June 2026 Results Preview | Sector: Healthcare

Healthcare

Result Preview

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

EBITDA growth to remain subdued

DF in recovery mode; hospitals show resilience

- After a subdued show in FY26 (revenue growth of 10.8% YoY excl. hospitals), we expect our coverage universe to deliver better growth in 1QFY27. Aggregate revenue is likely to rise 13.2% YoY. However, profitability is expected to remain under pressure, with EBITDA likely to grow by a modest 5% YoY and PAT estimated to decline 5% YoY, primarily due to pricing pressure in select high-margin niche products in the US and an unfavorable geopolitical environment. These headwinds are expected to be partly offset by currency tailwinds and robust growth in the domestic formulation (DF) segment.
- DF growth is expected to strengthen, supported by a healthy recovery in acute therapies alongside stable momentum in chronic therapies. The launch of generic semaglutide in India following patent expiry in Mar'26 marks a key development, and the initial impact on market expansion and competitive dynamics will be closely monitored during the quarter. In the US, while pricing pressure persists in the base business, several companies continue to focus on complex generics, specialty products, and limited-competition launches, supported by exclusivity opportunities, which should drive healthy outperformance for select players. USFDA ANDA approvals recovered during 1QFY27, while the pace of USFDA inspections remained healthy, providing incremental support to the regulatory outlook.
- Among healthcare services, hospitals are likely to maintain their outperformance, with ~16% YoY revenue growth, driven by ongoing capacity additions and healthy ARPOB improvement. However, margins may remain under pressure owing to the ramp-up of newly commissioned facilities. Overall, we believe near-term profitability across pharma and hospitals is likely to remain constrained by margin headwinds, though healthy domestic demand, regulatory normalization and capacity-led expansion support a constructive medium-term growth outlook.

DF: Growth momentum remains intact, led by acute recovery and resilient chronic demand

Coverage companies to sustain growth

For our coverage universe, we expect aggregate DF segment sales to grow 13.5% YoY to INR282b in 1QFY27. Following a modest 4% YoY growth in 2QFY26, the DF market has witnessed a steady improvement, and we expect YoY growth to accelerate for the third consecutive quarter, supported by a recovery in acute therapies and sustained strength in chronic segments. Our coverage companies are likely to broadly track industry growth, aided by continued product launches, pricing actions and an increasing portfolio mix toward high-growth chronic therapies.

Chronic therapies show resilient; acute recovery gains traction

During the first two months of 1QFY27 (Apr-May'26), chronic therapies delivered ~15.5% YoY growth, largely in line with 16% YoY growth recorded in 4QFY26 and well ahead of 13.6%/9.9% growth seen in FY26/FY25. Acute therapies also exhibited a meaningful recovery, with growth improving to 10% YoY in Apr-May'26 from

Research Analyst: Tushar Manudhane (Tushar.Manudhane@MotilalOswal.com) | **Vipul Mehta** (Vipul.Mehta@MotilalOswal.com)
Research Analyst: Eshita Jain (Eshita.Jain@MotilalOswal.com) | **Khyati Sonthalia** (Khyati.Sonthalia@MotilalOswal.com)

7.5%/7% in FY26/FY25. Robust momentum in cardiac, anti-diabetic, and vitamins, minerals & nutrients (VMN) continued to outperform the IPM, although overall IPM growth remained constrained partly by softer trends in anti-infectives and respiratory therapies.

TRP/LPC/DRRD to lead DF growth in 1QFY27

We expect TRP/LPC/DRRD to report DF sales growth of 43%/13%/13% YoY, driven by a combination of price hikes, new product launches and improving productivity of medical representatives (MRs). TRP's growth will be aided by the consolidation and integration of the acquired JB Pharma business, alongside broad-based double-digit growth in its key therapies, particularly chronic segments, supported by strong IQVIA market share trends for the three months ending in May'26. Meanwhile, LPC and DRRD are expected to post broad-based growth across most therapy areas. We also expect GNP to deliver 12.5% YoY DF growth, supported by continued strength in its anti-infectives and antineoplastic portfolios.

ALPM/GSK/ERIS expected to underperform in 1QFY27

We expect ALPM/GSK/ERIS to underperform peers in 1QFY27, with DF sales growth of 6%/8%/9% YoY owing to muted performance of key therapies in the acute and chronic segments.

US sales: YoY decline to continue amid g-Revlimid normalization

CIPLA/DRRD/ZYDUSLIF to drag down overall YoY growth

For our coverage universe, US revenue is expected to decline 5.4% YoY to USD2.3b in 1QFY27, primarily due to a steep 28%/30% YoY decline in US sales for CIPLA/DRRD to USD163m/USD327m. The decline reflects intensifying competition across several niche products, including g-Revlimid, resulting in price erosion and lower revenue contribution for domestic generic players, particularly CIPLA, DRRD and ZYDUSLIF. INR depreciation is, however, likely to provide a favorable forex tailwind, translating into 4.6% YoY growth in INR terms. Additionally, high freight costs amid ongoing geopolitical disruptions are expected to weigh on profitability during the quarter. Excluding CIPLA and DRRD, aggregate US revenue for the coverage universe is expected to grow 2.6% YoY, reflecting relatively resilient underlying demand and contribution from recent product launches.

RUBICON/LPC/GNP to outperform in the US market

The overall weakness in US sales is expected to be partially offset by robust growth from RUBICON, LPC and GNP. We expect RUBICON to report 32% YoY growth, supported by a healthy pipeline of new launches, continued market share gains in its base portfolio, increasing contribution from specialty and differentiated products, and expansion in the domestic business. LPC is likely to deliver 28% YoY US growth, driven by sustained product launch momentum, which should more than offset competitive pressure in Mirabegron and Tolvaptan. GNP is also expected to post healthy growth, supported by continued execution of its launch pipeline.

USFDA approval momentum to recover

USFDA regulatory activity remained healthy in 1Q. About 13 manufacturing facilities belonging to companies under our coverage were inspected during 1QFY27. At the industry level, 202 final approvals were granted during the quarter (vs. 184 in 4QFY26), while our coverage companies received 59 final approvals. The steady improvement from the lows witnessed in 2QFY26, followed by stabilization over subsequent quarters, indicates a gradual normalization in inspection activity, approval conversion and regulatory review timelines, which should support product launch momentum over the medium term.

Hospitals: Volume-driven growth is expected to support 1Q performance

Hospital growth momentum remains intact on capacity expansion

For the hospital companies under our coverage, revenue is expected to grow 16.1% YoY to INR133.4b in 1QFY27, driven by operational execution, significant expansion of bed capacities and development of new facilities, collectively strengthening operating metrics. In 1Q, we expect EBITDA margins of our coverage companies to be ~19% and aggregate EBITDA to grow by 15.6% YoY.

New facility ramp-up to dent near-term profitability

Aggregate occupancy is expected to decline by ~70bp YoY, while ARPOB is likely to see an uptick. Hospitals remain on a strong growth trajectory, aided by aggressive capacity additions, medical clinician onboarding supporting volume growth, and gradual improvements in utilization. However, near-term margin for some hospitals are likely to remain under pressure due to high ramp-up costs related to new facilities, while profitability and return ratios should improve in the medium term as occupancy stabilizes. International medical tourism is expected to face near-term geopolitical headwinds, driven by lower patient inflows from West Asia.

Robust expansion pipeline to support long-term growth

MAXHEALTH plans to add ~645 beds in FY27 in Sec-56 Gurugram/Lucknow via greenfield/brownfield expansion. In FY27, APHS is set to add ~1,000 beds in Hyderabad, Mumbai, Bangalore and Gurgaon, reinforcing its presence in high-potential metro markets via acquisitions/brownfield expansion. Alongside the ramp-up of the recently launched Pune facility, this expansion is expected to add ~1,500 beds. Notably, ~50% of this capacity is likely to be operationalized in FY27. Medanta is adding 490 beds in Indore/Lucknow/Noida/Patna by FY27. FORH has planned to add 472 beds by FY27 via brownfield bed expansion.

APHS to outperform peers in 1Q

We expect APHS to post 18%/21%/28% YoY growth in sales/EBITDA/PAT in 1QFY27. MEDANTA is expected to deliver sales growth of 13% and EBITDA/PAT growth of 12% YoY. Profitability is likely to remain subdued as opex related to the recently commissioned Noida hospital continues to weigh on margins. MAXHEALTH is likely to deliver sales/EBITDA/PAT growth of 11.5%/13%/16% YoY. Revenue growth is likely to be impacted by the stoppage of sales of certain chemotherapy drugs. Notably, MAXHEALTH’s profitability should be supported by recent integration of brownfield beds. FORH is likely to post 11%/4.5% YoY growth in EBITDA/PAT due to temporary disruptions in international patient flows.

GNP/TRP/RUBICON/GRAN to outperform in the healthcare pack

- In 1QFY27, we expect GNP/TRP/RUBICON/GRAN to deliver EBITDA growth of 50%/46%/45%/33% YoY.
- For GNP and TRP, EBITDA growth is likely to be driven by continued strength in the DF business, supported by healthy growth across key therapies, particularly chronic segments. TRP would also benefit from the consolidation and integration of JB Pharma. For RUBICON, new product launches, continued market share gains in the base portfolio and increasing contribution from specialty and differentiated products are expected to support strong EBITDA growth. GRAN is likely to sustain healthy earnings momentum, driven by robust performance in its finished dosages (FD) business, particularly the ADHD portfolio.
- DRRD/CIPLA/ALKEM are likely to report a YoY EBITDA decline of 41%/35%/11%. Intensifying competition across niche products, including g-Revlimid, will result in increased pricing pressure and lower profitability, which is expected to weigh on earnings.
- Our top ideas: Apollo Hospitals (robust penetration), Mankind (solid domestic play), Medanta (maturing facilities), Rubicon (differentiated US play).

Exhibit 1: Summary of quarterly performance

Sector	CMP (INR)	RECO	SALES (INR m)			EBITDA (INR m)			NET PROFIT (INR m)		
			Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ	Jun-26	Var % YoY	Var % QoQ
Ajanta Pharma	3347	Buy	15,151	16.3	6.6	4,182	11.1	11.5	2,882	7.7	8.9
Alembic Pharma	828	Neutral	19,138	11.9	3.6	2,794	-0.7	22.6	1,536	-0.5	32.3
Alkem Lab	5564	Neutral	37,140	10.2	3.1	6,611	-10.5	27.8	4,363	-33.2	-3.8
Apollo Hospitals	8617	Buy	69,174	18.4	4.7	10,307	21.0	1.9	5,534	27.9	4.5
Aurobindo Pharma	1553	Buy	91,634	16.5	3.5	18,235	13.7	1.3	9,776	18.5	2.3
Biocon	418	Buy	45,888	16.4	1.6	10,049	31.4	-1.5	2,017	572.2	12.7
Blue Jet Healthcare	549	Buy	2,829	-20.3	20.5	970	-19.8	36.1	771	-15.5	19.8
Cipla	1457	Neutral	69,979	0.6	7.0	11,617	-34.7	16.5	7,659	-41.0	35.2
Divis Labs	6543	Neutral	27,595	14.5	-2.5	8,941	22.6	-4.3	6,577	27.5	-3.4
Dr Agarwals Health.	469	Buy	5,923	21.5	5.0	1,581	23.7	-2.1	368	22.5	-5.2
Dr Reddy' s Labs	1339	Neutral	82,306	-3.7	3.3	12,757	-40.7	8.4	6,672	-52.9	2.3
Eris Lifescience	1445	Neutral	8,426	9.0	11.4	3,067	10.8	12.1	1,515	29.2	20.2
Fortis Healthcare	948	Buy	25,205	16.3	7.0	5,440	10.9	4.0	2,621	4.5	-2.5
Gland Pharma	2463	Buy	17,075	13.4	-2.0	4,491	22.1	-12.5	2,903	34.7	-20.8
Glenmark Pharma	2158	Buy	40,919	25.3	8.5	8,685	49.6	13.9	5,357	70.6	-9.4
Global Health	1328	Buy	11,661	13.1	0.6	2,542	12.0	4.3	1,619	12.4	12.4
Granules India	812	Buy	14,413	19.1	-2.0	3,286	33.2	-6.7	1,771	33.4	-6.4
GSK Pharma	2463	Neutral	8,788	9.1	-11.7	2,865	14.1	-18.4	2,295	12.0	-17.4
IPCA Labs.	1696	Buy	25,912	12.2	8.5	5,364	28.8	10.9	3,001	28.7	4.1
Laurus Labs	1494	Buy	17,765	13.2	-1.9	4,885	27.8	-6.9	2,404	49.9	-16.8
Laxmi Dental	223	Buy	761	16.0	2.9	129	8.6	-4.2	90	7.7	-10.6
Lupin	2397	Neutral	78,897	25.9	5.6	21,460	30.7	-1.2	13,626	19.0	-1.8
Mankind Pharma	2490	Buy	39,892	11.7	15.9	11,050	30.5	18.8	6,499	50.4	12.2
Max Healthcare	1140	Buy	27,328	11.5	7.8	6,996	13.4	3.3	4,308	16.2	14.6
Piramal Pharma	169	Buy	21,289	10.1	-22.6	1,384	29.7	-70.0	-1,176	Loss	PL
Rubicon Research	1367	Buy	5,128	45.5	-0.2	1,144	44.6	-3.7	730	68.7	-4.9
Sun Pharma	1866	Buy	1,52,791	10.8	4.9	40,031	-0.1	15.2	27,850	-7.0	16.7
Torrent Pharma	4642	Neutral	46,249	45.5	10.2	15,262	45.8	12.6	5,324	-4.8	17.7
Zydus Lifesciences	1109	Neutral	76,844	16.9	1.3	18,904	-6.9	-1.0	10,321	-27.5	-3.8
Healthcare			**10,86,099**	**13.6**	**3.9**	**2,45,030**	**5.8**	**4.6**	**1,39,213**	**-3.1**	**2.7**

