Morning India

Market snapshot

Equities - India	Close	Chg .%	CY25.%
Sensex	85,762	0.7	9.1
Nifty-50	26,329	0.7	10.5
Nifty-M 100	61,366	1.0	5.7
Equities-Global	**Close**	**Chg .%**	**CY25.%**
S&P 500	6,858	0.2	16.4
Nasdaq	23,236	0.0	20.4
FTSE 100	9,951	0.2	21.5
DAX	24,539	0.2	23.0
Hang Seng	9,169	2.9	22.3
Nikkei 225	50,339	0.0	26.2
Commodities	**Close**	**Chg .%**	**CY25.%**
Brent (US$/Bbl)	61	-2.6	-15.7
Gold ($/OZ)	4,332	0.3	64.6
Cu (US$/MT)	12,508	0.4	43.9
Almn (US$/MT)	2,991	0.8	17.5
Currency	**Close**	**Chg .%**	**CY25.%**
USD/INR	90.2	0.3	5.0
USD/EUR	1.2	-0.2	13.4
USD/JPY	156.8	0.1	-0.3
YIELD (%)	**Close**	**1MChg**	**CY25 chg**
10 Yrs G-Sec	6.6	0.02	-0.2
10 Yrs AAA Corp	7.3	0.04	0.1
Flows (USD b)	**2-Jan**	**MTD**	**CYTD**
FIIs	0.03	-2.60	-18.8
DIIs	0.08	8.93	90.1
Volumes (INRb)	**2-Jan**	**MTD***	**CYTD***
Cash	1,106	985	985
F&O	1,63,362	1,26,399	1,26,399

Note: Flows, MTD includes provisional numbers. *Average

Today's top research idea

Capital Goods & Defense | 3QFY26 Preview: Select pockets continue to grow

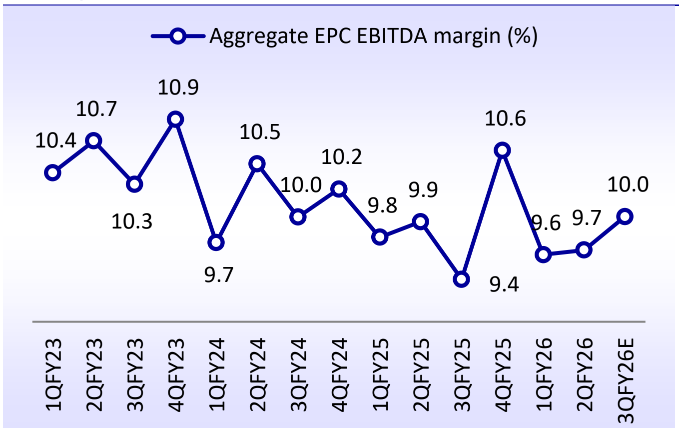
- We expect execution growth to remain healthy for our coverage companies in the capital goods universe, driven by strong order inflows and order books for them. While ordering remains strong across thermal power, renewables, T&D, data centers, buildings & factories, and defense, it is very selectively picking up from the domestic private sector.
- Government capex growth has remained healthy in 8MFY26, primarily driven by defense, and is expected to pick up from railways over the next few quarters. Government capex growth also benefited from the low base of last year. The export outlook is strong across renewables and T&D, with select EPC and product companies benefiting from this. We will monitor the commodity prices, as select commodities such as copper and zinc have moved up in recent months. For 3QFY26, we estimate our coverage companies to report revenue growth of ~16% YoY, EBITDA growth of 20% YoY, and PAT growth of 24% YoY.
- We reiterate our positive stance on LT, Cummins India (KKC), and Siemens Energy in the large-cap space and Kirloskar Oil Engines (KOEL) and Kalpataru Projects International (KPIL) in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics (BHE) remains our top pick.

Research covered

Cos/Sector	Key Highlights
3QFY26 Preview	Capital Goods & Defense: Select pockets continue to grow
Other Updates	3QFY26 Preview: a. Financials – NBFCs; b. Financials – Non-Lending; c. Automobiles; d. Consumer; e. Healthcare | Eagle Eye | Bajaj Finance | Avenue Supermarts | Bank of Baroda | Punjab National Bank | Union Bank of India | Marico | Bajaj Housing Finance | AU Small Finance Bank | Mahindra Finance | Bandhan Bank | RBL Bank | Equitas Small Finance | V-Mart Retail

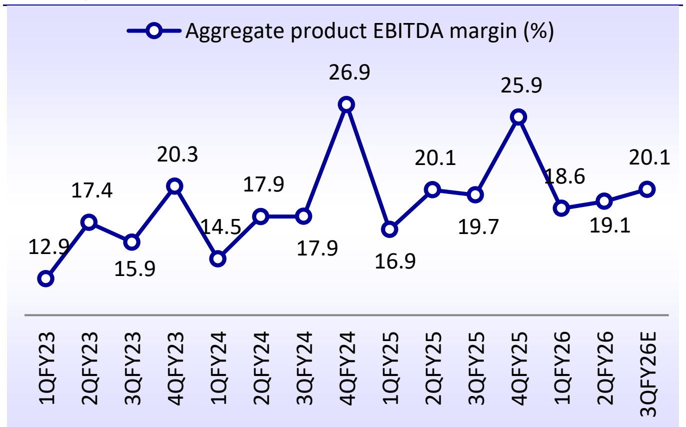
Chart of the Day: Capital Goods & Defense (Select pockets continue to grow)

EBITDA margin snapshot for EPC companies under our coverage



Source: MOFSL, Company

EBITDA margin snapshot for product companies under our coverage



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

Kindly click on textbox for the detailed news link

1

Carmakers eye strong FY26 finish to achieve record sales target

India's passenger vehicle industry is banking on a strong January–March quarter to meet its FY26 growth target, as carmakers push rural demand, price hikes and finance schemes to offset slowing urban sales momentum.

2

HDFC AMC to enter private credit, plans Rs 2.5k-cr fund

International Finance Corp., the World Bank Group's private-sector arm, has committed Rs 220 crore as anchor investor, while the remaining capital is coming from institutional investors, family offices and ultra-high-net-worth individuals.

3

Goldi Solar looks to add 5 GW module, 16 GW cell capacity by FY28 to meet domestic demand

Goldi Solar is set to boost its solar manufacturing capabilities. The company plans to add 5 gigawatt of module capacity and 16 gigawatt of cell capacity in the coming years. This expansion aims to meet growing domestic demand for solar installations.

4

KPI Green Energy begins power supply from 92-MW hybrid project in Gujarat

The project was awarded by Gujarat Urja Vikas Nigam Limited under the competitive bidding process for hybrid renewable energy projects, KPI Green Energy Limited said in an exchange filing.

5

Nirma Group plans foray into hospitality with 555-room luxury hotel in Ahmedabad

Nirma Group is entering the hospitality sector. They plan a five-star hotel in Ahmedabad. The hotel will have 555 rooms. It will be located on the Sarkhej-Gandhinagar Highway. Nirma Group is in talks with international hotel operators. The hotel is expected to open before the 2030 Commonwealth Games. Ahmedabad's hotel market is seeing strong demand.

6

Nykaa parent sees December quarter revenue growth at top end of mid-twenties

Nykaa's parent company anticipates robust revenue growth for the December quarter. The beauty segment is set to lead this expansion, showing its strongest performance in six quarters.

7

Mphasis chief sees discretionary tech spends accelerating

Clients are identifying pockets of their business to make it efficient through the use of AI, automating tasks that don't need as much manual effort, such as some business operations and software engineering, according to the chief executive.

Capital Goods & Defense

Company
ABB India
Astra Microwave Products
Bharat Dynamics
Bharat Electronics
Cummins India
Hindustan Aeronautics
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
Siemens
Siemens Energy
Thermax
Triveni Turbine
Zen Technologies

Select pockets continue to grow

We expect execution growth to remain healthy for our coverage companies in the capital goods universe, driven by strong order inflows and order books for them. While ordering remains strong across thermal power, renewables, T&D, data centers, buildings & factories, and defense, it is very selectively picking up from the domestic private sector. Government capex growth has remained healthy in 8MFY26, primarily driven by defense, and is expected to pick up from railways over the next few quarters. Government capex growth also benefited from the low base of last year. The export outlook is strong across renewables and T&D, with select EPC and product companies benefiting from this. We will monitor the commodity prices, as select commodities such as copper and zinc have moved up in recent months. For 3QFY26, we estimate our coverage companies to report revenue growth of ~16% YoY, EBITDA growth of 20% YoY, and PAT growth of 24% YoY. We reiterate our positive stance on LT, Cummins India (KKC), and Siemens Energy in the large-cap space and Kirloskar Oil Engines (KOEL) and Kalpataru Projects International (KPIL) in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics (BHE) remains our top pick.

Ordering momentum remains stable

Ordering activity during the quarter remained stable across key areas such as defense, power T&D, hydrocarbon, heavy civil, and buildings & factories segments. Select large-sized order wins were seen for L&T for an ultra-mega project in the hydrocarbon segment, Thermax for a boiler order, and GVTD for an HVDC project. Based on our discussions with companies, domestic private sector ordering is picking up selectively from metals and mining, buildings & factories, and thermal power, and further pickup is expected in the coming quarters. Ordering also remained healthy across the defense segment and is expected to pick up from railways, particularly for Kavach systems. During 3QFY26, BHE booked orders worth ~INR55b, BDL announced orders worth INR46b, KECI secured ~INR76b, and KPIL acquired ~INR51b. Supported by a strong order backlog and the expected finalization of pending pipeline opportunities, we estimate ~16% YoY growth in execution for our coverage universe in 3QFY26.

Recent developments in the defense sector

India's Defense Acquisition Council (DAC) approved capital acquisition proposals worth INR790b in its winter session, taking FY26YTD approvals to ~INR3.3t, nearly double the capital outlay on defense of INR1.8t. Almost half of these approvals were announced in 3QFY26, with proposals worth INR1.6t announced in Oct'25 and Dec'25 combined. This provides order inflow visibility for the next 2-4 years, as conversion of AoNs takes time to convert into firm orders. The DAC has also extended the current emergency procurement window for the Armed Forces until mid-Jan'26, allowing them to continue fast-track purchases of critical weapons, platforms, and equipment to meet urgent operational needs. Other key developments include 1) completion of the user trials for the Akash-NG system, clearing it for induction, and we expect BDL and BEL to receive production and supply contracts in CY26 with ramp-up orders to follow; 2) the 5th F-404 engine delivered to HAL by GE; and 3) the guideline rollout for the two major shipbuilding schemes by the GoI with a combined outlay of INR447b.

Commodity prices have been on the rise lately

On a YTD basis, commodity prices have trended upward across most key raw materials. While HRC steel prices, an important input for EPC companies, have moderated by ~6% from March '25 levels, zinc prices have risen by ~9%. This may lead to some margin pressure in subsequent quarters; however, EPC players are generally able to hedge zinc price volatility. Copper/aluminum prices, which remained largely benign for some time, have recently started to increase, rising ~21%/8% from March levels. These increases have a more direct impact on product-oriented companies, and we will monitor the commodity price movements going forward. Overall, while commodity inflation remains a headwind, margin outcomes are likely to be driven more by revenue mix for product companies and indigenization levels for defense companies. We expect margins across our coverage universe to improve by ~50bp YoY, with EPC companies' margins improving ~60bp YoY and product companies' margins increasing ~40bp YoY.

Export demand to remain supportive

The export outlook remains selective for our coverage companies' universe. L&T remains confident in the continuation of the long-term growth momentum from international geographies. Other EPC companies, too, are witnessing healthy order inflows globally. Transformer players are also optimistic about export order inflows due to higher spending across renewables. Product companies like ABB, Siemens, Thermax, and Triveni Turbine are yet to see a meaningful revival in exports. Cummins and KOEL are selectively targeting to grow exports. Demand outlook across defense exports remains strong, though we have yet to see any meaningful export ordering momentum for defense PSUs.

View: Selective stance continues

Our selective stance continues in the sector, and we continue to prefer companies in the T&D, renewables, and defense sectors. Companies that are growing at a high pace will remain preferred bets over the medium to long term.

Our top picks

We continue to prefer L&T, KKC, and Siemens Energy in the large-cap industrial space and KOEL and KPIL in the mid-cap and small-cap segments. BHE continues to remain our top pick in the defense sector.

Summary of quarterly earnings estimates

Sector	CMP (INR)	RECO	SALES (INR m)			EBITDA (INR m)			NET PROFIT (INR m)		
			Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ
ABB India	5197	Buy	34,026	1.1	2.8	5,317	-19.1	6.3	4,418	-16.9	8.0
Astra Microwave	963	Buy	2,620	1.4	22.1	616	-19.2	28.7	305	-35.7	27.5
Bharat Dynamics	1495	Buy	11,453	37.6	-0.2	2,062	62.5	9.9	2,066	40.4	-4.3
Bharat Electronics	403	Buy	67,801	17.8	17.6	19,120	15.6	12.8	14,873	13.0	15.6
Cummins India	4482	Buy	29,431	-4.6	-7.2	6,004	0.1	-13.6	5,527	7.5	-13.3
Hind.Aeronautics	4417	Buy	78,745	13.2	18.8	19,686	17.0	26.4	18,593	29.1	11.4
Hitachi Energy	18822	Sell	22,028	36.0	20.2	3,524	111.2	17.9	2,715	217.6	2.7
Kalpataru Proj.	1198	Buy	56,461	17.0	4.2	4,799	19.4	7.3	2,179	38.5	9.0
KEC International	747	Buy	61,335	14.7	0.7	4,539	21.2	5.5	1,769	36.5	10.0
Kirloskar Oil	1261	Buy	14,319	23.1	-10.8	1,904	62.8	-11.2	1,227	88.7	-12.9
Larsen & Toubro	4163	Buy	7,50,667	16.1	10.4	77,306	23.6	13.6	42,955	27.9	9.4
Siemens	3098	Neutral	44,364	23.7	-14.2	5,311	32.5	-13.9	4,394	18.1	-9.5
Siemens Energy	2546	Buy	19,939	31.4	-24.6	4,087	21.9	-14.7	3,029	30.7	-15.8
Thermax	3025	Sell	27,144	8.2	9.7	2,815	49.0	63.6	1,695	49.1	42.0
Triveni Turbine	541	Buy	5,603	11.3	10.7	1,188	8.7	3.7	992	7.2	8.6
Zen Technologies	1362	Neutral	1,391	-1.7	11.6	508	38.2	21.4	490	26.8	6.1
Capital Goods			**12,27,327**	**15.6**	**7.6**	**1,58,786**	**20.5**	**11.0**	**1,07,226**	**24.1**	**6.8**

ABB: December Y/E; Siemens Energy: September Y/E

Comparative valuations

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Capital Goods						**39.7**	**33.9**	**28.2**	**7.4**	**6.4**	**5.4**	**18.6**	**18.8**	**19.3**
ABB India	5,197	Buy	79.1	89.3	104.4	65.7	58.2	49.8	14.2	13.0	11.9	22.6	23.4	25.0
Astra Microwave	963	Buy	16.4	23.7	30.3	58.6	40.6	31.8	7.2	6.1	5.1	13.2	16.4	17.6
Bharat Dynamics	1,495	Buy	28.3	37.9	52.0	52.9	39.5	28.7	11.4	9.2	7.2	21.5	23.3	25.2
Bharat Electronics	403	Buy	8.3	9.9	11.5	48.5	40.8	35.2	11.7	9.4	7.6	24.2	23.0	21.6
Cummins India	4,482	Buy	87.6	98.5	114.9	51.2	45.5	39.0	15.5	13.7	12.0	32.3	31.9	32.8
Hind.Aeronautics	4,417	Buy	142.9	161.0	197.8	30.9	27.4	22.3	7.1	6.0	4.9	22.8	21.7	22.1
Hitachi Energy	18,822	Sell	203.2	266.4	334.5	92.6	70.6	56.3	15.6	12.7	10.3	17.8	18.9	19.3
Kalpataru Proj.	1,198	Buy	52.7	73.5	85.6	22.8	16.3	14.0	2.6	2.2	2.0	11.9	14.7	14.9
KEC International	747	Buy	31.1	40.3	50.9	24.0	18.5	14.7	3.3	2.9	2.5	14.6	16.7	18.2
Kirloskar Oil	1,261	Buy	35.5	44.6	52.3	35.5	28.3	24.1	5.4	4.7	4.1	16.2	17.7	18.0
Larsen & Toubro	4,163	Buy	130.3	155.5	183.5	31.9	26.8	22.7	5.2	4.6	4.0	17.3	18.2	18.9
Siemens	3,098	Neutral	73.7	61.8	73.8	42.0	50.1	42.0	6.1	5.5	4.8	14.6	10.9	11.5
Siemens Energy	2,546	Buy	30.9	41.2	61.1	82.4	61.8	41.6	20.7	15.5	11.3	25.1	25.1	27.1
Thermax	3,025	Sell	62.2	72.2	86.5	48.7	41.9	35.0	6.2	5.6	4.9	13.5	14.0	14.9
Triveni Turbine	541	Buy	11.8	14.0	16.8	45.9	38.6	32.2	11.6	9.5	7.8	27.7	27.1	26.7
Zen Technologies	1,362	Neutral	21.6	40.5	53.3	63.2	33.7	25.6	6.5	5.5	4.5	10.9	17.7	19.3

For ABB India, FY26E/FY27E/FY28E indicate CY25/CY26/CY27 data; For Siemens Energy, FY26E/FY27E/FY28E indicate Sep’25/Sep’26/Sep’27 Y/E data; For SIEM, FY26E indicate 18 months Mar’26 Y/E data , and FY27E/FY28E indicate 12 months Mar Y/E data

Financials - NBFCs

Result Preview

Company
Aavas Financiers
Bajaj Finance
Bajaj Housing
Can Fin Homes
Chola Inv. & Fin.
CreditAccess Grameen
Five Star Business Finance
Fusion Microfinance
HomeFirst
HDB Financial
IIFL Finance
L&T Finance Holdings
LIC Housing Finance
M&M Financial Services
Manappuram Finance
MAS Financial Services
Muthoot Finance
PNB Housing Finance
Poonawalla Fincorp
Power Finance Corporation
Repco Home Finance
Rural Electrification Corporation
Shriram Finance
Spandana Sphoorty

