios, allowing the company to expand into better-yielding yet controlled-risk segments without compromising growth momentum.

Cyclops and Nostradamus-led risk interventions delivering measurable asset-quality gains

LTF's deployment of agentic AI across underwriting and collections is yielding visible improvements in delinquency and credit-cost outcomes. Under Cyclops, gross non-starters are now less than two-thirds of pre-Cyclops levels, while 30+ dpd rates on Cyclops-underwritten loans have dropped to ~34% of earlier levels—implying potential credit-cost reduction to roughly one-third of previous run-rates. Farmer Finance shows particularly strong traction, with Cyclops-led originations reporting net non-starters (NNS) eight times lower than non-Cyclops pools. Nostradamus is driving higher collections productivity, with pan-India 30+ dpd at 6 MOB in the two-wheeler book improving by ~221bp over 12 months. These interventions are reinforcing portfolio stability across retail, farm, and SME segments, underpinning sustained RoA expansion.

Diversified retail engines scaling up with superior operating metrics

Across rural and urban retail businesses, LTF is leveraging its calibrated digital and analytics framework to scale up profitably while maintaining high-quality asset performance. The Micro-Finance and Micro-LAP businesses continue to gain market share, supported by fully digital customer journeys, disciplined underwriting, and consistently superior collection efficiencies (JLG CE ~99.5%, 96% 0-dpd mix). Farmer Finance is witnessing steady improvement as indexed NNS declines sharply to ~35%, while a supportive macro and strong dealer network enhance origination quality. In Urban Finance, stronger Cyclops-led underwriting has reduced GNS to ~57% of Dec'24 levels, improved bounce rates by 41% and delivered higher self-cure rates and improved X-bucket behavior. Mortgages and two-wheelers are also benefitting from better TATs, prime customer mix enrichment, and digital-first governance mechanisms like Project Nostradamus.

Emerging growth vectors: Partnerships, SME and gold finance scaling well

High-quality sourcing partnerships in the unsecured business (PhonePe, CRED, Amazon, Google Pay and SuperMoney) have scaled up rapidly, contributing ~43% of sourcing vs. ~2% a year ago, and significantly improving customer mix and portfolio behavior. Cross-selling now forms ~25% of the unsecured book, supported by enhanced policy frameworks, digital-led collections, and an upgraded onboarding journey. In SME, paperless operations and 200+ automation workflows are improving scalability and risk selection, with cyclops-led pools showing ~160bp better GNS performance. The Gold Finance foray provides a high-yield, secured growth vector within a large addressable market, supported by rigorous asset verification, AI-enabled surveillance, and a planned expansion from 130 to 200 branches by end-FY26. With ambitions to grow gold AUM 10x over two years and roll out integrated Sampoorna branches, LTF is adding a strong, capital-efficient profit engine to its diversified retail franchise.

Valuation and View

- LTF has invested in process automation and customer journeys. This, along with large partnerships with digital behemoths, should lead to stronger and more sustainable retail loan growth. While there is industry-wide stress in non-MFI retail segments like unsecured business loans and micro-LAP, we expect the stress to subside within the next few quarters.
- LTF's relatively better navigation of the MFI credit cycle and diversification into non-leveraged MFI markets demonstrate its resilience and adaptability. Supported by digital partnerships with major players, LTF is poised for sustainable earnings growth in the years ahead.
- LTF can deliver a PAT CAGR of ~24% over FY25-28E, which will result in RoA/RoE of 2.7%/15% in FY28E. Reiterate our BUY rating on the stock with a TP of INR330 (based on 2.5x Sep'27E P/BV). Key risks: 1) stress in microfinance lingering beyond the next 3-4 months, 2) asset quality deterioration in relatively vulnerable retail segments such as 2W, unsecured business loans and micro-LAP and 3) any near-term pressure on NIM and fee income.

Life Insurance Corporation

Estimate change	↑
TP change	⟷
Rating change	⟷

Bloomberg	LICI IN
Equity Shares (m)	6325
M.Cap.(INRb)/(USDb)	5667.8 / 64
52-Week Range (INR)	1008 / 715
1, 6, 12 Rel. Per (%)	-3/10/-9
12M Avg Val (INR M)	1170

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Premiums	4,881	5,184	5,515
Surplus / Deficit	401.4	487.8	535.0
Sh. PAT	481.5	555.1	608.9
VNB margin (%)	17.6	18.3	18.8
RoEV (%)	6.8	11.7	11.5
Total AUM (INRt)	54.5	60.9	65.7
APE (INRb)	568.3	596.5	642.8
VNB (INRb)	100.1	109.2	120.8
EV per share	1,228	1,372	1,530
Valuations			
P/EV (x)	0.7	0.7	0.6
P/EVOP (x)	6.9	7.3	6.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	96.5	96.5	96.5
DII	1.4	1.4	1.2
FII	0.1	0.1	0.2
Others	2.0	2.0	2.2

FII Includes depository receipts

CMP: INR 896 TP: INR 1,080 (+21%) Buy

Strong growth in VNB; VNB margin expands 140bp YoY

- In 2QFY26, LIC reported net premium income of INR1.3t (in line), which grew 5% YoY. Renewal premium grew 5% YoY to INR650b and single premium grew 8% YoY to INR508b. First year premium declined 3% YoY to INR108b.
- New business APE declined 1% YoY to INR164b (in line), with individual APE declining 11% YoY to INR101b and group APE rising 24% YoY to INR62.7b. For 1HFY26, APE grew 4% YoY to INR290.3b.
- Absolute VNB grew 8% YoY to INR32b (16% beat). VNB margin expanded YoY to 19.3% from 17.9% in 2QFY25 (vs our expectation of 17%). For 1HFY26, VNB grew 12% to INR51b, reflecting a VNB margin of 17.6% (+140bp YoY).
- Management expects premium growth to recover in 2HFY26, and its focus remains on absolute VNB growth. VNB margin expansion will be driven by the product mix shift toward non-par, cost optimization, higher contribution from high-ticket size products, and improvement in persistency.
- We have kept our APE estimates unchanged. However, we have increased our VNB margin estimates by 80bp/80bp/100bp for FY26/27/28, considering the 1HFY26 performance, and slightly reduced our commission estimates, leading to ~10% rise in earnings for FY26/27/28. **Reiterate BUY with a TP of INR1,080 (premised on 0.6x Sep'27E EV).**

Product mix shift to non-par results in VNB margin expansion

- Individual APE declined 11% YoY, driven by a 27% YoY decline in par APE to INR60.2b. Non-par APE grew 29% YoY to INR40.9b, leading to a rise in APE contribution to 25% from 19% in 2QFY25, thus resulting in strong VNB margin expansion during the quarter.
- During 1HFY26, within the non-par segment, LIC witnessed 113.1% YoY growth in ULIP APE, while individual savings APE declined slightly by 2%, resulting in 30.5% YoY growth in non-par APE. This was offset by 18% YoY decline in par APE, leading to 5.5% YoY decline in 1HFY26 individual APE.
- Commission expenses declined 12% YoY to INR57.7b, and operating expenses fell 3% YoY to INR94.6b, resulting in a 160bp YoY improvement in the expense-to-management ratio to 12%.
- Income from investments in policyholders' accounts grew 3% YoY to INR1.1t, while it increased 42% YoY to INR20.6b in shareholders' accounts. Total AUM grew 3% YoY to INR57t. Yield on investment for policyholders' accounts declined slightly to 8.9% in 1HFY26 from 9% in 1HFY25.
- On the distribution front, contribution from the agency channel was 92% in 2QFY26 (95% in 2QFY25), with individual NBP declining 12% YoY. Individual NBP from bancassurance grew 34% YoY, with contribution growing to 4.6% (3.1% in 2QFY25). The alternate channel witnessed strong growth of 88% YoY.

- LIC maintains the highest agency force in the country with ~1.5m agents, of which 48.2% have a vintage of more than five years. This constitutes 47.1% of the industry's agency force. The company now has tie-ups with 93 bancassurance partners, 291 brokers, and 175 corporate agents, reflecting a massive distribution network spread across the country.
- The 13th/37th/61st month persistency stood at 68.2%/61.3%/55.1% in 2QFY26. The 25th month persistency declined significantly YoY to 62.6% (65% in 2QFY25), owing to a decline in the number of small-ticket policies sold post product modifications in Oct'24.
- Solvency ratio stood at 213% (198% in 2QFY25). EV at the end of 1HFY26 was at INR8.1t (INR8.2t at the end of 1HFY25).

Highlights from the management commentary

- Following the Master Circular effective 1st October 2024, LIC modified all its existing products to comply with the new regulatory norms. This included raising the minimum sum assured, which led to a temporary decline in the number of small-ticket policies sold and impacted persistency in certain segments.
- The EV movement was majorly impacted by MTM changes and improvements in the present value of future profits. While the fair value component declined due to market movement, PVIF gains more than offset the reduction, resulting in EV improvement compared to March 2025 levels.
- The GST exemption on life insurance premiums triggered a strong revival in demand. Between 5th Sep'25 and 22nd Sep'25, policy sales were almost at a standstill, as customers deferred purchases owing to the GST exemption. However, from 1st October 2025, there has been a sharp recovery in sales, with management expressing confidence that this momentum will sustain in the coming quarters.

Valuation and view

- LIC reported a strong quarter with respect to profitability, led by the rising contribution of the non-par business. The company maintains its industry-leading position and expects a strong growth trajectory, driven by wider product offerings, higher ticket sizes, improvement in agency channel productivity, continued growth in bancassurance and alternate channels, and strong demand post GST exemption. A shift toward higher-margin non-par products and improvement in persistency will boost VNB margin going forward. The company is also working on enhancing its digital capabilities for cost optimization.
- We have kept our APE estimates unchanged. However, we have increased our VNB margin estimates by 80bp/80bp/100bp for FY26/27/28, considering the 1HFY26 performance, and slightly reduced our commission estimates, leading to ~10% rise in earnings for FY26/27/28. **Reiterate BUY with a TP of INR1,080 (premised on 0.6x Sep'27E EV).**

Policy holder's A/c (INRb)

	FY25				FY26				FY25	FY26E	2QFY26E	Actual vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
First year premium	75	112	73	111	75	108	80	128	370	392	109.7	-1%
Growth (%)	10%	12%	-14%	-20%	1%	-3%	10%	15%	-5%	6%	-2.1%	
Renewal premium	564	619	646	791	599	650	674	829	2,621	2,752	646.6	1%
Growth (%)	5%	4%	3%	2%	6%	5%	4%	5%	4%	5%	4.4%	
Single premium	500	469	351	577	519	508	379	642	1,898	2,049	471.2	8%
Growth (%)	31%	24%	-24%	-6%	4%	8%	8%	11%	3%	8%	0.4%	
Net premium income	**1,138**	**1,199**	**1,069**	**1,476**	**1,192**	**1,265**	**1,141**	**1,587**	**4,881**	**5,184**	**1,296.1**	**-2%**
Growth (%)	16%	12%	-9%	-3%	5%	5%	7%	8%	3%	6%	8.1%	
PAT	**105**	**76**	**111**	**190**	**110**	**101**	**133**	**211**	**482**	**555**	**80.9**	**24%**
Growth (%)	10%	-4%	17%	38%	5%	32%	20%	11%	19%	15%	6.1%	
Key metrics (INRb)												
New business APE	116	165	100	189	127	164	107	199	568	597	161.1	2%
Growth (%)	21%	26%	-24%	-11%	9%	-1%	8%	5%	0%	5%	-2.2%	
VNB	16	29	19	35	19	32	20	38	100	109	27.4	16%
Growth (%)	23%	47%	-27%	-3%	21%	8%	5%	7%	4%	9%	-6.9%	
AUM (INRt)	54	55	55	55	57	57	59	61	55	61	58.8	-3%
Growth (%)	16%	17%	10%	6%	6%	3%	8%	12%	6%	12%	6.1%	
Key Ratios (%)												bps
VNB Margins (%)	13.9	17.9	19.4	18.7	15.4	19.3	18.8	19.0	17.6	18.3	17.0	233
Solvency ratio (%)	199.0	198.0	202.0	211.0	217.0	213.0	-	0.0	211	222.0		

NSE

BSE SENSEX	S&P CNX
83,311	25,510

Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Net Sales	171.4	156.7	178.4
EBITDA	135.5	119.8	133.0
PAT	111.1	104.1	117.6
Adj. PAT	116.5	105.1	117.6
EPS (INR)	44.9	42.1	47.5
EPS Gr (%)	33.8	(6.3)	12.9
BV / Sh (INR)	122.6	138.7	160.1
Ratios (%)			
RoE	42.9	32.5	31.8

Not Rated

Volume decline hits revenue; settlement fees impact PAT

- NSE reported operating revenue of INR36.8b in 2QFY26, down 18% YoY/9% QoQ, largely owing to 22% YoY decline in transaction charges. For 1HFY26, revenue declined 15% YoY.
- Total expenditure was up 38% YoY at INR21.9b owing to provisions made for a SEBI settlement fee for INR13b, while employee expenses/regulatory fees declined 4%/35% YoY. EBITDA declined 49% YoY/53% QoQ to INR14.8b, reflecting EBITDA margin of 40.4% (64.7% in 2QFY25). Excluding the impact of the settlement fee, EBITDA was INR27.8b with EBITDA margin was 76%.
- Adjusting for the settlement fee and the exceptional gain of INR12b from the stake sale in NSDL, reported PAT came in at INR21b, down 33% YoY/28% QoQ. Excluding the impact of the settlement fee, PAT was INR34b. For 1HFY26, reported PAT declined 12% YoY.
- NSE continues to focus on product innovation, with electricity and commodity derivatives witnessing significant traction and expected to meaningfully contribute in the long term. The exchange's long-term growth trajectory remains intact, with a recovery in trading volumes, sustained leadership across market segments, a strong pipeline of primary market issuances and an expanding investor base.
- **The settlement fee was a one-time hit on profitability. Going forward, we believe transaction revenue will be boosted by a gradual recovery in volumes and non-transaction revenue will maintain momentum. However, the possibility of further tightening of F&O regulation remains a key risk. Overall, we expect a CAGR of 6%/4%/7% in revenues/EBITDA/reported PAT over FY25-28.**

Decline in ADTO across segments

- Revenue mix was dominated by transaction charges (67% of revenue), which declined 22% YoY owing to 12%/16%/16% decline in cash/ futures/ option premium ADTO. Transaction charges from cash/ futures/ options declined 27%/31%/20% YoY.
- Equity options contributed 76% to revenue from transaction charges, followed by cash market (13%) and equity futures (11%).
- Data center charges (7% of revenue) grew 6% YoY, data feed & terminal services (3% of revenue) grew 11% YoY, and listing services (2% of revenue) grew 10% YoY. Operating investment income (5% of revenue) fell 16% YoY.
- On a standalone basis, NSE's revenue declined 19% YoY to INR3.7b and normalized PAT (excluding SEBI settlement fees and exceptional investment gain) declined 13% YoY to INR2.6b.
- Market share in Cash/Equity Futures/Equity Options (Premium) /Currency Derivatives for 2QFY26 stood at 92.3%/99.8%/75.6%/100% vs. 93.8%/ 99.8%/78.6%/100% in 1QFY26.
- In listing services, 1HFY26 witnessed 122 IPO listings on the mainboard and SME platforms, with INR0.6t of equity capital raised through IPOs.

- There are 2,200+ colocation racks as of 30th Sep'25, including 1,400 member racks and 800+ captive racks.
- The unique registered investor base grew to 120m+, with total investor accounts at 240m+.

Key takeaways from the management commentary

- Sixty-six passive equity and debt funds were launched in India during 1HFY26, of which 52 were benchmarked to Nifty indices, reinforcing NSE's leadership in index-linked products.
- Management clarified that there are no immediate plans to increase transaction charges, though SEBI approval is not required should the exchange decide to revise tariffs in the future.
- The company has filed a settlement application with SEBI pertaining to the colocation and dark-fiber orders, and awaits a response.

Quarterly Performance (INR b)

Y/E March	FY25				FY26		FY25	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q			
Gross Sales	**45.1**	**45.1**	**43.5**	**37.7**	**40.3**	**36.8**	**171**	**-18%**	**-9%**
YoY Change (%)	51.0	23.5	23.7	-18.4	-10.6	-18.5	16.0		
Employee Expense	1.5	1.9	1.6	1.7	2.0	1.9	6.7	-4%	-6%
Other Expenses	6.7	7.3	7.2	8.0	7.0	7.1	29.2	-3%	1%
Total Expenditure	8.2	9.2	8.8	9.7	9.0	8.9	36.9	-3%	-1%
EBITDA	**36.9**	**35.9**	**34.7**	**28.0**	**31.3**	**27.8**	**134.5**	**-22%**	**-11%**
Margins (%)	81.9	79.5	79.7	74.3	77.6	75.7	78.5		
Depreciation	1.3	1.4	1.3	1.5	1.5	1.6	5.5	18%	7%
Other Income	4.4	5.1	4.6	6.3	7.7	4.8	20.4	-6%	-37%
PBT before EO expense	**40.1**	**39.6**	**37.9**	**32.8**	**37.5**	**31.0**	**149.4**	**-22%**	**-17%**
Contribution to SGF	-5.9	4.3	-0.7	0.0	0.0	0.0	0.0		
PBT	**34.2**	**43.9**	**37.2**	**32.7**	**37.5**	**31.0**	**149.4**	**-29%**	**-17%**
Tax	8.5	10.2	11.0	9.0	9.6	9.4	38.7		
Rate (%)	21	31	22	27	26	31	25.9		
Exceptional Item	0.0	-6.7	-11.5	-0.5	0.0	-1.0	12.1		
Minority Interest & Profit/Loss of Asso. Cos.	0.2	0.3	0.4	0.4	0.3	0.3	1.3		
PAT	**26.0**	**27.3**	**15.1**	**23.6**	**28.1**	**21.0**	**124.1**	**-23%**	**-25%**
YoY Change (%)	30.9	-12.9	-51.8	-35.4	8.3	-23.2	28.3		
Margins (%)	57.6	60.5	34.6	62.5	69.7	57.0	72.4		
Reported PAT (ex-discontinued operations and SGF)	**25.7**	**31.4**	**38.3**	**26.5**	**29.2**	**21.0**	**121.9**	**-33%**	**-28%**
YoY Change (%)	39.2	57.0	94.1	6.5	13.9	-33.1			
Margins (%)	56.9	69.6	88.1	70.3	72.5	57.1			
Revenue break-up (INR m)									
Trading Services	41	41	40	34	36	33		-11%	6%
Clearing Services	7	8	6	4	5	4		-35%	8%
Other Segments	5	1	2	1	1	2		-70%	3%
Revenue mix	.	.	.		.	.			
Trading Services	77%	82%	83%	86%	86%	85%			
Clearing Services	13%	15%	13%	11%	11%	11%			
Other Segments	10%	2%	3%	4%	4%	4%			

Mankind Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MANKIND IN
Equity Shares (m)	413
M.Cap.(INRb)/(USDb)	953.1 / 10.8
52-Week Range (INR)	3055 / 2115
1, 6, 12 Rel. Per (%)	-8/-7/-20
12M Avg Val (INR M)	1339

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	142.7	159.6	179.0
EBITDA	34.9	41.5	47.8
Adj. PAT	19.0	24.6	29.8
EBIT Margin (%)	24.5	26.0	26.7
Cons. Adj. EPS (INR)	46.0	59.5	72.3
EPS Gr. (%)	-8.0	29.4	21.5
BV/Sh. (INR)	383.2	429.1	484.8
Ratios			
Net D:E	0.2	0.0	-0.1
RoE (%)	12.6	14.7	15.8
RoCE (%)	10.9	13.1	15.6
Payout (%)	20.0	20.0	20.0
Valuations			
P/E (x)	50.2	38.8	31.9
EV/EBITDA (x)	29.6	24.2	20.4
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	6.3	5.6	6.0
EV/Sales (x)	7.2	6.3	5.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	72.7	72.7	74.9
DII	11.9	11.5	9.9
FII	12.8	13.1	12.4
Others	2.6	2.8	2.9

FII Includes depository receipts

CMP: INR2,309 TP: INR2,800 (+21%) Buy

2Q in line; transition phase underway

DF revival and BSV scale-up to drive medium-term performance

- Mankind Pharma (MANKIND) delivered a largely in-line financial performance for 2QFY26. EBITDA was slightly lower than estimates due to higher employee costs. MANKIND undertook a restructuring exercise, including talent upgrade and an increase in the sales force, driving higher opex for the quarter.
- MANKIND continued to deliver industry-beating growth in domestic formulation (DF) for certain therapies such as cardiac and diabetes. The company also recorded healthy growth in in-licensed inhaler products for the quarter.
- However, this was partially offset by lower medicine offtake in Tier II/Tier III cities, driven by GST-related factors.
- The OTC segment was also impacted by the GST transition during the quarter. Notably, key launches like Epic ThinX/Ovanews saw healthy traction in 2QFY26.
- With the consolidation of the BSV portfolio, export growth is expected to improve in 2HFY26.
- We largely maintain our estimates for FY26/FY27/FY28. We value MANKIND at 42x 12M forward earnings to arrive at a TP of INR2,800. The company is transforming its DF segment to be future-ready, aiming for sustained industry outperformance across therapeutic and consumer health segments. Additionally, it is in the process of consolidating BSV and taking steps to integrate the acquisition and build synergies. The financial leverage will further lead to a YoY decline in earnings for FY26. Subsequently, we expect MANKIND to deliver 31%/21% YoY growth in earnings for FY27/FY28. Reiterate BUY.

Higher opex drags profitability on a YoY basis

- Sales grew 20% YoY to INR36.9b for the quarter (vs est. INR37.6b).
- Domestic business (86% of sales) grew 14% YoY to INR31.8b for the quarter, driven by growth in the base business and the BSV consolidation. Prescription business (Rx) (92% of domestic sales) grew 16% YoY to INR29.6b. The consumer business (8% of domestic sales) declined 2.6% YoY to INR2.3b, primarily due to supply chain disruptions led by GST.
- Export (13% of sales) grew 82.6% YoY to INR5.1b, primarily due to the consolidation of BSV.
- Gross margin slightly contracted 30bp to 71.3%.
- EBITDA margin contracted 270bp YoY to 24.9% due to an increase in employee costs (+130bp YoY) and other expenses (+110bp YoY) as a % of revenue. EBITDA grew at a lower rate of 8% YoY to INR9.2b (vs our estimates of INR9.7b).
- PAT declined 22% YoY to INR5.0b (our est: INR5.0b).
- Revenue/EBITDA grew ~22%/12% YoY to ~INR72.7/17.7b, while PAT declined ~23% to INR9.4b in 1HFY26.

Highlights from the management commentary

- On an organic basis, MANKIND's DF Rx segment grew 6.6% YoY in 2QFY26.
- Due to its strong presence in Tier-II/Tier-III cities and a higher share in Acute therapies, MANKIND witnessed a greater adverse impact of GST on YoY growth in the DF Rx segment.
- The OTC business was also impacted by supply chain disruptions and uneven monsoon.
- MANKIND expects a recovery in 2HFY26 across the Rx and OTC segments. The company has guided for the lower end of a 25-26% EBITDA margin in FY26.
- MANKIND has maintained its guidance of 18-20% YoY growth in BSV sales for FY26.

Consolidated - Quarterly Earning Model

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var %
(INR m)	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE			2QE	
Gross Sales	**28,934**	**30,765**	**31,988**	**30,794**	**35,704**	**36,972**	**36,256**	**33,748**	**1,22,481**	**1,42,679**	**37,631**	-1.8
YoY Change (%)	12.2	13.6	22.7	26.1	23.4	20.2	13.3	9.6	18.5	16.5	22.3	
Total Expenditure	21,697	22,265	23,828	23,712	27,236	27,758	27,083	25,716	91,698	1,07,794	27,922	
EBITDA	**7,238**	**8,500**	**8,160**	**7,082**	**8,468**	**9,213**	**9,173**	**8,032**	**30,783**	**34,886**	**9,709**	-5.1
YoY growth %	10.5	24.5	34.5	19.8	17.0	8.4	12.4	13.4	21.4	13.3	14.2	
Margins (%)	25.0	27.6	25.5	23.0	23.7	24.9	25.3	23.8	25.1	24.5	25.8	
Depreciation	1,077	1,056	1,872	2,309	2,187	2,218	2,225	2,279	6,212	8,909	2,284	
Interest	109	71	2,209	1,905	1,707	1,697	1,447	1,240	4,294	6,090	1,690	
Other Income	1,006	1,094	770	1,013	799	919	839	856	5,368	3,412	503	
PBT before EO expense	**7,057**	**8,468**	**4,849**	**3,881**	**5,373**	**6,217**	**6,340**	**5,369**	**25,645**	**23,299**	**6,238**	-0.3
Extra-Ord expense	420	0	0	-1,250	0	0	0	0	-830	0	0	
PBT	**6,637**	**8,468**	**4,849**	**5,131**	**5,373**	**6,217**	**6,340**	**5,369**	**26,475**	**23,299**	**6,238**	
Tax	1,246	1,904	1,105	864	958	1,038	1,090	956	5,097	4,043	1,148	
Rate (%)	18.8	22.5	22.8	16.8	17.8	16.7	17.2	17.8	19.3	17.4	18.4	
MI & Profit/Loss of Asso. Cos.	26.7	28.4	8.5	15.6	94.7	109.9	30.0	46.6	79.2	281.2	30.0	
Reported PAT	**5,365**	**6,535**	**3,736**	**4,251**	**4,320**	**5,069**	**5,219**	**4,367**	**21,298**	**18,975**	**5,060**	0.2
Adj PAT	**5,706**	**6,535**	**3,736**	**3,212**	**4,320**	**5,069**	**5,219**	**4,367**	**20,635**	**18,975**	**5,060**	0.2
YoY Change (%)	17.2	30.4	-17.7	-31.8	-24.3	-22.4	39.7	36.0	7.9	-8.0	-22.6	
Margins (%)	19.7	21.2	11.7	10.4	12.1	13.7	14.4	12.9	16.8	13.3	13.4	
EPS	**14.2**	**16.3**	**9.3**	**8.0**	**10.8**	**12.7**	**13.0**	**10.9**	**50.0**	**46.0**	**12.6**	

Zydus LifeSciences

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ZYDUSLIF IN
Equity Shares (m)	1006
M.Cap.(INRb)/(USDb)	942.5 / 10.6
52-Week Range (INR)	1059 / 795
1, 6, 12 Rel. Per (%)	-8/2/-10
12M Avg Val (INR M)	1141

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	260.7	262.4	278.6
EBITDA	70.1	67.7	73.3
Adj. PAT	45.2	44.7	48.9
EBIT Margin (%)	22.3	21.4	22.0
Cons. Adj. EPS (INR)	44.9	44.5	48.6
EPS Gr. (%)	-2.4	-1.0	9.4
BV/Sh. (INR)	283.1	322.4	365.9
Ratios			
Net D:E	0.0	-0.2	-0.2
RoE (%)	17.2	14.7	14.1
RoCE (%)	16.4	14.4	13.9
Payout (%)	7.8	9.0	8.2
Valuations			
P/E (x)	20.8	21.1	19.2
EV/EBITDA (x)	13.3	13.0	11.7
Div. Yield (%)	0.4	0.4	0.4
FCF Yield (%)	2.6	6.9	3.6
EV/Sales (x)	3.6	3.4	3.1

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	10.9	11.1	10.7
FII	7.3	7.1	7.5
Others	6.8	6.7	6.9

FII Includes depository receipts

CMP: INR937 TP: INR990 (+6%) Neutral

In-line operational show in 2Q

Work-in-progress on diversified growth drivers – pharma/OTC/med-tech

- Zydus Lifesciences (ZYDUSLIF) delivered in-line revenue/EBITDA in 2QFY26. There was a marginal miss on earnings due to higher depreciation, lower other income and a higher tax rate.
- In addition to superior execution in generics segment in the US market, ZYDUSLIF has strengthened its 505b2 portfolio with the launch of Beizray. It is also preparing to file NDA for its NCE (Saroglitazar Magnesium) in 4QFY26.
- It outperformed in domestic formulation (DF) segment through steady traction in innovative products and pillar brands. In fact, the chronic therapies' share has also increased by 500bp over the past three years.
- With established presence in India in the consumer wellness segment, it has forayed into international markets through the Comfort Click acquisition, particularly in VMS space.
- ZYDUSLIF is also enhancing its med-tech segment through Amplitude Surgical, thereby adding a new growth lever in addition to pharma and consumer wellness.
- We raise our earnings estimates by 6%/3% for FY27/FY28, factoring a) the addition of business from Comfort Click, b) healthy ANDA launches, c) superior growth in DF segment. We value ZYDUSLIF at 22x 12M forward earnings to arrive at a TP of INR990. While ZYDUSLIF is building additional growth levers, a higher base of g-Revlimid in FY25 is expected to keep growth in check over FY25-28. Maintain Neutral stance on the stock.

Product mix outweighed by higher opex YoY

- Sales grew 17% YoY to INR61.2b (our est. INR60b).
- India sales (37% of sales), comprising DF and consumer businesses, grew 14.7% YoY to INR22.3b. Within India sales, branded formulations grew 9.3% YoY to INR15.9b. Consumer wellness grew by 31% YoY to INR6.4b.
- International market sales grew 39.4% YoY to INR7.5b (12% of sales). US sales grew 13.5% YoY (8.7% YoY in CC terms) to INR27.4b (USD313m; 45% of sales).
- API sales grew 23% YoY to INR1.5b (2% of sales).
- Gross margin expanded 50bp YoY to 72.4%, aided by a better product mix.
- EBITDA margin contracted 90bp YoY at 26.2% (our est. 31.2%) due to higher opex (other expenses up 260bp YoY each as % of sales), partly offset by lower R&D spending (down 130bp YoY as % of sales).
- EBITDA grew 13% YoY to INR16b (our est. INR16.5b).
- Forex gain stood at INR4b.
- Adjusting for forex gain, PAT grew 15.5% YoY to INR10b (our est.: INR10.8b).

Highlights from the management commentary

- ZYDUSLIF maintained its EBITDA margin guidance of 26% for FY26.
- The company saw positive revenue numbers from the pivotal EPICSTM-III Phase 2(b)/3 clinical trial of Saroglitazar Magnesium in patients with PBC for the US market. About 60-80 MRs would be required for marketing/promotional activities for this product after USFDA approval.
- Comfort Click has the largest market share in the online channel in EU for VMS segment. It has strong brand recognition, which can enable ZYDUSLIF to extend the offering to other markets as well.
- The operational cost related to Amplitude is largely in place. ZYDUSLIF is working on not only improving sales of existing products, but also adding new products in cardiology/nephrology segment.

Quarterly Performance (Consolidated) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Chg.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
Net Revenues	**62,075**	**52,370**	**52,691**	**65,279**	**65,737**	**61,232**	**63,321**	**70,367**	**232,415**	**260,657**	**60,247**	**1.6**
YoY Change (%)	20.8	19.9	17.0	18.0	5.9	16.9	20.2	7.8	18.9	12.2	15.0	
Total Expenditure	40,983	38,210	39,691	43,630	45,423	45,215	47,174	52,705	162,514	190,517	43,679	
EBITDA	**21,092**	**14,160**	**13,000**	**21,649**	**20,314**	**16,017**	**16,147**	**17,662**	**69,901**	**70,140**	**16,568**	**-3.3**
YoY Change (%)	37.6	33.1	20.2	33.2	-3.7	13.1	24.2	-18.4	31.8	0.3	17.0	
Margins (%)	34.0	27.0	24.7	33.2	30.9	26.2	25.5	25.1	30.1	26.9	27.5	
Depreciation	2,153	2,336	2,290	2,379	2,381	3,019	3,116	3,396	9,158	11,912	2,425	
EBIT	**18,939**	**11,824**	**10,710**	**19,270**	**17,933**	**12,998**	**13,031**	**14,266**	**60,743**	**58,228**	**14,143**	
YoY Change (%)	40.0	34.4	20.7	35.7	-5.3	9.9	21.7	-26.0	33.8	-4.1	19.6	
Margins (%)	30.5	22.6	20.3	29.5	27.3	21.2	20.6	20.3	26.1	22.3	23.5	
Interest	322	251	320	766	847	1,013	830	790	1,659	3,480	850	
Other Income	632	682	575	806	1,549	1,090	1,440	1,480	2,695	5,559	1,340	
PBT before EO Income	**19,249**	**12,255**	**10,965**	**19,310**	**18,635**	**13,075**	**13,641**	**14,956**	**61,779**	**60,307**	**14,633**	**-10.6**
EO Exp/(Inc)	252	-454	-876	2,590	-571	-4,141	0	0	1,512	-4,712	0	
PBT after EO Income	**18,997**	**12,709**	**11,841**	**16,720**	**19,206**	**17,216**	**13,641**	**14,956**	**60,267**	**65,019**	**14,633**	**17.7**
Tax	4,361	3,731	1,795	4,232	4,340	4,540	3,342	3,694	14,119	15,916	3,541	
Rate (%)	23.0	29.4	15.2	25.3	22.6	26.4	24.5	24.7	23.4	24.5	24.2	
Min. Int/Adj on Consol	-437	131	192	-779	-198	252	-350	-400	-893	-696	-300	
Reported PAT	**14,199**	**9,109**	**10,238**	**11,709**	**14,668**	**12,928**	**9,949**	**10,862**	**45,255**	**48,407**	**10,792**	**19.8**
Adj PAT	**14,393**	**8,788**	**9,495**	**13,643**	**14,226**	**10,150**	**9,949**	**10,862**	**46,320**	**45,187**	**10,792**	**-5.9**
YoY Change (%)	28.2	19.1	26.3	16.1	-1.2	15.5	4.8	-20.4	22.3	-2.4	22.8	
Margins (%)	23.2	16.8	18.0	20.9	21.6	16.6	15.7	15.4	19.9	17.3	17.9	

Bajaj Housing Finance

Estimate changes	↑
TP change	⟷
Rating change	⟷

Bloomberg	BAJAJHFL IN
Equity Shares (m)	8332
M.Cap.(INRb)/(USDb)	911.4 / 10.3
52-Week Range (INR)	148 / 103
1, 6, 12 Rel. Per (%)	-4/-12/-25
12M Avg Val (INR M)	1220

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	30.1	39.4	46.5
PPP	28.5	36.2	43.2
PAT	21.6	26.8	31.9
EPS (INR)	2.6	3.2	3.8
EPS Gr. (%)	0.7	24	19
BV/Sh. (INR)	24	27	31
Ratios (%)			
NIM	3.3	3.5	3.3
C/I ratio	20.8	19.7	19.2
RoA	2.3	2.3	2.2
RoE	13.4	12.6	13.2
Valuation			
P/E (x)	42.0	33.9	28.5
P/BV (x)	4.6	4.0	3.5
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	88.7	88.7	88.8
DII	0.6	0.6	1.9
FII	0.9	1.1	1.7
Others	9.8	9.6	7.6

FII Includes depository receipts

CMP: INR109 TP: INR120 (+10%) Neutral

Strong growth despite competitive pressure; margins stable

AUM grows 24% YoY; credit costs inch up QoQ but still remain benign

- Bajaj Housing (BHFL) delivered a broadly in-line performance in 2QFY26, marked by healthy AUM growth of ~24% YoY, stable NIMs and stable asset quality.
- BHFL's 2QFY26 PAT grew 18% YoY to ~INR6.4b (in line). NII rose 34% YoY to ~INR9.6b (in line). Other income declined 23% YoY to ~INR1.4b (in line). NTI grew ~22% to INR11b (in line). Opex rose ~17% YoY to INR2.1b (in line) and PPoP grew 24% YoY to INR8.8b (in line).
- Management expects to achieve its medium-term AUM growth guidance from FY27 onward, supported by strong disbursement momentum and easing portfolio attrition pressure. The company evolves its strategy continuously by deepening its presence across markets and expanding its customer base to sustain growth. However, BT-OUTs increased YoY, owing to competitive pricing from PSUs and large private banks.
- Margins are expected to remain broadly stable at around ~4%, with a potential ~10bp improvement in CoF in the remainder of FY26.
- We continue to believe in our thesis of BHFL and in management's ability to drive profitability improvement, supported by a healthy AUM CAGR of 22% over FY25-28E; broadly steady NIMs; and benign credit costs. We expect BHFL to continue disbursement growth, although rising competition from PSU banks and higher BT-OUTs may push BHFL to cut its lending rates, which could exert pressure on margins.
- We expect BHFL to post a CAGR of 22%/22% in loans/PAT over FY25-28E and RoA/RoE of ~2.3%/14.2% in FY28E. **Maintain Neutral with a TP of INR120 (based on 3.6x Sep'27E BVPS).**

Healthy AUM growth of 24% YoY; disbursements up ~33% YoY

- AUM grew 24% YoY to ~INR1.3t, while disbursements rose ~33% YoY to ~INR159b. Total on-book loans grew ~26% YoY/7% QoQ to ~INR1.1t.
- The non-prime portfolio (including affordable housing) accounts for ~14% of total home loans, while ~86% are prime home loans. Management highlighted that the affordable housing segment is now ready to scale up with increased confidence and operating team in place and expects strong growth in this segment from next year onward.
- LRD also remains a profitable segment for the company owing to its low-risk portfolio and steady returns with minimal operating costs.

