Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	71,910	-0.8	-15.6
Nifty-50	22,422	-0.9	-14.2
Nifty-M 100	58,732	-1.0	-2.9
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,723	0.7	12.8
Nasdaq	27,191	1.2	17.0
FTSE 100	10,462	0.3	5.3
DAX	25,231	1.2	3.0
Hang Seng	8,031	-2.3	-9.9
Nikkei 225	68,309	-0.9	35.7
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	127	5.6	103.2
Gold ($/OZ)	4,178	0.5	-3.3
Cu (US$/MT)	14,282	-1.2	14.7
Almn (US$/MT)	3,108	-1.6	4.7
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	96.3	0.5	7.2
USD/EUR	1.1	-0.8	-4.3
USD/JPY	158.1	0.4	0.9
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.03	0.6
Flows (USD b)	**1-Oct**	**MTD**	**CYTD**
FIIs	-0.98	-5.13	-28.3
DIIs	1.04	9.00	68.8
Volumes (INRb)	**1-Oct**	**MTD***	**YTD***
Cash	1,439	1267	1344
F&O	1,32,460	2,21,807	2,50,937

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

HDFC Bank: RBI approves Anup Bagchi as new MD & CEO

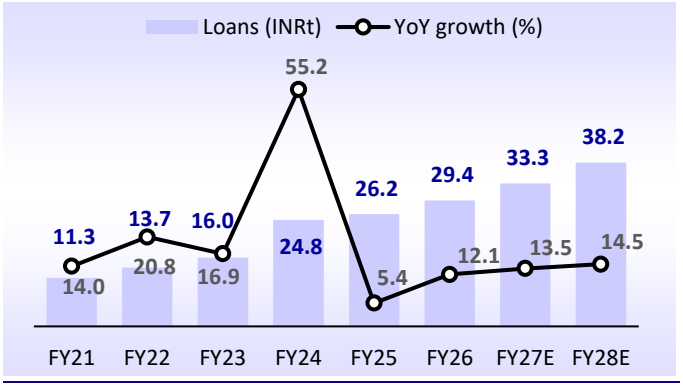
- The RBI has approved the appointment of Mr. Anup Bagchi as the new MD & CEO of HDFC Bank for a three-year term starting 27th Oct'26. He will succeed Mr. Sashidhar Jagdishan, whose term ends on 26th Oct'26.
- Mr. Bagchi brings in over three decades of experience across banking, capital markets, wealth management and insurance. He has been associated with the ICICI Group since 1992 and has held leadership positions in ICICI Bank, ICICI Prudential Life and ICICI Securities.
- The appointment of Mr. Bagchi removes a key overhang surrounding HDFC Bank's leadership succession and brings an external perspective at a time when the bank is seeking to rebuild investor confidence.
- A new leadership team, alongside an improvement in growth and earnings trajectory, should improve investor sentiment.
- We estimate HDFCB to deliver an improved earnings performance from FY28 onward, while RoA should sustain at ~1.7% (factoring in the potential cut in insurance commissions).
- Maintain BUY with a TP of INR925 (1.8x FY28E ABV + INR128 for subs).

Research covered

Cos/Sector	Key Highlights
HDFC Bank	RBI approves Anup Bagchi as new MD & CEO
2QFY27 Preview	Financials Preview (a. Banks; b. NBFCs; c. Capital Markets & Insurance) | Capital Goods | Consumer | Healthcare
Other Updates	Bulls and Bear | Eagle Eye | Financial (Crisil Note) | Technology (Accenture) | Automobiles (Volume) | Economy (Capex note) | EcoScope (GST) | Business Updates (HDFCB | BAF | DMART | UNION BANK | PNB | BOB | INDIAN BANK | CBK | AU BANK | BHFL | LTF | MMFS | BANDHAN BANK | V2 | EQUITAS | VMART)

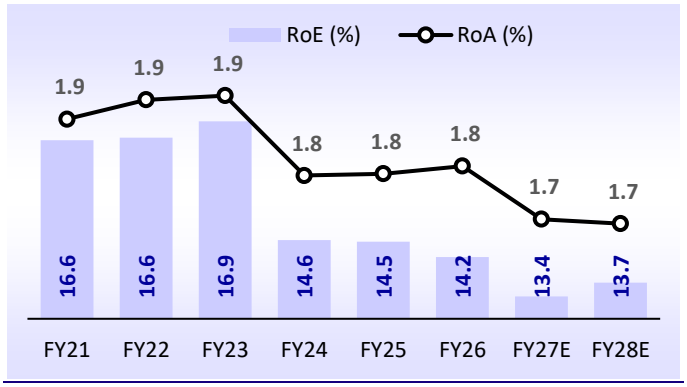
Chart of the Day: HDFC Bank (RBI approves Anup Bagchi as new MD & CEO)

Loan book to clock a CAGR of ~14% over FY26-FY28



Source: Company, MOFSL

RoA/RoE to sustain at 1.7%/13.7% in FY28E (factoring in potential change in insurance commissions)



Source: Company, MOFSL

Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

In the news today

Kindly click on textbox for the detailed news link

1

Bajaj Finserv to rope in ex-GIC re chief for reinsurance venture

Bajaj Finserv is preparing to enter the reinsurance sector with the appointment of N Ramaswamy Narayanan. The former chairman of GIC Re brings over thirty years of reinsurance experience to the role.

2

Automakers ramp up production, inventory as festive demand picks up

Automakers in India are increasing production and optimizing dealer inventories in anticipation of the festive season. Maruti Suzuki and Hyundai Motor India are addressing pending bookings to meet consumer demand effectively.

3

Slurrp Farm explores fresh fundraise as existing investors eye exit

Slurrp Farm is currently exploring new fundraising opportunities as existing investors consider exiting their holdings. The company aims to attract potential investors while discussing the details of the proposed deal.

4

EV boom gathers pace as electric car sales jump 95% on fuel prices, new models

India's electric vehicle market recorded substantial growth in September, with sales reaching 34,894 units. This represents a 95% increase compared to last year's figures.

5

Tata-owned IHCL brings Gateway to Siliguri with 125-room hotel

IHCL has announced the signing of an agreement for a 125-room Gateway hotel in Siliguri. This new project will grow its presence in West Bengal to 19 hotels overall.

6

India tourism growth faces skills crunch; workforce shortfall may hit 11 million by 2035: CBRE

India's tourism industry could face a shortage of around 11 million workers by 2035 as demand for trained professionals struggles to keep pace with expanding hotels and emerging tourism segments, according to a CBRE Research report.

7

Festive cheer shifts beyond metros as consumer brands bet big on small-town India

Consumer brands are turning to tier-2 and smaller cities for festive-season growth as urban consumption weakens.

HDFC Bank

BSE SENSEX	S&P CNX
71,910	22,422

CMP: INR721 TP: INR925 (+28%) Buy

Stock Info

Bloomberg	HDFCB IN
Equity Shares (m)	15401
M.Cap.(INRb)/(USDb)	11119.9 / 115.4
52-Week Range (INR)	1021 / 682
1, 6, 12 Rel. Per (%)	8/-2/-16
12M Avg Val (INR M)	27943
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	1,287	1,400	1,632
OP	1,186	1,179	1,372
NP	747	794	898
NIM (%)	3.3	3.2	3.3
EPS (INR)	48.5	51.6	58.3
EPS Gr. (%)	10.2	6.3	13.1
BV/Sh. (INR)	366	401	449
ABV/Sh. (INR)	352	386	431
Ratios			
RoA (%)	1.8	1.7	1.7
RoE (%)	14.2	13.4	13.7
Valuations			
P/E(X)	14.8	14.0	12.3
P/E(X)*	12.2	11.5	10.1
P/BV (X)	2.0	1.8	1.6
P/ABV (X)*	1.7	1.5	1.4

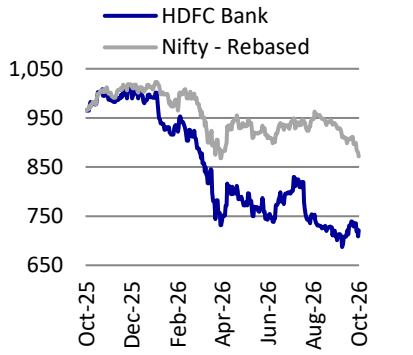
*adj for subs

Shareholding pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	36.3	34.9	31.1
FII	49.6	51.5	55.7
Others	14.1	13.6	13.2

Note: FII includes depository receipts

Stock Performance (1-year)



RBI approves Anup Bagchi as new MD & CEO

Leadership stability to support investor sentiment

- The RBI has approved the appointment of Mr. Anup Bagchi as the new MD & CEO of HDFC Bank for a three-year term starting 27th Oct'26. He will succeed Mr. Sashidhar Jagdishan, whose term ends on 26th Oct'26.
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- The appointment of Mr. Bagchi removes a key overhang surrounding HDFC Bank's leadership succession and brings an external perspective at a time when the bank is seeking to rebuild investor confidence.
- A new leadership team, alongside an improvement in growth and earnings trajectory, should improve investor sentiment.
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Mr. Anup Bagchi: An all-round banker with experience across BFSI verticals

The RBI has approved the appointment of Mr. Bagchi as MD & CEO of HDFC Bank for a three-year term starting 27th Oct'26. He will succeed Mr. Jagdishan, whose term ends on 26th Oct'26. Mr. Bagchi brings in over three decades of experience and has worked in leadership roles across the BFSI verticals since joining ICICI group in 1992. He has served as MD & CEO of ICICI Securities (2011-2016), where he was involved in broking, wealth management, financial-product distribution and investment banking. He later spent six years at ICICI Bank as an Executive Director from 2017 to 2023, handling retail business, rural banking and digital channels. He was also associated with several ICICI Group subsidiaries and industry/regulatory committees. In 2023, he moved to ICICI Prudential Life Insurance as MD & CEO, where he oversaw the business through a period of steady growth in profitability and value creation.

Diverse set of expertise to aid HDFC Group in the next phase of growth

Mr. Bagchi's three decades of experience across retail and wholesale banking, digital financial services, capital markets, wealth management and insurance will enable him to lead India's largest private bank with leadership across BFSI segments. His track record at ICICI Bank demonstrates his capabilities in building retail businesses while maintaining credit and cost discipline. His tenures at ICICI Securities and ICICI Prudential Life provides evidence of managing financial franchisees, navigating through distribution limitations as well as highly competitive market dynamics. His digital and data-analytics experience will further aid in improving the product propositions and overall productivity metrics.

HDFC Bank focus areas – CASA ratio, NIMs, growth and merger synergies

- **CASA mobilization:** HDFC Bank has a formidable retail franchise, but its CASA ratio has come under pressure after the merger (32.3% as of Jun'26). Mr. Bagchi's experience in retail liabilities, digital channels, partnerships and third-party distribution would help improve customer acquisition and deepen existing relationships.
- **NIM expansion:** Margins (3.26%) got significantly diluted after the merger owing to high cost-liabilities of HDFC Ltd alongside an unfavorable repo-rate cycle. With borrowings as % of balance sheet on a downward trajectory (11% of balance sheet) and a possible rate hike cycle in the near term, the bank should witness NIM expansion over the coming quarters.
- **Growth:** The bank had to slow down its credit growth trajectory after the merger to a CAGR of 9% during FY24-26 owing to the high CD ratio, which touched 110% at its peak. However, with the CD ratio now at ~95%, the bank is set to regain credit growth momentum. We expect a 14% CAGR in loans over FY26-28E.
- **Greater value from the merger:** The merger substantially enhanced HDFC Bank's mortgage and customer franchise, but the bank has yet to fully demonstrate the operating leverage and cross-selling benefits that investors had initially expected. Mr. Bagchi's experience, spanning banking, mortgage, insurance, wealth and capital markets, could potentially help accelerate cross-selling across the bank's large customer base and improve customer-level economics.

Management change to aid investor sentiment; estimate earnings trajectory to improve from FY28E onward

HDFCB's share price has significantly underperformed peers over the last few years, with a tough adjustment period after the merger and recent concerns about governance after the sudden resignation of chairman, among other issues. The stock price has declined by 25% in the past one year and 8% in the past five years. The changes in the leadership team will help address the overhang and aid investor sentiment. We expect the bank's operating performance to improve from FY28E onward, supported by a recovery in loan growth and margins. We currently estimate earnings to grow in mid-teens in FY28E after sluggish trends over FY24-27E.

Valuation and view: Reiterate BUY with a TP of INR925

HDFCB is undergoing management transition after a series of adverse developments, challenges in operating performance after its merger with HDFC Ltd, and significant erosion of shareholder wealth over recent years. The changes in leadership team will help address the skepticism that has engulfed the bank over the recent period. Leadership stability under Mr. Bagchi, a proven BFSI professional, alongside an improvement in growth and earnings trajectory, should improve investor sentiment and help the stock re-rate over the medium term. We estimate HDFCB to deliver an improved earnings performance from FY28 onward as we estimate PAT growth to recover to 13% YoY by FY28E vs. avg. 9% over FY24-27E. **We retain BUY with a TP of INR925 (1.8x FY28E ABV + INR128 for subs).**



Business growth robust, led by FCNR(B) inflows; NIM trends diverge, with PSBs showing resilience

Sector earnings to record 15% CAGR over FY26-28E, led by private banks

- **Credit growth remained strong at 18.8% YoY; mid-sized private banks likely to lead:** Systemic credit growth remained healthy at 18.8% as of 15th Sep'26, driven by: 1) sustained retail demand and higher utilization levels by MSME borrowers, 2) healthy corporate borrowings with bond yields being elevated, and 3) higher-than-expected FCNR(B) flows of USD133b, supporting the growth momentum. We expect FY27E credit growth to settle around 15.5%. The higher loan growth is also expected to be a function of high leverage provided by overseas/GIFT City branches of respective banks. Across our coverage, we expect banks to report wide swings in loan growth ranging from 3.1% to 14% QoQ (ICICIBC, IDFCFB, and RBK to post robust sequential growth; details inside).
- **Deposit growth surged to 17% YoY; CD ratio cools off to 80.8%:** System deposit growth picked up from 11-12% to 17% YoY with strong FCNR(B) inflows of USD133b, which accounted for ~4.5% of system deposits. The CD ratio has thus eased from a peak of 83.4% to 80.8%. While FCNR(B) deposits have supported the deposit mobilization, banks continue to face challenges in mobilizing low-cost deposits. We expect term deposit (TD) rates to remain broadly sticky (with an upside bias) as banks strive to sustain deposit accretion. Across our coverage universe, we expect deposit growth in the range of 2.8-18.6% QoQ depending on the quantum of FCNR(B) deposits (RBK being the highest, details inside).
- **NIMs to contract for private banks; PSBs to report resilient margins:** NIMs for private banks are expected to be adversely impacted by rapid business growth owing to FCNR(B) inflows and the leverage provided by the banks against the same. NIMs are expected to gradually improve as banks deploy the funds for lending and retire high-cost liabilities. Large private banks are likely to witness an adverse impact of 8-20bp. Among mid-sized private banks, RBK would see a NIM expansion with the full-quarter impact of Emirates NBD capital infusion, while IDFCFB would report a sharper sequential decline. For PSU banks, NIMs are likely to be range-bound owing to the lower proportion of FCNR(B) deposits mobilized as a % of overall deposits and the focus on retiring high-cost liabilities.
- **Asset quality outlook benign; credit cost to remain in control:** Most banks have indicated that stress across secured and unsecured segments remains controlled and thus slippages, and credit costs are expected to remain steady. However, we remain watchful of the adverse impact of the uncertain macro environment on domestic business growth and credit quality, alongside a below-normal monsoon.

  Estimate ~15% PAT CAGR over FY26-28: For 2QFY27E, we estimate NII for our banking coverage universe to improve 11.9% YoY/2.2% QoQ and PPoP to rise 4.1% QoQ. We estimate private banks' PAT to grow 24.0% YoY/1.7% QoQ and PSU banks' PAT to grow 27% YoY/ 19% QoQ. For our coverage universe, we estimate PAT to grow 25.4% YoY/9.5% QoQ. We estimate our coverage banks to deliver a 15% earnings CAGR over FY26-28, fueled by 20% CAGR for private banks. **Our top picks are ICICIBC, SBIN, KMB, and AUBANK.**

2QFY27E earnings estimates (INR b)

PAT	2Q FY27E	YoY (%)	QoQ (%)
Private Banks			
AUBANK	8.6	53.6	8.2
AXSB	72.6	42.7	2.1
BANDHAN	5.4	385.5	8.3
DCBB	2.2	19.9	3.5
EQUITAS	1.9	689.7	3.8
FB	12.6	32.3	7.4
HDFCB	193.7	3.9	1.6
ICICIBC	146.5	18.5	-1.1
IDFCFB	10.8	205.7	0.2
IIB	9.3	NA	-9.9
KMB	42.9	31.9	4.1
RBK	5.2	189.0	103.4
Private Total	**511.8**	**24.0**	**1.7**
PSU Banks			
BOB	52.9	10.0	313.8
CBK	48.0	0.6	-1.1
INBK	34.0	12.6	3.8
PNB	51.7	5.5	-1.5
SBIN	252.5	50.5	19.5
UNBK	50.1	17.9	-6.0
PSU Total	**489.2**	**27.0**	**19.0**
Banks Total	**1,001.0**	**25.4**	**9.5**
SBICARD	7.1	59.7	6.9
PAYTM	2.7	1,201.8	24.3
PINELABS	0.5	760.9	161.5

Private banks: 2Q earnings to grow 24% YoY (20.7% in FY27E)

- **Private banks:** We estimate PPoP to rise 13.7% YoY/2.4% QoQ and PAT to grow 24.0% YoY/1.7% QoQ in 2QFY27. We estimate a 20% earnings CAGR over FY26-28 for the private banks.
- **Estimate NII to grow 13% YoY/2.8% QoQ:** Among large private banks under our coverage, NII is estimated to grow by 8.9% YoY (up 2.5% QoQ) for HDFCB and 16.8% YoY (3.1% QoQ) for ICICIBC. AXSB's NII is likely to grow by 8.5% YoY/1.9% QoQ, and KMB's by 14.0% YoY/5.1% QoQ.
- NIMs are likely to dip 8-20bp owing to rapid business expansion with FCNR(B) inflows and the leverage provided against the same. However, the deployment of this surplus liquidity, and retirement of high-cost liabilities would drive steady earnings growth.

PSU banks: NIMs to remain resilient; 2Q PAT to grow 27% YoY/19% QoQ

- **We estimate PSU banks' PAT to grow 27% YoY (19% QoQ) in 2QFY27,** supported by robust business growth, partly coupled with stake sale gains at SBI (SBI MF & NSE), BOB (NSE), and INBK (NSE), and normalization of BoB's PAT.
- NIMs to remain resilient, leading to NII growth of 10.8% YoY/1.6% QoQ. Treasury gains are expected to remain muted as bond yields have remained elevated.
- **Asset quality outlook stable** for PSU banks, while recoveries from the write-off pool are declining. We expect benign credit costs to continue for PSU banks.
- **We estimate PSU banks to report an earnings CAGR of 11% over FY26-28.**

Small Finance Banks: Growth to remain healthy as credit quality improves

- **AUBANK** is expected to report PAT growth of 53.6% YoY (up 8.2% QoQ) to INR8.6b amid an NIM expansion of 4bp QoQ to 5.94%. However, an improving slippages outlook and easing MFI stress should keep credit costs at ~0.8-0.9% of assets. NII is expected to increase by 29.3% YoY (2.9% QoQ).
- **EQUITASB** is estimated to report a PAT uptick of 3.8% QoQ to INR1.91b in 2QFY27, with NIMs likely to dip (down 13bp QoQ to 7.11%). We expect credit costs to moderate. As of 2QFY27, loan growth was steady at 30% YoY/6% QoQ, led by healthy growth in MFI and non-MFI books.

Payments/Fintech: Paytm and Pine Labs – Strong revenue and GMV growth

- **SBICARDS:** Loan book growth is expected to remain modest, led by mid-teens retail spending growth. Credit cost is expected to moderate, though cost ratios will remain higher. We estimate PAT to grow 60% YoY/7% QoQ to INR7.1b.
- **PAYTM:** Revenue from operations is expected to grow at a robust 27% YoY/7% QoQ to INR26.3b. Contribution margin is expected to remain steady at ~55.4%. GMV growth should remain strong at 32% YoY/6% QoQ to INR7.5t.
- **PINE LABS:** Revenue from operations is expected to grow at a robust 22% YoY/7% QoQ to INR7.9b, while contribution margin is expected to improve to 74%. GMV growth is likely to rise 13% YoY/14% QoQ to INR4.8t.

Banks: Summary of 2QFY27E earnings estimates

	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
		Sep'26E	YoY (%)	QoQ (%)	Sep'26E	YoY (%)	QoQ (%)	Sep'26E	YoY (%)	QoQ (%)
Financials										
AU Small Finance	Buy	27,734	29.3	2.9	15,203	25.7	5.9	8,613	53.6	8.2
Axis Bank	Neutral	149,185	8.5	1.9	116,900	12.3	0.3	72,618	42.7	2.1
Bandhan Bank	Neutral	29,281	13.1	0.3	14,020	7.0	3.2	5,432	385.5	8.3
DCB Bank	Buy	6,966	16.8	1.8	3,608	18.7	4.9	2,206	19.9	3.5
Equitas Small Finance	Buy	10,601	37.0	3.0	4,255	76.9	5.1	1,906	689.7	3.8
Federal Bank	Buy	30,923	23.9	5.0	20,605	25.3	8.6	12,637	32.3	7.4
HDFC Bank	Buy	343,692	8.9	2.5	287,213	2.9	2.0	193,679	3.9	1.6
ICICI Bank	Buy	251,511	16.8	3.1	210,459	21.7	3.2	146,479	18.5	-1.1
IDFC First Bank	Buy	61,679	20.6	3.3	25,661	36.5	0.5	10,770	205.7	0.2
IndusInd Bank	Neutral	44,090	-0.0	-5.9	24,476	19.5	-11.8	9,348	N.A.	-9.9
Kotak Mahindra Bank	Buy	83,331	14.0	5.1	63,601	20.7	3.7	42,923	31.9	4.1
RBL Bank	Buy	20,932	35.0	26.5	12,893	77.0	39.7	5,159	189.0	103.4
Banks – Private		**1,059,926**	**13.0**	**2.8**	**798,894**	**13.7**	**2.4**	**511,769**	**24.0**	**1.7**
Bank of Baroda	Neutral	123,718	3.5	-1.2	86,308	13.9	6.2	52,912	10.0	313.8
Canara Bank	Buy	107,432	17.5	5.2	83,268	-3.0	-3.6	48,004	0.6	-1.1
Indian Bank	Buy	76,405	16.6	2.8	57,268	18.4	3.0	33,980	12.6	3.8
Punjab National Bank	Buy	111,688	6.7	3.4	76,642	6.0	1.9	51,749	5.5	-1.5
State Bank of India	Buy	478,474	11.3	1.8	376,499	37.9	12.3	252,499	50.5	19.5
Union Bank	Neutral	98,315	11.6	-2.0	76,411	12.1	-4.5	50,101	17.9	-6.0
Banks – PSU		**996,031**	**10.8**	**1.6**	**756,396**	**21.3**	**6.0**	**489,246**	**27.0**	**19.0**
Total Banks		**2,055,957**	**11.9**	**2.2**	**1,555,289**	**17.3**	**4.1**	**1,001,015**	**25.4**	**9.5**
SBI Cards	Neutral	17,038	-1.5	1.7	18,370	-2.9	-0.2	7,105	59.7	6.9
PAYTM	Neutral	26,338	27.7	7.6	2,897	104.0	42.7	2,734	1,201.8	24.3
Pine Labs	Buy	7,902	21.6	7.2	1,702	48.4	34.3	514	760.9	161.5

Note:*Operating profit is EBITDA for Paytm and Pine Labs; Source: MOFSL, Company



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

Steady quarter despite macro headwinds and rising CoF

Demand trends healthy and asset quality stable; NIM pressure due to higher CoF

- **Demand trends remained strong:** We expect ~12% YoY growth in AUM for our coverage HFCs, including both affordable and large HFCs, in 2QFY27. Vehicle financers are projected to report ~18% YoY AUM growth. Gold lenders (including non-gold products) are likely to record ~42% YoY growth. NBFC-MFIs are estimated to post AUM growth of 20% YoY, while diversified lenders are expected to deliver ~27% YoY growth in AUM. For our NBFC coverage universe, we estimate loan growth of ~17% YoY/4.3% QoQ as of Sep'26.
- **Healthy growth and broadly stable asset quality:** NBFCs are expected to deliver a steady operating performance in 2QFY27, supported by sustained loan growth and stable asset quality. Growth momentum was broad-based across most lending segments (excluding power finance), with housing finance, vehicle finance, gold loans and unsecured retail maintaining healthy demand. Gold loan growth remained robust, albeit moderating from the exceptionally strong momentum seen last year. MFIs are expected to report steady disbursement momentum, although sequential growth could be slightly lower than anticipated, primarily because of floods in certain parts of the country.
- **Rising incremental CoF continues to weigh on NIMs:** Incremental CoF for NBFCs continued to inch up in 2QFY27, particularly for lenders with greater reliance on market borrowings, as bond yields remained elevated amid geopolitical uncertainties. Going forward, evolving inflation dynamics, driven by food inflation, weak monsoons and geopolitical developments, could prompt the RBI to hike the repo rate in the upcoming MPCs, potentially exerting further pressure on the cost of borrowings for NBFCs. Consequently, we expect NIM to remain under pressure in the near term. However, HFCs are relatively better placed given their floating-rate loan books, which enable faster repricing of assets. Diversified lenders could partly mitigate margin pressure by increasing the share of higher-yielding unsecured loans in their portfolio, thereby supporting overall yields.
- **Asset quality broadly stable; 2HFY27 trajectory remains watchful:** Asset quality remained broadly stable across most lending segments during the quarter. Collections were marginally lower in the tractor portfolio, primarily due to weak monsoons, while housing, vehicle (excluding tractors), gold, MFI and diversified finance portfolios continued to report stable asset quality. Importantly, high crude oil prices and the West Asia conflict did not result in any deterioration in portfolio quality. Going forward, asset quality is a key monitorable in 2H, as weak monsoons and El Niño conditions, which have led to drought-like situations across few states, could weigh on rural cash flows and impact repayment ability of borrowers.
- **Earnings to remain healthy:** For our NBFC coverage universe, we estimate ~20%/18% YoY growth in NII/PPoP and ~24% YoY growth in PAT in 2QFY27. We prefer diversified lenders and mortgage players, and our top picks in the sector are BAF, SHFL, PNBHF and Five Star.

HFCs: Heathy disbursement and AUM growth; NIMs trends mixed

- Disbursement momentum was healthy across HFCs during the quarter. While competition remains elevated, pricing is rational, with BT-outflows also stabilizing across HFCs. Margins for both large HFCs and affordable HFCs are likely to remain under modest pressure due to a marginal increase in incremental CoF.
- Asset quality is expected to remain broadly stable across HFCs during the quarter, supporting benign credit costs.
- For LICHF, we expect credit costs (net of recoveries) at -5bp (vs. -14bp in 1QFY27). NIM is expected to decline ~7bp QoQ. We expect LICHF to report 5% YoY growth in loans and 12% YoY growth in disbursements. We expect BHFL to report AUM growth of 25% YoY and NTI to decline ~10bp QoQ.
- We forecast HomeFirst to report ~33% YoY growth in disbursements, leading to AUM growth of ~27% YoY. Asset quality is expected to remain broadly stable for both HomeFirst and Aavas. Aavas is expected to report disbursement and AUM growth of 21% and 16% YoY, respectively. Disbursements for CANF were impacted during the quarter due to teething issues following the implementation of its new technology platform across ~175-180 branches.
- We estimate PNBHF to deliver ~18.5% YoY growth in total loan book as of Sep'26. For PNBHF, we expect NIM to expand ~3bp QoQ. Asset quality improvement and recoveries from the written-off pool in both Retail/Corporate could potentially again result in provision write-backs (like in the prior quarters).
- For Five Star, loan growth and disbursements are expected to rebound. We expect disbursements to grow 69% YoY and 35% QoQ, translating into ~14% YoY growth in AUM. We expect credit costs to remain broadly stable QoQ at ~1.8%.

Vehicle finance: Stable disbursement momentum; asset quality stable

- MMFS reported disbursements of ~INR165b in 2QFY27 (up ~22% YoY), leading to ~15% YoY growth in business assets. We expect credit costs for MMFS to be at ~1.8% in 2QFY27 (vs. ~1.7% in 1QFY27).
- For CIFC/SHFL, we expect disbursement growth of 30%/22% YoY, which should translate into ~23%/16% YoY growth in AUM in 2QFY27.
- Disbursement momentum in the vehicle finance segment remained healthy, sustaining its strong trajectory in 2QFY27. Demand was robust across key segments, including PVs, CVs and 2Ws. However, the tractor finance portfolio witnessed a marginal slowdown, primarily due to weak monsoons and drought-like conditions in few states.
- Asset quality was broadly stable during the quarter, with no material stress observed across segments despite the West Asia conflict and weak monsoons. However, the tractor portfolio of VFs is expected to exhibit minor asset quality deterioration, reflecting some impact from weaker monsoons.
- Margin trends were divergent across vehicle financiers, with SHFL expected to report margin expansion, while CIFC and MMFS are likely to report margin contraction due to higher incremental CoF during the quarter.

