Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	72,639	-0.6	-14.8
Nifty-50	22,603	-0.8	-13.5
Nifty-M 100	59,383	-0.6	-1.8
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,802	-0.2	14.0
Nasdaq	27,539	-0.2	18.5
FTSE 100	10,459	-0.8	5.3
DAX	25,104	-1.4	2.5
Hang Seng	8,082	-0.6	-9.3
Nikkei 225	70,036	-0.9	39.1
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	129	3.2	106.9
Gold ($/OZ)	4,111	-1.3	-4.8
Cu (US$/MT)	14,565	0.6	17.0
Almn (US$/MT)	3,104	-0.5	4.6
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	96.8	0.4	7.7
USD/EUR	1.1	-0.6	-4.7
USD/JPY	158.1	0.0	0.9
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.2	0.05	0.7
Flows (USD b)	**7-Oct**	**MTD**	**CYTD**
FIIs	-0.63	-2.29	-29.9
DIIs	0.47	3.06	70.4
Volumes (INRb)	**7-Oct**	**MTD***	**YTD***
Cash	1,263	1290	1342
F&O	1,03,732	2,49,785	2,51,540

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Physicswallah: Multiple legs to the growth story: Key takeaways from our Singapore NDR

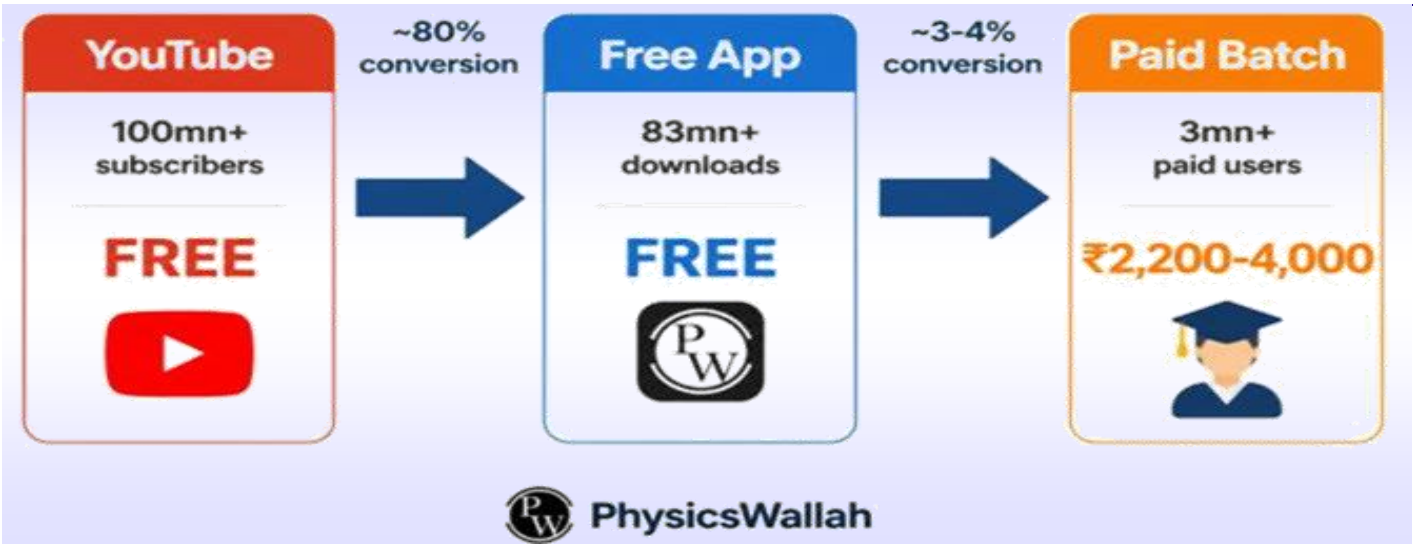
- **PhysicsWallah:** PW has built a large free-to-paid funnel through YouTube, enabling low-cost customer acquisition and monetization across online, hybrid and offline offerings.
- With 100m+ YouTube subscribers and ~74% revenue CAGR over FY23-26, we see a long runway for growth as online education remains underpenetrated beyond JEE/NEET. The online business remains the key value driver, while the offline network provides an additional monetization layer as centres mature.
- We believe PWL's multiple independent growth legs provide comfort on ~30% online CAGR for the next 3-4 years, with a clear path toward sustained EBITDA improvement over the same period. We value PWL on an SoTP basis. We assign a multiple of 50x FY28E EV/EBITDA to the online business, reflecting its market leadership, scalable business model, and superior unit economics. We value the offline business at 15x FY28E EV/EBITDA to reflect its execution intensity, time to maturity, and lower margin profile. We value other businesses at 1x FY28E EV/sales. Adjusting for cash, we arrive at a TP of INR200, implying a 43% upside. We reiterate our BUY rating on the stock.

Research covered

Cos/Sector	Key Highlights
Physicswallah	Multiple legs to the growth story: Key takeaways from our Singapore NDR
Larsen & Toubro	Inflows ramping up sharply
Tata Consumer Products	Tea remains resilient; growth portfolio scales up as next growth engine
Telecom	Bharti hikes postpaid tariffs; likely a precursor to prepaid smartphone tariff hikes
EcoScope	RBI turns hawkish: Tightening cycle begins amid rising inflation risks
Business Update	Kalyan Jewellers | Jubilant Foodworks | Senco Gold

Chart of the Day: Physicswallah (Multiple legs to the growth story)

PWL's most durable competitive moat is the structural CAC advantage derived from this funnel



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

Dixon Technologies signs JV pact with Gemtek to manufacture optical transceivers

Dixon Technologies India Ltd has entered a joint venture with Gemtek Technology Co to produce telecom products.

2

India's quick commerce market poised for seven-fold growth to USD 90 billion by FY31

India's quick commerce market is projected to grow significantly, reaching USD 90 billion by FY2031. This growth is driven by increased penetration in metro households and user growth in non-metro markets.

3

India hotel deals nearly triple to $493 million in H1 2026

Hotel property transactions in India surged nearly threefold year-on-year to $493 million in the first half of 2026, JLL data showed. The firm has raised its full-year transaction forecast to $1.1 billion, up 94% from 2025.

4

Adani Energy Solutions acquires Satara Power Transmission

PFC Consulting successfully transferred Satara Power Transmission to Adani Energy Solutions following a competitive bidding process.

5

DFM Foods sale: EQT, Emami, Balaji Wafers join ITC, TPG for Crax maker buy-out

EQT Partners, Emami and Balaji Wafers have joined ITC, TPG and ChrysCapital in the race to acquire Crax maker DFM Foods, as Advent International seeks to sell its 96.63% stake.

6

Mutual Funds Record 5% AUM Growth in Q2 FY27 Despite Equity Market Volatility

Despite significant equity market volatility and corrections, Indian mutual funds demonstrated robust performance, achieving a nearly 5 per cent growth in average quarterly AUM

7

Gabriel India, Forvia form JV to tap India's fast-growing auto seating market

Gabriel India, flagship of the $2.6 billion-plus ANAND Group, has formed a joint venture with France's Forvia to bring advanced automotive seating systems to India.

Physicswallah

BSE SENSEX	S&P CNX
72,639	22,603

CMP: INR140 TP: INR200 (+43%) Buy

Multiple legs to the growth story: Key takeaways from our Singapore NDR

Offline to break-even soon; K12 to unlock the next phase of growth

We hosted the Physicswallah's (PWL) Co-founder, Mr. Prateek Maheshwari, for a three-day NDR in Singapore. Discussions centered around five themes: **1) online growth drivers, 2) the K-12 opportunity, 3) the path to offline profitability, 4) AI and the TUTO launch, and 5) capital allocation.** PWL reiterated its **FY27 guidance of 30% YoY total revenue growth and 100% YoY pre-Ind AS EBITDA growth.** The team highlighted that online growth is no longer tied to JEE/NEET, as newer categories, including K-12 and state boards, scale at high margins. **Offline is expected to near break-even in FY27**, and admissions for the year are already closed. **For online**, we expect pre-IND AS EBITDA margins to remain in the **30-35% range over the next 4-5 years,** with the potential to reach upwards of **40% over the medium term**. Management also showcased several new initiatives, such as an AI-driven one-on-one tutor.

