Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	73,853	-1.2	-13.3
Nifty-50	22,889	-1.1	-12.4
Nifty-M 100	58,488	-1.1	-3.3
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,713	0.3	12.7
Nasdaq	26,425	0.0	13.7
FTSE 100	10,733	-0.3	8.1
DAX	25,304	-0.1	3.3
Hang Seng	8,030	-1.2	-9.9
Nikkei 225	64,075	-1.3	27.3
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	118	1.0	88.5
Gold ($/OZ)	4,141	-0.6	-4.1
Cu (US$/MT)	14,446	-0.4	16.0
Almn (US$/MT)	3,023	0.6	1.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	94.9	0.0	5.6
USD/EUR	1.1	-0.2	-4.5
USD/JPY	158.5	0.3	1.1
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.4	0.01	0.8
Flows (USD b)	**19-Oct**	**MTD**	**CYTD**
FIIs	-0.12	-4.29	-32.4
DIIs	0.34	5.67	73.1
Volumes (INRb)	**19-Oct**	**MTD***	**YTD***
Cash	1,038	1232	1336
F&O	6,36,448	2,79,418	2,53,274

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Oberoi Realty: NCR success broadens growth runway

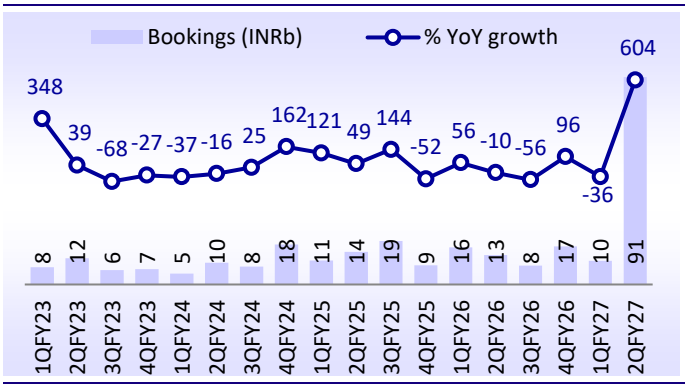
- In 2QFY27, Oberoi Realty (OBER)'s pre-sales surged 6x YoY to INR91.5b (in line), driven by exceptional bookings of ~INR79b at its maiden NCR project – Three Sixty North (Gurugram). The project contributed 86% of quarterly pre-sales. Three Sixty West (Worli) witnessed a pick-up with ~INR2.8b presales in 2Q (~3% share). Further, the Thane projects witnessed better traction, as total sales (Jardin + Forestville) stood at ~INR2.1b (~2% share). The launch pipeline for 2HFY27 includes Aurelius (Pedder Road), Alibaug, and new towers at Jardin and Forestville, and Adarsh Nagar (contingent on approvals), which would drive pre-sales in the coming quarters. We tweak our estimates for FY27 to INR135b (+149% YoY) to incorporate the net sales in NCR and maintain our estimate for FY28 at INR112b (17% YoY decline due to a high base in FY27).
- We value the residential business on an NAV basis and assign a 35% premium to capture the increased focus on BD. Further, we value the annuity portfolio at a 7.5-8.0% cap rate and the hospitality business at 18x EV/EBITDA on FY28E. We slightly raise WACC to 10.6% and increase the cap rate for RLDA to 8.0%. However, following the roll-over of the residential segment's valuation to FY28, our SoTP-based TP inches up to INR2,145. Reiterate BUY.

Research covered

Cos/Sector	Key Highlights
Oberoi Realty	NCR success broadens growth runway
Bajaj Finance	Operationally strong; capital raise will offset organic NIM pressure
UltraTech Cement	Strong volume growth; pricing recovery gaining traction
Hindustan Zinc	Earnings beat over favorable LME and lower CoP
Other Updates	Union Bank | Piramal Finance | L&T Technology | Sobha | Le Trav | Ellenbarrie Industrial Gases | Retail Travelog | Economy (Global markets at a crossroads!) | General Insurance

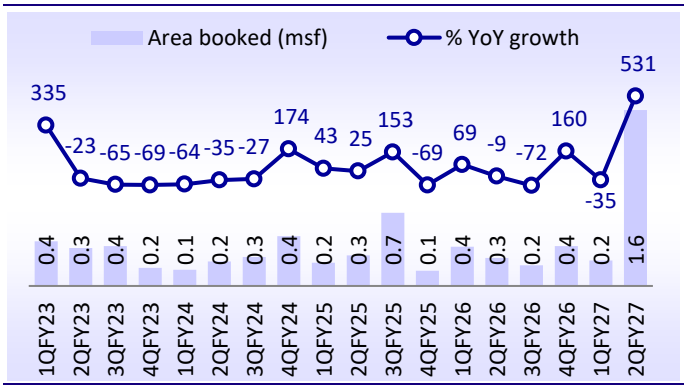
Chart of the Day: Oberoi Realty (NCR success broadens growth runway)

In 2QFY27, presales surged 604% YoY to INR91b



Source: Company, MOFSL

In 2Q, volumes jumped 531% YoY to 1.6msf



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

FinMin gives in-principle nod to scheme for solar polysilicon manufacturing

The Ministry of Finance has given in-principle approval to a proposal by the Ministry of New and Renewable Energy (MNRE) to launch a special scheme to support domestic polysilicon manufacturing.