Mixed loan growth; NIM tailwinds and asset quality support earnings

Gold, vehicle finance, and unsecured segments drive momentum

- Demand revival in select segments: We expect ~11% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs. Vehicle financers are projected to report ~17% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~39% YoY growth (primarily driven by ~48% YoY gold loan growth in MUTH). NBFC-MFIs are estimated to post a decline of ~15% YoY/remain flat QoQ in AUM, while diversified lenders are expected to deliver ~24% YoY growth in AUM. For our NBFC coverage universe, we estimate a loan growth of ~15% YoY/~3% QoQ as of Dec'25. Loan growth trends during the quarter remained mixed across segments, though pockets of demand revival were evident. Gold financiers are expected to deliver yet another quarter of strong loan growth. VFs reported improved disbursement momentum, supported by pent-up demand, GST rate cuts, and festive-season tailwinds. Additionally, disbursements in unsecured segments have also regained momentum during the quarter. In contrast, MFIs continued to see subdued disbursements and AUM growth due to elevated rejection rates, as lenders prioritized asset quality over growth. Disbursements for both large HFCs and AHFCs were relatively weaker (than earlier expectations), impacted by heightened competition from banks and the loss of business from festive holidays during the quarter.
- CoF continuing to trend down; NIM expansion for VFs and AHFCs: Borrowing costs for most NBFCs continued to trend down. NIM trends for NBFCs are expected to be mixed this quarter, varying across sub-segments. Large HFCs are likely to witness margin contraction due to heightened competitive intensity and PLR cuts, while affordable HFCs and vehicle financiers will see an NIM expansion, aided by segment-specific dynamics.
- Asset quality broadly stable across segments; MFIs see further improvement in PAR accretion: Asset quality remained broadly stable across all product segments. For VFs, asset quality remained stable despite the usual seasonal tailwinds that tend to drive improvement. For MFIs, credit costs are likely to moderate sequentially; however, they will approach normalization only in 4QFY26/1HFY27. HFCs, including affordable HFCs, are expected to report broadly stable asset quality, while power financiers also maintained stability with no incremental slippages or material resolutions during the quarter (except for Sinnar Thermal, which might be marked as resolved in 3Q/4QFY26).
- Earnings growth of ~26% YoY/6% QoQ for the coverage universe: We estimate ~16%/17% YoY growth in NII/PPoP in 3QFY26 for our NBFC coverage universe. PAT is expected to grow ~26% YoY. Excluding NBFC-MFI, we estimate ~19% YoY growth in PAT for our coverage universe. Our preference is for vehicle financiers, gold financiers (primarily to play the strong momentum in gold loan growth), and diversified lenders (that have navigated the unsecured credit cycle and are now looking to grow their unsecured loan book again). Our top picks in the sector are: SHFL, PNBHF, and ABCAP.

HFCs: Disbursements and AUM growth slightly weak; asset quality stable

- Large HFCs continued to face heightened competition as banks have turned more aggressive over the past two quarters, offering home loans at significantly lower rates. As a result, large HFCs are expected to report NIM contraction, driven by pressure on yields amid intensifying competition in the prime segment.
- Disbursement momentum for both large HFCs and AHFCs was relatively weaker (than earlier expectations), driven partly by the concentration of festive holidays during the quarter, which disrupted housing loan origination, and partly by intensifying competition from banks (as discussed earlier).
- Most affordable HFCs have still not reduced their PLR (until Dec'25). As a result, AHFCs are likely to exhibit spread and NIM expansion, supported by broadly stable yields and benefits in their borrowing costs. In contrast, larger HFCs such as BAJAJHFL and LICHF have passed on PLR cuts to borrowers and are, therefore, likely to witness some margin contraction during the quarter.
- Asset quality was broadly stable during the quarter for both large and AHFCs, with no spillover from micro-LAP into affordable housing loans. Consequently, credit costs are expected to remain benign.
- For LICHF, we expect credit costs at ~18bp (vs. ~22bp in 2QFY26). Margins are expected to contract ~3bp QoQ. We expect LICHF to report ~6% YoY growth in loans. We expect BHFL to report AUM growth of 23% YoY. We expect margins for BHFL to contract ~5bp QoQ.
- We estimate HomeFirst to report a ~12% YoY growth in disbursements, leading to an AUM growth of ~25% YoY. We expect NIM to expand ~15bp QoQ for HomeFirst. Asset quality is expected to remain stable for both HomeFirst and Aavas. We expect disbursements and loan growth of 15% YoY and 16% YoY, respectively, for Aavas.
- We estimate PNBHF to deliver a ~15% YoY growth in the total loan book as of Dec'25. For PNBHF, we expect NIM to contract ~5bp QoQ. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially result in provision write-backs (similar to prior quarters).

MSME: Stress in small-ticket LAP persists; muted disbursements and loan growth

- For Five Star, loan growth and disbursements remain subdued, as the company has consciously chosen to adopt a cautious stance amid ongoing asset quality and collection trends. We expect disbursements to decline 9% QoQ, translating into ~17% YoY growth in AUM. We expect credit costs to increase to ~1.45% (compared to ~1.35% in 2QFY26).

Vehicle finance: Disbursement and AUM growth gain traction; asset quality broadly stable

- We expect MMFS to report disbursements of ~INR184b in 3QFY26 (up ~12% YoY), leading to ~13% YoY growth in business assets. We expect credit costs for MMFS to be at ~1.9% in 3QFY26 (vs. 2.4% in 2QFY26).
- For CIFC and SHTF, we expect disbursements growth of 15%/9% YoY, which should translate into ~21%/15% YoY growth in AUM for CIFC/SHTF as of Dec'25.
- Disbursements in the vehicle finance segment gained momentum during the quarter, supported by pent-up demand, GST rate cuts, and festive-season tailwinds. Within the segment, PVs and tractors continued to witness healthy and sustained growth; however, the GST-led buoyancy observed in 2W after the rate cut moderated in Dec'25. In the used vehicle segment, demand remained tepid, with lenders and used-vehicle sellers adopting a wait-and-watch approach amid some correction in used vehicle prices following the GST cuts.
- Asset quality remained broadly stable during the quarter for VFs. We estimate NIM expansion for vehicle financiers, driven by a decline in CoB and a fixed-rate vehicle finance book. SHFL is likely to see a healthy margin expansion, driven by both liquidity normalization and the repricing of borrowings in a declining interest rate environment.

Gold finance: Strong growth in gold loans; competitive pressures intensify

- We expect gold loan financiers to deliver robust growth in 3QFY26. While we expect MGFL, on a standalone basis, to deliver strong gold loan growth, the drag from its MFI and CV business would continue during the quarter. We expect ~49% YoY gold loan growth for MUTH.
- MGFL is likely to witness margin contraction as it has been targeting higher ticket gold loans and has cut its gold loan lending rates in line with its stated strategy. We expect margins to contract ~40bp YoY for MUTH and ~1pp QoQ for MGFL.
- While credit costs for both Asirvad and Belstar peaked around two quarters ago, they are expected to remain elevated in 3QFY26, with a meaningful normalization likely only from FY27 onwards. Additionally, Asirvad Finance's MFI portfolio is expected to witness a further contraction, while Belstar's MFI book is likely to remain broadly flat on a QoQ basis.

MFIs: Disbursements remain muted; declining PAR accretion boosts confidence for FY27 growth acceleration

- Disbursements momentum and AUM growth remained subdued during the quarter due to elevated rejection rates as lenders prioritized adherence to guardrails and credit discipline. This is expected to translate into a softer AUM growth (vs a full-blown recovery) in 2HFY26. We expect the loan book to remain flat QoQ for Fusion and Spandana, while CREDAG's GLP is likely to grow ~7% YoY/3% QoQ.
- Asset quality in the MFI segment continued to improve in Dec'25. While PAR levels were broadly stable during Oct'25 and Nov'25, they showed an improvement in Dec'25. Overall, asset quality for MFI companies is holding up well, with no further signs of deterioration.

- We expect a sequential decline in credit costs for MFI companies. We estimate annualized credit costs of ~5.3%/~5.5%/8% for CREDAG/Fusion/Spandana during the quarter.
- The MFI sector is emerging from a stress cycle, with signs of normalization visible in collection efficiencies, flow rates, and PAR trends. Profitability this quarter will remain weighed down by muted AUM growth, high cost ratios, and elevated credit costs. However, we expect earnings to exhibit a recovery from FY27 onwards.

Diversified financiers: Unsecured loans regain momentum; asset quality broadly stable

- BAF is expected to report AUM growth of ~22% YoY/5% QoQ. We estimate margins to contract 5bp QoQ for BAF, with credit costs of ~198bp (vs 205bp QoQ).
- For HDBFIN, we expect disbursements to grow ~8% YoY and anticipate loan growth of 13% YoY. We expect NIM to expand ~10bp QoQ. Credit costs are likely to decline 25bp QoQ to 2.45% (compared to 2.7% in 2QFY26).
- LTFH is expected to report loan growth of ~18% YoY/5% QoQ growth in retail loans. Since the company is not growing its wholesale segments (such as real estate and infrastructure), we expect the consolidated loan book to grow ~5% QoQ in 3QFY26. We do not expect the company to utilize any additional macro-prudential provisions during the quarter and estimate credit costs to remain broadly flat QoQ to 2.5% (even without the benefit of utilization of macro provisions).
- Poonawalla is expected to report AUM growth of ~75% YoY/13% QoQ, with total AUM of INR541b. We expect credit costs to decline ~60bp QoQ to ~2.2% (vs. 2.8% in 2QFY26).
- For IIFL Finance, we expect the strong growth in gold loan AUM to sustain in 3QFY26 despite a strong gold loan growth in 1H. We expect MFI AUM to remain flat QoQ and project a consolidated AUM growth of 37% YoY. We estimate a PAT (post MI) of ~INR4.44b in 3Q (vs. INR3.8b in 2QFY26).

Power Financiers: Muted loan growth; expect asset quality to remain broadly stable

- Disbursements and AUM growth among power financiers were muted during the quarter. REC's disbursements are expected to decline 5% YoY, leading to muted AUM growth of 2% YoY and -1% QoQ. Asset quality is expected to remain stable/improve as there were no incremental slippages during the quarter. Additionally, the resolution of the Sinnar Thermal project in NCLT during the quarter could (potentially) result in provision write-backs for both PFC and REC in 3Q/4QFY26.
- For PFC, we expect disbursements to grow 13% YoY, leading to loan book growth of ~13% YoY/1% QoQ.

Financials: Non-Lending

Result Preview

Company
ABSL AMC
HDFC AMC
Nippon AMC
UTI AMC
360ONE WAM
Anand Rathi Wealth
Nuvama Wealth
Prudent Corporate Advisory
Angel One
BSE
MCX
CDSL
NSDL
CAMS
KFin Tech
HDFC Life
ICICI Prudential Life
Max Financial
SBI Life
LIC
ICICI Lombard
Star Health
Niva Bupa
PB Fintech

Broad-based YoY growth, mixed sequential trends

- **In 3QFY26, we estimate 18%/19% YoY growth in aggregate revenue/PAT of non-lending financial companies under our coverage. On a sequential basis, revenue is expected to decline 2%, whereas PAT is expected to grow 24%. Capital market segment is expected to post revenue/PAT growth of 22%/29% YoY. Life insurance companies are projected to deliver premium/PAT growth of 14%/17% YoY. General insurance players are expected to deliver premium of 19% YoY while PAT is expected to decline 5% YoY.**
- **Exchanges and brokers are expected to post a strong 43%/98% YoY growth in revenue/PAT, largely driven by strong recovery in derivative volumes and a continued surge in commodity activity. While Angel One's revenue/PAT are expected to decline 1%/9% YoY, owing to regulatory changes implemented from Nov'24. MCX and BSE are likely to deliver strong revenue/PAT growth of 130%/163% and 61%/187% YoY, respectively, backed by continued momentum in premium turnover.**
- **For AMCs, EBITDA would rise 1% YoY, largely hurt by one-time VRS cost in UTI AMC. Excl. UTI AMC, EBITDA growth is likely at 9%, impacted by a change in yields due to the telescopic structure of TERs, partially offset by stable AUM growth. However, positive market sentiment is expected to drive healthy growth in other income, which would result in 10% YoY growth in PAT. SIP flows continued to grow by over INR294b in Nov'25.**
- **Intermediaries are likely to post revenue/PAT growth of 9%/5% YoY, as stable cash volumes and continued IPO momentum drove performance for depositories but lower yields impacted RTA businesses.**
- **Wealth managers are expected to maintain the growth momentum, with revenue/PAT growth of 21%/16% YoY, driven by consistent AUM expansion from inflows and improving profitability through scale benefits. That said, Nuvama is expected to report revenue/PAT growth of 11%/7% YoY owing to weakness in asset services segment due to regulatory action on one of their top clients. However, we note that sequentially the asset services segment is likely to recover almost two-thirds of the lost business.**
- **Among life insurers, APE growth is likely to be strong, with tailwinds from GST driving protection and lower interest rates driving non-par segment. VNB margins would be impacted by the end of input tax credit (ITC) after GST cuts. Some impact will be offset by a favorable product mix, a cut in commissions and vendor renegotiations.**
- **General insurers witnessed a slight recovery in the motor segment, while growth in the health segment was strong owing to GST exemption. Stable claims ratio and improving expense ratio owing to operational efficiency should result in improvement in combined ratios.**
- **Our top picks in the capital markets space are ABSL AMC, Angel One and Nuvama Wealth. Within insurance, MAX Financial is our preferred play in life, while Niva Bupa stands out in general insurance.**

Cash activity largely stable; Sequential recovery in F&O activity

- Cash ADTO was largely stable in the range of INR1-1.1t across the three months of 3QFY26. Positive market sentiment in Nov'25 owing to favorable GST changes led to slight growth in 3QFY26 cash volumes compared to 2QFY26 levels.
- Notional F&O ADTO grew 16% in Oct'25 and then declined but remained above 2QFY26 levels. Option premium ADTO grew 19% MoM in Oct'25 and then declined 4%/8% MoM but still witnessed QoQ growth.

- BSE's market share in the options segment continued to scale up in terms of notional/premium. Across three months, its market share rose to 42%+ in terms of notional turnover and 26%+ in terms of premium turnover.
- Incremental demat account additions rose to 3m/2.7m in Oct'25/Nov'25 from average of 2.6m per month in 2Q. NSE active client count continued to decline.
- Rising prices of precious metals and increasing activity in base metals and natural gas further boosted MCX volumes in 3Q. Futures ADTO crossed INR900b in Dec'25 (INR417b in 2Q). On the other hand, options notional ADTO was in the range of INR6-6.8t across the three months of the quarter (INR3.7t in 2Q).
- We expect ANGELONE to report revenue growth of 6% QoQ and its daily order run rate to improve by 9% QoQ, led by continued recovery in F&O activity and a surge in commodities activity, while cash activity was stable. Sequential growth in premium turnover is expected to result in double-digit QoQ revenue growth for BSE. For MCX, a surge in volumes will lead to 80%+ sequential growth in revenue. Slow demat additions, largely stable cash volumes and lower corporate actions will lead to weak sequential performance for depositories.

Mutual Funds: Regulatory impact on revenue growth

- Mutual fund AUM crossed the INR80t mark, with equity AUM at an all-time high of INR35t+. On a sequential basis, net equity flows (incl. hybrid) declined to INR388b in Oct'25 (from high of INR636b in Jul'25) and then grew slightly to INR432b in Nov'25. SIP inflows scaled new heights to INR295b in Oct'25 but saw a marginal dip in Nov'25 to INR294b.
- (Put equity + hybrid) Equity AUM's share in overall AUM dipped slightly to 43.6% in Oct/Nov'25 from 43.9% in Sep'25. Market share of HDFC AMC/Nippon AMC/ ABSL AMC/UTI AMC was largely stable at 11.4%/8.6%/5.5%/4.9%.
- Among AMCs, we expect moderate QoQ revenue growth of 3%/5%/2%/2% for HDFC/Nippon/ABSL/UTI, impacted by a decline in yields due to the telescopic structure of TER, which is likely to be offset by flows and MTM gains sustaining AUM growth. Other income is likely to increase slightly, backed by positive market movements during the quarter.
- CAMS/KFin are expected to post MF revenue growth of 4% QoQ due to yield pressure, which is likely to be offset by healthy AUM growth.
- Wealth managers are expected to generate steady inflows and recurring revenue, with transaction-led income also adding meaningfully on the back of strong investor participation in unlisted equities and IPOs.

Life Insurance: GST cuts to boost growth with some impact on VNB margins

- Private life insurers saw 15%/28% YoY growth in individual APE in Oct'25/ Nov'25, backed by strong demand after GST exemption. This was offset by a fall in group APE, leading to total APE growth of 13%/5% for private insurers in Oct'25/Nov'25. We expect double-digit YoY growth in APE for our coverage universe in 3Q.
- We expect VNB margins to be impacted by the loss of ITC, which should be offset by a tilt toward non-linked products, rising demand of term products and higher attachment rates. Across our coverage, YoY VNB margin changes are expected in the range of -210bp to +230bp, with all players, except HDFC Life and LIC, expected to see margin expansion.

General Insurance: GST exemption drives health segment growth; combined ratio improvement driven by operational efficiency

- The general insurance segment recorded flat YoY performance in Oct'25 and then strong 24% YoY growth in Nov'25. The health segment reported 3%/52% YoY growth in Oct'25/Nov'25, with GST exemption boosting retail health growth. The motor segment reported 12%/8% YoY growth in GWP in Oct'25/Nov'25.
- For ICICIGI, premium grew 16%/7% YoY in Oct'25/Nov'25. While the motor segment saw a slight recovery in growth, retail health witnessed strong ~2x growth YoY. Group health segment also posted double-digit growth.
- For Oct'25/Nov'25, STARHEAL reported premium growth of 19% YoY, with retail growth of 22% offset by group health decline of 30%/20% YoY.
- Niva Bupa recorded strong GWP growth of 67%/48% YoY in Oct'25/Nov'25, with retail health growing 56%/55% and group health growing at 95%/38% YoY.
- While claims are expected to be largely stable YoY, operational efficiencies will drive the YoY improvement in combined ratio across the industry.
- The strong growth in health insurance premiums and stable motor insurance premiums should boost PB Fintech's core online and new business premiums, resulting in 45% YoY revenue growth. However, the lower contribution margin of fresh health insurance business will impact profitability.

