

Market snapshot


| Equities - India | Close | Chg. % | CYTD.% |
|------------------|----------|----------|----------|
| Sensex | 74,107 | 1.1 | -13.0 |
| Nifty-50 | 22,968 | 1.1 | -12.1 |
| Nifty-M 100 | 54,493 | 1.5 | -9.9 |
| Equities-Global | Close | Chg. % | CYTD.% |
| S&P 500 | 6,612 | 0.4 | -3.4 |
| Nasdaq | 21,996 | 0.5 | -5.4 |
| FTSE 100 | 10,436 | 0.0 | 5.1 |
| DAX | 23,168 | 0.0 | -5.4 |
| Hang Seng | 8,457 | 0.0 | -5.1 |
| Nikkei 225 | 53,414 | 1.8 | 6.1 |
| Commodities | Close | Chg. % | CYTD.% |
| Brent (US\$/Bbl) | 141 | 0.0 | 126.2 |
| Gold (\$/OZ) | 4,650 | -0.6 | 7.7 |
| Cu (US\$/MT) | 12,288 | 0.0 | -1.3 |
| Almn (US\$/MT) | 3,540 | 0.0 | 19.3 |
| Currency | Close | Chg. % | CYTD.% |
| USD/INR | 93.1 | 0.0 | 3.5 |
| USD/EUR | 1.2 | 0.0 | -1.7 |
| USD/JPY | 159.7 | 0.1 | 1.9 |
| YIELD (%) | Close | 1MChg | CYTD chg |
| 10 Yrs G-Sec | 7.0 | -0.09 | 0.5 |
| 10 Yrs AAA Corp | 7.7 | -0.07 | 0.4 |
| Flows (USD b) | 6-Apr | MTD | CYTD |
| FII | -0.88 | -1.89 | -16.8 |
| DII | 0.87 | 3.27 | 29.6 |
| Volumes (INRb) | 6-Apr | MTD* | YTD* |
| Cash | 1,246 | 1288 | 1287 |
| F&O | 1,97,352 | 1,14,778 | 2,87,384 |

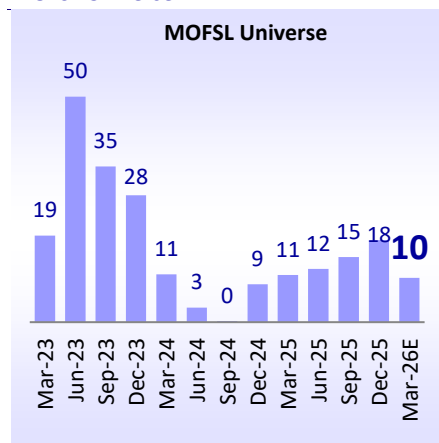
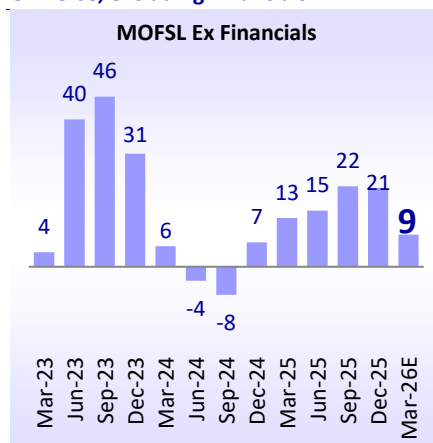
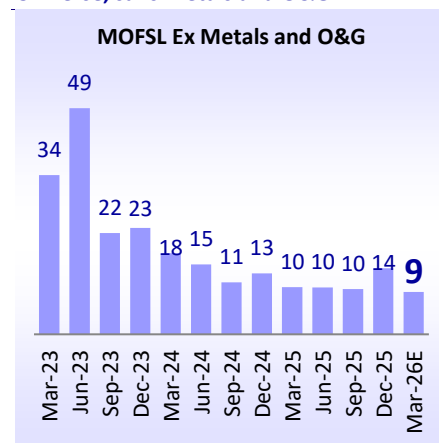
Note: Flows, MTD includes provisional numbers. *Average


Today's top research theme
India Strategy | 4QFY26E Preview: India Equities: Steering through the Strait!

- ❖ We expect earnings of for the MOFSL Universe and Nifty to grow by 10% YoY and 6% YoY, respectively in 4QFY26. Ex- financials, their earnings are expected to rise 9% YoY and 4% YoY. Barring global commodities (i.e., Metals and O&G), the earnings are likely to rise 9% and 5% YoY, respectively during the quarter.
- ❖ The overall earnings growth will be anchored by Financials – led by NBFC-Lending (+30% YoY), Metals (+27% YoY), Pvt. Banks (+12% YoY), Telecom (11x YoY jump in profit), Technology (+11% YoY), and Automobile (+12% YoY). Retail (+47% YoY), EMS (+17% YoY), and Consumer (+10% YoY) are also expected to report healthy double-digit growth during the quarter. PSBs' (+2% YoY) contribution to earnings may moderate, whereas Capital Goods (-6% YoY), Consumer Durables (-5% YoY), and Cement (-1% YoY) are anticipated to hurt earnings moderately.
- ❖ Further, we expect FY26/FY27 earnings to grow 13%/14% YoY for the MOFSL Universe and 6%/17% for Nifty-50, respectively.
- ❖ We reduce our FY26E/FY27E Nifty EPS by 2.0%/ 1.3% and expect it to grow 5%/18% YoY to INR1,060/ INR1,246. The Automobiles, Capital Goods, Logistics, Technology, and Utilities sectors have led to the reduction in our FY26 earnings estimate.


Research covered

| Cos/Sector | Key Highlights |
|----------------------------------|--|
| India Strategy 4QFY26E Preview | India Equities: Steering through the Strait! |
| Financials - Banks | Deposit repricing to broadly offset yield contraction |
| Oil & Gas | More support for OMCs |
| Fusion Finance | Fortifying the core; scaling with discipline |
| Other updates | Trent Godrej Consumer Products Jubilant Foodworks CreditAccess Grameen |


Chart of the Day: India Strategy | 4QFY26E Preview (India Equities: Steering through the Strait!)
PAT expected to grow 10% YoY for the MOFSL Universe

PAT likely to rise 9% YoY, for the MOFSL Universe, excluding Financials

PAT to grow 9% YoY, for the MOFSL Universe, sans Metals and O&G

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

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



In the news today



Kindly click on textbox for the detailed news link

1

India's auto dealers say Iran war to hit supplies

Federation of Automobile Dealers Associations said Indian auto dealers may face supply disruptions due to the West Asia conflict, even as retail vehicle sales rose 25.28% in March, ending the financial year on a strong note.

2

IIFCL to double InvITs exposure to Rs 6,000 cr this fiscal

India Infrastructure Finance Company Ltd plans to double its investment in Infrastructure Investment Trusts. The company aims to reach Rs 6,000 crore in InvITs by March 2027. This move is part of its strategy to diversify investments.

3

'Softening gold prices may spur demand on Akshaya Tritiya', says Tanishq

Gold jewellery purchases may advance for the April-July wedding season. Buyers can book orders on Akshaya Tritiya, April 19. Tanishq CEO Arun Narayan anticipates good growth. Demand is expected for 18-carat and lightweight designs. Old gold exchange remains a significant revenue source.

4

Textiles market size grows by 8.3% CAGR to Rs 14.95 lakh crore in 2024

India's textiles market has seen significant growth. The market size expanded from Rs 4.89 lakh crore in 2010 to Rs 14.95 lakh crore in 2024. Man-made fibre products now lead consumption. Household demand also doubled, and per capita demand increased substantially.

5

Indian refiners postpone maintenance shutdowns to meet local fuel demand: Govt

Indian oil refineries are pushing back their scheduled maintenance work. This decision has been made to ensure they can keep up with the country's high demand for fuel. The government has confirmed that these postponements are happening to prioritize meeting local needs.

6

Trent Q4 revenue surges 20% on Zudio-led growth

Trent has achieved robust growth in the March quarter. This success is fueled by the rapid expansion of its value fashion chain, Zudio. The company saw significant revenue increases, reflecting strong demand. Zudio's growth highlights Trent's focus...

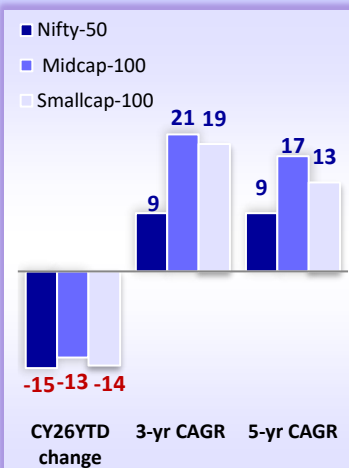
7

Everstone leads \$150 million infusion in SaaS firm Wingify

Software firm Wingify secured Rs 1,381 crore in a new funding round led by Everstone Capital. This investment follows Wingify's recent announcement of a merger with AB Tasty. The combined entity aims to become a major global platform for digital experience optimization.



Sharp decline across indices in 4QFY26 (%)



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India Equities: Steering through the Strait!

As FY26 wraps up and we step into FY27, Indian equity markets stand at a pivotal juncture supported by several tailwinds yet overwhelmed by geopolitical headwinds emanating from the ongoing Iran-Israel/US conflict. Prima facie, the Indian equity market should benefit from a favorable base year characterized by multiple fiscal and monetary accommodative measures, progress on foreign trade agreements, an improved environment for aggregate demand, a series of better-than-expected GDP prints, a rare underperformance relative to EM peers, and sustained faith from retail investors in Indian equities. However, despite all these favorable factors, the near-term market set-up has been vitiated by the Iran-Israel/US war, and its consequent impact on the Indian economy and corporate earnings, given that a significant chunk of India's energy requirements passes through the Strait of Hormuz (35-40% of crude demand and 54% of pre-war LPG needs).

Earnings growth to slow sequentially

Against this backdrop, we present our views on the upcoming 4QFY26 earnings season, which will reflect the impact of the Strait of Hormuz crisis. We expect a softer 10% YoY growth for the MOFSL universe earnings, lower than the 18%/15% YoY growth recorded in 3Q/2QFY26. Barring Financials, PAT growth is estimated at 9% YoY, while excluding OMCs, PAT growth is projected at 10% YoY. Growth in the MOFSL large-cap universe PAT is likely to slow the most, to 7% YoY, driven by sectors such as Oil & Gas, Automobiles, PSU banks, Healthcare, and Capital goods. Mid-caps are expected to see earnings growth improvement following a dip in 3Q, with MOFSL mid-cap earnings growth projected at 25% YoY (vs. 16% YoY in 3Q). For the MOFSL small-cap universe, our analysts pencil in a decent 18% YoY PAT growth (aided by a softer base), albeit lower than the 27% YoY growth seen in 3QFY26.

Crude spike breaks the trend of improving earnings revision

The lower growth in 4Q is clearly attributable to the impact of higher crude oil and gas prices flowing through various energy and crude derivative-consuming sectors. This is also reflected in our earnings revisions, as the trend of positive earnings revisions over the past two quarters reversed in Mar'26. Our estimate for FY26 MOFSL aggregate earnings was reduced by ~1.4%, leading to a dip in 4QFY26E earnings growth to 10% YoY for the MOFSL universe vs. the earlier expectation of 14% YoY. For FY27E, earnings cuts have been even more pronounced, at around 3% for the MOFSL universe. The surge in crude and gas prices has not only driven earnings cuts but also caused a jump in the implied equity risk premium, resulting in a sharp market decline.