2

PepsiCo India expects steady festive snack sales driven by new launches

PepsiCo India expects its food business to match last year's festive growth momentum driven by new product rollouts and convenience-focused choices that match modern consumer habits.

3

YES Bank sees no immediate need to raise capital after SC's AT1 verdict

Following the Supreme Court ruling that upheld the reversal of its March 2020 write-down of ₹8,415 crore in AT1 bonds, YES Bank confirmed it faces no immediate need to raise capital.

4

Pune Police Detain Schaeffler India CEO Harsha Kadam Over Factory Accident Probe

Law enforcement authorities in Pune took Schaeffler India's managing director and chief executive officer Harsha Kadam into custody on Tuesday.

5

Apple's India Business Hits Rs 1 Lakh Crore Milestone As iPhone Demand Grows

In the financial year that ended in March 2026, Apple's Indian unit crossed the Rs 1 lakh crore revenue mark for the first time, with sales and earnings both rising at a quicker pace than in FY25.

6

YatriKart, MMG group ink ₹120 cr deal to open 1,000 quick-stop stores

Transit retail chain YatriKart has partnered with MMG group in a ₹120 crore deal to open 1,000 quick-stop convenience stores across India over the next five years, as the company looks to build an organised retail network catering to consumers on the move.

7

Transrail Lighting to invest ₹20 crore for 49% stake in NOPL

Transrail Lighting will acquire a 49% stake in NOPL Pace Green Energy for ₹20 crore, entering renewable power by developing a 990 MW solar portfolio in Maharashtra backed by a 25-year PPA.

Oberoi Realty

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	OBER IN
Equity Shares (m)	364
M.Cap.(INRb)/(USDb)	609.5 / 6.4
52-Week Range (INR)	1986 / 1390
1, 6, 12 Rel. Per (%)	-4/4/10
12M Avg Val (INR M)	955

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	60.1	77.5	90.6
EBITDA	33.6	43.4	49.6
EBITDA (%)	55.9	56.0	54.8
Net profit	25.3	33.0	37.5
EPS (INR)	69.6	90.6	103.1
EPS Growth (%)	13.7	30.2	13.8
BV/Share (INR)	492.9	574.5	667.7
Ratios			
Net D/E	0.1	0.0	(0.0)
RoE (%)	15.1	17.0	16.6
RoCE (%)	13.5	15.7	15.7
Payout (%)	11.5	9.9	9.7
Valuations			
P/E (x)	24.1	18.5	16.3
P/BV (x)	3.4	2.9	2.5
EV/EBITDA (x)	18.5	14.2	12.2
Div Yield (%)	0.5	0.5	0.6

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	67.7	67.7	67.7
DII	14.8	14.6	10.8
FII	15.1	15.4	19.4
Others	2.4	2.3	2.1

CMP: INR1,676 **TP: INR2,145 (+28%)** **Buy**

NCR success broadens growth runway

In-line 2Q; new launches to drive FY27E pre-sales

In 2QFY27, Oberoi Realty (OBER)'s pre-sales surged 6x YoY to INR91.5b (in line), driven by exceptional bookings of ~INR79b at its maiden NCR project – Three Sixty North (Gurugram). The project contributed 86% of quarterly pre-sales. Three Sixty West (Worli) witnessed a pick-up with ~INR2.8b presales in 2Q (~3% share). Further, the Thane projects witnessed better traction, as total sales (Jardin + Forestville) stood at ~INR2.1b (~2% share). The launch pipeline for 2HFY27 includes Aurelius (Pedder Road), Alibaug, and new towers at Jardin and Forestville, and Adarsh Nagar (contingent on approvals), which would drive pre-sales in the coming quarters. We tweak our estimates for FY27 to INR135b (+149% YoY) to incorporate the net sales in NCR and maintain our estimate for FY28 at INR112b (17% YoY decline due to a high base in FY27).