Automobiles

Company
Amara Raja Energy Mobility
Ashok Leyland
Apollo Tyres
Bajaj Auto
Balkrishna Industries
Bharat Forge
BOSCH
Ceat
CIE Automotive
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Happy Forgings
Hero MotoCorp
Mahindra & Mahindra
Maruti Suzuki
Samvardhana Motherson
Motherson Wiring
MRF
Sona BLW Precision
Tata Motors
TVS Motor Company
Tube Investments

Strong demand and stable costs to drive healthy earnings growth

Demand sustenance post festive has been encouraging

- Aggregate auto demand for all OEMs in our coverage universe grew 17% YoY for 3Q. Key to highlight is that demand has been healthy across all segments: 2W and PVs up 17% each, CVs up 22%, and tractors up 21%. Further, demand has sustained even after the festive season, which is the key positive.
- On the back of a healthy recovery in volumes, auto OEM companies under our coverage (ex-JLR) are expected to post a strong 24% revenue growth. Similarly, excl. JLR, both EBITDA/PAT for our coverage universe is expected to grow by 27% each YoY.
- Given the strong OE growth, auto ancillaries within our coverage universe are likely to post ~14% revenue growth and a much healthier 17%/20% EBITDA/PAT growth in 3Q.
- Within auto OEMs, all OEMs (ex-JLR) are anticipated to post healthy double-digit earnings growth, with the lowest being HMCL at 13% and the highest being TVS at 62%.
- Given the sustained demand pickup, there have been moderate earnings upgrades across our coverage universe.
- Our top OEM picks are MSIL, MM, and TVSL. Top auto ancillary picks are ENDU, Happy Forgings, and SAMIL.

Demand remains healthy even after the festive season

While demand in this festive season has been strong across segments, the encouraging part has been that the same has remained strong even post the festive season. Retail growth, even in Nov and Dec'25, has held up very well. As a result, the overall auto industry volume growth for 3Q (aggregate for all listed OEMs) stood at 17% YoY. More importantly, growth was driven across all segments: 2Ws and PVs rose 17% YoY each, CVs grew 22% YoY, and tractors were up 21% YoY. Within 2Ws, TVS (+27%) and RE (+21%) continued to drive growth. On the other hand, while HMCL volumes were up 13%, BJAUT volumes grew 10%. Similarly, in PVs, ex-HMIL, the other three listed OEMs posted healthy double-digit growth. HMIL underperformed peers with just 5% YoY growth in 3Q. A key highlight has been that all three CV OEMs have posted 20%+ growth in 3Q. Further, within tractors, while MM posted 23% YoY growth, Escorts' volumes grew 14% YoY. While demand has picked up well, discounts have moderated sequentially, especially in PVs.

Auto sector to experience healthy earnings growth in 3Q

On the back of a healthy recovery in volumes, auto OEM companies under our coverage (ex-JLR) are expected to post a strong 24% revenue growth. While input costs are likely to rise marginally QoQ (precious metals are up but likely to be partially offset by cooling steel prices), this impact is likely to be offset by operating leverage benefits and moderation of discounts. Aggregate EBITDA margin for our OEM coverage universe is estimated to rise marginally by 30bp YoY to 13.5%. In 3Q, major margin gains are expected for Escorts Kubota (+220bp YoY), HMIL (+150bp), TTMT CV (+100bp), and TVSL (+100bp). The key is that none of the auto OEMs are expected to see any meaningful margin decline on a YoY basis. As a result, we expect OEM companies (ex-JLR) under our coverage to record a strong 27% growth each in EBITDA/PAT.

Given the strong OE growth, auto ancillaries within our coverage universe are expected to post ~14% revenue growth. This is likely to lead to a strong 17%/20% growth in EBITDA/PAT for 3Q. Within auto ancillaries, all automobile based tyre companies under our coverage are expected to register healthy margin expansion given the lower input costs. Apart from these, we expect CRAFTSMA to post a 280bp margin expansion YoY over a low base. On the other hand, players like BKT (-180bp YoY) and SONACOMS (-240bp YoY) are likely to see margin pressure in 3Q.

Estimated hits and misses in 3QFY26

We expect our auto OEM coverage universe (ex-JLR) to post a 27% YoY growth in earnings. It is important to highlight that all listed OEMs (ex JLR) are anticipated to clock a healthy double-digit growth in earnings with the lowest being HMCL at 13% and the highest being TVS at 62%.

As highlighted above, our ancillary coverage universe is also expected to deliver healthy 20% YoY growth in earnings. Most of the auto ancillaries within our coverage are expected to record strong earnings growth. However, the few with relatively weak performance would include AMRJ (-5% YoY), BIL (-36%), BHFC (9%), and SONACOMS (+9%).

Moderate earnings revision expected in 3QFY26

Given the strong demand post-festive season, there has been a moderate upwards earnings revision for most of the OEMs under coverage, largely in single digits. For a few auto ANCs, there has been a need for earnings cuts as well. Within our coverage, players like APTY (-5% for FY26E) and BIL (-4%), SONACOMS (-4%) and Exide (-4%) have seen some earnings cut.

Post-festive season demand sustenance encouraging

Following the GST rationalization, demand has picked up across segments and seems to have remained intact even after the festive season. A notable trend is that entry-level vehicles, both 2Ws and PVs, are seeing a marked pickup in demand. Further, wholesales were strong in Dec, and retails were equally healthy across most segments. Thus, OEMs are likely to have ended 2025 with lean inventory. This would help them sustain the volume momentum in 4QFY26 as well. With a recovery in demand, we expect discounts (in the PV segment) to gradually reduce. MSIL is our top pick among auto OEMs, as its new launches and the current export momentum are likely to drive healthy earnings growth. We also like MM, given the uptrend in tractors and healthy growth in UVs. In 2Ws, we are positive on TVSL. In the auto ancillary space, our top picks are ENDU, HAPPY, and SAMIL.

Consumer

Company	Reco	TP (INR)
Staples		
BRIT	Buy	7,150
CLGT	Buy	2,700
DABUR	Neutral	535
HMN	Buy	675
GCPL	Buy	1,450
HUVR	Buy	2,800
ITC	Neutral	400
JYL	Neutral	325
L T Foods	Buy	550
MRCO	Buy	875
NESTLE	Neutral	1,300
PG	Neutral	14,000
TATACON	Buy	1,475
VBL	Buy	576
Zydus	Buy	575
Paints		
APNT	Neutral	3,000
INDIGOPN	Buy	1,450
PIDI	Neutral	1,500
Innerwear		
PAGE	Buy	44,500
Liquor		
RDCK	Buy	3,550
UBBL	Neutral	1,700
UNSP	Neutral	1,550
QSR		
UFBL	Neutral	235
DEVYANI	Buy	180
JUBI	Neutral	635
RBA	Buy	120
SAPPHIRE	Buy	325
WESTLIFE	Neutral	600
Jewelry		
KALYANKJ	Buy	650
PNG	Buy	825
SENCO	Neutral	365
TTAN	Buy	4,650

Print appears to be improving; jewelry continues to outperform

Within our consumer coverage universe, almost all segments are expected to see an improvement in revenue/EBITDA growth YoY in 3QFY26 — staples +9%/+7%, paints & adhesives +8%/+11%, liquor +7%/+12%, innerwear +6%/+2%, QSR +13%/+10%, and jewelry +31%/+20%.

- **Staples** companies are expected to report sequential improvement in revenue growth. Post GST 2.0, the disruption continues for Oct and partially in November (nearly 40-45 days affected). Thereafter, partial restocking supported the primary growth. Grammage additions in price packs (LUPs), undertaken to pass on GST rate reductions, should support volume growth (particularly packaged foods). A favorable winter further drives off-take of health supplements, personal care, hot beverages, and other winter-sensitive products. From 4Q onwards, growth is likely to reflect better underlying demand as trade disruptions fully normalize. Rural demand is expected to remain resilient, while urban demand has also shown an improving trajectory. Benign raw material prices should start seeing a recovery in gross margin. EBITDA margin is also likely to improve. Nestle, GCPL, Marico, Britannia, Emami, LT Foods, and Tata Consumer are expected to deliver double-digit YoY EBITDA growth. We expect our coverage universe to deliver a sales/ EBITDA/APAT growth of 9%/7%/8% in 3QFY26.
- **Paint & Adhesives –** Improvement in demand was below expectation but is expected to be slightly better than 1HFY26. Demand post-festive period has not seen much pickup. Industry demand in value terms is expected to be in the low-to-mid-single digits in 3Q. Gross margins are expected to improve, supported by benign raw material prices, which should also aid EBITDA margin expansion. Pidilite is likely to sustain double-digit growth, underpinned by margin tailwinds and resilient underlying demand. We build in sales/EBITDA/PAT growth of 8%/ 11%/12% for our coverage companies in 3QFY26.
- **Liquor**: UNSP's volume and revenue are expected to grow ~2% and ~6%, respectively, in 3Q, impacted by the excise duty hike in Maharashtra (a high-teens revenue contributor) and the annualization of the AP policy. In contrast, Radico is expected to sustain robust double-digit, volume-led revenue growth. Gross margins are likely to see YoY improvement, supported by benign raw material prices. UBBL is likely to report weak revenue growth, hurt by the off-season (extended monsoon and early winters). Weak volume growth is expected to impact EBITDA margins. We expect sales/EBITDA/PAT growth of 7%/12%/13% for our coverage companies in 3QFY26.
- **Innerwear** demand remains soft, mainly due to a slowdown in the GT channel, while e-commerce continues to grow well. GT demand in Metro and Tier-1 cities (around 60% of sales) is still under pressure, whereas Tier-2/3 cities are seeing healthy growth. PAGE has geared up well for product launches, along with marketing and technology, though growth is expected to trend below its guidance. Going forward, it expects a new steady-state volume growth of 8-9% and a pricing contribution of 2-3% to drive double-digit revenue growth. **EBITDA margins may face some pressure** due to **higher ad spending** and a **high base** (23% in 3QFY25). We expect a sales/EBITDA/PAT growth of 6%/2%/5% for PAGE.

- **QSR:** The QSR print is expected to look better than 2Q, as Navratri was shifted to September vs. last year in October. Underlying demand has not seen much improvement. ADS and SSSG should be better than 2QFY26. Gross margins for most players are expected to see an improvement post-GST benefits. With better ADS, we believe the operating margin will be better than 2Q but will be lower for several brands on a YoY basis. We expect JUBI and RBA to deliver YoY expansion in EBITDA margin, and we expect them to deliver double-digit EBITDA growth. Intensified focus on in-store activations and new launches will be important to drive footfalls and order growth ahead. We expect sales and EBITDA growth of 13%/10% for 3QFY26.
- **Jewelry**: In 3QFY26, gold prices surged, rising ~60% YoY and ~20% QoQ. Despite this steep inflation, consumer demand for top brands remained resilient, supported by a strong festive season and sustained momentum during the wedding period. Demand was further aided by higher old-gold exchange-led purchases and attractive promotional offers. Gold coin sales also witnessed a sharp uptick amid rising gold prices. Now, consumers increasingly view gold inflation as structural and are therefore advancing their purchase decisions rather than postponing them. SSSG is expected to grow in high double digits, largely driven by value growth. However, margins may witness YoY pressure due to an adverse product mix amid elevated gold prices and high coin sales. We model a sales/EBITDA/PAT growth of 31%/30%/30% for our coverage jewelry companies in 3QFY26.
- **Outperformers and underperformers:** Among our coverage companies, Britannia, Emami, GCPL, MRCO, Nestle, Pidilite, Radico Khaitan, RBA, Titan, and Kalyan Jewelers are expected to be outliers in 3QFY26, whereas Colgate, HUL, UNSP, and UBBL will likely be the underperformers.
- **Outlook:** With trade stabilizing after the GST reduction, staples are expected to see a gradual pickup in demand, supported by a steady rural recovery and improving urban sentiment. Multiple measures have been initiated by the govt., and we expect steady improvement in demand from 4QFY26 onward. **Our top picks are Britannia, Titan, and Radico.**

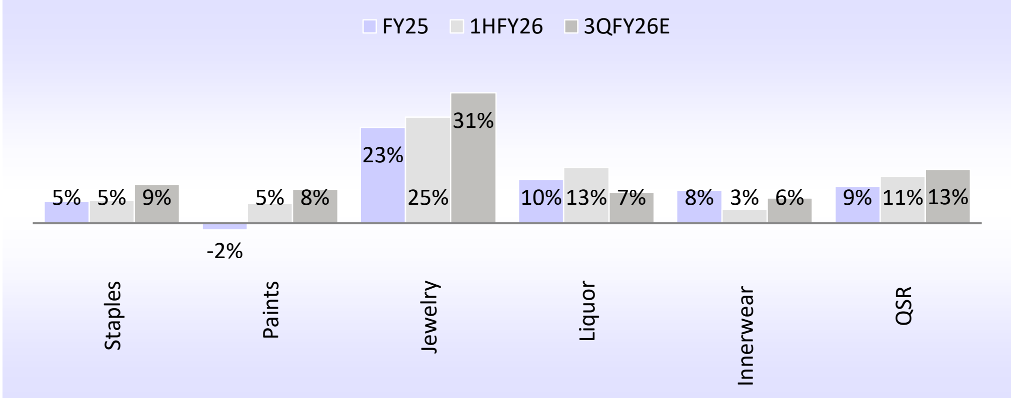
Raw material prices remain stable

- Commodity prices have seen deflationary trends during the quarter. We expect staple companies to see some sequential GM expansion. Further, margins started to see a YoY recovery for some companies. Most agricultural commodities and prices of non-agricultural commodities, including crude oil, its derivatives, TiO2, and VAM, have seen moderation. However, select commodities such as gold continue to see inflationary pressure. Overall, RM inflationary pressure is likely to ease out in 2HFY26.
- **Agricultural commodities**: Wheat prices dipped 10% YoY and 3% QoQ. Barley prices declined 4% YoY and were flat QoQ. Sugar prices increased 7% YoY and 1% QoQ. Coffee prices increased 1% YoY while down 2% QoQ. Cocoa bean prices have started to ease and were down 33% YoY and 26% QoQ, offering relief to companies like Nestlé and HUL. Copra prices surged 71% YoY while down 1% QoQ, while palm oil prices are down 13% YoY and 2% QoQ.
- **Non-agricultural commodities:** These commodities have seen a moderation in prices. Crude oil prices are down 14% YoY. Other commodities such as TiO2 and TiO2 (China) continue to show a downward trend. VAM (China) prices rose 2%

YoY and 4% QoQ. Gold prices jumped 60% YoY and 21% QoQ, putting pressure on the margins of jewelry companies.

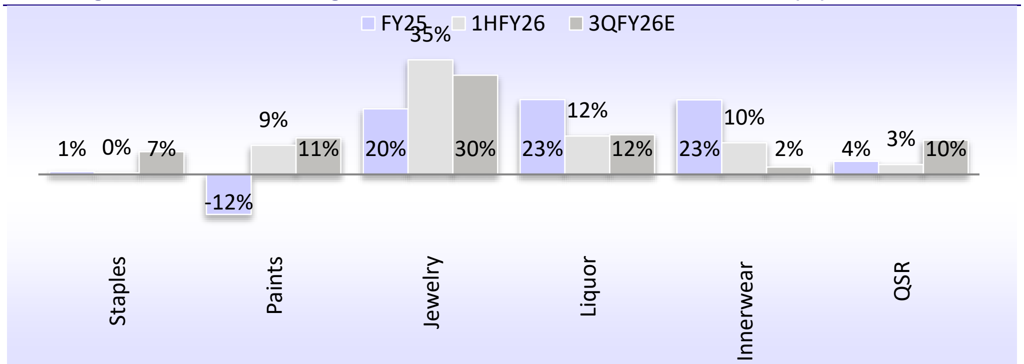
- Companies remain focused on normalizing the gap between volume and value growth while prioritizing a strategic balance between revenue growth and margin expansion amid evolving market dynamics. This approach aims to navigate cost pressures effectively while maintaining competitive positioning.

Revenue growth for our coverage universe in FY25, 1HFY26, and 3QFY26E (%)



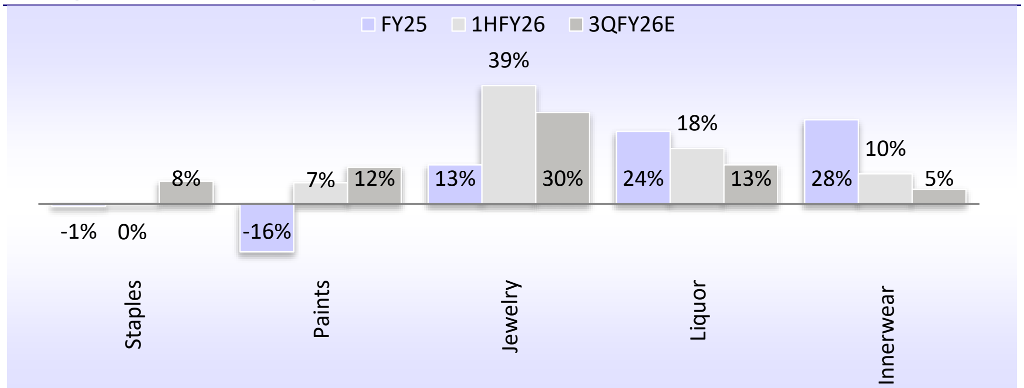
Source: Company, MOFSL

EBITDA growth for our coverage universe in FY25, 1HFY26, and 3QFY26E (%)



Source: Company, MOFSL

APAT growth for our coverage universe in FY25, 1HFY26, and 3QFY26E (%)



Source: Company, MOFSL

Healthcare

Result Preview

Company
Alembic Pharma.
Ajanta Pharma
Alkem Lab.
Apollo Hospitals
Aurobindo Pharma
Biocon
Cipla
Dr. Agarwal's Healthcare
Divi's Lab.
Dr. Reddy's Lab.
Eris Lifesciences
Gland Pharma
Glenmark Pharma.
Global Health
Granules India
GSK Pharma
IPCA Lab.
Laurus Labs
Lupin
Mankind Pharma
Max Healthcare
Piramal Pharma
Rubicon Research
Sun Pharma
Torrent Pharma
Zydus Lifesciences

EBITDA growth trails revenue growth for third straight quarter

Chronic-led DF growth and capacity expansion to shape sectoral trends

We expect pharma companies to deliver steady growth in aggregate revenue in 3QFY26, supported by improving domestic formulations (DF) momentum. However, increased competition in select products for US market and slower pace of potential launches should keep EBITDA growth trend in check. Aggregate DF sales are projected to grow 8.7% YoY to INR256b, led by continued outperformance of chronic therapies, while acute therapies remain subdued. US generics sales are expected to decline due to competition in select products, namely g-Revlimid.

