Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	85,221	0.6	9.1
Nifty-50	26,130	0.7	10.5
Nifty-M 100	60,485	1.0	5.7
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	6,846	-0.7	16.4
Nasdaq	23,242	-0.8	20.4
FTSE 100	9,931	-0.1	21.5
DAX	24,490	0.0	23.0
Hang Seng	8,914	-0.9	22.3
Nikkei 225	50,339	0.0	26.2
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	62	0.0	-15.7
Gold ($/OZ)	4,319	-0.5	64.6
Cu (US$/MT)	12,453	-1.2	43.9
Almn (US$/MT)	2,968	0.7	17.5
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	89.9	0.1	5.0
USD/EUR	1.2	0.0	13.4
USD/JPY	156.7	0.2	-0.3
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.6	0.01	-0.2
10 Yrs AAA Corp	7.3	0.01	0.1
Flows (USD b)	**31-Dec**	**MTD**	**CYTD**
FIIs	-0.40	-1.84	-17.6
DIIs	0.75	8.16	88.7
Volumes (INRb)	**31-Dec**	**MTD***	**YTD***
Cash	1,090	1016	1067
F&O	1,08,924	2,71,425	2,36,080

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Zydus Wellness - Initiating Coverage: Scaling up the wellness brand equity

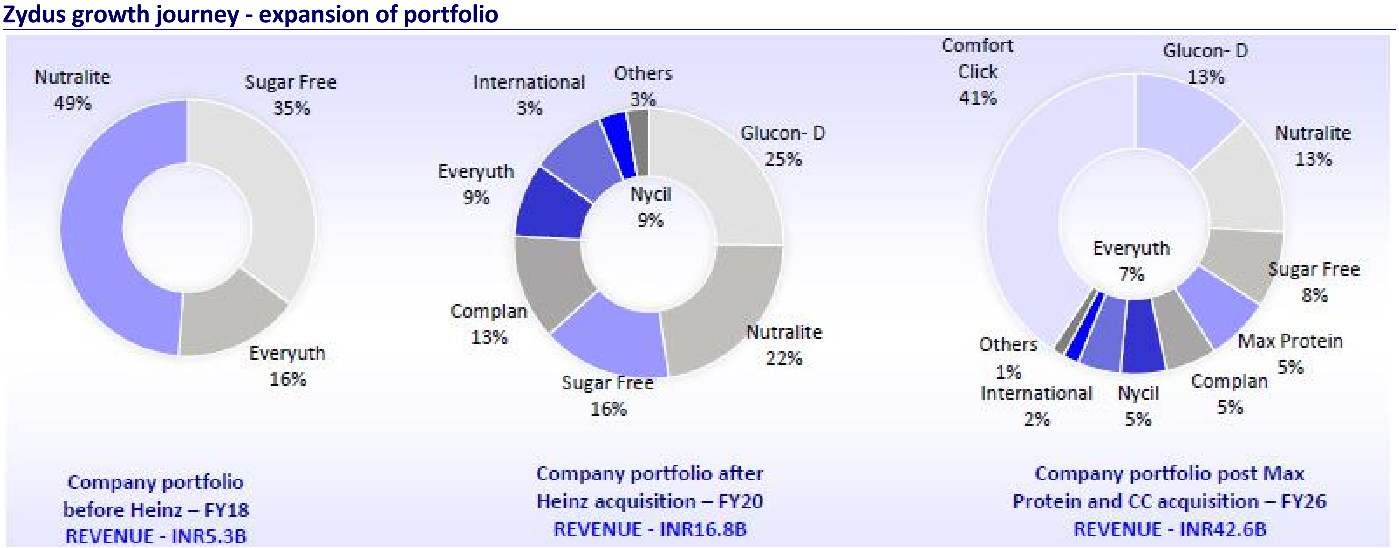
- Zydus Wellness is a diversified health and nutrition company with leadership in several consumer wellness categories. Zydus maintains dominant positions in its core categories – sugar substitutes (Sugar Free), glucose powders (Glucon-D), skincare (Everyuth), functional foods (Nutralite), prickly-heat powder (Nycil), and nutritional beverages (Complan).
- At 22x FY28E P/E and 16x EV/EBITDA, the stock is trading at a 30-35% discount to other FMCG peers and offering the best risk-reward profile in the sub-INR150b market-cap consumer universe. With 70% promoter holding, professional leadership, best corporate background, and presence in futuristic relevant categories, we believe the company deserves a better valuation multiple.
- With stability in the core portfolio and promising new growth engines, we expect Zydus to deliver superior earnings growth vs. its historical performance. We model 14% organic EBITDA CAGR and 36% consolidated EBITDA CAGR during FY25-28E.
- Based on SoTP, we value the India business at 27x FY28E EV/EBITDA and International (Comfort Click) at 15x FY28E EV/EBITDA to arrive at a TP of INR575 (implied cons. 22x FY28E EV/EBITDA and 30x P/E). We initiate coverage with a BUY rating.