Gold finance: Strong growth continues, albeit at a relatively slower pace; expect NIM to contract due to sequential decline in yields

- Gold lenders are expected to deliver healthy growth in 2QFY27; however, the pace is likely to moderate relative to the exceptionally strong growth in FY26. MGFL and IIFL are likely to exhibit sequential improvement in gold tonnage.
- We expect NIMs to contract for gold financiers, driven by lower yields following the launch of lower interest-rate schemes toward the end of Aug'26. The impact on yields is likely to be more pronounced in 3QFY27, resulting in further NIM compression. MGFL is expected to report broadly stable margins in 2QFY27, with yields having largely stabilized. In contrast, MUTH may witness margin contraction due to lower yields. We expect MUTH margins to decline, while MGFL's margins are likely to remain stable QoQ.
- We expect MGFL in its standalone entity to deliver strong gold loan growth. Further, MFI book is also expected to grow, driven by pick-up in disbursements. We expect gold loan growth of ~5% QoQ for MUTH and ~6% QoQ for MGFL.
- Business momentum and asset quality continue to improve across the MFI businesses of Asirvad and Belstar, which is expected to support higher disbursements and moderation in credit costs during the quarter.

MFIs: Steady business momentum; fresh PAR accretion stable

- Business momentum across MFI lenders remained steady; however, sequential disbursement growth was slightly weaker (with the exception of Spandana) than earlier anticipated. Despite slightly softer disbursement momentum, AUM growth remained steady, albeit on a low base. We expect QoQ AUM growth of ~2.5%/4%/11.5% for CREDAG/Fusion/Spandana in 2QFY27.
- Asset quality in the MFI segment was stable during the quarter, supported by stable PAR levels and controlled fresh flow-forwards. Fresh PAR accretion was in the range of 18-20bp for most lenders, indicating healthy collection efficiency. However, weaker monsoons this year have resulted in drought-like conditions across few states, making asset quality trends a key monitorable in 2HFY27, particularly given the potential impact on rural cash flows.
- We estimate annualized credit costs of ~3.1%/2.4%/0.5% for CREDAG/Fusion/ Spandana in this quarter. Margins are expected to improve for MFIs, supported by lower interest income reversals and the impact of price hikes implemented earlier.

Diversified financiers: Healthy AUM growth with unsecured loans regaining momentum

- BAF is expected to deliver AUM growth of ~25% YoY/5.6% QoQ. We estimate margins to decline 10bp QoQ, with credit costs at ~155bp (vs. 154bp in 1QFY27).
- For HDBFIN, we expect disbursements growth of ~19% YoY and loan growth of 12% YoY. We expect NIM to decline ~10bp QoQ to 8.25%. Credit cost is likely to remain broadly stable QoQ at 2.35% (compared to 2.32% in 1QFY27).
- LTF is expected to report loan growth of ~27% YoY/4.5% QoQ. We estimate credit costs to remain broadly stable QoQ at 2.43%.
- Poonawalla is expected to report AUM growth of ~55% YoY/10% QoQ, with total AUM at INR738b. We expect credit costs to decline ~15bp QoQ to ~2.2% (vs. 2.35% in 1QFY27).

- IIFL Finance is expected to sustain strong growth in gold loan AUM in 2QFY27. We expect consolidated AUM growth of 37% YoY. We estimate PAT (post MI) of ~INR7.4b in 2Q (vs. INR6.7b in 1QFY27).
- Northern Arc is expected to report AUM growth of ~33% YoY/11.5% QoQ with total AUM at INR188b. We expect credit costs to decline ~10bp QoQ to ~2.5% (vs. 2.6% in 1QFY27).
- For Piramal Finance, we expect consolidated AUM growth of ~24% YoY in 2QFY27. We expect margins to expand by ~15bp QoQ to 5.4% and expect credit costs at 1.7% (PY: 1.8%).
- For Tata Capital, we expect ~24% YoY consolidated AUM growth (including motor finance) in 2QFY27. We expect margins to remain broadly stable QoQ and expect credit costs at 0.9% (PY: 0.95%).

Power Financiers: Muted loan growth continues; credit costs to stay benign

- Disbursement and AUM growth among power financiers remained muted during the quarter. There were no new stressed asset resolutions in the quarter. Resolution of Hiranmaye Energy is expected in 2HFY27.
- REC's disbursements are expected to decline 1% YoY and grow 64% QoQ, leading to muted AUM growth of 5% YoY and ~4% QoQ. For PFC, we expect disbursements to decline 15% YoY, leading to loan book growth of ~4% YoY and ~2% QoQ. We expect forex losses to moderate during the quarter, providing support to earnings.

Quarterly performance

Name	CMP (INR)	Rating	NII (INR m)			Operating profit (INR m)			Net profit (INR m)		
			Sep-26	Variance	Variance	Sep-26	Variance	Variance	Sep-26	Variance	Variance
AAVAS Financiers	1,193	Neutral	3,293	14.3	1.7	2,429	10.8	4.3	1,802	9.9	5.2
Bajaj Finance	949	Buy	1,32,104	22.5	5.1	1,06,433	19.9	5.0	63,715	28.8	4.8
Bajaj Housing	83	Neutral	10,142	6.0	4.8	9,760	10.6	3.3	7,294	13.5	2.0
Can Fin Homes	709	Neutral	4,343	7.3	1.6	3,547	6.0	0.9	2,731	8.6	2.0
Chola. Inv & Fin.	1,583	Buy	41,903	24.0	3.8	30,978	26.0	-1.4	15,852	37.2	-4.1
CreditAccess	1,239	Buy	12,043	28.9	3.5	9,150	31.7	4.9	5,034	300.1	2.0
Five-Star Business	506	Buy	6,668	12.4	4.8	4,540	4.8	7.1	2,930	2.4	8.0
Fusion Finance	172	Buy	2,587	4.9	6.7	1,189	33.6	16.5	789	-	26.3
HDB Financial	618	Neutral	25,429	16.0	1.4	17,957	17.3	2.5	8,052	38.5	2.5
Home First Fin.	1,125	Buy	2,689	30.2	6.1	2,375	26.0	6.3	1,699	28.9	6.3
IIFL Finance	584	Buy	21,134	46.9	5.5	13,312	25.9	8.9	7,429	97.4	10.1
Jio Financial Services	212	Buy	5,779	125.3	6.4	6,707	15.8	-33.8	4,673	-32.8	-43.7
L&T Finance	265	Buy	30,562	27.2	4.5	21,247	30.1	5.9	9,923	35.0	8.3
LIC Housing Fin	511	Neutral	20,335	-0.2	-2.0	18,514	-1.1	4.2	15,131	11.8	1.7
M & M Financial	320	Buy	24,012	13.7	-0.5	17,455	16.5	-0.6	8,226	44.5	-8.5
Manappuram Finance	308	Neutral	18,182	32.2	5.5	10,820	61.2	7.4	6,604	203.9	12.9
MAS Financial	273	Buy	2,455	49.3	5.0	2,111	34.1	5.1	1,107	23.4	5.8
Muthoot Finance	2,701	Neutral	44,700	12.0	2.5	35,584	9.0	2.4	25,547	8.9	0.2
Northern Arc	289	Buy	5,024	40.6	1.6	2,770	28.1	5.4	1,243	36.6	8.9
PFC	318	Buy	52,047	-1.6	-0.5	61,427	6.2	14.7	49,386	10.7	4.1
PNB Housing	1,090	Buy	8,376	11.6	4.7	7,343	13.6	6.5	6,008	3.3	7.8
Poonawalla Fincorp	433	Buy	13,358	74.7	11.6	8,803	127.7	12.2	3,708	399.7	20.5
Piramal Finance	2,024	Buy	14,767	44.8	8.8	9,415	82.7	17.1	5,522	68.9	19.8
REC	289	Buy	55,164	1.3	1.4	50,635	-11.0	19.2	39,300	-11.2	-5.3
Repco Home Fin	336	Neutral	2,073	9.7	0.8	1,575	11.7	0.1	1,156	8.1	1.3
Shriram Finance	943	Buy	81,408	35.1	5.6	63,753	43.5	4.8	35,960	56.0	4.4
Spandana Sphoorty	217	Neutral	1,775	69.4	19.8	393	-157.0	141.7	180	-107.2	51.1
Tata Capital	319	Neutral	37,022	23.2	3.7	29,621	30.1	4.5	17,130	53.1	5.2
NBFC			**6,79,375**	**19.8**	**3.6**	**5,49,840**	**18.3**	**6.0**	**3,31,002**	**23.6**	**1.5**



Company
ABSL AMC
HDFC AMC
Nippon AMC
UTI AMC
IPRU AMC
SBI Funds Management
360ONE WAM
Anand Rathi Wealth
Nuvama Wealth
Prudent Corporate Advisory
Angel One
Groww
BSE
MCX
CDSL
NSDL
CAMS
KFin Tech
HDFC Life
ICICI Prudential Life
Max Financial
SBI Life
Canara HSBC Life
ICICI Lombard
Star Health
Niva Bupa
PB Fintech
Turtlemint Fintech
Bajaj Finserv

Regulations reshaping the landscape

- In 2QFY27, we estimate 14%/15% YoY growth in aggregate revenue/PAT of non-lending financial companies under our coverage.
- During the quarter, CAS (implemented in Aug'26) has reset F&O activity and weak market sentiment (Nifty down 5% QoQ) has weighed on cash volumes, while macro volatility has created a strong tailwind for commodities. Steady flows have supported AMCs/wealth managers, offset by MTM losses. Insurance growth remains healthy, with mix improving margins. The bigger medium-term overhang is the IRDAI consultation paper on commissions and EoM, which could reshape distribution economics.
- Brokers and exchanges have been impacted by a sharp reset in F&O after CAS and weak cash volumes, offset by record-high commodity volumes (strong quarter for MCX). However, expanding MTF book and other non-broking revenue streams should offset the impact on broking revenue.
- Gradual recovery in derivative options from the new base seen in Aug'26 (premium ADTO up 22% in Sep'26, albeit well below 1Q levels) and recovery in demat openings witnessed during the quarter should benefit the industry in 2HFY27.
- For AMCs, the core story remains intact, with equity AAUM at a record INR51.8t and SIP flows holding around INR320b. QAAUM growth and yields should support management fees, although volatile markets could weigh on other income. Wealth managers should similarly benefit from stable flows and ARR yields, while robust IPO activity should boost transactional income.
- Intermediaries are likely to post revenue/PAT growth of 22%/8% YoY. For depositories, issuer charges should be the key revenue driver given strong IPO activity during the quarter, while transaction revenue would be impacted by weak cash market volumes. The continued growth in AUM of AMCs should also benefit the trajectory of RTAs, with additional benefits coming in from non-MF traction.
- Life insurance growth is moderating but the mix remains favorable, with non-linked and protection gaining traction. We expect APE growth in high-single to low-double digits, while VNB margin should expand YoY for most players. In general insurance, health remains the key growth engine with 20%+ growth, while stable motor growth and improving claims/operating efficiency should support combined ratios.
- The key new variable is regulation. IRDAI's proposed changes to commissions and EoM limits could materially alter distribution economics (takeaways), making it a key monitorable for the entire insurance ecosystem until the final regulation is announced. While the current story for insurance brokers like PB Fintech and Turtlemint remains strong, potential commission caps could materially impact future earnings, reflected in the stock movements since the paper was released.
- Our top picks in the capital markets space are 360 ONE, KFin and SBI Funds Management. Within insurance, SBILIFE and CANHLIFE are our preferred plays.

CAS dents F&O momentum; macro environment boosts commodity

- Cash ADTO declined to ~INR1.3t in Jul-Aug'26 (vs. ~INR1.5t in 1QFY27) and further to ~INR1.2t in Sep'26, reflecting the impact of weak market sentiment and softer retail activity.
- Implementation of CAS framework from 1st Aug'26 resulted in a plunge in F&O activity, with notional ADTO declining 22% MoM in Aug'26 (down 9% MoM in Jul'26). However, Aug'26 volumes seem to be a new base, with Sep'26 notional ADTO growing 10% MoM. Options premium ADTO also moderated in 2Q, falling 14%/19% MoM in Jul'26/Aug'26 before growing 22% MoM but still significantly below 1Q level.
- In the options premium turnover, the market share of NSE/BSE has largely been in the 70%/30% range, though the recent listing of NSE exclusively on BSE's platform has resulted in an increase in cash ADTO and market share for BSE to an all-time high in Sep'26.
- While market activity was weak, incremental demat additions improved to 2.9m/3.3m in Jul'26/Aug'26 (vs. a monthly average of 2.3m in 1QFY27).
- Commodity derivatives activity benefitted from the volatile macroeconomic conditions during the quarter, with both futures and options ADTO achieving a new peak in Aug'26, driven by energy and metals, which also drove growth in premium ADTO for the quarter.
- We expect ANGEL ONE and GROWW to report sequential decline in revenue growth due to softer F&O activity and slight slowdown in cash volumes, offset by expanding MTF book and strong commodity activity. Absolute costs are expected to decline sequentially amid IPL effect in last quarter, though weaker revenue will impact margins.
- BSE is expected to witness the impact of weak volumes in transaction fee income, which will also contribute to a sequential decline in profitability. On the other hand, all-time high trading volumes will result in the best-ever quarter for MCX with respect to revenue and profitability.
- Depositories are expected to report healthy issuer services revenue, driven by higher corporate and IPO activity in 2Q, while transaction income is likely to decline QoQ, impacted by lower cash-market activity.

Asset and wealth management: Flow momentum remains stable

- Mutual fund AUM expanded during 1QFY27, surpassing INR88t at the end of Aug'26, with equity AAUM reaching a record high of INR51.8t. Net equity flows (including hybrids) moderated to INR362b in Jul'26 before expanding to INR394b in Aug'26, while SIP inflows have been steady around INR320b.
- For AMCs, QAAUM growth is expected to remain in single digits, while yields are likely to remain broadly stable in 2Q. Other income is expected to decline, impacted by volatile market conditions, weighing on overall profitability.
- CAMS and KFin are expected to report healthy sequential growth in non-MF revenue, while MF servicing revenue and yields may remain broadly stable.
- Wealth managers are expected to witness steady net inflows and broadly stable ARR yields. Transaction-driven revenue is likely to witness sequential growth backed by robust IPO activity during the quarter. Improving RM productivity and operational efficiency will be vital for CI ratio improvement.

Life Insurance: Growth trajectory moderates; margins to expand YoY

- In Jul'26/Aug'26, private life insurers saw 8%/15% YoY growth in individual APE, while group APE improved 11%/4%, leading to total APE growth of 9%/13%. Factoring in stable growth for Sep'26, we expect CANHLIFE to witness strong growth among listed peers, while HDFCLIFE, IPRULIFE and LIC should witness low double-digit YoY growth and MAXLIFE and SBILIFE should post high single-digit growth.
- We expect the continued tilt toward non-linked products, rising demand for term products, and higher attachment rates. Across our coverage, VNB is likely to grow in double digits, except for HDFC Life and SBI Life, which are anticipated to see single-digit growth.
- The recent consultation paper, which aims to lower insurance costs by reducing commission caps and tighten EoM computation, is expected to have significant ramifications across the ecosystem, once implemented.

General Insurance: Health strong and motor stable; consultation paper on commissions brings uncertainty in distribution economics

- In Jul'26/Aug'26, the general insurance segment recorded 6%/10% YoY growth in GWP. The health segment reported 26%/18% YoY growth in Jul'26/Aug'26, while the motor segment maintained a consistent growth trajectory of 10-14% YoY.
- For ICICIGI, premium growth lagged the industry in 2Q, declining 3% in Jul'26 and stable in Aug'26, largely owing to a decline in the fire segment. Retail health witnessed strong growth and motor maintained its momentum.
- STARHEAL posted ~20% premium growth, while all other SAHIs saw 30%+ YoY growth in Jul'26/Aug'26. Niva Bupa continued to post strong 30%+ YoY growth, aided by 45%+ YoY growth in retail health, while group health saw 3%/17% growth in Jul'26/Aug'26.
- Strong growth in health premiums and stable motor premiums should benefit the industry. On the other hand, strong fresh business growth, operational efficiency and claim efficiency initiatives should benefit combined ratios across the industry.
- The recent consultation paper by IRDAI to revamp commissions and revisit EoM limits could disrupt the near-term operations of insurers and distributors. While the current growth trajectory of brokers like PB Fintech and Turtlemint Fintech remains strong, the future looks uncertain with the possible capping on commissions. On the other hand, the new EoM limits for general and life insurers are significantly lower compared to the current industry level, and hence, this is a key monitorable, along with the workaround related to the new distribution economics.

Summary of our 2QFY27 estimates

Sector	CMP (INR)	Rating	Sep'26	Var. YoY (%)	Var. QoQ (%)	Sep'26	Var. YoY (%)	Var. QoQ (%)	Sep'26	Var. YoY (%)	Var. QoQ (%)
AMC			**Operating Revenue (INR m)**			**EBITDA (INR m)**			**Net Profit (INR m)**		
HDFC AMC	2,314	BUY	11,335	10	3	8,888	11	5	6,902	-4	-18
ABSL AMC	992	BUY	4,689	2	1	2,602	-8	1	1,921	-20	-38
Nippon AMC	1,050	BUY	7,952	21	4	5,273	23	4	4,065	18	-19
UTI AMC	884	BUY	3,824	-2	1	1,608	8	-10	1,006	-24	-66
IPRU AMC	3,091	BUY	15,599	23	-0	11,171	7	-1	7,850	-6	-19
SBI Funds Mgt.	501	BUY	11,459	NA	-1	9,100	NA	-1	6,576	NA	-25
Exchanges and Broking											
Angel One	276	BUY	9,255	11	-7	4,337	34	21	2,863	35	24
Groww	180	BUY	14,792	38	-4	8,659	44	-11	6,506	38	-11
BSE	3,046	Neutral	13,849	30	-12	9,320	35	-13	7,555	36	-13
MCX	3,203	Neutral	8,059	115	15	6,482	166	31	5,289	168	28
Intermediaries											
CAMS	675	BUY	4,024	7	2	1,793	7	-2	1,197	5	-6
KFIN Tech	825	BUY	4,130	34	11	1,657	22	19	1,027	10	12
CDSL	1,243	Neutral	3,473	9	19	1,859	5	35	1,304	-7	11
NSDL	753	Neutral	5,474	37	6	1,169	-9	16	936	-15	-5
Wealth Management			**Operating Revenue (INR m)**			**PBT (INR m)**			**Net Profit (INR m)**		
360 One	1045	BUY	8,531	12	4	4,026	11	7	3,274	4	-1
Nuvama	1,703	BUY	9,522	23	5	4,387	31	8	3,310	30	8
Anand Rathi	2,105	Sell	3,449	16	7	1,235	-10	14	920	-8	-44
Prudent	3,120	Neutral	3,730	17	7	959	33	8	682	27	-9
Life Insurance			**APE (INR m)**			**VNB (INR m)**			**Net Profit (INR m)**		
HDFC Life	533	BUY	46,720	12	33	11,350	12	29	5,042	13	-18
Ipru Life	449	BUY	26,901	11	26	6,860	16	20	3,333	13	-14
SBI Life	1,726	BUY	65,120	9	21	17,908	8	27	6,093	23	-16
Max Financial	1,392	BUY	27,138	8	41	7,056	10	58	918	-6	1
Canara HSBC Life	144	BUY	6,928	16	18	1,452	23	17	360	-12	28
LIC	392	BUY	1,85,427	13	35	43,019	36	37	1,02,672	2	-24
General Insurance			**Gross Premium (INR m)**			**Underwriting Profit (INR m)**			**Net Profit (INR m)**		
Star Health	537	BUY	50,264	13	2	3,267	53	-23	1,557	97	-72
Niva Bupa	73	BUY	25,755	36	13	1,417	61	40	1,102	82	-20
ICICI Lombard	1,569	Neutral	72,202	2	-19	-2,612	46	-59	7,028	-14	74
Diversified			**Revenue**			**EBITDA**			**PAT**		
PB Fintech	983	Neutral	20,333	26	8	1,700	74	22	1,906	40	17
Turtlemint Fintech	70	BUY	3,456	37	18	-259	NA	NA	-332	NA	NA
Bajaj Finserv	1,730	BUY	4,27,297	14	2	1,58,979	13	-7	27,040	20	-14
Non-Lending			**9,03,799**	**14**	**4**	**2,82,546**	**16**	**1**	**1,10,656**	**15**	**-13**

Result Preview



Companies
ABB India
Atlanta Electricals
Astra Microwave Products
Bharat Dynamics
Bharat Electronics
CG Power and Industrial Solutions
Cummins India
GE Vernova T&D India
Hindustan Aeronautics
Hitachi Energy India
Kalpataru Projects International
KEC International
Kirloskar Oil Engines
L&T
MTAR Technologies
Siemens
Siemens Energy
Solar Industries
Thermax
Triveni Turbine
Zen Technologies
Amber Enterprises
Dixon Technologies

Rising costs amid continued West Asia crisis

We expect 2QFY27 performance for industrials sector to witness rising costs amid continued West Asia crisis. During the quarter, we expect 1) execution momentum to remain strong for players on account of robust existing order books, 2) build-up in order inflows particularly from transmission, data center and private capex-related projects, and 3) some benefits of price increases taken by players to pass on RM costs. As commodity prices continue to move upward, we expect companies to take another round of calibrated price hikes in line with demand. We do see risks to full-year margin estimates for companies having a larger portion of fixed-price contracts. For 2QFY27, we estimate our coverage companies to report revenue/EBITDA/PAT growth of ~9.5%/10.0%/9.8% YoY, with a broadly flat EBITDA margin of 13.0%. We believe that certain stocks have come down to attractive valuations, while the overall long-term thesis is intact. We would prefer companies that are benefiting from improved ordering across growing themes and have pricing power or variable pricing contracts in the current scenario of rising RM prices. We reiterate our positive stance on LT/Cummins/GE Vernova T&D in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick.

Ordering momentum accelerates in 2QFY27

Ordering activity has picked up in 2QFY27 across power T&D, hydrocarbon, metals, B&F, data centers and infrastructure. Among our coverage companies, LT announced inflows of ~INR1t in 2QFY27, which included (i) three ultra-mega orders (>INR150b) from the Middle East in its hydrocarbon business, and (ii) two mega orders (INR100b-150b) from NVIDIA (to set up an AI factory) and NTPC (for equipment related to a thermal power plant). KEC announced inflows worth ~INR36b, and KPIL secured orders worth more than ~INR95b across domestic and export markets, primarily from power T&D, B&F, O&G, and residential sectors. Defense sector ordering was weak; however, it is expected to pick up as approved AoNs worth INR13t over FY25-YTDFY27 reach the finalization stage.

Transmission sector prospects gain further visibility

The transmission space, after a temporary slowdown, saw a revival in tender approvals. In 2QFY27, eight tenders were finalized and awarded to PGCIL and AESL. These also included the Barmer II-South Kalamb HVDC project won by PGCIL, for which GVTD was subsequently declared as L1 for the HVDC LCC terminal package in Sep'26. On 30th Sep'26, the Union Cabinet approved the Green Energy Corridor Phase-III scheme with a capital outlay of INR1.86t. This comprises INR1.36t for the development of intra-state transmission systems (InSTS) through the TBCB mode to enable evacuation of up to 135 GW of renewable energy, while the balance INR500b will be utilized for 50 GWh of battery energy storage systems (BESS). This further reaffirms the medium-term transmission pipeline.

Defense segment sees strong pipeline and improving execution

Defense segment has seen DAC approvals of INR1.62t in FY27 YTD and has a healthy pipeline ahead. Total approvals of INR13t over FY25-YTDFY27 have helped expand TAM for domestic players. The government is opening missile production to Indian private players (reducing single-company dependency), bolstered by approving DRDO to transfer technologies for all conventional missile systems to Indian industry for domestic production, implying higher private participation and larger TAM for

non-PSU players. The deadline for submitting RFP for AMCA project has been shifted to 30th Oct'26. On aircraft space, HAL's MD has committed to delivering 10 Tejas Mk-1A by Mar'27, supported by 10 F404-IN20 engines received till date, 12 more committed by GE Aerospace by Dec'26, and 27 completed airframes. We believe the key monitorables going ahead are: QRSAM (CCS clearance awaited), Akash-NG, P75I (CCS approval awaited), landing platform docks, next-gen corvettes and frigates, Mk1A deliveries, and AMCA announcements, especially on higher private participation.

Commodity prices remain elevated

Commodity prices remained high YoY, with aluminum/copper/zinc/primary rebar still up nearly 23%/45%/38%/28% YoY. Elevated brent prices and continued closure of SoH for exports can pose logistic constraints for some of the players. Average quarterly prices of copper and zinc have moved up 7%/11% QoQ and aluminum/primary rebar have corrected 10%/6% QoQ. Companies had already implemented price hikes in 1QFY27 to offset higher commodity costs, which should partly cushion the impact on 2QFY27 margins. Most companies had indicated that further price hikes could be implemented depending on the demand environment. The benefits of these pricing actions are expected to flow through to margin with a quarter lag.

Export ordering improving

Globally, the focus of spending has shifted toward energy security, supply chain security, defense and manpower resource mobilization. Power transmission, data centre and defense are emerging as key focus areas. During 2QFY27, export ordering picked up for LT, KPIL and KECI, which reported multiple large orders from the Middle East region in power T&D, hydrocarbon and O&G. In the defense sector, in order to promote exports, the Ministry of Defence simplified the defense export SOP and open general export license (OGEL) framework to reduce the procedural requirements for exporters and increase OGEL validity from two years to three years.

Sector View: Prefer companies where macro drivers are intact

We believe that certain stocks have come down to attractive valuations, while overall long-term thesis is intact. We would prefer companies that are benefiting from improved ordering across growing themes such as transmission and distribution, data center and defense and have pricing power or variable pricing contracts in the current scenario of rising RM prices. Private sector ordering has been on an uptrend for the past few quarters, and we would keep a continuous watch on government capex spending.

Preferred picks

We believe that certain stocks have come down to attractive valuations while overall long-term thesis is intact. We would prefer companies that are benefiting from improved ordering across growing themes and have pricing power or variable pricing contracts in the current scenario of rising RM prices. We reiterate our positive stance on LT/Cummins India/GE Vernova T&D in the large-cap space, and Kirloskar Oil Engines/Kalpataru Projects International in the mid-cap and small-cap segments. In the defense sector, Bharat Electronics remains our top pick.