We believe PWL's multiple independent growth legs provide comfort on **~30% online CAGR for the next 3-4 years**, with a clear path toward sustained **EBITDA improvement over the same period**. We value PWL on an SoTP basis. We assign a multiple of **50x FY28E EV/EBITDA to the online business**, reflecting its market leadership, scalable business model, and superior unit economics. We value the **offline business at 15x FY28E EV/EBITDA** to reflect its execution intensity, time to maturity, and lower margin profile. We value other businesses at 1x FY28E EV/sales. Adjusting for cash, we arrive at a TP of INR200, implying a 43% upside. We reiterate our **BUY** rating on the stock.

For our detailed investment thesis, business outlook, industry assessment, and valuation framework, please refer to our **initiating coverage report** (Physicswallah: Affordable education, scalable economics)

Online: Growth no longer hinges on JEE/NEET

- JEE/NEET now accounts for only ~30% of enrollments, and PWL **leads in 11 of the 16 exam categories it reports.** The funnel remains largely organic, with **one of the lowest marketing spends in the industry (Exhibit 8)**, which we believe is a key structural advantage over peers.
- ARPU growth has been driven by premium attach rates rather than price hikes. Base batch prices have risen **only ~4-5% a year**, but ~30% of base batch students now opt for the Infinity or Infinity Pro tiers.
- **The South remains an untapped lever, with PWL's share <8% vs. 35-40% in the Hindi belt (Exhibit 4).** It has set up regional offices in Chennai, Bangalore and Vijayawada. The current growth framework assumes only nominal Southern penetration, which leaves an upside to our estimates.

Stock Info

Bloomberg	PWL IN
Equity Shares (m)	2901
M.Cap.(INRb)/(USDb)	405.5 / 4.2
52-Week Range (INR)	162 / 78
1, 6, 12 Rel. Per (%)	13/49/-
12M Avg Val (INR M)	2347

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Unique transacting users (In m)	4.9	5.8	7.0
Online Revenue (INR)	19.5	25.9	33.1
Net Sales (INR)	39.0	49.4	61.4
Change (%)	35.1	26.8	24.2
EBITDA	5.5	10.0	14.0
EBITDA margin (%)	14.1	20.2	22.7
Adj. PAT	-0.2	3.2	5.7
PAT margin (%)	-0.6	6.5	9.3
EPS	-0.1	1.1	2.0
Ratios			
RoE (%)	-0.8	6.8	11.1
RoCE (%)	-7.0	7.2	10.6
Valuations			
EV/ Sales	10.8	10.2	8.0
Price/ Earnings	NA	NA	124.7
Price/ Book	19.6	8.7	8.2

Shareholding pattern (%)

As On	Jun-26	Mar-26
Promoter	71.3	72.3
DII	13.1	13.5
FII	12.0	11.6
Others	3.6	2.7

FII Includes depository receipts

- Online Pre-IND AS EBITDA margin stood at 26% in FY26. We expect margins to remain in the **30-35% range over the next 4-5 years,** with the potential to reach upwards of **40% over the medium term**.
- **A mature JEE/NEET batch earns 45-50%, as one online teacher serves ~12,000 paid students.** Excluding NEET PG, Skills, and Curious Junior, which remain in investment mode, online margins are already at 30-32%.

K-12 and state boards: The next leg of growth

- Online K-12 **penetration remains at only ~0.5% (Exhibit 6)** of the 165m student TAM. Management highlighted that K-12 extends the student lifetime on the platform to 15-18 years from ~2 years in test prep. It expects the segment to eventually outgrow test prep.
- Curious Junior, PWL's premium after-school offering at INR24,000 a year, has reached **~50k students and INR1.25b** of collections within 18 months. The business should near break-even this year after a loss in FY26. Management believes it could eventually match test prep in scale.
- State boards are scaling rapidly, with **400,000 students across six states** within 18 months of launch. The addressable base of ~60,000,000 students compares with ~2,000,000 CBSE exam-takers a year. **Margins are ~27% today**, and management expects them to exceed JEE/NEET at maturity, given the lower faculty costs. Six more states, new streams, and foundation courses are in the pipeline.

Offline: Near break-even in FY27; expansion deliberately slowed

- Offline pre-IND AS EBITDA margin expanded from **-19% in FY25 to -10% in FY26**, and is expected to reach -**2/-3% in FY27 (Exhibit 7)**. The core Vidyapeeth and Pathshaala network, which makes up **~70% of offline, is already profitable**. The remaining drag comes from newer categories such as government exams, CA, and MBA, as well as acquired subsidiaries.
- PWL has deliberately slowed expansion. **It will add only 25-30 centers in FY27** (~385 as of 2QFY27) until profitability is proven (Exhibit 9). Offline expansion in GATE, CA, and UPSC has been halted as these markets shift online. Management **guides 20-22% offline growth, with a steady-state margin of ~15%.**
- PWL's right to win in offline comes from its online funnel, with **80-85% of admissions sourced through the app**. This enables the company to avoid prime real estate and walk-in marketing, while pricing ~30% below peers.

AI and TUTO: Embedded in the product; TUTO is a free option

- Investors questioned whether frontier AI models threaten PWL. Management believes these tools are largely used for homework answers rather than structured learning. In its view, PWL's **edge lies in proprietary doubt data**, brand trust in high-stakes exams, and pricing of INR4,000 a year vs. ~INR24,000 for a frontier subscription.
- AI is already deeply embedded in the product. **90% of student doubts are now resolved by AI**, with turnaround cut from 24-48 hours to minutes. PWL runs its own fine-tuned small language models (Aryabhatta) and routes only complex queries to frontier models, which keeps inference costs low.

- TUTO, PWL's one-on-one AI tutor, will enter a paid Grade 8 rollout on **10th Oct with ~10,000 students.** TUTO is excluded from management guidance and our estimates. We see retention and paid conversion as the key monitorables.

Capital allocation: Payout under consideration

- Management acknowledged that the market's reaction to the Ranchi school **acquisition** and the NBFC foray was a learning. The **NBFC (FinZ Finance) has been wound down**, as PWL has entered into an agreement with **Auxilo Finserve Private Limited**, for the sale, transfer, and assignment of the loan portfolio aggregating to **~INR1b.**
- With **~INR56b of treasury**, negative working capital, and **FCF running 30-35% above EBITDA**, we believe a formal capital allocation policy would help address investor concerns around capital allocation.
- Governance remains founder-led, **with promoters holding 72%**. We read the quick reversal on the NBFC as a sign that management is responsive to minority shareholder feedback.

Valuations and view

- We believe PWL combines a **near-monopoly position in online test prep**, negative working capital, and multiple independent growth legs in K-12, state boards, new categories, and the South. With **offline nearing break-even in FY27**, we see EBITDA compounding from ~INR6b in FY27E to ~INR20b in four years.
- We value PWL on an SoTP basis. For the online business, **we assign a multiple of 50x FY28E EV/EBITDA**, reflecting its market leadership, structurally superior unit economics, and scalable technology platform, resulting in a per-share value of INR172. We value the **offline business at 15x FY28E EV/EBITDA**, reflecting its execution intensity, lower-margin profile, regional competition, and capital requirements, contributing INR4 per share.
- We value other businesses at 1x FY28E EV/sales, contributing INR1 per share. After adjusting for cash, we arrive at an SoTP-based TP of INR200, implying a 43% upside. We reiterate our **BUY** rating on the stock.