The hospital sector is expected to post 9% YoY revenue growth, even as occupancy declines due to aggressive capacity additions. Average revenue per occupied bed (ARPOB) should improve moderately on a higher chronic specialty mix. Having said this, the front-loading of opex related to newer hospitals/bed additions would keep margins under pressure.

DF: Expect recovery post GST disruption/steady thrust in chronic therapies

Coverage companies to see sequential improvement in growth

For companies under our coverage, we expect aggregate DF segment sales to increase by 8.7% YoY to INR256b in 3QFY26. Sequential improvement in DF is attributed to higher sales after GST transition. However, growth is likely to remain below the double-digit levels seen in earlier quarters due to weak seasonality. That said, our coverage companies are expected to track industry growth, supported by continued product launches and an increasing focus on chronic therapy portfolios.

Chronic therapies to outperform as acute growth remains subdued

In the first two months of 3QFY26 (Oct/Nov'25), chronic therapies recorded strong growth of 15.5% YoY, significantly outperforming the 11.0%/11.3% YoY growth seen in 1Q/2QFY26. In contrast, acute therapies continued to see muted performance, with growth of 7.0% YoY vs. 7.7%/5.0% YoY in 1Q/2QFY26. Robust traction in cardiac and anti-diabetic therapies supported outperformance vs. IPM during the quarter. However, overall IPM growth was partially constrained by weaker trends in anti-infective, gastro, and pain segments.

AJP/SUNP to record strong YoY DF sales in 3QFY26

We expect AJP/SUNP to report sales growth of 16.2%/13.2% YoY, driven by price increases, new product launches, and improved productivity from the medical representative (MR) force. AJP is expected to deliver double-digit growth across dermatology, ophthalmology, and pain therapies, based on IQVIA data for the three months ending Nov'25. IPCA is likely to record broad-based growth across therapies, although the anti-infective segment is expected to remain subdued. We expect ERIS to report growth of 15% YoY driven by growth in both branded DF and exports.

US sales: 3Q to reflect minimal contribution from g-revlimid

US sales expected to decline YoY in 3QFY26; excl. DRRD, sales likely to rise

For our coverage universe, US revenue is expected to decline 1.3% YoY to USD2.3b in 3QFY26, driven largely by a sharp 21.5% YoY decline in DRRD's sales to USD310m. Excluding DRRD, US revenue is expected to grow 2.8% YoY. Cipla/ARBP are expected to post 15%/7% YoY decline in US sales due to lower sales of g-Revlimid. ***Notably, 3Q would showcase base business performance for DRRD and Cipla in US segment.***

LPC/TRP to be outperformers for the quarter

The overall decline would be mitigated by robust growth in LPC/TRP. LPC is likely to deliver strong US growth of 27.6% YoY on account of steady traction in g-Tolvaptan/g-Spiriva/Mirabegron, offset by price erosion in base portfolio and competition in g-Albuterol. Delayed competitor approval of g-Tolvaptan would extend the low-competition window, supporting continued growth.

TRP/ALKEM/ALPM/ZYDUS are expected to grow 25%/8.5%/5%/3.5% YoY in 3QFY26, driven by contributions from new product launches. GNP is likely to report stable US revenue as pricing pressure in base portfolio may constrain growth.

Pace of approvals for our coverage companies has slowed down

During the quarter, 12 *facilities belonging to our coverage companies were inspected by the USFDA*. ***At the industry level, final approvals stood at 154 in 3QFY26 (vs. 144 approvals in 2QFY26)***. For companies under our coverage, there were 32 final approvals during 3QFY26. The approval trend turned meaningfully weaker after 4QFY25, with approvals declining for three consecutive quarters, indicating consistent moderation in regulatory clearances.

Hospitals: Capacity-led growth with temporary pressure on operating metrics

- For the hospitals under our coverage, revenue is expected to grow 9% YoY to INR95b in 3QFY26, driven by consistent operational execution, strong expansion of bed capacities, along with the development of new facilities, which together have enhanced operating metrics and profitability. For 3Q, we expect EBITDA margins of our coverage companies to be ~19% and aggregate EBITDA to grow 10% YoY.
- Overall occupancy is expected to decline by ~480bp YoY, while ARPOB is projected to see a moderate increase, supported by a greater focus on chronic specialties. Hospitals will continue to undertake aggressive capacity expansion through new bed additions and doctor hiring to scale patient volumes and improve occupancy levels. Sector growth has been impacted by the rollout of GST 2.0 and seasonal factors. Near-term margins are expected to stay subdued owing to higher operating costs linked to capacity ramp-up, although profitability and returns should normalize and improve over the medium term as utilization improves.
- MAXHEALTH plans to add ~800 beds in FY26 at Nanavati Max, the Saket Complex, and Gomti Nagar through brownfield expansion. APHS plans to operationalize 1,687 beds during 2HFY26-FY27. It has recently commissioned a 250-bed facility in Swargate, Pune. Medanta fully commercialized its 550-bed super-specialty hospital in 3QFY26 and plans to add ~400 beds in Lucknow and Patna by the end of FY27.

- We expect APHS to post 11%/20%/23% YoY growth in sales/EBITDA/PAT for 3QFY26. MEDANTA is expected to deliver sales/PAT growth of 13%/7% YoY, while EBITDA may decline 1% YoY. Profitability is likely to remain subdued as operating expenses from the recently commissioned Noida hospital continue to weigh on margins. MAXHEALTH is also likely to deliver subdued performance, with sales/EBITDA posting 4%/2% YoY growth and PAT declining 1% YoY.

GNP/LPC/LAURUS to outperform within the healthcare pack

- In 3QFY26, we expect GNP/LPC/LAURUS to deliver 41%/38%/36% YoY growth in EBITDA. For GNP, income from ISB2001 deal and progress on scale-up of DF business after GST-led inventory corrections to drive financial performance.
- Steady approval in US and focus on chronic therapies in DF to support superior show for LPC in 3QFY26. Improvement in product mix and better operational efficiency should drive EBITDA growth for LAURUS in 3QFY26.
- DRRD/CIPLA/PIRPHARM are expected to report a YoY decline of 21%/20%/11% in EBITDA for the quarter. Increased competition, leading to heightened pricing pressure on products including g-Revlimid, along with operational inefficiencies, may weigh on EBITDA performance.
- We have reduced our estimates for PIRPHARM by 13%/9% for FY27/FY28, reflecting our expectation of only a gradual recovery across its segments over the mid-term and the need for greater visibility on order inflows going forward.
- **Our top ideas**: Laurus Labs (CDMO differentiation), Biocon (biosimilar frontrunner), and Rubicon (differentiated US play).

Exhibit 1: Summary of quarterly performance

	CMP		SALES (INR m)			EBIDTA (INR M)			NET PROFIT (INR m)		
Sector	(INR)	Reco	Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ	Dec-25	Var % YoY	Var % QoQ
Ajanta Pharma	2937	Buy	13,155	14.8	-2.8	3,644	13.6	-1.2	2,594	18.1	-0.7
Alembic Pharma	836	Neutral	18,509	9.3	-3.1	3,035	16.7	-3.8	1,796	29.7	4.7
Alkem Lab	5588	Neutral	36,750	8.9	-8.1	7,093	-6.6	-23.0	5,776	-7.7	-27.9
Apollo Hospitals	7129	Buy	61,260	10.8	-2.8	9,128	19.9	-3.0	4,563	22.6	-4.4
Aurobindo Pharma	1215	Buy	80,651	1.1	-2.7	16,937	4.0	0.9	9,315	5.7	10.2
Biocon	393	Buy	45,447	18.9	5.8	8,953	13.9	7.2	1,580	259.6	73.6
Blue Jet Healthcare	531	Buy	3,284	3.5	98.5	1,168	-5.1	112.6	932	-4.9	78.7
Cipla	1511	Neutral	72,820	3.0	-4.1	15,875	-20.2	-16.2	11,270	-17.4	-16.6
Divis Labs	6390	Neutral	26,788	15.5	-1.3	8,438	13.6	-5.0	6,148	5.8	-4.1
Dr Agarwals Health.	502	Buy	5,169	20.0	3.6	1,339	22.1	-1.7	313	67.3	5.4
Dr Reddy' s Labs	1255	Neutral	80,851	-1.8	-8.2	17,221	-20.7	-19.0	11,473	-13.0	-25.6
Eris Lifescience	1531	Neutral	8,366	15.0	5.6	3,045	21.7	5.7	1,268	51.6	5.7
Gland Pharma	1714	Buy	16,065	16.1	8.0	3,807	5.8	21.3	2,347	14.7	27.8
Glenmark Pharma	2066	Buy	37,704	11.3	58.6	8,483	41.3	LP	5,281	51.8	LP
Global Health	1217	Buy	10,684	13.2	-2.8	2,393	-0.8	3.6	1,522	6.5	4.4
Granules India	615	Buy	12,611	10.9	-2.8	2,775	20.5	-0.3	1,403	19.3	7.4
GSK Pharma	2483	Neutral	10,529	10.9	7.4	3,643	28.8	8.5	2,752	24.6	8.0
IPCA Labs.	1404	Buy	24,081	7.2	-5.8	4,840	4.5	-11.2	2,779	12.0	-14.4
Laurus Labs	1107	Buy	16,611	17.4	0.5	3,887	36.3	-3.6	1,618	75.3	-16.6
Laxmi Dental	271	Buy	678	10.0	-6.1	105	9.4	-4.6	75	57.1	-11.6
Lupin	2106	Neutral	67,614	18.8	-4.1	18,999	38.0	-11.1	11,992	40.2	-9.6
Mankind Pharma	2203	Buy	35,711	11.6	-3.4	8,928	9.4	-3.1	5,040	34.9	-0.6
Max Healthcare	1063	Buy	23,658	4.3	-8.0	6,293	2.0	-8.4	3,949	-0.7	-7.2
Piramal Pharma	179	Buy	22,961	4.2	12.3	3,008	-10.9	89.5	315	757.2	LP
Rubicon Research	662	Buy	4,580	NA	11.2	1,008	NA	6.9	627	NA	16.4
Sun Pharma	1729	Buy	1,46,486	12.2	1.7	39,991	11.9	-0.6	30,123	9.0	7.8
Torrent Pharma	3885	Neutral	31,944	13.7	-3.3	10,318	12.9	-4.7	5,865	16.6	-2.4
Zydus Lifesciences	917	Neutral	63,704	20.9	4.0	15,799	21.5	-1.4	9,675	1.9	-4.7
Healthcare			**9,78,672**	**10.4**	**0.0**	**2,30,153**	**8.0**	**2.7**	**1,42,392**	**9.8**	**6.5**

INDIA STRATEGY | Jan'26 (The Eagle Eye): Indian market manages double-digit gain in volatile CY25

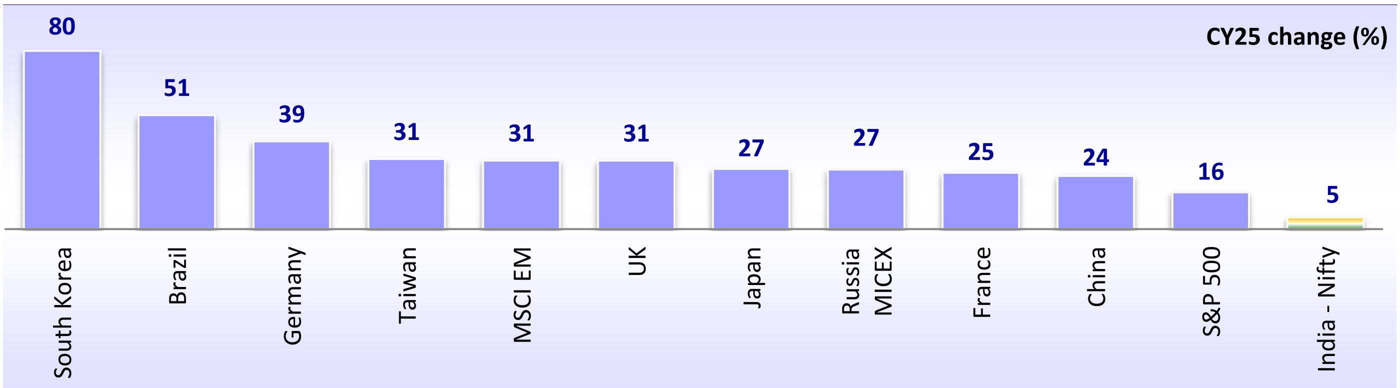
The key highlights of the 'The Eagle Eye' are as follows:

- a) India posts gains but lags global peers in CY25; b) Nifty-50 clocks 10th consecutive year of positive return; c) Gold and silver glitter through the year; d) Market breadth flips: Strong CY24 participation gives way to CY25 correction; e) Historic divergence: Record DII inflows and FII outflows in CY25; f) India-developed market yield spreads at a multi-year low; g) PSUs scale up as segment leadership changes; h) Record-high domestic flows and equity fundraising; i) Stable SIP momentum supports record MF AUM growth; j) Large-cap valuations hover near average; SMID valuations remain elevated; k) India's market cap-to-GDP ratio remains elevated.

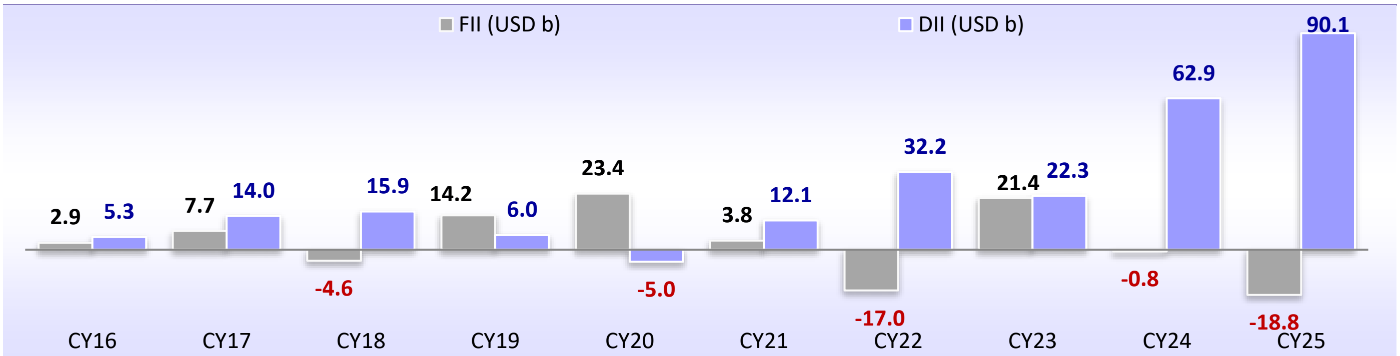
Notable Published reports in Dec'25:

- 1) Initiating coverages on - a) Healthcare | BPO, b) Arvind Fashions, c) Astra Microwave Products, d) Crompton Greaves, e) Aditya Birla Real Estate, f) FSN E-Commerce Ventures, g) Midwest, h) Zydus wellness; 2) India Strategy: Fundraising'24-25: Bigger, broader, and still accelerating!

India lags global peers in CY25



Historic divergence: Record DII inflows and FII outflows in CY25



Bajaj Finance

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Net Income	538	654	801
PPP	362	441	546
PAT	203	252	319
EPS (INR)	33	41	51
EPS Gr. (%)	21	24	26
BV/Sh. (INR)	183	218	261
Ratios			
NIM (%)	9.7	9.7	9.7
C/I ratio (%)	32.7	32.5	31.8
RoA (%)	3.9	4.0	4.1
RoE (%)	19.3	20.3	21.4
Payout (%)	16.0	15.1	15.1
Valuations			
P/E (x)	30.3	24.4	19.3
P/BV (x)	5.4	4.6	3.8
Div. Yield (%)	0.5	0.6	0.8

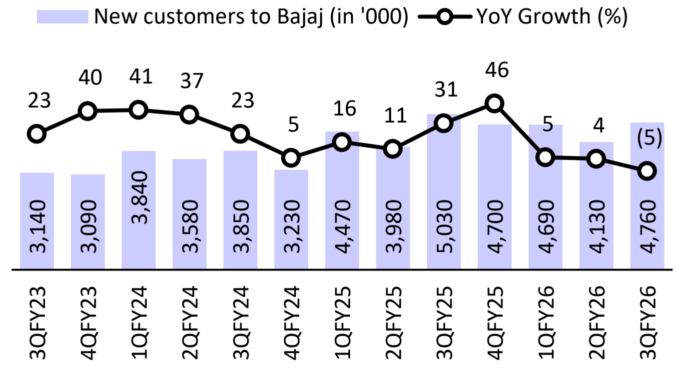
CMP: INR991 Neutral

AUM growth at ~22% YoY; customer franchise up ~19% YoY

New loan booking rose ~15% YoY

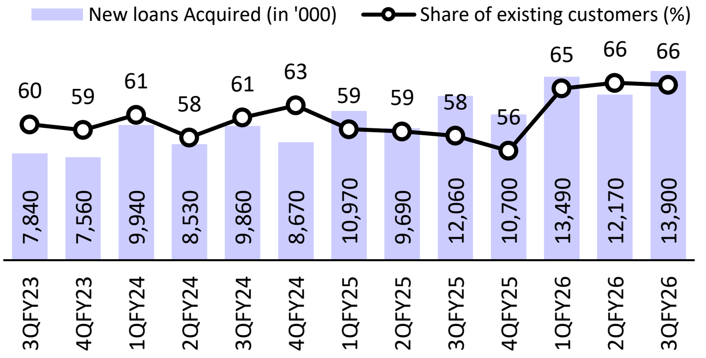
- Total customer franchise stood at ~115.4m, up ~19% YoY/4% QoQ.
- New customer acquisition stood at ~4.76m (vs. 5.03m in 3QFY25), down 5% YoY.
- New loan booking rose ~15% YoY to 13.9m (vs. 12.1m in 3QFY25), with contribution from new customers at ~34% (PQ: 34% and PY: 42%).
- AUM growth was in line with our estimate, with reported AUM at INR4.85t, up ~22% YoY/~5% QoQ.
- Deposit growth was weak at 3% YoY and ~2% QoQ to INR710b. This is potentially because the company de-prioritized deposit growth, preferring instead to borrow from banks, which give floating loans.