Exhibit 1: Summary of quarterly earnings estimates

	CMP		Sales (INR M)			EBIDTA (INR M)			NET PROFIT (INR M)		
Sector	(INR)	Reco	Sep-26	Var % YoY	Var % QoQ	Sep-26	Var % YoY	Var % QoQ	Sep-26	Var % YoY	Var % QoQ
ABB India	6,854	Neutral	38,306	15.7	7.6	5,235	4.6	17.1	4,373	6.9	18.8
Astra Microwave	1,624	Buy	2,440	13.7	38.1	537	12.2	62.3	322	34.7	160.7
Atlanta Electricals	1,715	Buy	3,928	23.9	-15.8	589	7.5	-23.6	280	11.8	-40.1
Bharat Dynamics	1,088	Neutral	9,316	-18.8	62.8	1,397	-25.5	68.2	1,571	-27.2	32.3
Bharat Electronics	384	Buy	67,032	16.3	21.1	18,568	9.5	33.7	14,033	9.1	33.9
CG Power & Inds.	877	Buy	36,181	23.8	10.3	4,715	25.2	18.7	3,500	22.1	11.8
Cummins India	4,860	Buy	33,538	5.8	-2.1	6,372	-8.3	3.4	5,816	-8.8	7.1
GE Vernova T&D	4,270	Buy	19,785	28.6	7.8	4,946	24.8	7.3	3,731	24.6	2.8
Hind.Aeronautics	4,615	Buy	75,306	13.6	36.5	18,450	18.4	20.8	18,216	9.1	14.6
Hitachi Energy	31,200	Neutral	26,827	46.4	7.6	4,585	53.4	8.3	3,682	46.4	4.0
Kalpataru Proj.	1,357	Buy	59,696	10.2	8.9	5,253	17.5	7.7	2,524	26.3	-4.9
KEC International	372	Buy	59,152	-2.9	17.8	3,549	-17.5	22.0	1,132	-29.6	55.9
Kirloskar Oil	2,242	Buy	16,629	13.9	13	2,162	6.0	30.6	1,398	4.7	40.8
Larsen & Toubro	3,686	Buy	7,22,206	6.2	6.3	72,115	6.0	17.9	43,060	9.7	4.4
MTAR Tech	7,769	Buy	3,254	140	-9.8	749	340.4	-12.0	450	959.9	-10.4
Siemens	3,790	Neutral	52,368	6.9	11.1	4,945	-18.8	14.7	4,020	-17.1	14.2
Siemens Energy	3,330	Buy	27,405	3.6	10.3	6,023	25.7	2.8	4,331	20.4	-1.8
Solar Industries	19,355	Buy	30,832	48.1	-15.9	8,479	53.4	-16.5	5,431	57.4	-16.8
Thermax	3,364	Sell	28,982	17.2	25.9	2,317	34.7	237.7	1,303	9.1	498
Triveni Turbine	530	Buy	5,672	12.1	28.1	794	-30.7	54.8	662	-27.6	29.5
Zen Technologies	1,573	Neutral	2,479	98.9	140.8	793	89.8	181.1	688	48.9	135.4
Capital Goods			**13,21,334**	**9.5**	**9.3**	**1,72,574**	**10.0**	**16.8**	**1,20,523**	**9.8**	**10.4**

ABB: December ending; SIEM: Shifted to March ending 18MFY26 onwards; Siemens Energy: September ending

Exhibit 2: Comparative valuations

	CMP		EPS (INR)			PE (x)			PB (x)			ROE (%)		
Company Name	(INR)	Reco	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
ABB India	6,854	Neutral	81.1	79.4	105.5	84.5	86.3	65.0	16.1	14.4	12.9	23.0	18.8	21.0
Astra Microwave	1,624	Buy	20.3	25.8	35.3	80.0	62.9	46.0	6.1	9.9	8.1	16.0	17.0	19.4
Atlanta Electricals	1,715	Buy	26.4	34.5	52.6	65.0	49.8	32.6	10.0	10.9	8.0	21.8	23.4	26.2
Bharat Dynamics	1,088	Neutral	11.5	18.2	26.0	94.6	59.8	41.8	9.5	8.6	7.5	9.9	14.3	18.0
Bharat Electronics	384	Buy	8.3	9.6	11.2	46.3	40.0	34.3	12.3	9.3	7.4	25.5	23.1	21.5
CG Power & Inds.	877	Buy	7.9	9.9	13.2	111.0	88.8	66.6	13	14.9	12.6	21.0	18.0	20.5
Cummins India	4,860	Buy	85.9	93.7	118.2	56.6	51.9	41.1	15.8	14.9	12.8	31.9	30.7	33.5
GE Vernova T&D	4,270	Buy	50.0	61.8	80.9	85.4	69.1	52.8	34.7	27.8	19.6	57.4	47.7	43.5
Hind.Aeronautics	4,615	Buy	136.3	150.1	179.8	33.9	30.8	25.7	5.7	6.4	5.4	22.2	20.9	21.1
Hitachi Energy	31,200	Neutral	234.6	363.0	492.2	133.0	86.0	63.4	19.8	19.7	14.9	20.2	24.1	24.7
Kalpataru Proj.	1,357	Buy	58.6	69.6	81.0	23.2	19.5	16.7	2.2	2.5	2.2	13.0	13.6	14.0
KEC International	372	Buy	24.4	20.8	30.2	15.2	17.9	12.3	2.2	1.5	1.4	11.3	8.7	11.8
Kirloskar Oil	2,242	Buy	31.9	40.4	59.6	70.3	55.5	37.6	5.7	8.5	7.2	14.6	16.3	20.8
Larsen & Toubro	3,686	Buy	123.7	146.2	179.2	29.8	25.2	20.6	4.4	4.1	3.6	16.4	17.3	18.8
MTAR Tech	7,769	Buy	31.5	80.3	149.5	246.6	96.8	52.0	13.0	22.3	15.6	12.5	26.1	35.4
Siemens	3,790	Neutral	79.4	48.7	67.8	47.7	77.9	55.9	7.5	7.8	6.8	20.4	10.0	12.2
Siemens Energy	3,330	Buy	30.9	45.3	58.0	107.8	73.5	57.4	20.9	19.9	14.8	25.1	27.1	25.8
Solar Industries	19,355	Buy	185.4	284.9	378.3	104.4	67.9	51.2	17.4	20	14.5	26.7	29.4	28.3
Thermax	3,364	Sell	60.1	54.5	86.4	56.0	61.7	38.9	6.7	6.3	5.6	12.9	10.6	15.2
Triveni Turbine	530	Buy	11.4	10.8	15.0	46.5	49.2	35.3	9.7	10	8.3	27.1	21.8	25.6
Zen Technologies	1,573	Neutral	16.2	33.6	47.0	97.1	46.9	33.5	6.3	6.7	5.6	8.3	15.4	18.2
Amber Enterp.	6,499	Buy	61.7	106.7	182	105.3	60.9	35.7	5.3	4.8	4.2	6.5	8.2	12.6
Dixon Tech.	12,700	Buy	139.7	140.4	249.7	90.9	90.5	50.9	12.6	12.9	10.4	22.1	16.0	22.6

*For ABB, FY26/FY27E/FY28E indicate CY25/CY26E/CY27E data; For SIEM: FY26/FY27E/FY28E indicate 18MFY26/12MFY27E/12MFY28E data; For Siemens Energy, FY26/FY27E/FY28E indicate Sep'25/Sep'26E/Sep'27E Y/E data.

Result Preview



Company	Reco	TP (INR)
Consumer		
Staples		
Britannia Inds.	Buy	6000
Colgate-Palm.	Buy	2100
Dabur India	Neutral	425
Emami	Buy	500
Godrej Consumer	Buy	1100
Hind. Unilever	Buy	2300
ITC	Neutral	285
Jyothy Labs	Neutral	200
L T Foods	Buy	520
Marico	Buy	900
Nestle India	Neutral	1,450
P & G Hygiene	Neutral	7500
Tata Consumer	Buy	1,500
Varun Beverages	Buy	570
Zydus Wellness	Buy	665
Paints and Adhesive		
Asian Paints	Neutral	2,600
Indigo Paints	Buy	1,400
Pidilite Inds.	Neutral	1,650
Innerwear		
Page Industries	Buy	43,000
Liquor		
Radico Khaitan	Buy	5,000
United Breweries	Neutral	1,275
United Spirits	Neutral	1,500
QSR		
United Foodbrands	Neutral	725
Devyani Intl.	Buy	160
Jubilant Food.	Buy	625
Sapphire Foods	Buy	245
RBA	Buy	125
Westlife Foodworld	Neutral	535
Jewelry		
Kalyan Jewellers	Buy	800
P N Gadgil Jewellers	Buy	750
Senco Gold	Neutral	355
Titan Company	Buy	6,000

Resilient growth continues; pressure on margins

Within our consumer coverage universe, almost all segments are likely to see an increase in revenue/EBITDA growth YoY in 2QFY27: Staples at +10%/1%, staples (ex-ITC) at +15%/13%, paints & adhesives at +16%/12%, liquor at +10%/13%, innerwear at +16%/+13%, QSR at +15%/+20%, and jewelry at +23%/+26%.

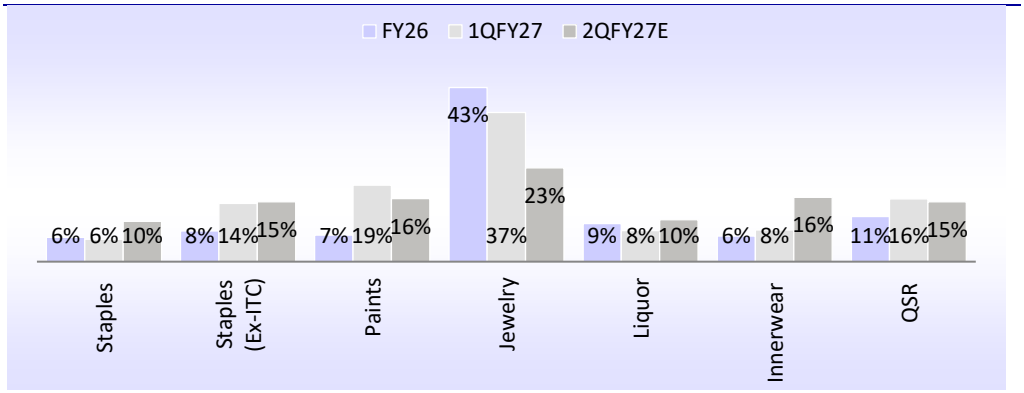
- **Staples** companies are expected to report resilient revenue growth in 2QFY27, supported by steady volume growth, pricing, and a favorable base (some benefit from purchase deferment by channel partners in September last year amid the GST transition). We expect most staples players to deliver double-digit sales growth, with a healthy mix of price and volumes. Both rural and urban demand are likely to remain broadly steady with no meaningful divergence. With mid-to-high single-digit price hikes taken across categories, pricing has largely negated GST-2.0 benefits. On the margin front, GM is likely to remain under pressure YoY as companies absorb higher-cost crude and palm oil inventory and agri inflation, partly offset by pricing. However, operating leverage should cushion the impact at EBITDA level to an extent. We expect our coverage universe ex-ITC to deliver sales/EBITDA/APAT growth of 15%/13%/17% in 2Q.
- **Paint & Adhesives:** Paint industry demand remained steady in 2QFY27, with July seeing healthy trends, August relatively softer, and September showing improvement, aided by a favorable base. Volume growth is expected to remain steady. Festive-driven secondary demand is expected to pick up in October, with the delayed and extended festive season providing support to 3QFY27. RM costs remained volatile, with September witnessing a further escalation after cost pressures had started easing in July-August. Gross margin is expected to contract YoY as most of the low-priced RM was consumed in 1Q. We expect relatively low pressure on EBITDA margin, supported by operating leverage and a favorable base. We model sales/EBITDA/ PAT growth of 16%/ 12%/16% for our coverage universe in 2Q.
- **Liquor** companies are likely to see continued outperformance in premium spirits, although elevated input costs across glass, PET, and packaging are expected to impact gross margins. This will partly be offset by premiumization and pricing. UNSP is likely to report another weak quarter, with flattish volumes and ~6% revenue growth. P&A volumes should see modest growth, offset by continued sharp declines in the popular segment amid the MML impact and disruption from Karnataka policy changes. Higher brand investments are also likely to drive a slight EBITDA decline. Radico, in contrast, should sustain healthy double-digit revenue and EBITDA growth, led by robust P&A momentum. UBBL is expected to deliver healthy volume-led revenue growth, aided by favorable Karnataka policy changes supporting premiumization, though profitability is likely to remain under pressure from sharp cost inflation. The India-UK FTA, effective from mid-July, remains a structural positive for the sector, with lower import duties expected to provide meaningful margin benefits from 3QFY27. The spirits industry should benefit from supportive state-level policy changes in UP and Karnataka. We expect sales/EBITDA/PAT growth of 10%/13%/13% for our coverage companies in 2QFY27.

- The **Innerwear** sector continues to witness an improvement in demand in 2QFY27, supported by healthy secondary sales and broad-based traction across channels. PAGE is passing on input-cost inflation through calibrated price hikes, having taken ~2% price increases in mid-May to partly offset RM pressure; the full benefit of these hikes is expected to flow through in 2QFY27. While PAGE's 1Q performance was impacted by supply chain constraints (while secondary was healthy), it is expected to recoup in 2Q. Competitive intensity is also moderating, with peers reducing deep discounting. We expect PAGE to deliver double-digit revenue growth in 2QFY27. PAGE remains focused on premiumization through new product launches, alongside continued investments in brand building, marketing, and technology. We expect sales/EBITDA/PAT growth of 16%/13%/14% for the company.
- **QSR** demand trends improved sequentially in 2QFY27, with most brands expected to perform better than in 1QFY27. Companies should benefit modestly from the shift in Navratri to October this year versus September last year. KFC (Devyani and Sapphire) is expected to deliver high-single digit SSSG, while PH SSSG is likely to remain in low-single digits. Jubilant FoodWorks is expected to report 4% SSSG (high base impact), Westlife Foodworld 7%, and RBA 13%, while United Foodbrands is expected to continue outperforming with >20% SSSG. Companies are likely to see a sequential decline in gross margins due to inflation in key RM prices (cheese, chicken, etc.) and low ADS. EBITDA margin (pre-IND AS) is expected to sustain at YoY level, while RBA and United Foodbrands are expected to post margin expansion. We expect sales and EBITDA growth of 15% and 20% for 2QFY27, respectively.
- **Jewelry**: In 2QFY27, average gold prices increased ~45% YoY (~60% YoY in 1QFY27), while remaining broadly flat QoQ. Despite elevated gold prices, jewelry demand remained resilient during the quarter. Sales growth was partly impacted by the shift in the Navratri festive period to October this year, compared with September last year, as well as the recent reiteration of the government's stance to defer jewelry purchases. Despite this, demand trends for top players remained strong. Companies are expected to benefit from a one-time inventory gain following the increase in customs duty. We model sales/EBITDA/PAT growth of 23%/26%/27% for our coverage jewelry companies in 1Q.
- **Outperformers and underperformers:** Among our coverage companies, Titan, Kalyan Jewelers, RBA, Radico, Marico, Nestle, and Page are expected to be outliers in 2QFY27, whereas ITC, JYL, and UNSP are expected to be the underperformers.
- **Outlook:** Consumption demand remained resilient in 2QFY27, despite multiple macro headwinds. The quarter exited on a healthy note, indicating that positive trends are sustaining, with further optimism around the festive period. While inflation, weak rainfall, and other macro factors remain concerns for consumption, we currently do not model any growth deceleration in 2HFY27. Gross margin is expected to contract in 2Q, and given elevated prices, we believe cost pressures are likely to sustain through 2HFY27 as well. Product mix, pricing strategy, and cost levers should play a key role in arresting the decline in EBITDA margins. Recent de-rating in stocks could provide an opportunity in companies where growth delivery is strong. **Our top picks are Titan, Radico, RBA, Zydus Wellness, and Marico.**

Input-cost inflation remains elevated, keeping 2QFY27 margins subdued

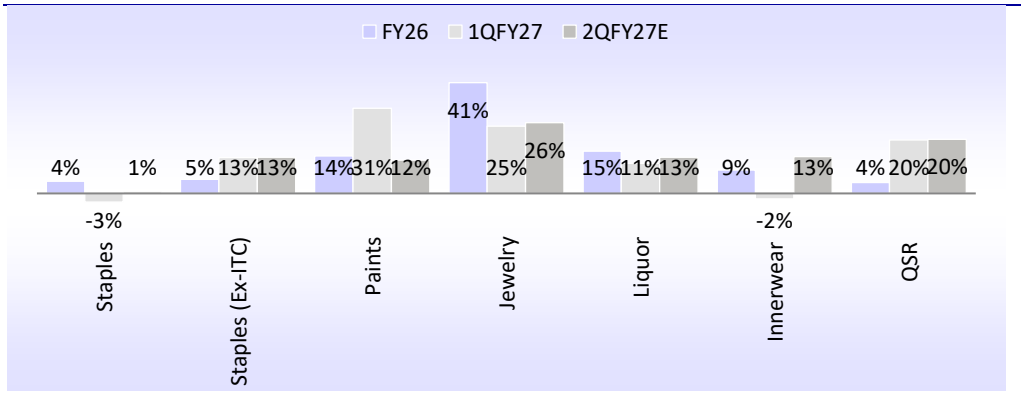
- The raw material basket remained inflationary in 2QFY27, with several key inputs continuing to trade significantly above last year levels. While crude and select derivatives moderated sequentially, they remained elevated YoY. Consumer companies are likely to face margin pressure in 2QFY27, unlike the previous quarter, where low-cost inventory aided margins to an extent. Pricing should provide only partial offset, keeping margins subdued.
- **Non-agri commodities:** Crude remained a key inflationary headwind, with Brent averaging USD91/bbl (+34% YoY), while HDPE (+33%), VAM China (+16%), domestic TiO2 (+14%), and soda ash (+17%) remained meaningfully higher YoY. Glass prices are witnessing inflationary trends, while gold prices remained elevated at +46% YoY. Although several crude-linked inputs have corrected sequentially, YoY inflation remains sizeable and is likely to weigh on gross margins in 2QFY27.
- **Agricultural commodities:** The agri basket also turned more inflationary, with sugar (+20% YoY), mentha (+34%), barley (+14%), cotton (+19%), yarn (+27%), and tea (+13%) seeing sharp YoY increases. Conversely, cocoa (-28%), coffee (-34%), cashew (-14%), and copra (-47%) remained deflationary, providing some relief to select companies. Overall, the benefit from softer commodities remains company-specific, while broad-based input inflation is likely to keep margins under pressure in 2QFY27.

Revenue growth for our coverage universe in FY26, 1QFY27 and 2QFY27E (%)



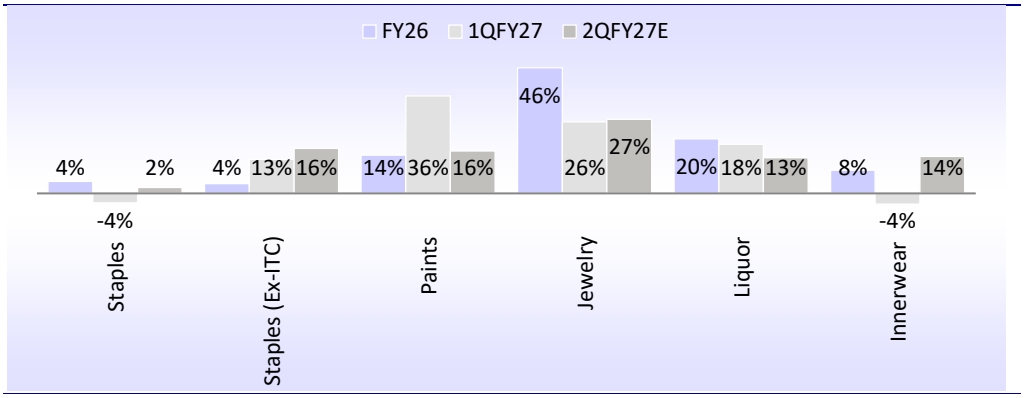
Source: Company, MOFSL

EBITDA growth for our coverage universe in FY26, 1QFY27 and 2QFY27E (%)



Source: Company, MOFSL

APAT growth for our coverage universe in FY26, 1QFY27 and 2QFY27E (%)



Source: Company, MOFSL

Summary of our 2QFY27 earnings estimates

Sector	CMP (INR)	Reco	Sales (INR m)			EBITDA (INR m)			Net profit (INR m)		
			Sep'26	Var YoY (%)	Var QoQ (%)	Sep'26	Var YoY (%)	Var QoQ (%)	Sep'26	Var YoY (%)	Var QoQ (%)
Staples											
Britannia	4,795	Buy	53,937	14%	9%	10,319	8%	23%	7,224	10%	22%
Colgate	1,735	Buy	17,247	14%	8%	5,220	12%	8%	3,747	14%	8%
Dabur	377	Neutral	35,973	13%	-4%	6,512	11%	-12%	4,977	8%	-17%
Emami	372	Buy	9,577	20%	-8%	1,955	10%	-14%	1,556	-9%	2%
Godrej Consumer	843	Buy	44,278	19%	5%	8,296	13%	4%	5,453	13%	6%
Hind. Unilever	1,841	Buy	1,76,709	11%	2%	41,162	9%	4%	28,834	15%	6%
ITC	257	Neutral	1,94,552	0%	2%	56,044	-16%	8%	42,988	-15%	5%
Jyothy Labs	183	Neutral	7,398	1%	-4%	610	-48%	-6%	459	-48%	-4%
L T Foods	398	Buy	32,394	17%	3%	3,682	19%	4%	2,079	27%	13%
Marico	780	Buy	40,735	18%	3%	7,010	25%	-14%	5,292	26%	-16%
Nestle	1,304	Neutral	68,052	21%	7%	16,161	29%	5%	10,267	38%	7%
P&G Hygiene	6,648	Neutral	12,249	6%	37%	3,160	11%	86%	2,360	12%	87%
Tata Consumer	949	Buy	55,841	12%	4%	7,707	15%	6%	4,538	12%	6%
Varun Beverages	424	Buy	60,613	24%	-28%	13,951	22%	-40%	8,278	12%	-46%
Zydus Wellness	493	Buy	11,137	71%	-22%	888	286%	-63%	428	944%	-74%
Paints											
Asian Paints	2,406	Neutral	96,991	14%	-8%	16,789	12%	-23%	11,287	14%	-27%
Indigo Paints	1,054	Buy	3,674	18%	-1%	524	13%	-16%	306	22%	-27%
Pidilite Inds.	1,470	Neutral	42,654	20%	-6%	9,614	13%	-19%	6,863	18%	-20%
Innerwear											
Page Industries	36,600	Buy	14,964	16%	5%	3,170	13%	10%	2,211	14%	15%
Liquor											
Radico Khaitan	4,268	Buy	16,827	13%	0%	3,405	43%	-2%	2,179	57%	-4%
United Breweries	1,188	Neutral	23,587	15%	-23%	1,868	44%	-34%	850	81%	-49%
United Spirits	1,338	Neutral	33,712	6%	25%	6,506	-3%	51%	4,666	-6%	38%
QSR											
Devyani Intl.	127	Buy	15,507	13%	-2%	2,240	15%	-12%	47	LP	-74%
Jubilant Foodworks	444	Buy	18,770	11%	2%	3,644	11%	1%	698	9%	-4%
Sapphire Foods	210	Buy	8,527	15%	-4%	1,149	13%	-18%	-129	Loss	PL
United Foodbrands	694	Neutral	4,047	33%	-5%	711	89%	2%	51	LP	123%
Restaurant Brands	92	Buy	7,040	24%	3%	1,209	49%	24%	74	LP	LP
Westlife Foodworld	589	Neutral	7,372	15%	0%	883	16%	-7%	-46	Loss	PL
Jewelry											
Kalyan Jewellers	530	Buy	1,04,522	33%	-1%	6,089	23%	3%	3,326	28%	4%
P N Gadgil Jewellers	582	Buy	26,510	22%	10%	1,732	62%	0%	1,069	35%	9%
Senco Gold	317	Neutral	19,969	30%	-35%	1,398	39%	-29%	501	17%	-42%
Titan Company	4,535	Buy	2,22,438	19%	4%	23,247	24%	-6%	14,192	27%	-3%

Healthcare



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

YoY earnings growth expected to be on a recovery trend

DF/hospitals on a robust growth path; aggregate exports on a weaker footing

- Following a subdued revenue growth of 10.8% YoY in FY26 (excluding hospitals), our coverage universe is expected to deliver better growth in 2QFY27, building on the robust performance reported in 1QFY27. Aggregate revenue/EBITDA is likely to rise ~13% YoY. However, PAT is expected to remain under pressure, with estimated growth of 5.8% YoY, due to higher finance costs and increased depreciation following acquisitions.
- The sustained improvement in domestic formulation growth prospects is expected to be partially offset by lower aggregate US generics sales among companies under our coverage. Having said this, the INR depreciation of 8.5% against the USD and 5% depreciation against the EUR is expected to provide some respite to export revenue and profitability. The ongoing political turmoil in the Middle East is expected to increase the logistics/supply chain costs. Vessel availability is increasingly becoming a challenge for pharmaceutical companies with exposure to both import and exports
- Among healthcare services, hospitals are likely to maintain their outperformance, with ~25% YoY revenue growth, driven by ongoing capacity additions and healthy improvement in ARPOB. However, margins may remain under pressure for select hospitals owing to the ramp-up of newly commissioned facilities.

DF: Momentum to be 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 20.4% YoY to INR312b in 2QFY27. The DF segment is likely to deliver 13.6% YoY growth ex-GNP/TRP. Following a modest 9% YoY growth in 2QFY26, the DF market has witnessed strong momentum, and we expect YoY growth to accelerate to double digits for the fourth 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 towards high-growth chronic therapies.
- **Chronic therapies resilient; acute recovery gains traction:** Acute therapies exhibited a meaningful recovery, with growth improving to 10% YoY while chronic therapies delivered strong momentum of 16% YoY in MAT Aug'26. Robust momentum in cardiac, anti-diabetic, 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.
- **DRRD/ZYDUSLIF/AJP/LPC to lead DF growth in 2QFY27:** We expect DRRD/ZYDUSLIF/AJP/LPC to deliver robust 15% YoY growth in DF segment in 2QFY27. DRRD is expected to post broad-based growth across most therapy areas except respiratory. **Superior** execution supported by product launches and better MR productivity is expected to drive outperformance for these companies among our coverage pack. Optically, GNP/TRP is expected to report 7x/ 48% YoY growth in the DF segment due to the low base for GNP and the

- consolidation of JB Pharma for TRP. Emcure is expected to deliver an improvement in YoY growth for 2QFY27.
- **ALPM/ERIS expected to underperform in 2QFY27:** We expect ALPM/ERIS to underperform peers in 2QFY27, with DF sales growth of 6.8%/10.4% YoY owing to muted performance across key therapies in the acute and chronic segments.

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

- **DRRD/CIPLA/SUN to drag down overall YoY growth:** For our coverage universe, US revenue is expected to decline 6.9% YoY to USD2.3b in 2QFY27, primarily due to a steep 35%/27% YoY decline in US sales for DRRD/CIPLA to USD236m/USD162m. The decline reflects intensifying competition across niche products, including g-Revlimid. Similarly, SUN is expected to witness a 12% YoY dip due to lower generic Lenalidomide sales and increased competition in select products, partially offset by growth in innovative medicines. The currency tailwind is expected to offset the decline in CC terms, leading to flat YoY US sales in INR terms. Sequentially, LPC is expected to dip 18% due to competition in Mirabegron and Tolvaptan. Elevated freight costs and geopolitical disruptions are likely to weigh on quarterly profitability.
- **ALPM/RUBICON/GNP to outperform in the US market:** The overall weakness in US sales is expected to be partially offset by robust growth from ALPM, RUBICON and GNP. ALPM is likely to deliver 55% YoY growth, supported by 180-day marketing exclusivity for Bosutinib. GNP is also expected to post healthy 23% YoY growth, supported by CGT exclusivity of Flovent HFA 44mcg. We expect RUBICON to report 22% YoY growth, supported by a healthy pipeline of new launches, continued market share gains in its base portfolio, and an increasing contribution from specialty and differentiated products.
- **USFDA approval momentum to slow down industry-wide:** USFDA regulatory compliance activity remained healthy in 2Q. Coverage companies underwent 10 USFDA inspections aggregately during 2QFY27. At the industry level, 164 final approvals were granted during the quarter while our coverage companies received 50 final approvals. However, industry-wide approvals slowed down QoQ in 2Q from the high level witnessed in 1QFY27, i.e., ~200 approvals.

Hospitals: Volume-driven growth to support 2Q performance

- **Revenue/EBITDA to grow at the same pace of +25% YoY in 2QFY27:** For the hospital companies under our coverage, revenue is expected to grow 25% YoY to INR170b in 2QFY27, driven by operational execution, significant expansion of bed capacities and development of new facilities, collectively strengthening operating metrics. In 2Q, we expect EBITDA margins of our coverage companies to be ~20% and aggregate EBITDA to grow by 24.8% YoY.
- **Medanta to outperform, while MAXHEALTH to underperform in 2QFY27:** We expect APHS to post 19%/20%/26% YoY growth in sales/EBITDA/PAT in 2QFY27. MEDANTA is expected to deliver sales growth of 17% and EBITDA/PAT growth of 30%/25% YoY. Notably, the recently commissioned Noida hospital is expected to turn EBITDA-positive. MAXHEALTH is likely to deliver sales/EBITDA/PAT growth of 14%/11%/4% YoY. Revenue growth is likely to be impacted by the stoppage of sales of certain chemotherapy drugs, a slower occupancy ramp-up. FORH is

likely to post 7% YoY growth in EBITDA and a decline of 3% YoY in PAT due to the ramp-up of recently acquired facilities. We expect ASTER to deliver 1.2x/1.2x/1.6x YoY growth in sales/EBITDA/PAT owing to the merger with QCIL.

- **Robust expansion pipeline to support long-term growth:** ASTERDM Quality care plans to add 634 beds in FY27 via greenfield and brownfield expansions. MAXHEALTH plans to add ~600 beds in the rest of FY27 in Sec-56 Gurugram/Lucknow via greenfield/brownfield expansion. In the rest of FY27, APHS is set to operationalize ~620 beds in Hyderabad, Pune, Kolkata, and Delhi, reinforcing its presence in high-potential metro markets via acquisitions and greenfield expansion. Medanta is adding 420 beds in Indore/ Lucknow/Noida/Patna in the rest of FY27. FORH has planned to add 400 beds over the remaining quarters of FY27 through brownfield expansion.