Larsen & Toubro

BSE SENSEX	S&P CNX
72,639	22,603

Bloomberg	LT IN
Equity Shares (m)	1376
M.Cap.(INRb)/(USDb)	5092.9 / 52.6
52-Week Range (INR)	4440 / 3288
1, 6, 12 Rel. Per (%)	-2/2/9
12M Avg Val (INR M)	9507

Financials &Valuations (INR b)

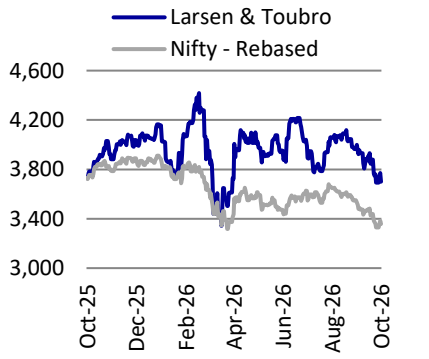
Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	3,140.5	3,598.6	4,145.4
EBITDA	321.5	370.8	428.4
PAT	201.0	240.2	285.4
EPS (INR)	146.2	174.7	207.6
GR. (%)	18.2	19.5	18.8
BV/Sh (INR)	893.8	1,011.8	1,151.9
Ratios			
ROE (%)	17.3	18.3	19.2
RoCE (%)	10.3	11.3	12.0
Payout (%)	32.5	32.5	32.5
Valuations			
P/E (X)	25.3	21.2	17.8
P/BV (X)	4.1	3.7	3.2
EV/EBITDA (X)	15.8	13.7	11.9
Div Yield (%)	1.3	1.5	1.8

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	0.0	0.0	0.0
DII	42.9	43.1	43.2
FII	19.9	19.6	20.2
Others	37.3	37.2	36.5

FII Includes depository receipts

Stock performance (one-year)



CMP: INR3,702 TP: INR4,400 (+19%) Buy

Inflows ramping up sharply

We recently met the company to understand the progress on projects and inflow scenario across different locations. West Asia crisis has impacted work on some onshore, hydrocarbon and solar projects. Company is focusing on higher fabrication in India for these projects and ramping up execution in domestic and large private projects to offset this weakness. Despite the ongoing crisis in the Middle East, inflows from that region have ramped up sharply for LT, and out of the total announced order inflows of ~INR1.3t so far in 2QFY27, projects worth ~INR775b were announced from the Middle East. With a prospect pipeline of INR15t for 9MFY27 and an order book of INR7.8t as of Jun'26, we expect LT's core EPC order inflows/revenue to grow at 10%/14% CAGR over FY26-29. Reiterate BUY with a SoTP-based TP of INR4,400 valuing core business at 25x Dec'28 estimates

Inflows have ramped up sharply over last few months

LT's inflows stood at INR873b as of 1QFY27, and announced order inflows during 2QFY27 have ramped up sharply since then across domestic and international segments for large, mega and ultra-mega projects. Despite the ongoing West Asia crisis, ordering from the Middle East has ramped up sharply with LT announcing more than INR775b worth of orders so far from hydrocarbon, offshore projects, infrastructure, gas compression plants and BESS. Domestic ordering announced during 2QFY27 includes NTPC thermal power projects, DVC thermal power project, platform and pipeline projects from ONGC and a mega order from NVIDIA for building India's largest NVIDIA B300 AI factory. Going ahead, the company is optimistic about inflows from both domestic and international geographies. We currently bake in order inflows worth INR3.8t/INR4.3t for LT for FY27/28, with 1HFY27 announced inflow run rate ranging around INR2t.

International ordering remained strong in 2QFY27

LT has diversified beyond the Middle East too for orders from international geographies such as Europe, Africa, Canada and now targeting North Asia, South Korea, Japan and Taiwan. Along with this, from 2QFY27, ordering from the Middle East too was very strong as various large and mega projects were awarded to LT. The West Asia crisis had earlier impacted overall ordering in GCC region (see Exhibit 4), while it has started moving up recently. The company believes that hydrocarbon spending will remain the prime ordering driver, followed by power and BESS and core infrastructure-related spending in the Middle East. The company's focus will also be on execution now and is targeting modular fabrication in India and later export it.

Domestic ordering ramping up from private sector and select government projects

LT is optimistic on continuity of inflows from buildings and factories particularly for semiconductor plants and data centers, along with real estate. Ordering from ferrous and non-ferrous segments has also started picking up from last year. The company has also built a portfolio of five projects on thermal power projects from NTPC, Adani Power, Torrent Power, NTPC (Lara project) and DVC and is eying further projects on thermal power. On defense too, as per industry reports, LT can get contract for first batch of 59 Zorawar tanks and NGC.

On the nuclear side, LT expects inflows to ramp up, supported by India's target of increasing its nuclear capacity from current 8.9GW to 22.5GW by FY32 and eventually to 100 GW by FY47.

Execution in focus

LT remains focused on execution of both domestic and international projects. So far, due to West Asia crisis, onshore projects, hydrocarbon and solar project execution in the Middle East was softer. Logistics costs have increased but company is hopeful of passing them on to the clients. Impact of logistical bottleneck due to closure of SoH is more seen in Qatar and Kuwait due to lack of alternate routes, while Saudi Aramco and UAE are exploring alternate routes. For LT's execution of large order from Qatar, currently the modular fabrication is happening in India and this will have to be transported from India by 4QFY27 through SoH. For a large Tennet order too, where LT now has an order book worth INR600b, the modular fabrication will happen in India. Domestic execution too will start ramping up from private projects, thermal power and buildings and factories related projects. LT's thermal power order book comprises five projects now (from NTPC, Adani, Torrent Power, NTPC Lara project and now from DVC), which will see execution ramp-up in coming quarters and years. We bake in core EPC revenue to grow at 14% CAGR over FY26-29.

LT's market share remains strong in its prospect pipeline

LT has historically maintained >20% market share in the overall prospect pipeline. The company has a prospect pipeline of INR15t for 9MFY27 across domestic (INR7.5t) and international (INR7.5t). With INR873b already received in 1QFY27, LT's 20% market share translates into potential inflows of INR3t for 9MFY27, in line with our full-year expectation of INR3.8t. We expect LT's win rate to be higher in domestic thermal and defense prospects.

Financial outlook and view

We expect core E&C order inflow/revenue/EBITDA/PAT to clock a CAGR of 10%/14%/16%/17% over FY26-29. At the current price, for core E&C, LT is trading at 27x/23x/19x P/E on FY27/28/29E earnings. **We maintain our SoTP-based TP of INR4,400, based on 25x on Dec'28E earnings for the core business and a 25% holding company discount to subsidiaries.**

Key risks and concerns

Continuation of West Asia crisis and blockage of SoH, slowdown in order inflows, delays in the completion of mega and ultra-mega projects, a sharp rise in commodity prices, an increase in working capital, and increased competition are a few downside risks to our estimates.