Reported NIMs stable at ~4% QoQ; minor improvement in spreads

- Reported yields declined ~20bp QoQ to ~9.3% and CoB declined ~30bp to ~7.4%, leading to ~10bp QoQ rise in spreads to ~1.9%. Reported NIM in 2QFY26 was stable QoQ at ~4.0%.
- Management does not want to indulge in broad-based price cuts but instead has chosen to optimize the pricing on the basis of market demand.

Asset quality stable; credit costs remain benign

- Net credit costs increased sequentially to INR497m, which translated into an annualized credit cost of ~18bp (PQ: ~16bp and PY: ~2bp).
- Asset quality was largely stable with GS3/NS3 at 0.3%/0.1%. PCR declined ~50bp QoQ to ~55.7%. (PQ: ~56.2%).
- Reported RoA/RoE in 2QFY26 stood at ~2.3%/12.2% (1QFY26 RoA/RoE: 2.3%/11.6%). Leverage stood at 5.5x and CRAR stood at ~26.1% as of Sep'25.
- Reported credit cost stood at 18bp in 2QFY26 (vs. 2bp in 2QFY25), with the prior year aided by Covid overlay releases. The company continues to follow a disciplined risk framework focused on medium-risk, medium-return segments.

Highlights from the management commentary

- Fee income increased during the quarter, primarily driven by higher insurance income. Additional income streams such as foreclosure charges and scheme switching charges also contributed to the higher fee income. Insurance income remains the key growth driver for non-interest income and is aligned with business volumes.
- Product-wise yields in HL stood at ~8.6%, LAP at ~10.3%, LRD at ~8.1-8.2%, and developer finance at ~11.5% and the yield differential between prime and non-prime portfolios (including the affordable segment) remained at ~1.25-1.5%.
- The company reiterated that increasing the DSA payouts was not a sustainable way to gain market share, as home loan payout structures are largely commoditized across the industry.

Valuation and view

- BHFL delivered a strong performance in 2QFY26 with strong AUM and disbursement growth across products, despite heightened competition. The company was successful in maintaining its margins, despite a declining interest rate environment, while maintaining pristine asset quality.
- We believe BHFL is a strong franchise that is well-positioned to navigate rising competition and a declining interest rate environment while sustaining healthy growth and profitability. Maintain Neutral with a TP of INR120 (based on 3.6x Sep'27E BVPS).
- Key risks: a) slowdown in the overall growth and demand environment, b) inability to drive NIM expansion amid competitive pricing, c) deterioration in the asset quality while scaling up the non-prime segments.

Quarterly performance INR m

Particulars	FY25				FY26E				FY25	FY26E	2Q	v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY26E	Est.
Interest Income	20,635	22,269	23,220	23,737	24,926	26,144	27,556	28,795	89,862	1,07,422	26,023	0
Interest expense	13,988	15,137	15,159	15,509	16,060	16,580	17,293	18,076	59,793	68,007	16,654	0
Net interest income	**6,648**	**7,133**	**8,060**	**8,228**	**8,866**	**9,565**	**10,264**	**10,720**	**30,069**	**39,414**	**9,369**	**2**
Growth YoY (%)	9.7	13.0	24.9	30.9	33.4	34.1	27.3	30.3	19.7	31.1	31.3	
Other operating income	1,452	1,833	1,270	1,343	1,259	1,406	1,504	1,559	5,898	5,727	1,332	5
Net total income	**8,100**	**8,966**	**9,331**	**9,571**	**10,125**	**10,970**	**11,768**	**12,279**	**35,967**	**45,141**	**10,701**	**3**
Growth YoY (%)	15.3	17.9	25.1	33.4	25.0	22.4	26.1	28.3	23.0	25.5	19.4	
Operating expenses	1,701	1,840	1,846	2,078	2,145	2,147	2,238	2,369	7,464	8,898	2,233	-4
Operating profits	**6,399**	**7,126**	**7,485**	**7,493**	**7,980**	**8,823**	**9,529**	**9,910**	**28,503**	**36,243**	**8,468**	**4**
Growth YoY (%)	20.1	20.1	30.8	43.1	24.7	23.8	27.3	32.3	28.3	27.2	18.8	
Provisions	100	50	355	296	411	497	520	585	801	2,012	463	7
Profit before tax	**6,299**	**7,076**	**7,130**	**7,198**	**7,569**	**8,327**	**9,009**	**9,325**	**27,702**	**34,231**	**8,005**	**4**
Tax expenses	1,473	1,620	1,650	1,331	1,736	1,897	2,027	1,802	6,073	7,462	1,801	5
Net profit	**4,826**	**5,456**	**5,480**	**5,867**	**5,833**	**6,430**	**6,982**	**7,524**	**21,629**	**26,768**	**6,204**	**4**
Growth YoY (%)	4.5	20.9	25.4	53.8	20.9	17.8	27.4	28.2	24.9	23.8	13.7	
Key Parameters (%)												
Reported Yields	9.8	9.9	9.80	9.70	9.50	9.3						
Reported Cost of funds	7.9	7.9	7.90	7.90	7.70	7.4						
Spread	1.9	1.9	1.90	1.80	1.80	1.9						
Reported NIMs	3.9	4.1	4.0	4.0	4.0	4.0						
Credit cost on loans	0.0	0.02	0.15	0.12	0.16	0.18						
Cost to Income Ratio (%)	21.0	20.5	19.8	21.7	21.2	19.6						
Tax Rate (%)	23.4	22.9	23.1	18.5	22.9	22.8						
Balance Sheet Parameters												
AUM (INR B)	**971**	**1,026**	**1,083**	**1,147**	**1,204**	**1,267**						
Change YoY (%)	31.0	26.3	26.1	25.5	24.1	23.6						
Loans (INR B)	**853**	**899**	**956**	**995**	**1,059**	**1,131**						
% of AUM	87.9	87.6	88.2	86.8	88.0	89.2						
Disbursements (INR B)	**120**	**120**	**126**	**143**	**147**	**159**						
Change YoY (%)	15.6	-1.2	17.2	25.1	22.1	32.5						
Borrowings (INR B)	**733**	**745**	**792**	**820**	**885**	**941**						
Change YoY (%)	25.3	19.3	24.3	18.6	20.7	26.4						
Asset Quality (%)												
GS 3 (INR M)	**2,360**	**2,580**	**2,810**	**2,870**	**3,150**	**2,980**						
G3 %	0.3	0.3	0.3	0.3	0.3	0.3						
NS 3 (INR M)	**960**	1,090	**1,250**	**1,140**	**1,380**	1,320						
NS3 %	0.1	0.1	0.1	0.1	0.1	0.1						
PCR (%)	59.3	**57.8**	55.5	60.3	56.2	**55.7**						
ECL (%)	0.6	0.6	0.6	0.6	0.6	0.6						
Return Ratios - YTD (%)												
ROA (Rep)	2.3	2.5	2.4	2.4	2.3	2.3						
ROE (Rep)	14.3	13.0	11.5	12.1	11.6	12.2						

E: MOFSL Estimates

Godrej Properties

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GPL IN
Equity Shares (m)	301
M.Cap.(INRb)/(USDb)	660.8 / 7.5
52-Week Range (INR)	3035 / 1870
1, 6, 12 Rel. Per (%)	5/0/-28
12M Avg Val (INR M)	2009

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	53.7	58.0	66.2
EBITDA	6.8	8.9	9.5
EBITDA (%)	12.6	15.4	14.4
PAT	24.8	24.1	38.1
EPS (INR)	82.3	80.0	126.4
EPS Gr. (%)	206.3	73.4	53.5
BV/Sh. (INR)	657.1	737.1	863.5
Ratios			
Net D/E	-0.1	-0.4	-0.5
RoE (%)	13	11	16
RoCE (%)	9	8	11
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	27	27	17
P/BV (x)	3	3	3
EV/EBITDA (x)	94	63	55
Div Yield (%)	0	0	0

Shareholding Pattern (%)

As On	Sep-25	Mar-25	Sep-24
Promoter	47.1	46.7	58.5
DII	10.4	9.3	7.1
FII	28.3	30.5	28.3
Others	14.2	13.5	6.1

CMP: INR2,194 TP: 2,843 (+30%) Buy

Strong presales offset by soft collections and revenue hit from completions

Achieves 81% of annual BD guidance

- Godrej Properties' (GPL) pre-sales volume for 2QFY26 was up 39% YoY/16% QoQ at 7.1msf (31% above estimates). In 1HFY26, volumes stood at 13msf, down 6% YoY.
- In 2QFY26, pre-sales value stood at INR85b (+64% YoY/+20% QoQ, 42% above estimates). In 1HFY26, it stood at INR156b, up 13% YoY. About 48% of FY26 presales guidance is achieved in 1H.
- Realization grew 18% YoY/4% QoQ to INR11,912/sq. ft. (8% above estimate). In 1HFY26, realization grew 20% YoY to INR11,711/sq. ft.
- 2Q pre-sales were driven by 12 new project/phase launches during the quarter (GDV of INR101b), which together accounted for a booking value of INR55b (65% of total reported bookings in 2QFY26). In 1HFY26, GPL launched projects worth GDV of INR186b.
- GPL sold 4,522 units in 2Q and 8,753 units in 1H.
- Deliveries stood at 2.2msf in 2Q and 3msf in 1H.
- Gross collections rose 5% YoY/10% QoQ to INR46b (8% below estimates), whereas OCF (pre-interest and tax) was down 35% YoY at INR11.9b. The company spent INR16.3b on new land investments and approvals. This led to a cash deficit of INR9.2b and increased the net debt to INR56b, or 0.3x of equity (vs. INR46b or 0.26x of equity as of 1QFY26). In 1HFY26, collections were up 12% YoY at INR87b, whereas OCF (pre-interest and tax) was down 24% YoY at INR21.4b. The company spent INR36.5b on new land investments and approvals. This led to a cash deficit of INR22.9b in 1H. The company foresees a meaningful increase in collections in 4QFY26.
- GPL added four new projects in 2QFY26 with a potential saleable area of 5.82msf and an estimated GDV of INR49b. In 1HFY26, GPL added nine new projects with total area of 15.06msf and GDV of INR163b, achieving 81% of its annual guided BD in 1H.
- Overall, 0.45msf was leased in 2QFY26 across three assets.
- **P&L performance:** GPL reported revenue of INR7.4b, -32% YoY/+70% QoQ (34% below our estimates), due to the absence of material completions during the quarter. In 1HFY26, revenue was INR11.7b, down 36% YoY.
- GPL reported EBITDA loss of INR5.1b vs. a profit of INR319m YoY. In 1HFY26, EBITDA loss stood at INR7.6b vs. a loss of INR931m YoY.
- Other income increased by 4x YoY/2% QoQ, driven by fair value gains from the acquisition of one of its JVs. As a result, PAT was up 21% YoY and down 33% QoQ at INR4b (23% below estimate), with a profit margin of 54%. In 1HFY26, other income increased by 97% YoY to INR24b, driven by fair value gains from the acquisition of four of its JVs, resulting in PAT of INR10b (up 17% YoY) with PAT margins at 85%.

Valuation and view

- GPL completed FY25 with a strong performance across key operational parameters of pre-sales and cash flows. With a strong launch pipeline, the company remains on track to achieve its operational goals. Thus, we keep our FY26/FY27 pre-sales estimates unchanged.
- While GPL has sustained gross margin at a healthy level of 35-40% for recognized projects in P&L, the higher scale of operations has led to a proportionately steeper increase in overhead, leading to subdued operating profits. We expect the sales booked over the past two years, characterized by a better margin profile and outright ownership, to be recognized after FY26/FY27, which will allay investor concerns.
- We believe GPL will continue to surprise on growth, cash flows, and margins, given its strong pipeline and healthy realizations, which have been key concerns for investors. We reiterate our BUY rating with a TP of INR2,843, implying a 30% potential upside.

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	(%/bp)
Gross Sales	**7,390**	**10,932**	**9,689**	**21,217**	**4,346**	**7,404**	**13,973**	**28,020**	**49,228**	**53,743**	**11,286**	**-34**
YoY Change (%)	-21.0	218.7	193.2	48.8	-41.2	-32.3	44.2	32.1	62.2	9.2	3.2	
Total Expenditure	8,641	10,613	9,413	20,118	6,779	12,531	12,217	15,463	48,785	46,990	9,868	
EBITDA	**-1,251**	**319**	**276**	**1,100**	**-2,433**	**-5,127**	**1,756**	**12,558**	**444**	**6,754**	**1,418**	**NA**
Margins (%)	-16.9	2.9	2.8	5.2	-56.0	-69.3	12.6	44.8	0.9	12.6	12.6	
Depreciation	166	183	177	211	220	264	192	61	737	737	155	
Interest	408	446	424	460	327	215	1,150	2,732	1,737	4,424	929	
Other Income	9,605	2,533	2,711	5,593	11,858	12,097	7,635	-2,225	20,442	29,364	6,166	
PBT before EO expense	**7,780**	**2,224**	**2,385**	**6,022**	**8,878**	**6,491**	**8,049**	**7,539**	**18,412**	**30,956**	**6,501**	**0**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**7,780**	**2,224**	**2,385**	**6,022**	**8,878**	**6,491**	**8,049**	**7,539**	**18,412**	**30,956**	**6,501**	**0**
Tax	1,974	-1,145	621	1,884	2,622	1,629	2,012	1,476	3,334	7,739	1,625	
Rate (%)	25.4	-51.5	26.0	31.3	29.5	25.1	25.0	19.6	18.1	25.0	25.0	
Minority Interest & Profit/Loss of Asso. Cos.	-618	-32	-183	-354	-272	-831	408	2,264	-1,186	1,569	329	
Reported PAT	**5,188**	**3,338**	**1,582**	**3,784**	**5,984**	**4,030**	**6,444**	**8,328**	**13,892**	**24,786**	**5,205**	**-23**
Adj PAT	**5,188**	**3,338**	**1,582**	**3,784**	**5,984**	**4,030**	**6,444**	**8,328**	**13,892**	**24,786**	**5,205**	
YoY Change (%)	288.3	359.5	152.2	-20.8	15.3	20.7	307.4	120.1	86.0	78.4	55.9	
Margins (%)	70.2	30.5	16.3	17.8	137.7	54.4	46.1	29.7	28.2	46.1	46.1	
Operational Metrics												
Sale Volume (msf)	9.0	5.2	4.1	7.5	6.2	7.1	8.3	7.5	26	29	5.5	**31**
Sale Value (INRb)	86	52	54	102	71	85	80	85	294	321	60.0	**42**
Collections (INRb)	34	43	35	76	41	46	66	111	189	263	49.3	**-8**
Realization/sft	9,607	10,093	13,381	13,515	11,478	11,912	9,600	11,321	11,443	11,007	11,000	**8**

6 November 2025

2QFY26 Results Update | Sector: Healthcare

Aurobindo Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ARBP IN
Equity Shares (m)	581
M.Cap.(INRb)/(USDb)	662.5 / 7.5
52-Week Range (INR)	1413 / 994
1, 6, 12 Rel. Per (%)	2/-10/-22
12M Avg Val (INR M)	1452

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	328.7	368.5	415.2
EBITDA	70.0	80.7	82.2
Adj. PAT	36.3	45.5	54.9
EBIT Margin (%)	16.0	16.7	18.3
Cons. Adj. EPS (INR)	62.4	78.3	94.6
EPS Gr. (%)	2.3	25.4	20.9
BV/Sh. (INR)	620.7	694.9	783.5
Ratios			
Net D:E	-0.1	-0.2	-0.2
RoE (%)	10.6	11.9	12.8
RoCE (%)	9.4	10.9	12.0
Payout (%)	6.4	5.1	6.3
Valuations			
P/E (x)	18.2	14.5	12.0
EV/EBITDA (x)	9.3	7.6	7.3
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	3.5	5.5	2.3
EV/Sales (x)	2.0	1.7	1.4

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.8	51.8	51.8
DII	27.6	26.9	25.1
FII	14.2	14.4	16.6
Others	6.4	6.9	6.5

FII includes depository receipts

CMP: INR1,141 TP: INR1,350 (+18%) Buy

Margins intact despite lower g-Revlimid sales

Consolidation phase nears end; positioned for next growth leg

- Aurobindo Pharma (ARBP) reported an in-line performance in 2QFY26. Interestingly, the quarter saw lower contribution from g-Revlimid compared to earlier quarters.
- ARBP has been delivering robust growth momentum in EU market and is close to achieving annualized revenue of EUR1b. Product introductions and its increasing reach can help ARBP sustain growth prospects in EU.
- ARBP has maintained US sales run rate despite lower contribution from g-Revlimid. In fact, the price erosion in the base portfolio has reached low single digits. With remediation measures completed at Eugia III and products filed from Vizag, the outlook is expected to improve in FY27.
- ARBP is on track with respect to development/clinical studies on biosimilar products and providing feedback to EU/US regulators.
- We largely maintain our estimates for FY26/FY27/FY28. We value ARBP at 16x 12M forward earnings to arrive at a TP of INR1,350.
- FY26 has been the year of consolidation, with a reduction in business from g-Revlimid, operational costs associated with the scale-up of Pen-g plant, and remediation measures at Eugia III. With these factors largely done, we expect a scale-up in revenue and profitability going forward. We expect 16% earnings CAGR over FY25-28. Considering earnings growth and attractive valuation, we maintain BUY on ARBP.

Margin expansion driven by better product mix

- Sales grew 6.3% YoY to INR82.9b (our estimate: INR81.1b).
- Overall formulation sales grew 10.3% YoY to INR73.2b. US formulation revenue grew 3.1% YoY to INR36.4b (CC: -1.0% YoY to USD417m; ~44% of sales). Europe formulation sales grew 18% YoY to INR24.8b (6% YoY in CC terms; ~30% of sales). Growth markets sales grew ~9% YoY to INR8.8b (~11% of sales). ARV revenue grew ~68% YoY to INR3.2b (~4% of sales).
- API sales declined ~17% YoY basis to INR9.6b (~11% of sales)
- Gross margin (GM) expanded 90bp YoY to 59.7% due to a better product mix.
- EBITDA margin expanded 20bp YoY to 20.3% (our estimate: 20.4%) led by higher GM and partly offset by higher employee expenses (+120bp YoY as % of sales). EBITDA grew 7% YoY to INR16.8b (our estimate: INR16.6b).
- PAT grew 3.4% YoY to INR8.5b (our est.: INR8.6b).
- Revenue/EBITDA grew 5.1%/0.6% YoY, while PAT declined 2.8% YoY in 1HFY26.

Highlights from the management commentary

- ARBP has guided for 20-21% EBITDA margin in FY26.
- ARBP indicated 7% sales growth, 10% gross profit growth and 14% EBITDA growth on QoQ basis (Ex-g-Revlimid) for 2QFY26.
- ARBP has strengthened its MSD contract by signing the second product. It would be adding a 15KL bioreactor line to cater to a new contract with MSD.
- USFDA has accepted the request to re-inspect the Eugia III plant and the company expects inspection within eight months. Injectable sales are still short of pre-Covid levels. While production is on track, new launches would drive better growth prospects.
- ARBP has scope of specialty injectable product launches from its Vizag plant to drive growth in this segment FY27 onward.

Quarterly performance (Consolidated)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	vs Est
(INRm)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Sales	**75,670**	**77,961**	**79,785**	**83,821**	**78,681**	**82,857**	**82,739**	**84,388**	**3,17,237**	**3,28,665**	**81,128**	**2.1%**
YoY Change (%)	10.5	8.0	8.5	10.6	4.0	6.3	3.7	0.7	9.4	3.6	4.1	
Total Expenditure	58,724	62,299	63,507	65,202	62,647	66,076	65,364	64,557	2,49,732	2,58,644	64,578	
EBITDA	**16,947**	**15,661**	**16,278**	**18,619**	**16,034**	**16,781**	**17,375**	**19,831**	**67,505**	**70,022**	**16,550**	**1.4%**
YoY Change (%)	47.2	11.6	1.7	10.4	-5.4	7.1	6.7	6.5	15.5	3.7	5.7	
Margins (%)	22.4	20.1	20.4	22.2	20.4	20.3	21.0	23.5	21.3	21.3	20.4	
Depreciation	4,042	3,823	4,185	4,444	4,057	4,292	4,556	4,647	16,494	17,552	4,591	
EBIT	**12,905**	**11,839**	**12,093**	**14,175**	**11,977**	**12,489**	**12,819**	**15,184**	**51,011**	**52,470**	**11,959**	
YoY Change (%)	56.5	20.1	2.6	6.4	-7.2	5.5	6.0	7.1	18.0	2.9	1.0	
Margins (%)	17.1	15.2	15.2	16.9	15.2	15.1	15.5	18.0	16.1	16.0	14.7	
Interest	1,110	1,127	1,185	1,150	978	952	942	906	4,572	3,778	977	
Other Income	1,199	1,360	1,573	1,232	1,053	1,156	1,380	1,400	5,364	4,989	1,350	
PBT before EO expense	**12,994**	**12,072**	**12,481**	**14,257**	**12,053**	**12,693**	**13,257**	**15,678**	**51,804**	**53,681**	**12,332**	**2.9%**
Forex loss/(gain)	-10	0	498	-116	4	-50	0	0	372	-46	0	
Exceptional (expenses)/income	249	0	0	-700	0	0	0	0	-451	0	0	
PBT	**13,254**	**12,072**	**11,983**	**13,673**	**12,049**	**12,743**	**13,257**	**15,678**	**50,981**	**53,727**	**12,332**	**3.3%**
Tax	4,057	3,905	3,543	4,323	3,826	4,278	3,579	5,588	15,827	17,271	3,576	
Rate (%)	30.6	32.3	29.6	31.6	31.8	33.6	27.0	35.6	31.0	32.1	29.0	
Minority Interest	4	-7	-18	315	-25	-20	105	111	294	172	110	
Reported PAT	**9,193**	**8,174**	**8,458**	**9,035**	**8,248**	**8,485**	**9,573**	**9,979**	**34,860**	**36,284**	**8,646**	**-1.9%**
Adj PAT	**9,013**	**8,174**	**8,809**	**9,434**	**8,250**	**8,451**	**9,573**	**9,976**	**35,430**	**36,250**	**8,646**	**-2.2%**
YoY Change (%)	51.9	5.1	-2.4	-6.6	-8.5	3.4	8.7	5.7	7.9	2.3	5.8	
Margins (%)	11.9	10.5	11.0	11.3	10.5	10.2	11.6	11.8	11.2	11.0	10.7	
EPS	**15.4**	**14.0**	**15.1**	**16.1**	**14.1**	**14.4**	**16.4**	**17.0**	**61.0**	**62.4**	**14.8**	

E: MOFSL Estimates

UPL

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	UPLL IN
Equity Shares (m)	843
M.Cap.(INRb)/(USDb)	618.4 / 7
52-Week Range (INR)	747 / 484
1, 6, 12 Rel. Per (%)	6/3/31
12M Avg Val (INR M)	1617

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	501.5	536.0	577.0
EBITDA	94.6	104.5	112.5
PAT	32.0	43.8	50.6
EBITDA (%)	18.9	19.5	19.5
EPS (INR)	41.9	57.2	66.1
EPS Gr. (%)	67.4	36.7	15.6
BV/Sh. (INR)	614	678	757
Ratios			
Net D/E	0.5	0.4	0.2
RoE (%)	10.6	13.4	14.0
RoCE (%)	10.8	12.8	13.3
Payout (%)	38.5	25.4	22.0
Valuations			
P/E (x)	17.6	12.8	11.1
EV/EBITDA (x)	7.9	6.9	6.1
Div Yield (%)	1.9	1.9	1.9
FCF Yield (%)	3.4	10.7	10.7

Shareholding Pattern (%)

	Sep-25	Jun-25	Sep-24
Promoter	33.5	33.5	32.5
DII	17.2	18.1	17.7
FII	39.9	37.8	37.5
Others	9.5	10.6	12.3

Note: FII includes depository receipts

CMP: INR733 TP: INR740 (+1%) Neutral

Margin expansion led by operating leverage and lower input prices

Operating performance beats our estimates

- UPL Ltd (UPLL) reported a strong 2QFY26 operating performance, with EBITDA growing 40% YoY to INR22.1b, led by a better product mix (EBITDA margin up 410bp YoY), higher capacity utilization, and lower COGS (gross margin up 460bp YoY). Revenue grew 8% to INR120.2b.
- While global agrochemical markets continue to face headwinds from US tariffs, weather disruptions in India, and a cautious demand environment, UPLL's diversified geographic and product portfolio provides a strong hedge. UPLL enters 2HFY26 on a stronger footing, with stabilized channel inventories, improved product mix, and a leaner cost structure. The company expects to sustain its upgraded EBITDA margin guidance of 12-16% for FY26 (vs earlier of 10-14%),
- Factoring in a strong 2Q performance and upgraded EBITDA margin guidance, we raise our FY26 earnings estimate by 9%, while largely maintaining our FY27/FY28 estimates. **We reiterate Neutral with a TP of INR740.**

Volume-led growth drives margin expansion

- UPLL reported revenue of INR120b (est. INR112b) in 2QFY26, up 8% YoY (volume growth: 7%, price down: 2%, forex up: 3%). EBITDA stood at INR22b (est INR18b), up 40% YoY. EBITDA margin stood at 18.3% vs 14.2% in 2QFY25, driven by a 460bp expansion in gross margin. Adj PAT came at INR6.8b (est. INR3.3b) in 2QFY26 vs adj. net loss of INR630m in 2QFY25.
- For 1HFY26, revenue/EBITDA grew 5%/29% to INR212b/INR35b. Adj PAT stood at INR7.8b vs adj net loss of INR2.7b.
- Gross debt stood at INR286b as of Sept'25 vs INR318b/INR268b as of Sep'24/Jun'25. Further, the company had a cash outflow of INR48b in Sep'25 vs INR25b in Sep'24. Net debt stood at INR238b in 2QFY26 vs INR275b/INR275b in 2QFY25/1QFY26.
- **India's** revenue rose 6% YoY to INR16.6b, led by growth in the seeds business, which was partially offset by the crop protection business. **North America's** revenue grew 63% YoY to INR9.1b, driven by higher volumes in herbicides. **LATAM's** revenue grew 13% to INR57b due to higher volumes in fungicides (mancozeb in Brazil) and recovery in Argentina (led by herbicides, corn, sunflower). The **Europe** business remained largely flat at INR13.7b, while the ROW business declined 6% to INR24b.
- **Advanta's** revenue increased 26% YoY to INR17b, driven by strong demand for corn (India, Argentina, other Latin America countries, Indonesia) and sunflower (Argentina). The company also reported a robust 2Q and 1H performance in its post-harvest Decco business. **UPL SAS's** revenue declined 10% YoY in 1QFY26, driven by a decline in volumes (caused by unfavorable weather conditions). **SUPERFORM's** revenue rose 1% YoY to INR28b, led by an 18% YoY volume growth in Super Specialty Chemicals (SSC).
- Net working capital days improved by 5 days to 118 in 2QFY26 vs 123 in 1QFY26.

Highlights from the management commentary

- **Outlook and guidance:** The company upgraded its EBITDA guidance for FY26 to 12-16% from the previous guidance of 10-14%. However, it maintained its revenue guidance of 4-8%.
- **Superform:** Superform reported a strong EBITDA growth, led by an 18% growth in volumes of the SSC segment. The improving mix of SSC is a major growth driver in this business. In the next 24 to 36 months, the company expects SSC to share 30-35% of the total business.
- **Industry outlook:** The company expects global crop protection demand to remain stable, although macro challenges such as US tariff uncertainties and farm-income stress in LATAM (Brazil, Argentina) may lead to a moderation in growth in some regions.
- **Debt repayment:** The company has a USD500m loan due in March. However, it remains confident of meeting this liability with USD1.5b in hand.

Valuation and view

- UPLL has demonstrated a strong performance in 1HFY26 despite macro headwinds. Building on this momentum, the company is expected to maintain healthy growth in 2HFY26. This growth will be led by healthy volume growth, while pricing is expected to remain soft.
- With improved working capital efficiency, healthy balance sheet metrics (post repayment of perpetual bond), and healthy liquidity post-rights issue, UPLL remains well-positioned to invest strategically in innovation and differentiated offerings.
- We expect revenue/EBITDA/Adj. PAT CAGR of 7%/11%/38% over FY25-28. **We reiterate Neutral with a TP of INR740 (based on 12x Sept'27 EPS).**

Cons.: Quarterly Earning Model (INRb)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Net Sales	**90.7**	**110.9**	**109.1**	**155.7**	**92.2**	**120.2**	**118.4**	**170.7**	**466.4**	**501.5**	**111.7**	**8%**
YoY Change (%)	1.2	9.0	10.3	10.6	1.6	8.4	8.6	9.6	8.2	7.5	0.7	
Total Expenditure	79.2	95.2	87.5	123.4	79.1	98.1	94.7	134.9	385.2	406.9	93.8	
EBITDA	**11.5**	**15.8**	**21.6**	**32.4**	**13.0**	**22.1**	**23.7**	**35.9**	**81.2**	**94.6**	**17.9**	**23%**
Margins (%)	12.6	14.2	19.8	20.8	14.1	18.3	20.0	21.0	17.4	18.9	16.0	
Depreciation	6.6	7.0	6.9	7.1	7.3	7.7	7.8	8.0	27.5	30.8	7.4	
Interest	9.1	10.7	7.3	9.1	10.1	7.8	6.5	5.3	36.3	29.7	7.4	
Other Income	1.0	1.1	1.7	1.1	1.4	2.5	1.2	1.6	4.9	6.7	1.4	
Exch. difference on trade rec./payable	0.5	2.2	2.1	0.5	-0.9	2.0	0.0	0.0	5.2	1.1	0.0	
PBT before EO expense	**-3.7**	**-3.0**	**7.1**	**16.8**	**-2.0**	**7.0**	**10.6**	**24.1**	**17.1**	**39.7**	**4.5**	
Extra-Ord expense	0.5	0.1	0.8	2.8	0.1	-1.4	0.0	0.0	4.1	-1.3	0.0	
PBT	**-4.2**	**-3.1**	**6.3**	**14.0**	**-2.1**	**8.4**	**10.6**	**24.1**	**13.0**	**41.0**	**4.5**	
Tax	0.7	1.4	-5.0	3.0	-0.1	1.7	1.8	3.7	0.1	7.1	0.7	
Rate (%)	-17.0	-44.2	-79.0	21.2	6.7	20.5	17.0	15.4	0.7	17.3	15.0	
MI & P/L of Asso. Cos.	-1.1	-0.1	3.0	2.1	-1.1	1.1	2.9	2.0	4.0	5.0	0.5	
Reported PAT	**-3.8**	**-4.4**	**8.3**	**9.0**	**-0.9**	**5.5**	**5.8**	**18.4**	**9.0**	**28.9**	**3.3**	
Adj PAT	**-2.0**	**-0.6**	**9.9**	**11.9**	**1.0**	**6.8**	**5.8**	**18.4**	**19.1**	**32.0**	**3.3**	**105%**
YoY Change (%)	-150.8	-159.3	-267.9	225.5	-147.6	-1,181.7	-41.1	55.1	583.6	67.4	-626.5	
Margins (%)	-2.2	-0.6	9.1	7.6	1.0	5.7	4.9	10.8	4.1	6.4	3.0	

GSK Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	GLXO IN
Equity Shares (m)	169
M.Cap.(INRb)/(USDb)	441.4 / 5
52-Week Range (INR)	3516 / 1921
1, 6, 12 Rel. Per (%)	-6/-13/-5
12M Avg Val (INR M)	519

Financials &valuations(INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	39.0	44.1	49.0
EBITDA	12.9	14.8	16.9
Adj. PAT	10.1	11.7	13.3
EBIT Margin (%)	31.3	32.1	33.0
Cons. Adj. EPS (INR)	59.8	69.3	78.5
EPS Gr. (%)	10.9	15.9	13.2
BV/Sh. (INR)	147.4	189.2	240.1
Ratios			
Net D:E	-0.4	-0.5	-0.6
RoE (%)	40.6	36.7	32.7
RoCE (%)	45.6	41.2	36.6
Payout (%)	48.3	41.7	36.8
Valuations			
P/E (x)	43.5	37.6	33.2
EV/EBITDA (x)	35.1	30.1	25.9
Div. Yield (%)	0.9	0.9	0.9
FCF Yield (%)	0.3	2.4	2.9
EV/Sales (x)	11.6	10.2	8.9

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	75.0	75.0	75.0
DII	7.8	7.7	7.3
FII	4.8	4.9	4.4
Others	12.5	12.4	13.3

FII Includes depository receipts

CMP: INR2,606 TP: INR2,800 (+7%) Neutral

Temporary hiccups lead to muted performance on a YoY basis

Outlook promising in Vaccines/New Oncology launches

- GlaxoSmithKline Pharmaceuticals (GLXO) reported lower-than-expected revenue for the quarter. However, EBITDA/PAT were slightly higher than expectations, as controlled costs resulted in improved profitability.
- After a healthy pick-up in YoY revenue growth in FY24/FY25, GLXO achieved a revenue decline on a YoY basis in 2QFY26/1HFY26. Certain one-time events like the GST transition and the fire incident at GLXO's CMO partner impacted the company's performance during the quarter and 1HFY26.
- GLXO continues to maintain a strong lead in the vaccine market with offerings for both pediatrics and adults. The company has reached ~400K healthcare professionals (HCPs) to market its vaccine portfolio. Specifically, for Shingrix, it reached 38k HCPs in 2QFY26.
- In addition to vaccines, GLXO is building a specialty portfolio in the respiratory and oncology segments. Products launched in the oncology segment have also been well-received by HCPs.
- We largely maintain our estimates for FY26/FY27/FY28. We value GLXO at 38x 12M forward earnings to arrive at a TP of INR2,800.
- After resolving temporary issues and marketing efforts towards the specialty portfolio, we expect GLXO to deliver a 13% earnings CAGR over FY25-28. The current valuation factors in the earnings upside and, hence, we maintain a Neutral rating on the stock.

Product mix and better operating leverage lead to higher margins YoY

- Revenue declined 3% YoY to INR9.8b (est: INR10.3b).
- Gross margin (GM) expanded 175bp YoY to 63.7%.
- EBITDA margin expanded 250bp YoY to 34.3% (our est: 31.4%) due to steady other expenses costs and a cut in employee costs on a YoY basis (down 80bp YoY as a % of sales).
- EBITDA grew 4.4% YoY to INR3.3b (vs. est. of INR3.2b).
- Adjusted PAT grew 3% YoY to INR2.5b for the quarter (in line with our est. of INR2.4b). The exceptional item was on account of profit on the sale of surplus residential properties.
- For 1HFY26, revenue decreased 2.2% YoY and EBITDA/PAT grew 6.3%/6.9%.

Key highlights from the management commentary

- The topline was impacted by the fire incident at a major CMO plant and the GST transition.
- From 2HFY26 onwards, operations are expected to stabilize as the fire incident has been fully addressed and remediated.
- Strong double-digit YoY growth was observed in both periodic vaccines and adult shingles vaccines.
- 2QFY26 marks a symbolic comeback with the company entering the oncology segment.
- GLXO launched key global assets, Gemperli/Jejula, in endometrial/ovarian cancer, creating new growth avenues.
- Employee headcount remains moderate, with a one-off reversal of benefits of INR160m; employee costs are expected to remain flat in the upcoming quarters.