Annuity and hospitality portfolio ramping up well

Rental revenue grew 17% YoY to INR3.4b in 2QFY27. Occupancy was healthy at 96-100% across Commerz I, II, and III, while Oberoi Mall's occupancy stood at 99%. Sky City Mall occupancy improved marginally to 83% from 82% in 1QFY27. Overall occupancy across annuity assets stood at 95%, with an EBITDA margin of 93% at quarter-end. On the back of healthy occupancy and rental escalations, we retain our annuity income CAGR estimate of 10% to INR13.7b over FY26-28.

Hospitality revenue stood at INR456m in 2QFY27, up 2% YoY, while RevPAR increased 8% YoY to ~INR11,933 and ARR rose 15% YoY to INR15,780. Occupancy remained stable at 75%. The Ritz-Carlton at Three Sixty West and the Marriott hotel in Borivali are expected to commence operations in FY28. We therefore expect a 56% CAGR in hospitality revenue to INR4.8b during FY26-28.

Balance sheet remains sturdy; NOCF generation healthy

Collections in 2QFY27 grew 40% YoY to ~INR19b in 2QFY27. During FY26-28, we estimate collections will record a 27% CAGR to INR69b, supported by strong pre-sales and healthy execution. OBER generated net OCF of INR18.1b during the quarter with ~80% NOCF margin. Its net cash-to-equity ratio stood at 0.02x. Supported by strong cash flows from the residential, annuity and hospitality segments, we expect net cash of INR5.3b/INR15.5b in FY27/28E, respectively.

Financials

- In 2QFY27, revenue dipped 6% YoY to INR16.7b. EBITDA was flat YoY at INR10.2b (in line), while the EBITDA margin expanded 460bp QoQ to 61.0%. PAT remained flat YoY at INR7.6b (in line with estimates).
- In 1HFY27, revenue grew 7% YoY to INR29.7b. EBITDA was up 14% YoY to INR17.5b, while the margin came in at 59%. PAT was up 10% YoY to INR13.1b.

Valuation and view

- OBER is likely to report a jump in pre-sales in FY27 given the robust response in NCR and its launch pipeline. Further, the strong ramp-up in business development activity has improved the medium-term growth visibility. The annuity and hospitality segments are scaling up well, and with more additions already planned, we expect profitability to grow strongly in the coming years. In addition, it has one of the strongest balance sheets among peers, which lends comfort.
- We value the residential business on an NAV basis and assign a 35% premium to capture the increased focus on BD. Further, we value the annuity portfolio at a 7.5-8.0% cap rate and the hospitality business at 18x EV/EBITDA on FY28E.
- We slightly raise WACC to 10.6% and increase the cap rate for RLDA to 8.0%. However, following the roll-over of the residential segment's valuation to FY28, our SoTP-based TP inches up to INR2,145. **Reiterate BUY.**

Quarterly performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27	FY27 2Q Est.	2QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**9,876**	**17,790**	**14,926**	**17,498**	**13,009**	**16,710**	**18,795**	**29,031**	**60,091**	**77,545**	**18,125**	-8%
YoY Change (%)	-29.7	34.8	5.8	52.1	31.7	-6.1	25.9	65.9	13.7	29.0	1.9	
Total Expenditure	4,672	7,588	6,354	7,896	5,668	6,518	8,647	13,275	26,509	34,108	8,075	
EBITDA	**5,203**	**10,203**	**8,573**	**9,603**	**7,341**	**10,192**	**10,148**	**15,756**	**33,582**	**43,437**	**10,050**	1%
Margins (%)	52.7	57.4	57.4	54.9	56.4	61.0	54.0	54.3	55.9	56.0	55.4	554bp
Depreciation	316	334	327	331	350	350	403	660	1,308	1,763	402	
Interest	750	712	674	271	524	581	550	422	2,406	2,078	500	
Other Income	864	658	691	738	608	654	850	987	2,952	3,100	722	
PBT before EO expense	**5,002**	**9,815**	**8,263**	**9,739**	**7,075**	**9,914**	**10,045**	**15,662**	**32,819**	**42,696**	**9,870**	
Extra-Ord expense	0	0	-231	0	0	0	0	0	-231	0	0	
PBT	**5,002**	**9,815**	**8,032**	**9,739**	**7,075**	**9,914**	**10,045**	**15,662**	**32,588**	**42,696**	**9,870**	0%
Tax	857	2,329	1,899	2,597	1,681	2,340	2,380	3,775	7,682	9,820	2,344	
Rate (%)	17.1	23.7	23.6	26.7	23.8	23.6	23.7	24.1	23.6	23.0	23.8	
MI & P/L of Asso. Cos.	68	117	94	-110	41	42	19	-23	168	80	19	
Reported PAT	**4,213**	**7,603**	**6,226**	**7,032**	**5,435**	**7,617**	**7,685**	**11,863**	**25,074**	**32,956**	**7,544**	1%
Adj PAT	**4,213**	**7,603**	**6,457**	**7,032**	**5,435**	**7,617**	**7,685**	**11,863**	**25,305**	**32,956**	**7,544**	1%
YoY Change (%)	-27.9	29.0	4.4	62.3	29.0	0.2	19.0	68.7	13.7	30.2	-0.8	
Margins (%)	42.7	42.7	43.3	40.2	41.8	45.6	40.9	40.9	42.1	42.5	41.6	