Source: Company, MOFSL

Exhibit 2: Relative performance – three months (%)

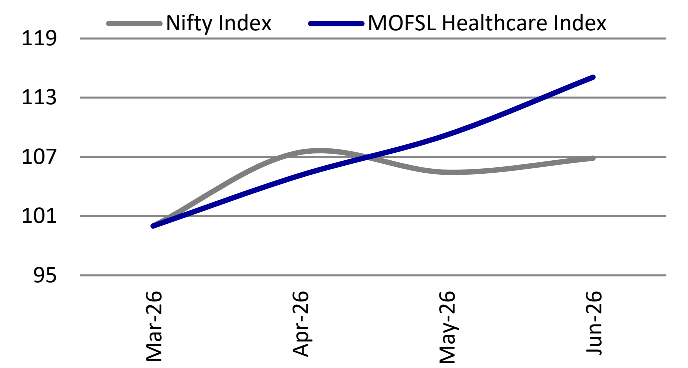
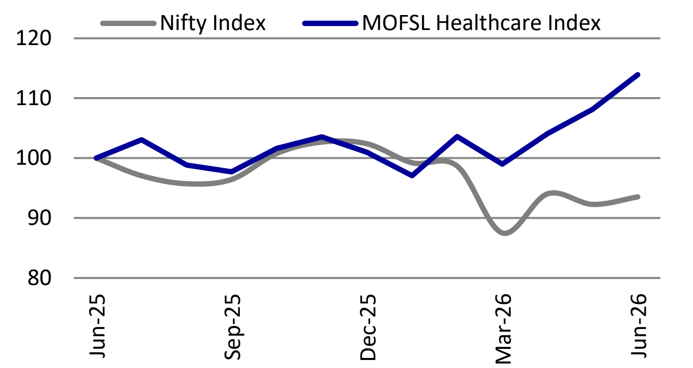
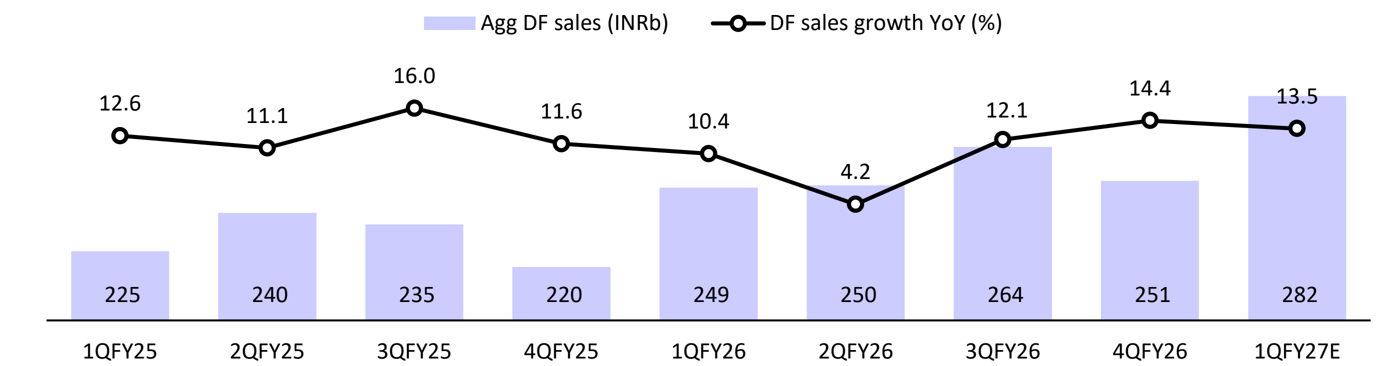


Exhibit 3: Relative performance – one year (%)



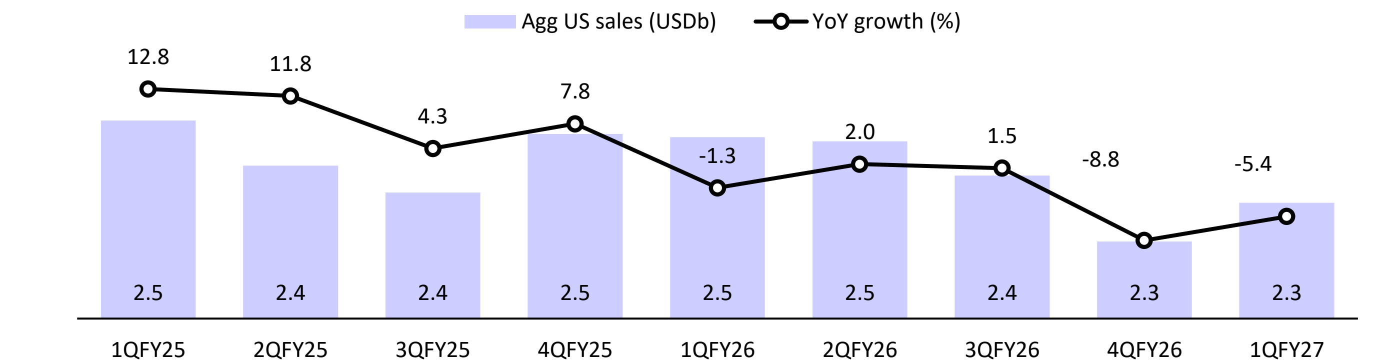
Source: Bloomberg, MOFSL

Exhibit 4: DF sales to grow 13.5% YoY in 1QFY27E



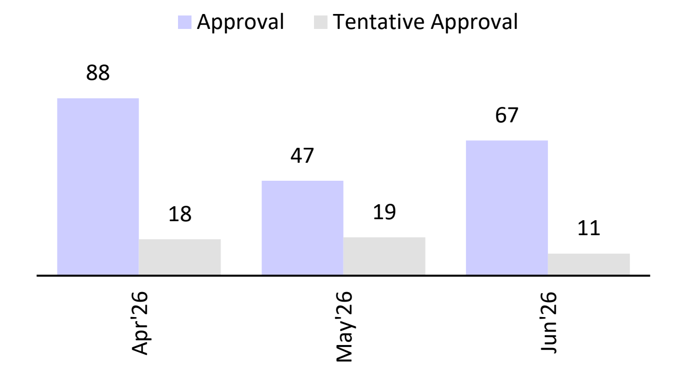
Note: Source: MOFSL, Company

Exhibit 5: US sales to decline 5.4% YoY in 1QFY27E



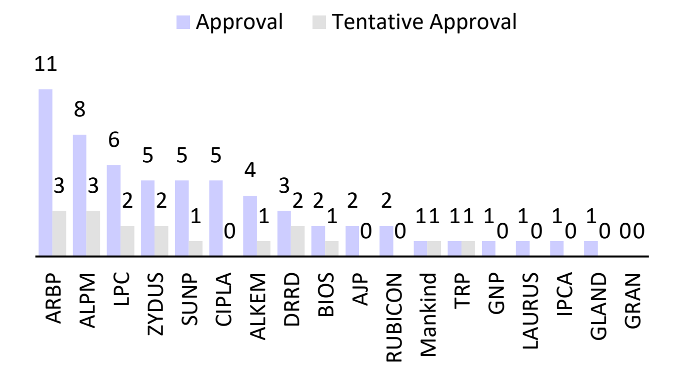
Source: MOFSL, Company

Exhibit 6: 202 approvals (excl tentative) in 1Q for the industry



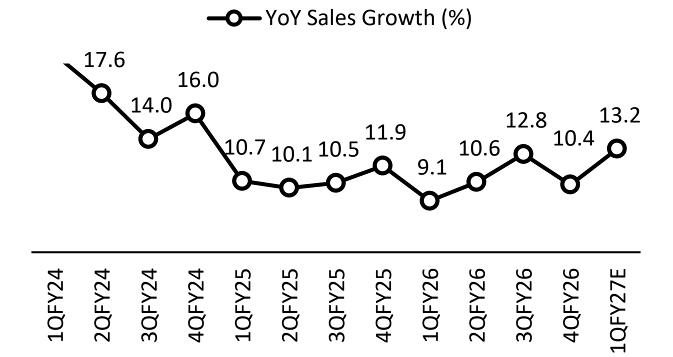
Source: MOFSL, Company

Exhibit 7: 59 ANDAs approved (excl. tentative) on an aggregate basis for our coverage universe in 1QFY27



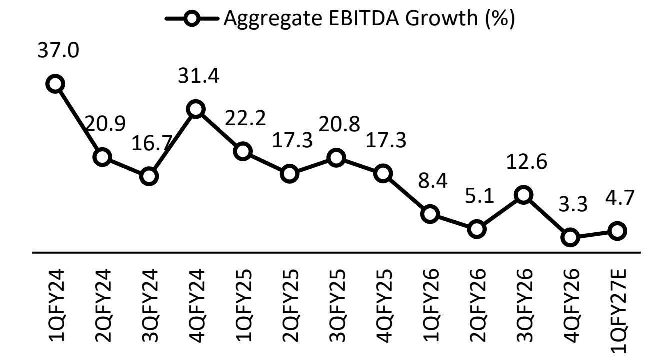
Source: MOFSL, Company

Exhibit 8: Expect sales to grow 13.2% YoY in 1QFY27E



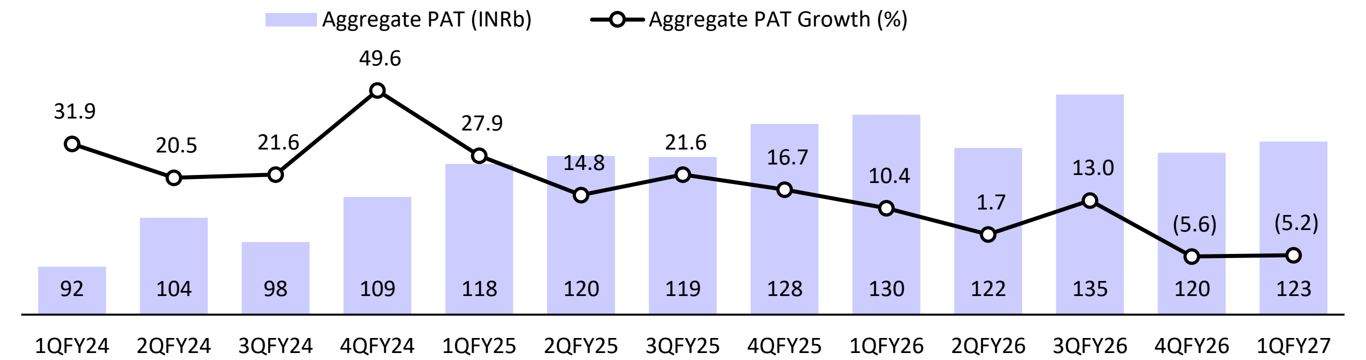
Source: MOFSL, Company

Exhibit 9: EBITDA to grow 4.7% YoY



Source: MOFSL, Company

Exhibit 10: PAT to decline in 1QFY27E



Source: MOFSL, Company

Exhibit 11: USFDA inspection history of our coverage companies for the quarter

Company	Inspection Date	Inspection Facility	Outcome	Observations
Ajanta	Apr-26	❖ Paithan, Maharashtra	Form 483	5
Alkem	Apr-26	❖ Amaliya, Daman	Form 483	7
	Apr-26	❖ CRO facility; Tajola, Maharashtra	-	-
Aurobindo	Jun-26	❖ Eugia; Anakapalli, Andhra Pradesh	Form 483	5
	Jun-26	❖ Srikakulam, Andhra Pradesh	Form 483	2
Cipla	Apr-26	❖ Verna, Goa	EIR	VAI
Granules	Apr-26	❖ Chantilly, Virginia, US	EIR	VAI
Glenmark	Jun-26	❖ Goa	Form 483	6
Lupin	Apr-26	❖ Somerset, New Jersey, USA	Form 483	3
Piramal	May-26	❖ Sellersville, USA	Form 483	3
Torrent	Apr-26	❖ Oncology facility, Bileshwarpura	-	-
Zydus	Apr-26	❖ Unit 9, Changodar, Ahmedabad	Form 483	7