Qtr Perf. (Consol.) (INRm)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Chg.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
Net Sales	**8,147**	**10,107**	**9,494**	**9,743**	**8,052**	**9,799**	**10,529**	**10,615**	**37,491**	**38,996**	**10,361**	**-5%**
YoY Change (%)	7.0	5.6	17.9	4.8	-1.2	-3.0	10.9	8.9	8.6	4.0	2.5	
Total Expenditure	5,841	6,891	6,665	6,412	5,541	6,442	7,055	7,027	25,809	26,065	7,108	
EBITDA	**2,305**	**3,216**	**2,829**	**3,332**	**2,511**	**3,357**	**3,475**	**3,588**	**11,682**	**12,931**	**3,253**	**3%**
YoY Change (%)	60.2	11.1	29.7	29.5	8.9	4.4	22.8	7.7	28.6	10.7	1.2	
Margins (%)	28.3	31.8	29.8	34.2	31.2	34.3	33.0	33.8	31.2	33.2	31.4	
Depreciation	164	169	188	147	155	174	197	203	668	728	191	
EBIT	**2,141**	**3,048**	**2,641**	**3,184**	**2,356**	**3,183**	**3,278**	**3,385**	**11,014**	**12,202**	**3,063**	
YoY Change (%)	67.9	12.3	31.4	33.1	10.0	4.4	24.1	6.3	31.3	10.8	0.5	
Margins (%)	26.3	30.2	27.8	32.7	29.3	32.5	31.1	31.9	29.4	31.3	29.6	
Interest	4	3	1	6	4	5	2	1	13	12	3	
Other Income	356	345	351	407	437	336	300	550	1,459	1,623	300	
PBT before EO Expense	**2,494**	**3,391**	**2,991**	**3,585**	**2,789**	**3,514**	**3,576**	**3,934**	**12,461**	**13,813**	**3,360**	
Tax	671	913	782	957	740	965	948	1,023	3,323	3,675	887	
Rate (%)	26.9	26.9	26.2	26.7	26.5	27.5	26.5	26.0	26.7	26.6	26.4	
Adjusted PAT	**1,823**	**2,477**	**2,209**	**2,628**	**2,049**	**2,549**	**2,628**	**2,911**	**9,138**	**10,138**	**2,473**	**3%**
YoY Change (%)	58.6	13.9	5.7	36.8	12.4	2.9	19.0	10.8	24.6	10.9	-0.2	
Margins (%)	22.4	24.5	23.3	27.0	25.5	26.0	25.0	27.4	24.4	26.0	23.9	
One-off Expense/(Income)	0	-47	-90	0	0	-26	0	0	-137	-26	0	
Reported PAT	**1,823**	**2,524**	**2,299**	**2,628**	**2,049**	**2,575**	**2,628**	**2,911**	**9,275**	**10,164**	**2,473**	**4%**
Reported PAT incl disc operations	**1,823**	**2,477**	**2,209**	**2,628**	**2,049**	**2,575**	**2,628**	**2,911**	**9,138**	**10,164**	**2,473**	**4%**

E: MOFSL Estimates

P&G Hygiene and Healthcare

Estimate changes	↔
TP change	↓
Rating change	↔

Bloomberg	PG IN
Equity Shares (m)	32
M.Cap.(INRb)/(USDb)	427.2 / 4.8
52-Week Range (INR)	16348 / 12106
1, 6, 12 Rel. Per (%)	-10/-12/-21
12M Avg Val (INR M)	147

Financials & valuations (INR b)

Y/E June	FY26E	FY27E	FY28E
Sales	44.8	48.2	51.7
Sales Gr. (%)	32.6	7.6	7.3
EBITDA	11.7	12.8	14.2
Margin (%)	26.1	26.6	27.6
Adj. PAT	8.7	9.6	10.7
Adj. EPS (INR)	268.1	296.7	330.1
EPS Gr. (%)	36.9	10.7	11.2
BV/Sh.(INR)	280.7	340.1	406.2
Ratios			
RoE (%)	105.7	95.7	88.5
RoCE (%)	119.5	106.8	97.9
Valuations			
P/E (x)	49.3	44.6	40.1
P/BV (x)	47.1	38.9	32.6
EV/EBITDA (x)	36.2	32.9	29.3
Div. Yield (%)	1.6	1.8	2.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	70.6	70.6	70.6
DII	16.1	15.5	15.3
FII	1.1	1.4	1.5
Others	12.2	12.5	12.6

FII Includes depository receipts

CMP: INR13,162 TP: INR14,000 (+6%) Neutral

Muted revenue; weak GM impacts profitability

- P&G Hygiene and Healthcare's (PGHH) 2QFY26 revenue growth was broadly in line with our expectations, but profitability was a miss. Similar margin anomalies have been observed in past quarters. Revenue grew 1% YoY to INR11.5b (in line) in 2QFY26, reflecting flat growth in the base quarter. Overall revenue growth has remained weak over the past few quarters.
- Gross margin contracted 160bp YoY and 230bp QoQ to 61.3% (est. 63.5%), reflecting the usual volatility between quarters. Employee costs declined 20% YoY, while A&P grew 2% YoY and other expenses rose 3% YoY. EBITDA declined 2% YoY to INR2.8b (below), while EBITDA margin contracted 80bp YoY and 370bp QoQ to 24.8%. The high COGS was partially offset by lower employee costs, helping limit the contraction in EBITDA margin.
- PGHH exhibits significant volatility on a quarterly basis, but its annual performance remains highly stable. We model a 26-27.6% EBITDA margin during FY26-28E, implying ~10% EBITDA CAGR over FY26-28E.
- The stock trades at rich valuations of 49x/45x FY26E/FY27E P/E. **Reiterate Neutral with a TP of INR14,000 (based on 45x Sep'27E EPS).**

Revenue remains flattish YoY, while margins contract

- **Flattish revenue:** PGHH registered 1% YoY revenue growth to INR11.5b (est. INR11.6b). Growth remained flat in the preceding and base quarters, reflecting a trend of weak revenue performance over the past few quarters.
- **Miss on margin:** Gross margin contracted 160bp YoY and 230bp QoQ to 61.3% (est. 63.5%). GM volatility between quarters is usually high. Employee costs reduced 20% YoY, while A&P grew 2% YoY and other expenses rose 3% YoY. EBITDA margin contracted 80bp YoY and 370bp QoQ to 24.8% (est. 25.5%).
- **Miss on profitability:** EBITDA declined 2% YoY to INR2.8b (est. INR2.9b). APAT declined 1% YoY to INR2.1b. (est. INR2.2b).

Valuation and view

- We broadly retain our EPS estimates for FY26-28.
- Two factors make PGHH an attractive long-term core holding: 1) high growth potential for the feminine hygiene segment (65-68% mix of FY24 sales), coupled with the potential for market share gains and strategic initiatives, including the strengthening of its competitive advantages; and 2) the potential to sustain high operating margins from the long-term premiumization trend in the feminine hygiene segment.
- With a portfolio of essentials and healthcare, PGHH remains focused on product innovation-led customer acquisition. While penetration play will continue, it is expected to proceed at a stable pace despite the high scope of user additions. The stock trades at rich valuations of 49x/45x FY26E/FY27E P/E. Further, we do not see any medium-term trigger. **Reiterate Neutral with a TP of INR14,000, based on 45x Sep'27E EPS.**

Standalone - Quarterly Earnings (INR m)

Y/E June	FY25				FY26E			FY25*	FY26E	FY26E	Var.
	1Q	2Q	3Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	**11,352**	**12,476**	**9,916**	**9,370**	**11,502**	**13,225**	**10,659**	**33,744**	**44,756**	**11,579**	**-0.7%**
YoY Change (%)	-0.3	10.1	-1.1	0.6	1.3	6.0	7.5	-19.8	32.6	2.0	
Gross profit	**7,139**	**8,085**	**5,969**	**5,959**	**7,050**	**8,398**	**6,924**	**21,193**	**28,330**	7,352	**-4.1%**
Margin (%)	62.9	64.8	60.2	63.6	61.3	63.5	65.0	62.8	63.3	63.5	
EBITDA	**2,905**	**3,709**	**2,097**	**2,662**	**2,848**	**3,769**	**2,403**	**8,711**	**11,681**	**2,953**	**-3.6%**
Growth	2.0	19.8	-18.5	102.7	-2.0	1.6	14.6	-11.4	34.1	1.6	
Margins (%)	25.6	29.7	21.1	28.4	24.8	28.5	22.5	25.8	26.1	25.5	
Depreciation	117	99	104	91	93	98	105	319	386	105	
Interest	19	66	58	1	36	40	58	143	135	27	
Other Income	85	97	191	77	99	125	188	373	489	111	
PBT	**2,854**	**3,641**	**2,127**	**2,647**	**2,818**	**3,756**	**2,428**	**8,622**	**11,649**	**2,931**	**-3.9%**
PBT after EO expense	**2,854**	**3,641**	**2,127**	**2,647**	**2,818**	**3,756**	**2,428**	**8,622**	**11,649**	**2,931**	**-3.9%**
Tax	735	955	566	726	719	947	543	2,256	2,936	739	
Rate (%)	25.7	26.2	26.6	27.4	25.5	25.2	22.4	26.2	25.2	25.2	
Adj PAT	**2,119**	**2,686**	**1,561**	**1,921**	**2,099**	**2,810**	**1,885**	**6,366**	**8,713**	**2,192**	**-4.3%**
YoY Change (%)	0.6	17.3	-15.8	111.4	-1.0	4.6	20.7	-11.1	36.9	3.5	
Margins (%)	18.7	21.5	15.7	20.5	18.2	21.2	17.7	18.9	19.5	18.9	

E: MOSL Estimates; *FY25 have 9M as company changed Jun year ended to Mar

Astral

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	ASTRA IN
Equity Shares (m)	269
M.Cap.(INRb)/(USDb)	420.7 / 4.7
52-Week Range (INR)	1870 / 1232
1, 6, 12 Rel. Per (%)	11/16/-17
12M Avg Val (INR M)	1025

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	66.2	78.0	90.4
EBITDA	10.8	12.9	15.3
PAT	6.0	7.8	9.6
EBITDA (%)	16.3	16.5	16.9
EPS (INR)	22.4	28.9	35.5
EPS Gr. (%)	14.8	29.5	22.8
BV/Sh. (INR)	203	235	276
Ratios			
Net D/E	-0.2	-0.3	-0.4
RoE (%)	15.6	17.7	18.6
RoCE (%)	15.9	17.6	18.5
Payout (%)	22.4	17.3	14.1
Valuations			
P/E (x)	70.1	54.1	44.1
EV/EBITDA (x)	38.2	31.6	26.0
Div Yield (%)	0.3	0.3	0.3
FCF Yield (%)	1.1	1.7	2.1

Shareholding Pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter	54.2	54.1	54.1
DII	17.8	14.9	12.5
FII	16.6	20.1	22.3
Others	11.4	10.9	11.1

Note: FII includes depository receipts

CMP: INR1,566 TP: INR1,880 (+20%) Buy

Strong volume growth amid volatile pricing scenario

Big beat on operating performance

- Astral (ASTRA) reported a strong quarter despite volatile pricing scenario and a weak demand environment. Revenue grew 15% YoY, while volume rose 21% YoY to 61.2k MT. EBITDA margin also expanded by 100bp YoY to 16.3%, led by higher salience of VAP.
- Management commentary remained positive for 2H, led by an improving demand outlook for pipes (gaining market share), recovery in performance of UK adhesive business, steady growth in India Adhesive business, and healthy outlook of Paints business. The company is witnessing a good 3QFY26 to date for its piping and adhesives business (including paints) and remains confident of maintaining its earlier guidance of double-digit revenue growth in FY26.
- Factoring in a healthy operating performance in 2Q and unchanged management guidance, we raise our FY26E earnings by 6%. We broadly maintain our FY27/FY28 earnings estimates. **We reiterate our BUY rating with an SoTP-based TP of INR1,880.**

Healthy operating performance across all businesses

- ASTRA's consolidated revenue grew 15% YoY/16% QoQ to INR15.8b in 2QFY26 (est. of INR14.6b), driven by increased VAP contribution, increased distribution network and decentralization of plants.
- EBITDA grew 22% YoY/39% QoQ to INR2.6b (est. INR2.2b). EBITDA margin expanded 100bp YoY/270bp QoQ to 16.3% (est. 14.9%), driven by a 70bp YoY improvement in gross margin. Adj. PAT surged 23% YoY/66% QoQ to INR1.3b (est. INR1.1b).
- In 1HFY26, revenue/EBITDA grew 7%/4% YoY to INR29.4b/INR4.4b, while PAT declined 6% to INR2.2b. For 2HFY26, implied revenue/EBITDA/PAT growth is ~20%/23%/31%.
- Plumbing business revenue stood at INR11.2b (+16% YoY, +17% QoQ), EBIT was INR1.6b (+19% YoY, +59% QoQ), and EBIT margin came in at 14% (+40bp, +370bp QoQ). Volume grew 21% YoY/9% QoQ to 61,224MT, while EBIT/kg was down 2% YoY/up 45% QoQ at INR25.7.
- Paints and adhesive business revenue stood at INR4.6b (+14% YoY, +13% QoQ), EBIT stood at INR313m (+30% YoY, +60% QoQ), and EBIT margin was 6.8% (+90bp, +200bp QoQ).
- As of Sep'25, ASTRA has a net cash position of INR4b vs. INR4.6b as of Mar'25. CFO stood at INR3.9b vs. INR1.1b as of Mar'25.

Highlights from the management commentary

- **Guidance:** ASTRA maintained double-digit growth guidance for the next five years. Margins are expected to stay at 15-16% and may improve with new plant utilization and CPVC integration by Sep'26. Adhesives should grow by 15%+ (India stable, UK returning to double-digit margins) in the medium term. Paints would grow by ~20% with single-digit margins. Bathware could post 20-25% CAGR. FY26 capex would be INR3.5b.
- **Market strategy:** 2Q saw good demand for certain products. The company adopted aggressive sales strategies and will continue this on the back of savings from decentralization of plants, which were passed on for gaining market share.
- **UK adhesive business:** UK adhesives business has turned around under the new leadership, following the full ownership acquisition. EBITDA improved from -2% to 7.3%, with 5% revenue growth in 2QFY26. Operational efficiencies and rising order flow support recovery, and management expects the business to achieve double-digit EBITDA margins by FY27 with sustainable growth.

Valuation and view

- ASTRA continues to strengthen its industry leadership through innovation, backward integration (CPVC resin), and capacity decentralization. Its investments in CPVC and new product categories underscore a long-term vision to reduce dependence on imports and enhance value addition. With consistent double-digit growth guidance and robust execution history, ASTRA remains one of the most agile players in India's plastic pipes industry.
- We expect ASTRA to clock a 16%/17%/22% CAGR in revenue/EBITDA/PAT over FY25-28. **We reiterate our BUY rating on the stock with an SoTP-based TP of INR1,880 (premised on 58x Sep'27E EPS).**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Gross Sales	**13,836**	**13,704**	**13,970**	**16,814**	**13,612**	**15,774**	**16,445**	**20,374**	**58,324**	**66,205**	**14,611**	**8**
YoY Change (%)	7.8	0.5	2.0	3.5	-1.6	15.1	17.7	21.2	3.4	13.5	6.6	
Total Expenditure	11,692	11,603	11,775	13,795	11,763	13,206	13,759	16,669	48,865	55,397	12,438	
EBITDA	**2,144**	**2,101**	**2,195**	**3,019**	**1,849**	**2,568**	**2,686**	**3,705**	**9,459**	**10,809**	**2,173**	**18**
Margins (%)	15.5	15.3	15.7	18.0	13.6	16.3	16.3	18.2	16.2	16.3	14.9	
Depreciation	556	599	631	648	719	723	739	780	2,434	2,961	725	
Interest	76	102	139	96	123	160	74	50	413	407	110	
Other Income	119	88	118	88	91	114	170	186	413	561	130	
PBT before EO expense	**1,631**	**1,488**	**1,543**	**2,363**	**1,098**	**1,799**	**2,043**	**3,061**	**7,025**	**8,001**	**1,468**	
Extra-Ord expense	0	0	0	163	0	0	0	0	0	0	0	
PBT	**1,631**	**1,488**	**1,543**	**2,200**	**1,098**	**1,799**	**2,043**	**3,061**	**7,025**	**8,001**	**1,468**	
Tax	436	401	416	583	306	451	515	766	1,836	2,038	370	
Rate (%)	26.7	26.9	27.0	26.5	27.9	25.1	25.2	25.0	26.1	25.5	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-9	-13	-14	-13	-19	0	-15	-15	-49	-49	-14	
Reported PAT	**1,204**	**1,100**	**1,141**	**1,630**	**811**	**1,348**	**1,543**	**2,311**	**5,238**	**6,013**	**1,112**	
Adj PAT	**1,204**	**1,100**	**1,141**	**1,793**	**811**	**1,348**	**1,543**	**2,311**	**5,238**	**6,013**	**1,112**	**21**
YoY Change (%)	0.5	-16.2	0.5	-1.3	-32.6	22.5	35.3	28.9	-4.3	15	1	
Margins (%)	8.7	8.0	8.2	10.7	6.0	8.5	9.4	11.3	9.0	9.1	7.6	

Piramal Pharma

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	PIRPHARM IN
Equity Shares (m)	1329
M.Cap.(INRb)/(USDb)	265 / 3
52-Week Range (INR)	308 / 180
1, 6, 12 Rel. Per (%)	0/-8/-36
12M Avg Val (INR M)	1402
Free float (%)	65.1

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	90.3	104.8	118.3
EBITDA	10.9	13.6	16.3
Adj. PAT	(0.4)	1.9	4.7
EBIT Margin (%)	3.0	5.0	6.4
Cons. Adj. EPS (INR)	(0.3)	1.4	3.5
EPS Gr. (%)	NA	NA	146.9
BV/Sh. (INR)	67.9	69.5	73.4
Ratios			
Net D:E	0.4	0.5	0.4
RoE (%)	(0.5)	2.3	5.5
RoCE (%)	(0.3)	2.1	4.6
Payout (%)	-	17.6	17.6
Valuations			
P/E (x)	NA	138.8	56.2
EV/EBITDA (x)	27.8	22.3	18.4
Div. Yield (%)	-	0.1	0.3
FCF Yield (%)	0.0	0.0	0.0
EV/Sales (x)	3.3	2.9	2.5

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	34.9	34.9	35.0
DII	14.9	14.3	13.8
FII	30.8	31.4	32.2
Others	19.5	19.5	19.1

FII Includes depository receipts

CMP: INR199 TP: INR240 (+20%) Buy

2Q – A miss; higher opex drags earnings

Work in progress to enhance CDMO offerings/expand CHG portfolio

- Piramal Pharma (PIRPHARM) delivered in-line revenue for 2QFY62. However, it delivered a miss on EBITDA/PAT for the quarter. Higher operational costs impacted the quarter's performance.
- While CDMO sales growth was impacted by the high base of the past year (a large contract from a customer in FY25), PIRPHARM is witnessing health improvement in biotech funding, driving order inflows.
- PIRPHARM witnessed a slowdown in complex hospital generics (CHG) till 1HFY26. That said, the company is taking initiatives to supply Sevoflurane to Ex-US markets and expand its offerings in this segment.
- We cut our EBITDA estimates by 21%/21%/17% for FY26/FY27/FY28, factoring in: a) a gradual scale-up of the CDMO business, b) supply challenges in the CHG segment, and c) higher operational costs. We value PIRPHARM on an SoTP basis (18x EV/EBITDA for CDMO business, 12x EV/EBITDA for CHG business, and 13x EV/EBITDA for consumer health (ICH) business) to arrive at a TP of INR240.
- While near-term headwinds have impacted business performance, stemming from inventory destocking in one CDMO project and supply constraints in the CHG segment, PIRPHARM continues to: a) enhance its customer base and secure additional contracts from existing customers in the CDMO segment and b) introduce new products in the CHG segment. With operational costs already being incurred, we expect operating leverage to drive earnings as revenue growth revives. Reiterate BUY.

Lower revenue/higher opex leads to operating deleverage YoY

- PIRPHARM's revenue declined 9% YoY to INR20.4b (in line) for the quarter.
- The CDMO segment's (52% of total sales) revenue declined 21% YoY to INR10b.
- The Complex hospital generics segment's (CHG; 32% of total sales) revenue was almost flat YoY at INR6.4b.
- The Indian consumer healthcare segment's (ICH; 16% of total sales) revenue grew 15% YoY to INR3b.
- Gross margin expanded 110bp YoY to 65.6%.
- However, EBITDA margin contracted 740bp YoY to 7.8%, largely due to lower operating leverage (employee cost/other expenses up 500/370bp as a % of sales).
- EBITDA declined 54% YoY to INR1.6b (our est: INR2.2b).
- Adj. loss came in at INR1b (our est: PAT of INR40m) for the quarter vs PAT of INR226m in 2QFY25.

Highlights from the management commentary

- PIRPHARM expects revenue to remain flat YoY in FY26. EBITDA margin is expected to moderate to low teens (including other income) vs the earlier guidance of mid-teens in FY26. 2H is expected to deliver a meaningfully better performance compared to 1HFY26.
- FY30 guidance to achieve USD2b revenue and 25% EBITDA margin in FY30 remains intact.
- Net debt reduced by INR2.2b, led by tight control on WC requirements and capital expenditure.
- The company expects capacity utilization at its overseas facilities to pick up on the back of new contracts, which is also expected to enhance profitability at these sites.
- While there is increased competition in the Isoflurane market, PIRPHARM remains confident in retaining its market share, supported by robust manufacturing capabilities and strong supply chain management.
- PIRPHARM has planned a new commercial-scale suite for payload-linker development and manufacturing. Along with prior investments, total investment in the Riverview and Aurora facilities now amounts to USD60m, aimed at significantly increasing capacity for producing APIs, HPAPIs, and payload-linkers.

Quarterly performance

PPL Income statement (INRm)	FY25				FY26E				FY25	FY26E	FY26E	% var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	
Revenues	**19,511**	**22,418**	**22,042**	**27,541**	**19,337**	**20,437**	**23,998**	**26,515**	**91,511**	**90,288**	**20,537**	**0%**
growth YoY(%)	11.6	17.3	12.5	7.9	-0.9	-8.8	8.9	-3.7	12.0	-1.3	-8.4	
CDMO	10,570	13,240	12,780	17,880	9,970	10,440	13,419	15,198	54,470	49,027	10,857	
CHG	6,310	6,430	6,540	7,050	6,370	6,440	7,521	8,249	26,330	28,580	6,494	
ICH	2,640	2,770	2,780	2,740	3,020	3,190	3,058	3,069	10,930	12,337	3,186	
EBITDA*	**2,044**	**3,416**	**3,377**	**5,610**	**1,067**	**1,587**	**3,528**	**4,693**	**14,447**	**10,875**	**2,259**	**-30%**
margin (%)	10.5	15.2	15.3	20.4	5.5	7.8	14.7	17.7	15.8	12.0	11.0	
growth YoY(%)	54.5	28.6	25.8	5.9	-47.8	-53.5	4.5	-16.3	20.8	-24.7	-33.9	
Depreciation	1,846	1,922	1,968	2,428	1,973	2,028	2,089	2,100	8,163	8,190	2,045	
EBIT	**198**	**1,494**	**1,409**	**3,182**	**-906**	**-441**	**1,439**	**2,593**	**6,284**	**2,685**	**214**	
Other income	195	611	121	420	584	656	585	610	1,348	2,435	590	
Interest expense	1,070	1,076	1,033	1,037	862	824	860	855	4,216	3,401	870	
Share from Asso. Co	224	173	171	162	186	148	195	210	729	739	180	
PBT	**-452**	**1,201**	**668**	**2,728**	**-998**	**-462**	**1,359**	**2,558**	**4,145**	**2,458**	**114**	
EO Expenses/(gain)	-	-	-	-	(207)	-	-	-	-	(207)	-	
Taxes	**436**	**975**	**631**	**1,193**	**27**	**530**	**829**	**1,509**	**3,235**	**2,895**	**74**	
Tax Rate (%)	-96.4	81.2	94.5	43.7	-3.4	-114.9	61.0	59.0	78.0	108.6	65.0	
Reported PAT	**-888**	**226**	**37**	**1,535**	**-817**	**-992**	**530**	**1,049**	**910**	**-230**	**40**	**NA**
Adj. PAT	**-888**	**226**	**37**	**1,535**	**-1,031**	**-992**	**530**	**1,049**	**910**	**-445**	**40**	**NA**
Change (%)	NA	348.2	-89.5	34.0	NA	NA	1,339.9	-31.7	62.5	NA	-82.3	

E: MOFSL Estimates

Godrej Agrovet

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	119 / 1.3
52-Week Range (INR)	876 / 612
1, 6, 12 Rel. Per (%)	-10/-16/-21
12M Avg Val (INR M)	220

Financials & Valuations (INR b)

Y/E MARCH	2026E	2027E	2028E
Sales	105.6	114.5	123.6
EBITDA	9.0	11.6	12.5
Adj. PAT	5.0	6.8	7.6
EBITDA Margin (%)	8.6	10.1	10.1
Cons. Adj. EPS (INR)	26.0	35.3	39.7
EPS Gr. (%)	16.2	35.7	12.4
BV/Sh. (INR)	91	116	145
Ratios			
Net D:E	1.2	0.8	0.4
RoE (%)	24.2	34.1	30.4
RoCE (%)	13.9	18.0	18.6
Payout (%)	40.4	29.8	26.5
Valuations			
P/E (x)	23.8	17.5	15.6
EV/EBITDA (x)	15.6	11.8	10.5
Div. Yield (%)	1.7	1.7	1.7
FCF Yield (%)	3.6	4.7	5.6

Shareholding pattern (%)

	Sep-25	Jun-25	Sep-24
Promoter	67.5	67.5	74.0
DII	7.7	8.1	5.9
FII	4.7	4.2	7.5
Others	20.1	20.2	12.6

Note: FII includes depository receipts

CMP: INR619 TP: INR790 (+28%) Buy

Lackluster 2Q and a bleak outlook lead to the retraction of guidance

- Godrej Agrovet (GOAGRO) reported a muted operating performance (EBIT down 5.2% YoY) in 2QFY26, primarily due to a sharp dip in the crop protection business (EBIT down 70%), which was offset by growth in the palm oil business (PO)/Dairy/Poultry businesses (EBIT up 88%/8%/4.6x). Conversely, the Animal Feed business (AF) was largely flat.
- Management revoked its revenue growth guidance for FY26 after factoring in the weak outlook for the crop protection business (due to heavy and unseasonal rains). However, the company still maintains a healthy growth outlook for FY26, fueled by other businesses.
- Hence, we broadly retain our FY26/FY27/FY28 EBITDA estimates. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR790.**

Weak demand hurts operating performance

- Consolidated revenue stood at INR25.7b, up 5% YoY (est. in line). EBITDA margin contracted 80bp YoY to 8.3% (est. 8.6%), led by an increase in employee cost (stood at 6.4% vs 5% in 2QFY25) and other expenses (stood at 11.9% vs 11.5% in 2QFY25). While gross margins expanded by 100bp YoY to 26.6%. EBITDA stood at INR2.1b, down 4.5% YoY (est. in line). Adjusted PAT declined ~18% YoY to INR926m (est. of INR1.3b).
- **AF:** Revenue inched up 1% YoY at INR12.2b, while margins contracted 10bp to 5.8%. Volumes grew by ~11% YoY, which was partially offset by a 9% dip in realizations.
- **Palm Oil:** Revenue grew ~45% YoY to INR6.4b, led by higher realizations in crude palm oil (CPO) and palm kernel oil (PKO), as realizations improved ~20% and ~63%, respectively. FFB arrivals rose 9% YoY, leading to an EBIT margin expansion of 5pp YoY to 21.6% and an EBIT growth of ~88% YoY to INR1.4b. OER also improved to 19% in 1HFY26 (vs. 18.3% in 2Q).
- **CP**: Consolidated CP revenue dipped 28.3% YoY to ~INR2b, with standalone CP revenue/Astec declining 25.3%/29.8% YoY. Astec's decline was due to a dip in the CDMO business, while the Enterprise business was up 16% YoY. Consolidated CP EBIT declined 70% YoY to INR163m, with standalone CP EBIT declining 62% YoY to INR320m. Astec posted an operating loss of INR157m vs. an operating loss of INR299m in 2QFY25.
- The **Dairy** business revenue dipped 2.4% YoY to INR3.9b, while EBIT grew ~7.7% YoY to INR91m, led by a strong VAP performance**.** The **Poultry and Processed Food** business's revenue declined ~7.4% YoY to INR1.8b, mainly due to lower volumes and realizations in the live bird business, while EBIT was INR23m (up 4.6x YoY) and EBIT margin expanded 100bp YoY to ~1.3%.
- For 1HFY26, GOAGRO's revenue/EBITDA/adj. PAT grew 8%/7%/2% to INR51.8b/INR4.8b/INR2.5b. For 2HFY26, its implied revenue/EBITDA/PAT growth stands at 17%/15%/35% YoY.
- Gross debt was INR21.2b as of Sep'25 vs. INR13.7b in Mar'25. Further, the company had a CFO of INR3.3b as of Sept'25 vs INR1.6b in Sep'24.

Highlights from the management commentary

- **Crop protection (standalone):** GOAGRO had a weak 2Q due to persistent and widespread rainfall across key markets. In Jul'25, the company launched a new in-licensed maize herbicide, *Ashitaka, to diversify its product portfolio*. Further, the company expects to launch new products in 4Q, which could be another product to diversify its product portfolio.
- **Astec:** Demand for CDMO business has shifted towards 2H. The company only sees a temporary shift but feels that annual demand is normal. The company is on it course to grow CDMO to 55% of this busines
- **Dairy:** VAP posted ~10% growth, and the VAP contribution to total sales rose to ~36% from ~32% in 2QFY25, reflecting continued portfolio premiumization. EBITDA margins remained resilient even as milk procurement prices rose and the advertising and marketing expenses increased.

Valuation and view

- The momentum in the palm oil segment is expected to be sustained, supported by a stable pricing environment and a strategic shift toward value-added products such as PKO.
- However, this will likely be offset by a weak outlook for the domestic crop protection segment, owing to heightened competitive intensity, continued pricing pressure, and unfavorable weather for crops. We broadly retain our FY26/FY27/FY28 EBITDA estimates. We reiterate our **BUY rating on the stock with an SOTP-based target price of INR790.**

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	(%)
Gross Sales	**23,508**	**24,488**	**24,496**	**21,336**	**26,143**	**25,674**	**28,631**	**25,103**	**93,828**	**1,05,551**	**25,670**	**0**
YoY Change (%)	-6.4	-4.8	4.5	0.0	11.2	4.8	16.9	17.7	-1.9	12.5	4.8	
Total Expenditure	21,246	22,254	22,296	19,870	23,446	23,540	26,331	23,201	85,666	96,518	23,474	
EBITDA	**2,261**	**2,234**	**2,200**	**1,467**	**2,697**	**2,134**	**2,300**	**1,902**	**8,162**	**9,032**	**2,196**	**-3**
Margins (%)	9.6	9.1	9.0	6.9	10.3	8.3	8.0	7.6	8.7	8.6	8.6	
Depreciation	546	583	567	565	579	571	610	645	2,261	2,404	590	
Interest	302	398	345	289	355	396	385	370	1,334	1,505	345	
Other Income	92	126	87	130	119	78	130	144	435	471	120	
PBT before EO expense	**1,506**	**1,379**	**1,376**	**742**	**1,882**	**1,246**	**1,435**	**1,032**	**5,002**	**5,594**	**1,381**	
PBT	**1,506**	**1,379**	**1,376**	**742**	**1,882**	**1,246**	**1,435**	**1,032**	**5,002**	**5,594**	**1,381**	
Tax	345	541	414	204	517	507	258	166	1,504	1,448	348	
Rate (%)	22.9	39.3	30.1	27.5	27.5	40.7	18.0	16.1	30.1	25.9	25.2	
MI & Profit/Loss of Asso. Cos.	-190	-286	-153	-170	-240	-187	-200	-219	-799	-846	-240	
Reported PAT	**1,352**	**1,123**	**1,115**	**708**	**1,605**	**926**	**1,377**	**1,085**	**4,297**	**4,993**	**1,274**	
Adj PAT	**1,352**	**1,123**	**1,115**	**708**	**1,605**	**926**	**1,377**	**1,085**	**4,297**	**4,993**	**1,274**	**-27**
YoY Change (%)	28.3	6.7	21.4	23.9	18.8	-17.6	23.5	53.3	19.5	16.2	13.4	
Margins (%)	5.7	4.6	4.6	3.3	6.1	3.6	4.8	4.3	4.6	4.7	5.0	

Castrol (India)

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	188.3 / 2.1
52-Week Range (INR)	247 / 159
1, 6, 12 Rel. Per (%)	-8/-9/-17
12M Avg Val (INR M)	891

Financials & Valuations (INR b)

Y/E Dec	CY25E	CY26E	CY27E
Sales	56.8	58.7	62.7
EBITDA	13.2	13.6	14.9
PAT	9.5	9.6	10.6
EPS (INR)	9.6	9.7	10.7
EPS Gr. (%)	2.7	1.1	10.2
BV/Sh.(INR)	25.0	26.9	29.1
Ratios			
Net D:E	-0.6	-0.6	-0.6
RoE (%)	40.1	37.5	38.3
RoCE (%)	40.4	37.8	38.6
Payout (%)	80.0	80.0	80.0
Valuations			
P/E (x)	19.7	19.5	17.7
P/BV (x)	7.6	7.1	6.5
EV/EBITDA (x)	13.1	12.6	11.4
Div. Yield (%)	4.1	4.1	4.5
FCF Yield (%)	5.0	5.1	5.6

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	51.0	51.0	51.0
DII	15.0	14.9	15.2
FII	10.3	10.3	10.0
Others	23.8	23.8	23.8

FII includes depository receipts

CMP: INR190 TP: INR260 (+37%) Buy

Volume growth remains strong

- Castrol (CSTRL)'s 3QCY25 performance was in line. EBITDA margin expanded 150bp YoY/30bp QoQ. Volumes were in line at 59m liters (up 7% YoY).
- Management highlighted that it remains focused on brand building, widening the distribution network, and launching new products, all of which we believe will drive volume growth and market share expansion.
- CSTRL has always enjoyed a strong brand legacy, and we are confident in its ability to maintain profitability through an improved product mix, stringent cost-control measures, and the launch of advanced products that command better realization. **We reiterate our BUY rating with a TP of INR260.**

Stable 3Q performance

- CSTRL's 3QCY25 revenue came in at ~INR13.6b, in line (up 6% YoY).
- EBITDA came in above our estimate at INR3.2b (up 13% YoY).
  - EBITDA margin expanded 150bp YoY/30bp QoQ.
  - Gross margin expanded 200bp YoY/140bp QoQ.
- PAT also came in 7% above our estimate at INR2.3b.
  - Other income came in above our estimate.
- **Other key highlights:**
  - **CSTRL expanded its footprint and strengthened market presence:**
  - It expanded national network to ~1,50,000 outlets across India.
  - Service network now encompasses over 750 Castrol Auto Service centers, around 33,000 independent bike workshops, and about 11,500 multi-brand workshops.
  - With nearly 40,000 rural outlets and 500 Rural Express points, the company continues to deliver consistent double-digit growth in rural markets.
  - The full Auto Care product range is now accessible via e-commerce platforms, modern trade channels, and more than 67,000 physical outlets nationwide.
  - Signed an MoU with VinFast Auto India to provide reliable and easily accessible after-sales support for EV customers through select Castrol Auto Service workshops.
  - **CSTRL is building momentum through new launches and localization:**
  - Expanded the Auto Care portfolio with the introduction of Castrol All-in-One Helmet Cleaner.
  - Localization of high transmission EV fluids and industrial products Alusol SL 41 XBB and NPI-Spheerol SM 00.
  - Upgraded Castrol Magnatec to align with the latest API SQ specifications.
  - **The company is driving brand preference:**
  - Conducted large-scale city activations across key markets, engaging over 5m biking enthusiasts under the Castrol POWER1 brand.
  - The 'SuperDRIVE with Castrol EDGE' initiative enabled around 10,000 consumer trials across 10 major cities.
  - The Super Mechanic Saptah program garnered participation from more than 5,000 mechanics nationwide.

Key takeaways from the management commentary

- Volume stood at 59m lit (up 7% QoQ)
- Volume split in segments: Personal mobility/CV/Industrial segment – 48-50%/38-40 %/13-14%
- Segment-wise growth in volumes: Personal mobility/CV/Industrial segment – 6%/8%/double-digit (%) growth.
- The company deals in industrial lubricants such as high-performance lubricants, rust preventives, and metalworking lubricants. These contribute around 12 to 14% volumes.
- About 50-55% of the base oil is imported, while the rest is sourced domestically.