LAURUS/Rubicon/GLAND to outperform in the healthcare pack

- In 2QFY27, we expect LAURUS/GLAND/Rubicon to deliver EBITDA growth of 53%/42%/38% YoY and PAT YoY growth of 65%/58%/57%.
- LAURUS/GLAND/Rubicon are expected to sustain healthy earnings momentum due to improved sales growth and better operating leverage. For TRP/GNP, EBITDA growth is likely to be driven by continued strength in the DF business, supported by healthy growth across chronic segments. Additionally, TRP would 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.
- Superior execution is expected to drive 21%/32% YoY growth in EBITDA/PAT for Emcure in 2QFY27
- DRRD/CIPLA are likely to report a YoY decline of 44%/30% in EBITDA owing to intensifying competition across niche products, including g-Revlimid, while LPC is likely to witness an 11% YoY decline due to competition in Tolvaptan/ Mirabegron. This will result in increased pricing pressure and lower profitability, which is expected to weigh on earnings.
- ***Our top ideas: Mankind Pharma (superior execution), Rubicon (R&D-led growth), Emcure (growth revival in play), and Medanta (Noida ramp-up).***

Summary of quarterly performance

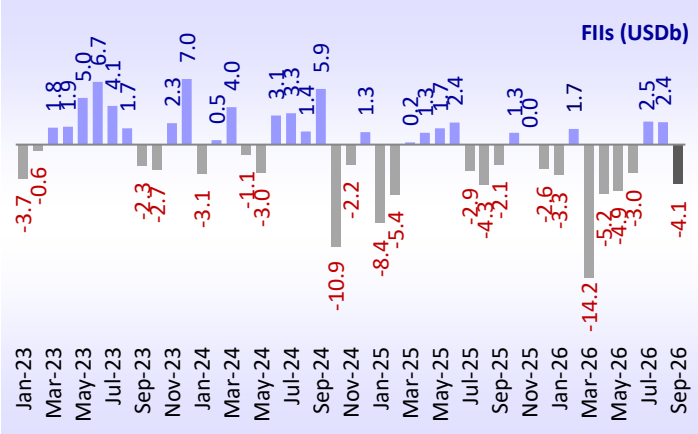
Sector	CMP (INR)	RECO	SALES (INR m)			EBITDA (INR m)			NET PROFIT (INR m)		
			Sep-26	Var % YoY	Var % QoQ	Sep-26	Var % YoY	Var % QoQ	Sep-26	Var % YoY	Var % QoQ
Ajanta Pharma	3582	Buy	16,041	18.5	-1.3	4,283	16.1	-5.7	2,953	13.1	-7.5
Alembic Pharma	815	Neutral	23,622	23.7	9.9	4,158	31.7	25.3	2,380	28.8	37.5
Alkem Lab	5240	Neutral	43,793	9.5	17.1	9,985	8.4	30.3	6,660	-13.0	28.1
Apollo Hospitals	8116	Buy	75,229	19.3	6.8	11,284	19.9	3.3	6,018	26.1	3.6
Aster DM Quality	709	Buy	26,321	119.9	100.8	5,527	121.2	109.1	2,882	161.2	80.5
Aurobindo Pharma	1675	Buy	96,195	16.1	5.1	20,201	20.4	5.0	11,185	32.4	6.2
Biocon	371	Buy	44,741	4.1	3.2	8,993	7.7	6.2	1,402	54.1	-3.9
Blue Jet Healthcare	542	Buy	2,439	47.4	-16.8	847	54.1	-13.7	660	26.5	-15.7
Cipla	1347	Neutral	74,405	-2.0	4.5	13,170	-30.5	10.5	8,794	-34.9	8.1
Divis Labs	9294	Neutral	30,982	14.1	0.6	11,773	32.6	-6.2	8,310	29.6	-7.9
Dr Agarwals Health.	487	Buy	6,200	24.3	1.0	1,680	23.4	-1.4	405	36.3	-10.5
Dr Reddy' s Labs	1200	Neutral	84,669	-3.8	4.7	11,938	-43.8	9.6	6,126	-60.3	-5.3
Emcure Pharma	1783	Buy	26,398	16.3	2.3	5,306	20.8	4.4	2,861	32.0	-1.7
Eris Lifescience	1190	Neutral	8,747	10.4	0.2	3,097	7.4	4.5	1,497	24.8	5.1
Fortis Healthcare	786	Buy	27,012	15.9	6.1	5,933	6.6	10.5	2,957	-2.7	14.1
Gland Pharma	2874	Buy	17,252	16.0	-4.2	4,468	42.4	-8.7	2,908	58.3	-8.3
Glenmark Pharma	2336	Buy	40,599	70.8	1.0	8,252	LP	2.5	4,896	LP	1.4
Global Health	1358	Buy	12,915	17.5	-1.0	3,009	30.3	4.9	1,828	25.4	16.3
Granules India	821	Buy	15,560	20.0	5.4	3,361	20.8	-0.8	1,785	36.7	-0.8
GSK Pharma	2775	Neutral	11,275	15.1	20.2	4,003	19.2	35.5	3,115	22.2	31.3
IPCA Labs.	1940	Buy	27,947	9.3	0.2	6,595	21.0	-1.5	3,941	21.3	-1.9
Laurus Labs	1989	Buy	21,139	27.8	4.3	6,152	52.5	-3.6	3,198	64.8	-13.0
Laxmi Dental	194	Buy	791	9.4	5.9	155	40.6	7.9	105	22.9	1.8
Lupin	2029	Neutral	77,248	9.6	-6.7	18,926	-11.5	-23.2	10,920	-17.7	-23.4
Mankind Pharma	2527	Buy	41,880	13.3	3.9	11,391	23.6	7.9	6,749	33.1	18.8
Max Healthcare	945	Buy	29,272	13.8	3.5	7,611	10.8	9.4	4,429	4.1	18.9
Piramal Pharma	198	Buy	23,548	15.2	3.7	2,237	41.0	14.6	-684	Loss	Loss
Rubicon Research	1634	Buy	5,515	33.8	3.2	1,301	38.0	0.8	848	57.4	0.0
Sun Pharma	1810	Buy	1,56,317	8.5	3.0	42,440	5.5	1.5	28,197	0.9	-8.7
Torrent Pharma	4762	Neutral	48,130	45.8	-2.2	15,931	47.1	-4.3	5,450	-9.3	-6.4
Zydus Lifesciences	1145	Neutral	75,609	23.5	-5.7	17,541	9.5	-6.3	8,859	-12.7	-2.8
Healthcare			**11,91,792**	**15.0**	**3.6**	**2,71,548**	**14.8**	**2.0**	**1,51,632**	**8.5**	**-0.6**

Source: Company, MOFSL

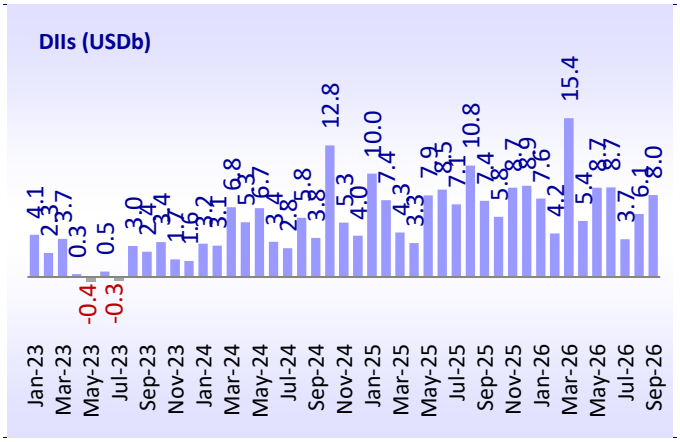
Bulls & Bears (October 2026): India Valuations Handbook — Pain continues; the second steepest MoM dip since Oct'24

- **Market slumps for the second consecutive month:** The Nifty slid 6.1% MoM in Sep'26, the second consecutive month of decline amid geopolitical headwinds. The index oscillated 1,574 points before closing 1,460 points (or 6.1% MoM) lower at 22,620, the second steepest MoM dip since Oct'24. The Nifty is down 13.4% in CY26YTD. Over the last 12 months, largecaps have fallen 8%, underperforming midcaps (+5% YoY) and smallcaps (+10% YoY). Over the last five years, midcaps (CAGR: 14.3%) have notably outperformed largecaps (CAGR: 5.1%) by 67%, while smallcaps (CAGR: 12.1%) have markedly outperformed largecaps by 49%.
- **FIIs record outflows after two months of inflows; DII inflows remain strong:** In Sep'26, FIIs recorded outflows of USD4.1b after two consecutive months of inflows. FII equity outflows stand at USD28.3b in CY26YTD. DII inflows remained strong in Sep'26 at USD8b, taking DII equity inflows to USD67.8b in CY26YTD.
- **Breadth adverse in Sep'26:** All major sectors ended lower. Technology (-11%), Financials Ex Banks (-9%), Automobiles (-9%), PSU Banks (-7%), and Capital Goods (-6%) were the top laggards MoM. The market breadth was adverse in Sep'26, with 45 Nifty stocks closing lower. Adani Ports (+13%), Dr Reddy's (+7%), Coal India (+6%), ITC (+3%), and Adani Enterp. (+2%) were the only gainers, while TCS (-15%), Bajaj Finserv (-14%), Nestle (-12%), Infosys (-12%), and Maruti (-12%) were the key laggards.
- **Major global markets end lower in Sep'26:** Among the key global markets, Brazil (+5%), Taiwan (+4%), Japan (+1%), and Korea (+0.3%) ended higher MoM. However, Indonesia (-7%), India (-6%), Germany (-4%), China (-4%), the UK (-2%), MSCI EM (-1%), and the US (-0.5%) ended lower MoM in Sep'26. During the last 12 months, the MSCI India Index (-12%) has underperformed the MSCI EM Index (+27%) in USD terms. Over the last 10 years, the MSCI EM Index (CAGR: 6.6%) now trades higher than the MSCI India Index (CAGR: 6.2%). In P/E terms, the MSCI India Index is trading at a 35% premium to the MSCI EM Index, below its historical average premium of 72%.
- **Geopolitical headwinds overshadow underlying strength:** After touching an all-time high in Sep'24, the Indian equity market has undergone a prolonged phase of consolidation, marked by both time and price correction. Persistent global, geopolitical and macroeconomic headwinds have heightened volatility across global and Indian markets, dragging down the Nifty-50 by 14% from its 2024 peak, while midcaps and smallcaps remain nearly flat. Despite the broader market staying range-bound, we examine the key factors shaping market performance and the opportunities emerging amid persistent global headwinds. Read more
- **Valuation and view:** The Nifty is trading at a 12-month forward P/E ratio of 17.2x, below its LPA of 20.9x (at 18% discount). Further, its P/B of 2.5x represents a 12% discount to its historical average of 2.9x. The 12-month trailing P/E for the Nifty, at 19.8x, is below its LPA of 23.2x (at 15% discount). At 2.8x, the 12-month trailing P/B ratio for the Nifty is below its historical average of 3.2x (at 11% discount). Notably, more than half of the sectors trade at a discount to their historical averages. Healthcare, PSU Banks, Capital Goods, Utilities, Metals, Capital Markets, Defense, Logistics, and Infrastructure trade at a premium to their LPA valuations, while Oil & Gas, Consumer, Private Banks, Technology, Real Estate, Retail, Telecom, NBFCs, Consumer Durables, Chemicals, and Cement trade at a discount to their LPA. With the valuations now significantly below their peaks, earnings growth remaining healthy and macro environment staying strong, we believe risk-reward has enhanced further for Indian equities. However, given the relatively higher earnings growth in the midcap and smallcap segments, market performance is likely to remain firmly bottom-up.
- **Top Nifty-50 Ideas:** Bharti Airtel, ICICI Bank, SBI, Titan Company, Adani Enterprises, M&M, Eternal, Bharat Electronics, Hindalco, Interglobe Aviation, Shriram Finance, BSE, and Apollo Hospitals. **Top non-Nifty-50 Ideas:** TVS Motor, Lenskart Solutions, GE Vernova T&D, SBI Funds Management, Indian Hotels, Meesho, Dixon Tech, Coforge, Radico Khaitan, Physicswallah, Kirloskar Oil Engines, Inventurus Knowledge Solutions, RBL Bank, and Gabriel.

FIIs turn net sellers in Sep'26 after two successive months of buying

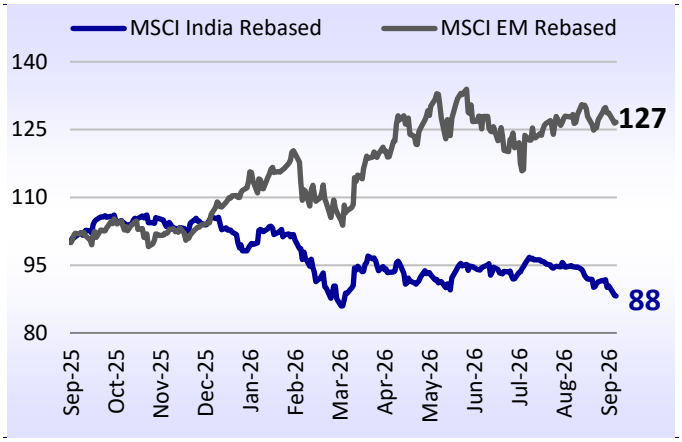


Monthly DII equity inflows remain strong in Sep'26

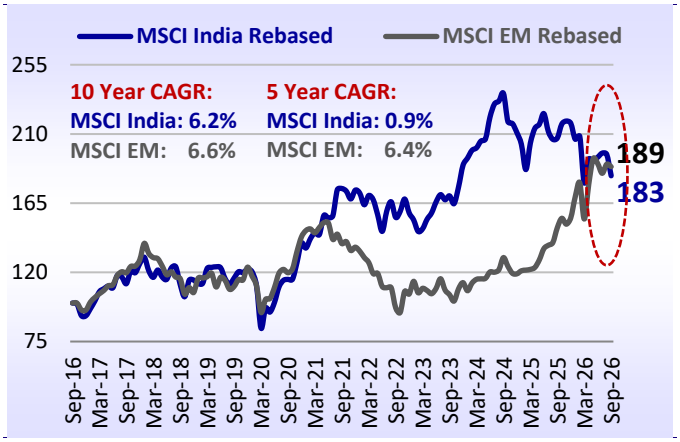


In the last 12 months, the MSCI India Index (-12%) has underperformed the MSCI EM Index (+27%)

Performance of MSCI EM vs. MSCI India over the last 12 months in USD



MSCI EM now trades higher than MSCI India over last 10 years



INDIA STRATEGY – Oct'26 (The Eagle Eye): Global macro clouds deepen as FII selling resurfaces

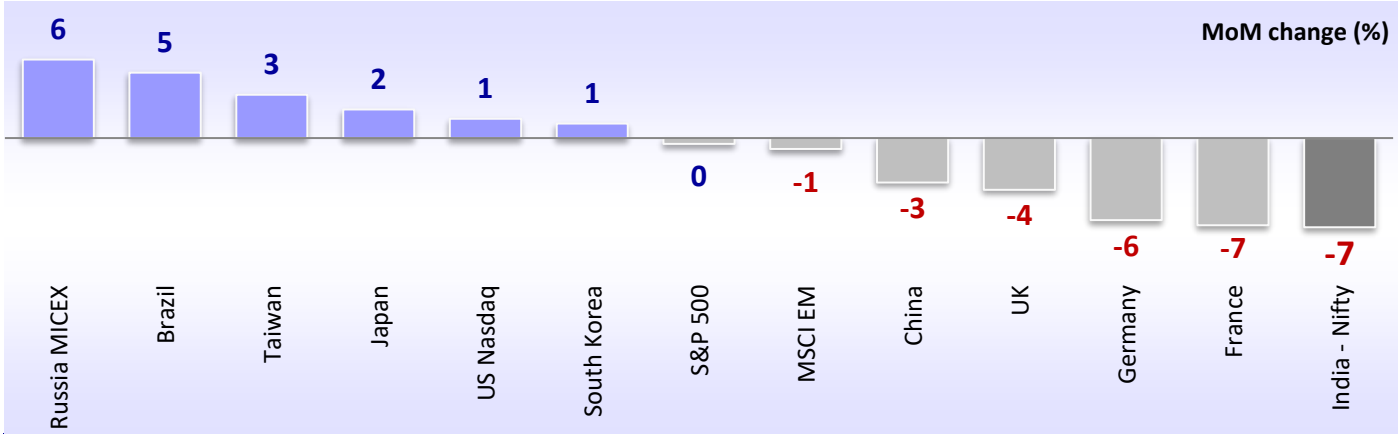
The key highlights of the 'The Eagle Eye' are as follows:

- a) Indian market weakness continues; Russia and Brazil rebound from the Aug'26 lows; b) Market returns cool sharply, improving risk-reward and reversion potential; c) Rate hikes begin, pushing global bond yields to multi-year highs; d) Global bond yields surge to multi-decade highs; e) India's forex reserves soar to a record high amid strong FCNR inflows; f) SMIDs' share of Indian market cap reaches an all-time high; g) MSCI EM weights: India, China at multi-year lows; Taiwan, Korea at record highs; h) Broad-based sell-off; Media the lone gainer, while Technology and Financials lag; i) Elevated commodity prices pose an extended margin risk; j) IRDAI's 2026 reforms: Reshaping the economics of insurance distribution; k) DII buying strengthens as FII selling resurfaces; l) Nifty's valuations ebb to May'20 levels.

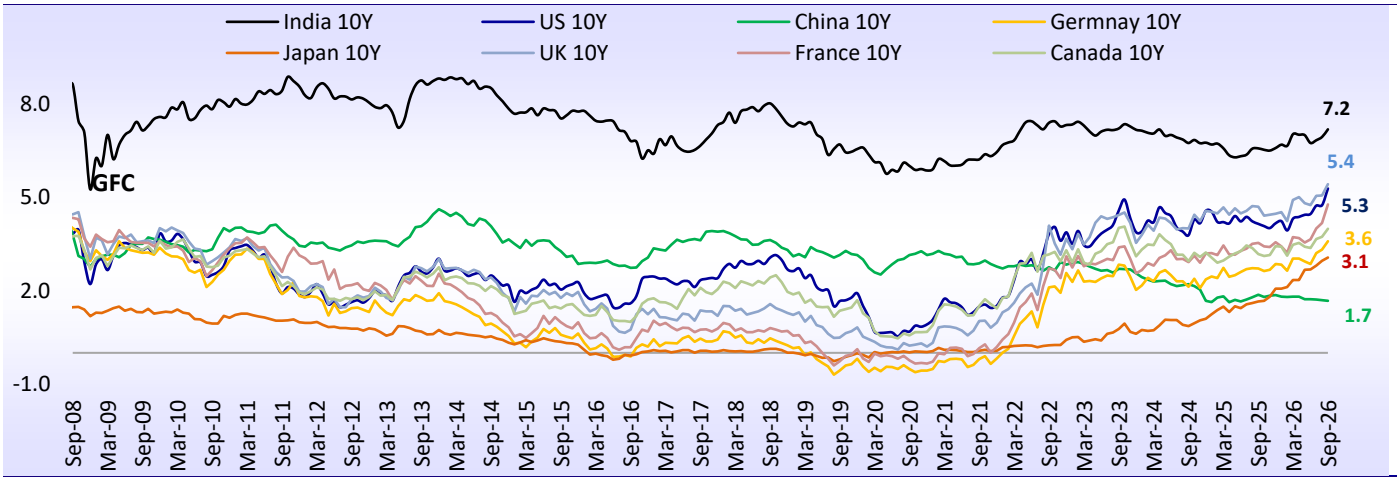
Notable Published reports during the month:

- Initiating coverage report on: 1) Adani Power, 2) Physicswallah, 3) V2 Retail, 4) Tenneco Clean Air, 5) Turtlemint Fintech Solutions, 6) Pine Labs, 7) Solar Industries, 8) SPR Auto Technologies, 9) Aster DM Healthcare, and 10) Torrent Power.

MoM performance of global equity indices in USD terms (%)



Global bond yields surge to multi-year highs (%)



CRISIL Ratings Roundup: Credit ratio improves to 2.18x; banks' credit growth seen at 14.5-15.5%

KEY HIGHLIGHTS:

- Corporate credit quality resilient so far; macro headwinds warrant monitoring.
- Bank credit growth is expected at 14.5-15.5% YoY; NBFC AUM growth should remain stronger at 18-19% YoY
- Residential real estate and hospitality enter a calibrated growth phase
- Textiles: Polyester under pressure; cotton yarn outlook is relatively better
- Renewables and data centers see strong investment momentum; but infrastructure constraints remain
- Ceramics sector faces near-term weakness but domestic demand provides a structural cushion
- **GNPAs could increase by 10-20bp over FY27, while RoAs may decline by >5bp**

Asset quality, RoA to deteriorate slightly; rural, export-oriented sectors under watch

CRISIL Ratings hosted a webinar on Ratings Round-Up to discuss the credit quality, growth outlook and key risks across corporate, financial and infrastructure sectors. Corporate balance sheets remain resilient, supported by healthy domestic demand, government capex and improved financial buffers. However, potential rate hikes, elevated crude prices, El Nino-related rural stress and geopolitical developments are key monitorables. Following are the key insights from the session:

Credit ratio improves to 2.18x (1.5x in 2HFY26); macro headwinds warrant monitoring

Corporate credit quality remains resilient, with the credit ratio improving to 2.18x from 1.50x in 2HF26 and reaffirmation rates at 81%. **About 31 of 34 sectors remain resilient, with stress largely restricted to diamond polishing, polyester textiles and specialty chemicals. Upgrade rate, led by auto, capital goods and infrastructure, stood at 13% vs. 6% downgrades, primarily across construction and textiles.** Stronger balance sheets and government measures have improved corporate resilience to geopolitical and commodity shocks. **GDP growth is expected at ~7% in FY27, while Brent at USD88-93/bbl, INR/USD at 94-97 and El Nino are key risks,** with current macro headwinds potentially persisting till Dec'26.

Government capex supports capital goods, EPC and infrastructure

Capital goods and EPC are supported by strong government capex, **with ~40% of upgrades driven by government spending.** Continued government investment should support order books and credit quality, while a recovery in exports could provide an additional growth driver as tariff and geopolitical disruptions normalize. Operational toll roads are witnessing healthy traffic growth and stable performance, although limited availability of new assets and increased competition have pushed up valuations. Stronger underwriting and leverage controls provide some protection against balance-sheet risks.

Renewables and data centers see strong investment momentum

Solar additions remain strong, with ~40GW commissioned last year and a similar pace expected this year, increasingly shifting toward hybrid renewable projects and battery energy storage systems. The key constraint is moving from generation capacity addition to grid evacuation and transmission infrastructure, with structural bottlenecks expected to broadly normalize by FY28-29. **Data-center investments are also gaining momentum, aided by government incentives, tax benefits and India's cost advantage over overseas locations.** However, securing long-term hyperscale/ customer tie-ups is critical given the high upfront capex and fixed-cost intensity.

Residential real estate and hospitality entering a calibrated growth phase

Residential real estate is moving to a more calibrated growth phase after the strong post-pandemic recovery, with demand expected to remain largely flat, prices to stay stable and inventory to rise gradually. Large developers, however, continue to gain market share despite moderate industry growth**. Hospitality remains comparatively resilient, with revenue growth expected at 10-12%, supported by domestic and**

leisure travel and higher ARR, which should partly offset any occupancy pressure. Industry EBITDA margins of ~35% provide a cushion against cost inflation, while the continued shift by large hotel chains toward asset-light/managed models should limit balance-sheet leverage.

MFI stress still elevated; sees diversification toward non-MFI segments

MFI credit costs remain significantly elevated at up to ~12% vs. ~2-3% for non-MFI businesses, prompting lenders to gradually reduce MFI concentration and diversify toward other retail segments. Larger MFIs remain relatively better positioned given their established distribution networks. **While sowing remains broadly in line with last year, lower yields from drought/El Nino conditions could pressure rural incomes and asset quality.** The impact is partly cushioned by growing diversification of rural income, with ~40% coming from non-crop activities, **although tractor volumes could moderate amid weaker rural purchasing power.**

Textiles: Polyester under pressure; cotton yarn outlook is relatively better

Polyester remains one of the key stressed sectors amid elevated crude prices and limited pass-through ability. **Polyester yarn volume growth is expected to decline 2-3%, with revenue growth at 4-5% and EBITDA margins potentially contracting by 100bp to 5.5%.** In contrast, cotton yarn has a relatively better outlook, supported by export demand from Bangladesh and China as well as FTAs. Revenue growth is expected at 9-11%, driven by 4-5% volume growth and better realizations.

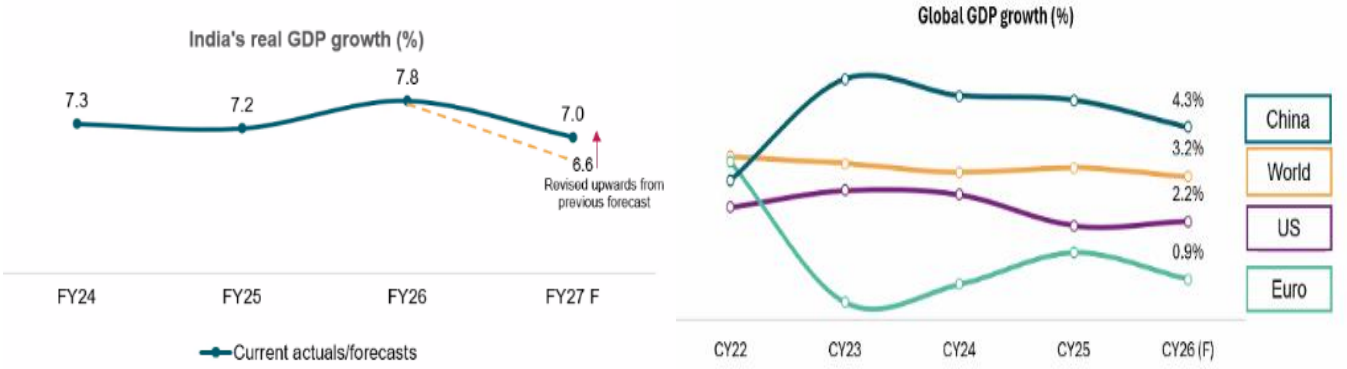
Ceramics facing near-term weakness; domestic demand providing cushion

Ceramics saw a weak 1H due to lower capacity utilization, although supply-chain normalization and recovery in domestic demand are supporting a gradual revival. With 60-65% of demand coming from the domestic market, the sector has a structural cushion against external volatility. **Industry revenue is nevertheless expected to decline 8-10%, partly due to price correction,** while profitability is expected to remain around 9-10%.

Credit growth to remain healthy; asset quality, RoA to dip slightly

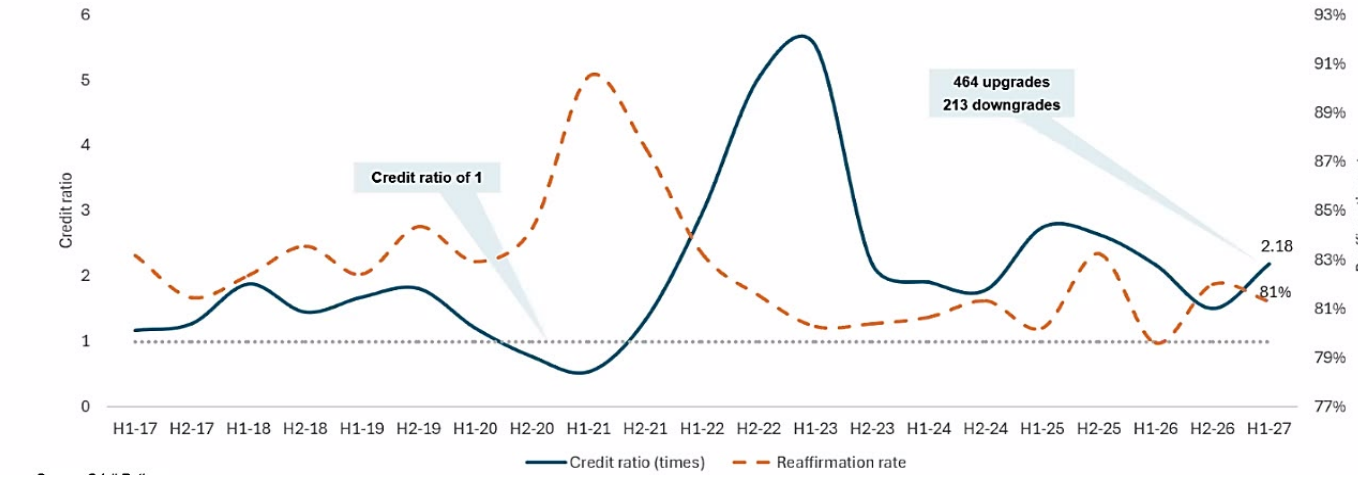
- Bank credit growth is expected at 14.5-15.5%, driven by MSME and retail, while corporate funding is likely to increasingly shift toward the bond market. NBFC AUM growth should remain strong at 18-19%, supported by retail demand, although unsecured business loans and micro-LAP remain areas to monitor.
- **Though overall asset quality is resilient, GNPAs could potentially increase by 10-20bp in FY27 after robust improvement in the past few years. RoA may decline by >5bp but remain above long-term averages.**
- FCNR (B) inflows have eased near-term liquidity and liability cost pressure, while a potential rate hike could affect banks through higher bond yields and weaker home-finance demand.
- CRISIL estimates a ~10bp/20bp impact on median interest cover from 25bp/50bp hikes and ~5bp impact on NBFCs' returns on managed assets. Rural-linked credit is a watchpoint amid potential El Nino/drought-related pressure on incomes.