Research covered

Cos/Sector	Key Highlights
Zydus Wellness	Scaling up the wellness brand equity
Kotak Mahindra Bank	Business growth steady; RoA to sustain at ~2%

Chart of the Day: Zydus Wellness (Scaling up the wellness brand equity)

Zydus growth journey - expansion of portfolio



Source: MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

China's Xi Jinping vows 'unstoppable' reunification with Taiwan in New Year 2026 address

China's President Xi Jinping pledged to pursue reunification with Taiwan during his annual New Year's Eve address, according to multiple news reports.

2

Vodafone Idea promoter, promoter group entities agree on ₹5,836 crore infusion.

Vodafone Idea announced that the company promoter and promoter group entities have agreed to infuse ₹5,836 crore into the company to strengthen its financials and improve future cash flows.

3

Govt freezes Vi's AGR dues, grants five-year moratorium

The Union Cabinet on Wednesday approved a fresh relief package for Vodafone Idea, freezing its outstanding adjusted gross revenue (AGR) dues at Rs 87,695 crore as on December 31, 2025

4

Govt notifies draft rules for new labour codes

The Ministry of Labour and Employment has pre-published draft rules for India's four new Labour Codes, aiming for full operationalization by April 1, 2026.

5

Rs 35,657 crore invested under PLI Auto; Centre to invoke bank guarantees of defaulters

The Centre on Tuesday said investments worth ₹35,657 crore have already been made under the Production Linked Incentive (PLI) scheme for the automobile sector, against the projected ₹42,500 crore,

6

RBI Focus: Customer Centricity, Regulation in New Year

Mumbai, Dec 31 (PTI) Governor Sanjay Malhotra on Wednesday asked the Reserve Bank staff to persist with regulatory calibrations and sharpen supervision in the new year.

7

Israeli trade negotiators to visit India in January for FTA talks

Israeli trade negotiators will visit India in January for trade pact talks. This marks a pre-round for a Free Trade Agreement. Indian negotiators are expected to visit Russia after Budget 2026.

Zydus Wellness

BSE SENSEX	S&P CNX
84,675	25,939

zydus wellness
nourish·nurture·energize

Stock Info

Bloomberg	ZYWL IN
Equity Shares (m)	318
M.Cap.(INRb)/(USDb)	136.3 / 1.5
52-Week Range (INR)	531 / 299
1, 6, 12 Rel. Per (%)	-3/0/3
12M Avg Val (INR M)	144

Financials Snapshot (INR b)

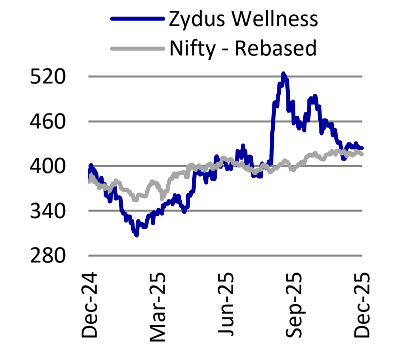
Y/E March	FY26E	FY27E	FY28E
Sales	39.1	54.0	61.7
Sales Gr. %	44	38	14
EBITDA	5.4	7.9	9.6
EBITDA margin %	13.8	14.5	15.6
Adj. PAT	3.7	5.4	6.0
EPS (INR)	11.7	17.0	18.9
EPS Gr. (%)	9	45	11
BV/Sh. (INR)	184.4	190.9	203.6
Ratios			
RoE (%)	6.5	9.1	9.6
RoIC (%)	5.9	5.0	7.6
Payout (%)	14.5	12.9	12.9
Valuations			
P/E (x)	36.1	24.8	22.4
P/BV (x)	2.3	2.2	2.1
EV/EBITDA (x)	30.0	20.2	16.1