Tata Consumer Products

BSE SENSEX	S&P CNX
72,639	22,603

TATA CONSUMER PRODUCTS LIMITED

Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	958.5 / 9.9
52-Week Range (INR)	1283 / 945
1, 6, 12 Rel. Per (%)	0/-6/-4
12M Avg Val (INR M)	1793
Free float (%)	66.0

Financials Snapshot (INR b)

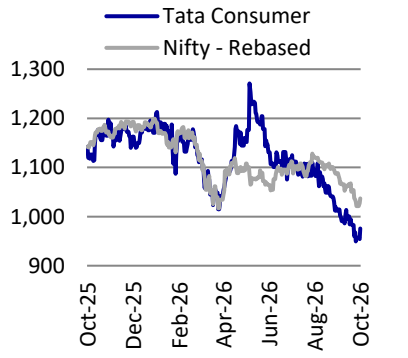
Y/E MARCH	2025	2026E	2027E
Sales	203	225	244
EBITDA	28	33	37
Adj. PAT	16	19	22
EBITDA Margin (%)	14	15	15
Cons. Adj. EPS (INR)	16	19	23
EPS Gr. (%)	21	21	19
BV/Sh. (INR)	236	250	268
Ratios			
Net D:E	0	0	0
RoE (%)	7	8	9
RoCE (%)	9	10	12
Payout (%)	42	34	29
Valuations			
P/E (x)	63	52	44
EV/EBITDA (x)	32	27	23
Div. Yield (%)	1	1	1
FCF Yield (%)	2	2	2

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	33.8	33.8	33.8
DII	25.0	24.2	22.0
FII	20.1	20.8	22.0
Others	21.1	21.2	22.2

FII Includes depository receipts

Stock's performance (one-year)



CMP: INR969 TP: INR1,230 (+27%) Buy

Tea remains resilient; growth portfolio scales up as next growth engine

After 5% YoY growth in FY26, India's tea production declined 1% YoY in Jan-Aug'26 due to adverse weather conditions in Assam and West Bengal. Tea prices peaked in Jun'26 but declined by 8%/3% MoM in Jul/Aug'26, owing to the normalization of regulations imposed on Nepalese tea imports and higher production in Jun'26 (up 14% YoY). The Indian tea business of Tata Consumer Products (TATACONS) is expected to remain resilient, with the company implementing pricing actions to partly offset the cost pressure. Moreover, the company continues to expand its growth portfolio with launches across segments. The growth portfolio is emerging as the next key growth driver, gradually reducing the company's dependence on its core tea business while reshaping the product mix and tapping into new and large market opportunities.

Tea production outlook resilient despite weather disruptions

- In the FY26 tea season, domestic production grew 5% YoY to 1,383m kg, led by ~6% and ~2% growth in North and South India, respectively.
- **Tea production for the current season YTD (Jan-Aug'26)** has declined 1% YoY to 840.2m kg, caused by the severe heatwave and drought conditions attributed to El Nino. Production in South India has declined by 4% YoY, while production in North India has been flat.
- All India tea production rose 2% YoY during the first flush (*Feb-Jun'26, contributed 34% to the total tea cycle volume in CY25 and generally has the best quality*), fueled by strong 14% YoY production growth in Jun'26.
- July is usually the start of the second flush *(Jul-Sep, contributed 37% to the total volume in CY25 and has the second-best quality)*. In Jul'26, all India tea production declined 10% YoY to 164.33m kg, as growth in South India (up 18% YoY) was offset by decline in North India (down 14% YoY).
- Heavy rainfall in Jul'26 flooded tea gardens in Assam and West Bengal, making plucking of tea leaves difficult for workers. As a result, production in Assam fell 13% YoY to 91.08m kg in Jul'26, and production in West Bengal declined 14% YoY to 43.87m kg.
- Production grew 4% YoY in Aug'26, supported by a recovery in North India (+4%) and South India (+3%), while West Bengal was the key growth driver with a 15% YoY increase.
- Going ahead, we expect tea production to remain flat in FY27 despite flood-related disruptions in Assam and West Bengal, alongside the adverse impact of El Niño on tea-growing conditions.

Tea prices remain firm; calibrated pricing to protect margins

- In FY26, TATACONS' tea business displayed resilience amid inflationary pressure. The company navigated a volatile commodity pricing environment by calibrating pricing actions and implementing targeted market interventions to ensure growth.
- Despite a 14% YoY increase in Indian tea production to 160.4m kg in Jun'26, tea prices remained firm, peaking at INR233/kg during the month. Tea prices were supported by tighter quality and testing requirements for imported tea, which disrupted Nepalese tea supplies to India, as shipments were reportedly suspended between 1st May and 30th Jun'26.
- However, normalization of these regulations after Jun'26 led to prices declining by 8%/3% MoM in Jul'26/Aug'26 to average INR214/INR206 per kg. Despite the sequential correction, prices remained higher compared to last year.
- TATACONS subsequently implemented a price increase in Jun'26 to partially offset the rise in input costs. As per our channel checks, the company has further implemented a 3-5% price hike in the middle of 2QFY27.
- Going ahead, the company remains committed to protecting margins through calibrated cost pass-through while balancing volume growth and consumer affordability.
- We expect margin to normalize, supported strong production and the stabilization of tea prices.

Growth portfolio scaling up rapidly, paving the way for lower dependence on tea business

- TATACONS' growth portfolio has scaled up significantly, increasing its contribution to India business from ~8% in FY21 to ~31% in FY26, driven by the rapid expansion of Tata Sampann, Tata Soulfull, Capital Foods, Organic India and RTD beverages. In contrast, the tea business' contribution declined from ~38%/63% in FY21 to ~24%/39% of the Concolidated/India Business in FY26, highlighting the company's growing diversification beyond its core tea franchise.
- The portfolio has expanded across multiple high-growth categories, broadening TATACONS' presence beyond its traditional tea-led business.
- The growth portfolio is expected to emerge as the next key growth driver, gradually reducing the company's dependence on its core tea business while reshaping the product mix and tapping into new and large market opportunities.
- In FY26, the growth business crossed the milestone of INR40b, growing 24% YoY. In 1QFY27, the growth business grew 47% YoY, led by Tata Sampan (up 58%), RTD revenue (up 41%), Capital Food (up 40%) and Organic food (up 27%).
- Tata Sampann continues to expand into adjacent categories, with launches across gravy masalas, unpolished millets, protein-led snacks and whole spices, broadening its portfolio and addressable market from pantry staple products like pulses.
- The RTD segment is expanding through launches in electrolytes, cold coffee, energy, flavored beverages and kombucha from its current portfolio of sports hydration and electrolytes. Affordable INR10-20 price points and master brands such as Tetley and Tata Coffee support mass adoption. Copper Plus grew 26% in FY26, validating the functional-water opportunity.

- Organic India has expanded beyond its traditional herbal teas and organic foods into supplements and nutraceuticals with new Organic India "Advance" formulations, strengthening its presence in herbal supplements.
- Capital Foods has evolved from being a primarily Chinese sauce brand into a broader convenience-food platform spanning Ching's Secret and Smith & Jones, with products across sauces, chutneys, soups, instant noodles, masalas, cooking aids and other convenience categories.
- The company continues to drive growth through an aggressive innovation pipeline, with significantly higher innovation-to-sales ratios for Tata Sampann (19.6%) and Tata Soulfull (20.1%) vs. the company average of 4.5% in FY26.
- Further, TATACONS is strengthening its transformation into a diversified F&B platform through a comprehensive GTM overhaul, focused on improving distribution productivity and accelerating penetration of its growth portfolio.