A resolution to the Iran-Israel conflict holds key to risk assets

Although the domestic eco-political situation in the US makes a strong case for faster resolution, recent vacillations in statements and actions have created a haze. This ambiguity is likely to keep markets volatile over the next few weeks/month. Our base case assumption is that the war should not last for several months or quarters. After witnessing sharp underperformance in CY25, Indian markets still declined with similar intensity to other EM peers post the start of the war. This suggests that despite the lower absolute and relative valuation, the Indian market is still not a top-down market, and portfolios should be designed on a bottom-up basis with growth visibility. Given the current valuation level, where we see limited downside, the upmove will be driven by earnings growth. Consequently, we recommend investing in companies with high earnings growth visibility that have experienced reasonable valuation contraction.

Inordinate delay in the Iran war ceasefire is the biggest risk

Currently, the key risk is an unanticipated extension of the ongoing war beyond tolerable limits, which could be more hazardous for the global economy and push it into a recessionary spiral. Should the conflict continue for an extended period, the case for risk assets will weaken further. In this case, despite better relative valuation and entry point, Indian equities are likely to remain in abeyance, as India relies on imports for more than 85% of its crude demand. This reliance could lead to higher inflation, INR stress, domestic demand destruction, and a profitability hit for India Inc.

Likely delayed gratification of FY26 reforms offensive?

The government and the Central Bank have done substantial heavy lifting to improve the environment for business and corporate earnings. The RBI embarked on a multi-pronged approach to ease financial conditions (through repo cuts, CRR cuts, liquidity injections, and regulatory easing). The Finance Ministry also eased the personal tax burden and announced the game-changing GST2.0, while the Commerce Ministry initiated several transformative bilateral trade agreements, especially with the UK, the EU bloc, and the US. While markets have not reacted fully to these measures and have been swayed more by adverse global developments, we believe it is likely that the heavy lifting done by the executive during most of FY26 will yield delayed gratification in FY27 and catalyze a positive market response once the war clouds dissipate.

India now appears better poised within the EM equity space

After a recent correction of ~10% since the start of the Iran-Israel/US war, valuations have become much more sober, with the Nifty trading at 18x (a 14% discount to the LPA of 20.9x). The Indian market has dipped 3%, while the MSCI EM has risen 31%, resulting in an underperformance of 34% in FY26 – likely the most severe over the past two decades. The Indian market's valuation premium vs. EM has shrunk to 27% vs. a 10-year avg. of 73%, a peak of 145%, and close to a multi-decadal low of 21%.

DII's remain the bedrock; even an abatement of FII outflows will help

Domestic investors have continued to repose their unstinted faith in Indian equities, demonstrating strong resilience and an impressive capacity to absorb volatility over the past few years. In CY26TD, DIIs have already invested USD28.8b in Indian equities, backed by the unwavering SIP run rate. Conversely, FIIs flows have been volatile; while they turned positive in Feb'26 with ~USD1.7b of inflows, the onset of the Iran war sparked another bout of massive selling of USD14.2b in Mar'26 – taking the CY26TD FII outflows to USD15.8b. Once the war dust settles, there is a high likelihood of a better FII flow environment, and even an abatement in outflows will be taken positively by the market, while a full-blown positive flows can lead to sharper rallies.

Favorable base set for FY27; Iran war ceasefire will be a key trigger

Following the sharp underperformance of India in FY26, along with record FII outflows, a favorable base has likely been set for Indian equities. While the duration of the ongoing Iran-Israel war remains the key overhang, a resolution to the conflict is expected to release pent-up positive sentiment and help Indian markets recoup some of the losses and underperformance experienced in FY26. While the ongoing war has hit the current earnings estimates, the effect has not been as sharp as observed in FY25. Moreover, the plethora of policy measures should incrementally prop up earnings growth. Currently, we estimate ~16% earnings CAGR for both the MOFSL Universe and the Nifty over FY26-28E.

Earnings to be healthy in 4Q; Nifty EPS cut 2.0%/1.3% for FY26E/FY27E

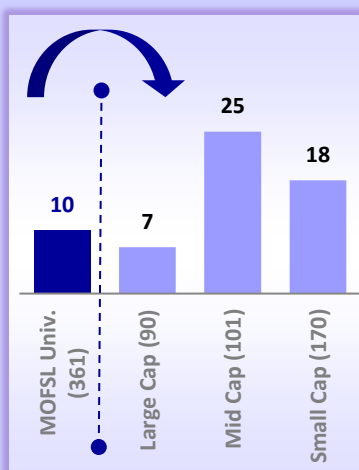
We estimate the MOFSL Universe/Nifty-50 earnings to grow 10%/6% YoY in 4QFY26. Barring Financials, we project earnings to increase 9%/4% YoY. Further, excluding Metals and O&G, we project the earnings to rise 9%/5% YoY for the quarter. The overall earnings growth is anticipated to be healthy and will be anchored by Financials – led by NBFC-Lending (+30% YoY) and Pvt. Banks (+12% YoY) – Metals (+27% YoY), Telecom (11x YoY jump in profit, driven by Bharti Airtel and reduction in losses of Vodafone Idea), Technology (+11% YoY), and Automobile (+12% YoY). Retail (+47% YoY), EMS (+17% YoY), and Consumer (+10% YoY) are also expected to report healthy double-digit growth during the quarter. These sectors are likely to contribute 80% of the incremental YoY accretion in earnings. Among the other key sectors, Utilities (+5% YoY), O&G (+3% YoY), Real Estate (+2% YoY) and Healthcare (+1% YoY) are likely to report low single-digit earnings growth. While Private Banks (+12% YoY) are likely to contribute modestly, PSBs' (+2% YoY) contribution to earnings may moderate, whereas Capital Goods (-6% YoY), Consumer Durables (-5% YoY), and Cement (-1% YoY) are anticipated to hurt earnings moderately. Further, we expect **FY26/FY27/FY28** earnings to grow 13%/14%/18% YoY for the MOFSL Universe and 6%/17%/15% for Nifty-50, respectively. FY26/FY27/FY28 earnings, ex-Financials, are projected to rise 14%/12%/17% YoY for the MOFSL Universe. Barring Metals and O&G, FY26/FY27/FY28 MOFSL Universe earnings are projected to increase 9%/20%/18% YoY. We cut our FY26E/FY27E/FY28E **Nifty EPS** by 2.0%/1.3%/1.3% and expect it to grow 5%/18%/16% YoY to INR1,060/ INR1,246/ INR1,440. The Automobiles, Capital Goods, Logistics, Technology, and Utilities sectors have contributed to the majority of the reduction in our FY26 earnings estimate.

Note: We have excluded Tata Motors PV from both the MOFSL universe and the Nifty-50 aggregate earnings calculations due to the unavailability of historical data.

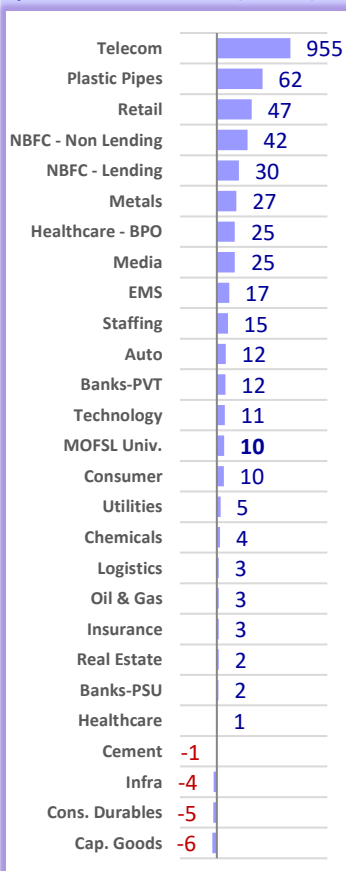
Earnings highlights in 4Q | NBFC Lending and Metals to drive growth

- We expect earnings for the **MOFSL Universe to grow 10% YoY** (the lowest in five quarters) and **Nifty to grow 6% YoY** in 4QFY26. Excluding financials, their earnings are expected to jump 9% YoY and 4% YoY, respectively. Barring global commodities (Metals and O&G), the MOFSL Universe and Nifty are likely to report 9% and 5% YoY earnings growth, respectively, for the quarter.
- The overall earnings growth is expected to be healthy and will be anchored by Financials – led by NBFC-Lending (+30% YoY), – Metals (+27% YoY), Pvt. Banks (+12% YoY), Telecom (11x YoY jump in profit, driven by Bharti Airtel and reduction in losses of Vodafone Idea), Technology (+11% YoY), and Automobile (+12% YoY). Retail (+47% YoY), EMS (+17% YoY), and Consumer (+10% YoY) are also expected to report healthy double-digit growth during the quarter. Among the other key sectors, Utilities (+5% YoY), O&G (+3% YoY), Real Estate (+2% YoY), and Healthcare (+1% YoY) are likely to report low single-digit earnings growth. While Private Banks (+12% YoY) are likely to contribute modestly, PSBs' (+2% YoY) contribution to earnings may moderate, whereas Capital Goods (-6% YoY), Consumer Durables (-5% YoY), and Cement (-1% YoY) are anticipated to hurt earnings moderately.
- Sales and EBITDA for the MOFSL Universe are expected to grow 12% and 10% YoY, while the same for the Nifty are likely to improve 13% YoY and 9% YoY, respectively. Ex-Commodities, EBITDA for the MOFSL Universe, and Nifty are projected to grow 10% YoY and 8% YoY, respectively.
- In 4QFY26, the **MOFSL large-cap/mid-cap/small-cap** universe is likely to register a PAT growth of 7%/25%/18%, YoY. Moreover, sales for large-/mid-/small-caps are likely to grow 13%/11%/13% YoY, and their EBITDA would clock 9%/13%/10% YoY growth for the quarter.