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	69.6	69.6	69.6
DII	18.8	19.3	20.4
FII	3.4	3.3	3.4
Others	8.2	7.8	6.7

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR424	TP: INR575 (+35%)	Buy

Scaling up the wellness brand equity

Relevant presence in health and wellness megatrends

- **Zydus Wellness is a diversified health and nutrition company (~INR40bn revenue) with leadership in several consumer wellness categories. The company's core portfolio consists of sugar substitutes (Sugar Free), glucose powders (Glucon-D), skincare (Everyuth), functional foods (Nutralite), prickly-heat powder (Nycil), and nutritional beverages (Complan). Zydus maintains dominant positions in its core categories. Recent acquisitions, including Naturell (RiteBite Max Protein) and Comfort Click (VMS portfolio), have expanded the company's presence across emerging consumption trends such as high-protein snacks, preventive health, and digital-first nutrition.**
- **The company's portfolio is aligned with global consumption megatrends, e.g., low/no sugar, high protein, preventive wellness, high energy and on-the-go functional nutrition. Unlike FMCG peers, which are facing user-addition constraints in several core categories, Zydus can leverage its portfolio to keep expanding its user base, particularly for youth and affluent consumers.**
- **Zydus has one of the best risk-reward profiles among peers with a similar market cap (<INR150b). With 70% promoter holding, professional leadership, best corporate background, and presence in futuristic relevant categories, we believe the company deserves a better valuation multiple. The valuation multiple is currently low given its low earnings growth in the past decade (10-year CAGR of 7-8%). With stability in the core portfolio (took initial period for stabilizing sizable acquisition) and promising new growth engines, we expect Zydus to deliver much superior earnings growth than it delivered in the past. We model 14% organic EBITDA CAGR and 36% consolidated EBITDA CAGR during FY25-28E. The stock is at 22x P/E and 16x EV/EBITDA FY28E, a 30%-35% discount to other FMCG peers, and offering the best risk-reward profile in the sub-INR150b market-cap consumer universe.**
- **Based on SoTP, we value the India business at 27x EV/EBITDA FY28E and International (Comfort Click) at 15x EV/EBITDA FY28E to arrive at a TP of INR575 (implied consolidated 22x EV/EBITDA and 30x P/E at FY28). We initiate coverage on Zydus with a BUY rating.**

Gearing up for scale-up; revenue reached to ~INR40b vs. <INR5b in 2018

- In FY19, with revenue of less than INR5b, Zydus decided to buy the Heinz portfolio, which was twice its size. It was a challenging decision, as it took several years to stabilize the sizable acquired portfolio amid multiple headwinds such as Covid, seasonality, etc. As a result, historical earnings growth is not inspiring but it does not reflect the true potential of the company.
- In order to achieve a meaningful scale, Zydus acquired Naturell India (RiteBite, Max Protein) in Dec'2024 in the fast-growing functional and protein nutrition segment and Comfort Click in Sep'25 (Weigh World, maxmedix, Animigo), a UK and European online-first wellness brand, to expand its international footprint.

Category choices suitable for global consumption megatrends

- Zydus's portfolio is increasingly well aligned with the structural shifts in global food and nutrition consumption trends. The company now has a presence across low- and no-sugar categories, high-protein and functional snacks, and products that support energy and preventive wellness. These segments are witnessing strong consumer adoption worldwide.
- Growing usage of digital and D2C channels is helping Zydus build deeper consumer understanding, sharpen targeting, and enhance relevance among younger, lifestyle-focused and health-conscious users. It can drive long-term premiumization opportunities and strengthen the company's position with evolving global demand trends.