Valuation and view

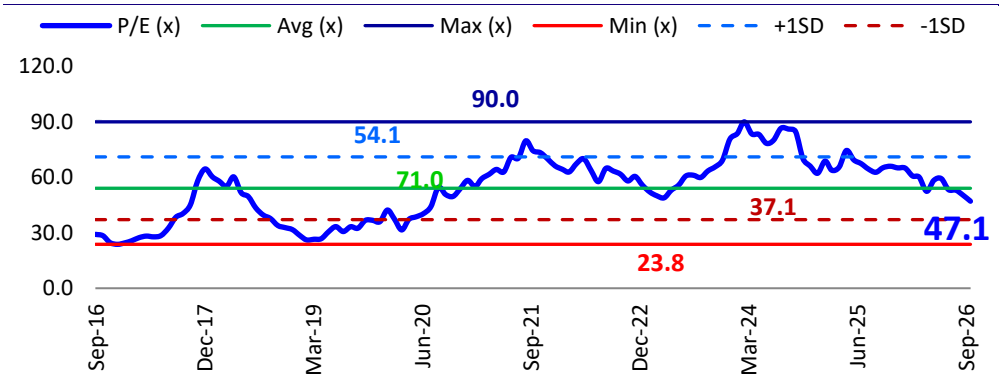
- With the moderation in tea prices from its peak and strategic price hikes in the tea business, we expect TATACONS' standalone gross margins to remain resilient in FY27.
- The company is expected to sustain its growth momentum, aided by the mid-to-long-term triggers such as 1) strengthening and accelerating its growth business, 2) expanding its product portfolio and innovation, 3) enhancing its focus on premiumization and health and wellness products, and 4) higher innovation-to-sales ratio.
- **We expect TATACONS to clock a CAGR of 10%/15%/20% in revenue/EBITDA/ PAT during FY26-28. Reiterate BUY with an SoTP-based TP of INR1,230.**

Exhibit 1: SoTP valuation

EV/EBITDA	FY28 EBITDA	Multiple (x)	EV
India Branded Business	30,879	33	10,29,587
International Branded Business	7,478	10	74,775
Non-branded Business	1,671	10	16,711
Elimination	-2,827	10	-28,270
DCF			
Starbucks JV			74,719
Enterprise value			**11,67,522**
Less: Net debt			(49,686)
Market value (INR m)			**12,17,208**
No. of shares (m)			990
Target price (INR)			**1,230**

Source: MOFSL

Exhibit 2: One-year forward P/E ratio (x)



Source: MOFSL

Estimated subscriber, ARPU and revenue build-up for Bharti across subscriber cohorts

As of Jun'26	Paying Subs (m)	Likely ARPU (INR/ month)	Revenue (INR b)
Overall	**377**	**264**	**297**
Postpaid	**30**	**395**	**35**
Prepaid data	273	275	224
Non-data	73	172	38
% Contribution			
Postpaid	**8.0**		**11.8**
Prepaid data	72.6		75.4
Non-data	19.5		12.8

Bharti hikes postpaid tariffs; likely a precursor to prepaid smartphone tariff hikes

Bharti Airtel has raised postpaid prices by INR50/month across its postpaid offerings with effect from 8th Oct'26, with tariffs rising by ~3-11% across plans. The new postpaid plans provide free roaming for one international trip per year.

Postpaid customers account for 8% of Bharti's subscriber mix, but likely higher **~12% of its wireless revenue mix**. On a ballpark basis, the postpaid price hike could drive a ~1% uptick in blended ARPU, but with some offset from the free international roaming pack. We were already building in a price hike of INR50/month in postpaid plans, alongside the ~15% prepaid smartphone tariff hike in Dec'26. Hence, an early postpaid tariff hike would not drive meaningful earnings upgrades but would help to offset any ARPU dilution from the potential launch of voice-only packs with a validity of 28-30 days. However, we note that **in the past tariff hike cycles (2019, 2021), postpaid tariff hikes had preceded prepaid tariff hikes by ~6-9 months,** and we would expect broader industry-wide tariff hikes to follow soon. Recent pricing rejigs (removal of INR299 entry-level smartphone data plan) and the postpaid tariff hike should help Bharti sustain its outperformance on ARPU growth (vs. peers), in our view. **Reiterate our BUY rating on Bharti with a TP of INR2,250**.

Bharti postpaid pricing tweaks could drive ~1% blended ARPU uptick

- Bharti has raised plan prices by INR50/month across its postpaid offerings with effect from 8th Oct'26, with prices rising by ~3-11% for various plans. The new postpaid plans also provide free roaming for one international trip on an annual basis (matching Vi's recent postpaid offering on free international roaming).
- Postpaid customers account for ~8% of Bharti's subscriber mix, and the customer base has grown by 12-13% YoY for the past several quarters (compared to ~3% YoY growth in prepaid subscribers), albeit on a lower base.
- Typically, the churn in the postpaid base is lower and the revenue contribution is higher, as there is greater flexibility in data usage (no daily data limits), content bundling, and family packs. We estimate postpaid subs account for **~12%** of Bharti's wireless revenue.
- On a ballpark basis, the postpaid hikes could drive **~1% blended ARPU uptick** for Bharti. However, there would be some **ARPU dilution from free international roaming** for one trip in a year (international roaming plans start at INR999).
- Further, we were already building in a price hike of INR50/month in postpaid plans from Dec'26, alongside the broader ~15% prepaid smartphone tariff hikes. Hence, we do not expect any significant increase in our near-term ARPU estimates based on slightly earlier postpaid tariff hike.

Past precedents suggest prepaid tariff hike could follow in next six months

- We note that the rejig in postpaid plans had preceded prepaid tariff hikes by 6-9 months in 2019 and 2021 tariff hike cycles.

- As Bharti is the market leader in the postpaid segment and RJio does not have a meaningful presence, the company had in the past tweaked postpaid plans to gauge the response from customers/competition before implementing prepaid tariff hikes.
- We note, in May'19, Bharti had discontinued its entry-level postpaid plan (INR299), which was followed by a prepaid tariff hike in Nov-Dec'19.
- Similarly, in Jul'21, Bharti had restructured its family postpaid plans by removing INR749 plan for new customers and increasing the price per add-on SIM on a family postpaid plan by INR50. Further, the company had also raised the prices of its entry-level corporate postpaid plans from INR199 to INR299. These actions were also followed by a prepaid tariff hike in Nov-Dec'21.
- In the Jun-Jul'24 tariff hike cycle, which was led by RJio, both prepaid and postpaid plan prices were revised at the same time.
- Based on the past precedents, we believe these postpaid tariff hikes would also likely be followed by prepaid tariff hikes within the next six months (currently we expect 15% smartphone plans tariff hike in Dec'26).
- We believe the latest pricing tweaks (removal of INR299 entry-level unlimited prepaid data plan and postpaid price hikes) are a step to boost ARPU in the absence of the broader smartphone tariff hikes and could offset any dilution from the potential launch of voice-only packs in 28/30 days.
- Overall, the recent pricing rejigs should help Bharti sustain its outperformance in ARPU growth (vs. peers), in our view. We believe the risk-reward is attractive for Bharti and reiterate our **BUY rating with a TP of INR2,250.**

Estimated subscriber, ARPU and revenue build-up for Bharti across subscriber cohorts

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Source: MOFSL, Company

Old and revised postpaid plans and their ARPU for Bharti

	Pricing		ARPU (INR/SIM/month)		
Plan	Old	New	Old	New	% change
Individual	**449**	**499**	**449**	**499**	**11.1**
Family of 2	699	749	350	375	7.2
Family of 3	999	1049	333	350	5.0
Family of 4	1199	1249	300	312	4.2
Family of 4	1399	1449	350	362	3.6
Family of 5	1749	1799	350	360	2.9