MOFSL: Large-/Mid-/Small-cap PAT growth in 4QFY26 (YoY,%)



Sectoral PAT growth for the quarter ended Mar'26 (YoY, %)



- The 4QFY26 earnings growth for the MOFSL **Financial** Universe is expected to be 12% YoY, primarily due to the strong performances of NBFC Lending, Private Banks, and NBFC Non-Lending. The **Private Banks** sector is projected to report an earnings growth of 12% YoY (the highest in seven quarters), and the **PSU Banks** universe is likely to grow 2% YoY. The **Insurance** sector's earnings growth is likely to remain modest at 3% YoY. **NBFC-Lending** is anticipated to post a strong 30% YoY earnings growth (the highest in ten quarters), while **NBFC Non-lending** is set to clock a strong 42% YoY earnings growth over a high base of +22% YoY (the highest in five quarters) in 4QFY25.
- The **Metals** universe is projected to report a 27% YoY profit growth following a strong 45% YoY growth in 4QFY25.
- The **Auto** sector (ex-Tata Motors PV) is likely to report a strong quarter of 12% YoY earnings growth in 4QFY26.
- The **Telecom** universe is likely to report an 11x jump in profit over a soft base and clock profits for the sixth successive quarter. The universe profit is projected to be INR53b in 4QFY26 vs. a profit of only INR5b in 4QFY25, mainly fueled by continued improvement in Bharti Airtel's margins and reduction in losses of VIL.
- The **Technology** sector is likely to register a healthy earnings growth of 11% YoY; this will be the second quarter of double-digit earnings growth following modest growth in the prior four quarters.
- The **Consumer** sector is expected to post a healthy earnings growth of 10% YoY over a weak base of 4QFY25.
- The **Healthcare** universe is likely to report flat (+1% YoY) earnings growth – the lowest growth in 12 quarters of double-digit growth (barring 2QFY26).
- The earnings growth of the **O&G** Universe is likely to turn weak with just 3% YoY. This will mark the first quarter of low single-digit earnings growth after three successive quarters of healthy growth.
- The **Utility** sector is likely to post modest 5% YoY earnings growth, marking the third quarter of low single-digit growth.
- The **Chemicals** sector is also likely to report a modest growth of 4% YoY over a strong base of a 23% YoY earnings growth in 4QFY25. However, this will mark the fifth consecutive quarter of earnings growth following a seven-quarter decline.
- The **Real Estate** universe is likely to deliver a quarter with earnings growth of 2% YoY in 4QFY26 over a modest base of +6% 4QFY25.
- The **Capital Goods** sector is projected to report the first quarter of earnings decline since 3QFY21 of 6% YoY. The **Cement** universe (-1% YoY) is expected to turn weak in 4Q after three quarters of strong earnings growth. The **Consumer Durable/Infra** sectors are also likely to post an earnings decline of 5%/4%.
- We expect the **EBITDA margin** (ex-Financials) to dip 40bp to 17.6% for the MOFSL Universe (the lowest in six quarters). Conversely, for the Nifty-50, EBITDA margin is likely to contract 60bp to 21.4% (ex-Financials) for the quarter.
- **Sales/EBITDA/PAT of the MOFSL Universe** are expected to report a two-year CAGR of 10%/10%/10% over 4QFY24-4QFY26.
- **FY26E earnings highlights:** The MOFSL Universe is likely to deliver sales/EBITDA/PAT growth of 9%/11%/13% YoY. The O&G, NBFC Lending, Metals, and Telecom sectors are likely to be the key earnings drivers with 32%, 23%, 22%, and LP YoY growth in FY26E, respectively. These four sectors are projected to contribute 68% to the incremental earnings of the MOFSL Universe in FY26.



- **Nifty EPS cut for FY26E/FY27E/FY28E:** We reduce our FY26E/FY27E/FY28E Nifty EPS by 2.0%/1.3%/1.3% and expect the same to grow 5%/18%/16% YoY to INR1,060/INR1,246/ INR1,440. The Automobiles, Capital Goods, Logistics, Technology, and Utilities sectors have contributed to the majority of the reduction in our FY26 earnings estimate.
- **Top Nifty-50 Ideas:** Bharti Airtel, SBI, ICICI Bank, M&M, Titan, Bharat Electronics, Eternal, Tata Steel, Infosys and Interglobe Aviation. **Top Non-Nifty-50 Ideas:** TVS Motors, ICICI PRU AMC, Groww, Indian Hotels, AU Small Finance, Dixon Tech., Lenskart, Waaree Energies, Coforge, Radico Khaitan, and Delhivery.

Model portfolio: Key changes

- **Our model portfolio broadly reflects our preference for growth visibility, structural domestic growth plays, and select global value names. We firmly believe that this is a bottom-up market, despite India witnessing both time and price corrections relative to EM peers. We discuss the key changes in our model portfolio below:**
 - Our key OW sectors are Autos, PSU Banks, Diversified Financials, Manufacturing & Industrials, Consumer Discretionary, and New-age platforms. In contrast, we are UW on Oil & Gas, Private Banks, Metals, Consumer Staples, IT and Commodities/Utilities. We have also made several additions from a bottom-up perspective across sectors.
 - **FINANCIALS:** We continue to have a layered bottom-up stance on the BFSI complex. We are underweight on private banks and overweight on PSU banks and Diversified Financials. We have added 100bp more weight to SBI by trimming weight in HDFC Bank. Moreover, we have also included Au SFB.
 - We are adding **ICICI Pru AMC** to our model portfolio as it 1) continues to gain market share, led by its sustained strong fund performance, 2) scales up its non-MF business to over 15% of revenue, and 3) maintains its best-in-class profitability.
 - We are adding **Jio Financial Services (JIOFS)** as it presents a platform-scale opportunity. JIOFS is building a full-stack, ecosystem-led financial services platform with multiple growth engines. On the other hand, payments, AMC, and insurance provide significant optionality.
 - We are adding **AU SFB**, as it is poised to deliver ~24% loan CAGR over FY26-28E, supported by its transition to a universal bank, better portfolio diversification, and improved operating leverage. Asset quality and operating metrics are expected to improve, with lower credit costs driving earnings momentum.
 - SBI remains our Top Banking Idea and also part of our Top-5 India Ideas. We are raising our weights further in **SBI** as it remains well-poised to deliver superior loan growth backed by a robust liability franchise, benign CD ratio, and unmatched balance sheet liquidity. Asset quality remains robust with credit cost in control (well below 50bp), while improvement in C/I ratio will ensure RoA to sustain >1% over FY27-28E.
 - **IT + NEW AGE PLATFORMS:** We maintain our OW stance on New-age Platforms driven by our high-conviction calls on new-age companies, with a 100bp higher weightage to Eternal and the introduction of Lenskart to the model portfolio. We are re-allocating weights in IT with 100bp higher allocation to Infosys and bringing the sector back to an UW position. We are adding **Lenskart** as it has built strong moats in a structurally underpenetrated and difficult-to-scale industry. We expect Lenskart to deliver an industry-leading CAGR of 25%/53% in revenue/ pre-IND AS EBITDA over FY25-28 among our retail coverage universe.

- **CONSUMPTION:** Our positioning on consumption remains unchanged with disproportionate OW on Discretionary while maintaining zero allocation to FMCG/Staples.
- **AUTOMOBILES:** We continue to recommend our overweight stance on the sector in 4Q and maintain our positions on M&M, TVS, and Happy Forgings.
- **MANUFACTURING & INDUSTRIALS:** We see this as a core long-term theme, and among the sub-segments, we are OW on Defense and EMS names. We are adding **Hindustan Aeronautics** to our model portfolio based on its current cheapest valuation in the entire defense universe, which is at 28x/22x P/E on FY27/28E. Stock valuations are already factoring in delays in Tejas Mk1A deliveries, as well as higher competition. An order book of INR2.54t renders a healthy revenue visibility for the next 7-8 years.
- **COMMODITIES/UTILITIES:** We have been underweight on metals and continue to remain so. However, within metals, we have introduced Jindal Stainless into the portfolio in addition to our earlier position in Tata Steel. We are adding **Jindal Stainless** to the model portfolio, driven by: Capacity expansion and a shift toward higher value-added products. Its market leadership, rising share of high-margin offerings, and cost efficiencies from backward integration and captive renewable power are expected to support structural earnings growth. We have also added **Waaree Energies** on the following premise: WEL plans to expand its domestic capacity to 25.0/15.4/10.0GW (modules/cells/ingot-wafer) and the US module capacity to 4.2GW by FY27. This scale-up is expected to drive a 43%/40% EBITDA/PAT CAGR over FY25-28. The government's push for indigenization through domestic manufacturing mandates for cells from 1st Jun'26 and further proposed for ingot-wafer from 1st Jun'28 should keep margins elevated for integrated players such as WEL.
- **HEALTHCARE:** We continue with our neutral stance on the sector, with exposure through Mankind Pharma and Global Health. We are adding **Mankind Pharma**, with earnings likely bottoming out and initial signs of recovery emerging in the domestic formulations business following the strategic corrective actions. Valuations at ~31x 12M forward earnings (~1SD) provide a compelling entry point, supported by its broadly India-focused portfolio and limited global exposure.
- **MID and SMALL CAPS:** We maintain our overweight stance on this SMID segment, which signifies the growing importance of newer, less prominent, smaller themes. We have added **LT Foods** to the portfolio on the following premise: Rising global basmati consumption and an expanding South Asian diaspora provide durable demand tailwinds owing to entrenched brand recall, farmer relationships, and procurement efficiencies, while the cash-generative core business funds incubation of organic and health & convenience categories. Compared to its FMCG peers, the company is trading at an attractive valuation of 13x FY28 P/E.

Note: Exhibit data is sourced from Bloomberg, Companies, and MOFSL research database