Innovation funnel improving aided by large portfolio basket

The company has been keeping its portfolio relevant to evolving consumer needs and aligned with modern health and wellness trends.

- The company has been keeping its portfolio relevant to evolving consumer needs and aligned with modern health and wellness trends. The continuous science-backed upgrades and new formats such as Sugar Free Green (stevia-based), Glucon-D Activors RTD, ImmunoVolt, and the Nutralite DoodhShakti dairy range are some notable recent launches by Zydus.
- Its strong capabilities in creating and scaling category extensions allow Zydus to broaden consumption occasions and drive premiumization through adjacent offerings such as Choco spreads, processed cheese (professional segment), protein snacks, and immunity-focused products.

Distribution evolved from niche play to more broad-based

The current distribution backbone is robust and well diversified, supported by 1,950+ distributors, 2,800+ strong field force, and 25 warehouses (including 21 cold-storage facilities)

- Zydus has transformed its distribution architecture from a primarily urban, chemist-centric model into a pan-India, omnichannel network. Early initiatives such as EnReach have improved its direct reach and launch execution, while the Heinz India acquisition significantly accelerated its scale, taking its outlet coverage from 0.8 million to ~2.8 million by FY24 and more than doubling its direct reach under Project Vistaar.
- The current distribution backbone is robust and well diversified, supported by 1,950+ distributors, 2,800+ strong field force, and 25 warehouses (including 21 cold-storage facilities). Organized channels' contribution increased from 14.5% in FY21 to ~23% in FY25, driven by strong traction in e-commerce, modern trade, and quick commerce (which accounts for ~40% of online sales).
- Ongoing rural and digital expansion, along with strengthened warehousing and omnichannel capabilities, enhances execution of new launches, deepens market penetration, and supports steady market share gains across categories.

With steady core, Zydus can leverage margin improvement

- Zydus has been focusing on faster scalability for its core business and acquired business; hence, the company has been in the investment phase. Heinz portfolio was sizable (2x of core) and required higher attention of brand investment to grow the business. In this tenure, the company had seen multiple headwinds such as Covid and weak seasonal demand. Thereby, EBITDA margin has seen consistent contraction and reached 14% in FY25 from 18% seen after the Heinz acquisition in 2019 and 24% recorded before the Heinz acquisition.

- The company has been focusing on multiple cost initiatives such as streamlining the manufacturing setup (five plants to four plants) backed by flexible outsourcing (now 18 third-party partners), supply chain efficiency, and distribution leveraging. Besides, a steady shift to premiumization and operating leverage will drive EBITDA margin expansion for the organic business.
- We model organic EBITDA margin of nearly 16% in FY28, while the company aims to achieve ~17%. Thereby, there is an upside risk in our operating margin assumption for the organic business.

Valuation and view

Based on SoTP, we value the India business at 27x EV/EBITDA FY28E and International (Comfort Click) at 15x EV/EBITDA FY28E to arrive at a TP of INR575 (implied consolidated 22x EV/EBITDA and 30x P/E at FY28). We initiate coverage on Zydus with a BUY rating.

- Zydus has been working to stabilize its large acquisition over the last couple of years. India business has reached to INR25bn with multiple core and non-core business. Max Protein and Rite Bites certainly increase growth opportunities in the rising affluent youth and health-focused consumers. Comfort Click has superior growth history (>50% CAGR), and if the business can deliver 15-20% growth over the next three years, it will accelerate overall growth of Zydus.
- The company has one of the best risk-reward profiles as compared to its similar market cap consumer peers (<INR150b market cap). With promoter holding of 70%, professional leadership, best corporate background, and presence in futuristic categories, we believe the company deserves a better valuation multiple.
- The valuation multiple is currently low given its low earnings delivery in the past decade (10-year CAGR of 7-8%). With stability in the core business (took initial period for stabilizing sizable acquisition) and exciting new growth engines, we expect Zydus to deliver superior earnings growth than it delivered in the past.
- We model ~10% organic revenue CAGR and ~14% EBITDA CAGR over FY25–28E, with margins expansion to 15-16% (vs. management target of 17%, implying upside risk). Comfort Click has delivered >50% revenue growth over the last four years and the company is confident of achieving >25% CAGR; however, given global sensitivity, we model ~20% CAGR. During FY25-28, we estimate a ~30% revenue CAGR and ~35% EBITDA CAGR.
- **The stock is at 22x P/E and 16x EV/EBITDA FY28E, a 30%-35% discount to other FMCG peers, and offering the best risk-reward profile in the sub-INR150b market-cap consumer universe.**
- **Based on SoTP, we value the India business at 27x EV/EBITDA FY28E and International (Comfort Click) at 15x EV/EBITDA FY28E to arrive at a TP of INR575 (implied consolidated 22x EV/EBITDA and 30x P/E at FY28). We initiate coverage on Zydus with a BUY rating.**
- **Key downside risks**: a) high dependence on seasonality; b) input cost volatility; c) underperformance in the HFD category; and d) increase in competitive intensity.