New customer additions declined 5% YoY



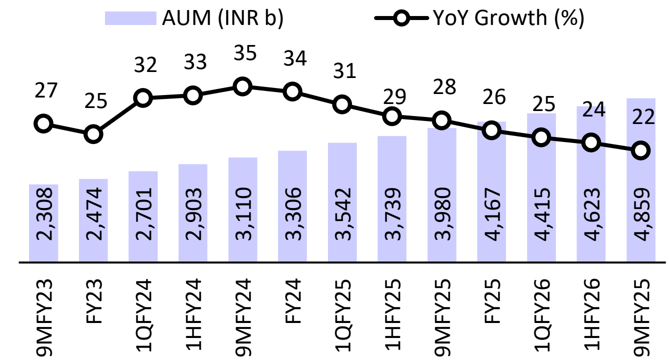
Source: MOFSL, Company

New loan bookings weak



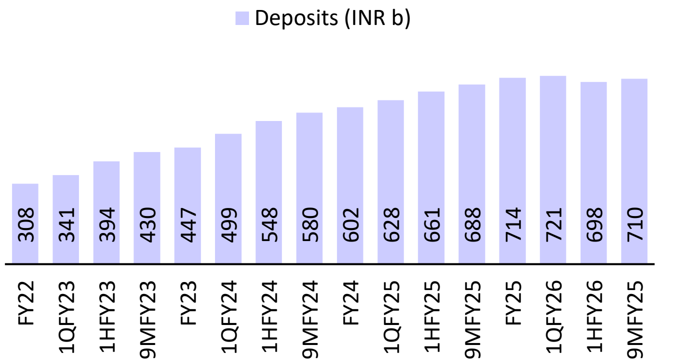
Source: MOFSL, Company

AUM rose 5% QoQ and 22% YoY



Source: MOFSL, Company

Deposits stood at INR710b, up 3% YoY and ~2% QoQ



Source: MOFSL, Company

Avenue Supermarts

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	696	820	968
EBITDA	51	61	74
Adj. PAT	29	35	42
EBITDA Margin (%)	7.3	7.4	7.6
Adj. EPS (INR)	45	54	65
EPS Gr. (%)	8	20	20
BV/Sh. (INR)	374	428	493
Ratios			
Net D:E	0.0	0.0	0.1
RoE (%)	12.8	13.4	14.1
RoCE (%)	12.7	13.3	13.7
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	82.7	69.0	57.4
EV/EBITDA (x)	47.7	39.8	33.2
EV/Sales (X)	3.5	3.0	2.5

CMP: INR3,721 Buy

DMart 3QFY26 pre-quarter update:

Weak revenue print; revenue up 13% YoY (vs. 15% YoY in 2Q and our last published estimate of ~17% YoY)

- DMart's 3QFY26 standalone revenue at INR176b grew **13% YoY a**nd was weaker than both our last published estimate of ~17% YoY and pre-quarter expectations of ~14%.
- The growth was largely driven by a 14% YoY store addition, with SSSG likely in low single digits.
- DMart added 10 stores during the quarter (27 in 9MFY26 vs. 22 in 9MFY25), taking the count to 442 stores.
- Productivity remains weak:
  - Annualized revenue/store declined ~1% YoY to INR1.6b (vs 1% YoY growth in 2QFY26).
  - Annualized revenue/sqft. (calculated) was flat YoY at INR38.9k/sqft (vs ~1% YoY growth in 2QFY26).
- DMart's gross margin had stabilized in 2QFY26. However, given a weak revenue print and an increase in discounting by Quick Commerce companies, we expect margin pressures to continue over the medium term.
- While discounting intensity is likely to remain elevated over the medium term, acceleration in store additions remains the key growth driver for DMart. We are building in 60 net store additions in FY26 (vs. 50 in FY25).

Quarterly trend

DMart standalone	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	3QFY26E	vs. est
Revenue (INR b)	**137**	**141**	**156**	**145**	**159**	**162**	**176**	**183**	**-3.8**
YoY growth	18.4%	14.2%	17.5%	16.7%	16.2%	15.4%	13.1%	17.7%	
Store count	**371**	**377**	**387**	**415**	**424**	**432**	**442**	**446**	**-0.9**
Store adds	6	6	10	28	9	8	10	14	
YoY growth	13%	12%	13%	14%	14%	15%	14%	15%	
Total Area (m sqft)*	**15.4**	**15.8**	**16.1**	**17.2**	**17.6**	**17.9**	**18.3**	**18.5**	**-0.8**
YoY growth	14%	14%	13%	14%	14%	13%	14%	13%	
Annualized Rev/Store (INR m)	**1,490**	**1,503**	**1,630**	**1,443**	**1,519**	**1,516**	**1,612**	**1,669**	**-3.4**
YoY growth	5%	1%	4%	3%	2%	1%	-1%	2%	
Annualized rev/sq ft (INR*)	**35,907**	**36,026**	**39,035**	**34,744**	**36,626**	**36,549**	**38,922**	**40,304**	**-3.4**
YoY growth	4%	0%	3%	3%	2%	1%	0%	3%	

*calculated number

Bank of Baroda

BSE SENSEX			S&P CNX
85,762			26,329
Financials Snapshot (INR b)			
Y/E March	**FY25**	**FY26E**	**FY27E**
NII	456.6	486.0	547.9
OP	324.3	326.5	361.5
NP	195.8	195.7	205.6
NIM (%)	2.8	2.7	2.8
EPS (INR)	37.8	37.8	39.7
EPS Gr. (%)	10.1	-0.1	5.1
BV/Sh. (INR)	254	274	303
ABV/Sh. (INR)	235	254	282
Ratios			
RoA (%)	1.2	1.1	1.0
RoE (%)	16.7	14.8	14.2
Valuations			
P/E(X)	8.1	8.1	7.7
P/BV (X)	1.2	1.1	1.0
P/ABV (X)	1.3	1.2	1.1

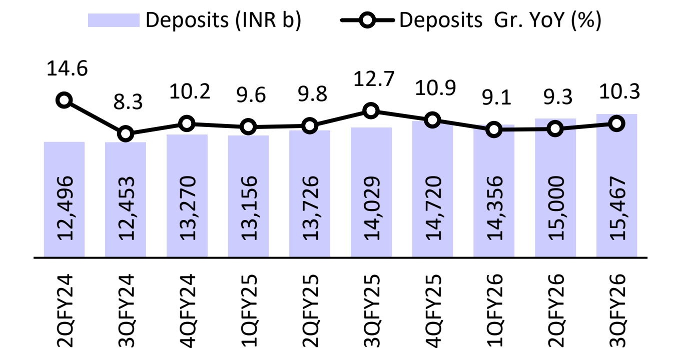
CMP: INR306 — Neutral

Loan growth better than estimates; CD ratio rises QoQ

BoB released its 3QFY26 business update. Following are the key takeaways:

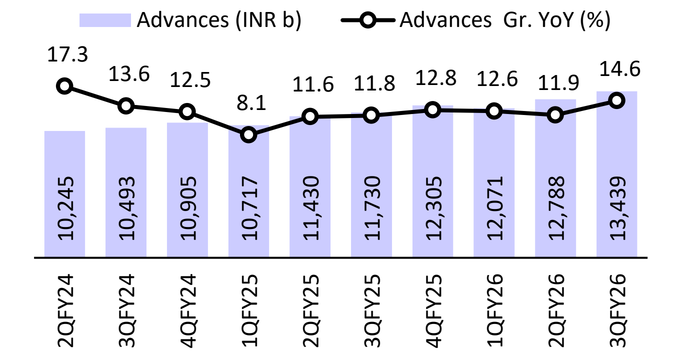
- Total advances grew robustly by 5.1% QoQ (up 14.6% YoY) to INR13.44t, with domestic advances rising 4.7% QoQ (up 13.5% YoY). Domestic retail loans grew 17.3% YoY/4.5% QoQ, surpassing our estimates of net advances growth at 12.6% YoY/3% QoQ.
- Total deposits grew 10.3% YoY/3.1% QoQ to INR15.5t, with domestic deposits growing 11.1% YoY/2.8% QoQ. This was largely in line with our estimates of deposits growth at 10.1% YoY/2.2% QoQ.
- The bank's global business grew 12.2% YoY to INR28.9t.
- As a result, the C/D ratio increased to 86.9% vs 85.3% in 2QFY26 (on a gross basis).

Deposits grew 3.1% QoQ (up 10.3% YoY)



Source: MOFSL, Company

Advances grew 5.1% QoQ (up 14.6% YoY)



Source: MOFSL, Company

Punjab National Bank

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	427.8	431.8	505.4
OP	268.3	288.3	345.3
NP	166.3	164.2	220.3
NIM (%)	2.7	2.4	2.5
EPS (INR)	14.8	14.3	19.2
EPS Gr. (%)	97.4	-3.3	34.1
BV/Sh. (INR)	107	119	134
ABV/Sh. (INR)	101	113	128
Ratios			
RoA (%)	1.0	0.9	1.0
RoE (%)	15.3	13.0	15.6
Valuations			
P/E(X)	8.5	8.8	6.6
P/BV (X)	1.2	1.1	0.9
P/ABV (X)	1.2	1.1	1.0

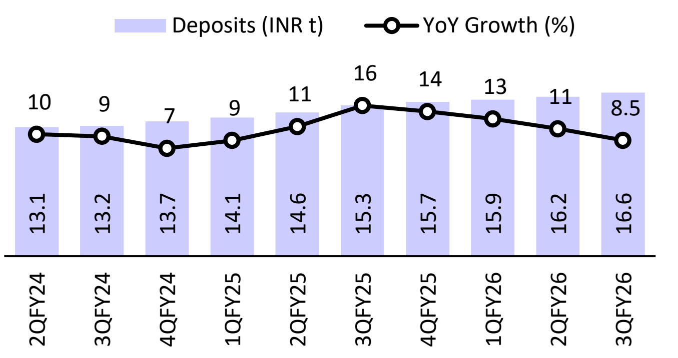
CMP: INR126 — Buy

Loan growth better than estimate, CD ratio inches up

PNB released its quarterly business numbers for 3QFY26. Here are the highlights:

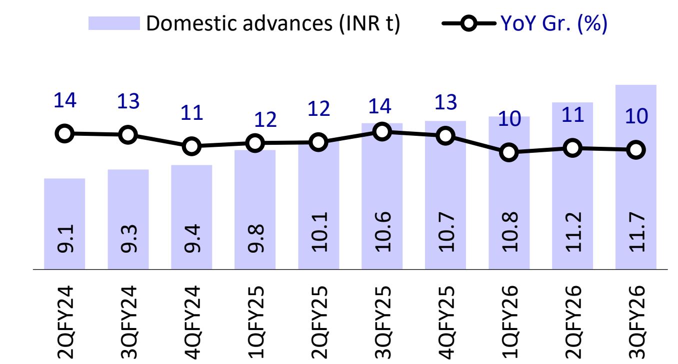
- Gross global advances grew by a robust 10.9% YoY/5.4% QoQ to ~INR12.3t. Domestic advances grew by 10.2% YoY/4.5% QoQ. **Credit growth came in slightly ahead of our estimate of net advances at 10.3% YoY/4.1% QoQ.**
- Deposits grew by 8.5% YoY/2.7% QoQ to INR16.6t. Domestic deposits grew 8.3% YoY/2.1% QoQ. **Deposit growth was marginally lower vs. our estimate at 9.6% YoY/3.7% QoQ**.
- The bank's CD ratio increased to 74.2% vs. 72.3% in 2QFY26.
- Overall, PNB's loan growth was healthy, led by strong credit growth and steady deposit growth. Overall business grew by 9.6% YoY/3.8% QoQ, while CD ratio continued to inch up, led by faster growth in credit.

Total deposits grew ~8.5% YoY (2.7% QoQ)



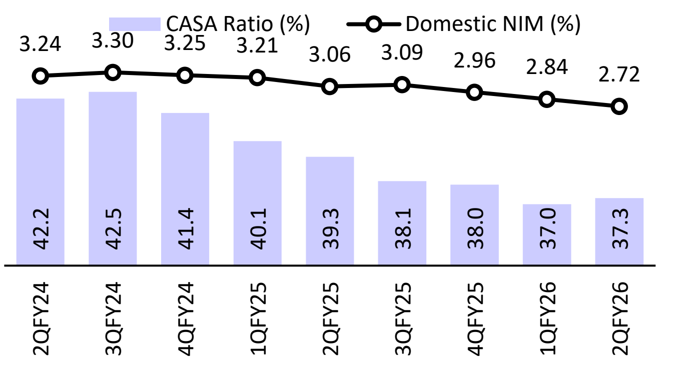
Source: MOFSL, Company

Domestic advances grew 10.2% YoY (4.5% QoQ)



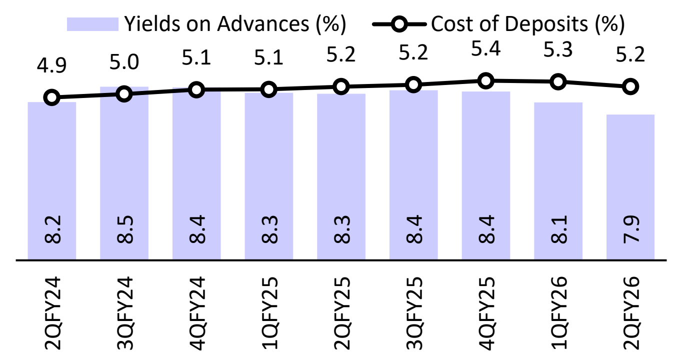
Source: MOFSL, Company

NIM stood at 2.72% in 2QFY26



Source: MOFSL, Company

Cost of deposits stood at 5.2% in 2QFY26



Source: MOFSL, Company

Union Bank of India

BSE SENSEX	S&P CNX
85,762	26,329

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	372.1	359.5	397.8
OP	310.9	269.4	296.8
NP	179.9	163.8	171.7
NIM (%)	2.7	2.4	2.5
EPS (INR)	23.6	21.5	22.5
EPS Gr. (%)	24.9	-8.9	4.8
BV/Sh. (INR)	144	160	178
ABV/Sh. (INR)	136	153	170
RoA (%)	1.2	1.1	1.1
RoE (%)	18.1	14.4	13.6
Valuations			
P/E(X)	6.7	7.3	7.0
P/BV (X)	1.1	1.0	0.9
P/ABV (X)	1.2	1.0	0.9

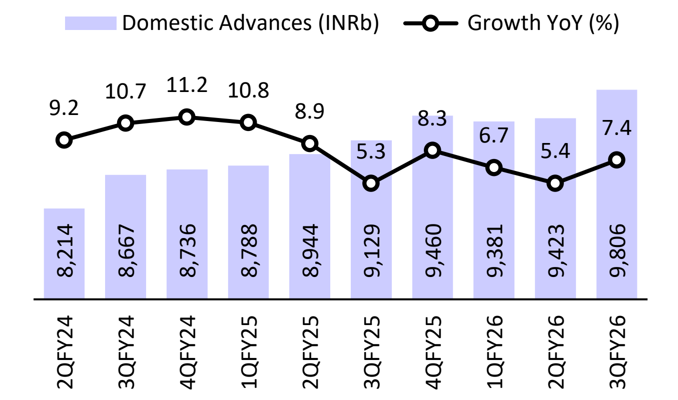
CMP: INR157 — Neutral

Advances growth better than estimate; deposits growth sluggish

Union Bank released its 3QFY26 business update. Following are the key takeaways:

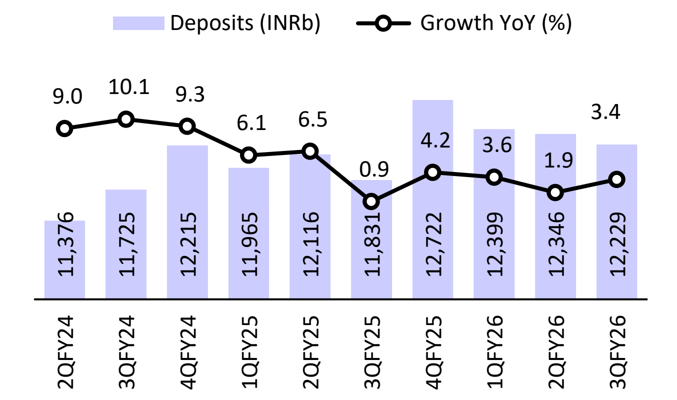
- Gross advances for the bank grew 7.1% YoY/4.3% QoQ to INR10.2t, arresting the muted loan growth trend of the past two quarters. Domestic advances also remained strong at 7.4% YoY/4.1% QoQ, **outperforming the MOFSLe for net advances growth of 5.1% YoY/2.0% QoQ.**
- Within advances, growth for RAM advances stood healthy at 11.5% YoY/4.1% QoQ.
- Deposits declined 0.95% QoQ (up 3.4% YoY) to INR12.22t. Domestic CASA grew 5% YoY/3.3% QoQ. As a result, CASA ratio increased to 33.95% vs 32.56% in 2QFY26. **This was lower than the MOSLe for deposits growtg of 1.5% QoQ.**
- Union Bank reported healthy credit growth, while deposits growth lagged both our estimate and system-wide growth. Reported domestic CD ratio, thus, increased to 80.9% vs 77% in 2QFY26.