MOFSL: Model Portfolio

| SECTOR WEIGHT / PORTFOLIO PICKS | BSE 100 | MOFSL WEIGHT | WEIGHT RELATIVE TO BSE100 | EFFECTIVE SECTOR STANCE | PAT YoY / CAGR (%) | | | |
|---|-------------|--------------|---------------------------|-------------------------|--------------------|-----------|-----------|-----------|
| | | | | | FY26E | FY27E | FY28E | FY25-FY27 |
| Financials | 33.9 | 34.0 | 0.1 | Neutral | | | | |
| Private Banks | 22.3 | 18.0 | -4.3 | Underweight | | | | |
| ICICI Bank | 6.8 | 9.0 | 2.2 | Buy | 5 | 14 | 17 | 10 |
| HDFC Bank | 8.9 | 6.0 | -2.9 | Buy | 11 | 14 | 17 | 13 |
| AU Small Finance | 0.4 | 3.0 | 2.6 | Buy | 24 | 43 | 29 | 33 |
| PSU Bank | 4.3 | 6.0 | 1.7 | Overweight | | | | |
| SBI | 3.3 | 6.0 | 2.7 | Buy | 16 | 10 | 17 | 13 |
| Diversified Financials | 7.3 | 10.0 | 2.7 | Overweight | | | | |
| Shriram Finance | 1.0 | 3.0 | 2.0 | Buy | 18 | 29 | 28 | 24 |
| Billionbrains Garage (GROWW) | 0.0 | 3.0 | 3.0 | Buy | 13 | 57 | 27 | 33 |
| Jio Financial | 0.6 | 2.0 | 1.4 | Buy | 4 | 49 | 47 | 24 |
| ICICI Pru. AMC | 0.0 | 2.0 | 2.0 | Buy | 27 | 18 | 16 | 22 |
| IT & New Age Platforms | 10.8 | 13.0 | 2.2 | Overweight | | | | |
| Infosys | 3.5 | 5.0 | 1.5 | Buy | 11 | 9 | 7 | 10 |
| Eternal | 1.3 | 4.0 | 2.7 | Buy | -20 | 401 | 92 | 101 |
| Lenskart Solutions | 0.0 | 2.0 | 2.0 | Buy | 18 | 57 | 45 | 36 |
| Coforge | 0.3 | 2.0 | 1.7 | Buy | 67 | 29 | 21 | 47 |
| Manufacturing & Industrials | 9.6 | 13.0 | 3.4 | Overweight | | | | |
| Larsen & Toubro | 3.3 | 4.0 | 0.7 | Buy | 16 | 23 | 19 | 19 |
| Dixon Tech. | 0.3 | 3.0 | 2.7 | Buy | 17 | 22 | 49 | 19 |
| Bharat Electronics | 1.2 | 2.0 | 0.8 | Buy | 14 | 19 | 17 | 16 |
| Hind.Aeronautics | 0.5 | 2.0 | 1.5 | Buy | -9 | 15 | 28 | 2 |
| Kaynes Technology | 0.0 | 2.0 | 2.0 | Buy | 56 | 66 | 41 | 61 |
| Consumption - FMCG & Discretionary | 11.5 | 10.0 | -1.5 | Underweight | | | | |
| FMCG | 7.3 | 0.0 | -7.3 | Underweight | | | | |
| Discretionary | 4.1 | 10.0 | 5.9 | Overweight | | | | |
| Titan Company | 1.3 | 3.0 | 1.7 | Buy | 43 | 20 | 20 | 31 |
| Interglobe Aviation | 0.7 | 3.0 | 2.3 | Buy | PL | LP | 40 | -9 |
| Radico Khaitan | 0.0 | 2.0 | 2.0 | Buy | 75 | 26 | 23 | 48 |
| Indian Hotels | 0.4 | 2.0 | 1.6 | Buy | 9 | 23 | 15 | 16 |
| Automobiles | 7.0 | 9.0 | 2.0 | Overweight | | | | |
| Mahindra & Mahindra | 2.1 | 4.0 | 1.9 | Buy | 28 | 7 | 19 | 17 |
| TVS Motor | 0.6 | 3.0 | 2.4 | Buy | 35 | 15 | 28 | 25 |
| Happy Forgings | 0.0 | 2.0 | 2.0 | Buy | 11 | 22 | 35 | 16 |
| Energy/Telecom | 13.5 | 9.0 | -4.5 | Underweight | | | | |
| Reliance Industries | 7.1 | 5.0 | -2.1 | Buy | 8 | 9 | 4 | 9 |
| Bharti Airtel | 4.0 | 4.0 | 0.0 | Buy | 55 | 49 | 27 | 52 |
| Commodities, Utilities and Renewables | 8.9 | 5.0 | -3.9 | Underweight | | | | |
| Tata Steel | 1.2 | 2.0 | 0.8 | Buy | 168 | 58 | 11 | 106 |
| Waaree Energies | 0.0 | 2.0 | 2.0 | Buy | 114 | 12 | 13 | 55 |
| Jindal Stainless | 0.0 | 1.0 | 1.0 | Buy | 25 | 18 | 14 | 21 |
| Healthcare | 4.7 | 4.0 | -0.7 | Neutral | | | | |
| Mankind Pharma | 0.0 | 2.0 | 2.0 | Buy | -2 | 41 | 15 | 18 |
| Global Health | 0.0 | 2.0 | 2.0 | Buy | 6 | 45 | 19 | 24 |
| Mid & Small-Caps | 0.0 | 3.0 | 3.0 | Overweight | | | | |
| Delhivery | 0.0 | 1.0 | 1.0 | Buy | 11 | 158 | 24 | 69 |
| Inventus Knowledge | 0.0 | 1.0 | 1.0 | Buy | 46 | 19 | 27 | 32 |
| L T Foods | 0.0 | 1.0 | 1.0 | Buy | 7 | 28 | 20 | 17 |
| TOTAL | 100 | 100 | | | 14 | 19 | 17 | 16 |

Financials - Banks

| Month | SCBs | | |
|--------|--------------|----------------|-------|
| | WALR - | WALR - | WATDR |
| | O/s Loans | Fresh Loans | |
| Oct-24 | 9.88 | 9.54 | 7.04 |
| Dec-24 | 9.86 | 9.25 | 7.08 |
| Mar-25 | 9.75 | 9.35 | 7.11 |
| Jun-25 | 9.44 | 8.62 | 7.00 |
| Sep-25 | 9.26 | 8.39 | 6.82 |
| Nov-25 | 9.21 | 8.71 | 6.73 |
| Dec-25 | 9.06 | 8.28 | 6.68 |
| Jan-26 | 9.04 | 8.49 | 6.64 |
| Feb-26 | 9.00 | 8.44 | 6.62 |

| Month | PSBs | | |
|--------|--------------|----------------|-------|
| | WALR - | WALR - | WATDR |
| | O/s Loans | Fresh Loans | |
| Oct-24 | 9.19 | 8.71 | 7.08 |
| Dec-24 | 9.18 | 8.54 | 7.12 |
| Mar-25 | 9.09 | 8.66 | 7.16 |
| Jun-25 | 8.76 | 7.82 | 7.07 |
| Sep-25 | 8.63 | 7.80 | 6.91 |
| Nov-25 | 8.58 | 8.05 | 6.82 |
| Dec-25 | 8.43 | 7.61 | 6.78 |
| Jan-26 | 8.41 | 7.75 | 6.74 |
| Feb-26 | 8.40 | 7.84 | 6.70 |

| Month | PVBs | | |
|--------|--------------|----------------|-------|
| | WALR - | WALR - | WATDR |
| | O/s Loans | Fresh Loans | |
| Oct-24 | 10.83 | 10.35 | 7.13 |
| Dec-24 | 10.82 | 10.16 | 7.15 |
| Mar-25 | 10.71 | 10.32 | 7.16 |
| Jun-25 | 10.43 | 9.74 | 7.10 |
| Sep-25 | 10.17 | 9.14 | 6.91 |
| Nov-25 | 10.13 | 9.44 | 6.80 |
| Dec-25 | 10.00 | 9.14 | 6.74 |
| Jan-26 | 9.97 | 9.32 | 6.71 |
| Feb-26 | 9.91 | 9.16 | 6.71 |

Deposit repricing to broadly offset yield contraction

- Sector margin to remain range-bound; mid-sized private banks placed better
- Yields on fresh loans rose 9bp for PSBs and declined 16bp for PVBs, resulting in a 5bp decline for the sector in Feb'26. Yields on fresh rupee loans have declined 27bp for the sector since the last rate cut of 25bp, indicating that most of the repo repricing is largely done.
- WALR on O/S loans declined marginally by 4bp MoM, with a 1bp decline for PSBs and a 6bp decline for PVBs. O/S rates have declined by 21bp since the last repo cut of 25bp, indicating that bulk of the repo repricing has been largely done.
- One-year MCLR for PSU banks has remained relatively higher at 30-40bp, as deposit rates for PSU banks have seen a smaller decline over the past year. In contrast, PVBs continue to experience a decline, with Bandhan, RBL, KMB, and HDFC witnessing a steeper decline in MCLR rates.
- The Weighted Average Term Deposit Rate (WATDR) for the system declined at a calibrated pace by 2bp MoM in Feb'26 to 6.62%, with PVBs reporting flat rate MoM and PSBs reporting a 4bp dip MoM.
- Systemic credit growth stood at 13.8% (12.8% YTD). The momentum remains robust, supported by liquidity buffers and a consumption-led recovery following GST cuts. With RBI's support for the LCR-NSFR framework, we believe banks have room to further expand their CD ratios. Overall, we expect systemic credit growth to sustain at ~13.5% YoY in FY27.
- Top picks: ICICI Bank, HDFC Bank, SBI, and AUBANK.

Fresh loans decline 5bp MoM; O/S loan yields stable MoM

- Yields on fresh loans increased 9bp for PSBs, while declining 16bp for PVBs, leading to a 5bp MoM decline in overall SCB yields in Feb'26. Since the last 25bp rate cut, yields have dipped 21bp for PSBs and 28bp for PVBs over Nov'25 levels, resulting in a cumulative sectoral decline of 27bp, indicating that most of the repricing was completed by Feb'26.
- WALR on O/S loans declined 4bp MoM to 9.0% in Feb'26. PSBs' O/S yield declined by 1bp MoM, and that of PVBs declined 6bp. Since the last rate cut of 25bp in Dec'25, the decline in WALR stood at 18bp for PSBs, 22bp for PVBs, and 21bp for the sectoral level. This indicates that bulk of repo-linked repricing appears to be behind banks.
- One-year MCLR for PVBs dipped 20-275bp over the past year. Bandhan/RBL/KMB/HDFC reported a steeper decline of 275bp/130bp/115bp/105bp YoY, while IDFCFB/IIB witnessed a lower decline of 45bp/40bp YoY. PSBs' MCLR rate has witnessed a more calibrated decline at 30-40bp YoY.
- With repo rates now stable, the data indicates that most of the loan repricing has been completed. Thus, incremental yield decline is likely to be calibrated and hinge on MCLR movements, while residual repricing of TDs should augur well for FY27E NIMs.

Calibrated decline in WATDR continues; TD rates sticky amid competition

- WATDR is easing at a measured pace, declining 2bp MoM in Feb'26, following a 4bp MoM dip in Feb'25. PSBs witnessed a decline of 4bp MoM, while PVBs remained largely flat.

Credit growth is estimated to reach 13.5% over FY27.

- TD repricing is progressing gradually. The spread of WATDR over the repo rate remains high at ~1.45% for both PVBs and PSBs. Intense competition for deposits has kept banks from cutting TD rates.
- Consequently, if the spread over the repo rate decreases, banks will see a reduction in the cost of funds, supporting positive NIM outcomes. Hence, movements in TD rates will be closely monitored going forward.

Growth recoups to 13.8%; estimate ~13.5% loan growth for FY27

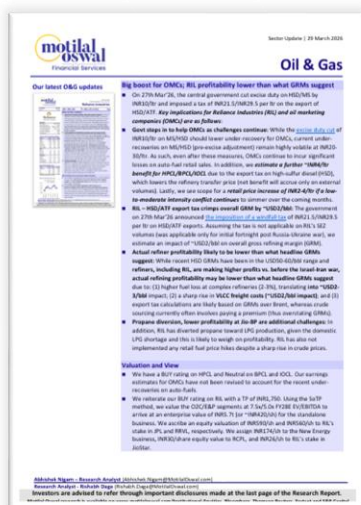
- As of 15th Mar'26, systemic credit growth stood at 13.8% (12.8% YTD). The momentum remains robust, supported by liquidity buffers and a consumption-led recovery following GST cuts.
- With RBI's support for the LCR-NSFR framework, we believe banks have room to further expand their CD ratios and fund credit growth, while deposit growth remains stable.
- We expect CD ratios across the banking system to increase, with PSU banks likely to see greater benefit. Additionally, residual benefits from the CRR cut have supported growth in FY26. Overall, we expect systemic credit growth to sustain at ~13.5% YoY in FY27.

NIMs to remain range-bound; mid-sized banks better placed

- The repo rate cut of 25bp in Dec'25 is expected to be fully reflected in lending yield transmission in 4Q. Consequently, funding costs remain elevated, and most banks have not reduced their TD/SA rates after the recent rate cut.
- NIM outcome in 4Q is expected to be divergent, with large private banks like ICICI and HDFC expected to report flat margins, while AXSB and KMB are likely to report a decline. Mid-sized banks are better placed, with AU, Bandhan, Equitas, and IDFC projected to report an NIM expansion.
- We expect PSU banks to report largely flat NIMs in 4Q.