Source: MOFSL, Company

EcoScope
The Economy Observer

RBI turns hawkish: Tightening cycle begins amid rising inflation risks

- **The MPC delivered a 25bp hike in the repo rate to 5.50% and shifted its stance from neutral to "calibrated tightening", marking a clear hawkish pivot. The rate decision was unanimous, while two MPC members, Dr. Nagesh Kumar and Prof. Ram Singh, dissented on the stance and preferred to retain neutral. With growth remaining resilient and inflation risks rising, the RBI has effectively closed the door on near-term rate cuts. We see this hike as the start of a broader tightening cycle.**
- **Growth outlook has strengthened materially, giving the RBI greater room to prioritize inflation. The RBI upgraded its FY27 GDP growth forecast to 7.1% from 6.7% (+40bp), 2QFY27 growth to 7.2% from 6.4% (+80bp) and 3QFY27 growth to 6.9% from 6.5% (+40bp). The stronger growth outlook reduces the RBI's need to support demand through easier monetary policy.**
- **Inflation outlook has deteriorated, with risks becoming broader. The RBI raised its FY27 CPI inflation forecast to 5.2% from 5.0% (+20bp), 3QFY27 inflation to 6.0% from 5.9% (+10bp), and 4QFY27 inflation to 5.7% from 5.5% (+20bp). The RBI also raised 1QFY28 inflation forecast to 5.6% (+30bp). Core inflation for FY27 is projected at 4.4% vs. 4.3% earlier. The RBI expects CPI inflation to remain above 5.5% over the next three quarters, averaging around 5.8%. This points to persistent inflation risks through 2HFY27 and 1QFY28, driven by higher crude prices, food-price pressure and a gradual broadening of underlying inflation. With inflation staying elevated for an extended period, the RBI is likely to remain focused on preventing second-round effects, keeping the bias toward further tightening.**
- **Crude is now the key swing factor for the policy outlook. The RBI increased its Brent crude assumption to USD95/bbl for 2HFY27 (from USD85/bbl in Apr'26 MPR) while assuming INR95/USD for FY27. A 10% rise in crude prices could raise inflation by around 50bp and lower GDP growth by around 15bp, making any persistent oil price shock particularly negative for bonds and INR.**
- **Liquidity remains in surplus, but financial conditions are tightening. The RBI has stepped up liquidity absorption, including VRRR operations and INR1t of OMO sales, alongside the rate hike. At the same time, strong bank credit growth of 18.1% YoY (as of 15th Sep'26) also remains a demand-side risk, particularly with domestic growth running above 7%. We expect a cumulative 100bp rate-hike cycle, taking the repo rate toward 6.25%. The Oct'26 hike and the shift to "calibrated tightening" mark a clear hawkish pivot, with rate cuts effectively off the table in the near term. High crude prices, broadening inflation pressure and strong growth provide the RBI with sufficient room to tighten further. We expect the 10-year G-sec yield to move toward 7.5% (from current 7.27%) over the next six months. INR remains under depreciation pressure, trading near a five-month low at around 96.8/USD, weighed by dollar strength, elevated US yields and persistent FII outflows amid a risk-off global backdrop. Accordingly, we expect depreciation pressure to persist, with USD-INR inching above 97. Overall, we expect the next phase of the cycle to be characterized by higher policy rates, tighter liquidity, elevated bond yields and a weaker INR, even as domestic growth remains resilient.**

Repo Rate	**GDP Growth Forecast FY27**	**CPI Inflation Forecast FY27**
5.50%	**7.1%**	**5.2%**
Increased by 25bp — Unanimous	Increased by 40bp vs. Aug policy	Increased by 20bp vs. Aug policy
Forex Reserves	**Core CPI Forecast FY27**	**Bank Credit Growth**
USD747.5b	**4.4%**	**18.1% YoY**
As of 25th Sep'26	Increased from 4.3% vs. Aug policy	As of 15th Sep'26

Kalyan Jewellers

BSE SENSEX	S&P CNX
72,639	22,603

Financials & Valuation (INR b)

Y/E March	2026	2027E	2028E
Sales	357.4	466.8	551.9
EBITDA	24.9	29.8	34.6
EBITDA Margin (%)	7.0	6.4	6.3
Adj. PAT	13.8	17.6	20.9
Cons. Adj. EPS (INR)	13.4	17.0	20.2
EPS Gr. (%)	71.0	27.1	18.8
BV/Sh. (INR)	61.1	73.6	87.3
Ratios			
RoE (%)	24.9	25.3	25.1
RoIC (%)	17.0	16.4	17.1
Valuations			
P/E (x)	42.5	33.4	28.2
P/BV	9.3	7.7	6.5
EV/Sales	1.6	1.3	1.0
EV/EBITDA (x)	23.5	19.6	16.5

CMP: INR569 BUY

India revenue below our expectation

Kalyan Jewellers (KALYAN) released its pre-quarterly update for 2QFY27. Here are the key takeaways:

Company-level update

- KALYAN reported consolidated sales growth of ~26% YoY (est. 33%; 46% in 1QFY27 and 30% in 2QFY26).
- In 2QFY27, the company launched 11 net new KALYAN showrooms in India, nine Candere showrooms in India, and one KALYAN showroom in the UK.
- On 30th Sep'26, the total number of stores stood at 546 (KALYAN India – 365, KALYAN Middle East – 38, KALYAN USA – 2, KALYAN UK – 2, Candere – 138).

India division

- India business grew ~27% YoY (est. 36%) during the quarter, compared to 47% YoY growth in 1QFY27 and 31% YoY growth in 2QFY26.
- The growth was led by robust operating momentum on the ground with healthy SSSG across all the key markets in the country despite the high base due to strong Navratri sales (all nine days of Navratri were part of 2QFY26).
- Its 2QFY27 SSSG stood at 20% (est. 25%) compared to 28% YoY growth in 1QFY27 and 16% YoY growth in 2QFY26.
- The company added 11 net new Kalyan showrooms in India for the quarter.
- During 2QFY27, KALYAN launched its first regional brand, Akshaya Thanga Maligai (ATM), in Chennai in Aug'26. The brand has received strong revenue traction over the first 40-plus days of operation, with the biggest season for Tamil Nadu slated to start on 11th Oct'26. KALYAN plans to launch the next four showrooms under the franchised model in FY27 – two showrooms in 3QFY27 and two showrooms in 4QFY27.
- Going forward, the company remains optimistic about the upcoming festive and wedding season across the country and is fully ready with fresh collections, campaigns, and new showroom launches.

International division

- Revenue grew ~18% YoY in 2QFY27.
- Within the Middle East specifically, Kalyan witnessed revenue growth of ~12% YoY in 2QFY27 driven entirely by same-store-sales growth (SSSG).
- International markets contributed ~11% to its consolidated revenue.

Candere

- Candere recorded revenue growth of ~64% YoY in 2QFY27.
- The company opened nine Candere showrooms during the quarter.

Others

- **Non-core asset monetization:** During 2QFY27, Kalyan completed the sale of one of the two identified parcels of non-core real estate assets, held for sale, valued at ~INR860m. Further, the company expects to complete the sale of the second parcel, valued at ~INR160m in 3QFY27.
- Non-GML debt declined to zero during the quarter.

Consolidated Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	**406**	**436**	**469**	**507**	**524**	**550**	**591**	**640**	**507**	**640**
Net Sales	**72,685**	**78,560**	**1,03,434**	**1,02,749**	**1,05,889**	**1,04,522**	**1,38,617**	**1,17,800**	**3,57,429**	**4,66,829**
Change (%)	31.3	29.5	41.9	66.2	45.7	33	34	14.6	42.7	30.6
Raw Material/PM	62,603	68,395	89,857	89,531	93,661	92,785	1,21,326	1,02,290	3,10,385	4,10,062
Gross Profit	**10,081**	**10,166**	**13,577**	**13,219**	**12,228**	**11,737**	**17,291**	**15,510**	**47,043**	**56,766**
Gross Margin (%)	13.9	12.9	13.1	12.9	11.5	11.2	12.5	13.2	13.2	12.2
Operating Expenses	5,001	5,196	6,073	5,862	6,313	5,649	7,922	7,099	22,131	26,982
% of Sales	6.9	6.6	5.9	5.7	6	5.4	5.7	6	6.2	5.8
EBITDA	**5,080**	**4,970**	**7,505**	**7,357**	**5,915**	**6,089**	**9,369**	**8,411**	**24,912**	**29,784**
Margin (%)	7	6.3	7.3	7.2	5.6	5.8	6.8	7.1	7	6.4
Change (%)	35.1	25.4	52	84.2	16.4	22.5	24.8	14.3	51.8	19.6
Interest	1,036	949	1,043	1,300	1,084	1,050	950	952	4,329	4,036
Depreciation	977	1,032	1,089	1,131	1,150	1,242	1,305	1,328	4,229	5,025
Other Income	463	514	642	462	557	668	642	867	2,080	2,735
PBT	**3,530**	**3,503**	**6,014**	**5,388**	**4,238**	**4,464**	**7,756**	**6,998**	**18,435**	**23,457**
Tax	889	898	1,436	1,293	1,162	1,138	1,978	1,610	4,516	5,888
Effective Tax Rate (%)	25.2	25.6	23.9	24	27.4	25.5	25.5	23	24.5	25.1
Adjusted PAT	**2,641**	**2,605**	**4,479**	**4,095**	**3,189**	**3,326**	**5,778**	**5,388**	**13,919**	**17,570**
Change (%)	48.7	43.1	72.4	118.2	20.8	27.7	29	31.6	72.5	26.2
Reported PAT	**2,641**	**2,605**	**4,163**	**4,095**	**3,487**	**3,326**	**5,778**	**5,388**	**13,504**	**17,570**