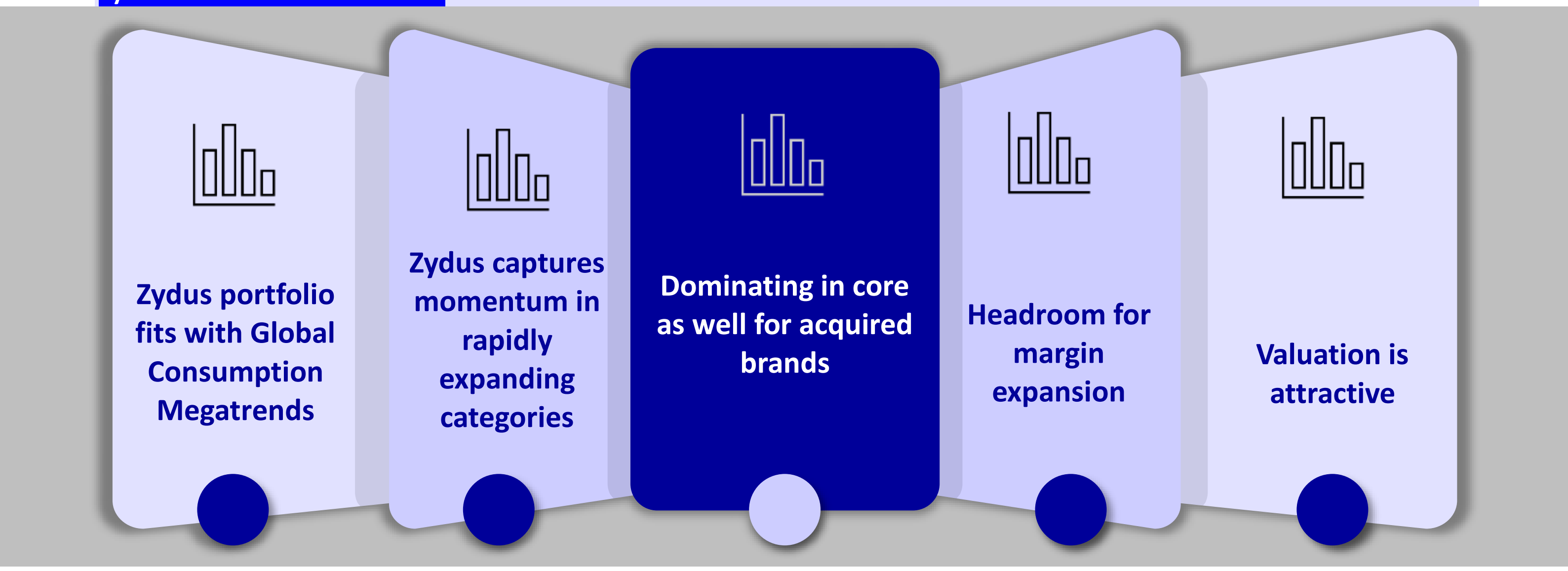
Comparative valuations

Company	CMP (INR)	TP (INR)	Reco	EPS (INR)			EPS Growth YoY (%)			P/E (x)			EV/EBITDA (x)			RoCE (%)
				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E
Staples																
Zydus	**425**	**575**	**Buy**	**11.7**	**17.0**	**18.9**	**9**	**45**	**11**	**36**	**25**	**22**	**30**	**20**	**16**	**14.1***
BRIT	6,010	7,150	Buy	108.4	126.4	143.5	18	17	14	55	48	42	38	33	29	42.9
CLGT	2,053	2,850	Buy	51.9	57.8	63.0	1	11	9	40	36	33	28	25	23	86.7
DABUR	496	525	Neutral	10.8	12.2	13.4	7	12	10	46	41	37	31	28	25	15.9
HMN	529	675	Buy	20.3	21.9	23.6	0	8	8	26	24	22	22	20	18	34.8
GCPL	1,213	1,450	Buy	21.4	26.5	30.5	16	24	15	57	46	40	39	33	29	15.6
HUVR	2,290	3,050	Buy	45.8	52.1	56.4	3	14	8	50	44	41	34	31	28	28.9
ITC	401	515	Buy	16.8	18.5	19.8	5	10	7	24	22	20	17	16	15	29.1
JYL	277	350	Neutral	10.3	11.7	13.0	1	13	11	27	24	21	19	17	15	18.3
MRCO	739	850	Buy	13.6	16.3	18.1	10	20	11	54	45	41	41	33	30	38.9
NESTLE	1,274	1,300	Neutral	16.9	20.1	22.5	5	20	12	76	63	57	47	40	36	69.7