Our view: Prefer ICICIBC, HDFCB, SBI, and AUBANK

- We expect NIMs to remain range-bound, as the repo rate is likely to hold stable and banks have not recently cut TD rates.
- With growth trends improving and systemic growth remaining healthy at 13.8% over the past few fortnights, we anticipate continued healthy momentum, led by retail growth, sustained expansion in MSME, and a pickup in the corporate segment. Consequently, we expect credit growth to sustain at 13.5% over FY27.
- Asset quality remains stable across most segments; however, the ongoing war has introduced cash flow and input-cost risks for MSMEs, which could lead to some stress if the crisis intensifies.
- Our recent channel checks indicate that export-oriented MSMEs are facing uncertainty due to global demand conditions, and lenders are becoming incrementally cautious in extending credit to this segment.
- **We estimate our coverage universe earnings to expand at a 16% CAGR over FY26-28; however, we believe downside risks to earnings remain elevated. Top picks: ICICI Bank, HDFC Bank, SBI, and AUBANK.**



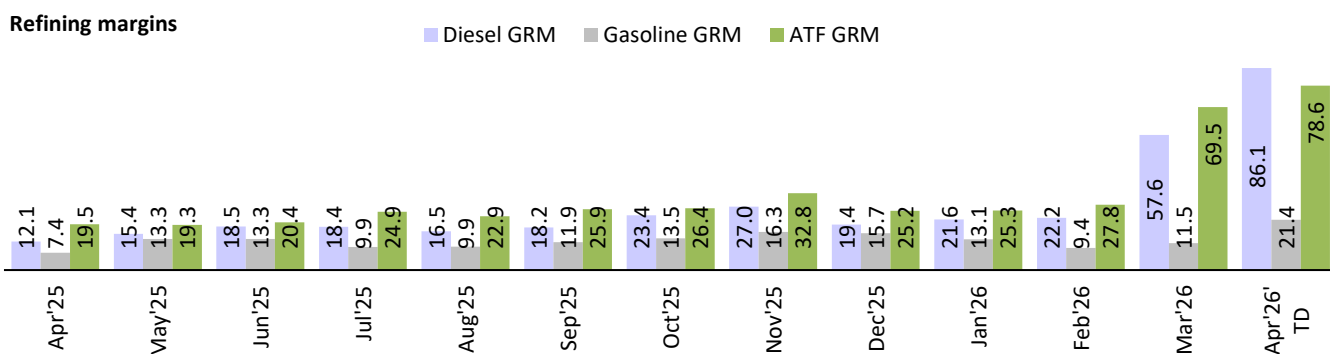
More support for OMCs

- As per a [media report](#), oil marketing companies (OMCs) have moved to procure diesel, ATF and kerosene from refineries at discounted refinery transfer prices (RTP) to offset mounting marketing losses amid a continued freeze in retail auto-fuel prices. Discounts of up to ~INR60/INR50 per lit (~USD103/USD86 per bbl reduction in GRMs) for diesel/ATF are being implemented with effect from Apr'26, significantly lowering auto-fuel marketing under-recovery. Assuming applicability to private refiners, for Reliance Industries (RIL), we expect GRMs on domestic diesel and ATF sales to revert closer to normal. **Key implications for RIL and OMCs are as follows:**
- Another relief for OMCs:** Earlier, several measures were undertaken to cushion OMCs, including an [excise duty cut](#) of INR10/lit on MS/HSD and the imposition of export tax on HSD, which together helped to moderate under-recoveries and lower RTPs (benefiting HPCL/BPCL/IOCL to the extent of external volumes). However, despite these interventions, marketing losses remained elevated and volatile, with auto-fuel under-recoveries still in the INR30-50/lit range, keeping pressure on OMC profitability.
- HPCL most favorably impacted:** Based on 9MFY26, HPCL/BPCL/IOCL procure ~49%/26%/20% of their marketing volumes externally. Diesel/ATF volumes sourced externally will likely benefit from the ~INR60/INR50 per lit lower RTP (actual discount could vary depending on negotiations), implying the highest benefit for HPCL, followed by BPCL and IOCL. We see scope for a **retail price increase of INR2-4/lit if a low-to-moderate intensity conflict continues** to simmer over the coming months.
- RIL – GRMs on domestic sales volumes to remain muted:** Assuming applicability to private refiners, for RIL, we expect GRMs on domestic diesel and ATF sales to revert closer to normal. We also recently highlighted that actual refining profitability may trail headline GRMs due to higher fuel losses at complex refineries, elevated freight costs, and export tax being calculated on Brent-based GRMs despite crude being sourced at a premium ([RIL profitability lower than what GRMs suggest](#)). As per PPAC, as of Feb in FY26, RIL's SEZ and DTA refineries have each processed ~31mmt of crude.

Valuation and view

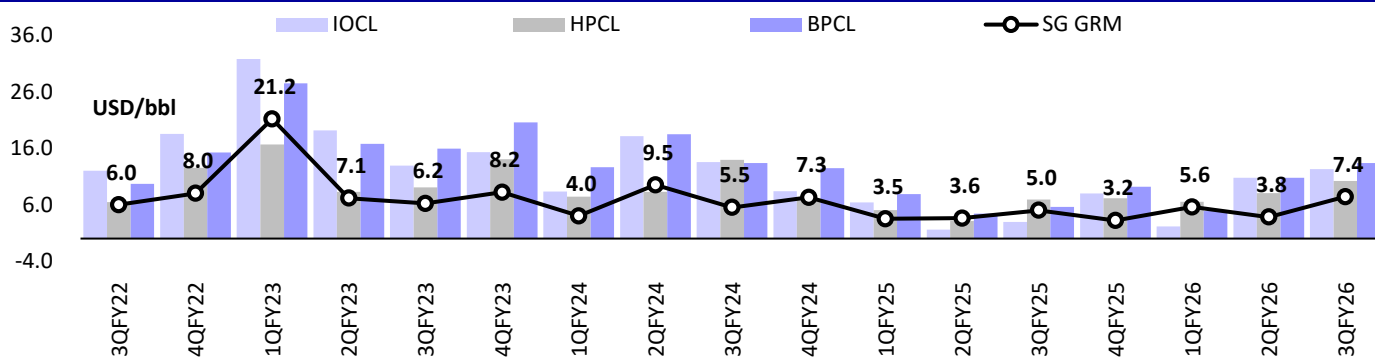
- We have a BUY rating on HPCL and Neutral on BPCL and IOCL. We are currently building in marginally negative auto-fuel gross marketing margins (GMM) for OMCs in 1HFY27 (negative INR5/2.5 per lit MS/HSD GMM in 1QFY27/2QFY27) and INR120-150 per cyl LPG under recovery. However, current auto-fuel GMM is negative INR30-50/lit and LPG under-recovery is close to INR380/lit.
- We reiterate our BUY rating on RIL with a TP of INR1,715. Using the SoTP method, we value the O2C/E&P segments at 7.5x/5.0x FY28E EV/EBITDA to arrive at an enterprise value of INR5.7t (or ~INR421/sh) for the standalone business. We ascribe an equity valuation of INR550/sh and INR540/sh to RIL's stake in JPL and RRVL, respectively. We assign INR174/sh to the New Energy business, INR30/share equity value to RCPL, and INR26/sh to RIL's stake in JioStar.

Exhibit 1: Refining margins have increased significantly in Mar'26 and Apr'26 (USD/bbl)



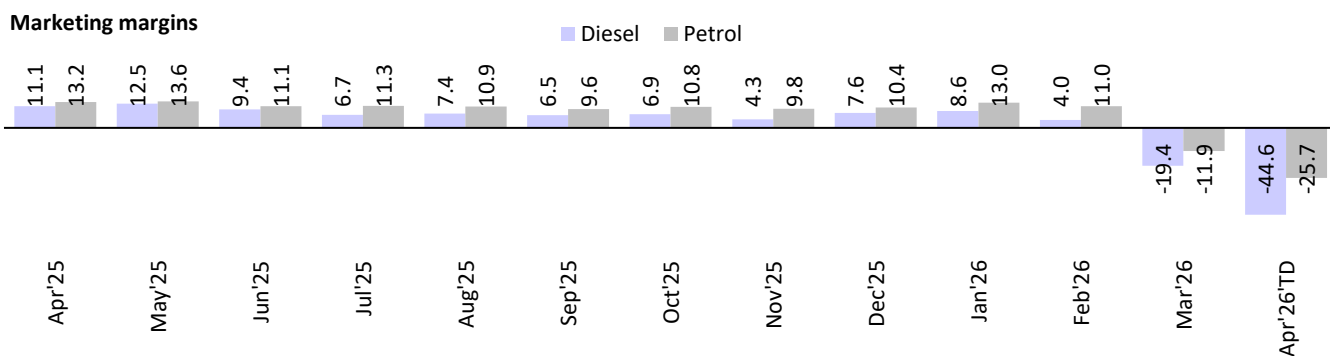
Source: Bloomberg, MOFSL

Exhibit 2: Reported GRM trend - OMCs (USD/bbl)



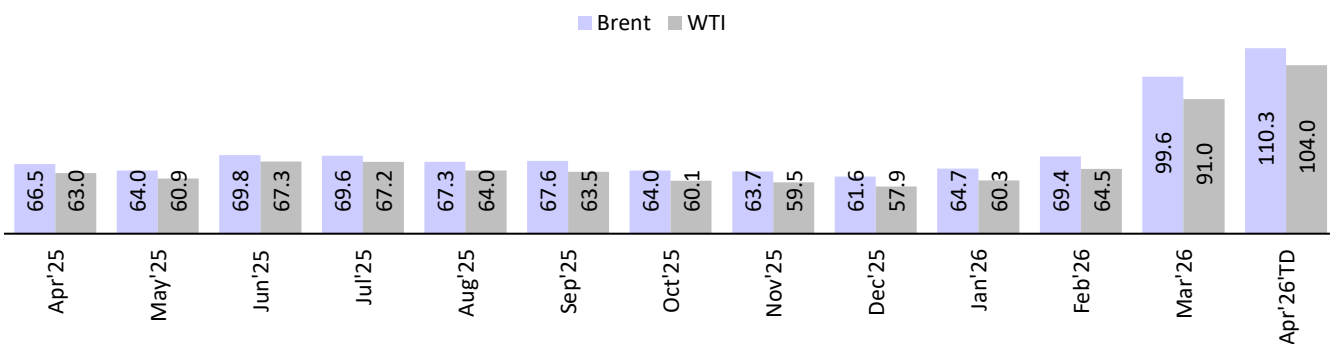
Source: Company, Reuters, MOFSL

Exhibit 3: MS/HSD gross marketing margins at negative INR45/26 per lit in Apr'26-MTD



Source: Bloomberg, MOFSL

Exhibit 4: Brent and WTI prices (USD/bbl)



Source: Bloomberg, MOFSL

Fusion Finance

BSE Sensex 74,107 S&P CNX 22,968



| | |
|-----------------------|------------|
| Bloomberg | FUSION IN |
| Equity Shares (m) | 162 |
| M.Cap.(INRb)/(USD\$b) | 24.8 / 0.3 |
| 52-Week Range (INR) | 212 / 124 |
| 1, 6, 12 Rel. Per (%) | -8/-11/14 |
| 12M Avg Val (INR M) | 118 |
| Free float (%) | 45.1 |

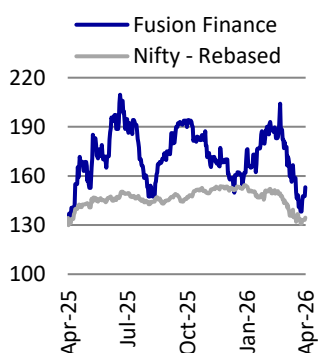
Financials & Valuations (INR b)

| Y/E MARCH | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Total Income | 12.3 | 13.7 | 16.2 |
| PPP | 4.0 | 5.6 | 7.5 |
| PAT | -0.3 | 3.0 | 3.7 |
| EPS (INR) | -1.93 | 18.7 | 23 |
| EPS Gr. (%) | - | - | 22 |
| BV (INR) | 149 | 168 | 191 |
| Ratios | | | |
| NIM (%) | 13.8 | 14.1 | 14.5 |
| C/I ratio (%) | 67.7 | 59.1 | 53.8 |
| RoAA (%) | -0.4 | 3.6 | 3.7 |
| RoE (%) | -1.5 | 11.8 | 12.7 |
| Valuations | | | |
| P/E (x) | - | 7.9 | 6.5 |
| P/BV (x) | 1.0 | 0.9 | 0.8 |

Shareholding pattern (%)

| As On | Dec-25 | Sep-25 | Dec-24 |
|----------|--------|--------|--------|
| Promoter | 54.9 | 55.0 | 57.7 |
| DII | 11.9 | 11.9 | 18.1 |
| FII | 5.1 | 4.2 | 0.9 |
| Others | 28.0 | 29.0 | 23.2 |

Stock Performance (1-year)



CMP: INR 153 TP: INR 190 (+24%) Buy

Fortifying the core; scaling with discipline

- Bihar portfolio resilient despite MFI bill; technology, underwriting rigor, and MSME diversification to power the next leg of growth
- We interacted with the senior management team of Fusion Finance (Fusion), represented by Mr. Sanjay Garyali (MD & CEO) and Mr. Krishan Gopal (CFO), to discuss the company's future business trajectory and the strategic roadmap. Following are the key takeaways from the interaction.