Valuation and view

- Our EBITDA margin assumptions are already within the company's guided range of 22-25%.
- We value the stock at 26x Dec'27 EPS to arrive at our TP of INR260. **We reiterate our BUY rating.**

Quarterly Performance **(INR m)**

Y/E December	CY24				CY25				CY24	CY25E	CY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			3QE	(%)
Volume (m litres)	**58.0**	**61.0**	**55.0**	**59.0**	**63.0**	**66.0**	**59.0**	**62.5**	**233.0**	**250.5**	**58.3**	**1%**
Realization	**228**	**229**	**234**	**229**	**226**	**227**	**231**	**223**	230	227	**227**	**2%**
Net Sales	**13,252**	**13,975**	**12,882**	**13,539**	**14,220**	**14,968**	**13,628**	**13,972**	**53,649**	**56,788**	**13,218**	**3%**
YoY Change (%)	2.4	4.8	8.9	7.1	7.3	7.1	5.8	3.2	5.7	5.9	2.6	
EBITDA	**2,937**	**3,224**	**2,861**	**3,759**	**3,074**	**3,495**	**3,228**	**3,408**	**12,782**	**13,205**	**3,017**	**7%**
YoY Change (%)	-0.4	4.1	6.5	14.2	4.6	8.4	12.8	-9.3	6.3	3.3	5.4	
Margin (%)	22.2	23.1	22.2	27.8	21.6	23.4	23.7	24.4	23.8	23.3	22.8	**4%**
Depreciation	237	261	245	254	246	266	252	260	998	1,020	251	
Interest	21	26	20	27	23	26	21	28	94	98	21	
Other Income	241	204	209	232	322	93	123	106	886	644	94	
PBT	**2,921**	**3,142**	**2,805**	**3,709**	**3,127**	**3,295**	**3,079**	**3,226**	**12,576**	**12,731**	**2,839**	**8%**
Tax	758	820	730	995	793	855	801	759	3,304	3,208	715	
Rate (%)	26.0	26.1	26.0	26.8	25.3	26.0	26.0	23.5	26.3	25.2	25.2	
PAT	**2,162**	**2,322**	**2,074**	**2,714**	**2,335**	**2,440**	**2,278**	**2,467**	**9,272**	**9,522**	**2,124**	**7%**
YoY Change (%)	6.8	3.1	6.7	12.2	8.0	5.1	9.8	-9.1	7.3	2.7	2.4	
Operational Details (INR/lit)												
Volume (m litres)	58.0	61.0	55.0	59.0	63.0	66.0	59.0	62.5	233.0	250.5	58.3	1%
Realization	228.5	229.1	234.2	229.5	225.7	226.8	231.0	223.4	230.3	226.7	226.7	2%
Gross margin	109.4	111.3	111.9	120.0	108.5	109.9	115.1	107.1	113.2	110.1	110.1	5%
EBITDA	50.6	52.9	52.0	63.7	48.8	53.0	54.7	54.6	54.9	52.7	51.7	6%
PAT	37.3	38.1	37.7	46.0	37.1	37.0	38.6	39.5	39.8	38.0	36.4	6%

6 November 2025

2QFY26 Results Update | Sector: Retail

Devyani International

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	DEVYANI IN
Equity Shares (m)	1232
M.Cap.(INRb)/(USDb)	191.9 / 2.2
52-Week Range (INR)	210 / 130
1, 6, 12 Rel. Per (%)	-8/-17/-14
12M Avg Val (INR M)	488

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	56.3	63.7	70.8
Sales Gr. (%)	13.7	13.1	11.2
EBITDA	8.2	10.8	13.3
Margins (%)	14.5	17.0	18.8
Adj. PAT	-0.2	1.4	2.7
Adj. EPS (INR)	-0.1	1.2	2.2
EPS Gr. (%)	NA	NA	88.9
BV/Sh.(INR)	5.0	3.8	3.5
Ratios			
RoE (%)	-1.9	26.4	60.4
RoCE (%)	3.8	7.7	10.7
Valuation			
P/E (x)	NA	133.8	70.9
P/BV (x)	31.2	40.8	45.0
EV/Sales (x)	3.5	3.1	3.2
EV/EBITDA (x)*	44.0	28.9	21.4

* Pre-Ind AS

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	61.4	62.6	62.7
DII	19.8	18.1	15.4
FII	6.6	9.4	11.2
Others	12.3	9.9	10.7

FII includes depository receipts

CMP: INR156 TP: INR180 (+16%) Buy

Recovery awaited; pressure on margins

- Devyani International's (DEVYANI) consolidated revenue grew 13% YoY in 2QFY26. The India revenue was up 12% YoY, led by the Skygate acquisition and 16% YoY store expansion. Organic India's revenue growth was ~5%. Demand was impacted due to both Shraavana and Navaratri occurring in the same quarter, coupled with unseasonal rains, particularly in the eastern region during the latter half of September. The company has not seen a material demand uptick in Oct'25 as well.
- KFC's revenue grew 5% YoY, aided by 14% store expansion, though offset by a 4.2% decline in same-store sales (-3% for Sapphire). Pizza Hut (PH)'s revenue rose 1% YoY, with 5% new store additions, while SSSG declined 4.1% YoY (-8% for Sapphire). Costa Coffee's revenue grew 5% YoY, with 8% YoY store additions.
- India ROM dipped 15% YoY to INR0.9b, and the margin contracted 320bp YoY to 10%, an all-time low, owing to operating deleverage. KFC's ROM contracted 250bp YoY to 14.1% (13.8% for Sapphire), and PH's ROM contracted 340bp YoY and turned negative at -0.2% (-1.8% for Sapphire).
- International revenue grew 14% YoY to INR4.5b with RoM at INR749m (vs. INR632m in 2QFY25), and margin expanded 70bp YoY to 16.7%.
- Consolidated GP margin contracted 160bp YoY and 40bp QoQ to 67.8% (est. 69%). The Sky Gate portfolio impacted the GM by 50bp. EBITDA (Pre-Ind-AS) margin was down 260bp YoY/130bp QoQ to 6.8%. Consol. RoM margin contracted 190bp YoY and 140bp QoQ to 11.7%. Skygate impacted the consolidated RoM by 70bp.
- The growth weakness with continuous contraction in store profitability is a big concern for QSR players. KFC ADS has dipped ~25% over the last three years, and ROM contracted by ~750bp. DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. Although management commentary for recovery was muted, we will track whether overall consumption drivers help in recovering dine-in demand.
- We reiterate our BUY rating and value the India business at 35x EV/EBITDA (pre-IND-AS) and the international business at 20x EV/EBITDA (pre-IND-AS) on Sep'27E to arrive at our TP of INR180.

Weak performance; margin pressure sustains

- **Muted underlying growth metrics:** Consolidated sales grew 13% YoY to INR13.8b (est. INR 13.1b). The India revenue was up by 12% YoY to INR9.4b (est. INR8.8b), supported by the acquisition of Sky Gate. KFC's sales grew 5% YoY to INR5.7b. Its SSSG declined 4.2% (est. -2.5%). PH sales grew 1% YoY to INR1.9b. SSSG declined 4.1% (est. -3%). ADS of KFC was down 7% YoY at INR89k, and PH ADS dipped 6% YoY to INR33k. Costa Coffee's revenue rose 5% YoY, while ADS was down 11% YoY at INR24k.

- **Store expansion:** It added a total of 39 stores in 2QFY26 to reach 2,184 stores. The store additions in **KFC**/PH/CC/own brands/International are 30/3/2/0/4, taking the total store count for KFC/PH/CC/own brands/International to 734/ 621/224/223/382.
- **Pressure on margins continues:** Gross profit grew by 10% YoY to INR9.3b (est. INR9.1b) while margins contracted by 160bp YoY and 40bp QoQ to 67.8 (est. 69%). Consol. EBITDA margins contracted 210bp YoY and 100bp QoQ to 14.1% (est. 15%). Consol. ROM decreased 3% YoY to INR1.6b, and the margin contracted 190bp YoY and 140bp QoQ to 11.7%. The Pre-Ind-AS EBITDA declined 18% YoY to INR0.9b, while the margin dipped 260bp YoY/130bp QoQ to 6.8%.
- International revenue grew 14% YoY to INR4.5b with RoM at INR749m (vs. INR632m in 2QFY25), and margin expanded 70bp YoY to 16.7%.
- Reported EBITDA declined 2% YoY to INR1.9b (est. INR2.0b). Loss before tax stood at INR297m vs. a loss of INR9m in 2QFY25.

Highlights from the management commentary

- The out-of-home consumption was impacted due to both Shraavana and Navaratri falling in the same quarter, as well as unseasonal rains – especially in eastern parts of the country during the second half of September. The demand environment continues to remain weak. Oct'25 has seen no material uptick in demand.
- Lower gross margin and increased aggregator and delivery expenses due to higher saliency of off-premise sales in KFC led to overall lower brand contribution in India.
- KFC in India added 30 net new stores in 2QFY26, taking the total store count for KFC in India to 734 stores, and the company is on track to open ~100-110 new KFC stores in FY26.
- Biryani By Kilo and Goila Butter Chicken from the Skygate portfolio continue to do well, and Devyani has seen strong momentum in the business after Dussehra. BBK stores have been tested in Mumbai and Pune airport locations, and the brand has seen good traction.

Valuation and view

- Given DEVYANI's weak performance, we cut our EBITDA by 4-6% for FY26E and FY27E.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. ADS and SSSG recoveries remain the key monitorables, as they are vital for improving unit economics. DEVYANI is in talks with Yum for PH turnaround and is expected to execute the initiatives in the coming months. This will be a positive trigger for the company. The stock price has been flat for the last three years due to growth challenges, and we believe most of the risks are largely priced in now.
- We reiterate our BUY rating and value India business at 35x EV/EBITDA (Pre-IND-AS) and international business at 20x EV/EBITDA (pre-IND-AS) on Sep'27E to arrive at our TP of INR180.

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
KFC - No. of stores	617	645	689	696	704	734	764	791	696	791	729	
PH - No. of stores	570	593	644	630	618	621	625	628	630	628	620	
KFC - SSSG (%)	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2	-1.0	1.9	-6.4	-1.0	-2.5	
PH - SSSG (%)	-8.6	-5.7	-0.8	1.0	-4.2	-4.1	-2.5	0.8	-3.8	-2.5	-3.0	
Net Sales	**12,219**	**12,222**	**12,944**	**12,126**	**13,570**	**13,768**	**14,950**	**14,004**	**49,511**	**56,291**	**13,139**	5%
YoY change (%)	44.3	49.1	53.5	15.8	11.1	12.6	15.5	15.5	39.2	13.7	7.5	
Gross Profit	**8,450**	**8,474**	**8,892**	**8,306**	**9,252**	**9,329**	**10,241**	**9,635**	**34,122**	**38,457**	**9,066**	3%
Margin (%)	69.2	69.3	68.7	68.5	68.2	67.8	68.5	68.8	68.9	68.3	69.0	
EBITDA	**2,234**	**1,987**	**2,192**	**2,008**	**2,049**	**1,943**	**2,241**	**1,955**	**8,422**	**8,188**	**1,973**	-2%
EBITDA growth %	28.8	25.2	49.9	15.5	-8.3	-2.2	2.2	-2.6	29.1	-2.8	-0.7	
Margin (%)	18.3	16.3	16.9	16.6	15.1	14.1	15.0	14.0	17.0	14.5	15.0	
Depreciation	1,322	1,391	1,557	1,653	1,497	1,603	1,620	1,717	6,332	6,437	1,582	
Interest	630	653	670	695	668	688	683	627	2,648	2,667	686	
Other Income	99	48	91	132	135	51	105	140	370	431	100	
PBT	**381**	**-9**	**56**	**-208**	**19**	**-297**	**43**	**-249**	**-188**	**-484**	**-195**	
Tax	81	10	162	-56	5	-52	9	-58	197	-97	-39	
Rate (%)	21.2	-113.1	286.8	26.8	27.0	17.5	20.0	23.5	-104.7	20.0	20.0	
Adjusted PAT	**281**	**-27**	**-9**	**-20**	**17**	**-186**	**89**	**-72**	**226**	**-162**	**-101**	
Margin (%)	2.3	-0.2	-0.1	-0.2	0.1	-1.4	0.6	-0.5	0.5	-0.3	-0.8	
YoY change (%)	-17.2	NM	NM	-161.2	-94.0	NM	NM	NM	-75.7	-172.0	NM	

E: MOFSL Estimates

Clean Science & Technology

Estimate changes	↓
TP change	↓
Rating change	↔

Bloomberg	CLEAN IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	104.3 / 1.2
52-Week Range (INR)	1600 / 960
1, 6, 12 Rel. Per (%)	-10/-21/-41
12M Avg Val (INR M)	686

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	10.7	12.8	14.8
EBITDA	4.1	5.0	5.8
PAT	2.8	3.4	4.0
EPS (INR)	26.3	32.1	37.8
EPS Gr. (%)	5.6	22.2	17.9
BV/Sh.(INR)	155.3	182.3	214.0
Ratios			
Net D:E	-0.0	-0.1	-0.1
RoE (%)	18.2	19.0	19.1
RoCE (%)	17.8	18.7	18.8
Payout (%)	16.1	16.1	16.1
Valuations			
P/E (x)	37.4	30.6	25.9
P/BV (x)	6.3	5.4	4.6
EV/EBITDA (x)	25.5	20.8	17.4
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	0.4	1.7	2.6

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	51.0	75.0	75.0
DII	19.0	5.9	4.8
FII	11.1	6.2	5.8
Others	18.9	12.9	14.4

FII Includes depository receipts

CMP: INR981 TP: INR960 (-2%) Neutral

Muted performance due to demand weakness in key segments

Operating performance below estimates

- Clean Science (CLEAN) reported EBITDA of INR871m, down 3% YoY and below our estimate of INR977m, as gross margin contracted to 60.7% (vs. 62.7% in 2QFY25) and EBITDAM contracted to 35.6% (vs. 37.7% in 2QFY25).
- While the established product portfolio witnessed demand softness in 2QFY26, this trend is expected to persist in the near term, driven by evolving market dynamics in China, deferred procurement by key customers, and demand uncertainty across end-user industries following the imposition of US tariffs.
- Factoring in the weak operating performance in 2QFY26 and the demand softness going ahead, we cut our earnings estimates for FY26/FY27/FY28 by 16%/18%/15% and value the stock at 30x FY27E EPS to arrive at our TP of INR960. **Reiterate Neutral**.

Performance chemical drives revenue growth

- The company reported revenue of INR2.4b, up 3% YoY (est. in line), while Performance Chemicals' revenue grew ~13% YoY to INR1.9b. Revenue for Pharma & Agro Intermediates/FMCG Chemicals declined ~9%/~45% YoY to INR391m/INR196m.
- Gross margin stood at 60.7% (compared to 62.4%), while EBITDA margin contracted 110bp.
- EBITDA declined 3% YoY to INR871m, below our estimate of INR977m.
- Adj. PAT stood at INR554m (down 21% YoY) in 2QFY26, below our estimate of INR668m.
- In 1HFY26, revenue/EBITDA/Adj.PAT grew 5%/1%/1% to INR4.9b/INR1.9b/INR1.3b.

Highlights from the management commentary

- **Macro environment**: The broader operating backdrop remains challenging, shaped by uncertain demand in end-markets, aggressive pricing behavior from Chinese suppliers, evolving tariff structures, and global supply chain adjustments.
- **China:** The Chinese market, contributing 25-30% of revenue, remains challenging and unpredictable. Intense local competition led to deferred customer procurement. One of the company's FMCG products in China was impacted as a key customer may have undertaken backward integration, potentially leading to a permanent volume loss.
- **New projects:** The company's Project 1 (Performance Chemical) is currently undergoing chemical trials with satisfactory results, and commercialization is expected to be announced shortly. The product offers strong synergies with existing offerings through cross-selling opportunities and backward integration. The installed capacity stands at 10,000 tons, with full-scale revenue potential of around INR3b by FY28.

Valuation and view

- We expect short-term headwinds to continue, with volumes likely to be affected by global demand softness, uncertainty in end markets affecting customer purchasing behavior, and reduced procurement due to competitive pricing pressure.
- The ramp-up of the advanced grade HALS, along with the commissioning of Performance Chemical 1 and Performance Chemical 2, is expected to be a key mid-term growth driver.
- Factoring in the weak operating performance in 2QFY26 and demand softness going ahead, we cut our earnings estimates for FY26/FY27/FY28 by 16%/18%/15% and value the stock at 30x FY27E EPS to arrive at our TP of INR960. Reiterate Neutral.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Gross Sales	**2,240**	**2,381**	**2,408**	**2,637**	**2,429**	**2,446**	**2,620**	**3,185**	**9,666**	**10,679**	**2,604**
YoY Change (%)	19.1	31.5	23.7	15.9	8.4	2.7	8.8	20.8	22.1	10.5	9.4
Gross Margin (%)	65.4%	62.4%	63.5%	63.7%	65.5%	60.7%	61.5%	62.7%	63.7%	62.6%	63.3%
EBITDA	**947**	**897**	**985**	**1,048**	**999**	**871**	**963**	**1,253**	**3,876**	**4,086**	**977**
Margin (%)	42.3	37.7	40.9	39.7	41.1	35.6	36.8	39.4	40.1	38.3	37.5
Depreciation	158	175	183	174	187	188	195	205	691	775	194
Other Income	99	111	52	124	134	67	111	111	386	423	122
PBT before EO expense	**887**	**832**	**853**	**996**	**946**	**749**	**878**	**1,158**	**3,567**	**3,730**	**904**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0
PBT	**887**	**832**	**853**	**996**	**946**	**749**	**878**	**1,158**	**3,567**	**3,730**	**904**
Tax	228	245	196	255	245	194	202	297	923	938	236
Rate (%)	25.7	29.4	23.0	25.6	25.9	26.0	23.0	25.6	25.9	25.1	26.1
Adj. PAT	**659**	**587**	**656**	**741**	**701**	**554**	**676**	**861**	**2,644**	**2,792**	**668**
YoY Change (%)	11.9	12.6	4.8	5.4	6.3	-5.6	2.9	16.3	8.3	5.6	13.7
Margin (%)	29.4	24.7	27.3	28.1	28.8	22.7	25.8	27.0	27.4	26.1	25.7

Prudent Corporate Advisory

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	PRUDENT IN
Equity Shares (m)	41
M.Cap.(INRb)/(USDb)	103.9 / 1.2
52-Week Range (INR)	3182 / 1570
1, 6, 12 Rel. Per (%)	-6/9/-20
12M Avg Val (INR M)	156

Financials & Valuations (INRm)

Y/E March	2026E	2027E	2028E
Revenues	12,903	15,971	19,862
Opex	9,977	12,234	15,052
PBT	3,006	3,861	5,014
PAT	2,237	2,873	3,730
EPS (INR)	54.0	69.4	90.1
EPS Gr. (%)	14.3	28.4	29.9
BV/Sh. (INR)	41.9	53.9	70.1
Ratios (%)			
EBITDA Margin	22.7	23.4	24.2
PAT margin	17.3	18.0	18.8
RoE	29.2	29.0	29.0
Div. Payout	11.1	13.0	10.0
Valuations			
P/E (x)	46.4	36.1	27.8
P/BV (x)	59.9	46.4	35.7
Div. Yield (%)	0.2	0.4	0.4

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	55.3	55.3	55.7
DII	21.5	20.8	23.9
FII	16.9	17.5	14.6
Others	6.4	6.5	5.7

FII includes depository receipts

CMP: INR2,510 TP: INR2,800 (+12%) Neutral

Strong MF momentum; insurance outlook muted by regulations

- **Prudent Corporate Advisory (Prudent) reported an operating revenue of INR3.2b, +12% YoY (in-line) in 2QFY26, fueled by an 11% YoY surge in commission and fees income. For 1HFY26, it grew 15% YoY to INR6.1b.**
- **Operating expenses grew 14% YoY to INR2.5b (in-line); fees and commission expenses rose 17% YoY, employee expenses grew 11% YoY, and other expenses were flat YoY. EBITDA grew 5% YoY to INR722m (6% beat), reflecting an EBITDA margin of 22.6% (vs. 24% in 2QFY25 and our est. of 22.3%).**
- **Lower treasury income led to in-line PAT (up 4% YoY/3% QoQ) to INR535m. For 1HFY26, it grew 10% YoY to INR1.1b.**
- **Based on the latest GST implications, management indicated that ~30% of the life insurance business is expected to be impacted, facing an est. ~18% revenue cut, while ~70% of the health segment will also be affected, with the final impact currently under negotiation and expected to be assessed post-Dec'25.**
- **We raise our earnings estimates by 1%/3%/5% for FY26/FY27/FY28, reflecting higher expected yields on MF business and robust AUM growth driven by the Indus Capital MF acquisition and sustained SIP flows. We expect Prudent to deliver a revenue/EBITDA/PAT CAGR of 22%/22%/24% over FY25-28. We reiterate our Neutral rating with a TP of INR2,800 (based on 35x EPS Sep'FY27E).**

QAAUM sustains the growth momentum as SIP flows remain strong

- Prudent's QAAUM grew 17%/8% YoY/QoQ to INR1.2t, with Equity AUM rising 13% YoY, led by record high net sales during the quarter. Monthly SIP flow grew to ~INR10.9b (guidance to be at ~INR12 per month by Mar'26) from INR8.7b in 2QFY25, reflecting a market share of ~3.5%.
- Total insurance premium for the quarter came in at INR1.9b (+21% YoY), of which life insurance premium stood at INR1.4b (+20% YoY) and general insurance premium stood at INR481m (+26% YoY).
- Commission and fees income rose 11% YoY to ~INR3.2b, of which INR2.7b (+16% YoY) was contributed by the distribution of MF products, while the contribution from insurance products declined 4% YoY to INR324m.
- Revenue from the distribution of MF grew 16% YoY/9% QoQ to INR2.7b, fueled by strong SIP inflows and active participation from MFDs.
- Revenue from the sale of the insurance segment grew ~11.5% QoQ to INR324m, led by strong traction in fresh retail health premiums, which jumped 33% YoY to INR1.6b.
- Revenue from the stockbroking segment dipped 40% YoY to INR44m. Revenue from other financial & non-financial products declined 8% YoY to INR83m.
- Commission & fee expenses rise 10% QoQ to INR1.9b, driven by INR20m of additional trail commission (management guided lower commission provisioning in 2HFY26).
- Other income was up 4% YoY but declined 20% QoQ, led by lower treasury income due to MTM losses and lower yields.

Key takeaways from the management commentary

- With the acquisition of Indus Capital MF, management expects annual revenue contribution of ~INR220–230m (annualized), accruing from Q3FY26.
- Prudent remains highly optimistic about the Structured Investment Funds (SIF) opportunity, though current participation is still limited — with only ~200 certified distributors versus 3,000+ industry-wide. The two NFOs launched under this segment together generated revenues of INR90–100m.
- The recent consultation paper on AMCs highlighted 1) a 5bp cut from exit load benefit removal (impacting industry TERs by ~4.0–4.5bp) and the proposed brokerage cost reduction on cash (to 2bp) and derivatives (to 1bp) — are anticipated to collectively lower total expense ratios by ~6–7bp across the ecosystem, with the impact likely to be shared among AMCs, distributors, and investors.

Valuation and view

- Prudent continues to deliver strong growth in its mutual fund distribution business, aided by healthy SIP inflows, steady yields, an expanding MFD network, and incremental contribution anticipated from the Indus Capital MF acquisition.
- However, regulatory headwinds remain a near-term concern — including the draft proposals on TER rationalization for AMCs and potential GST exemption implications, which could affect ~30% of the life insurance business and ~70% of the health insurance portfolio. While these factors may exert some short-term pressure on earnings, Prudent is expected to partially pass on the impact to distributors on a proportionate basis.
- We raise our earnings estimates by 1%/3%/5% for FY26/FY27/FY28, reflecting higher expected yields on MF business and robust AUM growth driven by the Indus Capital MF acquisition and sustained SIP flows. We expect Prudent to deliver a revenue/EBITDA/PAT CAGR of 22%/22%/24% over FY25-28. **We reiterate our Neutral rating with a TP of INR2,800 (based on 35x EPS Sep'FY27E).**

Quarterly performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E	2Q FY26E	Act w/t Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Commission and Fees Income	2,477	2,845	2,827	2,809	2,910	3,168	3,240	3,478	10,960	12,795	3,044	4.1	11%	9%
Other Operating revenue	17	15	23	20	28	30	27	24	76	108	22	35.2	94%	8%
Revenue from Operations	**2,494**	**2,861**	**2,850**	**2,829**	**2,938**	**3,198**	**3,267**	**3,502**	**11,036**	**12,903**	**3,066**	4.3	12%	9%
Change YoY (%)	50.8	50.5	35.8	18.0	17.8	11.8	14.6	23.8	37.1	16.9	7.2			
Operating Expenses	1,904	2,174	2,191	2,143	2,265	2,476	2,535	2,702	8,412	9,977	2,384	3.9	14%	9%
Change YoY (%)	50.8	48.0	37.0	19.8	18.9	13.9	15.7	26.1	37.5	18.6	9.7			
EBIDTA	**590**	**687**	**659**	**686**	**673**	**722**	**732**	**800**	**2,624**	**2,925**	**683**	**5.7**	5%	7%
Depreciation	62.9	67.2	73.7	74.8	72.5	76.8	77.0	77.3	279	304	75	2.4	14%	6%
Finance Cost	4.9	5.7	6.4	6.7	6.9	7.3	7.0	5.3	24	27	7	4.2	28%	6%
Other Income	70	78	66	85	103	82	110	116	299	411	105	-22.2	4%	-20%
PBT	**592**	**693**	**645**	**690**	**696**	**719**	**758**	**834**	**2,621**	**3,006**	**706**	**1.9**	4%	3%
Change YoY (%)	57.9	70.6	34.7	15.4	17.5	3.8	17.5	21.0	41.1	14.7	1.9			
Tax Provisions	149.9	177.9	163.1	173.5	178.1	184.0	194.0	213.5	664	770	176	4.3	3%	3%
Net Profit	**442**	**515**	**482**	**516**	**518**	**535**	**564**	**621**	**1,957**	**2,237**	**529**	**1.1**	4%	3%
Change YoY (%)	58.3	69.2	35.0	15.9	17.1	4.0	17.0	20.2	41.0	14.3	2.8			
Key Operating Parameters (%)														
EBIDTA Margin	23.6	24.0	23.1	24.3	22.9	22.6	22.4	22.9	23.8	22.7	22.3	30bp	-145bp	-33bp
Cost to Income Ratio	19.5	18.9	17.8	17.6	18.2	17.9	18.4	17.9	18.4	18.1	18.7	-83bp	-100bp	-30bp
PBT Margin	23.7	24.2	22.6	24.4	23.7	22.5	23.2	23.8	23.7	23.3	23.0	-52bp	-172bp	-119bp
Tax Rate	25.3	25.7	25.3	25.2	25.6	25.6	25.6	25.6	25.3	25.6	25.0	58bp	-11bp	-2bp
PAT Margins	17.7	18.0	16.9	18.2	17.6	16.7	17.3	17.7	17.7	17.3	17.3	-52bp	-126bp	-88bp
MF revenue / QAAUM (bps)	91.9	91.8	91.8	90.3	90.3	91.3	91.3	91.0	91.3	91.4	89.8	146bp		
Revenue from Operations (INR M)														
Commission and Fees Income														
Distribution of MF Products-Trail Revenue	2,052	2,343	2,421	2,297	2,489	2,716	2,784	2,868	9,113	10,856	2,522	7.7	16%	9%
Distribution of Insurance Products	261	339	286	402	291	324	315	456	1,288	1,386	373	-13.1	-4%	11%
Stock Broking and Allied Services	77	73	49	41	50	44	46	48	240	188	54	-18.5	-40%	-12%
Other Financial and Non-Financial Products	87	90	71	69	80	83	95	107	317	365	95	-12.6	-8%	4%
Revenue from Operations Mix (%)														
As % of Commission and Fees Income														
Distribution of MF Products-Trail Revenue	82.3	81.9	84.9	81.2	84.7	84.9	85.2	81.9	82.6	84.1	82.3	267bp	303bp	20bp
Distribution of Insurance Products	10.5	11.9	10.0	14.2	9.9	10.1	9.6	13.0	11.7	10.7	12.2	-203bp	-172bp	23bp
Stock Broking and Allied Services	3.1	2.6	1.7	1.4	1.7	1.4	1.4	1.4	2.2	1.5	1.8	-39bp	-118bp	-33bp
Other Financial and Non-Financial Products	3.5	3.1	2.5	2.4	2.7	2.6	2.9	3.0	2.9	2.8	3.1	-50bp	-55bp	-13bp

Alkyl Amines Chemicals

Estimate changes	⟷
TP change	⟷
Rating change	⟷

Bloomberg	AACL IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	92.3 / 1
52-Week Range (INR)	2449 / 1508
1, 6, 12 Rel. Per (%)	-6/2/-20
12M Avg Val (INR M)	148

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.9	17.5	18.9
EBITDA	2.9	3.3	3.6
PAT	1.9	2.2	2.4
EPS (INR)	36.7	42.4	46.4
EPS Gr. (%)	1.0	15.4	9.5
BV/Sh.(INR)	300.6	331.3	364.9
Ratios			
Net D:E	-0.2	-0.3	-0.3
RoE (%)	12.8	13.4	13.3
RoCE (%)	12.1	12.8	12.7
Payout (%)	27.5	27.5	27.5
Valuations			
P/E (x)	49.1	42.6	38.9
P/BV (x)	6.0	5.4	4.9
EV/EBITDA (x)	30.3	26.4	23.9
Div. Yield (%)	0.6	0.6	0.7
FCF Yield (%)	1.8	2.1	2.8

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	72.0	72.0	72.0
DII	2.9	2.6	1.5
FII	3.4	3.3	3.2
Others	21.7	22.1	23.3

FII includes depository receipts

CMP: INR1,805 TP: INR1,900 (+5%) Neutral

Muted volume and pricing drag down overall performance

Earnings below our estimate

- Alkyl Amines Chemicals (AACL) reported a muted operating performance in 2QFY26 as EBITDA declined 5% YoY. Despite some raw material cost pressure, EBITDA margins expanded marginally by 30bp YoY to 18%.
- While volume growth in 1HFY26 was marginally higher on a YoY basis, the momentum is expected to remain muted in the near term due to prevailing demand softness across key end-user industries, ongoing geopolitical uncertainties, and heightened competitive intensity from Chinese manufacturers. Additionally, global sanctions and trade restrictions are likely to continue to disrupt supply chains.
- We broadly maintain our earnings estimates and value the stock at 45x FY27E EPS to arrive at a TP of INR1,900. **Reiterate Neutral.**

Muted operating performance

- Revenue declined 6% YoY/4% QoQ to INR3.9b (est. INR4.2b), while gross margin expanded by 190bp YoY and 150bp QoQ to 47.3%.
- EBITDA margins expanded 30bp YoY but contracted 80bp QoQ to 18% (est. 18.3%). Employee costs as a percentage of sales stood at 7% (vs. 6% in 2QFY25), while other expenses stood at 22% vs. 21% in 2QFY25.
- EBITDA stood at INR702m, down 5% YoY and 8% QoQ (est. of INR776m).
- Adj. PAT stood at INR429m, down 10% YoY and 13% QoQ (est. of INR505m).
- In 1HFY26, revenue/EBITDA/adj. PAT declined 2%/4%/4% to INR7.9b/INR1.5b/INR924m.
- The company stands debt free as of Sep'25. Further, the cash flow from operations in Sep'25 stood at INR750m compared to INR1.6b in Sep'24.

Highlights from the management commentary

- **Outlook:** Volume growth in the first half was slightly higher compared to last year. Management does not expect to meet its volume growth target of 7-10% for FY26. However, anti-dumping duties on acetonitrile are expected to benefit the company from 4Q onward.
- **Macro environment:** The industry faced multiple challenges, including demand pressures, geopolitical disruptions, and intensified competition from Chinese suppliers, which are dumping products across Asia and other regions, leading to heightened pricing pressure.
- **Product development:** The company is developing an import-substitute product at its Kurkumbh facility for the dyes, pigments, and electronics markets, with an expected launch in 1QFY27 and an asset turnover of 1.5x. It also has additional products in the R&D pipeline to further drive growth momentum.

Valuation and view

- We expect short-term headwinds to persist, with volumes likely to be affected by global demand softness and weakness across key end-user industries, along with continued pricing pressure due to heightened competition from Chinese manufacturers.

- However, the long-term outlook remains positive, supported by AACL's strengthening global presence through the development of efficient, cost-effective processes for high-grade and ultra-pure specialty products. The planned commercialization of a new product at the Kurkumbh facility by 1QFY27, along with additional products in the R&D pipeline, should drive the next phase of growth.
- We estimate a CAGR of 6%/7%/8% in revenue/EBITDA/PAT over FY25-28 and maintain our earnings estimates. We value the stock at 45x FY27E EPS to arrive at a TP of INR1,900. **Reiterate Neutral.**

Standalone - Quarterly Snapshot (INR m)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Gross Sales	**3,997**	**4,149**	**3,712**	**3,861**	**4,055**	**3,894**	**3,898**	**4,054**	**15,718**	**15,901**	**4,232**	**-8%**
YoY Change (%)	*-2.5*	*17.8*	*15.3*	*8.3*	*1.5*	*-6.1*	*5.0*	*5.0*	*9.1*	*1.2*	*2.0*	
Total Expenditure	3,206	3,414	3,000	3,182	3,290	3,192	3,184	3,292	12,807	12,957	3,455	
Gross Margin (%)	*47.0%*	*45.4%*	*48.4%*	*45.9%*	*45.8%*	*47.3%*	*48.0%*	*48.0%*	*46.6%*	*47.3%*	*46.3%*	
EBITDA	**791**	**735**	**712**	**678**	**766**	**702**	**714**	**762**	**2,911**	**2,943**	**776**	**-10%**
Margin (%)	*19.8*	*17.7*	*19.2*	*17.6*	*18.9*	*18.0*	*18.3*	*18.8*	*18.5*	*18.5*	*18.3*	
Depreciation	177	180	179	176	179	182	185	197	712	742	187	
Interest	2	4	9	2	3	3	3	4	10	12	3	
Other Income	47	92	66	93	80	74	91	99	298	344	88	
PBT before EO expense	**659**	**643**	**591**	**594**	**663**	**591**	**617**	**660**	**2,486**	**2,532**	**674**	
PBT	**659**	**643**	**591**	**594**	**663**	**591**	**617**	**660**	**2,486**	**2,532**	**674**	
Tax	170	169	153	133	169	162	155	166	625	652	170	
Rate (%)	*25.9*	*26.2*	*25.9*	*22.5*	*25.5*	*27.4*	*25.2*	*25.2*	*25.1*	*25.8*	*25.2*	
Adj PAT	**489**	**475**	**438**	**460**	**494**	**429**	**462**	**494**	**1,861**	**1,880**	**505**	**-15%**
YoY Change (%)	*-1.8*	*74.2*	*30.9*	*19.7*	*1.2*	*-9.5*	*5.5*	*7.4*	*25.0*	*1.0*	*6.3*	
Margin (%)	*12.2*	*11.4*	*11.8*	*11.9*	*12.2*	*11.0*	*11.8*	*12.2*	*11.8*	*11.8*	*11.9*	

Avalon Technologies

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	AVALON IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	70.9 / 0.8
52-Week Range (INR)	1318 / 578
1, 6, 12 Rel. Per (%)	-8/20/76
12M Avg Val (INR M)	523

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	14.7	19.1	23.9
EBITDA	1.6	2.3	3.0
Adj. PAT	1.0	1.7	2.3
EBITDA Margin (%)	11.0	11.8	12.5
Cons. Adj. EPS (INR)	15.3	25.0	34.1
EPS Gr. (%)	59.6	63.4	36.5
BV/Sh. (INR)	107.7	132.7	166.9
Ratios			
Net D:E	0.0	(0.0)	(0.1)
RoE (%)	15.3	20.8	22.8
RoCE (%)	14.0	19.8	22.5
Valuations			
P/E (x)	69.3	42.4	31.0
EV/EBITDA (x)	43.3	30.9	23.1

Shareholding Pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter	44.5	44.6	50.7
DII	22.9	22.0	23.7
FII	10.0	8.7	3.0
Others	22.7	24.7	22.6

Note: FII includes depository receipts

CMP: INR1,062 TP: INR1,330 (+25%) Buy

Strong execution continues to drive growth

Earnings beat our estimate

- Avalon Technologies (AVALON) reported a robust quarter, with revenue growing 39% YoY in 2QFY26, fueled by a strong performance in both the India (up 31% YoY) and US businesses (up 44%). However, EBITDA contracted (+90bp) due to lower gross margins YoY (down 250bp), driven by a change in the product mix. Employee costs as a % of sales also increased 130bp YoY to support the addition of new programs. This was offset by lower other expenses YoY (down 290bp), driven by favorable operating leverage.
- The company is witnessing growth across all business segments, with the order book growing ~25.5% YoY (INR18.6b). Supported by a robust order book visibility and strong performance in 1HFY26, management has further increased its **FY26 guidance for revenue growth to 28-30% (vs. 23-25% earlier), with a sequential improvement in EBITDA margin.** This marks the second consecutive quarter in which management has raised guidance.
- We largely maintain our FY26/FY27/FY28 earnings estimates as we have already built in similar growth for the company. **We reiterate a BUY rating with a TP of INR1,330** premised on 45x Sep'27E EPS (rolled forward from FY27E EPS).

Margins impacted by expenses related to future growth initiatives

- AVALON's consolidated revenue grew 39% YoY to INR3.8b (est. INR3.3b), driven by growth in both the domestic (up 31% YoY) and US (up 44% YoY) businesses. Consolidated EBITDA surged 28% YoY to INR386m, while EBITDA margin contracted 90bp YoY to 10.1% (est. 11.1%).
- The segmental mix for Clean Energy/Mobility/Transportation/Industrials/ Communication/Medical and Others stood at 18%/28%/36%/10%/8% in 2QFY26 compared to 20%/27%/30%/8%/15% in FY25.
- The total order book stood at INR30.3b, with the short-term order book (executable within 14 months) at INR18.6b (up 25.5% YoY & 4.1% QoQ) and the longer executable order book (from 14 months up to three years) at INR11.7b.
- Gross debt as of Sep'25 was INR1.3b vs. INR1.4b as of Mar'25. Net working capital days increased to 131 from 124 as of Mar'25, on account of higher inventory days (up 15 days).
- In 1HFY26, consolidated revenue/EBITDA/adj. PAT grew 49%/99%/2.6x to INR7.1b/INR685m/INR392m. For 2HFY26, implied revenue/EBITDA/PAT growth is ~23%/24%/29% YoY.

Highlights from the management commentary

- **Working capital: I**nventory levels were temporarily elevated (by 15 days) to support the ramp-up of new programs scheduled in 3Q and 4Q FY26. Large upcoming programs include: Energy storage systems (ESS) in the US, locomotive engine subsystems, and aerospace cabin sub-assemblies. The company expects working capital days to be ~120-130 in 2HFY26.
- **Segments:** AVALON's growth is well-diversified across sectors. Energy storage is scaling rapidly, contributing 20-25% of revenue. Aerospace and railways posted 59% and 58% YoY growth in 1HFY26, with major ramp-ups due in FY26. Semiconductor prototyping starts in FY27, marking the company's entry into advanced tech manufacturing. Industrial and mobility segments continue to drive the domestic momentum, ensuring strong, multi-year growth visibility.
- **US tariffs:** The company has paid over 50 unique tariffs over the last six months on account of different products supplied to the US. Of this, it was able to recover over 99% of the tariffs from customers. The dual-shore (US + India) model provides resilience and flexibility amid tariff changes for the company.