PG	13,022	14,000	Neutral	268.1	296.7	330.1	37	11	11	49	44	39	36	32	29	119.5

*Ex-Goodwill

Source: MOFSL

Zydus Wellness: Growth drivers



Kotak Mahindra Bank

BSE SENSEX	S&P CNX
85,221	26,130

Bloomberg	KMB IN
Equity Shares (m)	1989
M.Cap.(INRb)/(USDb)	4378.2 / 48.7
52-Week Range (INR)	2302 / 1711
1, 6, 12 Rel. Per (%)	4/-1/13
12M Avg Val (INR M)	7976
Free float (%)	74.1

Financials & Valuation (INR b)

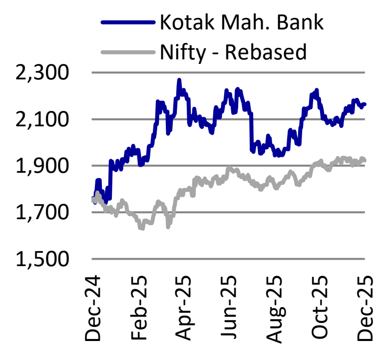
Y/E Mar	FY25	FY26E	FY27E
NII	283.4	301.3	348.8
OP	245.3	226.0	263.2
NP	164.5	140.6	167.3
Cons. NP	221.3	209.3	250.4
NIM (%)	4.8	4.5	4.5
EPS (INR)	82.7	70.7	84.1
EPS Gr. (%)	19.3	(14.5)	18.9
ABV. (INR)	568	599	678
Cons. BV. (INR)	792	869	994
Ratios			
RoA (%)	2.5	1.9	2.0
RoE (%)	15.4	11.7	12.7
Cons. RoE (%)	14.1	12.1	12.7
Valuations			
P/BV (X) (Cons.)	2.7	2.5	2.2
P/ABV (X) (Adj)	2.4	2.3	2.0
P/E(X) (Adj)	16.7	19.5	16.4

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	25.9	25.9	25.9
DII	32.0	31.3	29.6
FII	29.8	30.7	31.8
Others	12.4	12.2	12.8

FII Includes depository receipts

Stock performance (one-year)