India to remain the fastest-growing large economy in the world



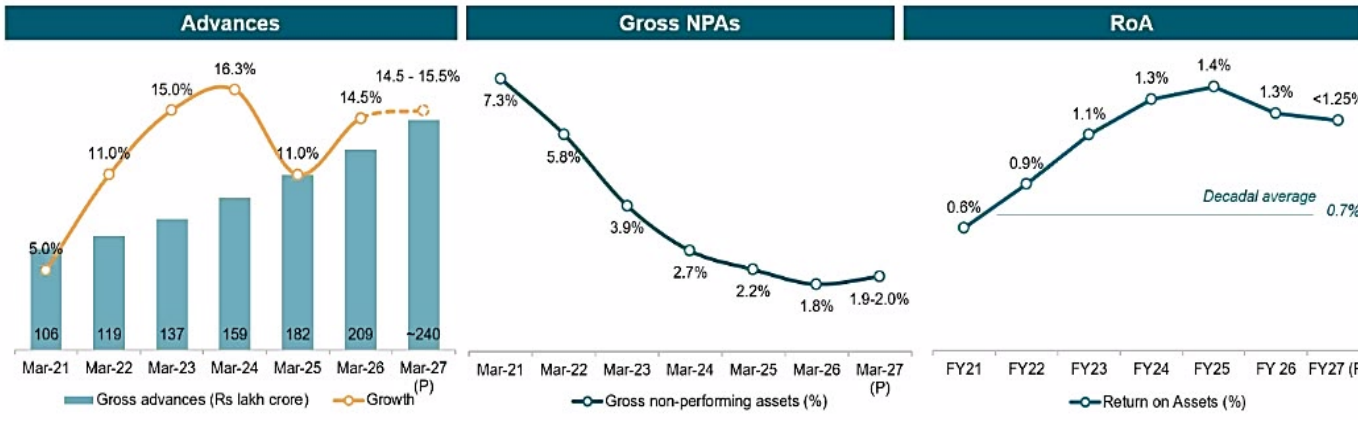
Source: CRISIL, MOFSL

Credit ratio improved to 2.18x in 1HFY27 from 1.50x in 2HFY26



Source: CRISIL, MOFSL

Growth to pick up to 14.5-15% in FY27; RoA to moderate below 1.25%, while GNPA to inch up to 1.9-2.0%



Source: CRISIL, MOFSL

Accenture 4QFY26: Still cautious despite 4Q beat

No signs of a pickup in discretionary spending

- Accenture (ACN) reported 4QFY26 revenue of USD18.7b, up 7% YoY cc, ahead of the top end of its 1–5% guidance range. Management attributed the beat to an uptick in small deals, faster mobilization on new contracts, and stronger US federal business.
- For FY27, ACN has guided for 3–6% YoY cc growth, with an inorganic contribution of ~2–2.5% (implied organic growth guidance of ~0.75–3.75% YoY vs. ~3.5% organic growth in FY26). **Management stated that the demand environment, including discretionary spending, did not meaningfully change during the quarter.** The top end of the guidance assumes a stable to slightly improving discretionary spend environment, while the bottom end allows for deterioration.
- **Read-through for Indian IT:** There was no sequential change in the demand environment, with ACN noting that discretionary spending remained broadly unchanged and decision-making continued to be selective. Consulting bookings of USD9.4b translated into a book-to-bill of ~1.0x, in line with the past few quarters. Total bookings of USD22.2b (+5% YoY cc, 1.2x book-to-bill) were driven by record managed services bookings of USD12.8b (1.4x). This indicates that the order book remains skewed toward large, multi-year outsourcing deals. Hence, while the ACN print provides some positive read-through on large-deal activity it does not, in our view, point to a broad-based acceleration in discretionary spending and is unlikely to materially alter our cautious 2QFY27 outlook for Indian IT services.
- As highlighted in our IT preview report dated 1st Oct'26 (Indian IT: Weakness in a seasonal quarter), we believe that 2QFY27 is expected to remain subdued, with limited QoQ growth acceleration across the Indian IT sector amid continued macro uncertainty, cautious discretionary spending, and extended decision-making cycles.

Guidance and inorganic contribution for ACN over the years

In constant currency	Lower end	Upper end	Final reported	Inorganic contri-bution
FY11	7.0	10.0	15.0	-
FY12	7.0	10.0	11.0	-
FY13	5.0	8.0	4.0	1.0
FY14	2.0	6.0	5.0	2.0
FY15	4.0	7.0	11.0	1.0
FY16	5.0	8.0	10.0	2.0
FY17	5.0	8.0	7.0	2.0
FY18	5.0	8.0	10.5	2.5
FY19	5.0	8.0	8.5	2.0
FY20	5.0	8.0	4.0	2.0
FY21	2.0	5.0	11.0	2.0
FY22	12.0	15.0	26.0	5.0
FY23	8.0	11.0	8.0	2.5
FY24	2.0	5.0	2.0	3.0
FY25	6.0	7.0	7.0	3+
FY26	3.0	4.0	5.0	1.5
FY27E	3.0	6.0	-	~2-2.5

4Q and FY26 revenue beats estimates; FY27 guidance at 3%-6% (inorganic contribution expected at ~2-2.5%)

- **Revenue performance:** Revenue stood at USD18.7b, up 7% YoY in CC (~5.5% organic YoY CC terms) in 4QFY26, above the guidance range of 1% to 5%. Managed services revenue grew 7% YoY CC, while consulting services grew 7% YoY CC. For Full year 2026, revenue grew 5% YoY CC to USD 74.2b and was above the guidance range of 3% to 4%.
- **Bookings in 4Q:** ACN reported managed service bookings of USD12.8b, up 2.7% YoY, while consulting bookings were up 6.0% YoY at USD9.4b. The book-to-bill ratio came in at 1.2x in 4QFY26, in line with the average of 1.2x over the past four quarters.
- **Revenue guidance:** ACN expects 1QFY27 revenue growth in the range of 2% to 6% YoY CC and projects its **FY27** revenue growth guidance in the range of 3-6%. With an estimated FY27 inorganic contribution of ~2-2.5%, the organic growth guidance for FY27 stands at ~0.75%-3.75%.

- **Vertical-wise performance:** Growth was led by Communication, Media, and Technology (11% YoY CC), while Products/ Financial Services /Resources verticals grew 4%/6%/6% YoY CC each.
- **Operating margin performance:** Reported EBIT margin rose 370bp YoY to 15.3% in 4Q. For FY26, reported EBIT margin stood at 15.4% and expanded 70bp YoY. For FY27, reported EBIT margin is expected to be in the range of 15.9% to 16.1%, marking an expansion of 50bp to 70bp YoY.
- **Muted headcount addition:** ACN workforce growth increased 2% QoQ to ~814k, attrition decreased to 13% (vs. 14% in 3Q), and utilization stood at 93%.

Key highlights from the management commentary

- Overall demand environment, including discretionary spend, remained largely unchanged in 4Q. Growth was led by large-scale reinventions, ecosystem, and data and AI.
- The Middle East contributes ~USD1b in annualized revenue. Management expects the headwind to persist and has built it into FY27 guidance.
- Revenue from eight emerging AI and data partners more than doubled in FY26, with bookings more than tripling.
- Budget cycles for calendar-year clients are only starting. Management is assuming more of the same for FY27 IT budgets, with clarity by Jan-Feb.
- FY26 bookings were ~USD 84.5b (book-to-bill ~1.1x); trailing four-quarter book-to-bill in managed services was ~1.2x.

Quarterly Performance

Y/E August	FY25				FY26				FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Revenue (USD b)	**17.7**	**16.7**	**17.7**	**17.6**	**18.7**	**18.0**	**18.7**	**18.7**	**74.2**
QoQ (%)	7.8%	-5.8%	6.4%	-0.8%	6.5%	-3.7%	3.6%	-0.1%	
YoY (%)	9.0%	5.0%	8.0%	7.0%	6.0%	8.0%	6.0%	6.0%	6.45%
GPM (%)	**32.9%**	**29.9%**	**32.9%**	**31.9%**	**33.1%**	**30.3%**	**32.7%**	**32.0%**	**32.0%**
SGA (%)	10.2%	10.1%	9.9%	10.2%	10.0%	9.7%	9.7%	9.7%	9.8%
EBIT (USD m)	**2,948**	**2,244**	**2,982**	**2,049**	**2,873**	**2,493**	**3,175**	**2,863**	**11,404**
EBIT Margin (%)	16.7%	13.5%	16.8%	11.6%	15.3%	13.8%	17.0%	15.3%	15.4%
Other income	7	44	-32	26	94	-37	-25	-65	-34
PBT (USD m)	**2,955**	**2,288**	**2,950**	**2,075**	**2,967**	**2,456**	**3,150**	**2,798**	**11,371**
ETR (%)	21.6%	20.4%	24.0%	30.1%	24.4%	24.3%	24.2%	27.3%	25.1%
Adj. PAT (USD m)	**2,278**	**1,787**	**2,197**	**1,415**	**2,212**	**1,825**	**2,339**	**1,993**	**8,368**
Exceptional items	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Reported PAT (USD m)	**2,278**	**1,787**	**2,197**	**1,415**	**2,212**	**1,825**	**2,339**	**1,993**	**8,368**
QoQ (%)	35.2%	-21.6%	22.9%	-35.6%	56.3%	-17.5%	28.2%	-14.8%	
YoY (%)	15.5%	6.7%	13.7%	-16.1%	-2.9%	2.1%	6.5%	40.9%	9.0%
EPS (USD)	3.65	2.82	3.52	2.27	3.57	2.93	3.82	3.31	13.64

Automobiles

PV growth remains strong; 2W growth surprises

Retail demand momentum remained strong during Sep'26, with healthy double-digit growth across segments, supported by a low retail base of last year. As a result, wholesales growth was strong in double digits for PVs, CVs and 2Ws. Tractors posted a volume decline due to a high base of last year. Within PVs, MSIL outperformed peers, while MM and TMPV posted robust double-digit growth. HMIL underperformed peers in Sep'26, though it is expected to post stronger growth in 2H on the back of new capacity and product launches. Overall, four listed PV players posted a healthy 18.8% YoY growth in wholesales. In 2Ws, TVSL outperformed peers, while HMCL's growth was in line with aggregate and RE underperformed the industry due to capacity constraints. BJAUT posted a relatively slower growth (+6%), owing to a decline in domestic volumes. The three listed CV OEMs posted strong aggregate growth of ~39% YoY in dispatches as freight activity was healthy despite geopolitical uncertainties. TMCV (+42%) and VECV (+50%) were key outperformers, while AL (+28%) underperformed. The two listed tractor players posted a 20.2% decline in aggregate volumes, impacted by a high base. While the upcoming festive season and improving rural liquidity should boost near-term momentum, the high base, rainfall deficits and lower reservoir levels are expected to hamper consumer sentiment. Our top OEM picks are MSIL, TVSL and MM. Among auto ancillaries, our top picks are HFL, MSWIL, SAMIL, SPRL and TENNIND.

- **PVs (in line):** Retail PV demand was healthy, with strong double-digit growth for the month. The base, however, has started catching up as GST rate cuts were implemented at the end of Sep'25. With the festive season right around the corner, there was likely increased channel stocking to build inventory. Exports remained under pressure due to the ongoing West Asia crisis. The four listed players posted aggregate growth of 18.8% YoY in wholesales during the month, in line with our expectations. **MSIL** was a key outperformer with a strong 24.4% YoY growth in total wholesales, likely led by a healthy order backlog and ramp-up at its Kharkhoda plant. The growth momentum is expected to sustain in the coming quarters as new products are launched. TMPV and MM continued to showcase healthy double-digit growth, while HMIL continued to underperform. **TMPV** posted 15.3% YoY growth to 70.2k units, missing our estimates as the base catches up. An encouraging response to the Punch and Tiago facelifts should help TMPV sustain the growth momentum in the near term. **MM** also posted 14% YoY growth in UV volumes to 64.1k units (broadly in line with our estimate of 62k units), led primarily by the positive reception of new model launches. Total PV volumes for MM were up 16.1% YoY at ~96.3k units, in line with our expectations. **HMIL** underperformed peers with volume growth of 11% YoY to 77.9k units. Exports showed signs of recovery and beat our expectations with 10.4% YoY growth to 20.8k units. Domestic volumes were also up 10.9% YoY at 57.2k units. Overall for 1HFY27, the four listed PV players posted a healthy ~25% YoY growth despite several supply- related challenges and the West Asia crisis.
- **2Ws (above):** The four listed players posted healthy 13% YoY growth in monthly wholesales. **TVSL** was a key outperformer with 24.3% YoY growth in wholesales to 672.8k units, although over a low base. Growth was driven by strong export growth of 48%. **RE**, on the other hand, underperformed peers with volume growth of 7.7% YoY to ~134k units, in line with our expectations. RE is witnessing lower growth mainly on account of capacity constraints. **BJAUT** also

underperformed and posted 5.5% YoY growth in wholesales to 538k units, in line with our expectations. While export growth was strong at ~32% YoY, domestic wholesales declined 9.5% YoY. A key surprise was **HMCL**, which posted 11.5% YoY growth in wholesales to 766.3k units despite a high base and capacity constraints. Overall for 1HFY27, the above four 2W players posted a combined 21.7% YoY growth in wholesales.

- **CVs (above):** Despite the uncertainty surrounding the West Asia crisis, CV retail growth was healthy, which translated into strong wholesale growth. The three listed players posted strong aggregate growth of ~39% YoY in wholesales. Key outperformers during the month were VECV and TMCV. **VECV** saw a strong 50% YoY growth in wholesales to 11.4k units, beating our expectations. LMD and HD trucks posted a strong 54% YoY growth each and buses posted a healthy 36% YoY growth. Exports, however, fell 4.7% YoY, impacted by the West Asia crisis. **TMCV** continued its strong growth momentum, with 42.4% YoY growth to 51.1k units. Growth was broad-based across HCVs and LCVs. **AL**, on the other hand, underperformed peers, with 27.8% YoY growth in volumes to 24k units. CVs had a strong showing during 1HFY27, with all three players posting aggregate growth of 29.3% YoY.
- **Tractors (above):** The segment faced multiple headwinds during the month, resulting in a YoY decline in wholesales. Slowing growth momentum due to a high base effect and a delayed festive season to Oct'26 was further accentuated by the combination of patchy monsoon conditions and lower Kharif sowing. Both listed players together posted a 20.2% YoY decline in tractor volume, which was, however, higher than our expectations. **MM** tractor wholesales were down by ~21% YoY to 52.1k units, impacted by slower retail offtake and adverse El-Nino conditions. **Escorts** posted a relatively milder 16.7% YoY decline to 15.2k units. For 1HFY27, however, the segment posted 7.3% YoY growth, highlighting that strong demand momentum, fueled by GST rate cuts, remained stable in FY27 as well.
- **Valuation and view:** As the high base of the post-GST 2.0 era catches up, growth rates are expected to taper off in 2H. While commodity inflation is expected to hamper near-term earnings, necessary price hikes, normalization of RM costs in 2H, and stable volumes should help to sustain investor interest, given the recent correction across OEMs. Our top OEM picks are MSIL, TVSL and MM. Among auto ancillaries, our top picks are HFL, MSWIL, SAMIL, SPRL and TENNIND.

Snapshot of volumes for Sep'26

Company Sales	Sep'26	Sep'25	YoY (%) chg	Aug'26	MoM (%) chg	YTDFY27	(%) chg	FY27E	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	Estimate	
												Sep'26E	Variation
Maruti Suzuki	**236,013**	**189,665**	**24.4**	**219,220**	**7.7**	**1,379,378**	**27.9**	**2,822,268**	**16.5**	**7.4**	**240,482**	**242,356**	**-2.6%**
Domestic	191,794	147,461	30.1	185,376	3.5	1,146,523	31.6	2,303,453	16.6	4.8	192,822	205,216	-6.5%
Export	44,219	42,204	4.8	33,844	30.7	232,855	12.2	518,814	15.9	19.0	47,660	37,140	19.1%
Hyundai Motor	**77,916**	**70,347**	**10.8**	**65,796**	**18.4**	**397,154**	**7.0**	**842,086**	**8.7**	**10.2**	**74,155**	**65,738**	**18.5%**
Domestic	57,166	51,547	10.9	54,396	5.1	305,146	12.3	632,948	8.2	4.7	54,634	52,578	8.7%
Exports	20,750	18,800	10.4	11,400	82.0	92,008	-7.6	209,138	10.0	29.3	19,522	13,160	57.7%
Mahindra & Mahindra	**168,762**	**166,409**	**1.4**	**138,475**	**21.9**	**909,385**	**19.0**	**1,824,418**	**11.1**	**4.2**	**152,505**	**160,089**	**5.4%**
UV	64,092	56,233	14.0	59,257	8.2	358,142	20.4	744,468	12.8	6.5	64,388	62,419	2.7%
Tractors	52,100	66,111	-21.2	29,507	76.6	274,068	6.6	547,459	4.0	1.5	45,565	47,600	9.5%
Escorts Kubota	**15,214**	**18,267**	**-16.7**	**10,072**	**51.1**	**70,879**	**10.0**	**140,354**	**5.0**	**0.4**	**11,579**	**10,256**	**48.3%**
Tata Motors CV	**51,062**	**35,862**	**42.4**	**44,411**	**15.0**	**243,602**	**35.1**	**488,313**	**14.0**	**-1.3**	**40,785**	**47,693**	**7.1%**
Tata Motors PV	**70,210**	**60,907**	**15.3**	**67,753**	**3.6**	**384,297**	**42.8**	**773,207**	**20.5**	**4.4**	**64,818**	**75,468**	**-7.0%**
Hero MotoCorp	**766,348**	**687,220**	**11.5**	**568,498**	**34.8**	**3,545,575**	**16.0**	**7,008,668**	**8.3**	**1.5**	**577,182**	**608,538**	**25.9%**
Bajaj Auto	**538,443**	**510,504**	**5.5**	**535,764**	**0.5**	**2,987,135**	**24.2**	**6,085,668**	**18.9**	**14.2**	**516,422**	**535,719**	**0.5%**
Domestic	294,456	325,252	-9.5	255,708	15.2	1,476,434	7.3	3,081,323	7.5	7.6	267,482	260,599	13.0%
Exports	243,987	185,252	31.7	280,056	-12.9	1,510,701	46.7	3,004,345	33.5	22.4	248,941	275,119	-11.3%
TVS Motor	**672,790**	**541,064**	**24.3**	**616,540**	**9.1**	**3,549,563**	**27.5**	**6,788,003**	**15.3**	**4.3**	**539,740**	**604,865**	**11.2%**
Domestic	492,090	418,956	17.5	442,088	11.3	2,541,793	25.1	4,953,853	15.1	6.1	402,010	432,692	13.7%
Exports	180,700	122,108	48.0	174,452	3.6	1,007,770	33.9	1,834,151	15.7	-0.7	137,730	172,172	5.0%
Eicher Motors													
Royal Enfield	**133,958**	**124,328**	**7.7**	**126,479**	**5.9**	**709,096**	**19.8**	**1,431,415**	**15.6**	**11.7**	**120,386**	**131,009**	**2.3%**
VECV	**11,396**	**7,619**	**49.6**	**8,434**	**35.1**	**52,886**	**21.5**	**109,959**	**6.2**	**-4.9**	**9,512**	**8,353**	**36.4%**
Ashok Leyland	**24,049**	**18,813**	**27.8**	**21,038**	**14.3**	**113,440**	**21.5**	**234,250**	**6.3**	**-4.9**	**20,135**	**21,655**	**11.1%**
M&HCV	16,188	11,808	37.1	13,719	18.0	71,601	21.8	146,332	2.6	-10.9	12,455	14,143	14.5%
LCV	7,861	7,005	12.2	7,319	7.4	41,839	21.0	87,918	13.0	6.6	7,680	7,512	4.6%

Economy | Macro-Cap

Capex holds strong in 5MF27; disinvestment delivers

FY27'YTD Center (INR5.1t) + states capex (INR2.3t) = INR7.4t, up 15.6% YoY

- **Public capex remained the key fiscal growth lever in 5MFY27, with the Center continuing to lead the investment cycle, while states retained significant headroom to accelerate spending. Combined public capex by the Center and states reached INR7.4t in 5MFY27, up around 15.6% YoY, comprising INR5.1t of central capex (+18.2% YoY) and INR2.3t of state capex (+8.9% YoY). The continued expansion in public investment suggests that the government remains committed to supporting the investment cycle, even as the broader growth momentum is expected to moderate in 2HFY27.**
- **Central capex rose 18.2% YoY to INR5.1t, well ahead of 8.2% growth in revenue expenditure, led by defense (+36.7% YoY) and railways (+22.9% YoY). In contrast, roads capex moderated, with growth slowing to 2.1% YoY, while transfers to states remained strong at +59.5% in 5MFY27, supporting state-level investment. Spending on housing & urban affairs declined 20.5%. In terms of budget utilization, railways (54.4%), transfers to states (47.0%) and MoRTH (43.9%) are relatively well advanced, while defense (36.8%) and housing & urban affairs (23.6%) leave greater scope for acceleration. Overall, the Center has utilized 41.7% of its FY27BE capex allocation, with the current INR1t monthly run rate in line with the required run-rate as per budget.**
- **State capex also remained positive, although the pace was more moderate and uneven across states. Aggregate capex across 22 states increased 8.9% YoY to INR2.3t in 5MFY27, but only 20.7% of the FY27BE allocation has been utilized, leaving considerable headroom for acceleration in 2HFY27. Maharashtra (+45.5%), Kerala (+59.3%), Chhattisgarh (+46.8%), and Andhra Pradesh (+41.9%) recorded strong capex growth, while Karnataka (+11.0%) and Gujarat (+13.8%) posted more moderate increases. In contrast, capex declined in West Bengal (-38.6%) and Madhya Pradesh (-18.7%), highlighting the uneven nature of the state investment cycle.**
- **Disinvestment has emerged as an important positive for the fiscal outlook, with the FY27 target now appearing comfortably achievable. The Center has already mobilized around INR621.2b, equivalent to 77.7% of the INR800b FY27BE disinvestment and asset-monetisation target. This is a significant improvement from our earlier expectation of an INR500b (~10bp) shortfall in disinvestment receipts, as only around INR178.8b now remains to be raised to meet the full-year target. Importantly, stronger disinvestment proceeds should help contain the fiscal deficit and reduce the need for additional borrowing at the margin.**
- **Fiscal consolidation remains broadly intact despite the investment push, although fiscal vulnerability is concentrated in a few states. The Center's fiscal deficit stood at INR7.1t in 5MFY27, while the 22-state aggregate fiscal deficit was INR2.7t, down from INR3.7t in 5MFY26 and equivalent to around 20% of FY27BE. At the state level, Andhra Pradesh, Bihar, Himachal Pradesh, and Kerala warrant closer monitoring, with fiscal-deficit utilization achieved in 5MFY27 at 70%, 112%, 67%, and 54% of FY27BE, respectively.**

Outlook:

- **Growth outlook remains firm, but we expect some moderation in 2HFY27. We retain our FY27 real GDP growth forecast at 7.0–7.2%, supported by resilient domestic demand, investment activity, and continued public capex. Center and state capex reached INR7.4t in 5MFY27, up 15.6% YoY, comprising INR5.1t of central capex (+18.2% YoY) and INR2.3t of state capex (+8.9% YoY). However, tighter financial conditions, elevated inflation, and a less supportive global environment are likely to moderate growth momentum in 2HFY27.**
- **Fiscal policy should remain supportive of investment while staying broadly aligned with the consolidation path. We now expect the Center's fiscal deficit at around 4.5% of GDP in FY27, implying a slippage of 20bp from the 4.3% Budget target, lower than our earlier estimate of 30bp. The improvement is primarily driven by a more favorable outlook for disinvestment and asset-monetization receipts, with the FY27 target now appearing easily achievable. The Center has already mobilized around INR621.2b, equivalent to 77.7% of the INR800b FY27BE disinvestment and asset-monetization target. This is a significant improvement from our earlier expectation of an INR500b (~10bp) shortfall in disinvestment receipts, as only around INR178.8b now remains to be raised to meet the full-year target.**

- **Inflation is likely to emerge as the key macro concern in 2HFY27. Elevated global commodity prices, particularly crude, alongside weather-related risks and the possibility of an El Niño impact on food supply, could push inflation higher. With our FY27 CPI inflation forecast at 5.2%, inflation is likely to remain meaningfully above the RBI's medium-term target, limiting the scope for monetary easing. A sustained rise in crude prices above USD100/bbl would further intensify domestic inflation pressures, while also worsening the trade and current-account balance. This could reinforce the case for tighter liquidity conditions and a more restrictive monetary-policy stance.**
- **We now expect the RBI to begin its tightening cycle with a 25bp rate hike in the Oct'26 policy. The policy backdrop has turned more hawkish, with global central banks also starting to hike rates amid renewed inflation and energy-price pressures. The RBI has already begun withdrawing surplus liquidity, including INR1t of OMO sales, alongside continued liquidity-management operations. With domestic growth remaining resilient and inflation risks building, we expect the RBI to gradually tighten policy. If crude remains above USD100/bbl for a sustained period, we see scope for a cumulative 75–100bp of rate hikes.**
- **Government bond yields are likely to remain elevated and volatile, with the 10-year G-sec yield for FY27 expected in the 7.0–7.25% range. The yield outlook reflects sharply higher global bond yields, elevated domestic inflation risks, a more hawkish RBI stance, and crude prices above USD100/bbl. On the domestic supply side, the government's 2HFY27 borrowing calendar entails INR7.86t of dated-securities issuance across 23 weekly auctions, with weekly borrowing of INR330–360b and a relatively high share of long-duration securities. Securities with maturities of 10 years and above account for ~72% of the 2HFY27 issuance, while 15-year and longer securities alone account for ~46%. However, the lower-than-budgeted full-year borrowing requirement, alongside stronger-than-expected disinvestment receipts, should provide some offset to the upward pressure from long-duration supply. Overall, we expect the 10-year G-sec yield to remain within the 7.0–7.25% range through 2HFY27, with risks skewed toward the upper end if crude remains above USD100/bbl.**

Disinvestment receipts

Sr. No	Title	Name of CPSEs	% of GoI's Shares Disinvested	Method of Disinvestment	Receipts (INR b)	GoI's Shareholding Post Disinvestment
1	CBoI	Central Bank of India	8.1	OFS	22.7	81.2
2	CIL	Coal India Limited	2.0	OFS	55.4	61.1
3	NHPC LTD	NHPC Limited	6.0	OFS	43.6	61.4
4	NLC INDIA LTD	NLC India Limited	2.7	OFS	12.2	69.5
5	GIC	General Insurance Corporation of India	5.0	OFS	30.9	77.4
6	IRFC	Indian Railway Finance Corporation Limited	1.8	OFS	20.8	82.9
7	CSL	Cochin Shipyard Limited	4.6	OFS	17.1	63.3
8	IMPCL	Indian Medicines Pharmaceuticals Corporation	98.1	SD	1.2	0.0
9	Others (Remittance from SUUTI)	Others (Remittance from SUUTI)	0.0	OTHER	8.1	0.0
10	LIC	Life Insurance Corporation of India	6.5	OFS	315.1	90.0
11	HCL	Hindustan Copper Limited	6.0	OFS	30.4	60.1
Total					**557.6**	

Source: CEIC, DIPAM, MOFSL

EcoScope
The Economy Observer

Sep'26 GST collections grow 14.7%

Gross GST collections stood at INR2.04t in Sep'26

- India's gross GST revenue rose 14.7% YoY to INR 2.04t in Sep'26 (INR1.77t in Sep'25), recording double-digit growth for the fourth consecutive month. This represents a slight moderation from 14.8% growth in Aug'26 and 15.4% growth in Jul'26. The strong growth was primarily driven by a rise in GST from imports (25.9%), while domestic GST collections (10.1%) also recorded healthy growth.
- During Apr-Sep'26, gross GST collections stood at INR12.5t, registering 11.6% YoY growth.
- Among major states, Uttar Pradesh, Telangana, and Punjab recorded strong GST collection growth in September, with revenues rising 18% YoY each, followed by Gujarat (17% YoY), Karnataka (16% YoY), and Maharashtra, which recorded healthy collection growth to INR299.9b (15% YoY). Meanwhile, Kerala recorded moderate growth of 11% YoY and West Bengal grew 6% YoY.
- In contrast, collections remained weak in a few states. Sikkim recorded a 51% YoY decline, followed by Jammu & Kashmir (-29%), Uttarakhand (-23%), Himachal Pradesh (-21% YoY), and Goa (-7% each), while Tamil Nadu reported a decline of 5%.

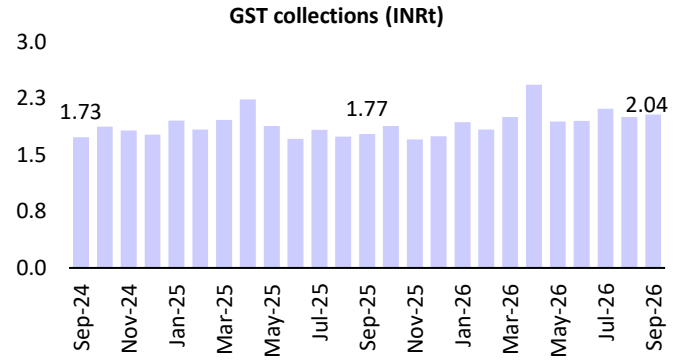
GST from imports remain strong:

- GST collections from imports rose 25.9% YoY to INR655b in Sep'26, compared with INR525b in Sep'25. Import-linked GST, therefore, accounted for an INR130b increase in gross GST collections during the month.
- GST collected from domestic activities grew 10.1% YoY to INR1.38t in Sep'26. GST refunds declined 3.0% YoY, while net GST collections grew 18.1% YoY to INR1.77t.