Source: MOFSL, Company

Bajaj Finance

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	BAF IN
Equity Shares (m)	6226
M.Cap.(INRb)/(USDb)	5960.4 / 62.8
52-Week Range (INR)	1178 / 787
1, 6, 12 Rel. Per (%)	-6/11/0
12M Avg Val (INR M)	8570

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Net Income	533	660	809
PPP	355	443	546
PAT	193	267	329
EPS (INR)	31	42	51
EPS Gr. (%)	15	35	22
BV/Sh. (INR)	188	240	287
Ratios			
NIM (%)	9.7	9.7	9.6
C/I ratio (%)	33.3	32.9	32.5
RoA (%)	3.8	4.2	4.1
RoE (%)	18.1	19.8	19.6
Payout (%)	18.1	16.3	17.0
Valuations			
P/E (x)	30.8	22.8	18.6
P/BV (x)	5.1	4.0	3.3
Div. Yield (%)	0.6	0.7	0.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	54.7	54.7	54.7
DII	16.4	15.2	14.6
FII	20.3	21.4	21.7
Others	8.6	8.7	8.9

FII includes depository receipts

CMP: INR957 TP: INR1,250 (+31%) BUY

Operationally strong; capital raise will offset organic NIM pressure

NIM (calc.) contracted ~9bp QoQ; gold loan slippages are transitory in nature

- Bajaj Finance's (BAF) 2QFY27 PAT grew 29% YoY to ~INR63.7b (in line). NII in 2QFY27 grew 24% YoY to ~INR133.3b (in line). Non-interest income stood at ~INR26.4b (up 11% YoY). Opex grew ~23% YoY to ~INR52.7b (in line). PPoP stood at INR107b (in line) and grew 21% YoY.
- Credit costs stood at ~INR21.7b (in line). Annualized credit costs were broadly stable QoQ at ~1.56% (PQ: ~1.54% and PY: ~2.05%). 2QFY27 includes a prudent management overlay of INR3.4b for macroeconomic risks. Excluding this provision, credit costs declined 12% YoY to INR18.3b, translating into ~1.32%.
- BAF highlighted that the vintage credit performance across 3MOB, 6MOB, and 9MOB continues to reflect significant improvement. Management remains optimistic on the FY27 credit cost outlook, expecting full-year credit costs to remain within the 1HFY27 range, supported by improving portfolio performance, proactive underwriting, and prudent overlays. We model credit costs of ~1.5% each in FY27/FY28.
- BAF upgraded its FY27 AUM growth guidance to 26-27%, supported by improving traction across business segments, while reiterating its long-term growth guidance of 23-25%. Growth momentum remained strong across segments, except MSME, where management expects growth to recover to double-digit levels in 2HFY27. We model AUM growth of 26% over FY26-28E.
- **Management shared that it has submitted its feedback on the proposed RBI restrictions on revolving credit and expects a balanced framework, as a complete ban could temporarily impact AUM, NIMs, and profitability. On proposed insurance commission changes, the company is evaluating options to mitigate the impact on fee income and margins.**
- BAF has moved beyond earnings normalization and is entering a phase of structurally stronger earnings growth. The combination of strong loan growth, operating efficiencies to offset margin pressure, improving asset quality, and declining credit costs are expected to drive a meaningful acceleration in profitability.
- We raise our FY27/FY28 EPS estimates by ~1%/4%, factoring in stronger AUM growth and benefit on NIM from the proposed equity capital raise of ~INR175b, which we expect to be completed by Dec'26. We model PAT CAGR of ~30% over FY26-FY28E and RoA/RoE of 4.1%/20% in FY28E. **We reiterate our BUY rating on the stock with a TP of INR1,250 (premised on 4x Sep'28E BVPS). Key risks:** 1) Potential asset quality deterioration due to weak monsoons, El Nino, and elevated oil prices; 2) impact on AUM growth and NIM pressure if the RBI's proposed restrictions on revolving credit are implemented in their current form; and 3) lower fee income due to proposed IRDAI regulations on insurance commissions.