Building momentum for sustainable growth and profitability

- Fusion continues to demonstrate disciplined execution, with a clear focus on sustainable growth and asset quality. It is navigating a dynamic macro and geopolitical environment through prudent underwriting, calibrated expansion, and strong risk controls. Its resilient operating performance across key regions, supported by robust collection efficiency, reinforces the strength and durability of its business model.
- At the same time, improving access to funding, disciplined pricing strategies, and increasing operational efficiency through technology adoption are expected to support margin expansion and profitability. Fusion's emphasis on capital preservation, alongside its gradual diversification into the MSME segment, enhances its ability to manage near-term uncertainties while building a scalable and well-diversified franchise anchored in quality growth.
- Fusion currently trades at 0.9x FY27E P/B. We expect the company to deliver an AUM CAGR of ~25% over FY26-28, with RoA/RoE improving to ~3.7%/12.7% by FY28. We reiterate our BUY rating with a TP of INR190, based on 1x Mar'28E P/BV.

Prudent risk stewardship amid geopolitical uncertainty

- Fusion remains cautious amid ongoing geopolitical uncertainties, despite no direct disruption observed so far. As a pre-emptive measure, the company has tightened credit filters, exited select higher-risk segments, discontinued Fusion+2 (~6% of disbursements) for new customers, and reduced FOIR by ~10% in sensitive geographies.
- Growth remains disciplined and calibrated, with the company concurrently building a secured MSME franchise focused on Tier 3-4 and satellite markets, ensuring no overlap with the core MFI portfolio. While this segment offers faster scaling and diversification benefits, management remains selective, given the relatively higher vulnerability in mid-sized enterprises and high-volume, low-margin segments. Importantly, exposure remains skewed toward micro and small enterprises, helping mitigate risk.

- The company shared that it will moderate disbursements and forgo near-term growth if macroeconomic uncertainty persists, prioritizing capital preservation and asset quality over topline expansion. This conservative stance may temper near-term AUM growth, particularly if uncertainties extend beyond the immediate horizon. We estimate disbursement/AUM CAGR of ~31%/~25% over FY26-28.

Bihar resilient; CE remains intact despite festive disruptions

- Management highlighted that the elevated stress (last year) in Karnataka was largely structural, driven by borrower overleveraging—particularly among co-borrowers—and a high concentration of digital lenders in the Bengaluru region. This was compounded by factors such as political transitions, welfare-driven disbursements, the proliferation of unsecured and personal loans, and aggressive lending practices.
- Fusion’s Bihar portfolio (~18–19% of AUM) remained resilient despite the recent MFI legislation, with collection efficiency holding strong even during festive periods such as Holi. Notably, there has been no observable uptick in slippages or delinquency rates. The company has further strengthened field vigilance and enhanced employee awareness to ensure seamless operations and minimize customer friction, while also evaluating measures to progressively de-risk and rebalance its Bihar exposure.

Stronger funding confidence will boost margins with lower CoF and prudent pricing

- Fusion highlighted a meaningful improvement in the funding environment, with lenders re-engaging with the sector and offering more competitive rates. This recovery is supported by regulatory tailwinds and renewed confidence in the company’s operating performance, resulting in comfortable liquidity and improved funding visibility.
- The marginal cost of borrowing is expected to decline by ~80–100bp, providing a strong tailwind to margins. In parallel, the company is exercising pricing discipline, with an anticipated ~75bp increase in lending rates. This dual benefit of lower funding costs and calibrated repricing is expected to support margin expansion.
- We expect Fusion to deliver NIMs of ~14.1%/14.5% in FY27/FY28, driven by a structurally improving cost of funds and strengthened financing capabilities.

Technology-led efficiency and selective lending strengthen operating discipline

- Fusion has structurally aligned its operating model to prioritize asset quality, with ~80% of employee KPIs linked to collection efficiency and no direct incentives tied to disbursement volumes, reinforcing credit discipline across the organization. Approval rates remain selective (~45% post pre-approval), with frontline officers empowered to decline proposals where confidence is low. Returning customers are onboarded with enhanced due diligence and calibrated ticket sizes, ensuring controlled risk build-up.

- The JLG model continues to anchor the MFI franchise, supported by process enhancements such as attendance-linked lending, monthly center meetings, loan sizing linked to center efficiency, and tighter geographic filters—collectively strengthening borrower discipline and group dynamics.
- Technology investments are delivering tangible operational gains, with disbursement timelines significantly compressed (from ~4 days to ~2 hours for existing customers and from ~5 days to ~1 day for new customers). Additionally, pre-qualified customer pipelines are improving field productivity and enabling better resource utilization. Over time, technology is expected to play a pivotal role in enhancing scalability, monitoring, and operational control.
- Management has guided for a steady improvement in operating efficiency, with opex expected to remain ~10% in FY27 and the cost-to-income ratio declining to ~55-60%. We further estimate the CI ratio to improve to ~54%, with opex/AUM, moderating to ~8.3% by FY28, driven by operating leverage, rising income, and branch rationalization. Importantly, management has emphasized that efficiency gains will not come at the expense of growth, maintaining a balanced focus on expansion and profitability.

Tighter underwriting and active monitoring drive collection strength and asset quality

- Fusion’s portfolio originated over the past 12-18 months reflects tighter underwriting standards and improved customer selection, which is now translating into stronger asset quality. This is expected to support a meaningful improvement in GNPA levels, aided by lower write-offs in 4QFY26.
- Collection performance remains a key strength, with ~97% of collections realized on the same day and overall efficiency exceeding ~99.8%. This underscores strong borrower discipline and engagement, with no material stress signals emanating from external factors such as ongoing geopolitical tensions. The company continues to actively monitor vulnerable segments and retains the flexibility to recalibrate exposure as needed, reinforcing its risk-first approach.
- Management indicated that a monthly net flow-forward rate of ~0.25% implies an annualized credit cost of ~3%. Factoring in recoveries of ~10% (vs. a normalized ~30%), the effective credit cost moderates to ~2.7%. Additionally, a prudential buffer of ~50–100bp has been built in to account for potential adverse developments, taking the credit cost range to ~3.25–3.75%.
- We expect credit costs to decline meaningfully for Fusion, from ~5.9% in FY26 to ~3.5%/3.3% in FY27/FY28, supported by improving portfolio quality and tighter risk controls.

Valuation and view

- We believe Fusion’s near-term outlook reflects a calibrated and risk-aware approach to growth, with management prioritizing profitability, asset quality, and capital preservation over aggressive topline expansion. The company remains insulated from peer-driven growth pressures and retains the flexibility to moderate disbursements in response to evolving risks. At the same time, multiple growth levers, including the scaling of a secured MSME franchise,

provide a clear pathway for diversification without diluting underwriting standards.

- Improving sector liquidity and renewed lender confidence are driving a structural decline in cost of borrowings, supported by regulatory tailwinds, PSL-driven lending, and credit guarantee frameworks. Concurrently, technology-led efficiencies, selective underwriting, and a collection-centric operating model are enhancing productivity and risk control. These measures are already translating into stable collections and moderating credit costs, with the full benefits of this prudence expected to play out over the coming quarters, positioning FY27 as a transition year toward normalized profitability.
- Fusion currently trades at 0.9x FY27E P/B. We expect the company to deliver an AUM CAGR of ~25% over FY26-28, with RoA/RoE improving to ~3.7%/12.7% by FY28. We reiterate our BUY rating with a TP of INR 190, based on 1x Mar'28E P/BV.

Valuation matrix of MFIs under our coverage

| Val summary | Rating | CMP (INR) | TP (INR) | Mkt. Cap (INRb) | Cap Upside (%) | EPS (INR) | | BV (INR) | | RoA (%) | | RoE (%) | | P/E (x) | | P/BV (x) | |
|-----------------------|---------|-----------|----------|-----------------|----------------|-----------|-------|----------|-------|---------|-------|---------|-------|---------|-------|----------|-------|
| | | | | | | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Fusion Finance | Buy | 153 | 190 | 24 | 24 | -1.9 | 18.7 | 149 | 168 | -0.4 | 3.6 | -1.5 | 11.8 | - | 8.2 | 1.0 | 0.9 |
| CreditAccess | Buy | 1,179 | 1,515 | 188 | 29 | 48.4 | 92.6 | 484 | 577 | 2.6 | 4.4 | 10.5 | 17.5 | 24.4 | 12.7 | 2.4 | 2.0 |
| Spandana Sphoorty | Neutral | 202 | 225 | 14 | 11 | -89.1 | 18.6 | 239 | 280 | -9.8 | 2.4 | -30.0 | 7.2 | - | 10.9 | 0.8 | 0.7 |

| | |
|-------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 74,107 | 22,968 |

CMP: INR3,834

Buy

Financial Valuations (INR b)

| INRb | FY26E | FY27E | FY28E |
|-------------------|-------|-------|-------|
| Net Sales | 199.9 | 242.0 | 286.1 |
| EBITDA | 34.9 | 42.6 | 50.8 |
| Adj. PAT | 16.1 | 18.4 | 21.6 |
| EBITDA Margin (%) | 17.5 | 17.6 | 17.8 |
| Adj. EPS (INR) | 45.2 | 51.8 | 60.9 |
| EPS Gr. (%) | 4.8 | 14.6 | 17.4 |
| BV/Sh. (INR) | 206.3 | 255.3 | 313.5 |
| Ratios | | | |
| Net D:E | 0.2 | 0.0 | -0.1 |
| RoE (%) | 26.1 | 24.0 | 22.9 |
| RoCE (%) | 18.6 | 17.7 | 17.7 |
| Div. Payout (%) | 12.3 | 11.6 | 10.7 |
| Valuations | | | |
| EV/EBITDA (x) | 78.6 | 68.6 | 58.4 |
| P/E (x) | 36.5 | 29.8 | 24.7 |
| EV/Sales (x) | 6.5 | 5.3 | 4.4 |

Slight pick-up in revenue growth (20% YoY in 4Q vs. 17.5% in 9MFY26)

- Trent's 4QFY26 standalone revenue stood at INR49.4b (up ~20% YoY vs. our pre-quarter estimate of ~18% YoY).
- Further, revenue from sale of products (net of GST) grew 21% YoY to ~INR49b (vs. ~18% YoY in 9MFY26).
- After several quarters of revenue growth deceleration, Trent's revenue growth accelerated to ~20% YoY in 4Q (likely driven by pick-up during EoSS).
- Revenue growth is primarily driven by a ~23% YoY increase in store count. Revenue per store declined ~4% YoY (vs. ~9% YoY in 9MFY26), indicating some moderation in store-level cannibalization.
- For FY26, Trent's standalone revenue grew ~18% YoY to INR197b, while revenue from sale of products (net of GST) grew ~19% YoY to INR195b, driven by ~23% YoY store additions as revenue per store declined ~6% YoY in FY26.