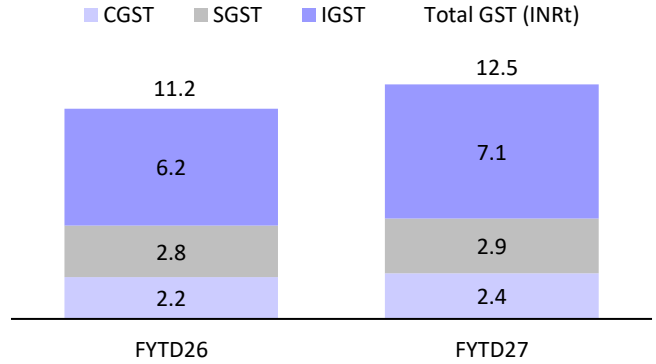
Outlook:

- While tax collections are healthy and safely above the INR2t baseline, the composition of this growth warrants caution. The headline numbers look strong, primarily due to high import volumes and lower refund payouts rather than organic domestic tax buoyancy. For this growth to be sustainable over the long term, India will need stronger domestic consumption and local investment activity to increasingly drive growth as import growth eventually normalizes.

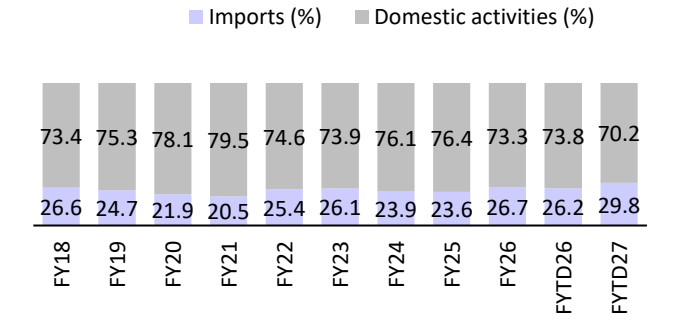
GST collections stood at INR2.04t in Aug'26



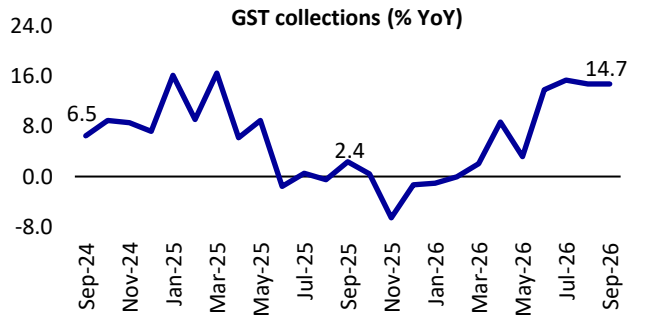
Breakup of GST collections



GST collected on domestic activities are weak



GST collections rose 14.7% YoY in Sep'26



Source: Finance Ministry, MOFSL

HDFC Bank

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E	FY26	FY27E	FY28E
NII	1,287	1,400	1,632
OP	1,186	1,179	1,372
NP	747	794	898
NIM (%)	3.3	3.2	3.3
EPS (INR)	48.5	51.6	58.3
EPS Gr. (%)	10.2	6.3	13.1
BV/Sh. (INR)	366	401	449
ABV/Sh. (INR)	352	386	431
Ratios			
RoA (%)	1.8	1.7	1.7
RoE (%)	14.2	13.4	13.7
Valuations			
P/E(X)	14.8	14.0	12.3
P/E(X)*	12.2	11.5	10.1
P/BV (X)	2.0	1.8	1.6
P/ABV (X)	1.7	1.5	1.4

* adj. for subs

CMP: INR721 — Buy

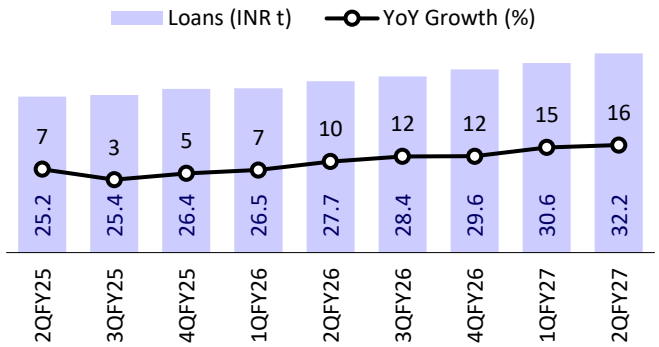
Strong loan growth (in-line) and healthy deposit growth (in-line) aided by FCNR(B) flows; CASA mix declines

CASA ratio stood at 31.6%

HDFCB released its 2QFY27 business update. Following are the key takeaways:

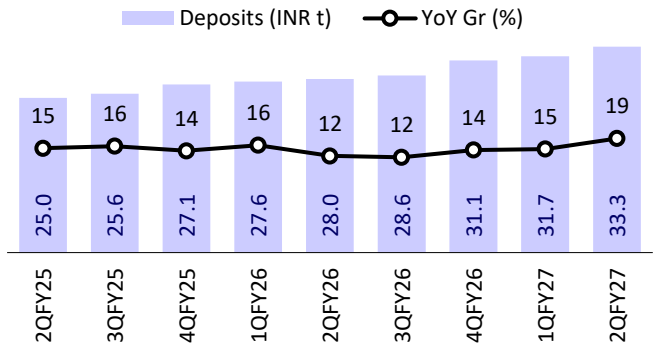
- Gross advances grew by 16.3% YoY/ 5.2% QoQ to INR32.2t (bank added INR1.58t of abs. loan in 2QFY27, vs INR1.0t in 1QFY27). Advances growth largely in-line with MOSLe of 15.4% YoY/ 4.3% QoQ for net advances
- Bank's period end AUM (grossing up for inter-bank, bills rediscounting, securitization) grew 15.3% YoY/ 5.8% QoQ and average AUM grew at 14.0% YoY/4.9% QoQ.
- Deposits (period-end) grew 18.8% YoY/4.9% QoQ to INR33.3t (bank added ~INR1.57t of abs. deposits in 2QFY27 vs INR0.66t in 1QFY27). Deposit growth was largely in-line with MOSLe deposits growth at 19.4% YoY/ 5.5% QoQ.
- HDFCB mobilized FCNR(B) deposits aggregating to USD11.5b (INR1.10t), with leverage extended by the overseas branches being USD5.7b (INR0.55t) against these deposits. Additionally, LCs issued to other banks against these deposits were USD3.1b (INR0.29b).
- CASA deposits (period-end) grew by 10.8% YoY/ up 2.6% QoQ (bank witnessed an increase of ~INR0.27t abs. CASA deposits in 2QFY27 vs decline of INR0.35t in 1QFY27); while Term deposits grew by 22.8% YoY/6.1% QoQ.
- Average deposits grew 16.8% YoY/ 5.1% QoQ, while average CASA deposits grew 10.7% YoY/ 1.5% QoQ. Average TD grew by 14.3% YoY/ 6.8% QoQ. CASA mix declined by ~70bp QoQ to ~31.6%
- HDFC Bank reported robust business growth, in-line with expectations. Consequently, on a gross advances basis, the CD ratio was broadly stable at 96.75% (vs. 96.53% in 1QFY27).

Loans grew at 16.3% YoY/5.2% QoQ



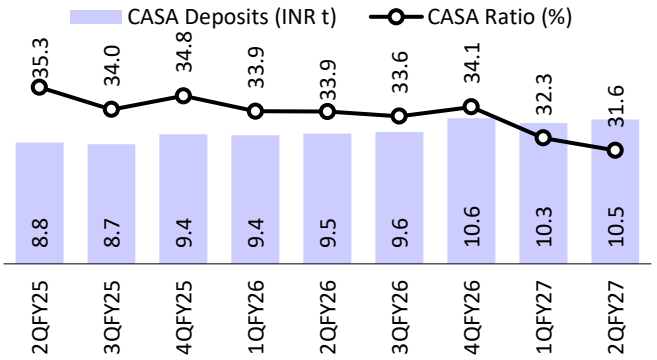
Source: MOFSL, Company

Deposits grew at 18.8% YoY/4.9% QoQ



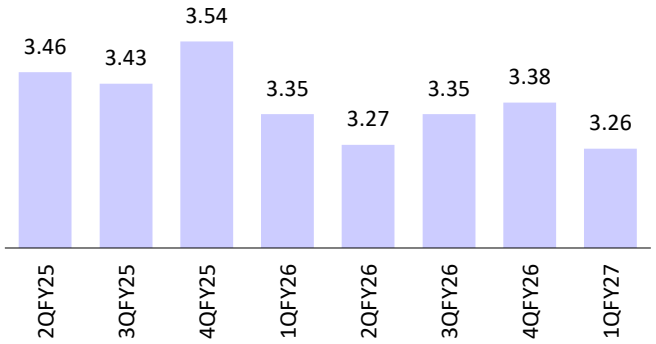
Source: MOFSL, Company

CASA deposits down 2.6% QoQ (up 10.8% YoY)



Source: MOFSL, Company

Margins stood at 3.26% in 1QFY27



Source: MOFSL, Company

Bajaj Finance

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Net Income	533	652	789
PPP	355	436	527
PAT	193	263	317
EPS (INR)	31	42	51
EPS Gr. (%)	15	36	21
BV/Sh. (INR)	188	223	266
Ratios			
NIM (%)	9.7	9.6	9.5
C/I ratio (%)	33.3	33.1	33.1
RoA (%)	3.8	4.2	4.1
RoE (%)	18.1	20.5	20.9
Payout (%)	20.7	16.5	16.3
Valuations			
P/E (x)	30.5	22.5	18.6
P/BV (x)	5.0	4.2	3.6
Div. Yield (%)	0.6	0.7	0.9

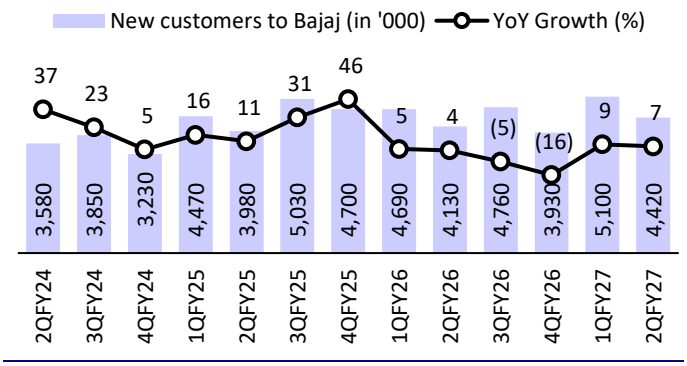
CMP: INR948 — Buy

Robust AUM growth; steady customer additions

New loans booked rise ~11% YoY

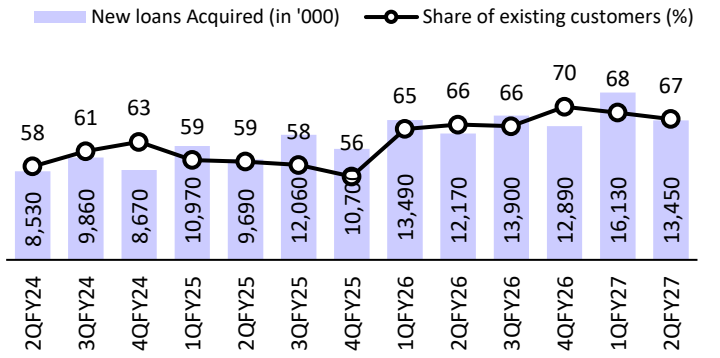
- Total customer franchise stood at ~128.85m, up ~16% YoY/3.5% QoQ.
- New customer acquisition was healthy, with BAF acquiring ~4.42m new customers (vs. 4.13m YoY).
- New loans booked rose ~11% YoY at 13.45m (v/s 12.2m in 2QFY26). YoY volume growth is not comparable due to the early onset of the festival season last year.
- AUM growth was higher than our estimate, with reported AUM at INR5.85t, up ~26.5% YoY/~6.9% QoQ.
- Deposit book stood at INR697b and was flat YoY and grew 2% QoQ.

New customer additions grew 7% YoY



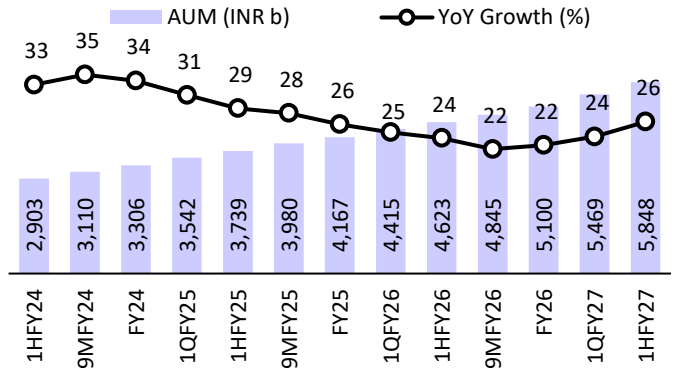
Source: MOFSL, Company

New loan bookings rose ~11% YoY



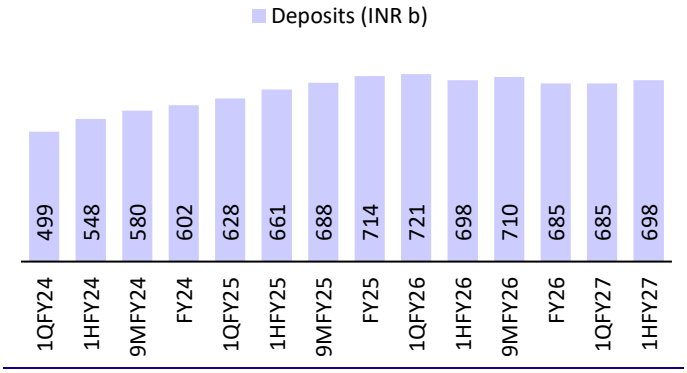
Source: MOFSL, Company

AUM rose 6.9% QoQ and 26.5% YoY



Source: MOFSL, Company

Deposits stood at INR698b, was flat YoY and grew ~2% QoQ



Source: MOFSL, Company

Avenue Supermarts

BSE SENSEX	S&P CNX
71,910	22,422

CMP: INR3,813 BUY

Financials Snapshot (INR b)

Y/E March	FY27E	FY28E	FY28E
Sales	811	937	1080
EBITDA	61.6	71.9	83.8
Adj. PAT	34.7	40.2	47.3
EBITDA Margin (%)	7.6	7.7	7.8
Adj. EPS (INR)	53.2	61.6	72.5
EPS Gr. (%)	17	16	18
BV/Sh. (INR)	428	490	563
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	13.2	13.4	13.8
RoCE (%)	12.5	12.7	13.1
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	72.4	62.5	53.1
EV/EBITDA (x)	41.2	35.3	30.3
EV/Sales (X)	3.1	2.7	2.3

Growth recovers after a soft 1Q, revenue up 18% YoY

DMart released its pre-quarter business update for 2QFY27. Here are the key highlights:

- DMart's 2QFY27 standalone revenue came in at INR192b, with growth recovering to 18.4% YoY (vs. ~15% YoY in 1QFY27). The growth was slightly ahead of our last published estimate of ~16% YoY and broadly in line with our pre-quarter expectations of ~17-18%.
- After opening just three stores in 1QFY27, DMart's store additions picked up with 15 store openings in 2QFY27 to bring the total count to 518 (+20% YoY, 18 additions in 1HFY27 vs. 17 YoY).
- **Productivity remains muted**
  - Annualized revenue/store declined ~1% YoY to INR1.51b, though this was better than the 4% dip in 1QFY27.
  - Annualized revenue/sqft (calculated) was flat YoY at our estimate of INR36.6k/sqft (vs. -3% YoY in 1QFY27).

Quarterly trend

DMart standalone	2QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	% YoY	% QoQ	2QFY27E	vs. est
Revenue (INR b)	**140.5**	**159.3**	**162.2**	**176.1**	**172.0**	**183.4**	**192.1**	**18%**	**5%**	**188.5**	**2%**
YoY growth	**14.2**	16.2	**15.4**	13.2	19.0	15.1	**18.4**			**16.2**	
Store count	**377**	**424**	**432**	**442**	**500**	**503**	**518**	**20%**	**3%**	**512**	**1%**
Store adds	6	9	8	10	58	3	15			9	
YoY growth	12%	14%	15%	14%	20%	19%	20%			19%	
Total Area (m sqft)*	**15.8**	**17.6**	**17.9**	**18.3**	**20.6**	**20.7**	**21.3**	**19%**	**3%**	**21.1**	**1%**
YoY growth	14%	14%	13%	14%	20%	18%	19%			18%	
Annualized Rev/Store (INR m)	**1,503**	**1,519**	**1,516**	**1,612**	**1,461**	**1,463**	**1,505**	**-1%**	**3%**	**1,486**	**1%**
YoY growth	**1%**	2%	**1%**	-1%	1%	-4%	**-0.7**			-2%	
Annualized rev/sq ft (INR*)	**36,026**	**36,626**	**36,549**	**38,923**	**35,382**	**35,532**	**36,583**	**0%**	**3%**	**36,107**	**1%**
YoY growth	**0%**	2%	**1%**	0%	2%	-3%	**0.1**			-1.2%	

**calculated number*

Union Bank of India

BSE SENSEX	S&P CNX
71,910	22,422

Stock Info

Bloomberg	UNBK IN
Equity Shares (m)	7634
M.Cap.(INRb)/(USDb)	1279.3 / 13.3
52-Week Range (INR)	205 / 135
1, 6, 12 Rel. Per (%)	-3/-1/31
12M Avg Val (INR M)	2654
Free float (%)	25.0

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	366.6	417.9	462.6
OP	286.2	331.7	371.6
NP	187.0	211.1	228.5
NIM (%)	2.5	2.7	2.8
EPS (INR)	24.5	27.7	29.9
EPS Gr. (%)	3.9	12.9	8.3
BV/Sh. (INR)	163	187	212
ABV/Sh. (INR)	158	181	205
RoA (%)	1.2	1.3	1.3
RoE (%)	16.3	16.2	15.3
Valuations			
P/E(X)	6.8	6.0	5.6
P/BV (X)	1.0	0.9	0.8
P/ABV (X)	1.1	0.9	0.8

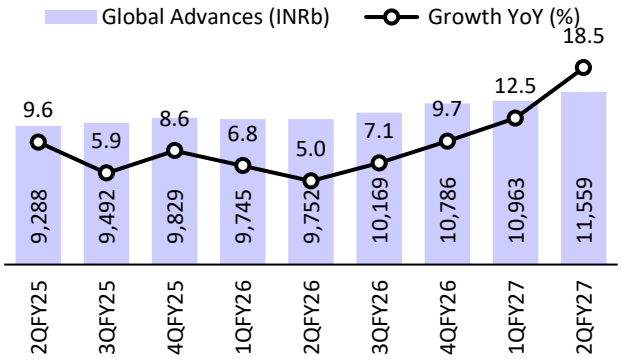
CMP: INR167 — Neutral

Improved business growth; domestic CD ratio increased 96bp QoQ

Union Bank released its 2QFY27 business update. Following are the key takeaways:

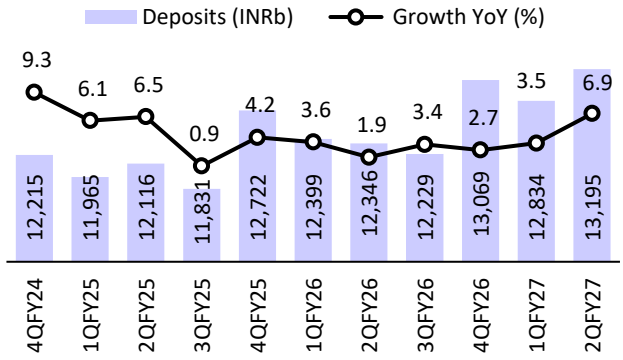
- Total business grew 12.02% YoY/4.02% QoQ to INR24.75t.
- Gross advances grew 18.5% YoY/5.4% QoQ to INR11.56t. Domestic advances increased 17.4% YoY/4.2% QoQ to INR 11.06t.
- Within advances, growth for RAM advances was steady at 14.7% YoY/ 4.5% QoQ at INR 6.36t.
- Total deposits improved 2.81% QoQ (up 6.87% YoY) to INR13.19t. Domestic CASA grew 14.66% YoY/2.33% QoQ, and, as a result, CASA ratio declined marginally to 34.9% from 35.1% in 1QFY27.
- Reported domestic CD ratio thus rose 96bp to 84.3% from 83.4% in 1QFY27.

Global advances grew 18.5% YoY (up 5.44% QoQ)



Source: MOFSL, Company

Deposits improved 2.8% QoQ (up 6.9% YoY)



Source: MOFSL, Company

Punjab National Bank

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	419.6	463.9	540.5
OP	292.9	330.9	393.4
NP	169.0	220.1	245.4
NIM (%)	2.3	2.4	2.5
EPS (INR)	14.7	19.2	21.4
EPS Gr. (%)	-0.5	30.2	11.5
BV/Sh. (INR)	119	133	150
ABV/Sh. (INR)	113	127	143
Ratios			
RoA (%)	0.9	1.1	1.1
RoE (%)	13.5	15.7	15.5
Valuations			
P/E(X)	7.5	5.7	5.1
P/BV (X)	0.9	0.8	0.7
P/ABV (X)	1.0	0.9	0.8

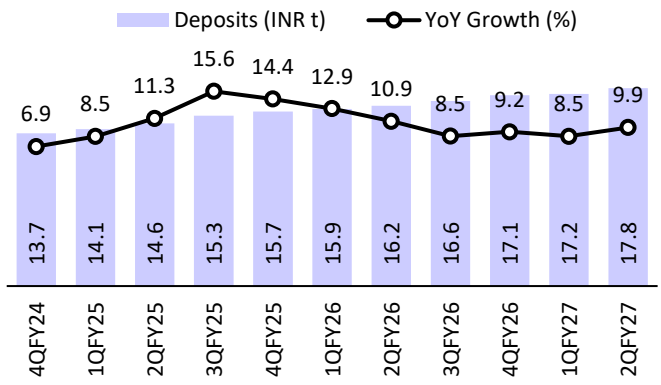
CMP: INR110 — Buy

Robust business growth; global CD ratio inches up 175bp QoQ

PNB released its 2QFY27 business update. The following are the key takeaways:

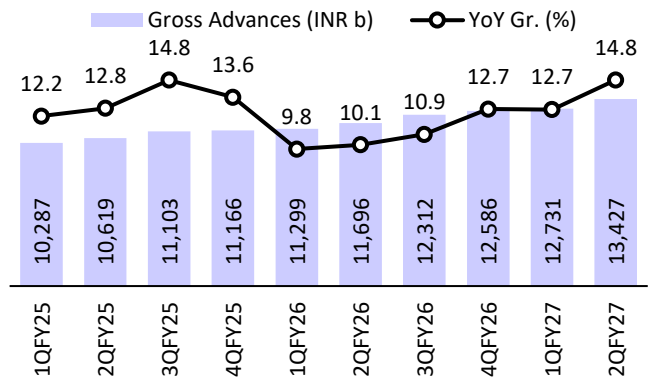
- Global business grew 11.95% YoY/4.1% QoQ to INR31.2t, whereas domestic business was up 10.8% YoY/3.4% QoQ to INR29.7t.
- Global advances increased 14.8% YoY/5.5% QoQ to INR13.4t, led by lower growth in domestic advances, which grew 12.6% YoY/4.6% QoQ to INR12.6t.
- Global deposits grew 9.9% YoY/3.0% QoQ to INR17.8t, supported by domestic deposit growth of 9.4% YoY/2.5% QoQ to INR17.1t.
- As a result, the global C/D ratio increased to 75.6% from 73.8% in 1QFY27.

Deposits up by 3% QoQ (up 9.9% YoY)



Source: MOFSL, Company

Advances up by 5.5% QoQ (up 14.8% YoY)



Source: MOFSL, Company

Bank of Baroda

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	476.8	509.1	605.3
OP	322.6	352.7	419.9
NP	200.2	178.6	226.5
NIM (%)	2.6	2.5	2.6
EPS (INR)	38.7	34.5	43.7
EPS Gr. (%)	2.2	-10.8	26.8
BV/Sh. (INR)	287	298	330
ABV/Sh. (INR)	264	277	307
Ratios			
RoA (%)	1.1	0.8	0.9
RoE (%)	14.7	12.1	14.3
Valuations			
P/E(X)	6.0	6.7	5.3
P/BV (X)	0.8	0.8	0.7
P/ABV (X)	0.9	0.8	0.8

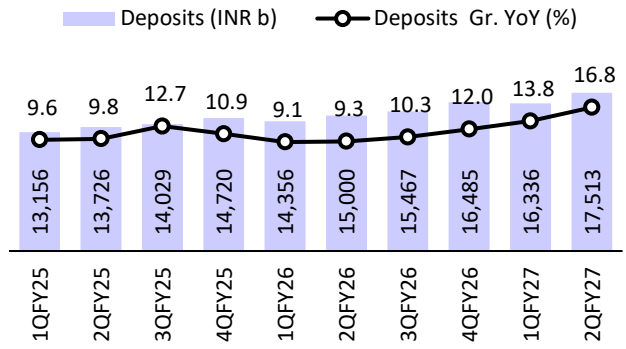
CMP: INR231 — Neutral

Healthy advances and deposit growth; CD ratio remains broadly stable QoQ at ~86.4%

BoB released its 2QFY27 business update. Following are the key takeaways:

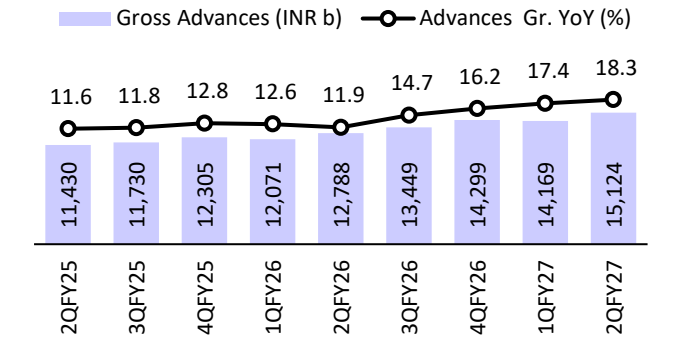
- Total business of the bank grew 17.4% YoY/6% QoQ to INR32.6t.
- Global advances grew 18.3% YoY/5.8% QoQ to INR15.1t (while domestic advances rose 13.5% YoY/1.6% QoQ), led by retail advances, which grew 18.7% YoY/7.1% QoQ.
- Global deposits grew 16.8% YoY/6.3% QoQ to INR17.5t, led by growth in domestic deposits, which increased 17.0% YoY/6.2% QoQ to INR14.9t.
- As a result, the C/D ratio stood largely steady at 86.4% vs 86.7% in 1QFY27 (on a gross basis).

Deposits up 6.3% QoQ (up 16.8% YoY)



Source: MOFSL, Company

Advances rose 5.8% QoQ (up 18.3% YoY)



Source: MOFSL, Company

Indian Bank

BSE SENSEX	S&P CNX
71,910	22,422

CMP: INR793 — Buy

Robust business growth; CD ratio inches up to 82.8%

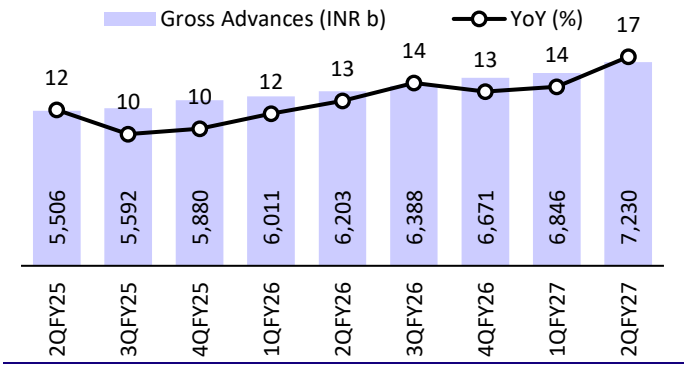
Indian Bank released its 2QFY27 business update. Following are the key takeaways:

- Total business grew 14.2% YoY/4.4% QoQ to INR15.96t.
- Gross advances grew by 16.6% YoY/5.5% QoQ to INR7.23t (vs. INR6.85t in 1QFY27), largely driven by healthy traction in the RAM segment, which grew by 17.8% YoY/6.2% QoQ to INR4.43t.
- Deposits grew 12.4% YoY/3.4% QoQ to INR8.7t, led by robust growth in CA deposits at 27.5% YoY/6.3% QoQ, while SA deposits grew 10.8% YoY/1.8% QoQ. As a result, CASA ratio stood at 39.28% vs. 39.73% in 1QFY27.
- Overall business growth was robust, while deposits growth was largely driven by FCNR (B) inflows of USD2.4b. As a result, calculated CD ratio (on gross advances) increased marginally to 82.8% from 81.3% in 1QFY27.