E: MOFSL Estimates

India Quarterly Performance (Standalone) (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	**368**	**396**	**428**	**466**	**483**	**508**	**548**	**596**	**466**	**596**
SSSG (%)	**18**	**16**	**27**	**47**	**28**	**25**	**22**	**9**	**28**	**21**
Net Sales	61,422	68,428	90,477	89,943	90,255	93,093	1,24,266	1,10,838	3,10,271	4,12,960
Change (%)	31.0	30.9	41.7	68.1	46.9	36.0	37.3	23.2	43.3	33.1
Raw Material/PM	53,058	59,881	79,010	78,869	80,530	82,759	1,08,733	97,709	2,70,818	3,64,239
Gross Profit	**8,364**	**8,548**	**11,467**	**11,074**	**9,725**	**10,333**	**15,533**	**13,130**	**39,453**	**48,721**
Gross Margin (%)	13.6	12.5	12.7	12.3	10.8	11.1	12.5	11.8	12.7	11.8
Operating Expenses	4,023	4,227	4,929	5,032	5,135	4,991	7,073	6,335	18,210	23,535
% of Sales	6.5	6.2	5.4	5.6	5.7	5.4	5.7	5.7	5.9	5.7
EBITDA	**4,342**	**4,321**	**6,538**	**6,042**	**4,590**	**5,342**	**8,460**	**6,794**	**21,242**	**25,186**
Margin (%)	7.1	6.3	7.2	6.7	5.1	5.7	6.8	6.1	6.8	6.1
Change (%)	37.9	30.1	53.8	75.9	5.7	23.6	29.4	12.5	50.0	18.6
Interest	724	650	686	834	628	700	725	733	2,894	2,786
Depreciation	697	723	769	775	774	825	875	906	2,963	3,380
Other Income	521	569	744	521	722	700	650	518	2,354	2,590
PBT	**3,443**	**3,517**	**5,826**	**4,953**	**3,911**	**4,517**	**7,510**	**5,673**	**17,739**	**21,610**
Tax	878	895	1,403	1,297	1,108	1,129	1,878	1,335	4,473	5,449
Effective Tax Rate (%)	25.5	25.5	24.1	26.2	28.3	25.0	25.0	23.5	25.2	25.2
Adjusted PAT	**2,565**	**2,622**	**4,323**	**3,656**	**2,919**	**3,388**	**5,633**	**4,338**	**13,163**	**16,161**
Change (%)	55.4	52.4	66.9	97.3	13.8	29.2	30.3	18.6	72.5	22.8
Reported PAT	**2,565**	**2,622**	**4,008**	**3,656**	**3,213**	**3,388**	**5,633**	**4,338**	**12,851**	**16,161**

E: MOFSL Estimates

Jubilant Foodworks

BSE SENSEX	S&P CNX
72,639	22,603

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	95.1	106.4	120.7
Sales Gr. (%)	17.4	11.9	13.4
EBITDA	18.9	21.4	24.7
EBITDA Margin (%)	19.8	20.1	20.5
Adj. PAT	4.1	4.9	6.2
Adj. EPS (INR)	6.2	7.5	9.4
EPS Gr. (%)	66.2	20.3	25.5
BV/Sh.(INR)	34.7	32.8	34.2
Ratios			
RoE (%)	17.9	22.8	27.5
RoCE (%)	10.1	11.4	13.1
Valuations			
P/E (x)	74.2	61.6	49.1
P/BV (x)	13.3	14.0	13.5
EV/EBITDA Pre- Ind AS (x)	22.9	19.9	16.9
EV/Sales (x)	3.3	2.9	2.5

CMP: INR461 — BUY

In-line print

Key highlights from Jubilant Foodworks' (JUBI) 2QFY27 pre-quarterly update:

Revenue and LFL growth

- Consolidated revenue grew by ~12% YoY to INR26.1b.
- **Standalone revenue rose 11.6% YoY to INR18.9b (est. 10.5%; ~9% in 1QFY27 and ~16% in 2QFY26).**
- **Domino's India LFL growth was 4.1% (est. 4%; 2.5% in 1QFY27 and ~9% in 2QFY26).**
- Domino's Eurasia LFL (post-IAS-29) declined by ~2%.

Stores expansion

- During the quarter, net 108 stores were added to the JFL group network, taking the total store count to 3,820 as of the end of 2QFY27.
- Domino's India opened 88 new stores, taking the total count to 2,601 stores.
- Domino's Turkey opened three new stores, taking the total store count to 798.

Quarterly Standalone Perf. 70 (INR m)

Y/E March	FY26				FY27E					
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY26	FY27E
No of stores (Dominos)	**2,240**	**2,321**	**2,396**	**2,455**	**2,513**	**2,583**	**2,653**	**2,755**	**2,455**	**2,755**
LFL growth (%)	**11.6**	**9.1**	**5.0**	**0.2**	**2.5**	**4.0**	**7.0**	**8.5**	**6.5**	**5.5**
Net Sales	**16,929**	**16,987**	**17,935**	**16,797**	**18,489**	**18,770**	**20,625**	**19,687**	**68,647**	**77,571**
YoY change (%)	17.6	15.8	11.3	6.4	9.2	10.5	15.0	17.2	12.6	13.0
Gross Profit	**12,550**	**12,634**	**13,434**	**12,687**	**13,952**	**14,040**	**15,366**	**14,821**	**51,305**	**58,178**
Gross margin (%)	74.1	74.4	74.9	75.5	75.5	74.8	74.5	75.3	74.7	75.0
EBITDA (Pre Ind AS)	**2,088**	**2,055**	**2,420**	**2,024**	**2,244**	**2,236**	**2,742**	**2,455**	**8,612**	**9,760**
EBITDA growth %	25.0	19.8	21.1	5.6	7.5	8.8	13.3	21.3	15.8	13.3
Margins (%)	12.3	12.1	13.5	12.1	12.1	11.9	13.3	12.5	12.5	12.6
EBITDA	**3,264**	**3,294**	**3,709**	**3,444**	**3,597**	**3,644**	**4,248**	**4,089**	**13,711**	**15,578**
EBITDA growth %	17.3	15.9	18.6	11.5	10.2	10.6	14.5	18.7	15.8	13.6
Margins (%)	19.3	19.4	20.7	20.5	19.5	19.4	20.6	20.8	20.0	20.1
Depreciation	1,762	1,840	1,988	2,077	1,999	2,061	2,226	2,385	7,667	8,671
Interest	652	672	692	745	715	735	800	888	2,760	3,138
Other Income	124	73	83	71	84	95	100	116	350	396
PBT	**974**	**856**	**1,112**	**693**	**968**	**943**	**1,322**	**932**	**3,634**	**4,165**
YoY Change (%)	42.5	22.6	41.1	-8.2	-0.6	10.3	18.9	34.5	24.3	14.6
Tax	239	216	296	156	240	245	344	217	907	1,045
Rate (%)	24.5	25.3	26.7	22.4	24.8	26.0	26.0	23.2	25.0	25.1
Adjusted PAT	**735**	**639**	**815**	**537**	**728**	**698**	**978**	**715**	**2,727**	**3,119**
YoY change (%)	42.7	22.8	36.8	-2.8	-1.0	9.2	19.9	33.1	24.8	14.4