Valuation and view

- With the company witnessing growth across both the Indian and US businesses, we expect its revenue and profitability to maintain a robust momentum, as reflected in its revised guidance and strong margin commentary for the near term.
- Further, the company's long-term revenue trajectory is anticipated to remain strong, backed by: 1) its entry into the semiconductor equipment manufacturing space, 2) strategic collaborations leading to higher margins, 3) strong order book visibility across segments, and 4) India's emergence as a manufacturing base, supported by structural reforms and government policies.
- We estimate AVALON to post a 30%/39%/53% CAGR in revenue/EBITDA/adj. PAT over FY25-FY28 on account of strong growth and healthy order inflows. **Reiterate BUY with a TP of INR1,330 (premised on 45x Sep'27E EPS).**

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Gross Sales	**1,995**	**2,750**	**2,809**	**3,428**	**3,233**	**3,825**	**3,454**	**4,216**	**10,981**	**14,728**	**3,300**	**16**
YoY Change (%)	-15.2	36.8	31.1	58.1	62.1	39.1	23.0	23.0	26.6	34.1	20.0	
Total Expenditure	1,951	2,449	2,462	3,014	2,934	3,438	3,049	3,681	9,876	13,103	2,934	
EBITDA	**44**	**301**	**346**	**414**	**299**	**386**	**406**	**535**	**1,105**	**1,626**	**367**	**5**
Margins (%)	2.2	11.0	12.3	12.1	9.2	10.1	11.7	12.7	10.1	11.0	11.1	
Depreciation	66	69	74	77	85	89	91	93	286	357	85	
Interest	42	37	45	42	38	41	30	19	167	127	30	
Other Income	44	39	100	32	17	79	60	65	215	221	60	
PBT before EO expense	**-20**	**234**	**327**	**326**	**193**	**336**	**345**	**488**	**867**	**1,362**	**312**	
PBT	**-20**	**234**	**327**	**326**	**193**	**336**	**345**	**488**	**867**	**1,362**	**312**	
Tax	3	60	87	83	51	86	88	124	233	349	79	
Rate (%)	-14.5	25.4	26.7	25.5	26.4	25.6	25.5	25.5	26.8	25.7	25.5	
Reported PAT	**-23**	**175**	**240**	**243**	**142**	**250**	**257**	**363**	**634**	**1,012**	**232**	
Adj PAT	**-23**	**175**	**240**	**243**	**142**	**250**	**257**	**363**	**634**	**1,012**	**232**	**8**
YoY Change (%)	NA	140.1	264.7	243.8	NA	42.9	7.1	49.7	126.7	59.6	32.8	
Margins (%)	-1.2	6.4	8.5	7.1	4.4	6.5	7.4	8.6	5.8	6.9	7.0	

MTAR Technologies

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	MTARTECH IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	73 / 0.8
52-Week Range (INR)	2572 / 1152
1, 6, 12 Rel. Per (%)	20/66/38
12M Avg Val (INR M)	497

Financials & Valuations (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	8.9	12.5	16.5
EBITDA	1.9	3.0	4.0
Adj. PAT	1.0	1.8	2.6
EBITDA Margin (%)	21.3	23.8	24.5
Cons. Adj. EPS (INR)	33.3	59.1	85.5
EPS Gr. (%)	93.7	77.5	44.6
BV/Sh. (INR)	270.3	329.4	414.9
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	13.1	19.7	23.0
RoCE (%)	12.1	17.2	20.4
Valuations			
P/E (x)	71.0	40.0	27.7
EV/EBITDA (x)	39.7	25.3	18.4

Shareholding pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter	31.4	31.7	36.4
DII	24.8	23.5	17.3
FII	9.2	7.6	7.8
Others	34.6	37.3	38.5

Note: FII includes depository receipts

CMP: INR2,374 TP: INR2,900 (+22%) Buy

Weak 2Q but strong 2H visibility

Operating performance missed our estimates

- MTAR Technologies (MTARTECH) witnessed a setback in its growth trajectory with a weak 2QFY26. Revenue/EBITDA declined 29%/54% YoY, as execution slowed across segments amid tariff-related negotiations.
- However, management boosted growth visibility for the near to medium term by raising its FY26 revenue growth guidance to 30-35% vs 25% earlier, while maintaining its EBITDA margin guidance at 21% (+/- 100bp). The company also guided for a closing order book of ~INR28b (up 2.9x vs FY25), indicating expectations of strong order inflow.
- Factoring in the strong outlook backed by robust orders in hand (as of Sep'25) and expectations of higher order inflows, we raise our FY27/FY28 earnings by 8%/18% while maintaining our FY26 earnings. We reiterate our BUY rating on the stock with a TP of INR2,900 (40x Sep'27E EPS translating into 0.9x PEG ratio).

Inventory buildup and tariff dynamics weigh on operating performance in 2Q

- Consolidated revenue declined 29% YoY to INR1.4b (est. INR1.5b). EBITDA declined 54% YoY to INR170m (est. INR283m). EBITDA margin contracted 680bp YoY to 12.5% (est. 18.6%), Gross margin stood at 51.2% (+370bp YoY), while employee expenses/other expenses as a % of sales stood at 24.6%/14.1% (+890bp /+170bp YoY), indicating a sharp operating deleverage due to lower revenue booking in 2Q.
- Revenue from Clean Energy - Nuclear/Clean Energy - Fuel Cell/Aerospace & Defense (A&D)/Product & Others declined 54%/8%/44%/62% YoY to INR54m/INR976m/INR163m/INR163m.
- The order book as of Sep'25 stood at INR12.9b, with inflows of ~INR5b in 2QFY26. The order book mix was ~56%/12%/25%/8% for Clean Energy – Fuel Cell/Clean Energy - Nuclear/A&D/Product & Others.
- NWC days surged to 274 as of Sep'25, from 267 in Jun'25, due to an increase in inventory days to 282 (vs.222). This was partly offset by a decrease in receivable days to 87 (vs.126) and an increase in payable days to 128 (vs. 87). The higher inventory levels were attributed to orders in hand and to support strong growth anticipated in 2H.
- For 1HFY26, Revenue/EBITDA/PAT declined by 8%/15%/35% to INR2.9b/INR454m/INR151m. For 2HFY26, implied Revenue/EBITDA/PAT growth is 67%/2.1x/2.9x on the back of strong execution from orders in hand.

Highlights from the management commentary

- **Capex:** The company is expanding capacity in hot boxes from the current 8,000 units to 20,000 by Mar'27 in a phased manner (i.e. adding 4,000 units every six months). Total capex envisaged for FY26 and FY27 is ~INR1.5b (including the hot boxes and oil & gas capacity expansion).

- **Liquidity:** MTARTECH aims to reduce its working capital days to ~220 in FY26, aided by improved payable cycles, with further reductions targeted at ~200 days in FY27 and ~180 days in FY28. The company plans to raise INR1.5-2b of debt to fund expansion in the oil & gas and fuel cell verticals, with overall debt levels capped at INR2.5b.
- **Nuclear:** The company expects a confirmed INR5b order from Kaiga Units 5 and 6 in the coming weeks, with execution over three years, and total orders of ~INR8b by FY26, including refurbishment projects. The nuclear power vertical is set for strong growth from FY27 onwards, with only minor capacity additions (~INR200m capex) needed to support execution.

Valuation and view

- With a strong order book of ~INR13b as of Sep'25, a healthy pipeline across the Clean Energy, A&D, and Nuclear sectors, and robust execution of various new products across all segments, we anticipate strong growth and margin expansion in the coming years. This will be supported by new product ramp-ups, strong execution of orders, operating leverage, and higher order forecasts from Bloom Energy.
- We estimate a CAGR of 35%/50%/71% in revenue/EBITDA/adj. PAT over FY25-FY28. We reiterate our BUY rating on the stock with a TP of INR2,900 (40x Sep'27E EPS translating into 0.9x PEG).

Consolidated - Quarterly Earning Model (INRm)

Y/E March	FY25				FY26				FY25	FY26E	FY26	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%
Gross Sales	**1,283**	**1,902**	**1,745**	**1,831**	**1,566**	**1,356**	**2,879**	**3,076**	**6,760**	**8,876**	**1,522**	**-11%**
YoY Change (%)	-15.9	14.0	47.4	28.1	22.1	-28.7	65.0	68.0	16.4	31.3	-20.0	
Total Expenditure	1,117	1,534	1,412	1,489	1,282	1,186	2,199	2,316	5,552	6,984	1,239	
EBITDA	**166**	**368**	**333**	**341**	**284**	**170**	**679**	**760**	**1,208**	**1,893**	**283**	**-40%**
Margins (%)	12.9	19.4	19.1	18.7	18.1	12.5	23.6	24.7	17.9	21.3	18.6	
Depreciation	61	78	87	96	84	88	90	101	322	362	87	
Interest	48	52	63	59	58	62	60	55	222	235	57	
Other Income	5	14	31	0	6	37	20	15	52	78	20	
PBT before EO expense	**62**	**253**	**214**	**186**	**148**	**57**	**549**	**619**	**716**	**1,373**	**159**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**62**	**253**	**214**	**186**	**148**	**57**	**549**	**619**	**716**	**1,373**	**159**	
Tax	18	65	55	49	40	14	138	156	187	348	40	
Rate (%)	28.6	25.8	25.5	26.3	27.0	25.2	25.2	25.2	26.1	25.4	25.2	
Minority Interest & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**44**	**188**	**160**	**137**	**108**	**42**	**411**	**463**	**529**	**1,025**	**119**	
Adj PAT	**44**	**188**	**160**	**137**	**108**	**42**	**411**	**463**	**529**	**1,025**	**119**	**-64%**
YoY Change (%)	-78.2	-8.2	52.8	181.7	144.2	-77.4	157.4	237.5	-5.8	93.7	-36.8	
Margins (%)	3.5	9.9	9.2	7.5	6.9	3.1	14.3	15.1	7.8	11.5	7.8	

MAS Financial Services

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MASFIN IN
Equity Shares (m)	181
M.Cap.(INRb)/(USDb)	55.2 / 0.6
52-Week Range (INR)	350 / 220
1, 6, 12 Rel. Per (%)	-3/11/-3
12M Avg Val (INR M)	51

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total income	8.0	10.1	12.5
PPP	5.4	6.4	8.1
PAT	3.1	3.6	4.5
EPS (INR)	16.9	20.0	24.8
EPS Gr. (%)	11.6	18.7	24.0
BVPS (INR)	140	158	181
Ratios (%)			
NIM	7.1	6.6	6.6
C/I ratio	32.8	36.0	35.5
RoA	2.9	2.7	2.9
RoE	14.4	13.4	14.6
Payout	10.0	9.2	9.0
Valuations			
P/E (x)	18	15	12.3
P/BV (x)	2.2	1.9	1.7
Div. yield (%)	0.6	0.6	0.7

Shareholding pattern (%)

As on	Sep-25	Jun-25	Sep-24
Promoter (%)	66.6	66.6	66.6
DII (%)	20.2	20.0	20.2
FII (%)	3.2	3.1	2.7
Others (%)	10.0	10.3	10.4

FII Includes depository receipts

CMP: INR304 TP: INR380 (+25%) Buy

Credit risks stabilize; improved momentum ahead

NIM stable QoQ; credit costs dip sequentially

- MASFIN's 2QFY26 PAT grew ~17% YoY to INR897m (in line). Net total income rose 29% YoY to INR2.5b (in line), while opex was INR897m, rising ~42% YoY (in line). PPoP stood at INR1.6b (in line) and grew 23% YoY.
- Management indicated growth to pick up in 3QFY26, with quarterly growth expected to be ~5–7%, driven by an increase in the number of eligible borrowers, lower rejection rates, higher enquiry levels, and expansion in manpower to cover a broader geography.
- The rise in operating expenses was attributed to lower disbursements, higher rejection rates, interest spreads paid to fintech partners, and an increase in employee costs.
- Credit costs declined sequentially to ~INR371m (vs. est. of INR437m), translating into annualized credit costs of 1.2% (PQ: 1.4% and PY: 1.0%). Additionally, the asset quality is expected to improve going forward, driven by more prudent lending, reduced borrower leverage, and a higher share of direct lending, which is expected to improve to ~70–75% over the next 2–3 years.
- Management reiterated its AUM growth guidance of ~20-25%, with the organic retail business expected to outpace its NBFC partnership business. This will be driven by continued branch expansion and a strategic focus on the SME and Wheels business, which is expected to be its key growth driver. We estimate a ~21% PAT CAGR over FY25-28E, with RoA/RoE of ~2.9%/15.5% in FY28E. **We reiterate our BUY rating with a TP of INR380 (based on 2x Sep'27E BV).**

AUM grows ~18% YoY; focus on growing the organic retail segment

- Standalone AUM stood at ~INR130b and rose ~18% YoY/4% QoQ. Within this, AUM of Micro-enterprise/SME/2W/CV loans grew 10%/17%/30%/18% YoY. Salaried personal loans grew ~70% YoY to ~INR11.7b.
- About 35% of the underlying assets in the standalone AUM were through partner NBFCs. The MSME segment contributed ~60% to the incremental YoY growth in the AUM.
- Management targets to scale up to an AUM of ~INR1t over the next decade, targeting long-term growth of ~20–25%. The company aims to pursue stable and sustainable growth, maintaining a decade-long vision and consistent quarterly performance. We model AUM CAGR of ~19% over FY25-28E.

NIM remains stable QoQ; rate cuts to benefit in the next two quarters

- Yields (calc.) declined ~10bp QoQ to 14.75%, while CoF (calc.) declined ~15bp QoQ to 9.2%. This resulted in ~5bp QoQ expansion in spreads to ~5.6%. NIM (calc.) was stable QoQ at ~7.7%
- The company expects the impact of repo rate cuts to benefit its borrowers as well as the company in the next couple of quarters.

Asset quality broadly stable; credit costs dip sequentially

- Credit costs declined sequentially to ~INR371m (vs. est. of INR437m), translating into annualized credit costs of 1.2% (PQ: 1.4% and PY: 1.0%).
- GNPA (basis AUM) rose ~5bp QoQ to 2.5%, while NNPA rose ~5bp QoQ to 1.7%. PCR on Stage 3 assets rose ~10bp QoQ to ~41.3%.
- Management expects the higher proportion of organic distribution to further improve portfolio quality and 0 DPD to be in the ~92–95% range.

Other highlights

- The average ticket size of micro-enterprise loans rose to ~INR88k (PQ: ~INR66k), while SME loans declined to 2.6m (PQ: ~3.5m).
- RoTA was largely stable QoQ at ~2.85% in 2QFY26.
- MASFIN Insurance Broking Private Limited (a subsidiary of MASFIN) has been granted a Certificate of Registration from IRDAI to operate as a Direct Insurance Broker (Life & General).
- CRAR stood at ~24.6%, with Tier1 at ~22.7%.

HFC subsidiary

- MAS Housing reported AUM of ~INR8.2b, which grew ~24% YoY.
- GNPA/NNPA in the housing segment remained stable QoQ at 0.95%/0.65%.
- The company plans to list the housing finance subsidiary within 3–4 years once it reaches an AUM of INR40-50b.

Key highlights from the management commentary

- Management stated that the stress in the MSME segment was primarily due to lenders' past indiscreet funding and borrower over-leveraging. However, it is now stabilizing due to prudent lending and better funding discipline.
- The company has exercised high caution in incremental funding, especially in tariff-sensitive sectors such as textiles, to mitigate risk.

Valuation and view

- MASFIN reported in-line earnings for 2QFY26, which resulted in AUM growth of ~18% YoY. Asset quality remained largely stable, while credit costs dipped sequentially. The company has a niche expertise in the SME segment, and its asset quality is perhaps the best among (M)SME lending peers.
- Going forward, the organic retail mix is expected to continue to improve, supporting further yield enhancement, margin expansion, and prudent risk management. Although operating expenses will remain elevated due to sustained investments in distribution and technology, it will still be able to deliver healthy return ratios.
- We model a CAGR of 19%/21% standalone AUM/PAT over FY25-FY28E, with RoA/RoE of 2.9%/15.5% in FY28E. The company has maintained high earnings quality, backed by its risk-calibrated AUM growth in a stressed MSME environment. **Reiterate BUY with a TP of INR380 (premised on 2x Sep'27E BV). Key risk:** Slowdown in the economic environment leading to sluggish loan growth and deterioration in asset quality.

Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	2QFY26E	Act. v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue from Operations	**3,465**	**3,670**	**3,901**	**4,169**	**4,438**	**4,586**	**4,786**	**5,141**	**15,205**	**18,951**	**4,604**	**0**
Interest Income	2,952	3,078	3,332	3,535	3,687	3,760	3,911	4,124	12,896	15,482	3,827	-2
Gain on assignments	304	375	356	396	430	534	577	606	1,431	2,146	447	19
Other Operating Income	210	217	213	239	320	292	299	412	877	1,323	329	-11
Interest expenses	1,714	1,754	1,845	1,910	2,062	2,116	2,243	2,464	7,224	8,884	2,157	-2
Total income	**1,751**	**1,916**	**2,056**	**2,259**	**2,376**	**2,471**	**2,544**	**2,677**	**7,981**	**10,067**	**2,447**	1
Growth YoY (%)	27	26	31	34	36	29	24	19	31	26	28	
Operating Expenses	567	632	673	744	827	897	933	971	2,615	3,628	860	4
Operating Profits	**1,183**	**1,284**	**1,383**	**1,516**	**1,549**	**1,574**	**1,611**	**1,706**	**5,366**	**6,439**	**1,587**	**-1**
Growth YoY (%)	25	24	25	35	31	23	17	13	27	20	24	
Provisions	239	263	332	427	424	371	383	408	1,261	1,586	437	-15
Profit before tax	**944**	**1,021**	**1,051**	**1,089**	**1,124**	**1,202**	**1,229**	**1,298**	**4,104**	**4,853**	**1,150**	**5**
Growth YoY (%)	25	28	24	20	19	18	17	19	24	18	13	
Tax Provisions	240	255	270	281	285	305	307	325	1,045	1,223	288	6
Net Profit	**704**	**766**	**781**	**808**	**839**	**897**	**921**	**973**	**3,059**	**3,630**	**863**	**4**
Growth YoY (%)	23	28	25	19	19	17	18	20	23	19	13	
Key Operating Parameters (%)												
Yield on loans (Cal)	14.76	14.66	14.8	14.82	14.85	14.56						
Cost of funds (Cal)	9.61	9.37	9.31	9.12	9.32	9.18						
Spreads (Cal)	5.1	5.3	5.5	5.7	5.5	5.4						
NIM on AUM (Cal)	6.83	7.16	7.2	7.60	7.73	7.75						
Credit Cost (%)	0.9	1.0	1.2	1.4	1.4	1.2						
Cost to Income Ratio	32.4	33.0	32.7	32.9	34.8	36.3						
Tax Rate	25.4	25.0	25.0	25.8	25.4	25.4						
Balance Sheet Parameters												
Standalone AUM (INR B)	**103.8**	**110.2**	**116.8**	**121.0**	**125.0**	**130.0**						
Change YoY (%)	23.4	21.8	20.7	19.5	20.4	18.0						
Disbursements (INR B)	**27.3**	**30.2**	**31.6**	**30.9**	**31.9**	**32.0**						
Change YoY (%)	19.5	21.0	18.6	10.7	17.1	5.8						
Borrowings (INR B)	**71.9**	**77.9**	**80.6**	**87.0**	**89.9**	**94.5**						
Change YoY (%)	20.1	16.1	18.6	22.9	25.1	21.3						
Debt/Equity (x)												
Asset-Liability Mix												
AUM Mix (%)												
Micro Enterprises	43.6	43.1	40.3	39.6	40.1	40.1						
SME loans	36.4	36.1	36.6	37.2	36.2	35.6						
2W loans	6.4	6.5	6.9	6.5	7.0	7.1						
CV loans	7.9	8.2	8.3	8.1	7.7	8.1						
Borrowings Mix (%)												
Direct Assignment	24.4	22.9	22.1	21.3	21.2	22.0						
Cash Credit	11.3	14.6	13.2	11.6	10.1	9.9						
Term Loan	52.9	50.6	50.4	51.1	51.6	50.5						
NCD	8.1	8.9	11.3	13.3	14.4	15.1						
Sub Debt	3.3	3.1	3.0	2.8	2.7	2.6						
Asset Quality Parameters (%)												
GS 3 (INR m)	2,043	2,235	2,423	2,480	2,620	2,663						
GS 3 (%)	2.29	2.36	2.41	2.44	2.49	2.53						
NS 3 (INR m)	1,243	1,361	1,505	1,483	1,541	1,563						
NS 3 (%)	1.52	1.57	1.62	1.62	1.63	1.69						
PCR (%)	39.1	39.1	37.9	40.2	41.2	41.3						
Return Ratios (%)	0.2				1.0							
ROA	3.0	3.0	2.9	2.9	2.8	2.9						
Tier I ratio	25.4	23.8	23.1	22.6	23.2	22.7						

E: MOFSL estimates

SIS

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	SECIS IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	47.8 / 0.5
52-Week Range (INR)	403 / 288
1, 6, 12 Rel. Per (%)	3/1/-19
12M Avg Val (INR M)	35

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	154.8	175.0	192.0
EBITDA Margin	4.6	4.7	4.9
Adj. PAT	4.4	5.4	5.9
EPS (INR)	30.7	37.8	41.6
EPS Gr. (%)	39.4	23.1	10.2
BV/Sh. (INR)	416.4	495.0	581.5
Ratios			
RoE (%)	16.7	17.2	16.1
RoCE (%)	12.6	13.5	13.0
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	11.0	9.0	8.1
P/BV (x)	0.8	0.7	0.6
EV/EBITDA (x)	7.3	5.5	4.3
EV/Sales (x)	0.3	0.3	0.2

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	72.1	72.1	71.9
DII	5.9	5.8	5.3
FII	13.2	12.4	13.6
Others	8.9	9.6	9.3

FII includes depository receipts

CMP: INR339 TP: INR410 (+21%) Buy

Growth momentum intact

APS acquisition to drive 2H outlook

- SIS (SECIS)'s 2QFY26 revenue was up 15% YoY/5.9% QoQ at INR37.6b vs. our estimate of INR35.6b. Revenue growth was aided by ~5.7% growth in India security, whereas International Security/Facilities management posted a growth of 1.9%(CC)/5.9% QoQ. EBITDA margin came in at 4.5%, up 10bp YoY (vs. est. 4.7%). The margin for India Security was 5.3%, while the same for International Business was 3.3%, flat QoQ.
- Adjusted PAT stood at INR930m (flat QoQ). The net debt-to-EBITDA ratio stood at 1.03x (0.87x in 1Q). For 1HFY26, revenue/EBITDA grew by 14.2%/13.5% YoY. We expect revenue/EBITDA to grow 20.4%/23.1% YoY in 2HFY26. **We reiterate our BUY rating on the stock with a TP of INR410, implying a 21% upside potential.**

Our view: India business margins stay on course

- SIS delivered another strong quarter, with growth remaining broad-based across all three segments. We believe the India Security business will continue to anchor performance, supported by improving private sector demand and the ramp-up of key contracts. The revenue mix is steadily shifting toward India, now contributing ~65% of consolidated revenue and ~75% of EBITDA. This is a structurally positive trend, in our view, given its stronger growth and margin profile. We expect revenue growth of 21%/18% YoY for 3Q/4QFY26E, primarily driven by the APS acquisition and sustained momentum from the India business.
- We expect the recently acquired APS (17% of India Security revenue) to further deepen SIS's presence across BFSI, logistics, and warehousing, with meaningful revenue and synergy gains likely from 3QFY26 onward.
- Facility Management sustained its healthy momentum and a 90bp margin improvement to 5.2%, aided by efficiency gains and a better client mix. We believe the segment remains on track to achieve ~6% EBITDA margins over the next few quarters. International Security also performed well, growing 19.3% YoY (the strongest organic growth in nearly a decade) driven by healthy client retention and new contract wins. Margins were steady at 3.3%, and we expect a gradual uptick toward the 4–4.5% range as restructuring and SG&A optimization efforts gain traction.
- Management reaffirmed its FY26 PAT guidance of ~INR 4000 mn, supported by inorganic growth and margin normalization. We believe SIS is well-positioned to sustain its growth momentum, with an improving India mix, recovering international business, and potential value unlocking from the upcoming cash logistics IPO. We expect a gradual improvement, with EBITDA margins reaching 4.6%/4.7% in FY26/FY27.

Valuation and changes to our estimates

- We broadly retain our estimates. SECIS has relatively delivered better growth than its peers in 1HFY26, and we believe it shall continue the momentum in 2H as well, further aided by the APS acquisition.
- We value SECIS at INR410 (21% potential upside), assigning a 7x forward EV/EBITDA multiple to its international business and DCF to its Indian business. **Reiterate BUY.**

Beat on revenue but miss on margins; SIS acquires a 51% stake in APS

- SECIS's revenue grew 15% YoY/5.9% QoQ at ~INR37.6b vs. our est. of INR35.6b.
- Revenue growth was aided by ~5.7% growth in India security, whereas International Security/Facilities management posted a 1.9% (CC)/5.9% growth YoY.
- EBITDA margin was 4.5%, up 10bp YoY (vs. est. 4.7%). The margin for India Security was 5.3%, while the same for International Business was 3.3%, flat QoQ.
- Consolidated reported PAT stood at INR807mn vs our estimate of INR1,149m. Adj. PAT stood at INR930m (flat QoQ). Reported PAT is adjusted for capital gains tax of INR123m due to the intergroup transfer of the 5.06% stake in SIS Australia Group Pty Ltd. from SIS Limited to SIS Australia Holdings Pty Ltd., as part of internal restructuring.
- Net debt amounted to INR6.6b from INR5.4b in 1QFY26. Net debt/EBITDA stood at 1.03x vs. 0.87x in 1QFY26.
- OCF/EBITDA on a consolidated basis was 6.3% for the quarter due to a nil income tax refund in 2QFY26 vs. INR786m in 1QFY26 and an increase in DSO by one day from 1QFY26.
- SECIS acquires a 51% stake in A P Securitas (APS). APS contributes ~17% to the Security Solutions' India monthly revenue run rate.

Key highlights from the management commentary

- SIS reported consolidated revenue growth of 15% YoY and 5.9% QoQ. The consolidated monthly revenue run rate stood at INR 1,300 crore, the highest ever for the company.
- This marks the strongest revenue growth year in the last five years, with broad-based performance across all three business segments.
- Management indicated that 3Q is shaping up well, with strong momentum continuing across business lines. *Two-thirds of the current growth is being driven by volume expansion rather than pricing, indicating robust demand and execution traction in the underlying business.*
- The ratio of revenue and profit is shifting significantly toward India, with roughly 75% of EBITDA and 65% of consolidated revenue now coming from India.
- Management continues to focus on contract rationalization, SG&A efficiency, and quality of earnings.
- *Management reiterated FY26 PAT guidance of ~INR 400 crore, supported by revenue growth and margin normalization across segments.*
- SIS completed the acquisition of a 51% stake in A P Securitas. APS will start consolidation from 3QFY26.
- Cash logistics IPO remains on track and will unlock value for shareholders. The proceeds will be primarily used for debt reduction and lowering interest costs.

Valuation and view

- With the liberalization and formalization of labor markets and laws, SECIS should be among the biggest direct beneficiaries. It has managed to gain market share during the last few years, and the trend is expected to continue.
- We value SECIS using SOTP: 1) DCF for the India Security business (INR212), 2) an EV/EBITDA multiple of 7x (INR124) for the International Security business, and 3) DCF for the FM business (INR124) less net debt (INR47). **Consequently, we arrive at our TP of INR410. We reiterate our BUY rating on the stock.**

Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26	(%/bp)
Gross Sales	**31,299**	**32,688**	**33,625**	**34,279**	**35,485**	**37,585**	**41,030**	**40,748**	**1,31,891**	**1,54,848**	**35,626**	**5.5**
YoY Change (%)	5.1	6.3	9.4	9.3	13.4	15.0	22.0	18.9	7.6	17.4	9.0	**600bp**
Total Expenditure	29,925	31,241	32,057	32,631	33,964	35,903	39,055	38,763	1,25,853	1,47,685	33,963	5.7
EBITDA	**1,374**	**1,447**	**1,568**	**1,648**	**1,521**	**1,683**	**1,975**	**1,985**	**6,037**	**7,164**	**1,663**	**1.2**
Margins (%)	4.4	4.4	4.7	4.8	4.3	4.5	4.8	4.9	4.6	4.6	4.7	-20bp
Depreciation	427	420	407	384	416	476	495	500	1,638	1,887	423	12.4
Interest	422	404	405	376	409	368	229	229	1,606	1,234	188	95.6
Other Income	118	76	321	166	185	115	125	125	681	550	139	-16.7
PBT	**643**	**699**	**1,076**	**1,055**	**881**	**954**	**1,376**	**1,382**	**3,474**	**4,593**	**1,190**	**-19.8**
Tax	70	72	122	291	27	228	124	124	556	503	107	112.6
Rate (%)	10.9	10.3	11.3	27.6	3.1	23.9	9.0	9.0	16.0	10.9	9.0	1,490bp
Minority Interest & Profit/Loss of Asso. Cos.	69	61	67	62	76	81	69	69	258	295	66	22
Reported PAT	**642**	**688**	**1,021**	**825**	**929**	**807**	**1,321**	**1,327**	**3,176**	**4,385**	**1,149**	**-29.7**
YoY Change (%)	-28.3	-8.6	176.5	NA	44.7	17.4	29.4	60.8	67.2	38.1	67.0	
Margins (%)	2.1	2.1	3.0	2.4	2.6	2.1	3.2	3.3	2.4	2.8	3.2	-110bp

Fusion Finance

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	FUSION IN
Equity Shares (m)	101
M.Cap.(INRb)/(USDb)	23.5 / 0.3
52-Week Range (INR)	215 / 124
1, 6, 12 Rel. Per (%)	-11/5/-21
12M Avg Val (INR M)	121

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	15.3	12.1	13.2
PPP	7.4	3.9	5.3
PAT	-12.2	-0.3	2.8
EPS (INR)	-121.7	-1.99	17.5
EPS Gr. (%)	-	-	-
BV (INR)	163	149	167
Valuations			
NIM (%)	14.3	13.9	14.7
C/I ratio (%)	51.7	68.1	59.6
RoAA (%)	-12.2	-0.4	3.6
RoE (%)	-54.5	-1.6	11.1
Valuations			
P/E (x)	-	-	9.5
P/BV (x)	1.0	1.1	1.0

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	55.0	55.0	57.7
DII	11.9	12.6	19.2
FII	3.9	3.0	2.8
Others	29.2	29.4	20.3

FII includes depository receipts

CMP: INR171 TP: INR215 (+25%) Buy

Moves closer to profitability; business momentum to improve

GS3 improves ~80bp QoQ; sustained sequential decline in credit costs

- Fusion Finance (FUSION) reported a net loss of ~INR221m in 2QFY26 (vs. est. profit of INR7m). NII in 2QFY26 declined ~38% YoY to ~INR2.5b (7% miss). Opex rose 9% YoY to INR2.1b (flat QoQ; in line) and the cost-to-income ratio declined ~60bp QoQ to ~70.2% (PQ: ~70.8% and PY: ~40.4%). PPoP declined ~69% YoY to ~INR890m (11% miss).
- Net credit costs declined sequentially to ~INR1.1b (vs. est. of ~INR1b). Annualized credit costs in 2QFY26 stood at ~6.4% (PQ: 9.4% and PY: 26%).
- Management highlighted that the new portfolio continues to perform well, reflecting the strength of the revised underwriting framework and improved collection practices. In 2QFY26, collection efficiency on the new book was 99.5%, and overall collection efficiency also improved during the quarter. The company has guided for normalized credit costs of ~3.5% from FY27 onwards. We model credit costs of 5.9%/3.5% in FY26/FY27E.
- Disbursements grew 37% QoQ to ~INR13b. AUM declined ~39% YOY and 9% QoQ to ~INR70b. **Management indicated that Fusion's business has largely stabilized and is now well-positioned to exhibit net positive growth in its AUM by the end of 3Q or early 4QFY26.**
- We cut our FY26 EPS estimate and now project a net loss in FY26 vs. our earlier expectation of a marginal profit. We also cut our FY27 EPS estimates by ~12% to factor in slightly higher opex and credit costs. We estimate an AUM CAGR of ~7% and a PPOP CAGR of ~2% over FY25-28, along with an RoA/RoE of ~4.2%/13.8% in FY28E.
- Fusion has taken meaningful steps to strengthen its operating model, including sharper underwriting filters, improved collection efficiency, and technological enhancements that support productivity and asset quality. These measures have set the foundation for sustainable growth and a return to profitability from 3QFY26 onwards.
- **At the current valuation of 1x FY27E BV, the stock offers an attractive entry point, factoring in much of the past stress but not fully reflecting the medium-term recovery potential. We reiterate our BUY rating on the stock with a revised TP of INR215 (based on 1.2x Sep'27E P/BV).**

GS3 improves ~80bp QoQ; collection efficiency rises

- FUSION's GS3 improved ~80bp QoQ to ~4.6%, while NS3 rose ~20bp QoQ to 0.4%. Stage 3 PCR stood at 92% in 2QFY26.
- Stage 2 declined ~25bp QoQ to 2.2% and S2 PCR declined ~160bp QoQ to ~70%. ECL/EAD (incl. management overlay of ~INR455m) declined to ~7% (PQ: ~8.2%). Write-offs for the quarter declined to ~INR2.5b (PQ: INR4.9b). Management shared that the current portfolio collection efficiency (CE) stood at ~98.5% in 2QFY26.

- FUSION's annualized credit costs in 2QFY26 stood at ~6.4% (PY: ~26% and PQ: ~9.4%). We model credit costs of 6%/3.5% for FY26/FY27.

Reported NIM expands ~55bp QoQ; calculated yields rise ~50bp QoQ

- Yields (calc.) rose ~50bp QoQ to ~22.7%, while CoF (calc.) increased ~30bp QoQ to ~10.5%, leading to a ~20bp QoQ rise in spreads to ~12.2%. Reported NIMs rose ~55bp QoQ to ~10.9%, supported by lower income reversals.
- Marginal CoB declined ~40bp QoQ to ~13.3%. Fusion shared that it aims to broadly maintain the NIMs at current levels. We model (calc.) NIM (as a % of gross loans) of 13.9%/14.7% in FY26/FY27.
- The share of public sector banks in the borrowing mix dipped ~4pp to ~22% in 2QFY26 (PQ: 26%). FUSION had a robust liquidity of ~INR8.9b, an aggregate of cash and cash equivalents and liquid assets, amounting to ~13% of the total assets.

Active borrower base declines; reduction in Fusion+>=3 customers

- The borrower base declined to 2.6m as of Sep'25 (down from 2.8m as of Jun'25). FUSION's + >=3 borrowers declined to 13.9% (vs. ~17.6% in Jun'25), and it only onboards customers if they are in the current bucket for all their MFI loans.
- FUSION's CRAR stood at ~31.3% as of Sep'25.

Highlights from the management commentary

- Management indicated that recoveries are improving across both pre-write-off and written-off pools, and it expects write-back trends to strengthen over the next 2-3 quarters.
- Fusion shared that it released ~INR150m of management overlay during the quarter, which was driven by earlier over-provisioning alongside improving collection efficiency. The company also indicated that it will continue to utilize/release the management overlay gradually over the next few quarters.
- Management reiterated that strengthening the capital position remains a core priority for supporting the next phase of growth. The next tranche of the Rights issue (~INR4bn) has been called, reflecting confidence in the business trajectory, collection efficiency, and recoveries.