CMP: INR2,203 TP: INR2,500 (+14%) Buy

Business growth steady; RoA to sustain at ~2%

NIMs to remain range-bound with an upward bias

- **Kotak Mahindra Bank (KMB) continues to align its balance sheet expansion with a disciplined growth framework of ~1.5-2.0x nominal GDP while steadily improving business granularity through retail and SME-led growth.**
- **NIMs are expected to remain range-bound in the near term, with 3QFY26 margins likely to be flat, largely due to temporary interbank yield distortions and short-term liquidity deployment at lower yields. The impact of the recent 25bp rate cut is expected to flow through primarily in 4QFY26.**
- **A repricing and the migration toward ActivMoney sweep deposits are expected to gradually ease funding costs, although benefits from term-deposit repricing will accrue with a lag. Despite near-term noise, absolute NII continues to grow, reinforcing confidence in earnings stability.**
- **Credit cost, which peaked in 1QFY26 owing to unsecured stress, is expected to trend down gradually, with management expecting a comfortable range of ~55-60bp over the medium term. Visible improvement is expected from 1QFY27 onward, as stress in personal loans and MFI has largely eased.**
- **KMB's leadership remains focused on execution discipline, digital investments, and cost control, reinforcing the bank's ability to sustain RoA at ~2%+ through the cycle. The bank continues to add 150-200 branches annually without proportional headcount addition, highlighting operating leverage from digitization.**
- **We estimate KMB to deliver robust return ratios, with RoA/RoE at 2%/12.7% by FY27E. Retain BUY with a TP of INR2,500 (2.5x FY27E ABV+ INR775 for subs).**

Credit growth to remain calibrated; SME and secured retail to lead

KMB remains aligned to its disciplined loan growth framework, delivering healthy 15.8% YoY growth in advances to INR4.63t in 2QFY26. Management has reiterated that secured lending will grow faster than unsecured, although absolute unsecured balances will continue to expand as risk conditions ease. Retail assets such as housing loans and LAP continue to perform well, while wholesale growth will remain selective and margin-led, with preference for flow-based businesses rather than long-tenor balance-sheet deployment. While credit cards remain in a rebuilding phase, management emphasized that portfolio quality and profitability take precedence over growth. Overall, the bank remains well positioned to sustain healthy double-digit credit growth over the medium term, anchored by SME and secured retail franchises, with the broad credit growth guidance staying intact at 1.5-2.0x nominal GDP growth.

Retail, SME, Agri and Tractor to anchor next phase of growth

Over FY26-28, advances growth is expected to be led by retail (mortgages/ LAP) and SME lending, supported by urban housing demand, rising self-employed credit penetration, and a largely secured SME book. BB and mid-market segments continue to scale through working-capital-led growth, with utilization expected to improve in 2H. Within commercial lending, stress in retail CV and construction equipment is expected to persist in the near term, prompting the bank to remain cautious in these segments. Agri and tractor financing remains strong, supported by a good monsoon and improving rural cash flows. The bank is also stepping up focus on gold loans, currently a small base but strategically attractive, given granular sourcing and favorable risk-adjusted returns. Personal loans have picked up selectively, while credit cards remain calibrated, with growth expected to resume gradually as portfolio seasoning improves.

NIMs to remain broadly stable in near term

- NIM trajectory is expected to remain range-bound in the near term, largely due to temporary interbank yield distortions and deployment of short-term liquidity at lower yields, even as underlying core margins would have expanded in the absence of these factors. The impact of the recent 25bp rate cut is expected to flow through primarily in 4QFY26; however, it will largely be offset by gains from gradual TD repricing. Importantly, management has reiterated confidence in sustaining NIMs at ~4.5-4.6% in the near term, supported by a strong liability franchise, calibrated loan mix skewed toward secured retail and SME, and disciplined pricing. As transient distortions normalize and funding costs trend lower, margins are expected to stabilize, reinforcing visibility on earnings resilience and return sustainability.

Stable CASA franchise and sweep product to ease funding costs

- KMB's liability franchise remains a structural competitive advantage. Management clarified that the moderation in reported SA balances is also due to migration into ActivMoney sweep deposits, rather than any underlying weakness. SA growth has picked up over the last two quarters, reflecting improved granularity and customer acquisition. The bank continues to gain traction in corporate salary accounts, affluent customers, and NRIs, supported by bundled propositions. CASA remains healthy at ~42%, while sweep products are cushioning funding-cost pressures and preserving customer stickiness. While benefits from SA repricing have largely flowed through, term-deposit repricing will take another few quarters, especially following recent TD rate cuts across the system. Nevertheless, management remains confident that cost of funds will trend lower over the medium term, supporting NIM resilience.