E: MOFSL Estimates

Senco Gold

BSE SENSEX	S&P CNX
72,639	22,603

Financials Snapshot (INR b)

Y/E March	2026	2027E	2028E
Sales	84.3	109.8	125.5
Sales growth (%)	33.2	30.3	14.3
EBITDA	9.8	8.3	9.3
EBITDA Margin (%)	11.6	7.6	7.4
Adj. PAT	5.8	3.9	4.4
EPS (INR)	35.3	24.0	27.1
EPS Gr. (%)	185.8	-32.0	12.6
BV/Sh. (INR)	153.5	175.2	199.3
Ratios			
Debt/Equity	0.7	1.4	1.0
RoE (%)	25.8	14.6	14.4
RoIC (%)	18.2	10.3	9.6
Valuations			
P/E (x)	9.1	13.3	11.8
EV/EBITDA (x)	3.8	5.3	4.3

CMP: INR321 — Neutral

Revenue in line; old gold exchange contribution at 50%+

Senco Gold released its pre-quarter update for 2QFY27. Here are the key takeaways:

Gold price trends

- Gold prices remained elevated and volatile, rising 28% YoY.
- Domestic 24K gold prices rose ~1.4% from INR1.44 lakh/10 gm at the beginning of 2Q to INR1.46 lakh/10 gm at quarter-end. International gold prices increased ~3% from USD4031/Oz to ~USD4,153/Oz.

Financial and operational performance

- During 2Q, consumer demand remained buoyant, supported by the structural strength of jewelry consumption, festive demand and increasing preference for lightweight jewelry. Moreover, 2QFY27 was marked by festivals like Ratha Yatra, Rakhi, Janmashtami, Onam, Ganesh Chaturthi, and Independence Day.
- Revenue grew 31% YoY (est: 30%; 67% YoY in 1QFY27; 2% in 2QFY26), while retail sales grew 29% YoY.
- SSSG stood at 19% YoY (est. 24%) vs. 39% in 1QFY27 and -4% in 2QFY26.
- Stud ratio improved from 11% in 1Q to 12.2% in 2Q (flat YoY). Diamond jewelry revenue grew by 31% YoY, along with 7% volume growth.
- Coin and bullion sales remained in a single digit (below 7%).
- Old gold exchange contributed to over 50% of total sales in 2QFY27. Senco stated that higher old gold exchange may put slight pressure on margins.

Store expansion and network growth

- Senco launched 6 new showrooms (3- Franchisee, 3- COCO) in 2Q, reaching 215 total showrooms.
- It expects to launch another 10-12 showrooms in 2HFY27.

Outlook

- 3QFY27 is expected to witness strong seasonal demand, supported by wedding demand (~1.35 Cr weddings in CY26), which is mostly price inelastic; and a favorable festive calendar, including Dhanteras, Diwali, Durga Puja, Karwa Chauth, Chhath Puja and Christmas.
- The company will focus on inventory optimization, lightweight and 9K collections, and margin protection.

Consolidated Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Stores	**186**	**192**	**196**	**201**	**209**	**214**	**219**	**221**	**201**	**221**
Net Sales	**18,263**	**15,361**	**30,710**	**19,967**	**30,560**	**19,969**	**38,080**	**21,235**	**84,300**	**1,09,845**
Change (%)	30.1	2.4	50.1	44.9	67.3	30.0	24.0	6.4	33.2	30.3
Gross Profit	**3,289**	**2,556**	**5,032**	**3,769**	**4,783**	**3,095**	**5,902**	**3,550**	**16,680**	**17,331**
Gross Margin (%)	18.0	16.6	16.4	18.9	15.7	15.5	15.5	16.7	19.8	15.8
Operating Expenses	1,653	1,551	1,999	1,724	2,802	1,697	3,084	1,424	6,928	9,007
% of Sales	9.1	10.1	6.5	8.6	9.2	8.5	8.1	6.7	8.2	8.2
EBITDA	**1,636**	**1,005**	**3,033**	**2,045**	**1,981**	**1,398**	**2,818**	**2,127**	**9,752**	**8,324**
Margin (%)	9.0	6.5	9.9	10.2	6.5	7.0	7.4	10.0	11.6	7.6
Change (%)	50.4	22.9	181.9	61.0	21.1	39.1	-7.1	4.0	129.4	-14.6
Interest	430	462	590	561	679	690	700	769	2,042	2,838
Depreciation	187	190	211	232	215	225	250	258	820	949
Other Income	186	178	301	134	153	185	185	196	799	719
PBT	**1,206**	**531**	**2,533**	**1,386**	**1,239**	**668**	**2,053**	**1,296**	**7,689**	**5,256**
Tax	359	103	922	516	378	167	513	261	1,900	1,319
Effective Tax Rate (%)	29.8	19.4	36.4	37.2	30.5	25.0	25.0	20.1	24.7	25.1
Adjusted PAT	**847**	**428**	**1,612**	**870**	**861**	**501**	**1,540**	**1,035**	**5,790**	**3,937**
Change (%)	65.1	24.0	197.4	39.3	1.8	17.1	-4.5	18.9	186.0	-32.0
PAT	**1,047**	**488**	**2,640**	**1,569**	**1,011**	**501**	**1,540**	**1,035**	**5,743**	**4,087**

E: MOFSL Estimates



V-Mart Retail: A Strong Q2FY27 For V-Mart Retail | Q3 Looks Good; May See A 3-5% Price Increase In Q3; Anand Agarwal, COO & CFO

- Revenue grew 18%, with SSSG at ~3%; profitability to be disclosed in November.
- Pre-festive traction remains robust, with steady footfalls and a good start to Pujo.
- No significant price hikes in Q2; management expects 3–5% hikes in Q3 versus 10–15% by peers.
- Q2 margins may see some pressure due to shifted Pujo timing and input costs, while Q4 could face further oil-price challenges.

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Transrail Lighting: GEC-III Push | Expect An Additional 10% Of ₹3,500-4,000 Cr TAM In Orders; Randeep Narang, MD

- Expect an additional 10% of the Rs 3,500-4,000 cr TAM in orders
- Board has approved fund raise; however, it will take some time to materialise
- GEC-III could create around Rs 24,000 cr annual opportunity, with scope to win 10% of it

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Steamhouse India Eyes 25% Volume Growth: New Boilers, Higher Utilisation In Focus; Vaibhav Gattani, CFO

- Coal trading discontinued from Apr'26, improving margins and focusing capital on the higher-return steam business.
- Management targets 25% volume growth in FY27, supported by existing customer ramp-up and four new facilities.
- Steam capacity to rise from 345 TPH to 705 TPH by 1QFY29, with customer tie-ups already covering most upcoming capacity.
- EBITDA/ton improved to ~₹1,000 in Q1FY27; management expects ₹1,100+ as waste-to-steam capacity ramps up.

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PNB: MD Ashok Chandra On Growth, Margins And The $2.7 Billion FCNR Boost; Ashok Chandra, MD & CEO

- Advances grew ~15% YoY, while management expects sustained growth across key balance-sheet and profitability metrics.
- Mobilized US$2.7bn FCNR(B) vs US$2.5bn target; funds largely deployed to reduce bulk deposits and CD.
- 96% of UPI transactions are below ₹2,000, limiting MDR impact; any incremental income to strengthen UPI/cybersecurity.
- 56% of assets are repo-linked; management expects 7–10% NII growth with further NIM improvement despite a potential 25bp rate hike.

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NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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