Valuation and view

- Fusion reported a relatively soft quarter with AUM continuing to contract; however, the company moved closer to profitability, driven by a further decline in credit costs. Disbursements improved during the quarter, and the company continues to ramp up volumes while maintaining a cautious underwriting stance, which is evident in stable PAR trends and strong collection efficiency. Margins also strengthened, aided by lower interest income reversals.
- **At the current valuation of 1x FY27E BV, the stock offers an attractive entry point, factoring in much of the past stress but not fully reflecting the medium-term recovery potential. We reiterate our BUY rating on the stock with a revised TP of INR215 (based on 1.2x Sep'27E P/BV).**

Fusion: 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	6,213	6,261	4,382	4,487	4,219	3,808	3,675	3,662	21,342	15,364	3,974	-4
Interest Expenses	2,234	2,274	2,137	1,794	1,489	1,343	1,282	1,220	8,439	5,334	1,310	2
Net Interest Income	**3,979**	**3,987**	**2,245**	**2,693**	**2,730**	**2,465**	**2,392**	**2,442**	**12,904**	**10,030**	**2,664**	**-7**
YoY Growth (%)	*34.6*	*30.4*	*-33.7*	*-25.4*	*-31.4*	*-38.2*	*6.6*	*-9.3*	*-0.8*	*-22.3*	-33	
Other Income	854	776	443	273	237	519	616	712	2,347	2,083	377	38
Total Income	**4,833**	**4,764**	**2,688**	**2,966**	**2,967**	**2,984**	**3,008**	**3,154**	**15,250**	**12,113**	**3,041**	**-2**
YoY Growth (%)	*30.9*	*25.3*	*-34.7*	*-35.6*	*-38.6*	*-37.4*	*11.9*	*6.3*	*-6.0*	*-20.6*	-36	
Operating Expenses	1,855	1,925	2,041	2,065	2,101	2,094	2,043	2,006	7,886	8,245	2,038	3
Operating Profit	**2,978**	**2,838**	**648**	**901**	**866**	**890**	**965**	**1,148**	**7,365**	**3,869**	**1,003**	**-11**
YoY Growth (%)	*26.5*	*17.4*	*-75.1*	*-69.0*	*-70.9*	*-68.6*	*49.0*	*27.4*	*-28.4*	*-47.5*	-65	
Provisions & Loan Losses	3,485	6,941	5,723	2,547	1,789	1,112	800	546	18,695	4,247	993	12
Profit before Tax	**-507**	**-4,102**	**-5,075**	**-1,646**	**-923**	**-221**	**164**	**601**	**-11,330**	**-378**	**10**	**-**
Tax Provisions	-151	-1,052	2,118	0	0	0	8	-65	915	-57	2	
Net Profit	**-356**	**-3,050**	**-7,193**	**-1,646**	**-923**	**-221**	**156**	**666**	**-12,245**	**-321**	**7**	**-**
YoY Growth (%)	*-130*	*-343*	*-669*	*-224*	*159*	*-93*	*-102*	*-140*	*-342*	*-97.4*	-100	
Key Parameters (%)												
Yield on loans	21.7	21.5	19.1	19.1	20.6	21.2						
Cost of funds	10.1	10.1	10.3	10.5	10.3	10.4						
Spread	11.6	11.4	8.8	8.6	10.3	10.9						
NIM	11.6	11.5	8.9	8.6	10.3	10.9						
Credit cost	3.28	6.55	5.70	2.80	2.30	1.50						
Cost to Income Ratio (%)	38.4	40.4	75.9	69.6	70.8	70.2						
Tax Rate (%)	29.8	25.6	-41.7	0.0	0.0	0.0						
Performance ratios (%)												
Avg o/s per borrower (INR '000)	30	29	27	26	25	25						
AUM/ RO (INR m)	1.2	1.1	1.1	0.9	0.8	0.8						
AUM/ Branch (INR m)	9	8	7	6	5	4						
Borrower/ Branch (INR m)	3,017	2,805	2,590	2,175	1,932	1,759						
Balance Sheet Parameters												
AUM (INR B)	**121.9**	**115.7**	**106.0**	**89.8**	**76.9**	**70.4**	**70.1**	**74.0**				
Change YoY (%)	25.5	15.4	-0.9	-21.8	-36.9	-39.2	-33.9	-17.5				
Disbursements (INR B)	**29.9**	**16.6**	**11.7**	**11.6**	**9.5**	**13.0**	**15.9**	**18.8**				
Change YoY (%)	30.7	-29.1	-56.9	-60.9	-68.2	-21.9	36.0	62.7				
Borrowings (INR B)	**91.2**	**86.4**	**73.1**	**64.0**	**52.7**	**49.3**						
Change YoY (%)	26.9	14.8	-8.9	-25.7	-42.3	-42.9						
Borrowings/Loans (%)	89.0	94.6	92.3	88.2	81.4	83.1						
Debt/Equity (x)	3.2	3.4	4.0	3.9	2.7	2.6						
Asset Quality (%)												
GS 3 (INR M)	**5,952**	**9,672**	**11,920**	**6,457**	**3,830**	**2,940**						
G3 %	5.5	9.4	12.6	7.9	5.4	4.6						
NS 3 (INR M)	1,301	2,302	1,450	224	130	230						
NS3 %	1.27	2.52	1.83	0.31	0.20	0.39						
PCR (%)	**78.1**	**76.2**	**87.8**	**96.5**	**96.6**	**92.1**						
ECL (%)	5.9	11.1	16.4	10.9	8.2	7.0						
Return Ratios - YTD (%)												
ROA (Rep)	-1.2	-10.3	-27.6	-7.4	-4.7	-1.2						
ROE (Rep)	-5.0	-45.7	-132.9	-38.2	-20.6	-4.6						

E: MOSL Estimates

TCI Express

Estimate change	⟷
TP change	⟷
Rating change	⟷

Stock Info

Bloomberg	TCIEXP IN
Equity Shares (m)	38
M.Cap.(INRb)/(USDb)	26 / 0.3
52-Week Range (INR)	998 / 580
1, 6, 12 Rel. Per (%)	-8/-2/-36
12M Avg Val (INR M)	28

Financials Snapshot (INR b)

Y/E March	2026E	2027E	2028E
Net Sales	12.9	14.4	15.5
EBITDA	1.4	1.8	2.0
Adj. PAT	1.0	1.3	1.4
EBITDA Margin (%)	10.9	12.5	12.6
Adj. EPS (INR)	26.1	33.2	36.3
EPS Gr. (%)	16.5	27.4	9.1
BV/Sh. (INR)	218	243	271
Ratios			
Net D/E (x)	0.0	0.0	0.0
RoE (%)	12.5	14.4	14.1
RoCE (%)	12.3	14.1	13.8
Payout (%)	30.7	24.1	22.1
Valuations			
P/E (x)	25.6	20.1	18.4
P/BV (x)	3.1	2.7	2.5
EV/EBITDA (x)	18.1	14.3	12.9
Div. Yield (%)	1.2	1.2	1.2
FCF Yield (%)	0.4	0.4	1.3

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	69.5	69.5	69.5
DII	9.4	9.8	10.1
FII	0.9	0.8	1.7
Others	20.3	19.9	18.6

FII includes depository receipts

CMP: INR667 TP: INR720 (+6%) Neutral

Steady 2Q; volume and margins likely to recover as demand from the SME segment improves

- TCI Express (TCIE)'s 2QFY26 revenue was flat YoY at INR3.08b (+8% QoQ), in line with our estimate. Volume growth was flat YoY, hit by the GST rate cut.
- EBITDA stood at INR354m (-4% YoY/+26% QoQ), 6% above our estimate. EBITDA margin came in at 11.5% in 2QFY26 vs. our estimate of 10.6%.
- APAT stood flat YoY at INR252m (+29% QoQ) vs. our estimate of INR237m.
- During 1HFY26, its revenue/EBITDA/APAT dipped 2%/9%/6% YoY.
- Management expects the volume growth to improve hereon, supported by the improvement in demand from the SME segment. TCIE projects 8% tonnage and 10% revenue growth in FY26. EBITDA margin could expand hereon through cost optimization, automation benefits, and price increases. It targets more than a 12% EBITDA margin in the next two quarters.
- In 2QFY26, the volume growth was flat YoY as demand paused with the announcement of the GST rate cut. Volume growth could have otherwise been higher by 2-3% in this quarter. The company has been witnessing healthy volumes in the months of Oct and Nov'25, aided by spillover from the festive season and improvement in demand from the SME segment.
- We retain our estimates for FY26 and FY27 and roll forward our valuation to FY28. Hence, we expect TCIE to clock an 8%/9%/16% volume/revenue/EBITDA CAGR over FY25-28. **We reiterate our Neutral rating with a TP of INR720 (based on 20x FY28 EPS).**

Key highlights from the management commentary

- TCIE's 2QFY26 volume stood at 0.25m tons (flat YoY). Capacity utilization during 2QFY26 remained steady at 83%.
- The GST rate cut-related demand pause impacted volume growth by ~2–3% during the quarter. However, strong festive-season demand across categories supported volumes. Moreover, the company is witnessing healthy volumes in October and November, aided by festive spillover and improving demand from the SME segment.
- TCIE shifted its Mumbai sorting center to a new sorting center, enhancing processing capacity by 3 times and enabling faster, cost-efficient operations. Further, 10 new branches under Surface Express and 25 under Rail were added.
- Tonnage growth in FY26 is expected at 8%. Revenue growth is projected at 10%, supported by price hikes, network expansion, and growing multimodal contribution.
- EBITDA margin is expected to improve through cost optimization, higher automation benefits, and price increases, targeting more than 12% EBITDA margin over the next two quarters.

Valuation and view

- TCIE's 2QFY26 was broadly in line. We believe the volume growth is set to improve ahead with demand improving from the SME segment and GST rate cut benefits flowing through.
- We maintain our estimates for FY26 and FY27 and roll forward our valuation to FY28. Accordingly, we expect TCIE to clock an 8%/9%/16% volume/revenue/ EBITDA CAGR over FY25-28. **We reiterate our Neutral rating with a TP of INR720 (based on 20x FY28 EPS).**

Quarterly snapshot INR m

	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	vs Est
Net Sales	**2,930**	**3,115**	**2,965**	**3,073**	**2,868**	**3,085**	**3,299**	**3,620**	**12,083**	**12,872**	**3,147**	**(2)**
YoY Change (%)	-3.9	-2.6	-4.9	-3.1	-2.1	-1.0	11.3	17.8	-3.6	6.5	1.0	
EBITDA	**327**	**368**	**289**	**263**	**281**	**354**	**370**	**402**	**1,247**	**1,406**	**334**	**6**
Margins (%)	11.2	11.8	9.8	8.5	9.8	11.5	11.2	11.1	10.3	10.9	10.6	
YoY Change (%)	-29.4	-27.1	-36.6	-41.4	-14.3	-3.7	27.8	53.1	-33.4	12.8	-9.3	
Depreciation	51	53	53	59	53	53	51	48	216	205	52	
Interest	3	3	3	5	3	3	2	0	13	7	2	
Other Income	23	25	26	61	38	35	34	39	134	145	37	
PBT before EO expense	**297**	**336**	**259**	**260**	**263**	**332**	**351**	**393**	**1,152**	**1,339**	**317**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**297**	**336**	**259**	**260**	**263**	**332**	**351**	**393**	**1,152**	**1,339**	**317**	
Tax	74	87	67	66	68	80	90	101	294	339	80	
Rate (%)	24.8	25.8	26.0	25.5	25.9	24.2	25.5	25.8	25.5	25.4	25.2	
Reported PAT	**223**	**249**	**192**	**194**	**195**	**252**	**261**	**292**	**858**	**1,000**	**237**	**6**
Adj PAT	**223**	**249**	**192**	**194**	**195**	**252**	**261**	**292**	**858**	**1,000**	**237**	**6**
YoY Change (%)	-31.0	-29.9	-40.4	-38.7	-12.7	0.9	36.3	50.7	-34.8	16.5	-4.9	
Margins (%)	7.6	8.0	6.5	6.3	6.8	8.2	7.9	8.1	7.1	7.8	7.5	

Updater Services

Estimate change	↓
TP change	↓
Rating change	↓

Bloomberg	UDS IN
Equity Shares (m)	67
M.Cap.(INRb)/(USDb)	13.6 / 0.2
52-Week Range (INR)	439 / 198
1, 6, 12 Rel. Per (%)	-21/-30/-57
12M Avg Val (INR M)	90

Financials & Valuations (INR b)

Y/E Mar	FY26E	FY27E	FY28E
Sales	30.2	34.5	39.2
EBIT	1.1	1.4	1.6
PAT	1.2	1.4	1.6
Adj PAT	1.2	1.4	1.6
EPS (INR)	17.8	21.0	23.2
EPS growth (%)	0%	18%	10%
BV/Sh (INR)	161.8	182.9	206.2
Ratios			
RoE (%)	11.6	12.2	12.0
RoCE (%)	10.6	11.1	10.9
Valuations			
P/E (x)	11.5	9.7	8.8
P/BV (x)	1.3	1.1	1.0

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	58.9	58.9	58.9
DII	13.1	12.8	15.3
FII	3.6	3.7	3.5
Others	24.4	24.7	22.3

CMP: INR203 TP: INR230 (+13%) Downgrade to Neutral

Soft patch ahead

Guidance cuts and near-term headwinds in BSS lead to a cautious stance

- Updater Services (UDS) reported a 2QFY26 revenue growth of 7% YoY to INR7.3b, below our estimate of ~INR7.7b. Core EBITDA margin came in at 4.3% (est. 5.9%), down 130bp QoQ. Consolidated adj. PAT stood at INR198m (down 30% YoY), below our estimate of INR321m.
- UDS's 1HFY26 revenue grew 7.3% YoY, whereas EBITDA declined 16.3% YoY. For 2HFY26, we expect its revenue/EBITDA to grow by 13%/1.0% YoY. We downgrade the stock to **Neutral** with a revised **TP of INR 230**, as weaker BSS trends (FY26 growth cut to 3–3.5%), lower overall guidance (9–10% vs. 13–15% earlier), margin pressures from client issues, and ramp-up costs limit near-term visibility.

Our view: Softness in BSS and margin recovery key monitorables

- We believe growth momentum has moderated meaningfully this quarter, with management revising FY26 revenue guidance to 9–10% (from 13–15% earlier). While the IFM segment continues to add strategic contracts, we believe the ramp-up of several large wins has temporarily weighed on revenue conversion and profitability. Some contracts were also taken at lower initial margins given their long-term potential, which may limit near-term margin recovery.
- The BSS segment remains the key drag, with FY26 growth guidance now pared down to just 3–3.5% YoY. We think global technology disruption and slower demand from IT and BFSI clients will keep the recovery gradual. Within the portfolio, performance remained uneven. Athena and Avon underperformed, the former impacted by increasing AI adoption and selective insourcing of operations by clients, while the latter faced stressed receivables that required provisioning of ~INR30m.
- Audit & Assurance business continued to perform steadily, expanding into high-value areas such as fixed asset verification and last-mile audits, which we see as important long-term margin levers. Meanwhile, the EBCG vertical remained weak, with hiring freezes by MNCs and spending cuts across Indian IT firms weighing on demand. Given these near-term challenges and the limited visibility for a sustained turnaround to prior levels, we expect BSS to remain soft through FY26, dragging on overall consolidated growth and margin performance.
- **Margins:** We expect profitability to stay under pressure due to client-specific issues in Denave, underperformance in Athena and Avon, and a less favorable sales mix. Upfront costs related to ramping up new IFM contracts and persistent BSS weakness (a higher-margin business) are likely to keep margins below last year's levels. Management has guided for ~4% PAT margins for FY26; we estimate margins at ~4.0%/4.4% for FY26E/27E.

Valuation and changes to our estimates

- We cut our earnings estimates by 12%/8% for FY26E/FY27E to reflect the slower growth trajectory and margin pressures across both IFM and BSS segments. Management's guidance downgrade to 9–10% growth for FY26 (from 13–15% earlier), coupled with persistent weakness in the BSS portfolio, suggests a more gradual recovery ahead.
- Key monitorables include margin normalization in IFM, receivable recoveries at Avon, and early signs of turnaround in BSS. Given limited near-term triggers, **we downgrade the stock to Neutral** with a revised TP of **INR230**, based on **11x Jun'27E EPS**, implying an upside potential of **13%.**

Miss on revenue and margins; 28 new logos added

- Revenue grew 7% YoY and 4% QoQ at INR7.3b, below our estimate of ~INR7.7b.
- Revenue growth was aided by 10% YoY growth in IFM, whereas BSS reported a growth of 2% YoY.
- EBITDA margin came in at 4.3%, down 130bp QoQ (vs. est. 5.9%). IFM's PBT margin was flat QoQ at 4.5%. BSS's PBT margin was down 160bp QoQ to 3.2%.
- Consolidated adj. PAT stood at INR198m (down 30% YoY), below our estimates of INR321m.
- RoCE stood at 13% on an annualized basis in Sep'25 vs 17.9% in Jun'25. The company added 28 logos during 2QFY26.
- Long-standing relationships with customers have 95% retention over a five-year window in both businesses.

Key highlights from the management commentary

- During the quarter, several new contracts were secured that are highly strategic in nature, strengthening long-term positioning with key clients and enhancing the company's presence across focus sectors.
- These new contracts have led to upfront employee costs, as many remain in the ramp-up phase and have not yet reached their full revenue potential, impacting margins temporarily. Management expects the cost structure on these strategic contracts to normalize over the next few quarters.
  For FY26, revenue growth is expected to be in the range of 9–10%.
- Focus continues to shift toward private sector-led contracts, given their superior margin profile compared to government projects.
- The BSS portfolio, including Denave and Athena, witnessed headwinds from global technology and industry disruptions. Investments are being made in digital tools and automation to strengthen long-term resilience.
- Athena continues to navigate the evolving technology landscape. While increasing AI adoption has impacted some clients, expansion beyond BFSI into healthcare and education has provided diversification. Margins have remained stable.
- The EBCG vertical continued to face muted demand amid significant spending cuts by Indian IT companies and temporary hiring freezes by MNC clients. The company is expanding non-IT exposure to mitigate sector dependency.

Valuation and view

- We cut our earnings estimates by 12%/8% for FY26E/FY27E to reflect the slower growth trajectory and margin pressures across both IFM and BSS segments. Management's guidance downgrade to 9–10% growth for FY26 (from 13–15% earlier), coupled with persistent weakness in the BSS portfolio, suggests a more gradual recovery ahead.
- Key monitorables include margin normalization in IFM, receivable recoveries at Avon, and early signs of turnaround in BSS. Given limited near-term triggers, **we downgrade the stock to Neutral** with a revised TP of **INR230**, based on **11x Jun'27E EPS**, implying an upside potential of **13%.**

Consolidated - Quarterly Earnings Model **(INR m)**

Y/E March	FY25				FY26E				FY25	FY26E	Est.	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY26	(%/bp)
Gross Sales	**6,522**	**6,800**	**6,949**	**7,090**	**7,002**	**7,293**	**7,792**	**8,109**	**27,361**	**30,196**	**7,695**	**-9.0**
YoY Change (%)	13.1	13.3	9.3	12.2	7.4	7.3	12.1	14.4	11.9	10.4	13.2	**-590bp**
Total Expenditure	6,112	6,363	6,487	6,733	6,609	6,978	7,402	7,671	25,695	28,660	7,241	-3.6
Core EBITDA	**409**	**437**	**462**	**357**	**393**	**316**	**390**	**438**	**1,665**	**1,536**	**454**	**-30.5**
Margins (%)	6.3	6.4	6.7	5.0	5.6	4.3	5.0	5.4	6.1	5.1	5.9	-160bp
ESOP cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Fair value changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EBITDA	**409**	**437**	**462**	**357**	**393**	**316**	**390**	**438**	**1,665**	**1,536**	**454**	**-30.5**
Margins (%)	6.3	6.4	6.7	5.0	5.6	4.3	5.0	5.4	6.1	5.1	5.9	-160bp
Depreciation	115	123	121	113	112	119	117	122	471.3	469.7	139	-13.9
Interest	34	29	20	20	21	16	19	20	103.5	76.8	19	-17.5
Other Income, net	65	69	57	166	51	55	117	146	357	369	77	-28.2
PBT	**326**	**354**	**378**	**390**	**311**	**236**	**370**	**442**	**1,447**	**1,358**	**373**	**-36.8**
Tax	69	74	67	48	21	38	44	66	257.5	169.0	52	-27.8
Rate (%)	21.3	20.8	17.7	12.3	6.6	16.0	12.0	15.0	17.8	12.4	14.0	200bp
Minority Interest & Profit/Loss of Asso. Cos.	3	-1	3	-3	4	-1	0	0	2	3	0	
Adjusted PAT	**256**	**280**	**312**	**342**	**290**	**198**	**326**	**376**	**1,190**	**1,189**	**321**	**-38.3**
YoY Change (%)	27.2	41.8	13.5	76.1	13.1	-29.3	4.5	9.9	34.5	0.0	14.6	
Margins (%)	3.9	4.1	4.5	4.8	4.1	2.7	4.2	4.6	4.3	3.9	4.2	0bp

Angel One

BSE SENSEX	S&P CNX
83,311	25,510

Bloomberg	ANGELONE IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	214.5 / 2.5
52-Week Range (INR)	3503 / 1941
1, 6, 12 Rel. Per (%)	1/-19/-18
12M Avg Val (INR M)	4122
Free float (%)	64.5

CMP: INR2,518

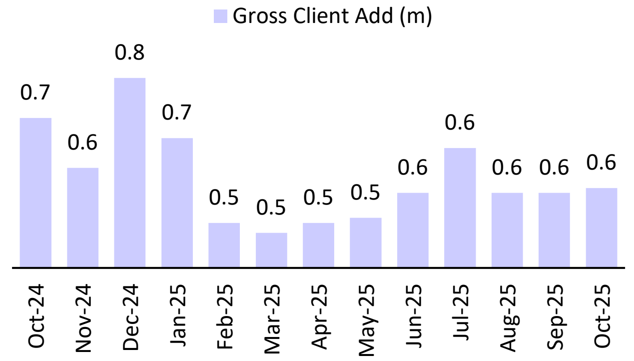
Strong performance; MTF book continues to rise MoM

Angel One (ANGELONE) released its key business numbers for Oct'25. Following are the key takeaways:

- ANGELONE's gross client acquisition grew 2% MoM to ~0.56m in Oct'25 (-20% YoY), bringing the total client base to 34.6m.
- The average MTF book grew ~4% MoM to ~INR57.9b, scaling a new high (+41% YoY) in Oct'25.
- The number of orders grew 5% MoM to 133.8m for Oct'25 (down 22% YoY), while the order run-rate rose 15% MoM to 6.7m.
- The overall ADTO increased 23% MoM, driven by 23% MoM growth in F&O ADTO, 4% MoM growth in cash ADTO, and 20% MoM growth in commodity ADTO. The overall premium ADTO increased 19% MoM, with F&O premium ADTO rising 22% MoM.
- Based on the option premium turnover, the overall market share declined 20bp MoM, with the F&O premium market share declining 20bp MoM to 20.4%/21.6%, respectively. The share for the cash segment declined 50bp MoM to 18.5%, while for the commodity segment, it declined 920bp MoM to 55.1%.
- The number of registered unique MF SIPs grew 4% MoM to ~0.81m in Oct'25 (up 11% YoY).

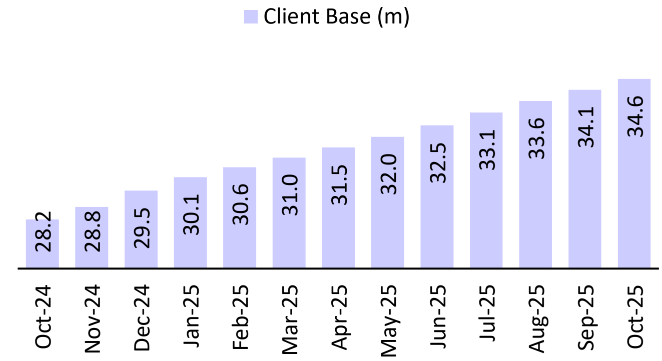
Key Metrics	Oct-24	Nov-24	Jan-25	Mar-25	May-25	Jun-25	Aug-25	Sep-25	Oct-25	% YoY	% MoM
No of Days	22	18	23	19	21	21	19	22	20		
Client Base (m)	28.2	28.8	30.1	31.0	32.0	32.5	33.6	34.1	34.6	22.5	1.4
Gross Client Add (m)	0.70	0.60	0.66	0.47	0.50	0.55	0.55	0.55	0.56	-20.0	1.8
Avg MTF book (INR b)	41.2	39.7	42.0	38.5	40.1	47.1	52.9	55.5	57.9	40.6	4.3
Orders (m)	171.3	131.0	126.0	102.1	121.6	115.0	109.9	127.6	133.8	-21.9	4.9
Per day orders (m)	7.8	7.3	5.5	5.4	5.8	5.5	5.8	5.8	6.7	-14.0	15.3
Unique MF SIPs registered (In m)	0.74	0.65	0.77	0.56	0.63	0.74	0.71	0.79	0.81	10.5	3.6
Angel's ADTO (INR b)											
Overall	48,469	42,645	30,824	36,383	35,815	34,995	45,841	48,183	59,294	22.3	23.1
F&O	47,835	41,850	30,104	35,644	34,983	34,020	44,511	46,712	57,544	20.3	23.2
Cash	74.0	71.0	65.0	65.0	86	85	69	76	79	6.8	3.9
Commodity	555	724	655	673	745	890	1,261	1,395	1,671	201.1	19.8
Angel's Premium T/O (INR b)											
Overall	786	943	850	860	975	1,102	1,455	1,594	1,900	141.7	19.2
F&O	157	148	130	122	144	126	125	123	150	-4.5	22.0
Retail T/o Market Share										**bps YoY**	**bps MoM**
Overall Equity - based on option premium T/O	20.0	19.8	19.7	19.5	20.0	19.6	20.7	20.6	20.4	40	-20
F&O - based on option premium T/O	21.9	21.9	21.8	21.0	21.4	20.8	22.1	21.8	21.6	-30	-20
Cash	16.7	16.4	16.6	17.2	18.0	18.0	18.6	19.0	18.5	180	-50
Commodity	61.3	59.7	61.2	56.9	56.5	58.3	67.6	64.3	55.1	-620	-920

Gross client addition rose 2% MoM in Oct'25



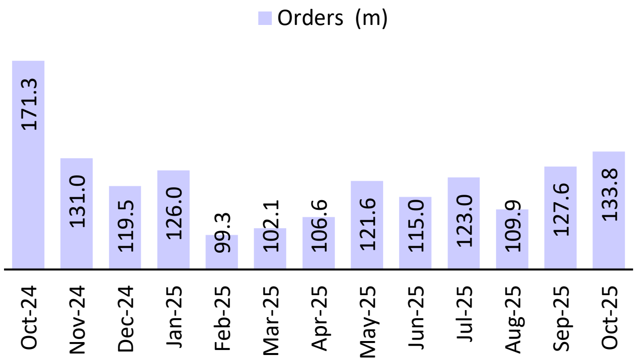
Source: MOFSL, Company

Total client base reached 34.6m in Oct'25



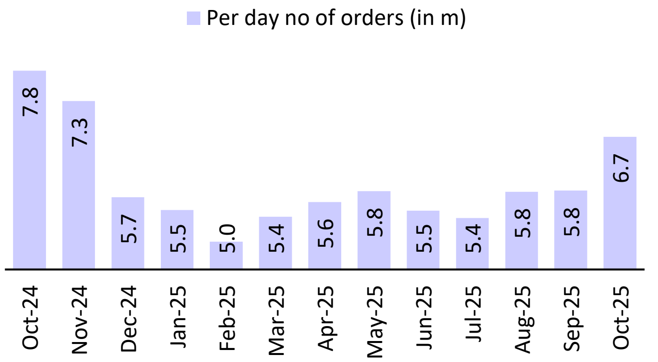
Source: MOFSL, Company

No. of orders increased MoM in Oct'25



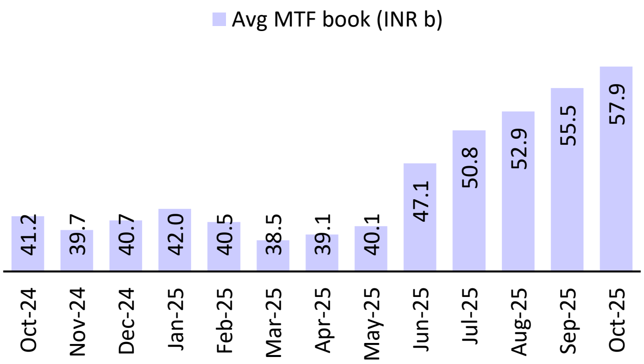
Source: MOFSL, Company

Order run-rate rose 15% on a MoM basis



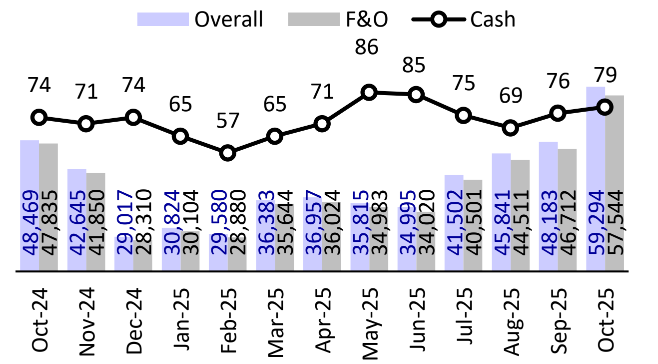
Source: MOFSL, Company

Client funding book inched up MoM



Source: MOFSL, Company

ADTO trend (INR b)



Source: MOFSL, Company

Cholamandalam Inv. & Finance

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details

Date: 7th Nov'25
Time: 10:00 AM IST
Dial-in details:
Link for the call

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Total Income	135.7	170.4	205.1
PPP	82.3	104.4	127.1
PAT	42.6	52.6	67.8
EPS (INR)	50.6	61.3	79.0
EPS Gr. (%)	24	21	29
BV (INR)	281	358	434
Ratios			
NIM (%)	6.9	7.0	7.1
C/I ratio (%)	39.3	38.7	38.0
RoAA (%)	2.4	2.4	2.6
RoE (%)	19.7	19.4	19.9
Payout (%)	4.0	3.3	3.2
Valuations			
P/E (x)	33.1	27.3	21.2
P/BV (x)	6.0	4.7	3.9
Div. Yield (%)	0.1	0.1	0.1

CMP: INR1,675 Buy

Earnings in line; asset quality deteriorates and credit costs elevated

AUM grew 21% YoY; disbursements flat QoQ and YoY

- CIFC's 2QFY26 PAT grew ~20% YoY to INR11.5b (in line). NII grew ~25% YoY to ~INR33.8b (in line). Other income grew ~33% YoY to ~INR7b (~5% below est.). This was primarily driven by higher fee income and upfront assignment income of ~INR764m (PQ: INR1.5b).
- Opex rose ~23% YoY to ~INR16.2b (in line) and the cost-income ratio declined ~1pp QoQ to ~40% (PQ: 38% and PY: ~41%). The sequential increase in opex was potentially due to variable compensation, which is generally given in 2Q by the company. PPoP grew ~28% YoY to INR24.6b (in line).
- Yields (calc.) rose ~5bp QoQ to ~14.45%, while CoF (calc.) declined ~15bp QoQ to ~7.65%. NIM rose ~15bp QoQ to ~6.9%.
- 2Q credit costs stood at ~INR9b (~vs. MOFSLe of INR9.2b). This translated into annualized credit costs of ~1.85% (PY: 1.55% and PQ: ~1.9%).

AUM up 21% YoY; disbursements flat YoY and QoQ

- Business AUM grew 21% YoY/3.4% QoQ to INR1.99t, with newer businesses now forming ~12% of the AUM mix.
- Total disbursements were flat YoY and QoQ at ~INR244b. Newer lines of businesses contributed ~19% to the disbursement mix (PQ: ~17% and PY: ~24%). VF disbursements grew ~10% YoY.

Asset quality deteriorates across segments; GS3 up ~20bp QoQ

- GS3/NS3 deteriorated ~20bp/12bp QoQ to 3.15%/1.8%, while PCR on S3 declined ~50bp QoQ to ~43.2%. ECL/EAD rose to ~5bp QoQ to 2.05% (PQ: ~1.97%). GS3 in new businesses rose ~20bp QoQ to ~2.8% (PQ: 2.6% and PY: 1.6%).
- Stage 2 + Stage 3 (30+ dpd) rose ~25bp QoQ to ~6.45%. GNPA/NNPA (RBI IRAC) rose ~30bp/20bp QoQ to ~4.6%/3.1%. In 2Q, write-offs stood at ~INR6.4b, translating into ~1.6% of TTM AUM (PY: ~1.1% and PQ: 1.3%).
- CRAR stood at ~20% (Tier 1: ~14.6%) as of Sep'25.

Valuation and view

- CIFC delivered a soft quarter, with disbursements remaining largely flat YoY and QoQ and credit costs staying elevated. Asset quality weakened across product segments, driving higher credit costs during the quarter. An important offsetting positive was an improvement in margins, with NIMs expanding by ~15bp QoQ.
- Key monitorables include: 1) demand outlook for VF segment, 2) growth outlook for CSEL and SBPL and expectations on asset quality in these segments, and 3) the view on asset quality in VF and likely credit costs in this segment. We will revisit our estimates after the earnings call on 7th Nov'25.

Quarterly Performance (INR M)

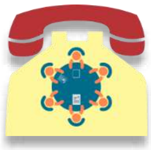
Y/E March	FY25				FY26E				FY25	FY26	2Q FY26E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	53,695	57,680	61,587	64,180	66,501	68,942	71,769	74,329	2,37,200	2,81,541	68,496	1
Interest Expenses	27,957	30,551	32,718	33,623	34,663	35,155	35,893	36,952	1,24,849	1,42,663	35,182	0
Net Interest Income	**25,738**	**27,128**	**28,869**	**30,557**	**31,838**	**33,787**	**35,876**	**37,377**	**1,12,351**	**1,38,878**	**33,313**	1
YoY Growth (%)	*39.7*	*34.6*	*33.0*	*29.8*	*23.7*	*24.55*	*24.3*	*22.3*	*34.0*	*23.6*	*22.8*	
Other Income	4,595	5,248	6,537	7,027	6,807	6,959	8,882	8,833	23,348	31,481	7,329	-5
Total Income	**30,333**	**32,376**	**35,406**	**37,584**	**38,645**	**40,746**	**44,757**	**46,210**	**1,35,699**	**1,70,359**	**40,643**	0
YoY Growth (%)	*42.6*	*36.8*	*37.2*	*29.0*	*27.4*	*25.9*	*26.4*	*23.0*	*35.9*	*25.5*	*25.5*	
Operating Expenses	11,834	13,155	14,130	14,269	14,528	16,169	17,380	17,913	53,388	65,989	16,181	0
Operating Profit	**18,499**	**19,221**	**21,276**	**23,315**	**24,117**	**24,578**	**27,378**	**28,297**	**82,311**	**1,04,370**	**24,462**	0
YoY Growth (%)	*38.1*	*35.3*	*40.4*	*43.2*	*30.4*	*27.9*	*28.7*	*21.4*	*39.4*	*26.8*	*27.3*	
Provisions & Loan Losses	5,814	6,235	6,640	6,253	8,821	8,970	8,200	7,452	24,943	33,443	9,200	-2
Profit before Tax	**12,685**	**12,986**	**14,636**	**17,062**	**15,296**	**15,608**	**19,178**	**20,845**	**57,369**	**70,927**	**15,262**	2
Tax Provisions	3,263	3,355	3,771	4,395	3,937	4,054	4,948	5,338	14,783	18,277	3,938	3
Net Profit	**9,422**	**9,631**	**10,865**	**12,667**	**11,359**	**11,553**	**14,230**	**15,507**	**42,585**	**52,650**	**11,324**	2
YoY Growth (%)	*29.8*	*26.3*	*24.0*	*19.7*	*20.6*	*20.0*	*31.0*	*22.4*	*24.4*	*23.6*	*17.6*	
Key Parameters (Calc., %)												
Yield on loans	14.4	14.51	14.6	14.5	14.4	14.45			14.5	14.2		
Cost of funds	7.86	7.94	8.06	7.86	7.78	7.63			8.1	7.6		
Spread	6.5	6.6	6.6	6.6	6.6	6.8			6.5	6.6		
NIM	6.84	6.78	6.81	6.80	6.76	6.91			6.9	7.0		
C/I ratio	39.0	40.6	39.9	38.0	37.6	39.7			39.3	38.7		
Credit cost	1.55	1.56	1.57	1.39	1.87	1.83			1.5	1.6		
Tax rate	25.7	25.8	25.8	25.8	25.7	26.0			25.8	25.8		
Balance Sheet Parameters												
Disbursements (INR b)	**243**	**243**	**258**	**264**	**243**	**244**			**1,009**	**1,095**		
Growth (%)	21.6	12.9	15.3	6.6	0.0	0.5			13.7	8.5		
AUM (INR b)	**1,554**	**1,646**	**1,746**	**1,847**	**1,921**	**1,992**			**1,847**	**2,234**		
Growth (%)	35.4	32.5	30.5	26.9	23.6	21.0			26.9	20.9		
AUM mix (%)												
Vehicle finance	57.0	55.9	55.4	54.8	54.5	54.0			54.8	52.3		
Home Equity	20.7	21.2	21.5	22.4	22.9	23.2			22.4	25.0		
Home loans & Others	22.3	23.0	23.1	22.8	22.6	22.7			12.8	12.3		
Borrowings (INR b)	**1,499**	**1,578**	**1,671**	**1,749**	**1,813**	**1,875**			**1,749**	**2,005**		
Growth (%)	38.6	32.1	35.7	30.1	20.9	18.8			30.1	14.6		
Asset Quality Parameters												
GS 3 (INR B)	41.2	47.1	51.3	52.1	60.4	66.3			52.1	67.3		
GS 3 (%)	2.6	2.83	2.9	2.8	3.2	3.35			2.8	3.0		
NS 3 (INR B)	22.5	26.1	28.7	28.5	34.0	37.6			28.5	37.7		
NS 3 (%)	1.5	1.60	1.7	1.6	1.8	1.94			1.5	1.7		
PCR (%)	45.5	44.5	44.1	45.3	43.7	43.2			45.3	44.0		
Vehicle finance AUM mix (%)												
LCV	19.8	19.8	19.2	19.0	19.2	19.3			19.8	19.8		
Cars & MUV	22.8	23.1	23.7	24.1	24.5	24.8			22.8	23.1		
3W & SCV	3.6	3.6	3.6	3.5	3.5	3.5			3.6	3.6		
Used CV	27.4	27.6	27.6	27.7	27.6	27.6			27.4	27.6		
Tractor	6.5	6.2	6.0	5.6	5.3	5.1			6.5	6.2		
HCV	6.7	6.6	6.6	6.8	6.7	6.7			6.7	6.6		
CE	6.5	6.3	6.4	6.4	6.3	6.1			6.5	6.3		
Two wheeler	6.8	6.7	6.8	6.8	6.8	6.9			6.8	6.7		

E: MOFSL estimates

Cummins India

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 7th November 2025
Time: 10:00am IST
Dial-in details:
[Diamond pass]

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	120.9	141.5	163.0
EBITDA	23.7	27.8	32.2
Adj. PAT	23.1	27.2	31.6
Adj. EPS (INR)	83.2	98.0	114.0
EPS Gr. (%)	16.0	17.9	16.3
BV/Sh.(INR)	287.1	325.6	370.4
Ratios			
RoE (%)	30.8	32.0	32.8
RoCE (%)	29.3	30.5	31.2
Valuations			
P/E (x)	51.9	44.0	37.9
P/BV (x)	15.0	13.3	11.7
EV/EBITDA (x)	49.3	41.9	35.9
Div. Yield (%)	1.1	1.3	1.5

CMP: INR4,317 Buy

Strong set of results with all-round beat

- Cummins India reported a strong set of results with a beat across all parameters.
- Revenue increased 27% YoY to INR31.7b, beating our estimate by 10%.
- Domestic sales increased 28% YoY/10% QoQ to INR25.8b (9% above our estimates), whereas export sales increased 24% YoY/4% QoQ to INR5.5b (13% above our estimates). Exports have been continuously increasing since 4QFY24.
- Gross margin at 37.0% saw a 100bp YoY expansion. This led to an EBITDA margin expansion of 260bp YoY/50bp QoQ to 21.9%. This was higher than our expectation of 20.0%.
- Absolute EBITDA increased 44% YoY/11% QoQ to INR6.9b, a 21% beat to our estimate.
- Adj. PAT increased 42% YoY to INR6.4b (21% above our estimates).
- For 1HFY26, revenue/EBITDA/PAT grew 27%/39%/37%.
- For 1HFY26, OCF/FCF grew 7%/6% YoY to INR7.4b/6.3b.