Source: MOFSL, Company

Exhibit 12: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
Healthcare						**36.1**	**37.4**	**31.2**	**4.7**	**4.8**	**4.2**	**12.9**	**12.7**	**13.5**
Ajanta Pharma	3,347	Buy	85.0	94.6	112.3	33.0	35.4	29.8	7.8	7.8	6.5	25.6	23.9	23.7
Alembic Pharma	828	Neutral	31.7	38.3	50.1	20.9	21.6	16.5	2.3	2.6	2.3	11.5	12.6	14.6
Alkem Lab	5,564	Neutral	213.4	185.5	210.0	24.8	30.0	26.5	4.6	4.4	3.9	19.8	15.3	15.6
Apollo Hospitals	8,617	Buy	136.0	168.9	194.5	54.6	51.0	44.3	10.9	10.1	8.2	22.1	22.8	21.2
Aurobindo Pharma	1,553	Buy	61.3	76.8	90.6	21.3	20.2	17.1	2.0	2.1	1.9	10.1	11.2	11.8
Biocon	418	Buy	2.6	6.4	9.0	139.1	65.4	46.7	1.3	1.4	1.4	1.5	3.0	4.1
Blue Jet Healthcare	549	Buy	14.3	18.2	21.5	22.9	30.1	25.5	4.2	5.8	4.8	19.9	21.0	20.4
Cipla	1,457	Neutral	50.7	47.1	59.8	24.1	30.9	24.4	2.9	3.1	2.8	11.9	10.0	11.4
Divis Labs	6,543	Neutral	92.8	109.4	130.1	64.1	59.8	50.3	9.4	9.2	8.2	15.5	16.3	17.3
Dr Agarwals Health.	469	Buy	4.2	5.5	8.3	96.2	85.0	56.7	6.3	6.7	6.0	6.8	8.2	11.1
Dr Reddy’ s Labs	1,339	Neutral	59.1	45.9	62.9	21.2	29.2	21.3	2.8	2.7	2.4	13.8	9.7	12.1
Eris Lifescience	1,445	Neutral	34.6	48.5	57.6	37.5	29.8	25.1	4.6	4.4	3.8	14.1	15.9	16.4
Fortis Healthcare	948	Buy	13.9	16.0	20.1	57.0	59.1	47.1	6.1	6.5	5.8	11.2	11.6	13.0
Gland Pharma	2,463	Buy	63.4	74.8	89.9	26.8	32.9	27.4	2.7	3.5	3.1	10.7	11.2	12.0
Glenmark Pharma	2,158	Buy	20.2	77.2	91.2	105.5	27.9	23.7	5.7	4.8	4.1	5.9	18.9	18.7
Global Health	1,328	Buy	20.8	28.2	35.5	46.3	47.0	37.4	6.5	7.8	6.6	15.2	17.7	19.2
Granules India	812	Buy	24.3	31.3	40.6	25.5	26.0	20.0	3.0	3.4	2.9	13.7	14.2	15.9
GSK Pharma	2,463	Neutral	60.7	70.0	81.2	37.6	35.2	30.3	17.1	14.0	10.7	45.4	39.7	35.3
IPCA Labs.	1,696	Buy	45.6	52.5	61.7	35.1	32.3	27.5	5.0	4.7	4.1	15.4	15.4	15.9
Laurus Labs	1,494	Buy	16.8	18.9	22.3	59.1	79.0	67.1	9.8	12.8	11.0	18.0	17.4	17.6
Laxmi Dental	223	Buy	5.8	8.1	10.4	27.3	27.7	21.5	3.6	4.3	3.6	14.0	16.7	18.0
Lupin	2,397	Neutral	116.5	106.0	110.8	19.9	22.6	21.6	4.7	3.9	3.3	26.9	19.2	16.6
Mankind Pharma	2,490	Buy	49.0	62.8	72.3	40.9	39.6	34.4	5.1	5.6	5.0	13.2	15.0	15.3
Max Healthcare	1,140	Buy	16.3	19.8	23.2	59.2	57.5	49.0	7.7	8.0	6.9	13.9	14.8	15.1
Piramal Pharma	169	Buy	-1.0	0.8	2.2	-138.5	214.3	75.3	2.0	2.4	2.3	-1.6	1.3	3.5
Rubicon Research	1,367	Buy	14.9	19.2	25.3	51.7	71.2	54.0	9.9	14.4	11.7	27.0	22.2	23.9
Sun Pharma	1,866	Buy	46.8	50.6	58.2	37.6	36.9	32.1	5.0	4.8	4.3	14.4	13.8	14.2
Torrent Pharma	4,642	Neutral	59.3	62.4	91.0	71.2	74.4	51.0	8.5	7.9	6.5	28.2	25.9	31.4
Zydus Lifesciences	1,109	Neutral	44.7	45.0	51.2	19.5	24.6	21.6	3.2	3.6	3.1	17.6	15.5	15.3

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Ajanta Pharma — Buy

CMP: INR3,347| TP: INR3,950 (18%) **EPS CHANGE (%): FY27|28: (0.9)|(0.6)**

- Expect sales to grow 16.3% YoY to INR15.1b, driven by strong momentum in US segment.
- India business is projected to grow 12% YoY, led by strong performance in Ophthal/Pain/Anti-diabetic.
- Expect US sales to grow by 45% YoY due to improved traction in existing products and new launches.
- Africa to deliver robust growth of 12% YoY, driven by strong execution and expansion into new markets.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**13,027**	**13,537**	**13,748**	**14,216**	**15,151**	**15,281**	**15,691**	**15,888**	**54,529**	**62,011**
YoY Change (%)	13.8	14.1	20.0	21.5	16.3	12.9	14.1	11.8	17.3	13.7
EBITDA	**3,765**	**3,688**	**3,892**	**3,751**	**4,182**	**4,157**	**4,440**	**4,433**	**15,096**	**17,211**
YoY Change (%)	4.5	9.5	21.3	26.2	11.1	12.7	14.1	18.2	14.8	14.0
Margins (%)	28.9	27.2	28.3	26.4	27.6	27.2	28.3	27.9	27.7	27.8
Depreciation	413	430	435	454	461	465	477	483	1,731	1,885
Interest	53	34	51	24	26	26	26	26	161	106
Other Income	170	197	164	171	199	199	199	199	701	798
PBT before EO expense	**3,469**	**3,421**	**3,571**	**3,444**	**3,894**	**3,865**	**4,136**	**4,123**	**13,905**	**16,018**
Extra-Ord expense	-158	-13	16	27	0	0	0	0	-129	0
PBT	**3,311**	**3,408**	**3,586**	**3,471**	**3,894**	**3,865**	**4,136**	**4,123**	**13,777**	**16,018**
Tax	758	806	848	804	1,012	1,005	1,075	1,072	3,217	4,165
Effective Rate (%)	22.9	23.7	23.7	23.2	26.0	26.0	26.0	26.0	23.3	26.0
Reported PAT	**2,553**	**2,602**	**2,738**	**2,667**	**2,882**	**2,860**	**3,061**	**3,051**	**10,560**	**11,853**
Adj PAT	**2,675**	**2,612**	**2,726**	**2,646**	**2,882**	**2,860**	**3,061**	**3,051**	**10,659**	**11,853**
YoY Change (%)	2.0	10.9	24.2	20.6	7.7	9.5	12.3	15.3	13.8	11.2
Margins (%)	20.3	19.0	19.6	18.4	18.8	18.5	19.3	19.0	19.3	18.9

Alembic Pharma — Neutral

CMP: INR828| TP: INR780 (-6%) **EPS CHANGE (%): FY27|28: (0.3)|0.7**

- Expect sales to grow by 12% YoY in 1Q, driven by growth in the export and API segments, partially offset by subdued performance in the domestic segment.
- EBITDA margins are expected to decline by 180bp YoY due to higher marketing opex and R&D spend.
- DF sales are expected to grow 6.2% YoY in 1Q, driven by vet segment. Human Rx growth to remain in check in 1Q.
- Expect moderate 4% YoY growth in US generics to USD64m in 1QFY27, led by better traction in existing products and new launches.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**17,107**	**19,102**	**18,763**	**18,477**	**19,138**	**20,834**	**21,734**	**21,814**	**73,449**	**83,519**
YoY Change (%)	9.5	15.9	10.8	4.4	11.9	9.1	15.8	18.1	10.1	13.7
Total Expenditure	14,294	15,945	15,828	16,198	16,343	17,563	18,191	18,368	62,265	70,465
EBITDA	**2,813**	**3,157**	**2,935**	**2,279**	**2,794**	**3,271**	**3,543**	**3,447**	**11,184**	**13,054**
YoY Change (%)	18.8	31.9	12.8	-16.2	-0.7	3.6	20.7	51.2	10.9	16.7
Margins (%)	16.4	16.5	15.6	12.3	14.6	15.7	16.3	15.8	15.2	15.6
Depreciation	738	761	801	886	819	891	930	933	3,186	3,573
EBIT	**2,075**	**2,396**	**2,134**	**1,393**	**1,975**	**2,380**	**2,613**	**2,514**	**7,999**	**9,482**
YoY Change (%)	23.7	42.0	12.2	-31.3	-4.8	-0.7	22.5	80.4	9.6	18.5
Interest	235	242	233	226	232	232	232	232	936	926
Other Income	65	69	155	255	176	172	181	185	544	710
PBT before EO expense	**1,905**	**2,223**	**2,056**	**1,423**	**1,920**	**2,320**	**2,562**	**2,467**	**7,607**	**9,265**
Extra-Ord expense	0	0	422	248	0	0	0	0	-670	0
PBT	**1,905**	**2,223**	**1,633**	**1,175**	**1,920**	**2,320**	**2,562**	**2,467**	**6,937**	**9,265**
Rate (%)	19.1	18.0	18.1	-70.6	20.0	19.3	18.3	17.8	3.3	18.8
MI & P/L of Asso. Cos.	-3	-24	8	-23	0	0	0	0	-42	0
Reported PAT	**1,544**	**1,847**	**1,330**	**2,027**	**1,536**	**1,872**	**2,093**	**2,028**	**6,748**	**7,526**
Adj PAT	**1,544**	**1,847**	**1,676**	**1,161**	**1,536**	**1,872**	**2,093**	**2,028**	**6,227**	**7,529**
YoY Change (%)	14.6	29.7	21.1	-26.0	-0.5	1.4	24.9	74.6	8.8	20.9
Margins (%)	9.0	9.7	8.9	6.3	8.0	9.0	9.6	9.3	8.5	9.0

Alkem Labs — Neutral

CMP: INR5,564|TP: INR5,837 (5%) **EPS CHANGE (%): FY27|28: (0.3)|0**

- Expect YoY growth in DF to be on uptrend with 10% in 1QFY27.
- Margins are expected to be impacted by higher RM and opex related to med-tech and CDMO.
- US sales are projected to grow 6% YoY to USD87m, driven by base business price erosion offset by new launches.
- Ex-US sales are expected to sustain growth momentum with 21% YoY.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	**33,711**	**40,010**	**37,368**	**36,033**	**37,140**	**44,898**	**42,550**	**40,849**	**1,47,123**	**1,65,437**
YoY Change (%)	11.2	17.2	10.7	14.6	10.2	12.2	13.9	13.4	13.5	12.4
EBITDA	**7,391**	**9,208**	**8,280**	**5,174**	**6,611**	**10,012**	**9,489**	**7,149**	**30,052**	**33,260**
YoY Change (%)	21.4	22.3	9.0	32.2	-10.5	8.7	14.6	38.2	19.6	10.7
Margins (%)	21.9	23.0	22.2	14.4	17.8	22.3	22.3	17.5	20.4	20.1
Depreciation	877	936	950	1,058	1,192	1,201	1,195	1,114	3,821	4,702
EBIT	**6,514**	**8,272**	**7,330**	**4,116**	**5,419**	**8,811**	**8,294**	**6,034**	**26,232**	**28,558**
YoY Change (%)	23.3	22.7	8.7	47.6	-16.8	6.5	13.1	46.6	34.8	32.5
Margins (%)	19.3	20.7	19.6	11.4	14.6	19.6	19.5	14.8	17.8	17.3
Interest	298	350	421	539	475	475	475	475	1,608	1,900
Other Income	1,365	1,037	1,431	2,001	1,358	1,368	1,297	1,245	5,834	5,269
PBT before EO Exp	**7,581**	**8,958**	**8,340**	**5,578**	**6,302**	**9,705**	**9,116**	**6,804**	**30,457**	**31,927**
EO Exp/(Inc)	-129	0	528	1,350	0	0	0	0	1,748	0
PBT after EO Exp	**7,710**	**8,958**	**7,812**	**4,228**	**6,302**	**9,705**	**9,116**	**6,804**	**28,709**	**31,927**
Tax	1,027	1,162	1,277	1,712	1,739	2,698	2,552	1,919	5,178	8,908
Rate (%)	13.3	13.0	16.3	40.5	27.6	27.8	28.0	28.2	17.0	27.9
PAT (pre MI)	**6,683**	**7,796**	**6,535**	**2,517**	**4,563**	**7,007**	**6,563**	**4,885**	**23,531**	**23,018**
Minority Interest	41	145	175	152	200	205	210	225	513	840
Reported PAT	**6,643**	**7,651**	**6,360**	**2,365**	**4,363**	**6,802**	**6,353**	**4,660**	**23,018**	**22,178**
Adj Net Profit	**6,531**	**7,651**	**6,802**	**4,533**	**4,363**	**6,802**	**6,353**	**4,660**	**25,517**	**22,178**
YoY Change (%)	19.8	11.1	8.7	48.2	-33.2	-11.1	-6.6	2.8	17.8	-13.1