Domestic advances grew 7.4% YoY (up 4.1% QoQ)



Source: MOFSL, Company

Deposits declined 0.95% QoQ (up 3.4% YoY)



Source: MOFSL, Company

Marico

BSE SENSEX	S&P CNX
85,762	26,329

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	137.1	154.6	166.9
Sales Gr. (%)	26.6	12.8	7.9
EBITDA	23.4	28.6	31.9
Margin (%)	17.1	18.5	19.1
Adj. PAT	17.5	21.1	23.4
Adj. EPS (INR)	13.6	16.3	18.2
EPS Gr. (%)	9.8	20.1	11.3
BV/Sh.(INR)	31.9	34.7	38.4
Ratios			
RoE (%)	43.3	49.0	49.7
RoCE (%)	38.9	44.1	44.9
Payout (%)	91.9	82.7	79.8
Valuations			
P/E (x)	55.8	46.4	41.7
P/BV (x)	23.8	21.8	19.7
EV/EBITDA (x)	41.2	33.5	29.9
Div. Yield (%)	1.6	1.8	1.9

CMP: INR758 Buy

Revenue growth in high twenties; expect double-digit operating profit growth

Please find below the key highlights from Marico's (MRCO) quarterly update for 3QFY26:

Business overview

- The sector witnessed steady demand trends during the quarter, with management remaining constructive on a gradual recovery in consumption over the coming quarters.
- Demand improvement is expected to be supported by easing inflation, lower GST rates improving affordability, MSP hikes, and a healthy crop sowing season.
- The company reiterated its aspiration of delivering sustainable, profitable, volume-led growth over the medium term, driven by strong core franchises and scaling new growth engines across markets.
- Consolidated revenue growth stood in the high twenties YoY, keeping MRCO on track to meet full-year targets.

India business

- Underlying volume growth in the India business remained in high single digits, marking a sequential improvement. Parachute continued to exhibit strong resilience despite elevated input costs and pricing actions; volumes were marginally down.
- Saffola Oils reported a muted performance, as the impact of prior pricing actions anniversarized during the quarter.
- Value-added Hair Oils (VAHO) delivered robust growth in the twenties, reinforcing sustained franchise traction.
- The company expects double-digit growth momentum in VAHO over the near-to-medium term, supported by increased focus on mid-and-premium segments, enhanced direct reach under Project SETU, and GST rate rationalization.
- Foods saw a benign quarter, though the segment is expected to revert to higher growth over the next two quarters.
- Premium Personal Care (including digital-first brands) continued to scale ahead of aspirations.

International business

- The International business sustained strong momentum, delivering constant currency growth in the early twenties, led by Bangladesh.
- Vietnam and South Africa recorded a rebound to double-digit growth, supported by targeted market-specific initiatives.

Costs and margins

- Copra prices have corrected by ~30% from peak levels and are expected to maintain a downward bias in the coming months due to the onset of the flush season.
- Vegetable oil prices remained elevated, while crude oil derivatives stayed benign.
- Gross margins are expected to improve sequentially, having bottomed out in the previous quarter. Further margin expansion is anticipated in the coming quarters, driven by the lagged pass-through of lower copra costs.
- Brand-building investments were sustained to strengthen long-term franchise equity and support portfolio diversification.
- Operating profit growth is expected to reach double digits on a YoY basis.

Quarterly Performance (INR m)

Y/E March	FY25				FY26				FY25	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume growth (%)	4.0	5.0	6.0	7.0	9.0	7.0	8.0	8.0	5.5	8.0
Net Sales	**26,430**	**26,640**	**27,940**	**27,300**	**32,590**	**34,820**	**35,689**	**34,000**	**1,08,310**	**1,37,099**
YoY Change (%)	6.7	7.6	15.4	19.8	23.3	30.7	27.7	24.5	12.2	26.6
Gross Profit	**13,810**	**13,530**	**13,830**	**13,260**	**15,290**	**14,850**	**15,400**	**14,921**	**54,430**	**60,461**
Gross margin (%)	52.3	50.8	49.5	48.6	46.9	42.6	43.2	43.9	50.3	44.1
EBITDA	**6,260**	**5,220**	**5,330**	**4,580**	**6,550**	**5,600**	**5,971**	**5,291**	**21,390**	**23,412**
Margins (%)	23.7	19.6	19.1	16.8	20.1	16.1	16.7	15.6	19.7	17.1
YoY Change (%)	9.1	5.0	3.9	3.6	4.6	7.3	12.0	15.5	5.6	9.5
Depreciation	410	410	440	520	450	470	485	527	1,780	1,932
Interest	170	110	130	120	100	120	125	132	530	477
Other Income	370	400	420	470	560	490	500	562	1,660	2,112
PBT	**6,050**	**5,100**	**5,180**	**4,410**	**6,560**	**5,500**	**5,861**	**5,194**	**20,740**	**23,115**
Tax	1,310	1,190	1,120	960	1,430	1,180	1,319	1,272	4,580	5,201
Rate (%)	21.7	23.3	21.6	21.8	21.8	21.5	22.5	24.5	22.1	22.5
Adjusted PAT	**4,640**	**3,915**	**3,990**	**3,430**	**5,040**	**4,200**	**4,448**	**3,849**	**15,975**	**17,537**
YoY Change (%)	8.7	10.9	4.2	7.9	8.6	7.3	11.5	12.2	7.9	9.8
Reported PAT	**4,640**	**4,230**	**3,990**	**3,430**	**5,040**	**4,200**	**4,448**	**3,849**	**16,290**	**17,537**

E: MOFSL Estimates

Bajaj Housing Finance

BSE SENSEX			S&P CNX
85,762			26,329
Financials Snapshot (INR b)			
Y/E March	**FY26E**	**FY27E**	**FY28E**
NII	39.1	47.3	57.3
PPP	36.0	44.0	53.8
PAT	26.5	32.5	39.7
EPS (INR)	3.2	3.9	4.8
EPS Gr. (%)	23	23	22
BV/Sh. (INR)	27	31	36
Ratios (%)			
NIM	3.5	3.4	3.4
C/I ratio	19.8	18.9	17.9
RoA	2.3	2.3	2.3
RoE	12.5	13.4	14.3
Valuation			
P/E (x)	30.4	24.9	20.3
P/BV (x)	3.6	3.1	2.7
Div. Yield (%)	0.0	0.0	0.0

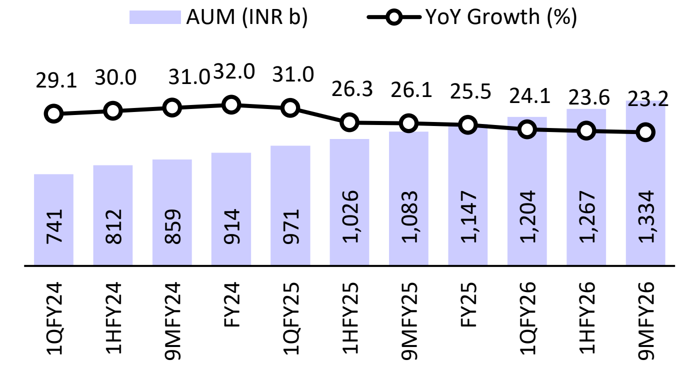
CMP: INR97 — Neutral

Healthy disbursement growth of ~32% YoY; AUM up ~23% YoY

Repayments were high during the quarter

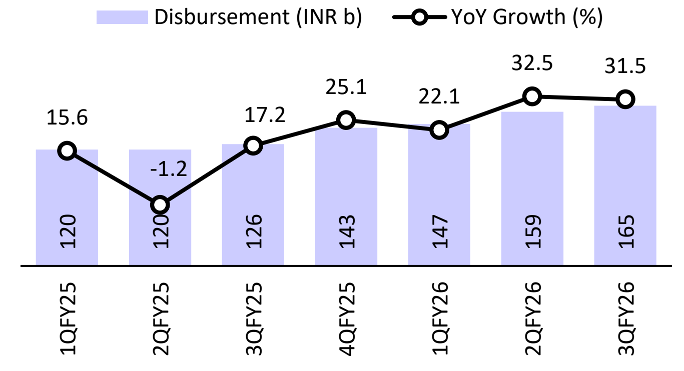
- 3QFY26 disbursements grew ~32% YoY/4% QoQ to INR165b.
- AUM grew ~23% YoY/5% QoQ to INR1.33t as of Dec'25.
- Repayments during the quarter were elevated at ~31.2% (PY: 26.6% and PQ: 31.8%).
- Loan assets grew ~23% YoY to INR1.17t as of Dec'25.

AUM grew ~23% YoY



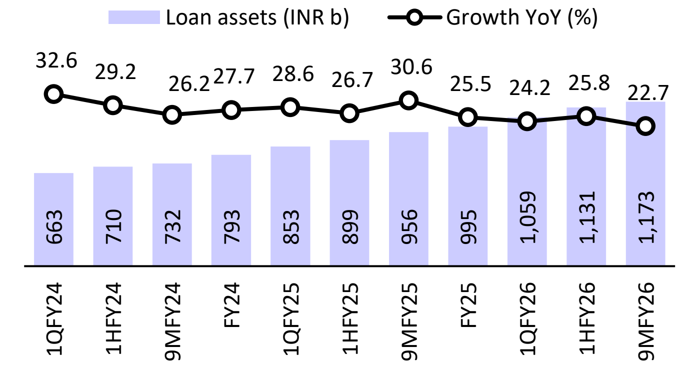
Source: MOFSL, Company

Disbursements grew ~32% YoY



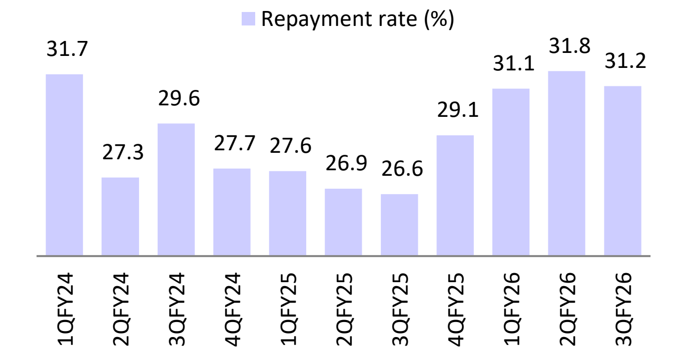
Source: MOFSL, Company

Loan assets grew ~23% YoY



Source: MOFSL, Company

Repayment rate was elevated and stood at 31.2% in 3QFY26



Source: MOFSL, Company

AU Small Finance Bank

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	80.1	89.1	113.0
PPoP	45.8	52.2	63.3
PAT	21.1	26.0	35.6
NIM (%)	6.0	5.1	5.4
EPS (INR)	29.8	34.9	47.6
EPS Gr. (%)	33.9	17.1	36.3
BV/Sh. (INR)	229	262	308
ABV/Sh. (INR)	223	254	300
Ratios			
RoA (%)	1.6	1.5	1.7
RoE (%)	14.3	14.2	16.7
Valuations			
P/E(X)	33.6	28.7	21.0
P/BV (X)	4.4	3.8	3.2
P/ABV (X)	4.5	3.9	3.3

CMP: INR1,000 — Buy

Another quarter of strong growth; CD ratio increases

AUBANK released its business update for 3QFY26. Here are the key highlights:

- AUBANK has reported a solid 6.5% QoQ (+24% YoY) growth in gross advances to ~INR1.25t. Including the securitized/assigned + IBPC loan portfolio, the total loan portfolio grew 5.7% QoQ (19.3% YoY). **Growth stood higher than our estimate of net advances at 22.3% YoY/5.2% QoQ.**
- The bank securitized its asset portfolio of INR46.9b in 3QFY26 and INR53.5b in 2QFY26.
- Deposit growth too stood robust at 4.5% QoQ/23.3% YoY to reach INR1.38t. **Largely in line with our estimate of 24.1% YoY/5.2% QoQ deposit growth.**
- CASA deposit growth dipped slightly to 2.5% QoQ (+16.1% YoY) to INR399.5b. As a result, the CASA ratio declined to 28.9% vs 29.4% as of 2QFY26.
- Overall, business growth was robust, led by better-than-expected growth in gross advances. Deposit growth continued to maintain its traction, although CASA growth was lower. Thus, the CD ratio (based on gross advances) rose to 90.5% from 88.7% in 2QFY26, fueled by faster growth in gross advances.

Key business trends

INR b	3QFY25	2QFY26	3QFY26	YoY (%)	QoQ (%)
Total Deposits	1,122.6	1,325.1	1,384.2	23.3%	4.5%
CASA Deposits	344.0	389.6	399.5	16.1%	2.5%
CASA Ratio (%)	30.6%	29.4%	28.9%	NA	NA
Gross Advances	1,009.9	1,175.3	1,252.1	24.0%	6.5%
Securitized/assigned loan portfolio + IBPC	79.3	53.5	46.9	NA	NA
Gross Loan Portfolio	1,089.2	1,228.8	1,299.0	19.3%	5.7%

Source: MOFSL, Company

Mahindra Finance

BSE SENSEX			S&P CNX
85,762			26,329
Financials Snapshot (INR b)			
Y/E March	**FY26E**	**FY27E**	**FY28E**
NII	100.3	114.8	132.3
PPP	61.9	71.4	83.8
PAT	28.0	34.4	41.3
EPS (INR)	20.2	24.8	29.7
EPS Gr. (%)	6	23	20
BV/Sh.(INR)	179	196	218
Ratios			
NIM (%)	6.8	6.8	6.8
C/I ratio (%)	38.3	37.8	36.7
RoA (%)	1.9	2.1	2.2
RoE (%)	12.6	13.2	14.4
Payout (%)	35.8	32.1	29.3
Valuations			
P/E (x)	20.0	16.3	13.6
P/BV (x)	2.3	2.1	1.8
Div. Yield (%)	1.8	2.0	2.2

CMP: INR403 Buy

Business assets up 12% YoY; Stage 2 improves 30-40bp QoQ

Disbursements and AUM growth slightly below expectations

Key takeaways from 3QFY26 business update:

- Disbursements stood at INR176b, up 7% YoY and ~30% QoQ.
- Gross business assets as of Dec'25 stood at ~INR1.29t, up 12% YoY/1.4% QoQ.
- CE stood at 95% (PY: 95% and PQ: 96%).
- MMFS reported that its Stage 3 is estimated at 3.9-4% (PQ and PY: 3.9%) and Stage 2 is estimated at 5.4-5.5% (PQ: 5.8% and PY: 6.3%).
- As of Dec'25, MMFS maintained a comfortable liquidity position of ~INR88b.

Trends in disbursements, collection efficiency, and asset quality

MMFS	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
	Oct-24 Nov-24 Dec-24	Jan-25 Feb-25 Mar-25	Apr-25 May-25 Jun-25	Jul-25 Aug-25 Sep-25	Oct-25 Nov-25 Dec-25
Disbursements (INR b)	164.5	154.8	128	135	176
Growth - YoY (%)	7%	1%	1%	3%	7%
Business Assets (INR b)	1149	1193	1220	1268	1290
Growth - YoY (%)	18%	16%	15%	13%	12%
Collection Efficiency [Monthly]					
Collection Efficiency [Quarterly]	95%	97%	95%	96%	95%
Stage 2	6.30%	5.50%	5.90%	5.8	5.4- 5.5%
Stage 3	3.90%	3.70%	3.80%	3.9	3.9- 4%
Stage 2 + Stage 3 [30+dpd]	**10.20%**	**9.20%**	**9.70%**	**9.70%**	**9.3-9.5%**
Write-offs (INR b)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
	Oct-24 Nov-24 Dec-24	Jan-25 Feb-25 Mar-25	Apr-25 May-25 Jun-25	Jul-25 Aug-25 Sep-25	Oct-25 Nov-25 Dec-25
Commentary on Asset Quality					
Stage 2	~10bp QoQ decline in Stage 2	~80bp QoQ decline in Stage 2	~40bp QoQ increase in Stage 2	~10bp QoQ decline in Stage 2	~30bp-40bp QoQ decline in Stage 2
Stage 3/NPA contracts	~10bp QoQ increase in Stage 3	~20bp QoQ decline in Stage 3	~10bp QoQ increase in Stage 3	~10bp QoQ increase in Stage 3	Broadly Stable QoQ

4 January 2025

Update | Sector: Financials - Bank

Bandhan Bank

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	114.9	110.0	126.5
OP	73.9	60.2	70.7
NP	27.5	13.7	28.4
NIM (%)	6.7	5.8	5.8
EPS (INR)	17.0	8.5	17.6
EPS Gr. (%)	22.8	-50.1	107.5
BV/Sh. (INR)	151	154	165
ABV/Sh. (INR)	144	148	158
Ratios			
RoA (%)	1.5	0.7	1.2
RoE (%)	12.0	5.6	11.1
Valuations			
P/E(X)	8.5	17.1	8.2
P/BV (X)	1.0	0.9	0.9
P/ABV (X)	1.0	1.0	0.9

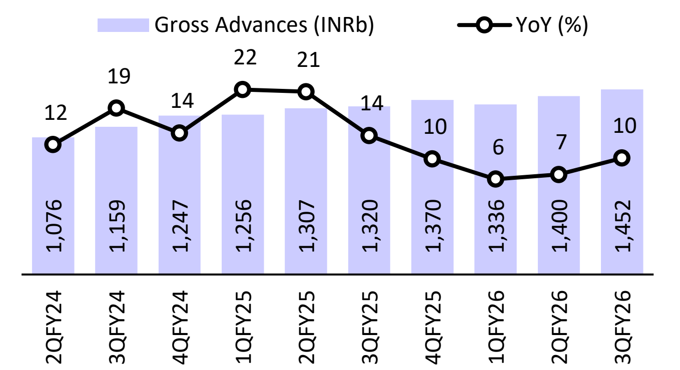
CMP: INR145 — Neutral

Loans grow 3.7% QoQ (lower vs estimate); deposits decline

Bandhan Bank (BANDHAN) released its quarterly business update, highlighting the key trends for 3QFY26:

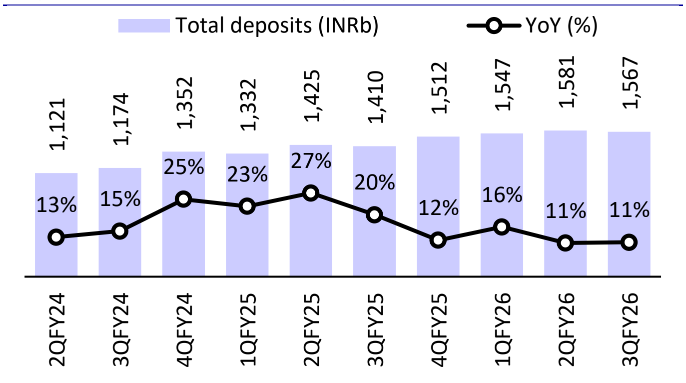
- Gross advances (on book + PTC) grew 3.7% QoQ (up 10% YoY) to ~INR1.45t, **slightly lower than our net advance estimates of 10.9% YoY/5% QoQ.**
- Deposits declined 0.9% QoQ (up 11.1% YoY), **significantly lower than our deposits growth estimates of 18.5% YoY/5.7% QoQ**. The decline reflects the bank's reduced reliance on bulk deposits, which dipped 5.8% QoQ and 2% YoY.
- CASA deposits declined 3.3% QoQ (down 4.5% YoY). As a result, CASA ratio declined to 27.3% (vs 27.97% in 2QFY26).
- Retail deposits (including CASA) grew 1.2% QoQ (up 17.2% YoY). The proportion of retail deposits increased to 72.4% (vs 70.9% in 2QFY26). LCR for the bank stood robust at 149.1%.
- On the asset quality front, overall CE stood largely at the same level at 98.1%, with collection efficiency in EEB at 97.8% and non-EEB at 98.5%.