Financials & Valuations (INR b)

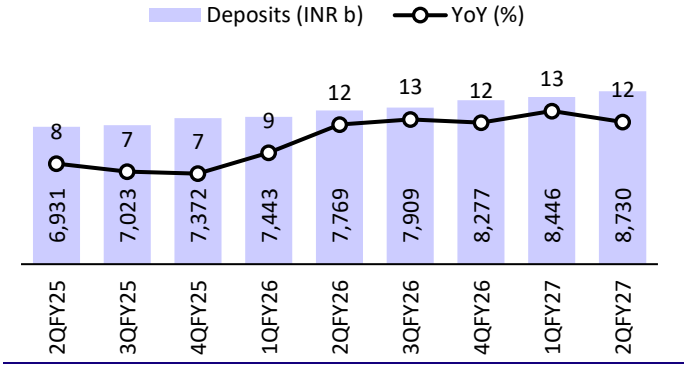
Y/E March	FY26	FY27E	FY28E
NII	269.1	309.0	351.4
OP	199.2	230.5	261.0
NP	121.6	138.6	157.0
NIM (%)	3.0	3.0	3.1
EPS (INR)	90.2	102.9	116.6
EPS Gr. (%)	11.3	14.0	13.3
BV/Sh. (INR)	552	624	716
ABV/Sh. (INR)	544	617	708
Ratios			
RoA (%)	1.3	1.3	1.3
RoE (%)	18.1	18.2	18.0
Valuations			
P/E(X)	8.8	7.7	6.8
P/BV (X)	1.4	1.3	1.1
P/ABV (X)	1.5	1.3	1.1

Gross advances grew 16.6% YoY (up 5.5% QoQ)



Source: MOFSL, Company

Deposits grew 12.4% YoY (up 3.4% QoQ)



Source: MOFSL, Company

Canara Bank

BSE SENSEX	S&P CNX
71,910	22,422

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	372.1	434.8	505.1
OP	330.2	341.5	398.7
NP	191.9	200.6	230.6
NIM (%)	2.1	2.2	2.3
EPS (INR)	21.2	22.1	25.4
EPS Gr. (%)	12.7	4.5	15.0
BV/Sh. (INR)	121	132	142
ABV/Sh. (INR)	116	127	136
Ratios			
RoA (%)	1.1	1.0	1.0
RoE (%)	19.1	17.9	19.0
Valuations			
P/E (x)	5.6	5.4	4.7
P/BV (x)	1.0	0.9	0.8
P/ABV (x)	1.0	0.9	0.9

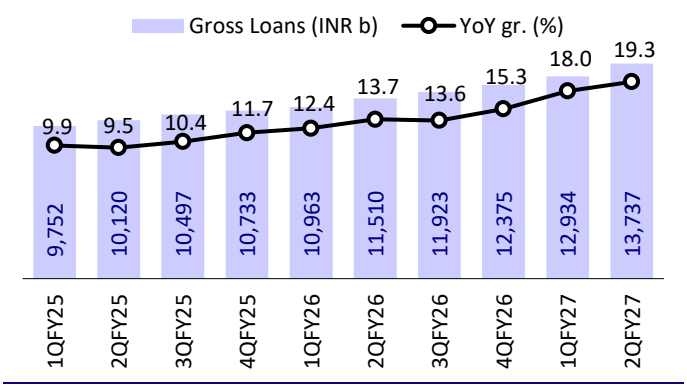
CMP: INR118 — Buy

Healthy business growth; advances up 6.2% QoQ supported by strong RAM growth

Canara Bank released its 2QFY27 business update. Following are the key takeaways:

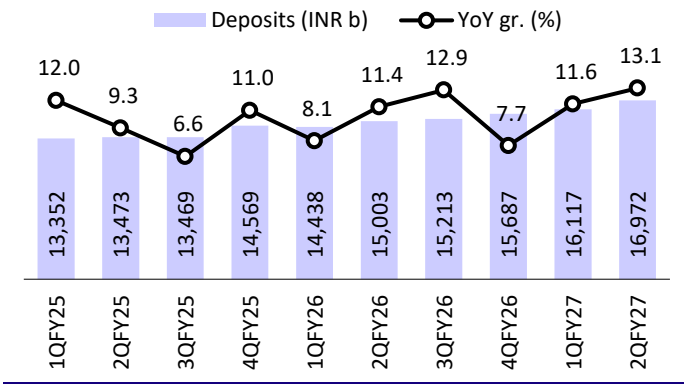
- Total business grew 15.8% YoY/5.7% QoQ to INR30.7t.
- Global advances grew by 19.3% YoY/6.2% QoQ to INR13.7t (vs INR12.9t in 1QFY27). Growth was led by healthy traction in RAM segment, which grew by 21.0 % YoY/6.2% QoQ to INR8.12t.
- Global deposits grew 13.1% YoY/5.3% QoQ to INR16.97t, whereas domestic deposits grew 11% YoY/5% QoQ to INR15.5t. Healthy deposit growth was led by FCNR (B) mobilization of USD5.8b.
- The bank has delivered healthy overall business growth, while advances growth was largely driven by RAM advances. As a result, calculated CD ratio (on gross advances) increased to 80.9% from 80.2% in 1QFY27.

Global advances grew 19.3% YoY (up 6.2% QoQ)



Source: MOFSL, Company

Global deposits grew 13.1% YoY (up 5.3% QoQ)



Source: MOFSL, Company

AU Small Finance Bank

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	91.1	114.4	142.6
PPoP	50.9	63.0	79.7
PAT	26.4	36.5	47.1
NIM (%)	5.2	5.3	5.4
EPS (INR)	35.4	48.7	62.7
EPS Gr. (%)	18.8	37.6	28.9
BV/Sh. (INR)	264	309	370
ABV/Sh. (INR)	257	302	362
Ratios			
RoA (%)	1.5	1.7	1.8
RoE (%)	14.4	17.0	18.5
Valuations			
P/E(X)	27.9	20.2	15.7
P/BV (X)	3.7	3.2	2.7
P/ABV (X)	3.8	3.3	2.7

CMP: INR987 — Buy

Healthy business growth; CASA ratio improves QoQ to 29.5%

AUBANK released its business update for 2QFY27. Here are the key highlights:

- AUBANK has reported a 7.0% QoQ (+27.9% YoY) growth in gross advances to ~INR1.50t. Including the securitized/assigned + IBPC loan portfolio, the total loan portfolio grew 6.6% QoQ (25.1% YoY).
- The bank securitized its asset portfolio of INR34.8b in 2QFY27 and INR37.9b in 1QFY27.
- Deposit growth stood strong at 28.6% YoY/8.1% QoQ to reach INR1.70t.
- CASA deposit growth was higher than overall deposit growth by 270bp QoQ, at 10.8% QoQ/29.1% YoY to INR503b. As a result, the CASA ratio improved to 29.5% from 28.8% as of 1QFY27.
- Overall business growth was healthy, with strong growth in CASA deposits. AU Bank remains our top pick in the mid-sized private bank space.

Key business trends

INR b	2QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Total Deposits	1,325.1	1,577.3	1,704.6	28.6%	8.1%
CASA Deposits	389.6	454.0	502.9	29.1%	10.8%
CASA Ratio (%)	29.4%	28.8%	29.5%	NA	NA
Gross Advances	1,175.2	1,404.6	1,502.9	27.9%	7.0%
Securitized/assigned loan portfolio + IBPC	53.5	37.9	34.8	NA	NA
Gross Loan Portfolio	1,228.7	1,442.5	1,537.7	25.1%	6.6%

Source: MOFSL, Company

Bajaj Housing Finance

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

INR b	FY26	FY27E	FY28E
NII	37.5	41.6	51.2
PPP	35.2	40.7	50.7
PAT	25.6	30.1	37.4
EPS (INR)	3.1	3.6	4.5
EPS Gr. (%)	18	18	24
BV/Sh. (INR)	27	31	35
Ratios (%)			
NIM	3.4	3.0	3.0
C/I ratio	19.7	19.2	17.7
RoA	2.2	2.1	2.1
RoE	12.1	12.5	13.6
Valuation			
P/E (x)	27.0	22.9	18.5
P/BV (x)	3.1	2.7	2.4
Div. Yield (%)	0.0	0.0	0.0

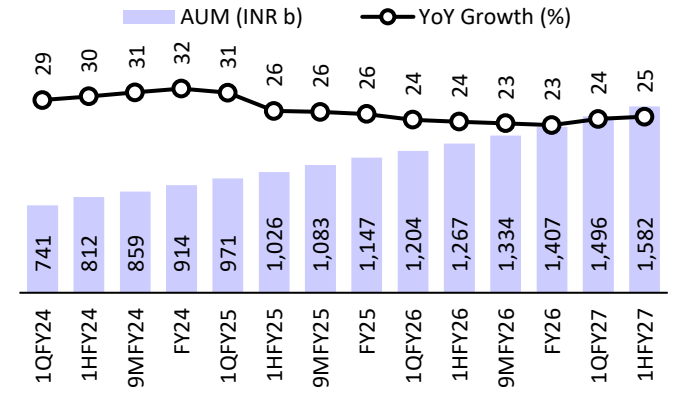
CMP: INR83 — Neutral

Healthy AUM growth of 25% YoY; repayment rates inch up QoQ

Disbursements rise ~25% YoY

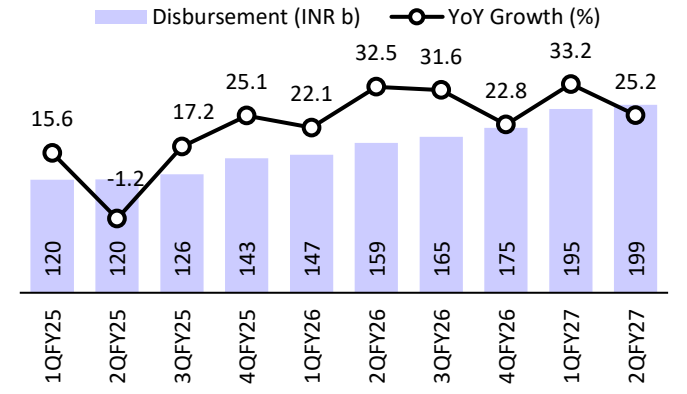
- BHFL's 2QFY27 disbursements grew ~25% YoY/2% QoQ to INR199b.
- AUM grew ~25% YoY/6% QoQ to INR1.58t as of Sep'26.
- Repayments during the quarter stood at ~30.4% (PY: 31.8% and PQ: 30.1%).
- Loan assets grew ~24% YoY and stood at INR1.4t as of Sep'26.

AUM grew ~25% YoY



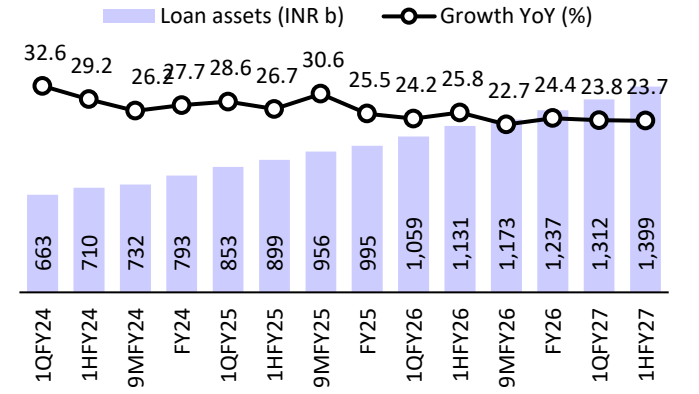
Source: MOFSL, Company

Disbursements grew ~25% YoY



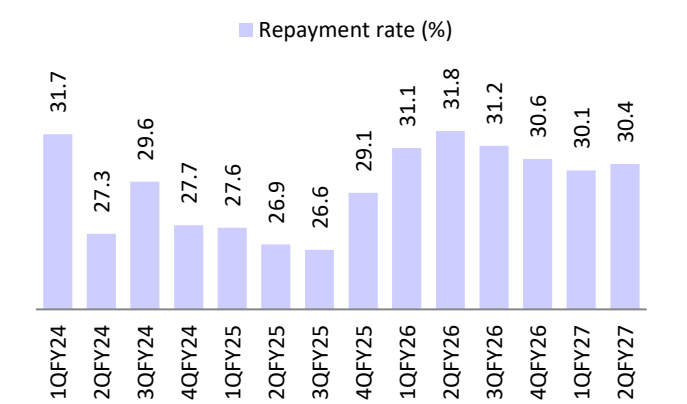
Source: MOFSL, Company

Loan assets grew ~24% YoY



Source: MOFSL, Company

Repayment rate increased marginally QoQ to 30.4%



Source: MOFSL, Company

L&T Finance

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	99.0	124.6	152.1
PPP	67.4	86.9	103.0
PAT	29.8	39.9	47.8
EPS (INR)	11.9	15.9	19.1
EPS Gr. (%)	12.3	33.7	19.9
BV/Sh. (INR)	112	125	140
Ratios			
NIM (%)	9.4	9.5	9.4
C/I ratio (%)	39.8	38.1	38.0
RoAA (%)	2.3	2.5	2.5
RoE (%)	11.1	13.5	14.4
Payout (%)	23.1	25.0	25.0
Valuation			
P/E (x)	22.3	16.7	13.9
P/BV (x)	2.4	2.1	1.9
Div. Yield (%)	1.0	1.5	1.8

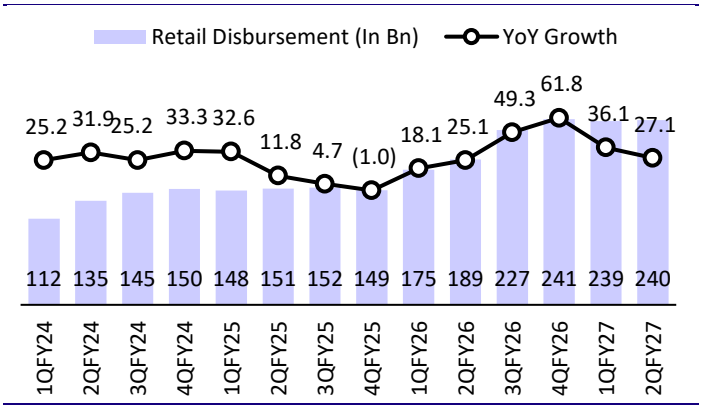
CMP: INR264 — Buy

Strong retail loan growth of ~29% YoY; healthy disbursements

Gold finance delivered robust ~68% QoQ growth

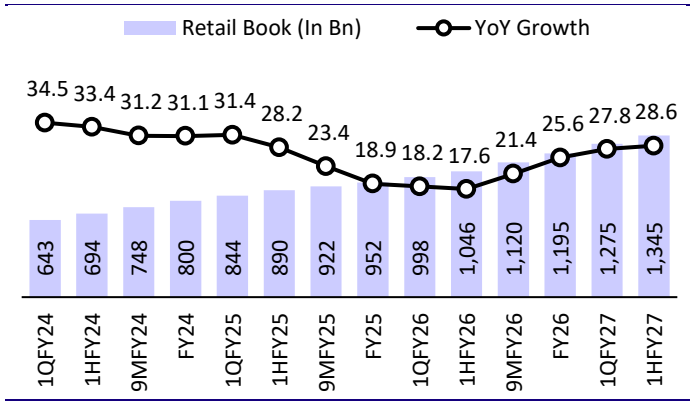
- 2QFY27 retail disbursements rose ~27% YoY and ~1% QoQ to INR240b (PY: INR189b).
- Rural Business disbursements remained flat YoY and declined ~9% QoQ. Farmer Finance disbursements declined ~1% YoY and ~33% QoQ. Urban Finance disbursements grew 27% YoY and declined 4% QoQ. SME Finance disbursements grew 24% YoY and 16% QoQ.
- Gold loan disbursements remained strong, growing ~68% QoQ.
- Retail loan book grew 29% YoY and 5.5% QoQ to INR1.35t.
- Retail loan mix increased to ~99% (PY: 98%).

Retail disbursements grew ~27% YoY



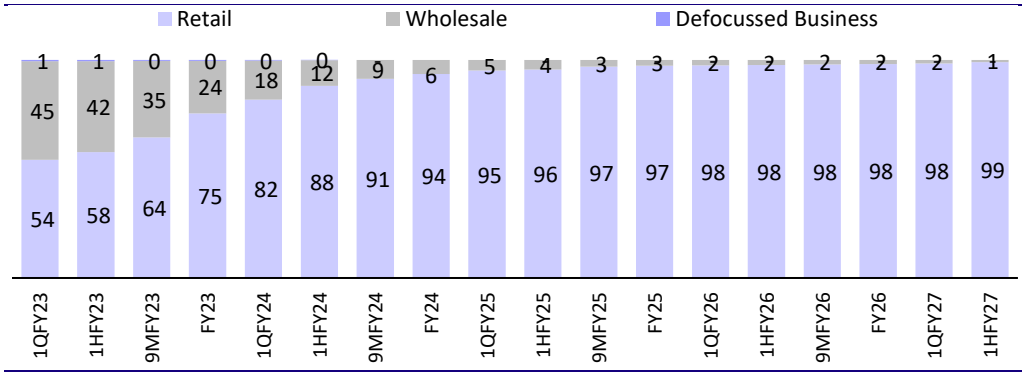
Source: MOFSL, Company

Retail loans grew ~29% YoY



Source: MOFSL, Company

Wholesale mix declined to ~1% (vs ~2% in 1QFY27)



Source: MOFSL, Company

Mahindra Finance

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	101.1	116.6	129.4
PPP	62.3	73.1	80.5
PAT	27.8	35.5	39.1
EPS (INR)	20.0	25.6	28.1
EPS Gr. (%)	5	28	10
BV/Sh.(INR)	178	196	216
Ratios			
NIM (%)	7.0	7.0	6.9
C/I ratio (%)	38.4	37.3	37.8
RoA (%)	2.0	2.3	2.2
RoE (%)	12.5	13.7	13.6
Payout (%)	37.5	32.6	31.5
Valuations			
P/E (x)	16.0	12.5	11.4
P/BV (x)	1.8	1.6	1.5
Div. Yield (%)	2.3	2.6	2.8

CMP: INR320 — Buy

Business assets grow 15% YoY; asset quality broadly stable

Healthy disbursements growth of ~22% YoY

Key takeaways from the 2QFY27 business update:

- Mahindra Finance's (MMFS) 2QFY27 disbursements at INR164.9b grew 22% YoY/~6% QoQ. 1HFY27 disbursements stood at ~INR320b (~22% YoY) (excluding finance lease).
- Gross business assets as of Sep'26 stood at ~INR1.46t, up 15% YoY/6% QoQ.
- The company's 2QFY27 CE stood at 97% (PY: 96% and PQ: 95%).
- MMFS reported that its Stage 3 is estimated at 3.35-3.45% (PQ: 3.45% and PY: 3.9%), and Stage 2 is estimated at 4.7-4.8% (PQ: 4.9% and PY: 5.8%).
- As of Sep'26, MMFS has maintained a comfortable liquidity position with a liquidity chest of ~INR162b.

Trends in disbursements, collection efficiency, and asset quality

MMFS	2QFY26			1QFY27			2QFY27		
	Jul-25	Aug-25	Sep-25	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
Disbursements (INR b)		135			156			165	
Growth - YoY (%)		3%			21%			22%	
Business Assets (INR b)			1268			1373			1463
Growth - YoY (%)			13%			12.5%			15%
Collection Efficiency [Monthly]									
Collection Efficiency [Quarterly]		96%			95%			97%	

Stage 2			5.80%			4.90%			4.7-4.8%
Stage 3			3.90%			3.50%			3.35-3.45%
Stage 2 + Stage 3 [30+dpd]			**9.70%**			**8.4**			**~8.1-8.3%**

Write-offs (INR b)									

MMFS	2QFY26			1QFY27			2QFY27		
	Jul-25	Aug-25	Sep-25						
Commentary on Asset Quality									
Stage 2			~10bp QoQ decline in Stage 2			~10bp QoQ increase in Stage 2			~10bp -20bp QoQ decline in Stage 2
Stage 3/NPA contracts			~10bp QoQ increase in Stage 3			~5bp QoQ increase in Stage 3			~5bp -15bp QoQ decline in Stage 3

Bandhan Bank

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	108.3	119.3	138.0
OP	58.6	59.3	70.4
NP	12.2	23.3	31.4
NIM (%)	5.7	5.6	5.7
EPS (INR)	7.6	14.4	19.5
EPS Gr. (%)	-55.4	90.1	34.8
BV/Sh. (INR)	157	165	179
ABV/Sh. (INR)	150	160	173
Ratios			
RoA (%)	0.6	1.0	1.2
RoE (%)	4.9	9.0	11.3
Valuations			
P/E(X)	23.0	12.1	9.0
P/BV (X)	1.1	1.1	1.0
P/ABV (X)	1.2	1.1	1.0

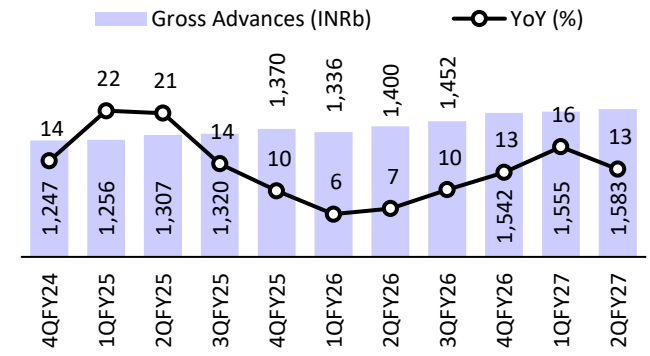
CMP: INR176 — Neutral

Soft business growth; CASA ratio drops sharply to 26.7%

BANDHAN released its quarterly business update, highlighting the key trends for 2QFY27:

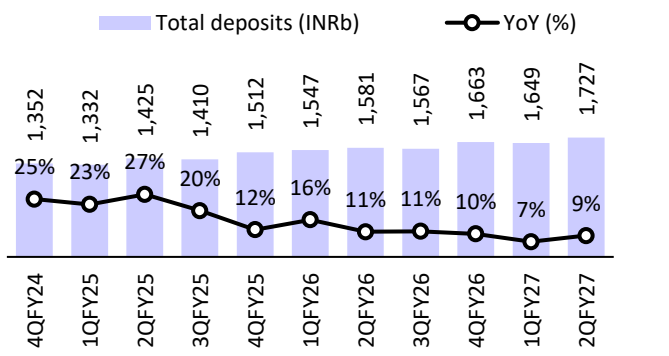
- Gross advances (on book + PTC) grew 1.8% QoQ (up 13.1% YoY) to ~INR1.58t.
- Deposits grew 9.2% YoY/4.7% QoQ to INR1.73t. Bulk deposits rose 10% QoQ/2.8% YoY.
- CASA deposits dipped 4.8% QoQ (up 4.3% YoY). As a result, the CASA ratio dropped sharply by 270bp QoQ to 26.7%.
- Retail deposits (incl CASA) grew by 11.9% YoY/ 2.9% QoQ. The proportion of retail deposits declined to 72.66% (vs 73.96% in 1QFY27). LCR for the bank stands at 137.88%.
- On the asset quality front, overall CE remains consistent at 98.9%, with collection efficiency in EEB at 98.6% and that in the non-EEB segment at 99.2%.

Exhibit 1: Gross advances grew 1.8% QoQ (up 13.1% YoY)



Source: MOFSL, Company

Exhibit 2: Deposits grew 4.7% QoQ (up 9.2% YoY)



Source: MOFSL, Company

V2 Retail

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	30.6	48.7	67.8
EBITDA	4.7	7.0	9.9
Adj. PAT	1.5	2.0	2.8
EBITDA Margin (%)	15.2	14.3	14.7
Adj. EPS (INR)	4.5	5.4	7.6
EPS Gr. (%)	111.0	32.3	40.1
Ratios			
Net D:E	1.1	1.6	1.7
RoE (%)	18.1	18.0	20.1
RoCE (%)	29.4	25.6	29.4
Payout (%)	-	-	-
Valuations			
P/E (x)	53.6	40.5	28.9
EV/EBITDA (x)	19.3	14.2	10.5
EV/Sales (X)	2.9	2.0	1.5

CMP: INR202 — Buy

Revenue up 28% YoY; SSSG weakens sharply amid the festive shift…

…higher eastern exposure further amplified the impact

- V2 Retail's 2QFY27 **revenue grew 28.4% YoY to INR9.1b**, primarily driven by aggressive store expansion, with **retail area increasing ~65% YoY**.
  - **Festival-normalized SSSG stood at just 0.5%** (V-Mart: 11% adjusted), sharply lower than ~7–8% in the preceding quarters, indicating a significant moderation in underlying demand.
  - **Reported/calendar SSSG was -14.9% due to the festive shift.**
- Reported SPSF stood at INR700 (down 25% YoY), as ~100 of the 427 stores were opened in 1HFY27, indicating that a significant part of the network is still in the ramp-up phase.
  - Calculated **SPSF** stood at INR693, down 24% YoY.
- V2 opened 49 stores and closed three during the quarter, taking the total store count to 427 and the retail footprint to 4.6m sq ft (65% YoY).
  - 1HFY27 saw 106 gross store additions (V-Mart: 23 additions in 2QFY27; 613 stores).
- **Overall, 2QFY27 growth was weaker on an underlying basis**, as the 28% revenue growth was largely supported by network expansion, while SSSG was sharply affected by the **festive shift into 3QFY27**.
  - The impact was **more pronounced given V2's higher exposure to eastern markets (44% vs. V-Mart's 31%)**, where **Durga Puja is a key festive consumption period.**
- V-Mart remains among our top small cap picks in the retail space.

V2 Retail (INR m)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	YoY%	QoQ%
Revenue	**6,297**	**7,049**	**9,273**	**7,981**	**9,972**	**9,050**	**28.4**	**(9.2)**
YoY	51.7	85.5	56.9	58.3	58.4	28.4	(66.8)	(51.4)
EoP store count	**216**	**259**	**294**	**325**	**381**	**427**	**64.9**	**12.1**
QoQ net additions	27	43	35	31	56	46		
YoY	70%	86%	84%	72%	76%	65%		
Area (in m sqft)	**2.35**	**2.79**	**3.19**	**3.50**	**4.07**	**4.63**	**65.7**	**13.8**
YoY	-9%	4%	-15%	-11%	73%	66%		
Reported SPSF (INR/sqft)	**960**	**938**	**1,032**	**794**	**886**	**700**	**(25.4)**	**(21.0)**
YoY	-9%	4%	-15%	-11%	-8%	-25%		
Reported SSSG (%)	**5.0%**	**23.4%**	**2.0%**	**7.7%**	**7.5%**	**0.5%**		

Est	M.Cap	FY26-29E CAGR (%)			P/E (X)		EV/EBITDA (x)	
	INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E
VMM	473	18.8	24.3	26.9	45.2	35.3	28.8	22.4
V2 Rel	76	39.7	37.8	35.2	38.5	27.5	19.7	13.6
V-Mart	60	17.9	25.6	32.6	40.1	26.8	20.8	15.4

Equitas SFB

BSE SENSEX	S&P CNX
71,910	22,422

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	33.9	43.1	50.7
OP	12.6	17.5	21.8
NP	1.0	7.7	10.6
NIM (%)	6.8	7.4	7.3
EPS (INR)	0.9	6.8	9.3
BV/Sh. (INR)	54	58	66
ABV/Sh. (INR)	51	56	64
Ratios			
RoA (%)	0.2	1.2	1.4
RoE (%)	1.7	12.2	15.1
Valuations			
P/E(X)	75.5	10.0	7.3
P/BV (X)	1.3	1.2	1.0
P/ABV (X)	1.3	1.2	1.1

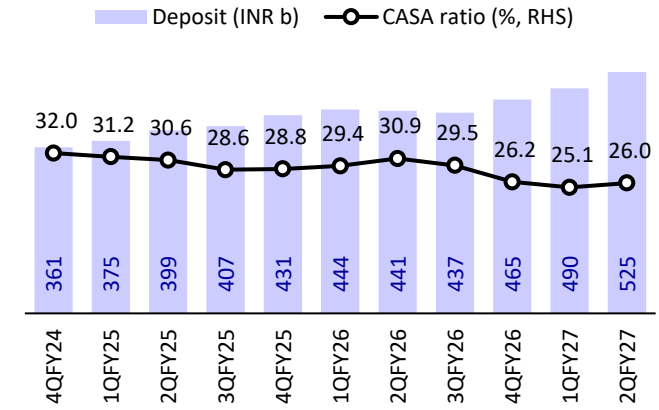
CMP: INR68 — Buy

Advances growth remains healthy, supported by strong deposit mobilization; CD ratio improves to ~90.6%

Equitas SFB released its 2QFY27 business update. Following are the key takeaways:

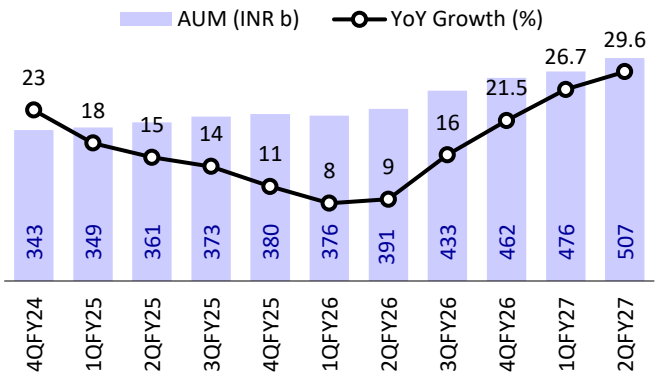
- Gross advances grew 29.6% YoY/6.4% QoQ to INR507b. Sequential growth was led by non-MFI, which rose 6.6% QoQ/24.2% YoY to INR443.6b, while MFI was up 5.2% QoQ/86.7% YoY to INR 63b.
- Total deposits grew 19% YoY/7.2% QoQ to INR524.8b, led by growth in CASA at 9.5% QoQ. This resulted in a CASA ratio improvement to 26% in 2Q from 25% in 1QFY27.
- Cost of fund increased by 7bp QoQ to 7.12%.
- C/D ratio declined to 90.6% from 92.9% in 1QFY27.