Apollo Hospitals — Buy

CMP: INR8,617 | TP: INR10,120 (17%) **EPS CHANGE (%): FY27|28: 1.5|1.5**

- Sales/EBITDA are expected to grow 18%/21% YoY to INR69.2b/INR10.3b, aided by steady growth across segments.
- Expect overall Healthco EBITDA to further strengthen in 1QFY27.
- Expect hospital EBITDA margin to increase marginally by 30bp due to losses from new hospitals.
- GMV build-up/profitability improvement of Healthco and scale-up of new hospitals would be key monitorable.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
(INRm)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	**58,421**	**63,035**	**64,774**	**66,055**	**69,174**	**74,129**	**72,891**	**73,837**	**252,285**	**290,032**
YoY Change (%)	14.9	12.8	17.2	18.1	18.4	17.6	12.5	11.8	15.8	15.0
Total Expenditure	49,902	53,624	55,121	55,945	58,867	63,232	61,447	61,950	214,592	245,496
EBITDA	**8,519**	**9,411**	**9,653**	**10,110**	**10,307**	**10,897**	**11,444**	**11,888**	**37,693**	**44,536**
YoY Change (%)	26.2	15.4	26.8	31.3	21.0	15.8	18.6	17.6	24.7	18.2
Margins (%)	14.6	14.9	14.9	15.3	14.9	14.7	15.7	16.1	14.9	15.4
Depreciation	2,147	2,178	2,192	2,244	2,206	2,364	2,325	2,355	8,761	9,250
Interest	1,083	1,096	1,126	1,191	1,213	1,213	1,213	1,213	4,496	4,853
Other Income	402	547	528	439	580	580	580	580	1,916	2,320
PBT before EO expense	**5,691**	**6,684**	**6,863**	**7,114**	**7,468**	**7,900**	**8,486**	**8,900**	**26,352**	**32,753**
Extra-Ord expense/(Income)	0	0	192	0	0	0	0	0	192	0
PBT	**5,691**	**6,684**	**6,671**	**7,114**	**7,468**	**7,900**	**8,486**	**8,900**	**26,160**	**32,753**
Tax	1,417	1,807	1,657	1,702	1,904	2,014	2,164	2,269	6,583	8,352
Rate (%)	24.9	27.0	24.8	23.9	25.5	25.5	25.5	25.5	25.2	25.5
MI & Profit/Loss of Asso. Cos.	-54	105	-9	119	30	30	30	30	161	119
Reported PAT	**4,328**	**4,772**	**5,023**	**5,293**	**5,534**	**5,856**	**6,292**	**6,601**	**19,416**	**24,282**
Adj PAT	**4,328**	**4,772**	**5,167**	**5,293**	**5,534**	**5,856**	**6,292**	**6,601**	**19,560**	**24,282**
YoY Change (%)	41.8	26.0	38.8	35.9	27.9	22.7	21.8	24.7	35.3	24.1
Margins (%)	7.4	7.6	8.0	8.0	8.0	7.9	8.6	8.9	7.8	8.4

Aurobindo Pharma — Buy

CMP: INR1,553 | TP: INR1,810 (17%) **EPS CHANGE (%): FY27|28: 0|0**

- Expect a 2% YoY decline in US sales to USD400m in 1Q, partly due to reduced g-Revlimid sales.
- Integration of Lannett and subsequent scale-up of business would be key monitorable.
- Expect EU sales to grow 23.3% YoY to INR28.8b, driven by expanded offerings and increasing reach.
- Watch out for offtake of 6-APA/Pen-g plant and resolution of USFDA issues at Eugia III.

Quarterly Performance (Consolidated)

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**78,681**	**82,857**	**86,459**	**88,533**	**91,634**	**97,754**	**1,01,408**	**1,05,344**	**3,36,531**	**3,96,140**
YoY Change (%)	4.0	6.3	8.4	5.6	16.5	18.0	17.3	19.0	6.1	17.7
EBITDA	**16,034**	**16,781**	**17,733**	**18,009**	**18,235**	**20,626**	**21,296**	**21,385**	**68,558**	**81,542**
YoY Change (%)	-5.4	7.1	8.9	-3.3	13.7	22.9	20.1	18.7	1.6	18.9
Margins (%)	20.4	20.3	20.5	20.3	19.9	21.1	21.0	20.3	20.4	20.6
Depreciation	4,057	4,292	4,647	4,786	4,748	4,914	5,176	5,376	17,782	20,213
Interest	978	952	928	982	973	954	935	935	3,840	3,798
Other Income	1,053	1,156	1,541	1,170	1,200	1,240	1,275	1,310	4,921	5,025
PBT before EO expense	**12,053**	**12,693**	**13,700**	**13,412**	**13,715**	**15,998**	**16,460**	**16,383**	**51,857**	**62,555**
Forex loss/(gain)	4	-50	-335	482	0	0	0	0	101	0
Exceptional (expenses)/income	0	0	-653	0	0	0	0	0	-653	0
PBT	**12,049**	**12,743**	**13,382**	**12,931**	**13,715**	**15,998**	**16,460**	**16,383**	**51,103**	**62,555**
Tax	3,826	4,278	4,287	3,698	3,909	4,560	4,691	4,669	16,089	17,828
Rate (%)	31.8	33.6	32.0	28.6	28.5	28.5	28.5	28.5	31.5	28.5
Minority Interest	-25	-20	-9	20	30	30	30	30	-33	120
Reported PAT	**8,248**	**8,485**	**9,103**	**9,213**	**9,776**	**11,409**	**11,739**	**11,684**	**35,048**	**44,607**
Adj PAT	**8,250**	**8,451**	**9,319**	**9,557**	**9,776**	**11,409**	**11,739**	**11,684**	**35,577**	**44,607**
YoY Change (%)	-8.5	3.4	5.8	1.3	18.5	35.0	26.0	22.3	0.4	25.4
Margins (%)	10.5	10.2	10.8	10.8	10.7	11.7	11.6	11.1	10.6	11.3

Biocon — Buy

CMP: INR418|TP: INR481 (15%) **EPS CHANGE (%): FY27|28: (3.9)|(1.6)**

- Biologics sales are expected to grow 15% YoY to INR28.2b, on the back of steady off-take of existing molecules.
- Generics segment to grow 22% YoY to INR8.5b, due to a scale-up of existing products and new launches
- CRDMO revenue is likely to grow 10% YoY to INR9.6b, reflecting reduced offtake from select customers.
- EBITDA may grow 31.4% YoY to INR10b due to operating leverage.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**39,420**	**42,960**	**41,730**	**45,170**	**45,888**	**49,759**	**51,079**	**53,154**	**1,69,280**	**1,99,879**
YoY Change (%)	14.8	19.7	9.2	2.3	16.4	15.8	22.4	17.7	10.9	18.1
Total Expenditure	**31,770**	**34,610**	**33,390**	**34,970**	**35,838**	**38,464**	**39,841**	**41,353**	**1,34,740**	**1,55,497**
EBITDA	**7,650**	**8,350**	**8,340**	**10,200**	**10,049**	**11,295**	**11,237**	**11,800**	**34,540**	**44,382**
YoY Change (%)	23.2	21.6	6.1	-5.4	31.4	35.3	34.7	15.7	8.9	28.5
Margins (%)	19.4	19.4	20.0	22.6	21.9	22.7	22.0	22.2	20.4	22.2
Depreciation	4,550	4,730	5,150	5,130	5,061	5,488	5,634	5,862	19,560	22,045
EBIT	**3,100**	**3,620**	**3,190**	**5,070**	**4,988**	**5,807**	**5,604**	**5,938**	**14,980**	**22,337**
YoY Change (%)	43.6	35.9	-11.6	-21.0	60.9	60.4	75.7	17.1	0.9	49.1
Interest	2,770	2,720	2,100	2,320	2,300	2,215	2,200	2,100	9,910	8,815
Other Income	800	930	1,170	530	520	540	550	570	3,430	2,180
Extraordinary Income	-170	-120	-2,930	-800	0	0	0	0	-4,020	0
PBT	**960**	**1,710**	**-670**	**2,480**	**3,208**	**4,132**	**3,954**	**4,408**	**4,480**	**15,702**
Tax	80	390	-160	490	642	826	791	882	800	3,140
Rate (%)	8.3	22.8	23.9	19.8	20.0	20.0	20.0	20.0	17.9	20.0
Minority Interest	580	480	-1,960	730	550	420	550	590	-170	2,110
PAT	**300**	**840**	**1,450**	**1,260**	**2,017**	**2,886**	**2,613**	**2,936**	**3,850**	**10,452**
Adj PAT	**300**	**910**	**1,240**	**1,790**	**2,017**	**2,886**	**2,613**	**2,936**	**4,240**	**10,452**
YoY Change (%)	-118.7	149.2	182.3	-45.0	572.2	217.1	110.7	64.0	72.9	146.5
Margins (%)	0.8	2.0	3.5	2.8	4.4	5.8	5.1	5.5	2.3	5.2

Cipla — Neutral

CMP: INR1,457 | TP: INR1,390 (-5%) — **EPS CHANGE (%): FY27|28: 0.2|(0.2)**

- US sales to decline 30% YoY to USD158m in 1Q, driven by higher competition in base products.
- Expect DF sales growth of 12% YoY, led by momentum in Respiratory/Cardiac/Anti-Diabetic, offset by subdued performance in AI.
- Progress on the deal with Eli Lilly to distribute and promote Terzapatide in India.
- Offtake of g-Ventolin to be a key monitorable in near term
- Filing of respiratory and oligonucleotide assets to be other key monitorables.

Quarterly Performance (Consolidated)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	**69,575**	**75,894**	**70,745**	**65,412**	**69,979**	**73,742**	**80,492**	**79,291**	**2,81,626**	**3,03,505**
YoY Change (%)	3.9	7.6	0.0	-2.8	0.6	-2.8	13.8	21.2	2.2	7.8
Total Expenditure	51,793	56,947	58,194	55,442	58,363	60,100	64,877	63,115	2,22,377	2,46,455
EBITDA	**17,781**	**18,948**	**12,551**	**9,970**	**11,617**	**13,642**	**15,615**	**16,175**	**59,249**	**57,050**
YoY Change (%)	3.6	0.5	-36.9	-35.2	-34.7	-28.0	24.4	62.2	-16.9	-3.7
Margins (%)	25.6	25.0	17.7	15.2	16.6	18.5	19.4	20.4	21.0	18.8
Depreciation	2,527	2,970	2,784	3,829	3,157	3,327	3,631	3,577	12,110	13,692
Interest	141	132	140	131	86	90	98	97	544	371
Other Income	2,586	2,690	2,063	1,482	1,800	1,950	2,050	2,100	8,820	7,900
Profit before Tax	**17,699**	**18,535**	**11,690**	**7,491**	**10,174**	**12,175**	**13,936**	**14,601**	**55,416**	**50,887**
One-time (expense)/income	0	0	-2,759	-420	0	0	0	0	-3,179	0
PBT after EO expense	**17,699**	**18,535**	**8,931**	**7,071**	**10,174**	**12,175**	**13,936**	**14,601**	**52,236**	**50,887**
Rate (%)	27.0	27.0	18.7	21.0	25.5	25.5	25.5	25.5	24.4	25.5
Minority Interest	-55.7	19.0	-12.4	-45.3	-28.8	-28.8	-28.8	-28.8	-94.4	-115.0
Reported PAT	**12,976**	**13,512**	**6,758**	**5,547**	**7,608**	**9,099**	**10,411**	**10,907**	**38,792**	**38,026**
Adj PAT	**12,976**	**13,512**	**8,780**	**5,663**	**7,659**	**9,160**	**10,481**	**10,980**	**40,931**	**38,026**
YoY Change (%)	10.2	3.7	-35.6	-53.6	-41.0	-32.2	19.4	93.9	-19.2	-7.1

Dr Agarwal's Healthcare — Buy

CMP: INR469| TP: INR610 (30%) — **EPS CHANGE (%): FY27|28: 0|0**

- Expect sales growth of 21.5%, largely led by the number of patients being treated.
- Expect healthy 12% YoY growth in surgery volume for the quarter.
- Progress on volume growth, network expansion and increase in share of specialized treatment.
- Progress on the merger of Dr. Agarwal's Eye Hospital with Dr. Agarwal's Healthcare.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**4,874**	**4,987**	**5,299**	**5,641**	**5,923**	**6,007**	**6,503**	**6,987**	**20,801**	**25,420**
YoY Change (%)	20.8	19.7	23.0	22.6	21.5	20.5	22.7	23.9	21.6	22.2
Total Expenditure	3,596	3,626	3,858	4,026	4,341	4,379	4,721	5,045	15,105	18,486
EBITDA	**1,279**	**1,361**	**1,441**	**1,615**	**1,581**	**1,628**	**1,782**	**1,942**	**5,696**	**6,933**
YoY Change (%)	23.3	27.3	31.5	21.4	23.7	19.6	23.6	20.3	25.7	21.7
Margins (%)	26.2	27.3	27.2	28.6	26.7	27.1	27.4	27.8	27.4	27.3
Depreciation	630	679	688	767	744	755	817	878	2,762	3,194
Interest	247	226	211	221	254	254	254	254	905	1,017
Other Income	134	79	105	126	127	127	127	127	444	508
Extra-Ord expense	0	0	0	-13	0	0	0	0	13	0
PBT	**536**	**537**	**648**	**766**	**710**	**746**	**838**	**938**	**2,486**	**3,231**
Tax	155	172	211	267	241	254	285	319	805	1,099
Rate (%)	29.0	32.0	32.6	34.8	34.0	34.0	34.0	34.0	32.4	34.0
MI & P/L of Asso. Cos.	80	68	99	103	100	100	100	100	350	402
Reported PAT	**301**	**297**	**337**	**397**	**368**	**392**	**452**	**518**	**1,332**	**1,731**
Adj PAT	**301**	**297**	**337**	**388**	**368**	**392**	**452**	**518**	**1,323**	**1,731**
YoY Change (%)	148.3	79.5	80.3	8.4	22.5	32.0	34.1	33.4	59.0	30.8
Margins (%)	6.2	6.0	6.4	6.9	6.2	6.5	7.0	7.4	6.4	6.8
EPS	**1.0**	**0.9**	**1.1**	**1.2**	**1.2**	**1.3**	**1.4**	**1.7**	**4.2**	

Divis Labs — Neutral

CMP: INR6.543 |TP: INR6,765 (3%) **EPS CHANGE (%): FY27|28: 0|0**

- DIVI is expected to deliver 14.5% YoY growth in sales on account of growth across CS/Generics.
- Expect nutraceutical segment sales to be stable for the quarter.
- Expect reasonable increase in inventory in 1QFY27, considering geopolitical issues.
- Progress on iodine-based/gadolinium-based contrast media-related projects.