Gross advances grew 3.7% QoQ (up 10% YoY) to ~INR1.45t



Source: MOFSL, Company

Deposits declined 0.9% QoQ (up 11.1% YoY) to INR1.57t



Source: MOFSL, Company

motilal oswal Financial Services | MORNING INDIA

3 January 2025

Update | Sector: Financials - Bank

RBL Bank

BSE SENSEX			S&P CNX
85,762			26,329
Financials Snapshot (INR b)			
Y/E March	**FY25**	**FY26E**	**FY27E**
NII	64.6	64.3	95.3
OP	36.3	31.8	57.6
NP	7.0	9.6	27.8
NIM (%)	4.9	4.4	5.2
EPS (INR)	11.4	15.8	16.4
EPS Gr. (%)	-40.7	38.2	3.9
BV/Sh. (INR)	254	264	279
ABV/Sh. (INR)	248	257	276
Ratios			
RoE (%)	0.5	0.6	1.4
RoA (%)	4.6	6.1	8.8
Valuations	13.1	30.0	30.0
P/E(X)			
P/BV (X)	28.0	20.2	19.5
P/ABV (X)	1.3	1.2	1.1

CMP: INR320 — Buy

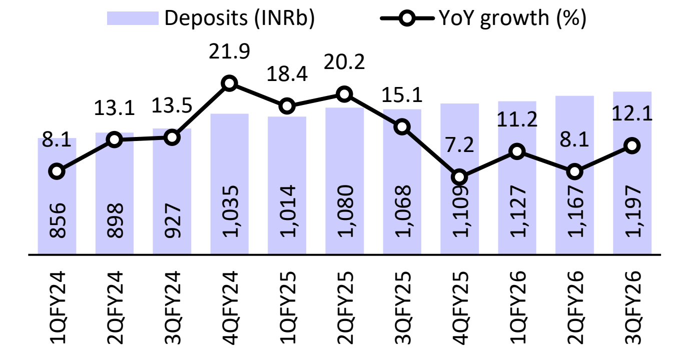
Modest growth in advances; CASA ratio declines 1% QoQ

Retail to wholesale mix stood at 59:41

RBL Bank (RBK) released its quarterly business update for 3QFY26. Here are the key highlights:

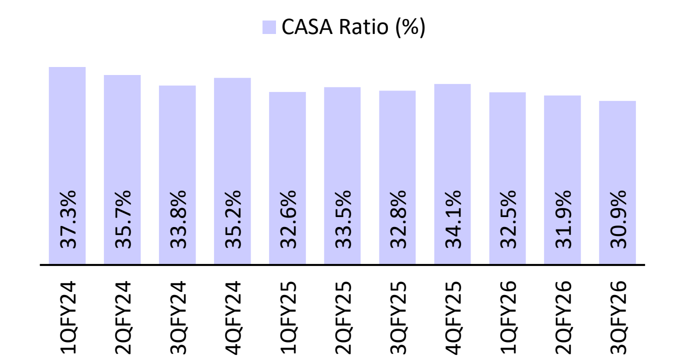
- RBK reported 13% YoY/2% QoQ growth in gross advances to INR1.04t, **lower than our estimate for net advances of 16.1% YoY/4.5% QoQ**. Retail advances grew 9% YoY/remained flat QoQ, while wholesale advances grew 19% YoY/5% QoQ.
- Within retail, secured retail advances grew 24% YoY/1% QoQ, while unsecured advances declined 6% YoY. Within wholesale, commercial banking advances grew 29% YoY and 7% QoQ. The mix of retail: wholesale advances was approximately 59:41.
- Deposit base grew 12% YoY/3% QoQ to INR1.19t **(vs our estimate of deposits growth of 13.2% YoY/3.6% QoQ)**. CASA deposits declined 1% QoQ and grew 6% YoY. As a result, the CASA ratio declined to 30.9% (vs 31.9% in 2QFY26). That said, deposits <INR30m saw a healthy growth of 15% YoY/4% QoQ.
- The bank continues to focus on growing the share of granular retail deposits in the overall deposit mix, with deposits below INR30m standing at ~51.5% of overall deposits vs ~51% in 2QFY26.

Deposits grew 12% YoY (up 3% QoQ)



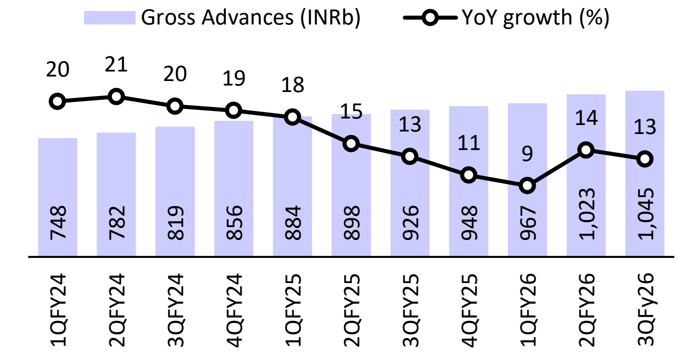
Source: MOSL, Company

CASA ratio declined to 30.9% in 3QFY26



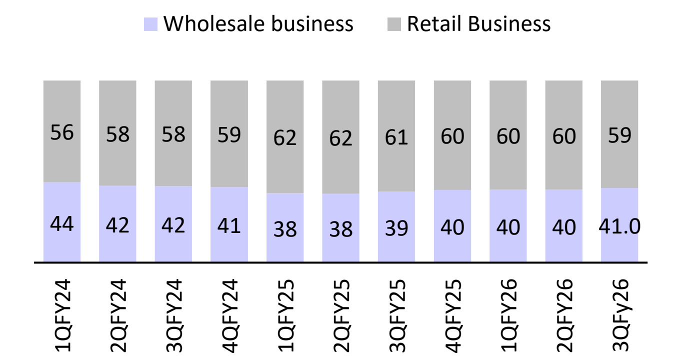
Source: MOSL, Company

Gross advances grew 13% YoY (up 2% QoQ)



Source: MOSL, Company

Retail: Wholesale mix stood at 59:41



Source: MOSL, Company

Equitas Small Finance

CMP: INR65 **Buy**

MFI book picks up, advances growth higher than estimates; deposits decline QoQ; net slippage ratio declines

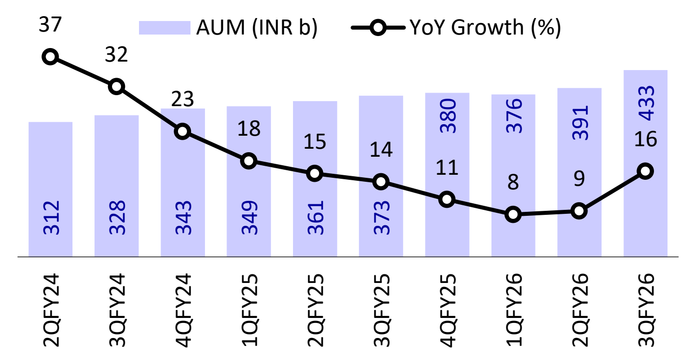
Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
NII	32.5	32.6	39.0
OP	13.3	11.2	15.3
NP	1.5	0.2	6.7
NIM (%)	7.5	6.5	6.7
EPS (INR)	1.3	0.1	5.9
BV/Sh. (INR)	53	52	56
ABV/Sh. (INR)	50	50	55
Ratios			
RoA (%)	0.3	0.0	1.0
RoE (%)	2.4	0.3	10.8
Valuations			
P/E(X)	47.2	409.0	10.4
P/BV (X)	1.1	1.2	1.1
P/ABV (X)	1.2	1.2	1.1

Equitas Small Finance Bank has released its business update for 3QFY26. Following are the key highlights:

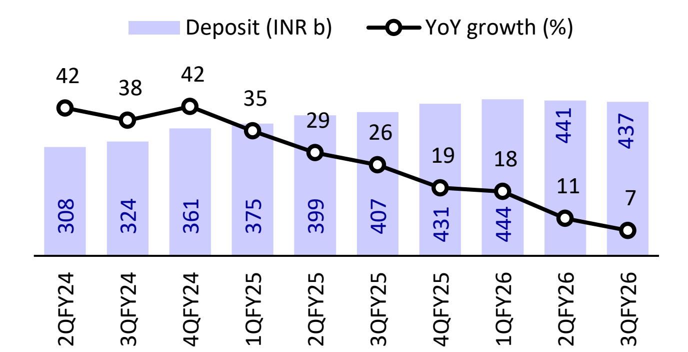
- The bank reported a solid growth of 15.9% YoY/10.6% QoQ in gross advances to INR432.7b **(even higher than MOFSLe of 10% YoY/7.1% QoQ growth).**
- The MFI portfolio, which has been witnessing a decline over the past few quarters, has now increased 51.9% QoQ (down 3.9% YoY). Meanwhile, the non-MFI portfolio continued to grow at a steady pace at 19.2% YoY/6.7% QoQ in 3QFY26. As a result, the MFI share increased to 11.9% vs 9.5% in 2QFY26.
- On the liability front, total deposits declined 0.97% QoQ (up 7.2% YoY) to INR436.7b. CASA deposits declined 5.4% QoQ (up 10.6% YoY). As a result, the CASA ratio declined to 30% vs 31% in 2QFY26 **(MOFSLe for deposits growth at 6.7% QoQ/15.5% YoY).**
- Overall, the cost of funds declined to 7.13% (vs 7.35% in 2QFY26). Net slippages declined to 1.47% vs 2.48% in 2QFY26 and 3.22% in 1QFY26.
- Collection efficiency (CE) in MFI stood steady at 98.99% in 3QFY26 vs 98.56% in 2QFY26. CE also remained steady in Karnataka and Tamil Nadu.
- The X-bucket collection efficiency improved to 90.6% in Dec'25 vs 87.6% in Sep'25.

Advances grew 10.6% QoQ (15.9% YoY) to INR391b



Source: MOFSL, Company

Deposits declined 0.97% QoQ (up 7.2 % YoY)



Source: MOFSL, Company

V-Mart Retail

BSE SENSEX	S&P CNX
85,762	26,329

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	38.3	45.2	52.8
EBITDA	5.0	6.3	7.7
Adj. PAT	1.2	1.7	2.3
EBITDA Margin (%)	13.1	13.9	14.5
Adj. EPS (INR)	15.7	21.9	28.7
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	117.8	139.7	168.3
Ratios			
Net D:E	0.9	0.7	0.6
RoE (%)	14.3	17.0	18.6
RoCE (%)	10.6	12.1	13.4
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	47.0	33.7	25.8
EV/EBITDA (x)	13.3	10.6	8.7
EV/Sales (X)	1.6	1.3	1.1

CMP: INR706 Buy

Pre-quarter update: Weak 3Q revenue print (+10% YoY); SSSG flat (vs. expectation of ~4%)

- V-Mart's 3QFY26 revenue **grew 10% YoY to** INR11.2b (~6% below our pre-quarterly estimate), driven by ~13.5% YoY store additions and **flat** SSSG (vs. 11%/10% in 2QFY26/3QFY25 and our expectation of ~4% SSSG).
  - SSSG for V-Mart (core) stood at 0% (vs. 11%/16% in 2QFY26/3QFY25), while SSSG for Unlimited came in at 2% (vs. 11% each in 2QFY26/3QFY25).
  - SSSG was impacted by a shift in festive sales during the quarter, as a larger portion of Durga Puja fell in 2Q this year. However, on a cumulative basis for 2Q and 3Q, adjusting for the festive timing, combined SSSG stood at 5%.
  - Revenue per store declined ~4% YoY to INR20.7m in 3QFY26.
- The company has opened 23 new stores (we estimate 21 V-Mart store openings and two Unlimited stores) and closed two stores during the quarter, bringing the total store count to 554 stores (57 net store additions in 9MFY26).
- For 2HCY25 (to smoothen the impact of the festive shift), revenue grew ~15% YoY, driven largely by ~14% net store addition.
- Although the SSSG print came in significantly below our estimates, the stock has been weak in the recent days (down 9% in the last 1M) and is now trading close to our bear case valuations.

Financial performance for 3QFY26

V-Mart (INR m)	3Q25	4Q25	1Q26	2Q26	3Q26	YoY%	QoQ%	3Q26E	vs. est (%)	2HCY24	2HCY25	YoY%
Total revenue	**10,267**	**7,801**	**8,852**	**8,069**	**11,260**	**9.7**	**39.6**	**12,027**	**(6.4)**	**16,877**	**19,329**	**14.5**
Total stores	**488**	**497**	**510**	**533**	**554**	**13.5**	**3.9**	**556**	**(0.4)**	**488**	**554**	**13.5**
V-Mart	403	412	421	438	457	13.4	4.3	456	0.2	403	457	13.4
Unlimited	85	85	89	95	97	14.1	2.1	100	(3.0)	85	97	14.1
SSSG (%)	**10**	**8**	**1**	**11**	**0**			**4**			**5**	
Revenue per store	**21.5**	**15.8**	**17.6**	**15.5**	**20.7**	**(3.6)**	**33.9**	**22.1**	**(6.2)**	**36.2**	**36.8**	**1.6**
YoY (%)	7.7	6.4	(0.2)	7.1	(3.6)			2.7			1.6	

Source: MOFSL; Company

Max Estates : Launches Estate 361 in Gurugram; Targets ₹6,500 Cr Pre-Sales; Nitin Kansal, CFO

- Gurugram has seen tremendous sales post Covid
- Aim to achieve 6,000-6,500 crs pre sales
- Launches worth 9,500crs this yea

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Zaggle Prepaid : Visa Partnership Will Help In Programme Fees; Avinash Godkhindi – MD

- Will see seasonality affect in Q3/Q4
- 40-45% growth target is through organic channels
- Will achieve EBITDA margin guidance of 10-11%
- Visa partnership will help in programme fees

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Muthoot Finance : Yields Will Stabilise As Competition Increases; George Alexander, MD

- Might revisit guidance during Q3 results
- Yields will stabilise as competition increases
- Loan to Value Ratio is approx. at 57% for muthoot Finance
- Demand remains high in both rural and urban markets

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Zydus Wellness : Acquired Max Protein To Capitalise On The Protein Wave; Tarun Arora, CEO

- Acquired Max Protein to capitalise on the protein wave , protein segment is approx. 1,000-2000crs for cos products
- Trying to cater to consumers across the sugar substitute market
- Consumers are now totally focused on healthy options

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Index and MOFSL Universe stock performance

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**0.7**	**0.7**	**7.3**
Nifty-50	**0.7**	**1.1**	**8.8**
Nifty Next 50	**1.1**	**1.8**	**1.9**
Nifty 100	**0.8**	**1.3**	**7.6**
Nifty 200	**0.8**	**1.2**	**7.2**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**1.1**	**2.9**	**19.9**
Amara Raja Ener.	0.1	-2.3	-22.7
Apollo Tyres	0.6	-4.2	-5.6
Ashok Leyland	2.1	18.0	59.9
Bajaj Auto	-0.6	4.6	4.7
Balkrishna Inds	2.3	-3.1	-18.1
Bharat Forge	0.9	3.9	12.3
Bosch	9.1	7.5	14.5
CEAT	3.0	-0.6	22.0
Craftsman Auto	3.8	15.2	50.2
Eicher Motors	-0.2	3.1	38.2
Endurance Tech.	-0.1	-4.5	16.2
Escorts Kubota	0.7	2.4	14.8
Exide Inds.	1.2	-2.8	-14.3
Happy Forgings	2.6	11.5	17.5
Hero Motocorp	1.6	-5.4	37.6
Hyundai Motor	-1.9	-4.8	24.7
M & M	1.1	2.3	18.4
CIE Automotive	-1.5	1.7	-11.7
Maruti Suzuki	1.5	4.4	43.2
MRF	-0.6	-2.5	16.6
Sona BLW Precis.	2.5	-4.0	-18.6
Motherson Sumi	-0.4	2.3	14.6
Motherson Wiring	1.9	7.4	24.7
Tata Motors PV	0.8	2.4	-20.0
Tata Motors CV	3.4	24.6	
TVS Motor Co.	1.4	4.8	53.8
Tube Investments	-1.0	-7.0	-29.3
Banks-Private	**0.4**	**1.2**	**14.5**
AU Small Fin. Bank	0.0	4.9	75.0
Axis Bank	-0.6	0.7	16.6
Bandhan Bank	0.2	-3.6	-10.2
DCB Bank	0.9	-2.5	46.4
Equitas Sma. Fin	0.2	1.4	-2.0
Federal Bank	0.3	3.3	29.5
HDFC Bank	1.1	1.2	11.7
ICICI Bank	1.3	-1.3	5.0
IDFC First Bank	0.4	4.8	32.8
IndusInd Bank	1.4	6.1	-9.0
Kotak Mah. Bank	-1.0	2.5	19.5
RBL Bank	1.7	6.1	101.6
SBI Cards	1.9	-0.8	24.7
Banks-PSU	**1.5**	**2.2**	**31.8**
BOB	1.4	2.7	26.5
Canara Bank	0.4	1.9	53.2
Indian Bank	3.5	0.2	64.6
Punjab Natl.Bank	1.1	0.0	18.8