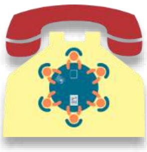
Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**23,042**	**24,923**	**30,860**	**24,569**	**29,068**	**31,703**	**31,903**	**28,201**	**1,03,394**	**1,20,875**	**28,779**	**10**
YoY Change (%)	4.3	31.2	21.8	6.1	26.2	27.2	3.4	14.8	15.4	16.9	15.5	
Gross profit	8,701	8,917	10,729	9,131	10,752	11,579	11,166	8,930	37,478	42,427	10,216	
Total Expenditure	18,369	20,113	24,860	19,372	22,833	24,755	25,714	23,858	82,714	97,160	23,023	
EBITDA	**4,673**	**4,810**	**6,000**	**5,197**	**6,235**	**6,948**	**6,189**	**4,343**	**20,680**	**23,715**	**5,756**	**21**
YoY Change (%)	37.2	42.1	11.5	-4.5	33.4	44.4	3.2	-16.4	17.4	14.7	19.7	
Margins (%)	20.3	19.3	19.4	21.2	21.4	21.9	19.4	15.4	20.0	19.6	20.0	
Depreciation	439	452	481	457	479	492	503	503	1,829	1,976	483	2
Interest	48	26	27	52	27	26	54	60	151	166	42	(40)
Other Income	1,322	1,611	1,209	2,119	1,529	1,964	1,729	1,902	6,261	7,124	1,695	16
PBT before EO expense	**5,509**	**5,944**	**6,702**	**6,807**	**7,258**	**8,394**	**7,361**	**5,683**	**24,961**	**28,696**	**6,926**	**21**
Extra-Ord expense					-442	-	-	-	-	-442	-	
PBT	**5,509**	**5,944**	**6,702**	**6,807**	**7,700**	**8,394**	**7,361**	**5,683**	**24,961**	**29,138**	**6,926**	**21**
Tax	1,311	1,438	1,562	1,593	1,807	2,017	1,840	1,236	5,904	6,901	1,662	
Rate (%)	23.8	24.2	23.3	23.4	23.5	24.0	25.0	21.8	23.7	23.7	24.0	
Reported PAT	**4,198**	**4,506**	**5,140**	**5,214**	**5,893**	**6,377**	**5,521**	**4,446**	**19,058**	**22,237**	**5,264**	**21**
Adj PAT	**4,198**	**4,506**	**5,140**	**5,214**	**5,555**	**6,377**	**5,521**	**4,447**	**19,058**	**21,900**	**5,264**	**21**
YoY Change (%)	33.0	37.2	12.7	-7.2	32.3	41.5	7.4	-14.7	14.7	14.9	16.8	
Margins (%)	18.2	18.1	16.7	21.2	19.1	20.1	17.3	15.8	18.4	18.1	18.3	

Apollo Hospitals Enterprise

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 7 November 2025
Time: 10:20 am IST
Dial-in details:
Diamond Pass Link

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	246.4	283.8	323.3
EBITDA	34.7	41.7	48.5
Adj. PAT	17.1	21.9	27.1
EBIT Margin (%)	14.1	14.7	15.0
Cons. Adj. EPS (INR)	118.9	152.0	188.5
EPS Gr. (%)	18.3	27.8	24.0
BV/Sh. (INR)	707.2	858.2	1,047.0
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	18.9	20.1	20.5
RoCE (%)	14.6	16.2	17.4
Payout (%)	4.9	3.8	3.1
Valuations			
P/E (x)	65.4	51.2	41.3
EV/EBITDA (x)	32.8	26.7	22.3
EV/Sales (x)	0.1	0.1	0.1
Div. Yield (%)	2.1	2.5	2.9
FCF Yield (%)	4.6	3.9	3.3

CMP: INR7,784

Improved hospital performance leads to a beat on earnings

- Apollo Hospitals (APHS)'s 2QFY26 revenue grew 13% YoY to INR63.0b (our est: INR61.4b).
- Healthcare services revenue grew 9% YoY to INR31.7b, driven by growth in both inpatient volume (+2%) and price & case mix (+7%). Healthco revenue grew 17% YoY to INR26.6b. AHLL revenue grew 17% YoY to 4.7b, primarily driven by growth in diagnostics.
- EBITDA margin expanded by 30bp YoY to 14.9% (our est: 14.5%). EBITDA grew 15.4% YoY to INR9.4b (our est: INR8.9b).
- Adj. PAT grew 26% YoY to INR4.8b (our est: INR4.4b).
- Revenue/EBITDA/PAT grew 14%/20%/33% YoY to INR121.5b/INR17.9b/ INR9.1b in 1HFY26.

Other Key Highlights:

Hospital

- Hospital EBITDA grew 8% YoY to INR7.8b for 2QFY26.
- Occupancy for 2QFY26 is 69% vs 73% in 2QFY25.
- Average revenue per inpatient increased 9% YoY to INR173,318 in 2QFY25. Inpatient ALOS dipped 6.3% to 3.1 days in 2QFY26.
- Outpatient/inpatient volume increased by 5.1%/1.9% YoY in 2QFY26.

HealthCo

- Healthco achieved a superior EBITDA of INR1,100m for 2QFY26 vs INR520m in 2QFY25. EBITDA margins stood at 4.1% in 2QFY26.
- Platform GMV grew 16% YoY to INR7.2b.
- About 186 new stores opened in 2QFY26, taking the total to 6,928 stores.
- Average run rate increased by 10.4% YoY to 74K/day orders across pharma and diagnostics consultations (including IP/OP referrals) in 2QFY26.

AHLL

- EBITDA grew by 21% YoY in 2QFY26 to INR500m.
- Revenue/EBITDA of primary care grew by 14%/1% YoY to INR1,242/206m in 2QFY26.
- Revenue of specialty care grew 4% YoY to INR1,884m in 2QFY26, while EBITDA remained stable YoY at INR208m.
- Revenue/EBITDA of diagnostics grew by 36%/22% to INR1,827/220m in 2QFY26.

Consolidated - Quarterly Earnings Model

Y/E March	FY25				FY26E				FY25	FY26E	vs Est
(INRm)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	(%)
Gross Sales	**50,856**	**55,893**	**55,269**	**55,922**	**58,421**	**63,035**	**61,325**	**65,000**	**2,17,940**	**61,369**	**2.7%**
YoY Change (%)	15.1	15.3	13.9	13.1	14.9	12.8	11.0	16.2	14.3	9.8	
Total Expenditure	44,105	47,738	47,654	48,225	49,902	53,624	52,188	56,030	1,87,722	52,470	
EBITDA	**6,751**	**8,155**	**7,615**	**7,697**	**8,519**	**9,411**	**9,137**	**8,970**	**30,218**	**8,898**	**5.8%**
YoY Change (%)	32.6	30.0	24.1	20.2	26.2	15.4	20.0	16.5	26.4	9.1	
Margins (%)	13.3	14.6	13.8	13.8	14.6	14.9	14.9	13.8	13.9	14.5	
Depreciation	1,774	1,845	1,846	2,110	2,147	2,178	2,303	2,195	7,575	2,207	
Interest	1,164	1,175	1,098	1,148	1,083	1,096	1,120	1,167	4,585	1,130	
Other Income	372	382	638	611	402	547	560	756	2,003	530	
PBT before EO expense	**4,185**	**5,517**	**5,309**	**5,050**	**5,691**	**6,684**	**6,275**	**6,364**	**20,061**	**6,091**	**9.7%**
Extra-Ord expense/(Income)	0	0	0	0	0	0	0	0	0	0	
PBT	**4,185**	**5,517**	**5,309**	**5,050**	**5,691**	**6,684**	**6,275**	**6,364**	**20,061**	**6,091**	**9.7%**
Tax	1,145	1,617	1,568	1,010	1,417	1,807	1,726	1,769	5,340	1,645	
Rate (%)	27.4	29.3	29.5	20.0	24.9	27.0	27.5	27.8	26.6	27.0	
Minority Interest & Profit/Loss of Asso. Cos.	-12	112	18	144	-54	105	82	71	262	73	
Reported PAT	**3,052**	**3,788**	**3,723**	**3,896**	**4,328**	**4,772**	**4,467**	**4,524**	**14,459**	**4,373**	**9.1%**
Adj PAT	**3,052**	**3,788**	**3,723**	**3,896**	**4,328**	**4,772**	**4,467**	**4,524**	**14,459**	**4,373**	**9.1%**
YoY Change (%)	83.2	63.5	51.8	53.5	41.8	26.0	20.0	16.1	61.1	15.5	
Margins (%)	6.0	6.8	6.7	7.0	7.4	7.6	7.3	7.0	6.6	7.1	
EPS	**21.2**	**26.3**	**25.9**	**27.1**	**30.1**	**33.2**	**31.1**	**31.5**	**100.6**	**30.4**	

ABB India

BSE SENSEX	S&P CNX
83,311	25,510

CMP: INR5,223 Buy

In-line results

- ABB's results came in line with our estimates across all metrics.
- Revenue grew 14% YoY to INR33.1b. All business segments posted revenue growth during the quarter, led by Robotics and Discrete Automation. Growth in Electrification was evenly balanced, with all divisions contributing.
- EBITDA margin came in ahead of our estimates. However, margins contracted 350bp YoY to 15.1% due to higher material costs and reliance on imports to support delivery commitments in the wake of QCO compliance.
- PBIT margins exceeded our estimates in the Electrification and Process Automation divisions. However, margins declined YoY across segments: Electrification (19.6% in 3QCY25 vs 20.8% in 3QCY24), Robotics & Motion (14.5% in 3QCY25 vs 22.3% in 3QCY24), and Process Automation (17.6% in 3QCY25 19.2% in 3QCY24).
- Overall PAT came slightly ahead of our estimates. However, PAT declined 7% YoY to INR4.1b due to margin contraction over the past year.
- Order inflows declined 3% YoY to INR32.3b, primarily due to the timing of large orders. Base orders remained strong, rising 13% YoY, which lifted the overall order book to INR99b. Motion and Robotics and Discrete Automation led growth in orders. Electrification had a large data center order in the same quarter last year, while Process Automation mirrored the overall order plateau in order inflows for the quarter. Order wins included wind converters for renewables, robotics for EV mobility (automotive) and mobile phone assembly (electronics), process automation and drives solutions for metals, insulated case circuit breakers and fault current limiters for a power distribution equipment company, and electricals and instrumentation for a global leader in food, beverage, and pharma systems.
- For 9MCY25, revenue increased 9% YoY. EBITDA/PAT declined 9%/8% YoY, while EBITDA margin in 9MCY25 contracted 320bp YoY to 15.5%.
- The company's cash position continues to remain strong at INR49.91b at the end of 3QCY25.
- Outlook: ABB is well-positioned to capitalize on a resilient macroeconomic environment and strong government-led industrial momentum. Easing inflation, GST rationalization, and sustained public capex in infrastructure, railways, and green energy are driving demand recovery, while private and industrial capex remains selective but strong in renewables, data centers, electronics, process industries, oil & gas, food & beverage, and water.

Conference Call Details

Date: 7th November 2025
Time: 09:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E December	CY25E	CY26E	CY27E
Sales	134.7	153.1	175.2
EBITDA	20.5	24.6	29.2
Adj. PAT	17.0	20.2	23.7
Adj. EPS (INR)	80.0	95.1	111.9
EPS Gr. (%)	-9.5	18.8	17.6
BV/Sh.(INR)	366.9	405.6	449.7
Ratios			
RoE (%)	22.8	24.6	26.2
RoCE (%)	23.0	24.8	26.3
Valuations			
P/E (x)	65.2	54.9	46.7
P/BV (x)	14.2	12.9	11.6
EV/EBITDA (x)	53.0	44.0	36.8
Div. Yield (%)	0.8	0.9	1.1

Standalone - Quarterly Earning Model (INR m)

Y/E December	CY24				CY25E				CY24	CY25E	CY25E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Net Sales	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,754**	**33,107**	**38,276**	**1,21,883**	**1,34,733**	**33,412**	**-1**
YoY Change (%)	27.8	12.8	5.2	22.0	2.6	12.2	13.7	13.7	16.7	10.5	14.7	
Total Expenditure	25,152	22,884	23,719	27,076	25,773	27,614	28,103	32,724	98,831	1,14,214	28,634	
EBITDA	**5,652**	**5,425**	**5,402**	**6,573**	**5,823**	**4,141**	**5,004**	**5,552**	**23,052**	**20,519**	**4,778**	**5**
YoY Change (%)	98.1	55.6	23.2	57.6	3.0	-23.7	-7.4	-15.5	54.7	-11.0	-11.6	
Margins (%)	18.3	19.2	18.6	19.5	18.4	13.0	15.1	14.5	18.9	15.2	14.3	
Depreciation	314	310	328	337	338	355	366	306	1,289	1,365	336	
Interest	38	45	30	51	47	42	56	-0	165	145	36	
Other Income	871	868	929	866	923	998	840	908	3,534	3,668	874	
PBT before EO expense	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**4,741**	**5,421**	**6,154**	**25,133**	**22,677**	**5,279**	**3**
PBT	**6,171**	**5,938**	**5,973**	**7,051**	**6,361**	**4,741**	**5,421**	**6,154**	**25,133**	**22,677**	**5,279**	**3**
Tax	1,575	1,511	1,568	1,732	1,620	1,220	1,332	1,542	6,387	5,715	1,330	
Rate (%)	25.5	25.5	26.3	24.6	25.5	25.7	24.6	25.1	25.4	25.2	25.2	
Reported PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**3,521**	**4,089**	**4,612**	**18,746**	**16,962**	**3,949**	**4**
Adj PAT	**4,596**	**4,426**	**4,405**	**5,319**	**4,741**	**3,521**	**4,089**	**4,612**	**18,746**	**16,962**	**3,949**	**4**
YoY Change (%)	87.4	49.6	21.7	54.1	3.2	-20.5	-7.2	-13.3	50.2	-9.5	-10.3	
Margins (%)	14.9	15.6	15.1	15.8	15.0	11.1	12.4	12.0	15.4	12.6	11.8	

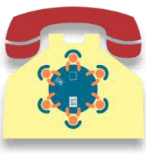
E: MOFSL Estimates

	CY24				CY25E				CY24	CY25E	CY25E	Est
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	Var (%)
Segmental revenue												
Robotics & Motion	11,219	11,601	11,908	12,590	12,454	13,242	13,557	13,312	47,318	52,565	13,456	1
YoY Change (%)	7.9	11.6	8.3	23.2	11.0	14.1	13.9	5.7	12.6	11.1	13.0	
Electrification Products	12,963	11,214	11,540	15,028	13,577	13,786	13,783	20,588	50,744	61,733	15,002	-8
YoY Change (%)	29.7	11.5	10.7	33.0	4.7	22.9	19.4	37.0	21.5	21.7	30.0	
Process Automation	7,263	6,327	5,963	6,277	5,865	4,921	6,013	4,824	25,830	21,622	5,247	15
YoY Change (%)	72.9	24.2	-11.7	-0.5	-19.3	-22.2	0.8	-23.2	15.5	-16.3	-12.0	
Unallocated and others (incl. excise duty)	26	44	47	60	51	38	13	76	176	178	44	-72
Less: inter-segmental	-667	-877	-335	-306	-351	-232	-258	-524	-2,185	-1,365	-337	
Total revenues	**30,804**	**28,309**	**29,122**	**33,649**	**31,596**	**31,754**	**33,107**	**38,276**	**1,21,883**	**1,34,733**	**33,412**	**-1**
Segmental EBIT												
Robotics & Motion	2,332	2,613	2,659	2,485	2,596	1,942	1,962	2,611	10,089	9,112	2,287	-14
Margin (%)	20.8	22.5	22.3	19.7	20.8	14.7	14.5	19.6	21.3	17.3	17.0	-250 bp
Electrification Products	3,078	2,594	2,397	3,548	3,356	2,214	2,708	2,835	11,618	11,112	2,400	13
Margin (%)	23.7	23.1	20.8	23.6	24.7	16.1	19.6	13.8	22.9	18.0	16.0	360 bp
Process Automation	1,181	1,023	1,145	1,221	962	842	1,056	815	4,570	3,676	897	18
Margin (%)	16.3	16.2	19.2	19.4	16.4	17.1	17.6	16.9	17.7	17.0	17.1	50 bp
Total	**6,590**	**6,230**	**6,202**	**7,254**	**6,914**	**4,998**	**5,726**	**6,261**	**26,276**	**23,899**	**5,585**	**3**

Lupin

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 07th Nov 2025
Time: 16:00 pm IST
Dial-in details:
Zoom Link

Financials & Valuations (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	261.4	285.5	310.2
EBITDA	71.9	69.9	71.7
Adj. PAT	46.3	45.0	46.2
EBIT Margin (%)	22.7	20.0	18.8
Cons. Adj. EPS (INR)	101.8	99.0	101.5
EPS Gr. (%)	42.2	NA	2.5
BV/Sh. (INR)	489.6	585.8	684.4
Ratios			
Net D:E	-0.1	-0.3	-0.4
RoE (%)	23.5	18.4	16.0
RoCE (%)	19.7	16.4	14.8
Payout (%)	2.7	3.0	2.9
Valuations			
P/E (x)	19.5	20.0	19.5
EV/EBITDA (x)	12.2	11.9	11.1
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	5.3	4.9	5.2
EV/Sales (x)	3.3	2.9	2.6

CMP: INR1955

Strong beat on estimates

- Lupin's (LPC) 2QFY26 revenue grew 27% YoY to INR70.5b. (our est. INR64.5b).
- US sales grew 47.3% YoY to INR27.6b (up 41% YoY in CC to USD315m; 39% of sales).
- Domestic formulation (DF) sales grew 3.4% YoY to INR20.7b (29% of sales).
- Other developed market sales grew 18.9% YoY to INR8b (12% of sales).
- Emerging market sales grew 45.3% YoY to INR 9.2b (13% of sales).
- API sales decreased 12.8% YoY to INR2.5b (4% of sales).
- Gross Margin (GM) expanded 460bp YoY to 74.1% due to a reduction in raw material costs.
- EBITDA margin expanded 800bp YoY to 30.3% (our est: 25.5%), largely due to improved GM. The benefit was partly offset by higher employee costs (+250bp YoY as a % of sales).
- As a result, EBITDA grew 72.8% YoY to INR21.4b (vs our est: INR16.5b).
- Adj. PAT grew 72.8% YoY INR13.3b (our est: INR10.3b).
- We await clarity on the PLI income received during the quarter.
- For 1HFY26, revenue/EBITDA/PAT grew 19%/45%/48% YoY.

Other highlights

- LPC received six ANDA approvals in 2QFY26.
- LPC launched six products in 2QFY26.
- R&D was 7.5% of sales for the quarter.
- Capex for the quarter was INR3.4b.

Quarterly Performance (Consolidated) **(INR m)**

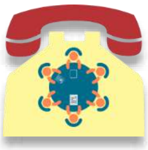
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	
Net Sales	**56,003**	**55,427**	**56,927**	**56,671**	**62,684**	**70,475**	**64,859**	**63,356**	**225,028**	**261,373**	**64,498**	9.3
YoY Change (%)	21.5	10.0	9.5	14.2	11.9	27.1	13.9	11.8	13.6	16.2	16.4	
Total Expenditure	42,389	43,059	43,162	43,750	46,269	49,099	47,736	46,377	172,361	189,480	48,051	
EBITDA	**13,614**	**12,368**	**13,765**	**12,921**	**16,415**	**21,376**	**17,123**	**16,979**	**52,668**	**71,894**	**16,447**	30.0
YoY Change (%)	109.0	34.0	34.7	29.6	20.6	72.8	24.4	31.4	46.6	36.5	33.0	
Margins (%)	24.3	22.3	24.2	22.8	26.2	30.3	26.4	26.8	23.4	27.5	25.5	
Depreciation	2,477	2,569	2,715	3,932	2,990	3,168	3,294	3,217	11,693	12,669	3,275	
EBIT	**11,137**	**9,799**	**11,050**	**8,989**	**13,425**	**18,208**	**13,829**	**13,762**	**40,975**	**59,225**	**13,172**	
YoY Change (%)	167.3	45.1	44.5	21.3	20.5	85.8	25.1	53.1	57.7	44.5	34.4	
Margins (%)	19.9	17.7	19.4	15.9	21.4	25.8	21.3	21.7	18.2	22.7	20.4	
Interest	680	709	669	891	918	1,076	820	554	2,949	3,367	880	
Other Income	678	423	537	570	790	900	620	140	2,207	2,450	590	
EO Exp/(Inc)	1,204	-1,036	956	-291	-859	-2,037	0	0	834	-2,896	0	
PBT	**9,930**	**10,549**	**9,963**	**8,958**	**14,156**	**20,070**	**13,629**	**13,348**	**39,401**	**61,205**	**12,882**	
Tax	1,875	1,954	2,124	1,135	1,941	5,221	2,658	2,630	7,087	12,449	2,460	
Rate (%)	18.9	18.5	21.3	12.7	13.7	26.0	19.5	19.7	18.0	20.3	19.1	
Minority Interest	-42	-69	-37	-99	-24	-69	-70	-72	-246	-235	-75	
Reported PAT	**8,013**	**8,526**	**7,802**	**7,726**	**12,191**	**14,779**	**10,901**	**10,647**	**32,067**	**48,518**	**10,346**	
Adj PAT	**8,990**	**7,682**	**8,554**	**7,472**	**11,450**	**13,272**	**10,901**	**10,647**	**32,698**	**46,270**	**10,346**	28.3
YoY Change (%)	214.9	55.5	42.6	47.0	27.4	72.8	27.4	42.5	73.2	41.5	34.7	
Margins (%)	16.1	13.9	15.0	13.2	18.3	18.8	16.8	16.8	14.5	17.7	16.0	
EPS	**20**	**17**	**19**	**16**	**25**	**29**	**24**	**23**	**72**	**101**	**23**	28.3

E: MOFSL estimates

MCX

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 06th November 2025
Time: 04:00pm IST
Dial In : +91 22 7115 8184

Financial snapshot

Year End	2026E	2027E	2028E
Sales	16.2	19.3	22.1
EBIT margin (%)	60.3	61.8	62.5
PAT	8.6	10.3	11.9
EPS (INR)	169.9	203.4	234.4
EPS Gr. (%)	54.3	19.7	15.3
BV/Sh. (INR)	404.4	445.1	492.0
Ratio			
RoE (%)	43.8	47.9	50.0
Valuations			
P/E (x)	54.5	45.5	39.5
P/BV (x)	22.9	20.8	18.8
Div Yld (%)	0.4	0.4	0.4

CMP: INR9,250 **Neutral**

Revenue and profitability in line

- MCX's operating revenue came in at INR3.7b, reflecting growth of 31% YoY (in-line). For 1HFY26, revenue rose 44%, to INR7.5b.
- Other income at INR266m grew 5% YoY, but dipped 19% QoQ.
- Staff costs jumped 37% YoY to INR448m. Other expenses grew 17% YoY to INR858m.
- EBITDA stood at INR2.4b, up 36% YoY in 2QFY26 (in-line). For 1HFY26, EBITDA rose 56%, to INR4.9b.
- The company reported PAT of ~INR2b, up 29% YoY (in-line). For 1HFY26, PAT rose 51%, to INR4b.
- The stock split in the ratio of 1:5 is underway.

Quarterly Performance

INRm

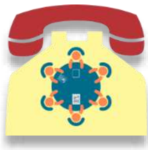
	FY25				FY26		FY25	FY26E	Est.	Var.	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q			2QFY26	(%/bp)		
Sales	2,344	2,856	3,014	2,913	3,732	3,742	11,127	16,194	3,760	(0.5)	31.0	0.3
YoY Gr. (%)	60.8	73.0	57.4	60.9	59.2	31.0	62.8	45.5	31.7			
Staff Costs	321	327	332	463	448	448	1,443	1,846	457	(2.0)	37.1	(0.1)
Other expenses	697	735	750	849	867	858	3,031	3,873	919	(6.7)	16.8	(1.0)
EBITDA	1,326	1,794	1,931	1,602	2,417	2,436	6,653	10,474	2,383	2.2	35.8	0.8
Margins (%)	56.6	62.8	64.1	55.0	64.8	65.1	59.8	64.7	63.4			
Depreciation	134	140	146	217	173	198	638	711	176	11.9	40.8	14.2
EBIT	1,191	1,654	1,785	1,385	2,244	2,239	6,016	9,763	2,207	1.5	35.3	(0.2)
Interest Costs	1	1	2	1	1	1	5	5	1	(40.0)	(40.0)	-
Other Income	188	252	230	292	326	266	962	1,278	310	(14.3)	5.2	(18.6)
PBT bef. Exceptional items	1,379	1,906	2,013	1,675	2,569	2,504	6,973	11,036	2,515	(0.5)	31.4	(2.5)
Tax	273	374	418	328	532	514	1,394	2,395	553	(7.1)	37.6	(3.4)
Rate (%)	19.8	19.6	20.8	19.6	20.7	20.5	20.0	21.7	22.0			
Profit from the Associate	4	4	5	8	-5	-15	21	0	0.0			
PAT	1,109	1,536	1,600	1,355	2,032	1,975	5,600	8,641	1,962	0.6	28.5	(2.8)
YoY Gr. (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA			
EPS (INR)	21.8	30.2	31.5	26.6	39.9	38.8	109.8	169.4	38.6	0.6	28.5	(2.8)
Total volumes (INR t)	112.3	143.2	148.4	160.2	198.9	268.2	564.0	1,062.8	268.2	-	87.4	34.9
QoQ Gr. (%)	35.8	27.5	3.6	8.0	24.1	34.9			34.9			
YoY Gr. (%)	116.8	113.8	101.7	93.8	77.1	87.4	105.1	88.4	87.4			

E: MOFSL Estimates

Amber Enterprises

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 7th November 2025
Time: 9:30am IST
Dial-in details:
Diamond pass

Financials & Valuations			(INR b)
Y/E MARCH	**FY26E**	**FY27E**	**FY28E**
Sales	127.6	156.3	190.6
EBITDA	10.1	13.5	17.4
EBITDA Margin (%)	7.9	8.6	9.1
PAT	3.9	6.1	8.9
EPS (INR)	116.2	181.4	262.9
EPS Growth (%)	61.4	56.1	44.9
BV/Share (INR)	792	973	1,236
Ratios			
Net D/E	0.3	0.1	-0.1
RoE (%)	15.8	20.6	23.8
RoCE (%)	13.3	16.3	19.0
Valuations			
P/E (x)	67.4	43.2	29.8
P/BV (x)	9.9	8.0	6.3
EV/EBITDA (x)	27.2	20.1	15.1

CMP: INR7,834 — Buy

Weaker-than-expected result

- Amber reported a weak set of numbers. 2Q is usually the weakest quarter for Amber, mainly due to monsoons.
- Consolidated revenue growth was broadly flat YoY at INR16.5b vs our expectation of 20% growth, mainly due to lower-than-expected demand in the consumer durables segment due to the monsoon and delayed purchases, led by GST 2.0.
- Gross margin increased 40bp YoY to 20.5% vs our estimate of 18.0%.
- Absolute EBITDA declined 20% YoY to INR913m (37% miss on our estimates), while margins contracted 130bp YoY to 5.5% vs our estimate of 7.2%, mainly due to weakness in the consumer durables segment.
- The company reported a net loss of INR329m vs. our estimate of a net profit of INR264m.
- For 1HFY26, revenue/EBITDA increased 25%/12% YoY, while PAT declined 23% YoY and EBITDA margin contracted 80bp YoY.
- For 1HF26, Amber reported a net operating cash outflow of INR7.7b vs. an outflow of INR2b last year, mainly due to a rise in working capital.

Other important disclosures for the quarter

- On 5th Aug'25, ILJIN acquired a 60% stake and majority control in Power-One for INR2.6b and entered into put and call options to buy the remaining 40%. Power-One has now become a subsidiary of IL JIN and a step-down subsidiary of the holding company.
- IL JIN has subscribed to an additional 110,439,476 ordinary shares of NIS1 each, aggregating to NIS110.4m (equivalent to INR3b), and given an unsecured loan of NIS47.5m (equivalent to INR1.3b) on 6th Oct'25, to further invest in Elbit E.M.S. Electronics (1989) Ltd., a publicly traded company based in Israel.
- On 27th Jul'25, IL JIN signed definitive agreements to acquire a 40.2% controlling stake in Unitronics for NIS156m (INR4.2b). The acquisition was completed through ILJIN Holding on 9th Oct'25.
- During the quarter, Amber raised INR10b through a QIP of 1,257,861 equity shares at INR7,950 each. Proceeds were used to repay INR10b of outstanding borrowings.

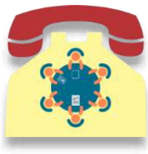
Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Gross Sales	**24,013**	**16,847**	**21,333**	**37,537**	**34,491**	**16,470**	**26,910**	**49,719**	**99,730**	**1,27,591**	**20,114**	**-18**
YoY Change (%)	41.1	81.7	64.8	33.8	43.6	-2.2	26.1	32.5	48.2	27.9	19.4	
Total Expenditure	22,051	15,710	19,746	34,590	31,924	15,557	24,812	45,169	92,096	1,17,463	18,672	-17
EBITDA	**1,962**	**1,137**	**1,587**	**2,947**	**2,567**	**913**	**2,098**	**4,551**	**7,634**	**10,128**	**1,442**	**-37**
YoY Change (%)	48.7	90.9	102.2	32.8	30.8	-19.7	32.2	54.4	55.2	32.7	26.8	
Margins (%)	8.2	6.8	7.4	7.9	7.4	5.5	7.8	9.2	7.7	7.9	7.2	
Depreciation	549	566	588	580	618	702	611	512	2,283	2,443	596	18
Interest	518	486	537	546	634	769	601	399	2,087	2,403	586	31
Other Income	207	178	160	191	297	156	198	181	736	832	203	-23
PBT before EO expense	**1,101**	**263**	**623**	**2,013**	**1,612**	**-403**	**1,084**	**3,820**	**3,999**	**6,114**	**463**	**NM**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	NM
PBT	**1,101**	**263**	**623**	**2,013**	**1,612**	**-403**	**1,084**	**3,820**	**3,999**	**6,114**	**463**	**NM**
Tax	298	26	162	702	484	-156	290	1,282	1,188	1,899	130	NM
Rate (%)	27.0	10.1	26.1	34.9	30.0	38.8	26.7	33.6	29.7	31.1	28.1	
MI & P/L of Asso. Cos.	79	44	102	151	90	82	70	42	376	284	69	20
Reported PAT	**724**	**192**	**359**	**1,160**	**1,039**	**-329**	**725**	**2,496**	**2,436**	**3,931**	**264**	**NM**
Adj PAT	**724**	**192**	**359**	**1,160**	**1,039**	**-329**	**725**	**2,496**	**2,436**	**3,931**	**264**	**NM**
YoY Change (%)	58.6	NM	NM	22.6	43.5	NM	102.1	115.1	83.3	61.4	37.2	
Margins (%)	3.0	1.1	1.7	3.1	3.0	-2.0	2.7	5.0	2.4	3.1	1.3	

Amara Raja

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 07th Nov 2025
Time: 5PM IST
Dial-in details: Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	135.3	148.4	162.8
EBITDA	16.2	19.0	20.8
Adj. PAT	8.3	10.0	11.1
EPS (INR)	45.4	54.7	60.7
EPS Gr. (%)	-5.8	20.5	11.0
BV/Sh. (INR)	440	483	533
Ratios			
RoE (%)	10.8	11.9	11.9
RoCE (%)	10.7	11.8	11.9
Payout (%)	19.8	20.1	18.1
Valuations			
P/E (x)	21.8	18.1	16.3
P/BV (x)	2.2	2.0	1.9
Div. Yield (%)	1.0	1.2	1.2
FCF yield (%)	4.7	6.7	7.1

CMP: INR987

Margins in line; PAT beat on account of one-off gains

- Amara Raja's (AMRJ) revenue grew 8% YoY to INR33.9b, in line with our estimate. This growth was primarily driven by the new energy business (+68.9% to INR1.7b), while lead acid and allied products posted modest growth (+4.7% to INR33b).
- EBITDA margin expanded 50bp QoQ (-210bp YoY) to 12% and was in line with our estimate.
- EBITDA declined ~8% YoY to INR 4.1b.
- During the quarter, AMRJ received a reimbursement in response to claims against a fire accident at its Chittoor facility. This translated into a one-time extraordinary gain of INR1.2b.
- Hence, reported PAT grew 25.4% YoY to INR4.1b. However, adjusted for this gain, PAT declined 12.1% YoY to INR2.1b (in line with our estimate).
- The Board has approved an interim dividend of INR5.4 per equity share for this quarter.
- At a consolidated level, OCF for 1HFY26 came in at INR5.3b, with INR6.4b spent on capex. AMRJ posted a negative free cash of INR1.1b for 1HFY26.
- **Valuation view:** The stock trades at 21.8x/18.1x FY26E/FY27E EPS.

Quarterly Performance (INR M)

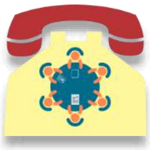
Y/E March (INR m)	FY25				FY26E				FY25	FY26E		
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	VAR (%)
Net Sales	**31,312**	**31,358**	**31,640**	**29,739**	**33,499**	**33,882**	**34,488**	**33,405**	**1,24,049**	**135,274**	**33,553**	**1.0**
YoY Change (%)	13.0	11.6	9.8	6.3	7.0	8.0	9.0	12.3	10.2	9.0	7.0	
RM Cost (% of sales)	68.9	67.6	66.9	67.7	70.5	67.2	69.0	71.3	67.8	69.5	69.5	-230bp
Staff Cost (% of sales)	5.9	6.1	6.0	6.1	5.9	6.6	5.8	5.3	6.0	5.9	6.0	60bp
Other Exp (% of sales)	11.5	12.2	13.9	14.7	12.0	14.2	13.0	11.1	13.1	12.6	12.5	170bp
EBITDA	**4,304**	**4,407**	**4,158**	**3,422**	**3,867**	**4,059**	**4,208**	**4,099**	**16,291**	**16,233**	**4,026**	**0.8**
Margins (%)	13.7	14.1	13.1	11.5	11.5	12.0	12.2	12.3	13.1	12.0	12.0	0bp
Depreciation	1,183	1,220	1,233	1,284	1,292	1,380	1,320	1,248	4,921	5,241	1,298	**6.3**
Interest	90	131	107	95	104	83	115	149	422	450	110	**-24.9**
Other Income	256	185	293	200	139	241	140	40	933	560	135	**78.4**
PBT before EO expense	**3,287**	**3,240**	**3,111**	**2,244**	**2,610**	**2,838**	**2,913**	**2,742**	**11,881**	**11,102**	**2,753**	**3.1**
Extra-Ord expense	0	0	-1,111	0	0	-1,218	0	0	0	0	0	
PBT after EO	**3,287**	**3,240**	**4,222**	**2,244**	**2,610**	**4,056**	**2,913**	**2,742**	**11,881**	**11,102**	**2,753**	**47.3**
Tax	841	833	1,103	576	670	1,032	743	353	3,353	2,798	688	
Tax Rate (%)	25.6	25.7	26.1	25.7	25.7	25.4	25.5	12.9	28.2	25.2	25.0	
Adj PAT	**2,446**	**2,407**	**2,298**	**1,668**	**1,940**	**2,116**	**2,170**	**2,388**	**8,815**	**8,304**	**2,065**	**2.5**
YoY Change (%)	23.1	6.3	-9.1	-26.8	-20.7	-12.1	-5.6	43.2	-2.7	-2.6	-14.2	

E: MOFSL Estimates

JK Lakshmi Cement

BSE Sensex	S&P CNX
83,311	25,510

Conference Call Details



Date: 7th November 2025
Time: 16:00 IST
Dial-in details:
+ 91 22 6280 1143
+ 91 22 7115 8044
Link for the call

Consol. Financials Snapshot (INR b)

Y/E MARCH	FY26E	FY27E	FY28E
Sales	67.5	73.5	80.8
EBITDA	11.6	14.0	15.8
Adj. PAT	5.1	6.2	6.3
EBITDA Margin (%)	17.2	19.0	19.6
Adj. EPS (INR)	43.2	52.4	53.4
EPS Gr. (%)	78.5	21.3	1.8
BV/Sh. (INR)	332	379	426
Ratios			
Net D:E	0.6	0.7	0.7
RoE (%)	13.8	14.8	13.3
RoCE (%)	10.3	10.7	9.8
Payout (%)	15.4	13.7	14.8
Valuations			
P/E (x)	19.5	16.1	15.8
P/BV (x)	2.5	2.2	2.0
EV/EBITDA(x)	10.0	9.0	8.2
EV/ton (USD)	76	73	67
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	-2.5	-5.0	0.4

CMP: INR869 **Buy**

Earnings in line; EBITDA/t at INR733 (est. INR736)

- JKLC's 2QFY26 EBITDA was in line with our estimates at INR2.1b (+133% YoY, albeit on a low base) as the benefit of better realization was offset by higher-than-estimated opex/t. Sales volumes grew 15% YoY (+4% vs. estimates). EBITDA/t was at INR733 (est. of INR736) vs. INR360/INR936 in 2QFY25/1QFY26. It reported net profit of INR809m (+22% vs. estimates led by higher other income) vs. a loss of INR307m in 2QFY25.
- The company has commissioned an additional grinding unit with a capacity of 1.35mtpa at Surat and completed the debottlenecking of its cement mills at Jaykaypuram, Sirohi. Consequently, JKLC's total cement capacity has increased from 16.5mtpa to 18mtpa. The first phase of the railway siding at the Durg plant (capex: INR3.25b) has been completed. The Durg expansion (2.3mtpa clinker and 1.2mtpa integrated grinding capacity along with three split GUs of 3.4mtpa aggregate capacity at a capex of INR30b) will be completed in two phases: 1) Clinker plant with 2.4mtpa grinding capacity by Mar'27 and 2) 2.2mtpa grinding capacity by Mar'28.
- We have a **BUY rating** on the stock. We will review our assumptions following the conference call with the management.