Quarterly Performance

Y/E March	FY26				FY27E				FY26	FY27E
(INRm)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**24,100**	**27,150**	**26,040**	**28,310**	**27,595**	**29,944**	**30,929**	**32,526**	**1,05,600**	**1,20,995**
YoY Change (%)	13.8	16.1	12.3	9.5	14.5	10.3	18.8	14.9	12.8	14.6
Total Expenditure	16,810	18,270	17,140	18,970	18,655	20,123	20,753	21,760	71,190	81,290
EBITDA	**7,290**	**8,880**	**8,900**	**9,340**	**8,941**	**9,822**	**10,175**	**10,766**	**34,410**	**39,704**
YoY Change (%)	17.2	24.0	19.8	5.4	22.6	10.6	14.3	15.3	16.0	15.4
Margins (%)	30.2	32.7	34.2	33.0	32.4	32.8	32.9	33.1	32.6	32.8
Depreciation	1,120	1,130	1,180	1,200	1,106	1,200	1,240	1,304	4,630	4,850
YoY Change (%)	17.5	25.6	19.9	4.5	27.0	11.2	15.7	16.2	16.1	17.0
Interest	30	80	60	60	45	40	35	45	230	165
Other Income	800	820	690	650	697	697	697	697	2,960	2,786
PBT before EO Income	**6,940**	**8,490**	**8,350**	**8,730**	**8,486**	**9,278**	**9,597**	**10,114**	**32,510**	**37,475**
EO and Forex Gain/(Loss)	390	630	-550	900	0	0	0	0	1,370	0
PBT	**7,330**	**9,120**	**7,800**	**9,630**	**8,486**	**9,278**	**9,597**	**10,114**	**33,880**	**37,475**
Rate (%)	25.6	24.5	25.3	22.0	22.5	22.5	22.5	22.5	24.2	22.5
PAT	**5,450**	**6,890**	**5,830**	**7,510**	**6,577**	**7,190**	**7,438**	**7,838**	**25,680**	**29,043**
Adj. PAT	**5,160**	**6,414**	**6,241**	**6,808**	**6,577**	**7,190**	**7,438**	**7,838**	**24,623**	**29,043**
YoY Change (%)	20.2	30.8	7.4	4.0	27.5	12.1	19.2	15.1	14.3	18.0
Margins (%)	22.6	25.4	22.4	26.5	23.8	24.0	24.0	24.1	24.3	24.0

Dr Reddy's Labs — Neutral

CMP: INR1,339|TP: INR1,320 (-1%) **EPS CHANGE (%): FY27|28: (2.1)|(0.7)**

- Expect NA sales to decline 37% YoY to USD250m, led by increased competition in base products.
- Expect India business to grow 13% YoY, led by robust traction in the pain/gastro offset by respiratory segment.
- Watch out for traction of semaglutide for the Canadian market.
- Progress on resolving issues raised by USFDA on biological manufacturing site used to manufacture abatacept.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	**85,452**	**88,051**	**87,268**	**79,692**	**82,306**	**90,440**	**91,639**	**91,389**	**340,463**	**355,774**
YoY Change (%)	11.4	9.8	6.0	-6.3	-3.7	2.7	5.0	14.7	5.0	4.5
EBITDA	**21,501**	**21,253**	**20,124**	**11,772**	**12,757**	**17,274**	**18,419**	**19,100**	**74,650**	**67,551**
YoY Change (%)	1.1	-3.5	-7.4	-42.6	-40.7	-18.7	-8.5	62.3	-12.7	-9.5
Margins (%)	25.2	24.1	23.1	14.8	15.5	19.1	20.1	20.9	21.9	19.0
Amortization	4,765	5,051	5,215	5,576	5,350	5,607	5,773	5,849	20,607	22,579
EBIT	**16,736**	**16,202**	**14,909**	**6,196**	**7,408**	**11,667**	**12,646**	**13,251**	**54,043**	**44,972**
Margins (%)	19.6	18.4	17.1	7.8	9.0	12.9	13.8	14.5	15.9	12.6
Other Income	2,311	3,510	1,961	2,221	1,371	1,371	1,371	1,371	10,003	5,486
PBT before EO expenses	**19,047**	**19,712**	**16,870**	**8,417**	**8,779**	**13,038**	**14,018**	**14,623**	**64,046**	**50,457**
One-off income/(expense)	0	-1,362	-1,441	-6,426	0	0	0	0	-9,229	0
Profit before Tax	**19,047**	**18,350**	**15,429**	**1,991**	**8,779**	**13,038**	**14,018**	**14,623**	**54,817**	**50,457**
Rate (%)	26.0	22.2	22.9	-10.7	24.0	24.0	24.0	24.0	22.5	24.0
PAT	**14,096**	**14,268**	**11,896**	**2,205**	**6,672**	**9,909**	**10,653**	**11,113**	**42,465**	**38,348**
Minority Interest	-82	-104	-202	4	0	0	0	0	-384	0
Reported Profit	**14,178**	**14,372**	**12,098**	**2,201**	**6,672**	**9,909**	**10,653**	**11,113**	**42,849**	**38,348**
Adjusted PAT	**14,178**	**15,431**	**13,209**	**6,519**	**6,672**	**9,909**	**10,653**	**11,113**	**49,337**	**38,348**
YoY Change (%)	1.8	13.5	0.2	-57.6	-52.9	-35.8	-19.3	70.5	-12.0	-22.3
Margins (%)	16.6	17.5	15.1	8.2	8.1	11.0	11.6	12.2	14.5	10.8

Eris Lifesciences — Neutral

CMP: INR1,445 | TP: INR1,470 (2%) — **EPS CHANGE (%): FY27|28: 0.7|0.0**

- Expect sales growth of 9% YoY.
- DF segment is likely to witness healthy growth, driven by strong traction across VMN/Anti-Diabetic/Gynaec.
- Monitorables: Scale-up of EU CDMO contracts commercialization; prescription share volume from GLP-1 product launch in India after patent expiry.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	**7,730**	**7,924**	**8,075**	**7,566**	**8,426**	**8,875**	**9,609**	**9,079**	**31,294**	**35,988**
YoY Change (%)	7.4	6.9	11.0	7.3	9.0	12.0	19.0	20.0	8.1	15.0
Total Expenditure	4,963	5,042	5,258	4,830	5,359	5,618	6,063	5,838	20,093	22,877
EBITDA	**2,767**	**2,882**	**2,816**	**2,736**	**3,067**	**3,257**	**3,546**	**3,241**	**11,201**	**13,111**
Margins (%)	35.8	36.4	34.9	36.2	36.4	36.7	36.9	35.7	35.8	36.4
Depreciation	705	691	703	696	627	660	715	675	2,795	2,677
Interest	487	496	488	456	463	459	436	413	1,927	1,770
Other Income	27	28	0	22	21	22	24	23	78	89
PBT before EO expense	**1,602**	**1,724**	**1,625**	**1,606**	**1,998**	**2,160**	**2,419**	**2,175**	**6,557**	**8,753**
Extra-Ord expense	-9	-3	172	0	0	0	0	0	161	0
PBT	**1,611**	**1,727**	**1,452**	**1,606**	**1,998**	**2,160**	**2,419**	**2,175**	**6,396**	**8,753**
Tax	360	382	365	-1,197	420	454	508	457	-90	1,838
Rate (%)	22.3	22.1	25.1	-74.5	21.0	21.0	21.0	21.0	-1.4	21.0
MI & Profit/Loss of Asso. Cos.	71	143	90	-24	63	63	63	63	280	251
Reported PAT	**1,180**	**1,202**	**997**	**2,827**	**1,515**	**1,644**	**1,848**	**1,656**	**6,206**	**6,663**
Adj PAT	**1,173**	**1,200**	**1,126**	**1,261**	**1,515**	**1,644**	**1,848**	**1,656**	**4,759**	**6,663**
YoY Change (%)	41.0	31.0	34.7	34.4	29.2	37.0	64.1	31.3	35.1	40.0
Margins (%)	15.2	15.1	13.9	16.7	18.0	18.5	19.2	18.2	15.2	18.5

Fortis Healthcare — Buy

CMP: INR948 | TP: INR1,130 (19%) — **EPS CHANGE (%): FY27|28: (3.2)|(0.5)**

- Revenue to maintain healthy double-digit growth, driven by strong performance across hospitals and diagnostics.
- Progress on brownfield expansions and integration of acquired hospitals will remain key monitorables.
- Hospital revenue is likely to grow ~18% YoY, supported by higher operational beds and ~2% ARPOB growth.
- Diagnostics revenue is expected to grow ~10% YoY, driven equally by growth in volume and realizations.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	**21,667**	**23,314**	**22,650**	**23,557**	**25,205**	**25,433**	**25,686**	**26,583**	**91,188**	**1,02,908**
YoY Change (%)	16.6	17.3	17.5	17.4	16.3	9.1	13.4	12.8	17.2	12.9
Total Expenditure	16,761	17,751	17,594	18,323	19,765	19,466	19,552	20,140	70,429	78,922
EBITDA	**4,907**	**5,563**	**5,057**	**5,233**	**5,440**	**5,967**	**6,134**	**6,443**	**20,760**	**23,985**
Margins (%)	22.6	23.9	22.3	22.2	21.6	23.5	23.9	24.2	22.8	23.3
Depreciation	1,015	1,058	1,201	1,220	1,207	1,218	1,230	1,273	4,494	4,928
Interest	696	749	857	843	873	873	873	873	3,145	3,490
Other Income	154	226	83	44	101	102	103	106	507	412
PBT before EO expense	**3,350**	**3,982**	**3,081**	**3,215**	**3,462**	**3,979**	**4,134**	**4,404**	**13,627**	**15,979**
Extra-Ord expense	-126	-235	459	35	0	0	0	0	132	0
PBT	**3,477**	**4,217**	**2,622**	**3,180**	**3,462**	**3,979**	**4,134**	**4,404**	**13,495**	**15,979**
Tax	838	966	683	530	831	955	992	1,057	3,017	3,835
Rate (%)	24.1	22.9	26.0	16.7	24.0	24.0	24.0	24.0	22.4	24.0
Reported PAT	**2,603**	**3,219**	**1,937**	**2,659**	**2,621**	**3,014**	**3,132**	**3,337**	**10,418**	**12,104**
Adj PAT	**2,507**	**3,038**	**2,277**	**2,688**	**2,621**	**3,014**	**3,132**	**3,337**	**10,509**	**12,104**
YoY Change (%)	51.2	37.8	0.6	18.8	4.5	-0.8	37.6	24.2	24.2	15.2
Margins (%)	11.6	13.0	10.1	11.4	10.4	11.8	12.2	12.6	11.5	11.8

GSK Pharma — Neutral

CMP: INR,2,463 | TP: INR2,600 (6%) **EPS CHANGE (%): FY26|27|28: 0|0**

- Expect sales growth of 9% YoY for the quarter, led by scale-up of new launches in recent past and healthy traction in legacy brands.
- Progress on scale-up of off-take from CMO, which had challenges in the recent past.
- Progress on building the adult immunization category with Shingrix via CVMD opportunity.
- Progress on improving SoV and elevating customer experience via digital innovation.
- Progress in improving patient access across endometrial and recurrent ovarian cancer segments.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**8,052**	**9,799**	**10,413**	**9,953**	**8,788**	**10,769**	**11,535**	**11,273**	**38,217**	**42,364**
YoY Change (%)	-1.2	-3.0	9.7	2.2	9.1	9.9	10.8	13.3	1.9	10.9
Total Expenditure	5,541	6,442	6,581	6,444	5,923	6,795	7,278	7,192	25,008	27,189
EBITDA	**2,511**	**3,357**	**3,832**	**3,509**	**2,865**	**3,974**	**4,256**	**4,081**	**13,209**	**15,176**
YoY Change (%)	8.9	4.4	35.4	5.3	14.1	18.4	11.1	16.3	13.1	14.9
Margins (%)	31.2	34.3	36.8	35.3	32.6	36.9	36.9	36.2	34.6	35.8
Depreciation	155	174	203	132	161	196	210	205	664	773
EBIT	**2,356**	**3,183**	**3,628**	**3,378**	**2,703**	**3,777**	**4,046**	**3,876**	**12,545**	**14,403**
YoY Change (%)	10.0	4.4	37.4	6.1	14.7	18.7	11.5	14.7	13.9	14.8
Margins (%)	29.3	32.5	34.8	33.9	30.8	35.1	35.1	34.4	32.8	34.0
Interest	4	5	12	6	3	3	3	3	27	11
Other Income	437	336	321	360	380	380	380	380	1,453	1,520
PBT before EO Expense	**2,789**	**3,514**	**3,938**	**3,731**	**3,081**	**4,155**	**4,424**	**4,253**	**13,971**	**15,912**
Tax	740	965	1,043	952	786	1,059	1,128	1,084	3,700	4,058
Rate (%)	26.5	27.5	26.5	25.5	25.5	25.5	25.5	25.5	26.5	25.5
Adjusted PAT	**2,049**	**2,549**	**2,895**	**2,779**	**2,295**	**3,095**	**3,296**	**3,168**	**10,271**	**11,854**
YoY Change (%)	12.4	2.9	31.1	5.7	12.0	21.4	13.9	14.0	12.4	15.4
Margins (%)	25.5	26.0	27.8	27.9	26.1	28.7	28.6	28.1	26.9	28.0
One-off Expense/(Income)	0	-26	-62	0	0	0	0	0	-88	0
Reported PAT	**2,049**	**2,575**	**2,956**	**2,779**	**2,295**	**3,095**	**3,296**	**3,168**	**10,359**	**11,854**