Strong and broad-based AUM growth; NIM (calc.) contracts ~9bp QoQ

- Total AUM grew 26.5% YoY/6.9% QoQ to INR5.85t. QoQ AUM growth was driven by Gold Loans (+14%), Rural Sales Finance (+7%), Consumer Sales Finance (~6%), LAS (~15%), MFI (~8%), and Car Loans (+6%).
- New customer acquisition stood at ~4.4m in 2QFY27. BAF targets 60-62m new loans and 18-20m customer additions to its franchise in FY27. Management indicated that FY27 (organic) NIM contraction could be marginally higher than the initial 10-15bp guidance, driven by an expected increase in funding costs in 3Q/4QFY27 in a rising interest rate cycle. **We expect BAF to deliver ~26% AUM CAGR over FY26-28, with NIM of ~9.7%/9.6% in FY27E/FY28E. (FY26: 9.7%).**

Minor deterioration in asset quality; credit costs stable QoQ

- As of Sep'26, GNPA and NNPA stood at 1.06% (increased ~10bp QoQ) and 0.42% (increased ~3bp QoQ), respectively, as of Sep'26. PCR on Stage 3 assets was broadly stable QoQ at ~60%.
- Stage 2 and 3 assets increased ~INR16b in 2QFY27, including ~INR10.5b increase in Stage 2 gold loan due to short-tenor schemes that are no longer being offered. The company does not expect the transitional increase in Stage 2 gold loans to impact credit costs. Adjusting for this transient movement, S2 and S3 loans improved to 1.88% of loans from 1.90% in 1QFY27.

Highlights from the management commentary

- BAF is closely monitoring early-vintage performance and tightening originations where 3MOB metrics indicate emerging stress. Self-employed unsecured borrowers are viewed as more vulnerable to inflation and elevated oil prices, with stress testing prompting additional Stage 1 and Stage 2 provisions for non-salaried unsecured borrowers amid risks from El Nino, monsoons, and oil prices.
- The company discontinued short-tenor schemes in August and is reverting to longer-tenor products of 12 months, with options for monthly or quarterly interest payments. Around 55% of the elevated Stage 2 balance has already been resolved, with no material credit cost or auction impact expected.

Valuation and view

- BAF delivered a healthy quarter, with broad-based growth across segments and continued improvement in asset quality, supported by strong vintage performance and stable credit costs. While there was some marginal asset quality deterioration, largely driven by gold loans, management remains confident of negligible ultimate credit losses. Margins declined during the quarter and could witness further (organic) contraction due to expected rise in borrowing costs.
- BAF trades at 3.3x FY28E P/BV and ~19x P/E (after incorporating the expected equity capital raise through QIP and preferential allotment of warrants). We model a PAT CAGR of ~30% over FY26-FY28E and RoA/RoE of 4.1%/20% in FY28E. We believe the company is entering a phase of sustainable earnings compounding, driven by broad-based growth, resilient profitability, and improving asset quality. **We reiterate our BUY rating on the stock with a TP of INR1,250 (premised on 4x Sep'28E BVPS).**

Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	Act V/s Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	171.4	178.0	186.6	191.8	205.1	219.4	234.7	249.2	728	908.4	217.6	1
Interest expenses	69.2	70.1	73.4	74.0	79.4	86.0	92.6	99.8	287	357.9	85.5	1
Net Interest Income	**102.3**	**107.8**	**113.2**	**117.8**	**125.7**	**133.3**	**142.1**	**149.3**	**441**	**550.5**	**132.1**	1
YoY Growth (%)	22.3	22.0	20.6	20.1	22.9	23.6	25.5	26.8	21.2	24.8	22.5	
Other Operating Income	23.8	23.8	25.6	24.3	26.5	26.4	28.1	28.8	92	109.8	27.3	-3
Net Income	**126.1**	**131.7**	**138.8**	**142.1**	**152.2**	**159.7**	**170.2**	**178.1**	**533**	**660.3**	**159.4**	**0**
YoY Growth (%)	21.0	20.3	18.9	19.2	20.7	21.3	22.6	25.4	18.6	23.8	21.0	
Operating Expenses	41.2	43.0	48.2	48.0	50.9	52.7	55.6	57.7	178	216.9	53.0	0
Operating Profit	**84.9**	**88.7**	**90.5**	**94.1**	**101.4**	**107.0**	**114.5**	**120.5**	**355**	**443.4**	**106.4**	1
YoY Growth (%)	22.2	21.4	16.0	18.1	19.4	20.6	26.5	28.1	18.4	24.7	19.9	
Provisions and Cont.	21.2	22.7	36.3	20.1	19.9	21.7	23.8	21.7	95	87.1	21.4	1
Profit before Tax	**63.7**	**66.1**	**54.3**	**74.1**	**81.5**	**85.4**	**90.7**	**98.8**	**258**	**356.3**	**85.1**	0
Tax Provisions	16.0	16.6	13.7	18.6	20.7	21.7	22.8	24.6	65	89.8	21.4	2
Net Profit	**47.7**	**49.5**	**40.7**	**55.5**	**60.8**	**63.7**	**67.9**	**74.2**	**193**	**266.5**	**63.7**	0
YoY Growth (%)	21.8	23.3	-5.6	22.2	27.6	28.7	67.1	33.6	15.2	37.9	28.8	
Key Operating Parameters (%)												
Fees to Net Income Ratio	18.9	18.1	18.4	17.1	17.4	16.5	16.5	16.2				
Credit Cost	2.02	2.05	3.12	1.65	1.54	1.56	1.61	1.39				
Cost to Income Ratio	32.7	32.6	34.7	33.8	33.4	33.0	32.7	32.4				
Tax Rate	25.2	25.1	25.1	25.1	25.4	25.4	25.1	24.9				
Balance Sheet Parameters												
AUM (INR B)	4,415	4,623	4,845	5,100	5,469	5,846	6,209	6,528				
Change YoY (%)	24.6	23.6	21.7	22.4	23.9	26.5	28.2	28.0				
Loans (INR B)	4,325	4,525	4,756	4,989	5,361	5,742	6,091	6,411				
Change YoY (%)	23.7	23.1	21.9	22.3	24.0	26.9	28.1	28.5				
Borrowings (INR B)	3,718	3,909	4,050	4,265	4,590	4,889	5,153	5,495				
Change YoY (%)	22.0	22.5	20.9	19.4	23.5	25.1	27.3	28.8				
Loans/Borrowings (%)	116.3	115.8	117.4	117.0	116.8	117.4	118.2	116.7				
Asset Quality Parameters (%)												
GS 3 (INR B)	45.2	56.9	58.8	51.2	52.4	62.0						
Gross Stage 3 (% on Assets)	1.03	1.24	1.21	1.01	0.96	1.06						
NS 3 (INR B)	21.7	27.4	22.7	20.6	21.1	25.1						
Net Stage 3 (% on Assets)	0.50	0.60	0.47	0.41	0.39	0.42						
PCR (%)	51.9	51.8	61.3	59.7	60.0	60.0						
Return Ratios (%)												
ROAA (Rep)	4.5	4.5	4.5	4.6	4.7	4.6						
ROAE (Rep)	19	19.1	19.1	19.2	20.4	20.6						

E: MOFSL Estimates

UltraTech Cement

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UTCEM IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	3138.3 / 33.1
52-Week Range (INR)	12848 / 10118
1, 6, 12 Rel. Per (%)	-1/-4/-3
12M Avg Val (INR M)	3669

Financial Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	885	1,030	1,137
EBITDA	170	191	221
Adj. PAT	83	93	109
EBITDA Margin (%)	19	19	19
Adj. EPS (INR)	281	315	372
EPS Gr. (%)	35	12	18
BV/Sh. (INR)	2,600	2,675	2,897
Ratios			
Net D:E	0.2	0.2	0.2
RoE (%)	11.2	12.0	13.3
RoCE (%)	10.1	10.7	11.7
Payout (%)	85.5	47.6	43.1
Valuations			
P/E (x)	37.8	33.7	28.6
P/BV (x)	4.1	4.0	3.7
EV/EBITDA(x)	18.7	16.8	14.3
EV/ton (USD)	169	158	143
Div. Yield (%)	2.3	1.4	1.5
FCF Yield (%)	1.9	1.6	2.5

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	58.5	59.3	59.2
DII	20.9	19.7	16.7
FII	12.9	13.0	16.0
Others	7.7	7.9	8.1

FII includes depository receipts

CMP: INR10,650 TP: INR13,220 (+24%) Buy

Strong volume growth; pricing recovery gaining traction

Cost pressure to persist in near term; planning next phase of expansion

- UltraTech Cement (UTCEM) reported in-line 2QFY27 earnings, led by strong volume growth. Consolidated revenue/EBITDA increased ~19%/20% YoY to INR233b/INR37b. EBITDA/t increased ~7% YoY to INR974 (est. INR948). OPM expanded ~20bp YoY to ~16%. Adjusted PAT grew ~22% YoY to INR15b.
- Management remains constructive on the medium-term cement demand outlook. Cement prices strengthened in Sep-Oct'26, resulting in spot prices increasing ~5% vs. 2QFY27 average. However, near-term cost pressure persists due to elevated input material costs. The company is evaluating its next phase of organic capacity expansion beyond 240mtpa (by FY28E), with detailed plans to be announced before FY27-end. It is scaling up its C&W business, with a focus on product availability and execution.
- We maintain our earnings estimates for FY27/FY28. We value UTCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR13,220. **Reiterate BUY.**