Pace of store additions accelerates in both Zudio and Westside

- The pace of store additions accelerated with 122 net store additions, bringing the total fashion format store count to 1,286 (up 23% YoY).
- **Westside** added yet another highest quarterly net store additions, with 22 net store additions (52 in FY26), taking overall store count to 300 (+21% YoY).
- **Zudio** witnessed 109 net store openings in 4QFY26 (198 in FY26 vs. 220 in FY25) to reach 963 stores (+26% YoY).
- Trent's other fashion format store count declined by 9 QoQ to 23 (-23% YoY).

While the increase in the pace of store additions allays some concerns, a recovery in LFL growth and cannibalized stores' growth (from the reset base) remains vital for Trent to sustain 20%+ revenue growth over the medium term.

| Trent (INR m) | 4QFY25 | 1HFY26 | 3QFY26 | 4QFY26 | 4QFY26E | YoY | vs. est | FY25 | FY26 | YoY |
|---|---------------|---------------|---------------|---------------|---------------|-----------|-------------|-----------------|-----------------|-----------|
| Standalone revenue (excl. GST) | 41,061 | 95,053 | 52,595 | 49,370 | 48,476 | 20 | 2 | 1,66,681 | 1,97,010 | 18 |
| YoY | 28.8 | 18.4 | 16.0 | 20.2 | 18.1 | | | | 18.2 | |
| Revenue from sale of products* | 40,475 | 93,840 | 52,200 | 48,974 | | 21 | | 1,64,155 | 1,95,014 | 19 |
| YoY | | 18.8 | 16.9 | 21 | | | | | 18.8 | |
| Other operating income | 586 | 1,213 | 395 | 396 | | -43 | | 2,526 | 1,996 | -21 |
| Fashion stores | 1043 | 1101 | 1164 | 1286 | 1300 | 23 | -1.1 | 1043 | 1286 | 23 |
| Westside | 248 | 261 | 278 | 300 | 300 | 21 | - | 248 | 300 | 21 |
| Zudio | 765 | 806 | 854 | 963 | 965 | 26 | -0.2 | 765 | 963 | 26 |
| Other formats | 30 | 34 | 32 | 23 | 35 | -23 | -34.3 | 30 | 23 | -23 |
| Annualized net revenue per store | 168 | 177 | 186 | 161 | 162 | -4 | -0.2 | 180 | 169 | -6 |
| YoY | | -9.3 | -11.0 | -4.3 | -4.1 | | | | | |

*other operating revenue for 4Q is our estimate

Godrej Consumer Products

BSE SENSEX 74,107 S&P CNX 22,968

CMP: INR1,002 TP: INR1,300 (+29%) Buy

In line with expectation

Godrej Consumer Products (GCPL) released its pre-quarterly update for 4QFY26.

Following are the key takeaways:

Financials Snapshot (INR b)

| Y/E March | 2026E | 2027E | 2028E |
|--------------------|-------|-------|-------|
| Sales | 155.7 | 174.0 | 192.0 |
| Sales Gr. (%) | 8.4 | 11.7 | 10.4 |
| EBITDA | 31.9 | 36.5 | 41.9 |
| EBITDA Margins (%) | 20.5 | 21.0 | 21.8 |
| Adj. PAT | 21.0 | 24.9 | 29.6 |
| Adj. EPS (INR) | 20.5 | 24.3 | 29.0 |
| EPS Gr. (%) | 10.9 | 18.3 | 19.1 |
| BV/Sh. (INR) | 121.7 | 124.4 | 129.8 |
| Ratios | | | |
| RoE (%) | 17.2 | 19.7 | 22.8 |
| RoCE (%) | 15.3 | 18.2 | 21.5 |
| Payout (%) | 107.1 | 98.8 | 89.8 |
| Valuations | | | |
| P/E (x) | 48.9 | 41.3 | 34.7 |
| P/BV (x) | 8.2 | 8.1 | 7.7 |
| EV/EBITDA (x) | 32.7 | 28.4 | 24.5 |
| Div. Yield (%) | 2.2 | 2.4 | 2.6 |

India Business

- The demand conditions and consumer sentiment remained steady in the domestic FMCG sector through 4QFY26, with trade channels normalizing following the GST transition and food inflation easing. Policy tailwinds, including personal income tax relief and GST rationalization, position the industry well to offset the impact of crude-led inflation in FY27.
- **Standalone business is expected to deliver double-digit underlying sales growth (est: 11%; 8% in 4QFY25) and high-single-digit underlying volume growth in 4QFY26 (est: 8%; 4% in 4QFY25).**
- Excluding soaps, volume growth continues in double digits, positioning GCPL among the leaders in volume growth in the Indian FMCG sector. Growth has been broad-based, with all future categories growing well.
- **Standalone EBITDA margins are expected to remain within GCPL's normative range (24-26%), supported by meaningful cost savings in 4Q (est: 25.1%; 22.6% in 4QFY25).**

International Business

- **Indonesia:**
 - Indonesia business continues to show signs of stabilization, with the peak of competitive intensity behind.
 - Underlying volume growth is expected to be in mid-single digits in 4Q, with market share gains sustained across categories.
- **GAUM (Godrej Africa, USA & Middle East):**
 - The cluster continues to deliver strong results, with double-digit sales growth and high-single volume growth.
 - The growth has been broad-based across geographies and categories, with Hair Fashion and other categories continuing to see strong consumer traction.

Consolidated Business

- **Consolidated business is expected to deliver close to double-digit revenue growth (est: 11%; 6% in 4QFY25), consistent with the sequential improvement trajectory through the year, with EBITDA growth broadly in line with revenue growth (est: 15%; flat in 4QFY25).**

Outlook on commodities

- GCPL's procurement strategy draws from multiple geographies, reducing concentration risk on stock availability. Strong brand positioning and large saving projects give GCPL adequate headroom to calibrate trade and other expenses and adjust consumer prices in line with commodity costs.

- GCPL expects persistent inflation in 1HFY27 and will address it through a combination of pricing actions and cost efficiency programs.
- **With Brent crude around USD100-110 and palm prices around MYR4,500-4,800, GCPL expects a cost hit of 6-9%. GCPL expects to offset the impact of most of these cost increases through pricing, cost savings, leverage, and some prudent media optimization.**
- GCPL stated that high costs augur well for formalization of demand in categories like burning formats of household insecticides and upgrades in laundry supporting stronger demand. Hence, even if costs remain at these levels, the company's profitability should be in line with its original plans for FY27, while revenue growth should step up.

Quarterly Performance (Consolidated)

| Y/E March | FY25 | | | | FY26E | | | | (INR m) | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | FY25 | FY26E |
| Domestic volume Growth (%) | 8 | 7 | 0 | 4 | 5 | 3 | 9 | 8 | 5 | 6 |
| Net Sales (including OOI) | 33,316 | 36,663 | 37,684 | 35,980 | 36,619 | 38,251 | 40,991 | 39,859 | 1,43,643 | 1,55,720 |
| YoY change (%) | -3.4 | 1.8 | 3.0 | 6.3 | 9.9 | 4.3 | 8.8 | 10.8 | 1.9 | 8.4 |
| Gross Profit | 18,608 | 20,381 | 20,402 | 18,890 | 19,005 | 19,931 | 21,673 | 21,033 | 78,282 | 81,643 |
| Margin (%) | 55.9 | 55.6 | 54.1 | 52.5 | 51.9 | 52.1 | 52.9 | 52.8 | 54.5 | 52.4 |
| Other Operating Exp. | 11,346 | 12,764 | 12,843 | 11,298 | 12,060 | 12,598 | 12,869 | 12,307 | 48,251 | 49,751 |
| EBITDA | 7,262 | 7,617 | 7,559 | 7,592 | 6,946 | 7,333 | 8,804 | 8,726 | 30,031 | 31,892 |
| Margins (%) | 21.8 | 20.8 | 20.1 | 21.1 | 19.0 | 19.2 | 21.5 | 21.9 | 20.9 | 20.5 |
| YoY growth (%) | 6.5 | 5.3 | -16.4 | -0.2 | -4.4 | -3.7 | 16.5 | 14.9 | -2.2 | 6.2 |
| Depreciation | 495 | 501 | 619 | 726 | 594 | 656 | 664 | 608 | 2,340 | 2,522 |
| Interest | 878 | 831 | 897 | 896 | 865 | 759 | 789 | 768 | 3,501 | 3,181 |
| Other Income | 751 | 843 | 831 | 737 | 845 | 629 | 559 | 588 | 3,161 | 2,620 |
| PBT | 6,623 | 7,107 | 6,874 | 6,708 | 6,332 | 6,547 | 7,910 | 7,938 | 27,312 | 28,809 |
| Tax | 1,933 | 2,154 | 1,834 | 2,275 | 1,613 | 1,657 | 2,021 | 2,110 | 8,196 | 7,400 |
| Rate (%) | 29.2 | 30.3 | 26.7 | 33.9 | 25.5 | 25.3 | 25.5 | 26.6 | 30.0 | 25.7 |
| Adj PAT | 4,649 | 4,953 | 5,025 | 4,321 | 4,669 | 4,811 | 5,626 | 5,828 | 18,948 | 21,017 |
| YoY change (%) | 23.6 | 12.2 | -14.3 | -24.8 | 0.4 | -2.9 | 12.0 | 34.9 | -4.2 | 10.9 |

E: MOFSL Estimate

Jubilant Foodworks

BSE SENSEX 74,107
S&P CNX 22,968

CMP: INR461 **TP: INR500(+8%)** **Neutral**

Financials & Valuations (INR b)

| Y/E March | 2026E | 2027E | 2028E |
|---------------------------|-------|-------|-------|
| Sales | 94.0 | 106.2 | 120.0 |
| Sales Gr. (%) | 15.5 | 13.0 | 13.0 |
| EBITDA | 18.7 | 21.0 | 24.1 |
| EBITDA Margin (%) | 19.9 | 19.7 | 20.1 |
| Adj. PAT | 3.6 | 5.0 | 6.3 |
| Adj. EPS (INR) | 5.5 | 7.5 | 9.6 |
| EPS Gr. (%) | 53.9 | 37.1 | 27.5 |
| BV/Sh.(INR) | 30.3 | 30.2 | 31.8 |
| Ratios | | | |
| RoE (%) | 18.1 | 25.0 | 30.2 |
| RoCE (%) | 11.1 | 12.4 | 14.3 |
| Valuations | | | |
| P/E (x) | 84.0 | 61.3 | 48.1 |
| P/BV (x) | 15.2 | 15.3 | 14.5 |
| EV/EBITDA Pre- Ind AS (x) | 22.7 | 20.2 | 17.2 |
| EV/Sales (x) | 3.3 | 2.9 | 2.5 |

Miss on estimates; flat Dominos India LFL growth

Key highlights from Jubilant Foodworks' (JUBI) 4QFY26 pre-quarterly update:

Revenue and LFL growth

- In 4QFY26, consolidated revenue grew ~19% YoY to INR25.1b.
- **Standalone revenue rose 6% YoY to INR16.9b (est. 11%; 19% in 4QFY25).**
- **Dominos' India LFL growth was 0.2% (est. 4%; 12.1% in 4QFY25).**
- Domino's Turkey LFL (post-IAS-29) grew by 9%.
- In FY26, consolidated revenue grew 17% to INR95.4b and standalone revenue increased by 13% YoY to INR68.9b.