Gland Pharma — Buy

CMP: INR2,463 | TP: INR2,835 (15%) **EPS CHANGE (%): FY27|28: (2.7)|(0.8)**

- Expect sales growth of 13.4% YoY, led by strong growth in ROW segment, offset by moderate Cenexi performance.
- Progress in scaling up capacity utilization for GLP-1 pens/ cartridges in non-regulated markets.
- Expect core markets (Non-Cenexi) to witness growth by pursuing co-development activity and in-house scaling of complex injectable.
- Progress on improving utilization, execution of new projects and production ramp-up of recent launches at Cenexi.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**15,056**	**14,869**	**16,954**	**17,428**	**17,075**	**17,162**	**18,491**	**18,724**	**64,307**	**71,452**
YoY Change (%)	7.4	5.8	22.5	22.3	13.4	15.4	9.1	7.4	14.5	11.1
Total Expenditure	11,378	11,730	12,605	12,298	12,584	12,494	13,591	13,724	48,011	52,394
EBITDA	**3,678**	**3,139**	**4,349**	**5,130**	**4,491**	**4,668**	**4,900**	**4,999**	**16,296**	**19,058**
YoY Change (%)	39.1	5.7	20.8	47.6	22.1	48.7	12.7	-2.6	28.4	17.0
Margins (%)	24.4	21.1	25.7	29.4	26.3	27.2	26.5	26.7	25.3	26.7
Depreciation	1,011	1,063	1,076	1,087	1,085	1,090	1,175	1,189	4,237	4,539
Interest	115	78	39	100	85	85	85	85	333	340
Other Income	575	842	632	1,115	756	794	778	809	3,163	3,137
PBT before EO expense	**3,128**	**2,839**	**3,865**	**5,058**	**4,077**	**4,286**	**4,419**	**4,533**	**14,890**	**17,315**
One-off income/(expense)	0	0	243	0	0	0	0	0	243	0
PBT	**3,128**	**2,839**	**3,621**	**5,058**	**4,077**	**4,286**	**4,419**	**4,533**	**14,646**	**17,315**
Tax	973	1,002	1,007	1,391	1,174	1,234	1,273	1,306	4,373	4,987
Rate (%)	31.1	35.3	27.8	27.5	28.8	28.8	28.8	28.8	29.9	28.8
Reported PAT	**2,155**	**1,837**	**2,615**	**3,667**	**2,903**	**3,052**	**3,146**	**3,228**	**10,273**	**12,329**
Adj PAT	**2,155**	**1,837**	**2,791**	**3,667**	**2,903**	**3,052**	**3,146**	**3,228**	**10,449**	**12,329**
YoY Change (%)	49.9	12.3	36.3	96.6	34.7	66.2	12.7	-12.0	49.6	18.0
Margins (%)	14.3	12.4	16.5	21.0	17.0	17.8	17.0	17.2	16.2	17.3
EPS	**13.1**	**11.2**	**16.9**	**22.3**	**17.6**	**18.5**	**19.1**	**19.6**	**63.4**	**74.9**

Glenmark Pharma **Buy**

CMP: INR2,158 | TP: INR2,610 (21%) **EPS CHANGE (%): FY27|28: 0|0**

- DF to grow 12.5% YoY on scale-up of innovative therapies; Oncology (Tevimbra/Brukinsa) and chronic respiratory.
- EU sales to grow 18% YoY, supported by Ryaltris/Winlevi.
- Progress on scale-up of Winlevi in key European market.
- Progress on clinical development of ISB2301, ISB2302, OX40.

Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues (Core)	32,644	23,769	39,006	37,706	40,919	40,027	42,631	41,675	133,125	165,252
YoY Change (%)	0.6	-30.8	15.1	15.8	25.3	68.4	9.3	10.5	-0.1	24.1
EBITDA	5,805	-8,704	8,697	7,626	8,685	8,336	9,305	8,763	13,424	35,089
YoY Change (%)	-4.9	-244.6	44.9	35.9	49.6	-195.8	7.0	14.9	-43.4	161.4
Margins (%)	17.8	-36.6	22.3	20.2	21.2	20.8	21.8	21.0	10.1	21.2
Depreciation	1,299	1,412	1,544	1,479	1,502	1,469	1,565	1,530	5,735	6,067
Interest	582	665	414	426	494	494	494	494	2,087	1,976
Other Income	264	2,006	445	1,891	700	750	770	790	4,606	3,010
PBT before EO Exp.	4,188	-8,775	7,183	7,612	7,389	7,122	8,016	7,528	10,208	30,055
One-off loss/(gain)	3,232	-18,449	1,843	3,734	0	0	0	0	-9,639	0
PBT after EO Exp.	956	9,674	5,340	3,878	7,389	7,122	8,016	7,528	19,847	30,055
Tax	486	3,570	1,308	864	2,032	1,959	2,204	2,070	6,228	8,265
Rate (%)	50.9	36.9	24.5	22.3	27.5	27.5	27.5	27.5	31.4	27.5
Rep.PAT	470	6,104	4,032	3,013	5,357	5,164	5,811	5,458	13,620	21,790
Minority Interest	1	1	0	-1	0	0	0	0	1	0
Rep. PAT after Minority Int.	469	6,104	4,032	3,014	5,357	5,164	5,811	5,458	13,619	21,790
Adj PAT	3,140	-8,776	5,424	5,916	5,357	5,164	5,811	5,458	5,704	21,790
YoY Change (%)	-11.9	NA	55.9	101.8	70.6	-158.8	7.1	-7.7	-57.6	282.0
Margins (%)	9.6	-36.9	13.9	15.7	13.1	12.9	13.6	13.1	4.3	13.2
Overall Adj. PAT	3,140	(8,776)	5,424	5,916	5,357	5,164	5,811	5,458	5,704	21,790

Global Health **Buy**

CMP: INR1,328| TP: INR1,555 (17%) **EPS CHANGE (%): FY27|28: 0|0**

- ARPOB is expected to grow 4.5% YoY in mature hospitals, while developing hospitals may see stable YoY ARPOB.
- Watch out for the progress on project pipeline execution in Mumbai/Delhi/Guwahati/Varanasi.
- Expect 18% YoY growth in EBITDA for matured & developing hospitals (Ex-Noida) for 1QFY27.
- Opex related to Noida ramp-up shall continue to dent margins in 1HFY27.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	10,308	10,992	11,210	11,590	11,661	12,114	12,556	12,734	44,101	49,065
YoY Change (%)	19.7	14.9	18.8	24.5	13.1	10.2	12.0	9.9	19.4	11.3
EBITDA	2,270	2,309	2,173	2,438	2,542	2,798	3,064	3,273	9,190	11,677
YoY Change (%)	18.7	-1.5	-9.9	8.5	12.0	21.2	41.0	34.3	3.1	27.1
Margins (%)	22.0	21.0	19.4	21.0	21.8	23.1	24.4	25.7	20.8	23.8
Depreciation	451	497	612	665	632	656	680	690	2,225	2,657
Interest	138	171	215	267	185	185	185	185	791	741
Other Income	205	197	218	367	350	363	377	355	987	1,445
PBT before EO expense	1,886	1,838	1,564	1,873	2,075	2,320	2,575	2,753	7,160	9,724
Extra-Ord expense/(Income)	196	160	-366	0	0	0	0	0	-10	0
PBT	2,081	1,998	1,198	1,873	2,075	2,320	2,575	2,753	7,150	9,724
Tax	492	414	248	456	457	511	567	606	1,609	2,139
Rate (%)	23.6	20.7	20.7	24.4	22.0	22.0	22.0	22.0	22.5	22.0
Reported PAT	1,590	1,584	950	1,440	1,619	1,810	2,009	2,147	5,565	7,584
Adj PAT	1,440	1,458	1,241	1,440	1,619	1,810	2,009	2,147	5,579	7,584
YoY Change (%)	35.6	11.4	-13.2	3.4	12.4	24.2	61.9	49.1	7.4	36.0
Margins (%)	14.0	13.3	11.1	12.4	13.9	14.9	16.0	16.9	12.6	15.5

Granules India — Buy

CMP: INR812 | TP: INR931 (15%) **EPS CHANGE (%): FY27|28: (0.8)|(4.0)**

- Overall revenue is expected to grow 19% YoY in 1QFY27, driven by sustained momentum in the FDF business.
- FDF sales are likely to remain robust, increasing 21% YoY to ~INR11b, supported by scale-up of ADHD portfolio.
- Update on the USFDA re-inspection of the Gagillapur facility will be a key monitorable.
- CDMO revenue is expected to grow ~10% YoY, with focus on progress in integrating peptide capabilities.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	12,101	12,970	13,879	14,706	14,413	15,252	16,190	16,868	53,656	62,723
YoY Change (%)	2.6	34.2	22.0	22.8	19.1	17.6	16.7	14.7	19.7	16.9
EBITDA	2,467	2,782	3,081	3,521	3,286	3,401	3,708	3,897	11,851	14,291
YoY Change (%)	-4.8	36.8	33.8	39.5	33.2	22.2	20.3	10.7	25.4	20.6
Margins (%)	20.4	21.5	22.2	23.9	22.8	22.3	22.9	23.1	22.1	22.8
Depreciation	688	720	735	817	764	809	859	895	2,961	3,327
EBIT	1,779	2,062	2,346	2,704	2,522	2,592	2,849	3,002	8,890	10,965
YoY Change (%)	-13.8	36.7	35.1	43.2	41.8	25.7	21.5	11.0	23.5	23.3
Margins (%)	14.7	15.9	16.9	18.4	17.5	17.0	17.6	17.8	16.6	17.5
Interest	238	292	287	327	276	276	276	276	1,144	1,103
Other Income	163	-11	-36	88	55	58	61	64	203	238
PBT before EO expense	1,704	1,759	2,022	2,464	2,301	2,374	2,635	2,790	7,950	10,100
PBT	1,445	1,759	2,022	2,624	2,301	2,374	2,635	2,790	7,850	10,100
Tax	319	453	520	608	529	556	619	650	1,900	2,354
Rate (%)	22.1	25.7	25.7	23.2	23.0	23.4	23.5	23.3	24.2	23.3
Reported PAT	1,126	1,306	1,502	2,016	1,771	1,819	2,015	2,140	5,950	7,746
Adjusted PAT	1,328	1,306	1,502	1,893	1,771	1,819	2,015	2,140	6,030	7,746
YoY Change (%)	-1.4	34.3	27.7	47.5	33.4	39.3	34.2	13.0	26.2	28.5
Margins (%)	11.0	10.1	10.8	12.9	12.3	11.9	12.4	12.7	11.2	12.3

Ipca Laboratories — Buy

CMP: INR1,696| TP: INR1,980 (17%) **EPS CHANGE (%): FY27|28: (0.5)|(0.5)**

- Revenue is expected to grow 12.2% YoY in 1QFY27, driven by healthy growth in both domestic and international formulations.
- International formulations are expected to grow 23.8% YoY, partly on low base of past year.
- DF is expected to grow 11% YoY, aided by continued traction across key therapies, partly offset by relatively subdued performance in the anti-infectives segment.
- Healthy growth in chronic therapies should sustain double-digit growth in the domestic business.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues (Core)	23,089	25,565	23,925	23,885	25,912	27,713	27,613	26,820	96,463	1,08,058
YoY Change (%)	10.3	8.6	6.6	6.3	12.2	8.4	15.4	12.3	7.9	12.0
EBITDA	4,164	5,449	5,334	4,839	5,364	6,346	6,047	5,766	19,786	23,524
YoY Change (%)	6.0	23.2	15.2	12.8	28.8	16.5	13.4	19.2	14.6	18.9
Margins (%)	18.0	21.3	22.3	20.3	20.7	22.9	21.9	21.5	20.5	21.8
Depreciation	1,001	1,033	1,076	1,071	1,076	1,150	1,146	1,113	4,181	4,486
EBIT	3,164	4,416	4,258	3,767	4,288	5,196	4,901	4,653	15,604	19,038
YoY Change (%)	7.7	29.1	16.8	14.6	35.5	17.7	15.1	23.5	17.4	22.0
Margins (%)	13.7	17.3	17.8	15.8	16.5	18.7	17.7	17.3	16.2	17.6
Interest	185	196	176	202	152	152	152	152	759	609
Other Income	327	279	202	337	320	310	315	330	1,144	1,275
PBT before EO Expense	3,305	4,498	4,283	3,902	4,456	5,354	5,064	4,831	15,989	19,704
PBT after EO Expense	3,305	3,916	4,460	4,045	4,456	5,354	5,064	4,831	15,725	19,704
Tax	961	1,081	819	951	1,355	1,628	1,539	1,469	3,812	5,990
Rate (%)	29.1	27.6	18.4	23.5	30.4	30.4	30.4	30.4	23.8	30.4
Reported PAT	2,344	2,835	3,641	3,094	3,101	3,726	3,524	3,362	11,914	13,714
Adj PAT after Minority Int	2,332	3,247	3,119	2,882	3,001	3,626	3,424	3,262	11,580	13,314
YoY Change (%)	21.3	40.9	25.7	19.2	28.7	11.7	9.8	13.2	26.9	15.0
Margins (%)	10.1	12.7	13.0	12.1	11.6	13.1	12.4	12.2	12.0	12.3

Laurus Labs — Buy

CMP: INR1,494 | TP: INR1,720 (15%) — **EPS CHANGE (%): FY27|28: (2.1)|(2.2)**

- Revenue growth expected to recover to 13.2% YoY, driven by healthy growth in ARV and FDF businesses.
- EBITDA margin is projected to decline 90bp YoY, due to higher opex.
- FDF and custom synthesis segments are expected to deliver mid-teen and low single-digit growth, respectively.
- Progress on manufacturing scale-up and associated contract wins will remain key monitorables.