Sales volume up ~13% YoY; blended realization up ~5% YoY to INR6,095

- Consol. revenue/EBITDA/adj. PAT stood at INR233b/INR37b/INR15b (+19%/+20%/+22% YoY and +6%/+5%/+2% vs. our estimates) in 2QFY27. Overall volume grew ~13% YoY to 38.2mt (in line). RMC revenue grew ~29% (+17% vs. estimate) and white cement revenue grew ~4% YoY (in line). Other operating income/t stood at INR71 vs. INR70/INR44 in 2QFY26/1QFY27.
- Blended realization rose ~5% YoY/2% QoQ. Grey cement domestic realization increased ~2% YoY (down ~1% QoQ). Opex/t increased ~5% YoY (+8% QoQ), led by ~8%/3%/2% increase in variable/freight cost/other expenses per ton, while staff cost/t declined ~3% YoY. EBITDA/t increased ~7% YoY to INR974. Depreciation/interest costs rose ~6%/20% YoY, while other income declined ~36% YoY. ETR was 27.0% vs. 25.1%/25.2% in 2QFY26/1QFY27.
- In 1HFY27, revenue/EBITDA/PAT grew 17%/16%/18% YoY to INR479.4b/INR87.4b/INR41.1b. OPM contracted 20bp YoY to ~18%. EBITDA/t increased 3% YoY to INR1,099. OCF stood at INR69.1b vs. INR55.7b in 1HFY26. Capex stood at INR57.7b vs. INR48.0b in 1HFY26. FCF stood at INR11.4b vs. INR7.7b in 1HFY26. Net debt stood at INR235b vs INR166b in Mar'26.

Highlights from the management commentary

- Regional volume growth stood strong in the North at over 20%, followed by ~15%-20% in the South, ~10% each in the West and Central regions, and ~5% in the East.
- Management believes cement prices typically adjust with a lag to reflect structural cost increases. It expects cement prices to improve further in the near term, driven by the need to offset higher input costs.

- In C&W, immediate focus is on ramping up production. With an annualized copper consumption capacity of 78,000 ton, UltraVolt ranks second in its space in terms of installed capacity and does not require further investment to maintain its position as a number two player in terms of installed capacity.

Valuation and view

- UTCEM's 2QFY27 performance was in line with our estimates. The company reported robust volume growth and witnessed strong improvement in capacity utilization. Cement prices have recovered since Sep'26 and seen improvement in early-Oct'26. However, cost pressure remains a key near-term challenge. UTCEM continues to extend its lead over peers across capacity, market share, cost leadership, and cash flow generation.
- We estimate a CAGR of 13%/14%/15% in consolidated revenue/EBITDA/PAT over FY26-28. We estimate its consolidated volume CAGR at ~10% and EBITDA/t of INR1,130/INR1,186 in FY27/FY28 vs. INR1,103 in FY26. The net debt-to-EBITDA ratio is estimated to remain range-bound between 0.8x and 1.0x. We estimate its RoE/RoCE to increase to ~13%/12% by FY28 from ~11%/10% in FY26, led by an improvement in profitability and lower costs for expansions.
- The stock is currently trading at 17x/14x FY27E/FY28E EV/EBITDA. We value UTCEM at 18x FY28E EV/EBITDA to arrive at a TP of INR13,220. **Reiterate BUY.**