Deposits up by 7.2% QoQ (up 19% YoY)



Source: MOFSL, Company

Advances up by 6.4% QoQ (up 29.6% YoY)



Source: MOFSL, Company

V-Mart Retail

BSE SENSEX	S&P CNX
71,910	22,422

CMP: INR741 — Buy

Strong 2Q print; revenue up 18% YoY

- Despite the festive shift, V-Mart delivered 18% YoY growth in revenue to INR9.5b (7% ahead of our pre-qtr estimate), driven by ~16% YoY store additions and a robust blended SSSG of 3%.
  - SSSG for V-Mart (core) stood at 2% (vs. 8%/11% in 1QFY27/ 2QFY26), while SSSG for Unlimited came in at 11% (vs. 13%/11% in 1QFY27/2QFY26).
  - Adjusted for the festive shift, blended SSSG stood at 11% with V-Mart's (core) SSSG at 10% and Unlimited's at 12%.
  - Revenue per store grew ~2% YoY to INR15.8m.
- The company opened 23 new stores (we estimate 19 store openings in the V-Mart format and four in Unlimited) and closed one store during the quarter bringing the total store count to 613.
- Despite the festive shift, weak monsoon, and inflationary trends, the company's 2QFY27 performance remained robust, fueled by structural tailwinds and improved execution.
- V-Mart remains among our top small cap picks in the retail space.

Financials Snapshot (INR b)

INR bn	FY27E	FY28E	FY29E
Sales	45.4	53.4	62.0
EBITDA	6.2	7.7	9.3
NP	1.5	2.2	2.9
EBITDA Margin (%)	13.7	14.5	14.9
Adj. EPS (INR)	18.8	28.2	36.7
EPS Gr. (%)	19.7	49.7	30.1
BV/Sh. (INR)	138.7	166.9	203.5
Ratios			
Net D:E	0.8	0.5	0.3
RoE (%)	14.6	18.5	19.8
RoCE (%)	10.7	13.8	15.7
Valuations			
P/E (x)	39.3	26.3	20.2
EV/EBITDA (x)	10.9	8.5	6.9
EV/Sales (x)	1.3	1.1	0.9
Div. Yield (%)	-	-	-
FCF Yield (%)	1.2	2.6	3.2

V-Mart (INR m)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	YoY%	2QFY27E	vs. est (%)
Total revenue	**8,852**	**8,069**	**11,264**	**9,709**	**10,888**	**9,530**	**18.1**	**8,910**	**7.0**
Total stores	**510**	**533**	**554**	**577**	**591**	**613**	**15.0**	**617**	**(0.6)**
V-Mart	421	438	458	478	490	508	16.2	510	(0.2)
Unlimited	89	95	96	99	101	105	9.5	107	(2.8)
SSSG (%)	**1.0**	**11.0**	**-**	**12.0**	**9.0**	**3.0**		**(2.0)**	
Revenue per store	**17.6**	**15.5**	**20.7**	**17.2**	**18.6**	**15.8**	**2.3**	**14.8**	**7.3**
YoY (%)	(0.2)	7.1	(3.6)	8.4	6.0	2.3		(4.7)	

Est	M.Cap	FY26-29E CAGR (%)			P/E (X)		EV/EBITDA (x)	
	INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E
VMM	473	18.8	24.3	26.9	45.2	35.3	28.8	22.4
V2 Rel	76	39.7	37.8	35.2	38.5	27.5	19.7	13.6
V-Mart	60	17.9	25.6	32.6	40.1	26.8	20.8	15.4

Index and MOFSL Universe stock performance

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**-0.8**	**-6.5**	**-11.2**
Nifty-50	**-0.9**	**-6.8**	**-9.7**
Nifty Next 50	**-1.1**	**-5.3**	**1.3**
Nifty 100	**-0.9**	**-6.5**	**-7.8**
Nifty 200	**-0.9**	**-6.7**	**-5.8**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**-3.5**	**-10.9**	**-5.2**
Amara Raja Ener.	-0.9	-15.1	-24.8
Apollo Tyres	0.0	-8.6	-13.5
Ashok Leyland	-2.4	-11.8	6.5
Bajaj Auto	-7.6	-18.7	16.4
Balkrishna Inds	-1.6	-10.6	-9.6
Bharat Forge	-2.6	-8.6	53.7
Bosch	-3.4	-6.3	18.7
CEAT	0.7	-3.3	-5.8
CIE Automotive	-2.6	-3.7	-9.0
Craftsman Auto	-1.3	-8.6	53.1
Eicher Motors	-3.2	-13.2	-1.4
Endurance Tech.	-2.1	-8.5	-7.5
Escorts Kubota	-1.8	-11.6	-26.7
Exide Inds.	-0.8	-6.1	3.6
Gabriel India	-2.0	-7.8	6.0
Happy Forgings	-3.1	-17.2	117.0
Hero Motocorp	-1.4	-7.0	-4.9
Hyundai Motor I	-0.3	-7.1	-20.2
M & M	-3.1	-12.2	-17.4
Maruti Suzuki	-4.9	-12.1	-28.7
Motherson Wiring	-1.6	-9.6	-26.9
MRF	-1.4	-6.7	-17.0
Samvardh. Mothe.	-3.8	-5.2	48.1
Sona BLW Precis.	-3.0	-0.6	94.6
SPR Auto Tech.	-3.5	-2.3	64.0
Tata Motors	-1.5	-10.5	
Tata Motors PVeh	-1.4	-9.9	-35.8
Tenneco Clean	-2.5	-5.7	
Tube Investments	-1.5	-15.3	-24.1
TVS Motor Co.	-2.1	-4.3	16.3
Uno Minda	-5.0	-12.8	-16.1
Banks-Private	**0.0**	**-3.8**	**-1.1**
AU Small Finance	-2.3	-8.5	36.2
Axis Bank	-0.7	-3.3	5.0
Bandhan Bank	-1.3	8.0	7.6
DCB Bank	-1.9	-11.0	55.3
Equitas Sma. Fin	-0.8	-6.8	20.3
Federal Bank	0.3	-8.9	64.2
HDFC Bank	1.8	1.3	-25.3
ICICI Bank	-0.8	-8.9	-4.5
IDFC First Bank	-1.3	-5.3	16.5
IndusInd Bank	-1.6	-10.7	19.3
Kotak Mah. Bank	0.3	-1.6	1.4
RBL Bank	2.0	8.1	49.5

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**-1.0**	**-6.4**	**-4.7**
Nifty Midcap 100	**-1.0**	**-7.3**	**3.0**
Nifty Smallcap 100	**-1.0**	**-4.2**	**7.3**
Nifty Midcap 150	**-1.0**	**-6.9**	**2.0**
Nifty Smallcap 250	**-1.2**	**-4.2**	**4.3**
Banks-PSU	**-1.0**	**-6.7**	**5.8**
Bank of Baroda	0.1	-2.9	-11.1
Canara Bank	-0.9	-5.8	-4.4
Indian Bank	-1.6	-10.0	7.6
Punjab Natl.Bank	-3.1	-4.9	-2.6
SBI	-0.6	-7.8	10.4
Union Bank (I)	-2.0	-9.4	20.8
Building Materials			
Astral	-1.9	-10.8	-2.4
Century Plyboard	-2.3	-11.8	-16.9
Cera Sanitary.	0.0	-11.0	-16.7
Kajaria Ceramics	-0.8	-0.3	2.8
Prince Pipes	-3.5	-15.4	-24.1
Supreme Inds.	-2.1	-6.2	-19.3
NBFCs	**-0.4**	**-5.6**	**-6.9**
AAVAS Financiers	-1.7	-4.6	-27.3
Aditya Birla Cap	-1.5	-4.9	25.1
Bajaj Finance	-1.2	-10.0	-4.0
Bajaj Finserv	0.1	-12.1	-13.7
Bajaj Housing	1.1	0.1	-25.6
Can Fin Homes	-1.1	-10.4	-9.2
Cholaman.Inv.&Fn	-2.5	-12.9	-1.6
CreditAcc. Gram.	-2.6	-11.1	-11.6
Five-Star Bus.Fi	-2.1	-5.9	-5.6
Fusion Finance	-2.1	-12.0	-11.5
HDB FINANC SER	-0.5	-8.5	-19.7
Home First Finan	1.9	-4.8	-8.8
IIFL Finance	-2.8	-8.7	29.1
Indostar Capital	-4.3	-18.9	-19.3
Jio Financial	-2.0	-9.9	-29.2
L&T Finance Ltd	-0.2	-14.5	2.2
LIC Housing Fin.	-4.0	-4.8	-11.8
M & M Fin. Serv.	-1.6	-12.3	17.0
Manappuram Fin.	-2.2	-8.3	7.9
MAS FINANC SER	-2.7	-9.7	-10.4
Muthoot Finance	-1.5	-7.2	-14.2
Northern Arc	0.5	-3.6	3.7
Piramal Finance.	-1.0	-9.1	
PNB Housing	-2.5	-5.2	23.8
Poonawalla Fin	-2.4	-6.0	-13.7
Power Fin.Corpn.	-2.3	-8.0	-22.7
REC Ltd	-3.8	-8.4	-23.8
Repco Home Fin	-1.7	-7.4	-7.5
Shriram Finance	-3.8	-10.8	45.7
Spandana Sphoort	-2.0	-8.5	-14.7
Tata Capital	-2.6	-13.2	

Index and MOFSL Universe stock performance

Company	1 Day (%)	1M (%)	12M (%)
Capital Markets			
360 ONE	1.0	-10.8	0.3
Aditya AMC	-0.4	-3.6	24.0
Anand Rathi Wea.	-0.1	-3.6	46.7
Angel One	1.0	-1.7	27.4
Billionbrains	-2.1	-4.9	
BSE	-1.5	-6.0	46.3
C D S L	-1.7	-10.7	-15.8
Cams Services	0.9	-9.9	-11.4
HDFC AMC	1.2	-9.3	-16.9
ICICI AMC	-1.7	1.5	
KFin Technolog.	-1.0	-11.3	-23.0
Multi Comm. Exc.	-2.9	-3.0	100.3
N S D L	-0.6	-6.8	-37.4
Nippon Life Ind.	-2.2	-11.3	19.4
Nuvama Wealth	3.0	-4.7	31.1
Prudent Corp.	-0.3	-7.0	18.1
SBI Funds Mgt.	-3.0	-11.7	
UTI AMC	0.1	0.5	-32.5
Insurance			
Canara HSBC	-3.1	-6.7	
HDFC Life Insur.	2.5	-1.1	-30.1
ICICI Lombard	-1.7	-0.2	-17.9
ICICI Pru Life	1.0	-9.6	-24.9
Life Insurance	-0.8	-4.9	-13.3
Max Financial	1.4	-9.3	-14.2
Niva Bupa Health	-2.4	-11.3	-10.8
SBI Life Insuran	1.5	-1.0	-4.4
Star Health Insu	0.6	-4.1	17.5
Chemicals			
Alkyl Amines	-1.2	-13.4	-8.3
Atul	-0.9	-9.2	-5.3
Clean Science	1.1	-2.9	-26.8
Deepak Nitrite	-2.4	-16.3	-18.9
Ellen.Indl.Gas	-4.3	8.3	-27.2
Fine Organic	0.1	-2.4	13.2
Galaxy Surfact.	1.9	6.6	6.7
Navin Fluo.Intl.	-1.3	-5.8	75.7
P I Industries	-3.2	-6.7	-37.6
Privi Speci.	-0.6	6.5	51.1
SRF	0.6	-4.1	-14.5
Tata Chemicals	-0.6	-4.1	-33.8
Vinati Organics	4.4	-7.3	-29.5
Capital Goods	**0.0**	**-5.6**	**7.8**
A B B	1.8	-6.7	32.7
Atlanta Electric	6.7	-5.9	96.9
CG Power & Ind	2.9	-0.7	18.8
Cummins India	2.1	-4.8	26.3
GE Vernova T&D	1.2	-1.6	38.4
Hitachi Energy	2.2	-4.1	72.5
Kalpataru Proj.	-1.8	-3.7	9.0

Company	1 Day (%)	1M (%)	12M (%)
KEC Internationa	-1.3	-10.7	-56.4
Kirloskar Oil	-2.7	4.9	142.2
Larsen & Toubro	-1.8	-7.2	0.6
MTAR Technologie	0.0	12.2	310.7
Siemens	2.1	-5.6	21.9
Siemens Ener.Ind	4.2	5.1	-1.9
Thermax	-0.9	-14.1	6.2
Triveni Turbine	-1.7	-8.4	1.2
Cement			
ACC	-1.8	-7.0	-35.3
Ambuja Cements	-3.1	-9.9	-36.6
Birla Corpn.	-1.3	-5.8	-31.7
Dalmia BharatLtd	0.3	-6.6	-24.3
Grasim Inds	-3.3	-10.4	6.2
India Cements	-2.2	-18.0	-24.6
J K Cements	-2.4	-2.4	-21.4
JK Lakshmi Cem.	-3.2	-9.1	-45.1
JSW Cement	-1.6	-10.5	-19.4
Shree Cement	-2.0	-6.8	-25.2
The Ramco Cement	-1.8	-5.2	-16.4
UltraTech Cem.	-2.2	-6.1	-11.5
Consumer	**-1.6**	**-5.7**	**-20.5**
Asian Paints	0.2	-6.5	3.0
Bikaji Foods	-3.4	-15.8	-31.2
Britannia Inds.	-1.1	-7.9	-19.9
Colgate-Palmoliv	-1.6	-6.7	-22.0
Dabur India	-1.5	-2.5	-24.4
Emami	-1.7	-1.1	-31.3
Godrej Consumer	-1.2	-7.2	-26.9
Gopal Snacks	1.5	-5.8	-26.3
Hind. Unilever	-2.3	-8.0	-26.5
Indigo Paints	-3.4	-10.1	-1.8
ITC	-2.6	-4.0	-36.9
Jyothy Labs	-2.0	-10.7	-42.5
L T Foods	-0.2	-8.6	-0.5
Marico	-0.6	-6.8	11.3
Mrs Bectors	3.0	-6.5	-14.4
Nestle India	-0.2	-9.1	12.1
P & G Hygiene	-2.3	-15.8	-53.0
Page Industries	0.8	2.8	-12.9
Pidilite Inds.	-0.1	-10.9	-0.8
Prataap Snacks	-3.2	-6.3	4.8
Radico Khaitan	-3.0	-5.3	45.4
Tata Consumer	0.8	-7.1	-16.4
United Breweries	2.7	-9.2	-33.9
United Spirits	-1.4	-9.2	-0.9
Varun Beverages	-1.6	4.8	-4.0
Zydus Wellness	-3.8	-6.7	7.3
Consumer Durables	**-1.4**	**-9.6**	**-0.3**
Blue Star	-3.8	-2.1	-22.3
Crompton Gr. Con	-2.9	-12.3	-30.8

Index and MOFSL Universe stock performance

Company	1 Day (%)	1M (%)	12M (%)
Havells India	2.4	-14.9	-30.0
KEI Industries	1.1	-15.8	11.6
LG Electronics	-0.1	3.4	
Polycab India	-0.4	-10.2	8.7
R R Kabel	0.0	-12.3	98.5
Voltas	-1.6	-12.6	-22.2
Defense			
Astra Microwave	-0.7	-3.7	61.9
Bharat Dynamics	-2.0	-13.0	-29.4
Bharat Electron	-1.3	-6.8	-5.8
Data Pattern	-0.8	-5.8	61.6
Hind.Aeronautics	-1.4	-4.3	-4.2
Solar Industries	-1.5	-3.3	45.1
Unimech Aero.	2.8	20.2	70.2
Zen Technologies	-2.0	-11.7	7.2
EMS			
Aditya Infotech	-1.2	2.0	185.6
Amber Enterp.	-2.6	-13.4	-21.1
Avalon Tech	-0.7	-1.7	125.9
Cyient DLM	-2.2	4.3	107.2
Dixon Technolog.	-3.1	-12.2	-22.8
Kaynes Tech	-2.9	-5.6	-52.5
Syrma SGS Tech.	-3.6	18.6	113.6
Healthcare	**-0.5**	**-1.8**	**21.1**
Ajanta Pharma	-1.1	2.2	49.3
Alembic Pharma	-1.2	-3.4	-9.8
Alkem Lab	1.1	-1.5	-4.4
Apollo Hospitals	-0.4	-7.1	9.3
Aster DM Quality	1.7	-6.5	12.4
Aurobindo Pharma	0.3	-0.4	54.4
Biocon	0.1	-7.6	7.0
Blue Jet Health	0.7	-7.6	-18.1
Cipla	-0.1	-5.6	-11.2
Divi's Lab.	-0.5	0.9	62.0
Dr Agarwal's Hea	1.5	-4.4	-3.1
Dr Reddy's Labs	-2.2	3.0	-3.1
Emcure Pharma	0.1	5.3	49.1
ERIS Lifescience	-0.1	-8.4	-26.7
Fortis Health.	1.9	-14.2	-20.7
Gland Pharma	-0.9	0.0	45.1
Glaxosmi. Pharma	0.1	-7.5	2.7
Glenmark Pharma.	-0.2	-5.6	19.0
Global Health	-0.6	-6.9	4.0
Granules India	-2.9	-1.8	51.4
Ipca Labs.	0.8	-2.2	46.4
Laurus Labs	0.2	6.6	127.5
Laxmi Dental	0.9	0.1	-41.1
Lupin	0.0	-5.7	2.5
Mankind Pharma	1.2	7.6	3.9
Max Healthcare	1.2	-6.2	-15.5
Piramal Pharma	-4.1	-7.1	-0.5

Company	1 Day (%)	1M (%)	12M (%)
Rubicon Research	0.7	-10.5	
Sun Pharma.Inds.	-0.9	-6.6	10.1
Torrent Pharma.	-0.7	-4.0	33.6
Zydus Lifesci.	-1.4	-1.9	15.6
Healthcare BPO			
Indegene	0.5	-2.0	4.9
Inventurus Knowl	1.7	2.0	19.3
Sagility	1.4	-7.1	-0.8
Infrastructure	**-1.5**	**-6.6**	**-4.6**
Adani Enterp.	-3.0	-1.6	8.6
G R Infraproject	-0.2	-9.5	-35.1
IRB Infra.Devl.	-2.8	-12.1	-18.0
KNR Construct.	-4.5	-3.7	-43.1
Internet & New-Age Tech			
Eternal	-1.9	-4.2	-4.6
FSN E-Commerce	1.5	-4.0	34.7
Indiamart Inter.	-0.5	-8.2	-32.5
Info Edg.(India)	-1.6	-11.5	-10.4
Lenskart Solut.	0.9	4.1	
Meesho	-4.0	6.6	
One 97	-1.3	1.4	44.2
PB Fintech.	-7.9	-46.4	-41.5
Physicswallah	-2.7	4.6	
Pine Labs	-2.4	4.8	
Swiggy	-4.8	-13.5	-43.0
Turtlemint Fintech	-8.7	-53.1	
Urban Company	-0.7	-6.7	-8.1
Logistics			
Adani Ports	-3.4	5.5	22.1
Blue Dart Expres	-2.9	-11.9	-21.3
Container Corpn.	-1.2	-14.0	-16.1
Delhivery	-2.4	-13.2	-7.9
JSW Infrast	0.2	6.8	12.8
Mahindra Logis.	-4.5	7.5	19.6
TCI Express	-3.2	-6.9	-31.1
Transport Corp.	0.5	-0.7	-26.7
VRL Logistics	-0.7	-5.0	4.1
Oil & Gas	**-1.1**	**-5.9**	**-8.6**
Aegis Logistics	1.5	14.9	78.0
B P C L	-0.9	-5.4	-11.5
Castrol India	-0.7	7.0	-1.0
GAIL (India)	0.4	-0.9	-1.9
Gujarat Energy	-3.2	-9.5	-38.1
H P C L	-1.5	-5.0	-20.6
I O C L	-2.7	-3.8	-12.3
Indraprastha Gas	-1.9	-4.7	-31.7
Mahanagar Gas	-1.2	-3.0	-18.1
O N G C	-1.5	-6.0	-8.5
Oil India	-1.0	-9.4	8.0
Petronet LNG	0.4	-2.3	4.0
Reliance Industries	-1.6	-10.8	-14.7

Index and MOFSL Universe stock performance

Company	1 Day (%)	1M (%)	12M (%)
Media	**-2.3**	**-1.0**	**-3.6**
PVR Inox	-2.2	-1.1	10.6
Sun TV Network	-0.8	29.8	-0.5
Zee Entertainmen	-3.4	-23.0	-37.0
Metals	**-2.3**	**-5.5**	**23.5**
Coal India	-1.1	4.7	8.2
Hindalco Inds.	0.0	-7.2	23.0
Hindustan Zinc	-1.9	-7.0	15.3
Jindal Stain.	-2.0	-0.2	-3.9
Jindal Steel	-3.0	-5.1	3.3
JSW Steel	-1.6	-6.1	7.6
Midwest	3.9	-12.1	
Natl. Aluminium	-1.8	-10.0	56.1
NMDC	-2.5	-12.9	-2.0
S A I L	-3.9	-9.6	29.3
Tata Steel	-3.4	-3.3	6.3
Vedanta	-2.7	-8.0	44.9
Vedanta Aluminium Metal	-2.5	-7.3	
Real Estate	**-1.5**	**-6.3**	**-4.8**
A B Real Estate	-2.7	-18.9	-33.2
Anant Raj	-3.5	-1.7	-17.3
Brigade Enterpr.	-1.0	-11.7	-15.2
DLF	-2.3	-2.5	-8.8
Godrej Propert.	-2.0	-19.3	-21.4
Kolte Patil Dev.	-1.4	-4.0	-2.8
Lodha Developers	-2.6	-7.4	-3.0
Mahindra Life.	-2.5	-1.6	-2.8
Oberoi Realty	-0.6	-6.7	10.0
Phoenix Mills	-0.3	2.0	23.4
Prestige Estates	0.3	-5.3	-3.6
SignatureGlobal	1.4	-5.1	-29.5
Sobha	-0.7	-2.6	-19.9
Sri Lotus	2.5	28.4	20.2
Sunteck Realty	0.7	-7.8	-35.9
Retail			
Kalyan Jewellers	-4.5	-7.8	13.6
P N Gadgil Jewe.	-1.4	-0.8	-4.1
Senco Gold	-1.1	-10.0	-7.9
Titan Company	-1.6	-10.6	32.5
A B Lifestyle	-2.7	-12.8	-44.4
Aditya Bir. Fas.	-3.9	-12.9	-48.5
Arvind Fashions.	-1.3	-16.7	-27.9
Avenue Super.	0.3	-0.3	-14.3
Bata India	-0.9	-9.5	-48.4
Campus Activewe.	-1.4	-8.1	-23.8
Go Fashion (I)	-1.9	-8.8	-56.9
Metro Brands	-1.0	-9.2	-33.3
Raymond Lifestyl	-2.2	-1.5	-46.9
Relaxo Footwear	-3.1	-21.5	-36.7
Shoppers Stop	-2.8	4.4	-22.5
Trent	-1.6	-9.6	-19.9
V2 Retail	-3.5	-9.0	-7.1
Vedant Fashions	-3.0	-5.1	-24.8
Vishal Mega Mart	-1.5	-6.6	-33.1
V-Mart Retail	-1.7	-12.8	2.0
Devyani Intl.	-2.5	-8.4	-26.0
Jubilant Food.	-2.9	-8.5	-28.4
Restaurant Brand	0.7	-7.7	18.2
Sapphire Foods	-1.4	-9.1	-29.5
United Foodbrands	2.2	0.1	196.3
Westlife Food	-0.8	5.6	-14.3
Staffing			
Quess Corp	0.4	-11.4	31.8
SIS	-1.3	-3.3	18.5
Team Lease Serv.	3.0	-6.4	-32.5
Updater Services	0.0	-8.2	-17.1
Technology	**2.2**	**-10.1**	**-16.5**
Coforge	4.4	-8.2	14.1
Cyient	0.4	-5.2	-3.9
HCL Technologies	1.1	-8.0	-10.5
Hexaware Tech.	-0.6	-10.9	-27.5
Infosys	4.1	-10.5	-28.4
KPIT Technologi.	-1.4	-16.6	-57.3
L&T Technology	1.2	-8.9	-21.9
LTM	-0.9	-13.4	-21.8
Mphasis	4.4	-10.2	-16.4
Persistent Systems	1.7	-7.5	8.3
Tata Elxsi	0.1	-15.0	-40.8
Tata Technolog.	-1.2	-14.3	1.2
TCS	1.2	-12.4	-28.8
Tech Mahindra	0.6	-6.4	8.3
Wipro	0.5	-12.3	-33.9
Zensar Tech.	2.9	-8.2	-43.5
Telecom	0.5	-1.1	27.3
Bharti Airtel	-0.9	-7.3	-6.8
Bharti Hexacom	-3.2	-8.8	-17.0
Indus Towers	0.8	0.3	6.9
Tata Comm	1.6	-2.9	4.3
Vodafone Idea	-2.4	-10.1	48.4
Textiles			
Arvind Ltd	-1.1	-4.1	79.3
Gokaldas Exports	0.1	-11.8	-3.3
Indo Count Inds.	-3.6	2.4	64.5
K P R Mill Ltd	-2.9	-7.6	1.7
Kitex Garments	-2.4	-7.4	-38.0
Pearl Global Ind	-1.5	7.6	100.4
Trident	-1.2	-8.2	-21.7
Vardhman Textile	-1.0	-12.1	29.3
Welspun Living	5.2	20.5	104.7
Travel & Leisure			
Le Travenues	-0.6	2.1	-42.9
TBO Tek	-0.8	-3.0	9.8

Index and MOFSL Universe stock performance

Company	1 Day (%)	1M (%)	12M (%)
Yatra Online	-1.1	-13.2	-31.3
Utilities	-0.5	-3.6	5.6
ACME Solar Hold.	-1.5	7.1	50.0
Adani Power	-3.8	-4.0	28.7
Indian Energy Ex	-1.0	-11.1	-24.9
Inox Wind	-1.1	-1.1	-51.6
JSW Energy	-2.0	-6.4	-9.6
NTPC	-2.4	-3.8	-7.4
Power Grid Corpn	-2.3	-3.8	-9.3
Premier Energies	0.9	-13.3	-13.7
Saatvik Green	-1.7	-3.3	-9.2
Suzlon Energy	-1.5	-16.3	-29.5
Tata Power Co.	-2.5	-0.1	-10.5
Torrent Power	0.2	2.4	2.6
Waaree Energies	-1.4	-9.6	-29.8
Others			
APL Apollo Tubes	-3.4	-5.3	22.2
Cello World	-0.8	-7.5	-43.8
Coromandel Inter	0.3	-8.3	-21.7
EPL Ltd	-1.9	-3.3	8.7
Fujiyama Power	0.8	-8.5	
GNG Electronics	2.6	8.3	100.2
Godrej Agrovet	1.3	-3.4	-9.1
Gravita India	-2.4	-20.7	-9.4
Indian Hotels Co	-1.5	0.0	-0.7
Interglobe Aviat	-1.1	-2.4	-12.1
Jain Resource	-3.4	0.6	-11.2
Lemon Tree Hotel	3.3	1.4	-35.2
Safari Inds.	-3.6	-9.9	-36.8
SBI Cards	-2.6	-10.9	-35.7
Shaily Engineer.	-1.4	-7.5	37.4
Time Technoplast	-1.5	-5.7	-19.0
UPL	-4.3	-8.9	-21.9
V I P Inds.	-3.5	-7.6	-32.5
Va Tech Wabag	-2.7	-0.4	40.0
Ventive Hospital	-0.6	-6.5	-23.2

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

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

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