Consolidated- Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**15,696**	**16,535**	**17,783**	**18,116**	**17,765**	**18,596**	**19,746**	**20,015**	**68,129**	**76,121**
YoY Change (%)	31.4	35.1	25.7	5.3	13.2	12.5	11.0	10.5	22.7	11.7
EBITDA	**3,821**	**4,033**	**4,885**	**5,247**	**4,885**	**4,761**	**5,391**	**5,624**	**17,986**	**20,661**
YoY Change (%)	123.2	126.1	71.3	24.8	27.8	18.1	10.3	7.2	70.4	14.9
Margins (%)	24.3	24.4	27.5	29.0	27.5	25.6	27.3	28.1	26.4	27.1
Depreciation	1,168	1,205	1,206	1,221	1,279	1,339	1,422	1,441	4,801	5,482
Interest	515	400	388	404	405	405	405	405	1,707	1,621
Other Income	104	270	58	118	67	67	67	67	550	266
PBT before EO expense	**2,242**	**2,697**	**3,349**	**3,740**	**3,267**	**3,083**	**3,630**	**3,844**	**12,028**	**13,824**
Extra-Ord expense	0	0	83	126	0	0	0	0	209	0
PBT	**2,242**	**2,697**	**3,266**	**3,614**	**3,267**	**3,083**	**3,630**	**3,844**	**11,819**	**13,824**
Tax	631	760	735	795	833	786	926	980	2,920	3,525
Rate (%)	28.2	28.2	22.5	22.0	25.5	25.5	25.5	25.5	24.7	25.5
Reported PAT	**1,603**	**1,940**	**2,521**	**2,791**	**2,404**	**2,267**	**2,674**	**2,834**	**8,736**	**10,179**
Adj PAT	**1,603**	**1,940**	**2,585**	**2,890**	**2,404**	**2,267**	**2,674**	**2,834**	**9,019**	**10,179**
YoY Change (%)	1,164.5	877.9	180.1	53.9	49.9	16.8	3.4	-1.9	188.5	12.9
Margins (%)	10.2	11.7	14.5	16.0	13.5	12.2	13.5	14.2	13.2	13.4

Laxmi Dental — Buy

CMP: INR223 | TP: INR280 (26%) — **EPS CHANGE (%): FY27|28: (5.1)|(4.2)**

- Revenue is likely to maintain healthy mid-teen growth, driven by continued momentum in the international laboratory and Bizdent aligner businesses.
- Progress in scaling the I Scope 360 business will be a key monitorable.
- EBITDA margin is likely to contract due to higher marketing spend and higher employee expenses.
- Productivity from scanner sales is the key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**656**	**723**	**660**	**740**	**761**	**845**	**805**	**896**	**2,779**	**3,307**
YoY Change (%)	9.9	26.5	7.1	21.9	16.0	17.0	21.8	21.2	16.2	19.0
Total Expenditure	537	612	591	605	631	687	659	730	2,345	2,708
EBITDA	**119**	**110**	**70**	**135**	**129**	**158**	**146**	**166**	**434**	**599**
YoY Change (%)	-15.0	26.3	-27.6	41.8	8.6	43.4	109.1	22.8	3.6	38.0
Margins (%)	18.2	15.3	10.5	18.3	17.0	18.7	18.1	18.5	15.6	18.1
Depreciation	36	37	42	44	45	50	48	53	159	196
EBIT	**83**	**73**	**28**	**91**	**84**	**108**	**98**	**113**	**275**	**403**
YoY Change (%)	-21.7	36.6	-50.6	74.5	1.2	48.6	250.7	23.6	2.5	46.5
Interest	5	2	3	3	1	1	1	1	14	4
Other Income	17	24	21	24	23	25	24	27	85	99
PBT before EO expense	**96**	**94**	**46**	**111**	**106**	**132**	**121**	**139**	**347**	**498**
PBT	**96**	**94**	**-12**	**111**	**106**	**132**	**121**	**139**	**289**	**498**
Tax	23	19	-22	5	13	16	15	17	25	60
Rate (%)	23.8	19.8	175.6	4.5	12.0	12.0	12.0	12.0	8.6	12.0
Reported PAT	**83**	**85**	**19**	**101**	**90**	**116**	**110**	**127**	**289**	**443**
Adj PAT	**84**	**85**	**47**	**101**	**90**	**116**	**110**	**127**	**317**	**443**
YoY Change (%)	-20.1	44.8	-2.3	150.2	7.7	36.5	133.7	25.6	21.1	39.9
Margins (%)	12.8	11.8	7.1	13.7	11.9	13.8	13.6	14.2	11.4	13.4

Lupin — Neutral

CMP: INR2,397 | TP: INR2,440 (2%) — **EPS CHANGE (%): FY27|28: (3.5)|(2.6)**

- US sales are expected to remain strong at USD360m, due to delay in competition for g-Tolvaptan.
- Emerging markets are expected to drive growth, aided by the launch of generic Semaglutide.
- DF is likely to sustain healthy growth, driven by continued strength in chronic therapies, including cardiac, respiratory and anti-diabetic.
- Uptake and commercialization of g-Semaglutide in DF will remain a key monitorable.

Consolidated - Quarterly Earnings Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**62,684**	**70,475**	**71,675**	**74,747**	**78,897**	**80,598**	**76,373**	**74,947**	**2,79,580**	**3,10,814**
YoY Change (%)	11.9	27.1	25.9	31.9	25.9	14.4	6.6	0.3	24.2	11.2
EBITDA	**16,415**	**21,376**	**22,095**	**21,711**	**21,460**	**20,633**	**18,330**	**16,788**	**81,597**	**77,211**
YoY Change (%)	20.6	72.8	60.5	68.0	30.7	-3.5	-17.0	-22.7	54.9	-5.4
Margins (%)	26.2	30.3	30.8	29.0	27.2	25.6	24.0	22.4	29.2	24.8
Depreciation	2,990	3,168	3,130	3,589	3,531	3,607	3,418	3,354	12,876	13,909
EBIT	**13,425**	**18,208**	**18,965**	**18,122**	**17,929**	**17,026**	**14,912**	**13,434**	**68,721**	**63,302**
YoY Change (%)	20.5	85.8	71.6	101.6	33.6	-6.5	-21.4	-25.9	67.7	-7.9
Margins (%)	21.4	25.8	26.5	24.2	22.7	21.1	19.5	17.9	24.6	20.4
Interest	918	1,076	1,150	1,202	981	981	981	981	3,851	3,925
Other Income	790	900	1,147	1,407	820	838	794	779	3,450	3,230
PBT	**14,156**	**20,070**	**15,220**	**19,280**	**17,768**	**16,883**	**14,724**	**13,232**	**68,427**	**62,607**
Tax	1,941	5,221	3,415	4,593	4,087	3,799	3,195	2,845	15,171	13,925
Rate (%)	13.7	26.0	22.4	23.8	23.0	22.5	21.7	21.5	22.2	22.2
Reported PAT	**12,191**	**14,779**	**11,756**	**14,604**	**13,626**	**13,029**	**11,474**	**10,333**	**53,329**	**48,462**
Adj PAT	**11,450**	**13,272**	**14,658**	**13,879**	**13,626**	**13,029**	**11,474**	**10,333**	**53,258**	**48,462**
YoY Change (%)	27.4	72.8	71.4	85.7	19.0	-1.8	-21.7	-25.5	62.9	-9.0
Margins (%)	18.3	18.8	20.5	18.6	17.3	16.2	15.0	13.8	19.0	15.6

Mankind Pharma — Buy

CMP: INR2,490 | TP: INR2,980 (20%) — **EPS CHANGE (%): FY27|28: 0|0**

- Revenue is expected to sustain low double-digit growth, supported by healthy performance across key segments, excluding consumer healthcare.
- DF is likely to grow 12.5% YoY in 1QFY27, driven by strong traction in chronic therapies and the BSV specialty portfolio.
- Export sales are expected to grow 15.6% YoY, led by continued expansion in RoW markets.
- Further integration and scale-up of the BSV business will remain a key monitorable.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
(INR m)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	**35,704**	**36,972**	**35,672**	**34,429**	**39,892**	**41,624**	**40,263**	**39,196**	**1,42,776**	**1,60,975**
YoY Change (%)	23.4	20.2	11.5	11.8	11.7	12.6	12.9	13.8	16.6	12.7
EBITDA	**8,468**	**9,213**	**9,230**	**9,299**	**11,050**	**11,738**	**10,710**	**10,387**	**36,210**	**43,885**
YoY growth %	17.0	8.4	13.1	31.3	30.5	27.4	16.0	11.7	17.6	21.2
Margins (%)	23.7	24.9	25.9	27.0	27.7	28.2	26.6	26.5	25.4	27.3
Depreciation	2,187	2,218	2,226	2,231	2,224	2,321	2,245	2,185	8,862	8,974
Interest	1,707	1,697	1,572	1,418	1,358	1,294	1,268	1,229	6,393	5,149
Other Income	799	919	728	1,143	1,067	1,113	1,077	1,048	3,588	4,305
PBT before EO expense	**5,373**	**6,217**	**6,160**	**6,793**	**8,535**	**9,237**	**8,274**	**8,021**	**24,543**	**34,067**
PBT	**5,373**	**6,217**	**5,094**	**6,562**	**8,535**	**9,237**	**8,274**	**8,021**	**23,246**	**34,067**
Tax	958	1,038	951	998	2,006	2,171	1,944	1,885	3,946	8,006
Rate (%)	17.8	16.7	18.7	15.2	23.5	23.5	23.5	23.5	17.0	23.5
Minority Interest & P/L of Asso. Cos.	94.7	109.9	-32.1	-29.9	30.0	30.0	30.0	46.6	142.6	136.6
Reported PAT	**4,320**	**5,069**	**4,175**	**5,594**	**6,499**	**7,036**	**6,300**	**6,089**	**19,158**	**25,925**
Adj PAT	**4,320**	**5,069**	**5,042**	**5,791**	**6,499**	**7,036**	**6,300**	**6,089**	**20,221**	**25,925**
YoY Change (%)	-24.3	-22.4	35.0	80.3	50.4	38.8	25.0	5.2	5.4	28.2
Margins (%)	12.1	13.7	14.1	16.8	16.3	16.9	15.6	15.5	14.2	16.1

Max Healthcare Buy

CMP: INR1,140 | TP: INR1,330 (17%) **EPS CHANGE (%): FY27|28: (0.7)|(0.3)**

- ARPOB is expected to be steady YoY at INR78.8k, impacted by the addition of institutional and corporate patients.
- EBITDA YoY growth to revive on the back of higher volume of patients being treated.
- 8% YoY growth in test volumes and 3% YoY improvement in realizations to drive 11% YoY growth in Maxlab revenue.
- MaxHome is expected to deliver 25% YoY growth.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**24,510**	**25,720**	**24,680**	**25,360**	**27,328**	**29,393**	**30,424**	**31,142**	**1,00,270**	**1,18,288**
YoY Change (%)	26.9	21.4	8.8	10.2	11.5	14.3	23.3	22.8	16.3	18.0
Total Expenditure	18,340	18,850	18,360	18,590	20,332	21,281	22,270	22,890	74,140	86,773
EBITDA	**6,170**	**6,870**	**6,320**	**6,770**	**6,996**	**8,113**	**8,154**	**8,253**	**26,130**	**31,515**
Margins (%)	25.2	26.7	25.6	26.7	25.6	27.6	26.8	26.5	26.1	26.6
Depreciation	1,170	1,220	1,230	1,360	1,312	1,412	1,461	1,496	4,980	5,681
Interest	340	410	410	470	402	402	402	402	1,630	1,608
Other Income	80	80	160	60	104	104	104	104	380	414
PBT before EO expense	**4,740**	**5,320**	**4,840**	**5,000**	**5,385**	**6,402**	**6,394**	**6,459**	**19,900**	**24,640**
Extra-Ord expense	330	180	700	-160	0	0	0	0	1,050	0
PBT	**4,410**	**5,140**	**4,140**	**5,160**	**5,385**	**6,402**	**6,394**	**6,459**	**18,850**	**24,640**
Tax	960	-410	690	1,280	1,077	1,184	1,343	1,292	2,520	4,896
Rate (%)	21.8	-8.0	16.7	24.8	20.0	18.5	21.0	20.0	13.4	19.9
MI & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	**3,450**	**5,550**	**3,450**	**3,880**	**4,308**	**5,218**	**5,051**	**5,167**	**16,330**	**19,744**
Adj PAT	**3,708**	**4,254**	**4,033**	**3,760**	**4,308**	**5,218**	**5,051**	**5,167**	**15,756**	**16,355**
YoY Change (%)	20.1	14.9	1.4	-3.8	16.2	22.7	25.2	37.4	7.4	3.8
Margins (%)	15.1	16.5	16.3	14.8	15.8	17.8	16.6	16.6	15.7	13.8

Piramal Pharma Buy

CMP: INR169 | TP: INR200 (18%) **EPS CHANGE (%): FY27|28: 3.4|1.4**

- Revenue is likely to grow 10% YoY to INR21b, supported by a low base and recovery in the CDMO business.
- Consumer Healthcare (CHG) sales are likely to grow 8% YoY, aided by easing supply-chain constraints.
- EBITDA margin is expected to improve YoY, driven by better operating leverage.
- Recovery in the CDMO business following recent RFP wins will remain a key monitorable.