Bank focused on execution, digital depth, and granularity

- Under the current leadership structure, KMB has sharpened its focus on digital platforms, segmentation, and execution excellence. Initiatives such as Solitaire, enhanced NRI propositions, and deeper ecosystem integration are strengthening customer engagement across liabilities, lending, investments, and protection. The Kotak 811 franchise continues to mature, transitioning from an acquisition-led model to a sustainable, granular relationship engine. The bank remains cautious in extending unsecured credit to this segment, preferring secured cards and gradual seasoning, while expanding SIP and term-insurance journeys to improve monetization. Operating leverage continues to improve, with branch expansion without commensurate headcount growth, reinforcing cost discipline and return sustainability.

Open to M&A opportunity; no immediate plans to unlock value from subs

- KMB's franchise has been strengthened over time through selective acquisitions aimed at strategic depth rather than scale. While the bank remains open to M&A on a case-by-case basis, management reiterated that capital discipline and return thresholds remain paramount. The bank has no plans for value unlocking of subsidiaries, consistent with its long-standing philosophy of 100% ownership and long-term compounding. Strong capital buffers (CET-1 ~21%+) provide ample flexibility for growth while ensuring balance sheet resilience.

Asset quality resilient; unsecured stress showing signs of easing

- Asset quality trends remain stable and reassuring, with slippages, early delinquencies, and cheque-bounce indicators under control. Stress in MFI and personal loans has largely normalized, while credit card losses remain within expected levels. Retail CV stress persists but is manageable, given the smaller book and proactive pruning. The SME portfolio remains largely secured, limiting downside risk. With a healthy PCR of ~77%, credit losses are expected to remain well cushioned. Management has reiterated that slippages are not expected to rise meaningfully from current levels, and credit costs should trend down steadily after FY26, reinforcing confidence in sustainable, risk-adjusted growth. We estimate GNPA/NNPA ratios at 1.35%/0.29% in FY26E and 1.31%/0.27% in FY27E.

RoA well positioned to sustain at ~2% over the medium term

- Despite near-term NIM volatility and elevated credit costs in early FY26, KMB remains well positioned to sustain RoA at ~2%+ through the cycle. Margin normalization, declining credit costs, fee income diversification, and operating leverage from digital investments remain key drivers. As credit costs move toward ~60bp in the medium term, RoE is expected to expand toward the mid-teens over time. Strong capital adequacy ensures that growth can be funded without diluting returns, reinforcing KMB's positioning as a high-quality compounder.

Valuation and view

- KMB witnessed near-term NIM volatility and elevated credit costs earlier in FY26; however, operating performance is expected to normalize as funding-cost repricing plays out and unsecured stress subsides.
- The bank remains focused on profitable, calibrated growth, with retail, SME, agri, and tractor portfolios supporting balance-sheet expansion, while CV and unsecured exposures remain well managed.
- Subsidiaries continue to provide structural earnings diversification, supporting consolidated profitability over the medium term.
- **Disciplined execution, strong liability franchise, and capital strength underpin confidence in sustainable RoA of ~2%+.**
- **We thus estimate KMB to deliver robust return ratios, with RoA/RoE at 2%/12.7% by FY27E. Retain BUY with TP of INR2,500 (2.5x FY27E ABV, including an SoTP value of INR775 for subs).**

IGI : Lab-Grown Vs Natural Diamonds: Is There A Market Share Shift?; Eashwar Iyer, CFO

- There are a lot of larger players coming into the LGD field
- Lab-grown diamond could be 10% of the overall market in a few years
- US 50% of engagement rings are lab grown Diamond

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Bhive Eyes : ₹400 Crore In Pre-IPO Funding ahead of IPO IN 2027; Shirish Dongre

- Working on Unit Economics, Operational Discipline
- Aims for 500Crs revenue by FY28 + 1000Crs by FY30
- Co Operates over 32,000 seats across 28+ Nation

Read More

Blue Star : Expect Inventory Position To Normalise To 40-45 Days In Coming Weeks; B Thiagarajan, MD

- Positive on FY27; Sales have started showing improvement in Nov-Dec
- Expect Inventory position to normalise to 40-45 days in coming weeks
- Expect 15% growth in FY27 over FY25

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

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