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**0.8**	**1.2**	**5.6**
Nifty Midcap 100	**1.0**	**0.7**	**5.6**
Nifty Smallcap 100	**0.7**	**0.3**	**-6.5**
Nifty Midcap 150	**0.9**	**1.1**	**5.2**
Nifty Smallcap 250	**0.8**	**0.6**	**-6.7**
St Bk of India	1.4	3.3	24.7
Union Bank (I)	2.0	0.6	29.1
NBFCs	**0.8**	**1.2**	**16.2**
Aditya Birla Capital Ltd	-0.2	1.5	96.4
AAVAS Financiers	-1.0	-4.7	-15.0
Bajaj Fin.	1.8	-3.4	34.0
Bajaj Housing	0.5	-0.4	-23.5
Cholaman.Inv.&Fn	3.3	4.1	40.1
Can Fin Homes	-0.2	2.9	27.5
CreditAcc. Gram.	2.3	-2.8	34.9
Fusion Microfin.	1.5	-3.8	-5.9
Five-Star Bus.Fi	-0.4	-8.9	-33.3
HDB FINANC SER	0.8	3.5	
Home First Finan	0.4	1.2	2.7
Indostar Capital	2.4	-1.3	-9.2
IIFL Finance	3.2	10.2	48.3
L&T Finance	0.8	4.5	123.8
LIC Housing Fin.	1.8	-1.6	-10.0
MCX	0.8	8.4	74.8
M & M Fin. Serv.	-0.3	10.4	50.2
Muthoot Finance	-0.5	1.1	69.3
Manappuram Fin.	-0.9	11.9	63.0
MAS Financial Serv.	1.8	2.2	20.5
Piramal Finance	4.1	12.9	
PNB Housing	1.2	11.0	7.9
Power Fin.Corpn.	3.5	4.3	-18.2
REC Ltd	3.5	6.5	-26.6
Repco Home Fin	0.9	6.2	-1.5
Shriram Finance	-0.9	19.8	65.1
Spandana Sphoort	-0.4	0.7	-17.3
Nippon Life Ind.	2.0	6.5	17.7
UTI AMC	1.1	-1.9	-19.0
Nuvama Wealth	0.7	1.0	1.6
Prudent Corp.	1.9	6.2	-5.9
NBFC-Non Lending			
360 One	1.7	3.2	-7.2
Aditya AMC	-1.2	14.6	0.5
Anand Rathi Wea.	-0.5	5.3	56.4
Angel One	1.1	-15.1	-19.8
BSE	1.5	-6.2	46.3
C D S L	1.4	-7.9	-18.7
Cams Services	2.9	-1.8	-27.3
HDFC AMC	0.3	2.2	24.1
KFin Technolog.	0.5	-0.1	-27.5
MCX	0.8	8.4	74.8
N S D L	1.4	-1.4	
Nippon Life Ind.	2.0	6.5	17.7
Nuvama Wealth	0.7	1.0	1.6

Company	1 Day (%)	1M (%)	12M (%)
Prudent Corp.	1.9	6.2	-5.9
UTI AMC	1.1	-1.9	-19.0
Insurance			
HDFC Life Insur.	0.6	-0.5	21.7
ICICI Pru Life	0.6	10.0	2.4
ICICI Lombard	0.9	-0.6	7.7
Life Insurance	0.9	-2.6	-4.6
Max Financial	-0.2	-1.2	48.8
Niva Bupa Health	0.1	0.5	-8.5
SBI Life Insuran	1.3	4.3	45.4
Star Health Insu	-1.1	-4.1	-5.9
Chemicals			
Alkyl Amines	-0.7	-3.4	-10.2
Atul	-1.0	5.6	-12.5
Clean Science	1.3	-3.3	-42.5
Deepak Nitrite	0.6	12.2	-32.0
Ellen.Indl.Gas	1.5	-9.0	
Fine Organic	2.0	-4.8	-8.3
Galaxy Surfact.	1.0	2.5	-18.6
Navin Fluo.Intl.	-0.5	2.0	78.8
P I Inds.	1.2	-3.5	-12.4
Privi Speci.	-0.7	-12.3	54.8
SRF	0.1	7.0	37.5
Tata Chemicals	0.5	-4.4	-26.8
Vinati Organics	0.3	1.6	-11.9
Capital Goods	**0.9**	**-1.6**	**-1.5**
A B B	0.6	0.4	-24.5
Astra Microwave	-2.0	4.0	22.5
Bharat Dynamics	0.9	-2.0	32.8
Bharat Electron	1.4	-2.4	35.8
Cummins India	0.3	-0.7	37.6
Hind.Aeronautics	0.5	-2.0	4.3
Hitachi Energy	1.7	-17.4	24.0
K E C Intl.	1.2	4.8	-38.4
Kalpataru Proj.	-0.2	0.8	-6.0
Kirloskar Oil	2.5	13.2	20.9
Larsen & Toubro	0.6	3.3	12.1
Siemens	0.2	-7.8	-7.0
Siemens Ener	0.3	-20.3	
Thermax	-1.3	3.5	-25.5
Triveni Turbine	0.7	3.1	-29.2
Zen Technologies	0.4	-2.1	-45.5
Cement			
Ambuja Cem.	1.0	4.1	2.8
ACC	0.5	-5.6	-15.5
Birla Corp.	-0.1	-0.7	-10.9
Dalmia Bharat	0.6	8.2	18.4
Grasim Inds.	0.2	4.4	12.3
India Cem	2.1	16.3	18.1
JSW Cement	2.3	10.9	
J K Cements	1.1	-4.1	17.2
JK Lakshmi Cem.	0.3	5.0	-4.7
The Ramco Cement	0.2	3.7	7.5

Company	1 Day (%)	1M (%)	12M (%)
Shree Cement	0.8	1.9	1.3
UltraTech Cem.	0.0	2.0	0.9
Consumer	**-1.2**	**-4.2**	**-8.0**
Asian Paints	0.7	-6.2	18.3
Britannia Inds.	-0.4	1.9	25.0
Colgate-Palm.	-0.2	-3.2	-24.8
Dabur India	4.5	2.9	1.8
Emami	-0.5	0.1	-14.2
Godrej Consumer	-0.7	9.1	13.0
Hind. Unilever	1.1	-3.7	0.6
ITC	-3.8	-12.7	-24.3
Indigo Paints	-1.3	-8.4	-17.0
Jyothy Lab.	2.3	-3.7	-29.9
L T Foods	1.1	-6.0	-9.3
Marico	-0.4	5.6	16.0
Nestle India	-1.2	1.7	16.3
Page Industries	0.4	-4.9	-25.7
Pidilite Inds.	0.6	0.6	1.0
P & G Hygiene	-0.7	1.6	-11.5
Radico Khaitan	-4.9	-3.6	19.6
Tata Consumer	-0.6	0.7	25.9
United Breweries	-0.2	-6.8	-24.9
United Spirits	-1.6	-4.1	-18.2
Varun Beverages	0.4	2.6	-23.9
Zydus Wellness	1.6	10.8	17.4
Consumer Durables	**0.9**	**-2.1**	**-8.3**
Blue Star	2.5	4.1	-20.8
Crompton Gr. Con	1.1	-3.4	-32.2
Havells	1.6	1.2	-15.4
KEI Industries	0.3	8.3	1.2
LG Electronics	-0.1	-8.8	
Polycab India	1.6	6.1	5.5
R R Kabel	2.8	7.8	6.0
Voltas	3.3	5.7	-22.1
EMS			
Amber Enterp.	0.5	-7.9	-14.1
Avalon Tech	1.3	-5.0	-8.4
Cyient DLM	0.3	-4.0	-38.0
Data Pattern	0.8	-9.4	5.3
Dixon Technolog.	0.6	-16.1	-33.7
Kaynes Tech	0.9	-26.5	-46.9
Syrma SGS Tech.	3.1	-6.7	18.7
Healthcare	**0.7**	**-0.5**	**-3.2**
Ajanta Pharma	-0.3	13.1	-1.7
Alembic Pharma	-0.3	-7.2	-20.5
Alkem Lab	2.4	-0.8	0.2
Apollo Hospitals	0.3	-1.6	-3.9
Aurobindo	1.9	0.0	-9.9
Biocon	1.3	-1.5	5.3
Blue Jet Health	0.4	-6.8	-9.4
Cipla	0.7	-0.3	-1.7
Divis Lab	0.8	-0.4	4.0
Dr Agarwals Health	0.3	-3.3	

Company	1 Day (%)	1M (%)	12M (%)
Dr Reddy's	0.2	-1.5	-8.7
ERIS Lifescience	2.6	-1.8	16.6
Gland Pharma	0.0	-2.8	-6.9
Glenmark	1.9	4.3	25.9
Global Health	2.1	-0.6	10.2
Granules	-0.6	7.9	1.1
GSK Pharma	1.1	-1.4	11.9
IPCA Labs	0.4	-1.8	-19.5
Laurus Labs	-0.4	8.5	80.5
Laxmi Dental	-1.2	2.8	
Lupin	0.2	1.2	-12.0
Mankind Pharma	1.8	-0.6	-24.1
Max Healthcare	1.3	-4.9	-8.3
Piramal Pharma	5.1	-3.7	-30.6
Rubicon Research	-2.2	3.8	
Sun Pharma	0.4	-4.0	-8.0
Torrent Pharma	0.6	3.9	12.5
Zydus Lifesci.	0.2	-2.7	-7.5
Infrastructure	**0.9**	**1.9**	**13.3**
G R Infraproject	0.5	-4.8	-31.6
IRB Infra.Devl.	1.5	0.0	-28.8
KNR Construct.	-0.3	1.6	-53.4
Logistics			
Adani Ports	0.6	-1.9	21.5
Blue Dart Exp.	-1.5	-1.1	-18.8
Delhivery	1.0	-1.1	15.6
Container Corpn.	1.4	5.6	-15.8
JSW Infrast	0.7	4.6	-13.1
Mahindra Logis.	-0.8	-0.7	-10.0
Transport Corp.	-0.2	-0.7	-5.8
TCI Express	0.8	1.6	-29.2
VRL Logistics	0.0	0.2	4.4
Media	**1.0**	**0.3**	**-20.1**
PVR INOX	1.3	-6.8	-22.0
Sun TV	-0.7	3.6	-16.0
Zee Ent.	0.7	-6.9	-26.5
Metals	**1.5**	**10.7**	**30.9**
Hindalco	3.4	14.7	54.5
Hind. Zinc	2.8	26.9	39.0
JSPL	1.1	5.0	14.7
JSW Steel	0.8	1.6	29.4
Jindal Stainless	0.2	12.4	25.0
Midwest	-1.8	31.1	
Nalco	5.0	24.6	52.5
NMDC	1.0	11.1	24.9
SAIL	-0.7	11.3	29.3
Tata Steel	0.5	9.0	32.3
Vedanta	2.4	14.6	37.2
Oil & Gas	**0.8**	**3.0**	**9.4**
Aegis Logistics	1.8	-6.2	-11.5
BPCL	0.0	6.3	28.5
Castrol India	0.4	0.0	-5.8
GAIL	2.1	0.2	-8.2

Company	1 Day (%)	1M (%)	12M (%)
Gujarat Gas	3.7	8.2	-14.2
Gujarat St. Pet.	2.6	7.2	-13.0
HPCL	-0.6	10.1	20.1
IOCL	0.5	2.7	20.9
IGL	1.2	-2.1	-8.7
Mahanagar Gas	1.2	-3.5	-11.9
Oil India	0.3	2.9	-7.4
ONGC	1.5	-0.9	-1.9
PLNG	1.0	7.4	-11.2
Reliance Ind.	1.1	3.0	28.2
Real Estate	**1.5**	**0.8**	**-14.5**
A B Real Estate	-1.0	-4.8	-32.5
Anant Raj	5.7	5.1	-32.8
Brigade Enterpr.	-0.7	0.1	-30.3
DLF	1.0	-2.0	-16.4
Godrej Propert.	2.6	-1.4	-26.4
Kolte Patil Dev.	0.2	4.0	9.1
Mahindra Life.	0.3	-5.8	-7.3
Macrotech Devel.	1.2	-3.0	-20.9
Oberoi Realty Ltd	2.0	6.0	-24.2
SignatureGlobal	0.8	1.0	-18.3
Sri Lotus	4.4	-0.1	
Sobha	2.2	-3.6	-3.4
Sunteck Realty	0.4	3.0	-14.5
Phoenix Mills	1.6	9.9	18.8
Prestige Estates	1.0	-2.0	-2.6
Retail			
A B Lifestyle	-1.0	-4.5	
Aditya Bir. Fas.	2.7	1.4	-24.1
Arvind Fashions	0.5	4.4	-2.8
Avenue Super.	0.1	-6.1	3.0
Bata India	0.4	-1.5	-33.2
Campus Activewe.	0.0	-4.9	-16.1
Devyani Intl.	0.4	11.2	-21.7
Go Fashion (I)	0.2	-9.3	-53.4
Jubilant Food	0.0	-8.4	-26.9
Kalyan Jewellers	2.4	-1.1	-37.1
Metro Brands	-1.8	4.9	-8.1
P N Gadgil Jewe.	1.7	-1.8	-10.9
Raymond Lifestyl	1.7	-5.7	-50.5
Relaxo Footwear	0.5	-0.4	-35.9
Restaurant Brand	2.4	4.0	-23.5
Sapphire Foods	-4.1	2.2	-26.2
Senco Gold	1.9	3.0	-43.5
Shoppers St.	1.9	-6.6	-36.2
Titan Co.	0.1	4.3	19.6
Trent	2.6	4.3	-39.8
United Foodbrands	-0.5	17.1	-50.9
Vedant Fashions	0.7	-4.2	-54.1
Vishal Mega Mart	0.1	0.3	26.6
V-Mart Retail	0.8	-10.5	-27.2
Westlife Food	0.8	-7.3	-31.1

Company	1 Day (%)	1M (%)	12M (%)
Technology	**0.4**	**2.1**	**-13.6**
Cyient	-0.3	-6.2	-38.5
HCL Tech.	0.3	0.3	-16.8
Hexaware Tech.	-0.9	2.2	
Infosys	0.7	5.1	-16.2
KPIT Technologi.	0.4	-6.9	-21.3
LTIMindtree	-0.7	-1.6	5.5
L&T Technology	0.8	-2.0	-8.0
Mphasis	-0.8	-1.1	-3.2
Coforge	-0.3	-13.8	-14.9
Persistent Sys	0.1	-1.6	-3.0
TCS	0.7	3.7	-22.2
Tata Technolog.	1.8	-3.0	-27.5
Tata Elxsi	2.4	4.1	-20.4
Tech Mah	0.3	4.9	-6.7
Wipro	0.6	7.5	-11.5
Zensar Tech	-0.3	-4.7	-11.8
Telecom	0.3	3.5	10.0
Bharti Airtel	-0.2	0.1	30.9
Indus Towers	1.4	10.0	27.6
Idea Cellular	1.6	16.3	44.7
Tata Comm	-1.2	-3.1	2.6
Utilities	2.3	2.2	-4.8
ACME Solar Hold.	1.1	8.3	2.0
Coal India	6.9	12.9	8.9
Indian Energy Ex	0.7	-9.5	-25.8
Inox Wind	4.2	-3.9	-31.2
JSW Energy	1.7	5.5	-20.3
NTPC	4.7	7.2	4.2
Power Grid Corpn	1.6	1.3	-14.0
Suzlon Energy	3.4	1.6	-13.7
Tata Power Co.	2.9	1.2	-0.6
Waaree Energies	-3.0	-9.1	1.0
Others			
APL Apollo Tubes	-1.9	11.4	21.7
Astral	1.3	2.4	-11.8
Cello World	1.2	-5.2	-28.4
Century Plyboard	-0.3	0.8	-3.5
Cera Sanitary.	0.4	-2.8	-31.6
Coromandel Intl	0.8	-2.7	16.6
EPL Ltd	-0.6	5.3	-18.1
Eternal Ltd	0.1	-5.5	-0.2
FSN E-Commerce	-0.3	1.2	60.2
Godrej Agrovet	1.0	-3.9	-23.0
Gravita India	0.1	4.7	-17.4
Havells	1.6	1.2	-15.4
Indiamart Inter.	-0.7	-6.4	-5.6
Indian Hotels	1.4	0.8	-14.9
Info Edge	2.0	-1.4	-23.0
Interglobe	-0.1	-10.4	12.5
Kajaria Ceramics	1.9	-9.1	-14.3
Lemon Tree Hotel	-1.8	-5.1	-2.6

Company	1 Day (%)	1M (%)	12M (%)
MTAR Tech	-1.0	-6.2	37.9
One 97	3.8	-1.7	36.5
Prince Pipes	-1.7	-4.2	-38.9
Quess Corp	3.2	2.7	-34.2
Safari Inds.	-0.5	-7.8	-15.9
SIS	2.6	4.5	-7.6
Supreme Inds.	1.4	6.1	-24.8
Swiggy	-0.9	-3.1	-30.4
Team Lease Serv.	0.7	-5.3	-48.6
Time Technoplast	4.3	1.4	-19.0
Updater Services	-1.1	6.6	-49.6
UPL	-0.1	7.8	57.9
V I P Inds.	1.4	10.2	-19.7
Va Tech Wabag	-1.8	-6.7	-22.4
Voltas	3.3	5.7	-22.1
Inventurus Knowl	0.1	0.1	-13.0
Sagility	1.8	7.5	5.3
Indegene	0.5	-1.5	-13.1

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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