Quarterly Earning Model

	FY26				FY27E				FY26	FY27E
Consl. Income Statement (INRm)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenues	**19,337**	**20,437**	**21,399**	**27,518**	**21,289**	**23,082**	**24,883**	**32,028**	**88,691**	**1,01,282**
growth YoY(%)	*-0.9*	*-8.8*	*-2.9*	*-0.1*	*10.1*	*12.9*	*16.3*	*16.4*	*-3.1*	*14.2*
CDMO	9,970	10,440	11,660	17,080	10,967	11,588	13,059	19,471	49,150	55,086
CHG	6,370	6,440	6,680	7,550	6,880	7,857	8,016	8,909	27,040	31,661
ICH	3,020	3,190	3,340	3,200	3,443	3,637	3,808	3,648	12,750	14,535
EBITDA*	**1,067**	**1,587**	**1,957**	**4,605**	**1,384**	**2,193**	**3,359**	**5,605**	**9,216**	**12,541**
margin (%)	*5.5*	*7.8*	*9.1*	*16.7*	*6.5*	*9.5*	*13.5*	*17.5*	*10.4*	*12.4*
growth YoY(%)	*-47.8*	*-53.5*	*-42.0*	*-17.9*	*29.7*	*38.2*	*71.6*	*21.7*	*-36.2*	*36.1*
Depreciation	1,973	2,028	2,127	2,184	1,860	2,017	2,174	2,798	8,312	8,849
EBIT	**-906**	**-441**	**-170**	**2,421**	**-476**	**176**	**1,185**	**2,807**	**904**	**3,692**
Other income	584	656	432	461	490	510	520	530	2,133	2,050
Interest expense	862	824	892	830	938	938	938	938	3,408	3,750
Share from Asso. Co	186	148	103	136	138	140	150	181	572	609
PBT	**-998**	**-462**	**-527**	**2,188**	**-786**	**-111**	**918**	**2,580**	**201**	**2,601**
EO Expenses/(gain)	(207)	-	411	1,758	-	-	-	-	1,961	-
Taxes	**27**	**530**	**423**	**518**	**390**	**390**	**390**	**390**	**1,499**	**1,560**
Tax Rate (%)	*-3.4*	*-114.9*	*-45.1*	*120.5*	*-49.6*	*-350.0*	*42.5*	*15.1*	*-85.1*	*60.0*
Reported PAT	**-817**	**-992**	**-1,362**	**-88**	**-1,176**	**-501**	**528**	**2,190**	**-3,259**	**1,041**
Adj. PAT	**-1,031**	**-992**	**-950**	**1,670**	**-1,176**	**-501**	**528**	**2,190**	**-1,304**	**1,041**
Change (%)	*NA*	*NA*	*NA*	*8.8*	*14.0*	*-49.5*	*-155.5*	*31.1*	*NA*	*NA*

Rubicon Research — Buy

CMP: INR1367 | TP: INR1,600 (17%) **EPS CHANGE (%): FY27|28: 0|0**

- Revenue is expected to maintain strong growth momentum, rising 45.5% YoY in 1QFY27, supported by continued traction in approved products.
- Progress on branded specialty business in US.
- R&D spend is likely to remain elevated at ~11% of sales for ongoing investments in the product pipeline.
- Integration of Arinna Lifesciences and outperformance vs. IPM will be key drivers to watch.

Quarterly Result Snapshot (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Sales	**3,525**	**4,120**	**4,755**	**5,139**	**5,128**	**5,632**	**5,965**	**6,162**	**17,540**	**22,888**
YoY Change (%)	11.3	39.2	51.7	43.5	45.5	36.7	25.4	19.9	36.6	30.5
EBITDA	**791**	**943**	**1,081**	**1,187**	**1,144**	**1,222**	**1,288**	**1,294**	**4,002**	**4,948**
YoY Change (%)	31.4	52.9	54.7	63.8	44.6	29.6	19.2	9.0	**51.5**	23.6
Margins (%)	22.4	22.9	22.7	23.1	22.3	21.7	21.6	21.0	22.8	21.6
Depreciation	96	119	116	123	143	157	166	171	453	636
Interest	106	114	98	104	83	83	83	83	422	331
Other Income	6	7	38	26	21	23	24	25	77	92
PBT	**596**	**717**	**906**	**987**	**939**	**1,006**	**1,064**	**1,065**	**3,205**	**4,073**
Tax	163	179	178	219	208	223	236	236	738	904
Rate (%)	27.3	24.9	19.6	22.2	22.2	22.2	22.2	22.2	23.0	22.2
Reported PAT	**433**	**539**	**728**	**768**	**730**	**782**	**828**	**828**	**2,467**	**3,169**
Adj PAT	**433**	**539**	**728**	**768**	**730**	**782**	**828**	**828**	**2,467**	**3,169**
YoY Change (%)	69.4	56.2	91.2	111.8	68.7	45.3	13.7	7.9	83.6	28.4
Margins (%)	12.3	13.1	15.3	14.9	14.2	13.9	13.9	13.4	14.1	13.8
EPS (INR)	**2.6**	**3.3**	**4.4**	**4.7**	**4.4**	**4.7**	**5.0**	**5.0**	**14.9**	**19.2**

Sun Pharma — Buy

CMP: INR1,866 | TP: INR2,150 (15%) **EPS CHANGE (%): FY27|28: (2.5)|(1.5)**

- Expect low double-digit revenue growth in 1QFY27, driven by healthy performance in domestic, EM and RoW markets, partly offset by mid-single-digit growth in the US business.
- Expect DF sales growth of 11% YoY during the quarter.
- EM/RoW expected to deliver healthy growth of 15%/11% YoY, driven by branded generics/innovative products.
- Performance of the Organon portfolio and progress on acquisition will remain key monitorables.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	**1,37,861**	**1,44,052**	**1,49,790**	**1,45,598**	**1,52,791**	**1,57,847**	**1,65,902**	**1,63,414**	**5,77,300**	**6,39,954**
YoY Change (%)	10.1	8.6	14.7	13.6	10.8	9.6	10.8	12.2	11.7	10.9
EBITDA	**40,073**	**40,235**	**42,530**	**34,755**	**40,031**	**42,855**	**45,291**	**44,775**	**1,57,592**	**1,72,953**
Margins (%)	29.1	27.9	28.4	23.9	26.2	27.2	27.3	27.4	27.3	27.0
Depreciation	7,006	7,295	7,323	7,755	7,509	7,758	8,153	8,031	29,379	31,451
EBIT	**33,067**	**32,940**	**35,207**	**27,000**	**32,522**	**35,098**	**37,138**	**36,744**	**1,28,214**	**1,41,502**
Interest	748	999	784	859	869	869	869	869	3,389	3,477
Other Income	5,298	5,430	6,303	5,105	4,822	5,090	5,358	5,572	22,137	20,843
PBT before EO expense	**37,617**	**37,371**	**40,726**	**31,246**	**36,475**	**39,319**	**41,627**	**41,447**	**1,46,961**	**1,58,868**
Extra-Ord expense	5,890	-4,305	-1,545	-4,268	0	0	0	0	-4,228	0
PBT	**31,728**	**41,676**	**42,272**	**35,514**	**36,475**	**39,319**	**41,627**	**41,447**	**1,51,189**	**1,58,868**
Tax	8,702	10,305	8,261	8,276	8,462	9,122	9,657	9,616	35,544	36,857
Rate (%)	27.4	24.7	19.5	23.3	23.2	23.2	23.2	23.2	23.5	23.2
MI & P/L of Asso. Cos.	240	191	323	96	163	163	163	163	850	650
Reported PAT	**22,786**	**31,180**	**33,688**	**27,141**	**27,850**	**30,034**	**31,807**	**31,669**	**1,14,795**	**1,21,360**
Adj PAT	**29,961**	**27,939**	**30,425**	**23,868**	**27,850**	**30,034**	**31,807**	**31,669**	**1,12,194**	**1,21,360**
YoY Change (%)	9.0	-3.8	10.1	-13.6	-7.0	7.5	4.5	4.1	-0.8	8.2
Margins (%)	21.7	19.4	20.3	16.4	18.2	19.0	19.2	19.4	19.4	19.0

Torrent Pharmaceuticals — Neutral

CMP: INR4,642 | TP: INR4,390 (-5%) — **EPS CHANGE (%): FY27|28: (3.4)|(1.3)**

- DF is expected to sustain healthy growth of ~12.5% YoY, supported by strong momentum in key therapies and chronic segments.
- Progress on the JB Chemicals acquisition and further integration with TRP will remain key monitorables.
- US sales are likely to grow ~26.4% YoY, driven by new product launches and improving traction in the base portfolio.
- Competitive dynamics in the g-Semaglutide market and their impact on portfolio performance to be closely tracked.

Quarterly performance (Consolidated)

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	**31,780**	**33,020**	**33,030**	**41,970**	**46,249**	**46,947**	**47,111**	**47,933**	**1,39,800**	**1,88,240**
YoY Change (%)	11.2	14.3	17.6	41.8	45.5	42.2	42.6	14.2	21.4	34.6
EBITDA	**10,470**	**10,830**	**10,880**	**13,560**	**15,262**	**15,540**	**15,735**	**16,681**	**45,740**	**63,217**
YoY Change (%)	13.3	15.3	19.0	38.2	45.8	43.5	44.6	23.0	21.7	38.2
Margins (%)	32.9	32.8	32.9	32.3	33.0	33.1	33.4	34.8	32.7	33.6
Depreciation	2,010	2,040	2,060	5,080	5,225	5,304	5,322	5,415	11,190	21,265
Interest	560	480	450	2,360	2,789	2,552	2,473	2,420	3,850	10,233
Other Income	-370	-270	-130	-170	-150	-60	-65	-70	-940	-345
PBT before EO Expense	**7,530**	**8,040**	**8,240**	**5,950**	**7,099**	**7,624**	**7,875**	**8,776**	**29,760**	**31,374**
One-off expenses	150	130	100	660	0	0	0	0	1,040	0
Rate (%)	25.2	24.9	21.7	27.7	25.0	24.5	24.2	24.0	24.7	24.4
Reported PAT	**5,480**	**5,910**	**6,350**	**3,640**	**5,324**	**5,756**	**5,969**	**6,669**	**21,380**	**23,719**
Adj PAT	**5,591**	**6,007**	**6,428**	**4,522**	**5,324**	**5,756**	**5,969**	**6,669**	**22,549**	**23,719**
YoY Change (%)	18.7	32.6	27.8	-14.5	-4.8	-4.2	-7.1	47.5	15.3	5.2
Margins (%)	17.6	18.2	19.5	10.8	11.5	12.3	12.7	13.9	16.1	12.6

Zydus Lifescences — Neutral

CMP: INR1109 | TP: INR1,080 (-3%) — **EPS CHANGE (%): FY27|28: (0.7)|(0.3)**

- Revenue to maintain healthy double-digit growth, driven by strong performance in DF, Europe and emerging markets.
- DF is likely to grow ~14% YoY, led by continued strength in chronic therapies and differentiated launches.
- EBITDA margin expected at 25.6%, aided by a favorable product mix despite limited contribution from g-Revlimid.
- Progress on the Assertio acquisition and synergy realization from the Amplitude portfolio will remain key monitorables.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E
INRm	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	**65,737**	**61,232**	**68,645**	**75,870**	**76,844**	**75,194**	**79,323**	**86,340**	**2,71,484**	**3,17,702**
YoY Change (%)	5.9	16.9	30.3	16.2	16.9	22.8	15.6	13.8	16.8	17.0
Total Expenditure	45,423	45,215	52,125	56,775	57,940	56,997	59,651	65,360	1,99,538	2,39,948
EBITDA	**20,314**	**16,017**	**16,520**	**19,095**	**18,904**	**18,197**	**19,672**	**20,981**	**71,946**	**77,753**
YoY Change (%)	-3.7	13.1	27.1	-11.8	-6.9	13.6	19.1	9.9	2.9	8.1
Margins (%)	30.9	26.2	24.1	25.2	24.6	24.2	24.8	24.3	26.5	24.5
Depreciation	2,381	3,019	3,596	5,084	5,180	5,115	3,286	3,580	14,080	17,160
EBIT	**17,933**	**12,998**	**12,924**	**14,011**	**13,724**	**13,082**	**16,386**	**17,401**	**57,866**	**60,593**
YoY Change (%)	-5.3	9.9	20.7	-27.3	-23.5	0.6	26.8	24.2	-4.7	4.7
Margins (%)	27.3	21.2	18.8	18.5	17.9	17.4	20.7	20.2	21.3	19.1
Interest	847	1,013	1,299	1,230	1,279	1,317	1,355	1,430	4,389	5,381
Other Income	1,549	1,090	1,114	1,342	1,226	1,201	1,189	1,176	5,095	4,792
PBT before EO Income	**18,635**	**13,075**	**12,739**	**14,123**	**13,670**	**12,966**	**16,220**	**17,148**	**58,572**	**60,004**
EO Exp/(Inc)	-571	-4,141	-795	-2,474	0	0	0	0	-7,981	0
PBT after EO Income	**19,206**	**17,216**	**13,534**	**16,597**	**13,670**	**12,966**	**16,220**	**17,148**	**66,553**	**60,004**
Tax	4,340	4,540	3,883	3,184	3,349	3,177	3,974	4,201	15,947	14,701
Rate (%)	22.6	26.4	28.7	19.2	24.5	24.5	24.5	24.5	24.0	24.5
Min. Int/Adj on Consol	-198	252	770	-688	0	0	0	0	136	0
Reported PAT	**14,668**	**12,928**	**10,421**	**12,725**	**10,321**	**9,790**	**12,246**	**12,946**	**50,742**	**45,303**
Adj PAT	**14,226**	**10,150**	**9,854**	**10,726**	**10,321**	**9,790**	**12,246**	**12,946**	**44,956**	**45,303**
YoY Change (%)	-1.2	15.5	3.8	-21.4	-27.5	-3.5	24.3	20.7	-2.9	0.8
Margins (%)	21.6	16.6	14.4	14.1	13.4	13.0	15.4	15.0	16.6	14.3

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.