Sales volume up 15% YoY; realization/t improves 8% YoY

- Consolidated revenue/EBITDA/adj. PAT stood at INR15.3b/INR2.1b (up 24%/133% YoY and up ~9%/in line vs. estimates). Net profit stood at INR809m vs. a loss of INR307m in 2QFY25. Sales volume increased 15% YoY to 2.8mt (in line). Realization/t was up 8%/3% YoY/QoQ at INR5,388/t (~5% above estimate).
- Opex/t increased 1% YoY (~5% above estimate), led by a ~9% YoY rise in freight cost/t. Variable cost/other expenses per ton declined ~2%/5% YoY. However, staff cost/t increased ~3% YoY. OPM surged 6.4pp YoY to ~14%, and EBITDA/t increased ~103% YoY to INR733 in 2QFY26. Depreciation/ finance costs were up ~4%/13 YoY. Other income was up ~130% YoY.
- In 1HFY26, revenue/EBITDA/Adj. PAT stood at INR32.7b/INR5.2b/INR2.3b (up ~17%/67%/275% YoY). OPM increased 4.7pp YoY to ~16%. Realization/t stood at INR5,305 (up ~4% YoY), while EBITDA/t stood at INR842 (up ~49% YoY). OCF stood at INR352m vs. INR52m in H1FY25. Capex stood at INR252m vs. INR440m. Net cash inflow stood at INR99m vs. net cash outflow at INR388m in 1HFY25.

Highlights from the management commentary

- The share of green power stood at ~46% in 2QFY26 vs. 49% in 1QFY26. The company is implementing a project to increase the TSR share to 16% from 4% at its Sirohi plant in a phased manner.
- The company commissioned an additional 1.35mtpa grinding unit at Surat and completed debottlenecking of its cement mills at Jaykaypuram, Sirohi. Hence, the total cement capacity has increased from 16.5mtpa to 18mtpa.

Valuation and view

JKLC's operating performance was in line with our estimates. During the conference call, we will seek clarification on the status of various ongoing expansion plans. We have a **BUY** rating on the stock. However, we will review our assumptions after the conference call on 07th Nov'25 (Concall Link).

Quarterly performance (consolidated) **(INR b)**

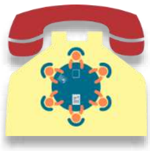
Y/E March	FY25				FY26E				FY25	FY26E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Sales Volumes (mt)	3.02	2.48	3.03	3.60	3.33	2.84	3.30	3.47	12.13	12.93	2.73	4
YoY Change (%)	(0.4)	(9.3)	2.4	10.3	10.0	14.8	8.8	(3.6)	1.2	6.6	10.1	
Net Sales	**15.6**	**12.3**	**15.0**	**19.0**	**17.4**	**15.3**	**17.4**	**17.3**	**61.9**	**67.5**	**14.1**	**9**
YoY Change (%)	(9.6)	(21.6)	(12.1)	6.6	11.3	24.1	16.5	(8.7)	(8.8)	9.0	13.9	
EBITDA	**2.2**	**0.9**	**2.0**	**3.5**	**3.1**	**2.1**	**3.1**	**3.4**	**8.6**	**11.6**	**2.0**	**4**
YoY Change (%)	13.3	(58.9)	(33.2)	4.4	39.9	133.3	51.5	(4.5)	(17.8)	34.2	**124.8**	
Margin (%)	14.2	7.2	13.5	18.5	17.9	13.6	17.5	19.3	14.0	17.2	14.3	(68)
Depreciation	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	3.0	3.2	0.8	2
Interest	0.5	0.4	0.5	0.4	0.5	0.5	0.5	0.5	1.8	2.1	0.5	(1)
Other Income	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.5	0.6	0.1	84
PBT before EO expense	**1.2**	**(0.2)**	**0.9**	**2.5**	**2.0**	**1.0**	**1.8**	**2.1**	**4.3**	**6.9**	**0.9**	**20**
Extra-Ord. expense	0.4	-	-	-	-	-	-	-	0.4	-	-	
PBT	**0.8**	**(0.2)**	**0.9**	**2.5**	**2.0**	**1.0**	**1.8**	**2.1**	**3.9**	**6.9**	**0.9**	**20**
Tax	0.3	0.0	0.3	0.8	0.5	0.2	0.4	0.7	1.3	1.8	0.2	
Prior period tax adj.	-	-	-	-	-	-	-	-	-	-	-	
Rate (%)	32.3	(10.6)	29.7	31.7	26.5	21.5	21.5	33.3	33.6	26.5	22.5	
Reported PAT	**0.5**	**(0.2)**	**0.6**	**1.7**	**1.5**	**0.8**	**1.4**	**1.4**	**2.6**	**5.1**	**0.7**	**21**
Minority Interest	(0.0)	0.1	0.0	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	
Adj. PAT	**0.9**	**(0.3)**	**0.6**	**1.8**	**1.5**	**0.8**	**1.4**	**1.4**	**3.0**	**5.1**	**0.7**	**22**
YoY Change (%)	17.7	(133.1)	NA	11.9	62.6	NM	136.8	(22.2)	(36.3)	71.3	NM	
Per ton analysis (INR)												
Net realization	**5,172**	**4,983**	**4,940**	**5,274**	**5,234**	**5,388**	**5,288**	**4,997**	**5,106**	**5,218**	**5,154**	**5**
RM Cost	1,274	987	907	971	922	942	950	1,088	1,018	978	960	(2)
Employee Expenses	335	444	377	316	374	457	409	297	362	381	437	5
Power, Oil, and Fuel	1,132	1,295	1,157	1,086	1,137	1,295	1,095	906	1,158	1,099	1,110	17
Freight and Handling Outward	1,042	1,137	1,147	1,222	1,194	1,235	1,245	977	1,155	1,158	1,159	7
Other Expenses	653	759	686	703	672	725	662	763	699	706	752	(4)
Total Expenses	**4,436**	**4,623**	**4,274**	**4,298**	**4,299**	**4,655**	**4,361**	**4,031**	**4,393**	**4,321**	**4,419**	**5**
EBITDA	**735**	**360**	**666**	**976**	**936**	**733**	**927**	**967**	**713**	**897**	**736**	**(0)**

RESULTS FLASH

Happy Forgings

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details



Date: 7th Nov 2025
Time: 11.00 AM
Concall registration-
[click here]

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	15.2	17.8	21.7
EBITDA	4.4	5.3	6.8
Adj. PAT	2.8	3.5	4.7
EPS (INR)	30.2	37.5	49.6
EPS growth %	6.3	24.2	32.2
BV/Sh. (INR)	222	255	296
Ratios			
RoE (%)	14.4	15.7	18.0
RoCE (%)	13.3	14.4	16.6
Payout (%)	13.3	13.3	18.0
Valuations			
P/E (x)	32.7	26.4	19.9
P/BV (x)	4.4	3.9	3.3
EV/EBITDA (x)	21.0	17.4	13.5
Div. Yield (%)	0.4	0.5	0.9

CMP: INR988 — Buy

Record high margins amid challenging global macro

- Revenue for 2QFY26 stood at INR3.8b, up 4.5% YoY, which is broadly in line with our estimates.
- Revenue growth was driven by 5.2% volume growth, while realizations remained largely stable YoY at INR 251 per kg.
- Revenue growth was driven by healthy demand across domestic segments (CVs, tractors, PVs, and non-auto), while exports remained muted due to weak end-market conditions and customer destocking amid the evolving tariff situation.
- Despite the adverse global macro, EBITDA margin expanded 150bp YoY to a record high level of 30.7%, ahead of our estimates of 28.8%.
- EBITDA came in at INR1.1b, up 10% YoY and 6% ahead of our estimates on the back of improved gross margins (+ 150bp YoY).
- However, lower other income at INR 63m (INR83m in 2QFY25 and INR 104m in Q1FY26) limited PAT growth.
- PAT stood at INR734m, up 10.2% YoY and largely in line with our estimate.
- Its 1HFY26 CFO stood at INR 2.2b, while capex came in at INR2.1b. Cash surplus at the end of Sep'25 stood at INR3.15b.
- Valuation & view: The stock trades at 32.7x/26.4x FY26E/FY27E EPS.

Quarterly (Standalone)

	FY25				FY26E				FY25	FY26E		Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			2QE	(%)
Net operating income	**3,415**	**3,611**	**3,543**	**3,520**	**3,538**	**3,774**	**3,827**	**4,017**	**14,089**	**15,155**	**3,792**	**-0.5**
Change (%)	3.5	5.3	3.6	2.5	3.6	4.5	8.0	14.1	3.7	7.6	5.0	
RM/Sales (%)	43.5	41.2	42.0	41.3	42.1	39.7	42.0	44.1	42.0	42.0	42.0	
Staff Cost (%)	8.5	8.5	9.3	9.2	9.1	8.9	9.0	8.9	8.9	9.0	9.0	
Other Exp. (%)	19.4	21.2	20.1	20.4	20.3	20.7	20.2	19.3	20.3	20.1	20.2	
EBITDA	**976**	**1,054**	**1,015**	**1,023**	**1,012**	**1,158**	**1,102**	**1,112**	**4,067**	**4,383**	**1,092**	**6.0**
EBITDA Margins (%)	28.6	29.2	28.6	29.1	28.6	30.7	28.8	27.7	28.9	28.9	28.8	
Non-Operating Income	77	83	66	101	104	63	107	154	376	428	108	
Interest	14	16	21	24	23	19	23	24	75	89	22	
Depreciation	180	197	191	203	206	216	235	243	771	899	220	
EO Exp		-48			0	0	0	0		0	0	
PBT after EO items	**859**	**973**	**868**	**897**	**886**	**986**	**951**	**999**	**3,597**	**3,822**	**958**	
Tax	220	259	223	219	230	252	244	253	921	979	240	
Eff. Tax Rate (%)	25.6	26.6	25.7	24.4	25.9	25.5	25.7	25.3	25.6	25.6	25.0	
Rep. PAT	**639**	**714**	**645**	**678**	**657**	**734**	**707**	**746**	**2,676**	**2,844**	**719**	
Change (%)	-0.3	29.3	11.4	3.0	2.9	2.8	9.5	10.1	-68.1	6.3	0.6	
Adj. PAT	**639**	**666**	**645**	**678**	**657**	**734**	**707**	**746**	**2,676**	**2,844**	**719**	**2.2**
Change (%)	-0.3	20.6	11.4	3.0	2.9	10.2	9.5	10.1	10.1	6.3	7.8	

E: MOFSL Estimates

Indigo Paints

BSE SENSEX	S&P CNX
83,311	25,510

Conference Call Details

Date: 7th Nov 2025
Time: 11:00 AM
Dial-in details:
+91 22 6280 1144 /
+91 22 7115 8045
Diamond Pass

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	14.0	15.8	17.7
Sales Gr. (%)	4.5	12.5	12.5
EBITDA	2.5	2.9	3.2
EBITDA mrg. (%)	17.6	18.1	18.3
Adj. PAT	1.5	1.7	2.0
Adj. EPS (INR)	31.3	36.5	42.2
EPS Gr. (%)	5.1	16.4	15.6
BV/Sh.(INR)	240.0	276.6	313.9
Ratios			
RoE (%)	13.7	14.1	14.3
RoCE (%)	13.5	13.9	14.1
Valuation			
P/E (x)	31.9	27.4	23.7
P/BV (x)	4.2	3.6	3.2
EV/EBITDA (x)	17.8	15.0	12.8
Div. Yield (%)	0.8	0.8	0.8

CMP: INR999 — Buy

Demand shows improvement; beat on operating performance

Consolidated financial performance

- Indigo Paints' net sales grew 4% YoY to INR3,121m (est. INR3,025m).
- Industry demand saw an improvement despite continued weather-related disruptions.
- The Premium segment in the Emulsions & Enamels category is outperforming the Economy segment.
- Apple Chemie's revenue grew 23% YoY INR136m.
- Gross margin expanded 110bp YoY to 44.8% (est. 44.5%), led by a better product mix.
- Employee expenses rose 5% YoY, while other expenses increased 4% YoY.
- EBITDA margin expanded 110bp YoY to 14.9% (est. 14.2%).
- EBITDA rose 12% YoY to INR465m (est. INR430m).
- PBT increased 11% YoY to INR338m (est. INR322m).
- APAT increased 11% YoY to INR251m (est. INR240m).

Outlook

- The company is observing clear signs of demand recovery, driven by strong secondary sales.
- The product mix is expected to improve as the exterior paint application picks up.
- EBITDA margins for FY26 are expected to expand with an improvement in demand, lower raw material prices, and improved product mix.
- Apple Chemie is expected to deliver strong performance in both revenue and profitability with the launch of new products and improving sales traction in the East and South zones.

Consolidated Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	**3,110**	**2,995**	**3,426**	**3,876**	**3,089**	**3,121**	**3,700**	**4,101**	**13,407**	**14,010**	**3,025**	3.1%
Change (%)	7.8	7.4	-3.2	0.7	-0.7	4.2	8.0	5.8	2.6	4.5	1.0	
Raw Material/PM	1,661	1,686	1,829	2,061	1,671	1,723	1,961	2,168	7,237	7,523	1,679	
Gross Profit	**1,449**	**1,309**	**1,597**	**1,815**	**1,418**	**1,397**	**1,739**	**1,933**	**6,170**	**6,487**	**1,346**	3.8%
Gross Margin (%)	46.6	43.7	46.6	46.8	45.9	44.8	47.0	47.1	46.0	46.3	44.5	
EBITDA	**474**	**415**	**572**	**874**	**443**	**465**	**636**	**918**	**2,335**	**2,463**	**430**	8.3%
Margin (%)	15.2	13.9	16.7	22.6	14.3	14.9	17.2	22.4	17.4	17.6	14.2	
Change (%)	-3.5	-1.5	-8.1	3.3	-6.5	12.1	11.3	5.1	-1.9	5.5	3.5	
Interest	6	7	6	15	7	7	10	21	35	45	18	
Depreciation	152	154	147	132	148	151	145	182	585	626	145	
Other Income	42	51	31	60	60	30	45	69	185	203	55	
PBT	**357**	**306**	**450**	**787**	**348**	**338**	**526**	**784**	**1,900**	**1,996**	**322**	5.0%
Tax	90	83	92	213	87	85	133	197	478	502	81	
Effective Tax Rate (%)	25.3	27.2	20.4	27.0	25.0	25.2	25.2	25.2	25.2	25.2	25.2	
Minority Interest	5	-4	-2	5	1	1	1	0	4	4	1	
Adjusted PAT	**262**	**226**	**360**	**569**	**259**	**251**	**393**	**587**	**1,418**	**1,490**	**240**	4.8%
Change (%)	-15.6	-10.6	-3.3	6.0	-1.0	10.9	9.1	3.1	-3.8	5.1	5.8	

E: MOFSL Estimates

Product category-wise growth

Volume growth (%)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26
Cement Paints + Putty	64.6	50.6	24.2	20.2	8.2	2.8	-7.2	-10.3	-4.0	-6.8
Emulsions	13.1	20.0	14.3	13.7	0.4	7.2	1.7	-2.5	-5.4	3.9
Enamels + Wood Coatings	35.3	5.4	27.3	3.4	5.0	4.3	-12.6	7.9	6.8	3.0
Primers + Distempers + Others	52.4	28.8	37.7	22.0	24.4	7.1	-6.0	2.2	1.8	10.2
Value growth (%)	**1QFY24**	**2QFY24**	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**
Cement Paints + Putty	65.8	47.9	25.2	21.4	8.9	3.0	-5.3	-8.4	-1.5	-2.2
Emulsions	17.8	15.4	18.2	9.1	-3.1	7.5	2.8	1.3	-0.9	7.0
Enamels + Wood Coatings	36.6	3.0	25.2	-1.0	-1.0	3.6	-11.5	11.4	11.5	5.7
Primers + Distempers + Others	43.6	26.6	34.7	27.6	28.6	13.7	-0.6	6.3	6.3	10.1

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**-0.2**	**1.9**	**3.6**
Nifty-50	**-0.3**	**1.7**	**4.2**
Nifty Next 50	**-1.2**	**1.0**	**-2.9**
Nifty 100	**-0.5**	**1.6**	**3.0**
Nifty 200	**-0.6**	**1.8**	**3.1**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**0.1**	**-0.9**	**10.3**
Amara Raja Ener.	-0.1	-1.7	-25.7
Apollo Tyres	-3.2	6.6	3.1
Ashok Leyland	0.6	2.5	31.0
Bajaj Auto	-0.3	-0.8	-13.0
Balkrishna Inds	-1.0	1.9	-18.4
Bharat Forge	-0.4	6.9	-10.3
Bosch	-2.2	-4.6	2.1
CEAT	-0.8	14.4	42.5
Craftsman Auto	-0.8	-0.2	34.6
Eicher Motors	-1.8	-1.1	38.4
Endurance Tech.	-2.4	-1.4	19.0
Escorts Kubota	-3.5	4.3	-1.6
Exide Inds.	0.0	-5.0	-16.0
Happy Forgings	-1.9	6.2	-13.5
Hero Motocorp	0.3	-4.6	8.9
Hyundai Motor	-1.7	-5.1	27.0
M & M	1.0	4.2	23.3
CIE Automotive	-0.4	4.6	-14.8
Maruti Suzuki	0.5	-3.4	36.1
MRF	-0.4	3.2	29.3
Sona BLW Precis.	-0.2	16.6	-31.9
Motherson Sumi	-0.5	-2.2	-17.0
Motherson Wiring	1.7	5.2	10.6
Tata Motors	0.3	-5.5	-19.8
TVS Motor Co.	-0.8	-1.8	38.7
Tube Investments	-0.5	-5.5	-27.3
Banks-Private	**-0.5**	**1.2**	**9.0**
AU Small Fin. Bank	0.1	15.5	44.5
Axis Bank	0.2	1.3	5.3
Bandhan Bank	-2.1	-7.2	-16.5
DCB Bank	-0.2	22.9	32.7
Equitas Sma. Fin	0.3	4.5	-14.1
Federal Bank	-0.8	21.8	15.2
HDFC Bank	-0.1	1.2	12.2
ICICI Bank	-1.2	-3.2	1.4
IDFC First Bank	-0.9	13.1	20.2
IndusInd Bank	-0.5	6.3	-27.0
Kotak Mah. Bank	-0.6	-2.9	18.2
RBL Bank	0.5	18.1	87.8
SBI Cards	-1.2	-3.6	24.3
Banks-PSU	**-0.6**	**8.7**	**18.6**
BOB	-0.6	7.4	9.1
Canara Bank	-0.3	9.8	32.3
Indian Bank	-0.8	14.2	50.5
Punjab Natl.Bank	-2.3	5.2	12.6
St Bk of India	0.3	9.9	12.4

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**-0.7**	**1.5**	**2.1**
Nifty Midcap 100	**-0.9**	**2.5**	**3.7**
Nifty Smallcap 100	**-1.4**	**1.0**	**-4.2**
Nifty Midcap 150	**-1.0**	**1.7**	**2.9**
Nifty Smallcap 250	**-1.5**	**0.2**	**-5.4**
Union Bank (I)	-0.9	9.9	24.3
NBFCs	**-0.6**	**1.2**	**11.8**
Aditya Birla Capital Ltd	-1.3	7.6	58.7
AAVAS Financiers	-2.3	-4.0	-4.8
Bajaj Fin.	-1.4	3.3	48.7
Bajaj Housing	-0.1	-2.1	-20.5
Cholaman.Inv.&Fn	-3.6	3.0	29.0
Can Fin Homes	1.9	9.2	0.9
CreditAcc. Gram.	-2.9	-4.4	40.9
Fusion Microfin.	-4.0	-9.7	-16.6
Five-Star Bus.Fi	-3.8	16.4	-4.7
HDB FINANC SER	-1.5	-3.4	
Home First Finan	-5.0	-7.5	-2.6
Indostar Capital	-5.6	1.1	-12.8
IIFL Finance	-3.4	10.9	13.9
L&T Finance	-1.7	5.9	86.5
LIC Housing Fin.	-1.1	-1.6	-10.5
MCX	-0.8	12.9	43.3
M & M Fin. Serv.	-2.1	9.8	15.6
Muthoot Finance	-0.1	-1.4	68.1
Manappuram Fin.	2.8	-5.8	74.5
MAS Financial Serv.	-2.7	-1.3	1.1
PNB Housing	-2.5	1.5	-9.1
Power Fin.Corpn.	-2.5	-4.9	-17.4
REC Ltd	-2.1	-4.1	-31.9
Repco Home Fin	-3.3	20.0	-10.8
Shriram Finance	-0.5	18.0	24.3
Spandana Sphoort	-1.6	-8.4	-37.1
Nippon Life Ind.	-1.7	-0.6	17.7
UTI AMC	-0.8	-8.8	-9.8
Nuvama Wealth	2.2	5.5	-0.9
Prudent Corp.	-2.1	-4.6	-15.8
NBFC-Non Lending			
360 One	-1.0	0.5	1.1
Aditya AMC	-1.3	-6.0	-6.6
Anand Rathi Wea.	-0.5	6.2	55.6
Angel One	-1.3	9.8	-15.4
BSE	-1.6	10.7	57.3
C D S L	-0.4	0.5	-2.5
Cams Services	-1.6	-2.2	-20.0
HDFC AMC	-0.3	-4.8	19.8
KFin Technolog.	-0.7	0.0	1.5
MCX	-0.8	12.9	43.3
N S D L	-4.2	-11.7	
Nippon Life Ind.	-1.7	-0.6	17.7
Nuvama Wealth	2.2	5.5	-0.9
Prudent Corp.	-2.1	-4.6	-15.8
UTI AMC	-0.8	-8.8	-9.8

Company	1 Day (%)	1M (%)	12M (%)
Insurance			
HDFC Life Insur.	-0.9	-3.5	3.9
ICICI Pru Life	-0.7	0.5	-15.8
ICICI Lombard	-1.9	3.9	3.5
Life Insurance	-1.1	-1.2	-5.2
Max Financial	-0.5	-1.3	29.0
Niva Bupa Health	-1.3	-6.0	
SBI Life Insuran	0.0	11.3	22.9
Star Health Insu	-0.4	6.4	1.1
Chemicals			
Alkyl Amines	-1.5	-4.4	-15.4
Atul	-2.3	-4.9	-27.9
Clean Science	-0.3	-8.1	-36.5
Deepak Nitrite	-1.1	-6.0	-39.1
Ellen.Indl.Gas	0.5	0.1	
Fine Organic	-0.2	-5.6	-13.8
Galaxy Surfact.	-0.7	-0.9	-25.3
Navin Fluo.Intl.	0.4	32.9	74.0
NOCIL	-2.7	-2.7	-38.3
P I Inds.	1.8	3.3	-18.7
SRF	-1.4	-1.4	23.7
Tata Chemicals	-2.2	-5.8	-24.1
Vinati Organics	0.8	-1.2	-10.9
Capital Goods	**-1.2**	**-0.1**	**-1.4**
A B B	-0.3	0.2	-27.0
Bharat Dynamics	-2.9	-7.8	33.1
Bharat Electron	-1.5	-1.1	35.4
Cummins India	0.0	9.5	19.5
Hind.Aeronautics	-2.0	-5.2	4.6
Hitachi Energy	-1.2	11.0	36.4
K E C Intl.	-2.7	-8.2	-19.4
Kalpataru Proj.	-0.8	4.2	2.2
Kirloskar Oil	-2.6	10.7	-17.1
Larsen & Toubro	-1.1	3.9	6.5
Siemens	-1.2	-5.2	-12.0
Siemens Ener	-1.8	-1.6	
Thermax	-0.5	2.4	-36.0
Triveni Turbine	-2.1	0.6	-22.8
Zen Technologies	-2.1	-5.4	-27.5
Cement			
Ambuja Cem.	-1.6	-2.7	-4.2
ACC	0.0	-0.1	-22.3
Birla Corp.	-0.7	-0.2	0.0
Dalmia Bhar.	0.0	-9.0	12.7
Grasim Inds.	-6.3	-3.8	2.0
India Cem	-2.3	-1.2	7.5
JSW Cement	-4.9	-8.8	
J K Cements	-1.3	-10.2	37.4
JK Lakshmi Cem.	2.2	1.3	8.9
The Ramco Cement	0.6	5.5	17.2
Shree Cement	-0.7	-6.5	9.6
UltraTech Cem.	0.8	-1.2	5.6

Company	1 Day (%)	1M (%)	12M (%)
Consumer	**-0.2**	**1.2**	**-5.2**
Asian Paints	4.7	10.5	-10.2
Britannia Inds.	2.1	0.0	5.6
Colgate-Palm.	-0.8	-2.5	-26.9
Dabur India	1.3	6.2	-2.9
Emami	-2.7	-6.3	-23.7
Godrej Consumer	-1.5	-0.1	-10.1
Hind. Unilever	-0.4	-4.2	-2.6
ITC	-0.3	1.7	-10.5
Indigo Paints	-0.4	-8.4	-39.6
Jyothy Lab.	-0.8	0.7	-36.1
L T Foods	1.0	3.4	2.9
Marico	-0.6	-0.3	9.9
Nestle India	0.1	7.1	11.3
Page Industries	-0.9	-5.8	-10.0
Pidilite Inds.	-0.9	-3.1	-9.3
P & G Hygiene	-1.8	-8.5	-17.1
Radico Khaitan	-0.7	7.7	31.6
Tata Consumer	0.9	4.2	18.2
United Breweries	-0.3	0.9	-8.4
United Spirits	-2.4	4.1	-2.7
Varun Beverages	0.2	7.5	-21.3
Consumer Durables	**-0.4**	**2.7**	**-2.7**
Havells	-3.0	-3.7	-13.9
KEI Industries	-1.6	-4.9	-1.0
LG Electronics	-1.0		
Polycab India	0.4	-0.3	10.3
R R Kabel	-1.6	10.4	-8.6
Voltas	-4.9	-5.4	-25.6
EMS			
Amber Enterp.	0.4	-4.2	25.7
Avalon Tech	-7.7	-6.2	80.1
Cyient DLM	-2.1	3.8	-30.9
Data Pattern	-3.2	-8.0	8.1
Dixon Technolog.	-1.1	-11.5	-3.6
Kaynes Tech	-4.5	-14.8	8.3
Syrma SGS Tech.	0.6	-3.6	42.3
Healthcare	**-0.4**	**2.2**	**-2.9**
Ajanta Pharma	-1.6	5.7	-17.6
Alembic Pharma	-4.7	1.0	-19.7
Alkem Lab	-0.4	2.7	-3.6
Apollo Hospitals	-0.4	1.6	11.7
Aurobindo	-0.7	4.0	-18.2
Biocon	1.2	10.8	19.3
Blue Jet Health	-7.4	-17.7	2.7
Cipla	-0.1	-0.8	-5.8
Divis Lab	1.2	18.1	15.6
Dr Agarwals Health	-2.2	2.8	
Dr Reddy’s	0.4	-3.5	-7.4
ERIS Lifescience	-0.7	-1.1	22.2
Gland Pharma	-0.6	-2.0	2.4
Glenmark	-1.9	-8.2	2.3
Global Health	2.5	-6.3	19.2
Granules	-2.7	-0.1	-4.2

Company	1 Day (%)	1M (%)	12M (%)
GSK Pharma	-2.0	-4.6	-0.9
IPCA Labs	0.8	-1.4	-17.6
Laurus Labs	-0.3	13.5	97.4
Laxmi Dental	-1.6	-6.5	
Lupin	-2.1	0.9	-9.7
Mankind Pharma	-2.5	-6.0	-16.0
Max Healthcare	-1.1	-1.3	4.2
Piramal Pharma	-0.5	1.9	-32.1
Rubicon Research	-2.2		
Sun Pharma	-0.2	1.9	-7.7
Torrent Pharma	-0.2	1.2	11.1
Zydus Lifesci.	-3.6	-5.8	-5.9
Infrastructure	**-0.7**	**4.1**	**7.1**
G R Infraproject	-1.3	-7.8	-30.0
IRB Infra.Devl.	0.5	7.1	-15.3
KNR Construct.	-0.2	-8.8	-40.4
Logistics			
Adani Ports	-0.5	2.6	4.9
Blue Dart Exp.	-1.3	11.0	-20.5
Delhivery	-8.7	-4.3	24.7
Container Corpn.	-4.3	-2.4	-24.4
JSW Infrast	-2.0	-8.1	-11.0
Mahindra Logis.	-0.9	-2.5	-9.1
Transport Corp.	-2.2	-4.4	-4.3
TCI Express	-3.9	-8.1	-32.7
VRL Logistics	-0.6	-0.4	-3.5
Media	**-2.5**	**-6.1**	**-25.6**
PVR INOX	-1.2	3.4	-24.2
Sun TV	-2.3	-5.1	-27.8
Zee Ent.	-2.1	-11.6	-19.1
Metals	**-2.1**	**0.9**	**6.5**
Hindalco	-5.2	1.5	11.3
Hind. Zinc	-1.3	-4.9	-8.9
JSPL	-3.3	-1.0	9.8
JSW Steel	-1.1	0.8	15.9
Jindal Stainless	-1.2	-4.1	1.8
Nalco	-1.1	6.2	-5.9
NMDC	-1.5	-3.9	-9.0
SAIL	-0.2	4.0	11.3
Tata Steel	-1.1	4.2	15.4
Vedanta	-0.6	7.3	6.5
Oil & Gas	**-0.6**	**4.6**	**2.0**
Aegis Logistics	0.5	-7.7	-4.8
BPCL	-1.3	7.1	16.1
Castrol India	-1.7	-6.2	-12.6
GAIL	-1.5	1.3	-14.3
Gujarat Gas	-1.5	-7.2	-24.0
Gujarat St. Pet.	-0.4	-4.8	-20.7
HPCL	-2.4	3.7	20.8
IOCL	-0.5	8.7	16.4
IGL	-1.8	1.4	-2.3
Mahanagar Gas	-2.5	-3.9	-14.1
Oil India	0.4	3.3	-17.5
ONGC	-0.3	2.3	-6.5
PLNG	-2.0	-1.9	-20.2
Reliance Ind.	1.6	8.8	12.9
Real Estate	**-1.5**	**7.3**	**-6.4**
Anant Raj	-3.4	-11.6	-18.7
Brigade Enterpr.	-2.5	11.1	-17.6
DLF	-2.1	3.1	-8.4
Godrej Propert.	-4.3	6.7	-23.8
Kolte Patil Dev.	-4.2	-2.8	12.8
Mahindra Life.	-1.7	10.2	-12.1
Macrotech Devel.	0.8	10.5	1.1
Oberoi Realty Ltd	0.0	9.7	-12.0
SignatureGlobal	-0.4	3.8	-23.4
Sri Lotus	-2.5	-7.6	
Sobha	2.2	12.5	-0.7
Sunteck Realty	-2.7	2.5	-20.1
Phoenix Mills	-1.6	9.1	15.0
Prestige Estates	-1.2	11.9	3.1
Retail			
Aditya Bir. Fas.	-7.0	-9.3	-28.5
A B Lifestyle	-3.4	-9.7	
Avenue Super.	-2.4	-5.1	4.1
United Foodbrands	-2.8	-16.7	-66.2
Bata India	-1.4	-13.9	-22.7
Campus Activewe.	-1.7	-1.8	-11.0
Devyani Intl.	-2.3	-5.8	-10.1
Go Fashion (I)	-0.4	-7.0	-46.0
Jubilant Food	-1.7	-6.4	-2.9
Kalyan Jewellers	-1.9	5.7	-26.7
Metro Brands	-0.2	-10.0	-5.5
P N Gadgil Jewe.	-3.0	1.7	-13.1
Raymond Lifestyl	-2.1	-1.3	-43.4
Relaxo Footwear	1.0	-0.7	-43.6
Restaurant Brand	-0.7	-15.2	-28.1
Sapphire Foods	-2.3	-5.9	-13.0
Senco Gold	-1.9	-6.9	-44.8
Shoppers St.	-2.0	-9.5	-27.7
Titan Co.	-1.0	10.2	18.8
Trent	0.4	-2.1	-32.7
Vedant Fashions	0.1	-7.3	-52.6
V-Mart Retail	-1.7	-1.0	-23.7
Vishal Mega Mart	-1.7	-6.4	
Westlife Food	0.1	-12.8	-24.6
Technology	**0.2**	**1.8**	**-15.9**
Cyient	-1.2	-3.3	-40.2
HCL Tech.	-0.2	7.7	-17.0
Hexaware Tech.	0.6	0.3	
Infosys	-0.1	-0.6	-19.6
KPIT Technologi.	0.3	0.2	-22.1
LTIMindtree	0.6	7.2	-5.6
L&T Technology	0.3	-4.7	-21.1
Mphasis	0.3	-0.7	-4.2
Coforge	-0.2	6.1	12.6
Persistent Sys	-0.5	12.4	2.0
TCS	0.7	0.8	-27.3

Company	1 Day (%)	1M (%)	12M (%)
Tata Technolog.	-1.4	-4.8	-34.5
Tata Elxsi	-2.6	-2.8	-27.5
Tech Mah	0.3	-1.8	-16.5
Wipro	0.9	-0.9	-14.9
Zensar Tech	-4.4	-6.9	-5.9
Telecom	-1.2	7.5	5.3
Bharti Airtel	-0.9	10.1	31.0
Indus Towers	1.5	12.6	16.4
Idea Cellular	-1.5	9.4	13.5
Tata Comm	-3.3	11.1	1.8
Utilities	-2.0	-1.1	-15.3
ACME Solar Hold.	-1.7	-6.7	
Coal India	-1.2	-2.3	-14.4
Indian Energy Ex	0.3	-3.1	-22.1
Inox Wind	-3.0	7.7	-32.4
JSW Energy	-2.0	-4.4	-24.2
NTPC	-1.2	-3.7	-20.1
Power Grid Corpn	-3.2	-5.8	-15.2
Suzlon Energy	-0.6	10.2	-14.0
Tata Power Co.	-2.2	-1.0	-12.8
Waaree Energies	0.0	-2.1	-7.4
Others			
APL Apollo Tubes	0.4	2.5	15.8
Astral	6.7	13.2	-13.3
Cello World	1.0	10.2	-25.1
Coromandel Intl	-0.9	-8.5	24.6
Dreamfolks Servi	-2.6	19.4	-73.3
EPL Ltd	-3.1	-8.6	-27.4
Eternal Ltd	-2.5	-8.8	19.9
Godrej Agrovet	-4.7	-8.2	-16.6
Gravita India	-3.6	10.4	-23.6
Havells	-3.0	-3.7	-13.9
Indiamart Inter.	0.2	4.1	0.4
Indian Hotels	-6.2	-3.7	1.8
Info Edge	-0.9	-3.8	-17.0
Interglobe	1.0	0.0	40.2
Kajaria Ceramics	-2.2	-5.3	-7.7
Lemon Tree Hotel	-1.2	-2.7	39.8
MTAR Technologie	-6.0	21.6	42.2
One 97	4.1	7.9	65.5
Prince Pipes	-3.2	-7.4	-34.8
Quess Corp	-2.9	-11.5	-36.8
Safari Inds.	-1.5	-5.3	-6.8
SIS	2.4	4.2	-14.6
Supreme Inds.	-1.1	-7.8	-17.9
Swiggy	-2.3	-4.2	
Time Technoplast	-1.4	-5.2	-1.7
Team Lease Serv.	0.3	-5.1	-40.5
Updater Services	-12.2	-18.8	-53.1
UPL	0.3	7.6	34.8
Voltas	-4.9	-5.4	-25.6
V I P Inds.	-1.9	-5.9	-17.7
Va Tech Wabag	-2.8	-2.5	-21.5

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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.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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Grievance Redressal Cell:

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

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