Stores expansion

- During the quarter, net 69 stores were added to the JFL group network, taking the total store count to 3,663 as of the end of 4QFY26.
- Domino's India opened 59 new stores, taking the total count to 2,455 stores.
- Domino's Turkey opened four new stores, taking the total count to 787 stores.

Quarterly Standalone Perf.

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| No of stores (Dominos) | 2,029 | 2,079 | 2,139 | 2,179 | 2,240 | 2,321 | 2,396 | 2,429 | 2,179 | 2,429 |
| LFL growth (%) | 3.0 | 2.8 | 12.5 | 12.1 | 11.6 | 9.1 | 5.0 | 4.0 | 7.6 | 7.4 |
| Net Sales | 14,396 | 14,669 | 16,111 | 15,872 | 17,016 | 16,987 | 18,015 | 17,649 | 61,047 | 69,666 |
| YoY change (%) | 9.9 | 9.1 | 18.9 | 19.2 | 18.2 | 15.8 | 11.8 | 11.2 | 14.3 | 14.1 |
| Gross Profit | 10,955 | 11,157 | 12,092 | 11,828 | 12,610 | 12,634 | 13,492 | 13,166 | 46,032 | 51,902 |
| Gross margin (%) | 76.1 | 76.1 | 75.1 | 74.5 | 74.1 | 74.4 | 74.9 | 74.6 | 75.4 | 74.5 |
| EBITDA (Pre Ind AS) | 1,670 | 1,716 | 1,998 | 1,873 | 2,046 | 2,055 | 2,396 | 2,202 | 7,257 | 8,699 |
| EBITDA growth % | -4.8 | -4.0 | 14.3 | 29.1 | 22.5 | 19.8 | 19.9 | 17.6 | 7.6 | 19.9 |
| Margins (%) | 11.6 | 11.7 | 12.4 | 11.8 | 12.0 | 12.1 | 13.3 | 12.5 | 11.9 | 12.5 |
| EBITDA | 2,782 | 2,842 | 3,128 | 3,056 | 3,233 | 3,294 | 3,694 | 3,517 | 11,807 | 13,738 |
| EBITDA growth % | 0.6 | 1.3 | 10.6 | 20.2 | 16.2 | 15.9 | 18.1 | 15.1 | 7.9 | 16.4 |
| Margins (%) | 19.3 | 19.4 | 19.4 | 19.3 | 19.0 | 19.4 | 20.5 | 19.9 | 19.3 | 19.7 |
| Depreciation | 1,552 | 1,654 | 1,741 | 1,777 | 1,817 | 1,840 | 2,004 | 2,044 | 6,724 | 7,706 |
| Interest | 619 | 640 | 682 | 667 | 657 | 672 | 696 | 721 | 2,609 | 2,746 |
| Other Income | 73 | 150 | 83 | 66 | 125 | 73 | 89 | 99 | 371 | 386 |
| PBT | 683 | 698 | 788 | 677 | 883 | 856 | 1,083 | 852 | 2,846 | 3,673 |
| YoY Change (%) | -32.6 | -27.5 | -3.8 | 33.2 | 29.2 | 22.6 | 37.4 | 25.8 | -13.9 | 29.1 |
| Tax | 168 | 177 | 192 | 182 | 216 | 216 | 289 | 217 | 719 | 938 |
| Rate (%) | 24.6 | 25.4 | 24.3 | 26.9 | 24.5 | 25.3 | 26.7 | 25.5 | 25.3 | 25.6 |
| Adjusted PAT | 515 | 521 | 596 | 495 | 667 | 639 | 794 | 634 | 2,126 | 2,230 |
| YoY change (%) | -31.5 | -27.8 | -2.2 | 43.3 | 29.5 | 22.8 | 33.1 | 28.3 | -12.4 | 4.9 |

E: MOFSL Estimates

CreditAccess Grameen

| | |
|-------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 74,107 | 22,968 |

CMP: INR1,180

Buy

Financials Snapshot (INR b)

| Y/E March | FY26E | FY27E | FY28E |
|--------------|-------|-------|-------|
| NII | 38.8 | 44.5 | 53.4 |
| Total Income | 41.7 | 46.8 | 55.2 |
| PPoP | 28.1 | 30.9 | 37.0 |
| PAT | 7.7 | 14.8 | 18.0 |
| EPS (INR) | 48.4 | 92.6 | 113 |
| EPS Gr. (%) | 45 | 92 | 22 |
| BV (INR) | 484 | 577 | 689 |

Ratios (%)

| | | | |
|-------------|------|------|------|
| NIM | 15.1 | 14.9 | 14.8 |
| C/I ratio | 32.7 | 33.9 | 33.0 |
| Credit cost | 6.6 | 3.6 | 3.5 |
| RoA | 2.6 | 4.4 | 4.5 |
| RoE | 10.5 | 17.5 | 17.8 |

Valuations

| | | | |
|----------|------|------|------|
| P/E (x) | 24.4 | 12.7 | 10.5 |
| P/BV (x) | 2.4 | 2.0 | 1.7 |

Healthy AUM and disbursements growth

Asset quality improves and PAR accretion declines significantly

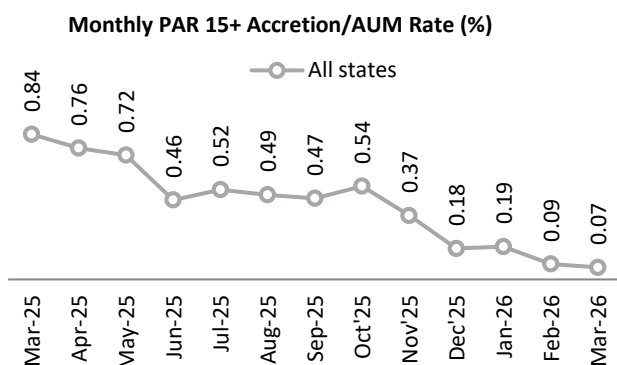
Loan growth

- CREDAG's AUM grew ~14% YoY and ~11% QoQ to INR296b as of Mar'26 (in line with our estimates).
- The share of Karnataka in AUM stood at INR87b as of Mar'26 vs. INR80b as of Dec'25, while AUM in other states stood at INR209b as of Mar'26 vs. INR186b as of Dec'25.
- Disbursements grew 28% YoY and ~44% QoQ to INR83b in 4QFY26.
- The company added 330K+ new borrowers during 4QFY26.
- The company opened 183 new branches in FY26, including 18 new branches in 4QFY26.
- Mahi (digital customer app) onboarded 840k customers during FY26, taking the overall base to 1.12m.
- Retail finance share stood at 18% in Mar'26 vs. ~6% in Mar'25, led by the retention and graduation of high-vintage and well-performing borrowers.

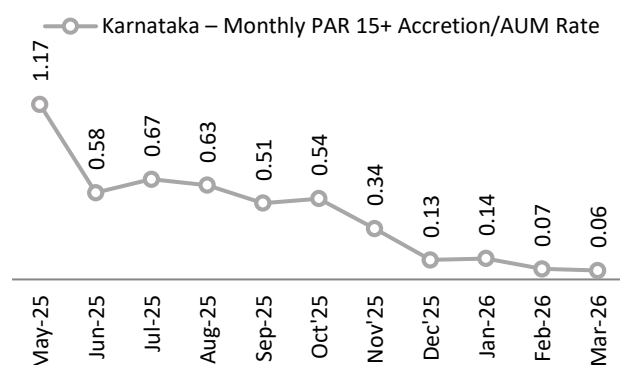
Asset quality

- The PAR 15+ Accretion/AUM in Karnataka improved from 1.9% in Mar'25 to 0.06% in Mar'26.
- Monthly PAR 15+ Accretion/AUM rate declined to 0.07% in Mar'26 vs. 0.84% in Mar'25, driven by a strong pull-back in new PAR accretion since Nov'25.
- Asset quality completely normalized across all geographies, with overall X-Bucket CE of 99.84% in Mar'26.
- PAR buckets exhibited a meaningful improvement QoQ, led by lower new PAR accretion.
- Improvement in asset quality was witnessed across all operating geographies.

Monthly PAR 15+ (all states) continues to improve



Monthly PAR 15+ in Karnataka improved significantly



Trends in asset quality for the last 10 quarters

| Particulars (%) | Q3 2024 | Q4 2024 | Q1 2025 | Q2 2025 | Q3 2025 | Q4 2025 | Q1 2026 | Q2 2026 | Q3 2026 | Q4 2026 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| PAR 0+ | 1.8 | 1.7 | 2.5 | 4.9 | 6.8 | 6.9 | 5.9 | 4.7 | 4.4 | 3.0 |
| PAR 30+ | 1.2 | 1.4 | 1.8 | 3.3 | 5.1 | 5.5 | 4.9 | 3.7 | 3.8 | 2.7 |
| PAR 60+ | 1 | 1.2 | 1.4 | 2.4 | 3.8 | 4.3 | 4.1 | 3.1 | 3.4 | 2.5 |
| PAR 90+ | 0.8 | 0.9 | 1.1 | 1.7 | 2.6 | 3.3 | 3.3 | 2.5 | 2.9 | 2.3 |



Sharda Cropchem : West Asia War Hasn't Affected Our Business; Customers Have Absorbed Our Price Hikes; RV Bubna, CMD

- Business Will see impact if dollar strengthens against Euro , But moves have not been volatile
- Customers have absorbed price Hikes after Tariffs
- West Asia War Hasn't Affected Our Business

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Supreme Industries : Petrochemical Duty Waiver | India Is Too Dependent On PVC Imports; MP Taparia, MD

- PVC Prices have increased by 48% in last one Month
- Increase in PVC prices will benefit the entire industry
- India is too dependent on PVC imports, nearly 70% is imported
- Customs Duty rate was 8.25% now down to zero

[➔ Read More](#)

OneSource Specialty Pharma : Manufacturing Semaglutide At Risk For Some Inventory Build-Up; Neeraj Sharma, MD& CEO

- Manufacturing Semaglutide at risk for some inventory build-up
- Canada is the largest market Outside US , From a volume driver perspective Canada will be a big market
- Turkey , Saudi Arabia set to see launch of Semaglutide
- As a CDMO, The company is geographic agnostic

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NOTES

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

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