Consolidated quarterly performance **(INR b)**

	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net sales	**212.8**	**196.1**	**218.3**	**258.0**	**246.5**	**233.0**	**256.3**	**294.3**	**885.1**	**1,030.1**	**219.8**	**6**
YoY change (%)	13.1	20.3	22.8	11.9	15.9	18.8	17.4	14.1	16.5	16.4	12.1	
Total expenditure	168.7	165.1	179.1	202.0	196.3	195.7	213.7	233.1	714.9	838.9	184.3	**6**
EBITDA	**44.1**	**30.9**	**39.2**	**56.0**	**50.2**	**37.2**	**42.6**	**61.2**	**170.2**	**191.2**	**35.5**	**5**
YoY Change (%)	46.2	52.6	35.3	21.3	13.7	20.3	8.9	9.3	35.5	12.3	14.7	
Margins (%)	20.7	15.8	17.9	21.7	20.3	16.0	16.6	20.8	19.2	18.6	16.2	(20)
Depreciation	11.1	11.5	11.8	12.1	12.0	12.1	12.5	13.6	46.4	50.2	12.3	(1)
Interest	4.3	4.6	4.9	4.9	4.5	5.5	5.7	5.4	18.7	21.2	4.8	15
Other income	1.8	1.7	1.4	0.9	1.3	1.1	1.2	1.8	5.8	5.4	1.3	(15)
PBT before EO expense	**30.5**	**16.6**	**23.8**	**39.9**	**34.9**	**20.7**	**25.6**	**44.0**	**110.8**	**125.2**	**19.7**	**5**
Extra-ord expense	0.4	-	0.9	0.1	0.1	0.1	-	-	1.4	0.2	-	
PBT after EO Expense	**30.1**	**16.6**	**22.9**	**39.8**	**34.8**	**20.6**	**25.6**	**44.0**	**109.4**	**125.0**	**19.7**	**5**
Tax	7.9	4.2	5.5	9.8	8.8	5.6	6.6	11.1	27.4	32.0	5.0	
Prior period tax adjustment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Rate (%)	26.1	25.1	24.2	24.6	25.2	27.0	25.6	25.2	25.0	25.6	25.6	
Reported PAT	**22.3**	**12.4**	**17.3**	**30.0**	**26.0**	**15.0**	**19.1**	**32.9**	**82.0**	**93.0**	**14.6**	**3**
Minority interest	0.0	0.1	0.1	0.2	0.0	0.1	0.1	0.1	-0.4	-0.3	0.0	
Adj. PAT	**22.5**	**12.3**	**17.9**	**29.9**	**26.1**	**15.0**	**19.0**	**32.8**	**82.7**	**92.9**	**14.6**	**2**
YoY change (%)	44.0	75.2	31.9	20.1	15.7	21.7	6.0	9.7	35.2	12.3	18.9	

Key operating parameters

Income Statement (INR/t)	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Volume (mt)	36.8	33.9	38.9	44.7	41.3	38.2	41.7	48.0	154.3	169.2	37.4	2
Change (YoY %)	9.7	15.3	28.0	9.0	12.2	12.9	7.2	7.4	13.6	9.7	10.6	
Realization (including RMC)	**5,777**	**5,792**	**5,616**	**5,770**	**5,967**	**6,095**	**6,151**	**6,130**	**5,738**	**6,088**	**5,874**	4
Change (YoY %)	3.0	4.4	-4.1	2.6	3.3	5.2	9.5	6.2	2.6	6.1	1.4	
RM cost	1,037	1,149	1,133	1,135	1,139	1,220	1,190	1,154	1,114	1,174	1,120	9
Power and fuel	1,320	1,313	1,254	1,211	1,312	1,442	1,560	1,430	1,270	1,436	1,342	7
Staff cost	264	314	268	243	268	304	273	251	270	273	310	(2)
Freight and forwarding	1,262	1,219	1,224	1,260	1,261	1,258	1,264	1,244	1,243	1,257	1,248	1
Other expenditure	696	882	730	668	773	897	841	776	737	819	907	(1)
Total expenditure	**4,579**	**4,878**	**4,609**	**4,518**	**4,753**	**5,121**	**5,128**	**4,855**	**4,635**	**4,958**	**4,925**	4
EBITDA	**1,197**	**914**	**1,007**	**1,253**	**1,214**	**974**	**1,023**	**1,275**	**1,103**	**1,130**	**948**	3
YoY change (%)	33.2	32.4	5.7	11.3	1.4	6.5	1.6	1.8	19.3	2.4	3.7	

Sources: Company reports, MOFSL estimates

Hindustan Zinc

Estimate changes	↑
TP change	↔
Rating change	↔

Bloomberg	HZ IN
Equity Shares (m)	4225
M.Cap.(INRb)/(USDb)	2274.9 / 24
52-Week Range (INR)	733 / 454
1, 6, 12 Rel. Per (%)	-8/-3/19
12M Avg Val (INR M)	4911

Financials Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Net Sales	408	584	548
EBITDA	221	357	321
PAT	138	244	216
EPS (INR)	32.7	57.7	51.2
GR. (%)	-36.2	76.5	-11.2
BV/Sh (INR)	53.2	80.9	97.1
Ratios			
ROE (%)	77.2	86.0	57.6
RoCE (%)	61.9	84.7	62.7
Valuations			
P/E (X)	16.5	9.4	10.5
P/BV (X)	10.2	6.7	5.6
EV/EBITDA (X)	10.1	5.9	6.4
Div Yield (%)	1.9	5.6	6.5

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	60.7	60.7	61.8
DII	32.7	32.9	32.8
FII	2.4	2.2	1.3
Others	4.2	4.2	4.0

FII includes depository receipts

CMP: INR538 TP: INR600 (+11%) Neutral

Earnings beat over favorable LME and lower CoP

- Hindustan Zinc's (HZ) revenue stood at INR151b (+77% YoY and +10% QoQ) against our estimate of INR136b. Growth was driven by favorable commodity prices, better volume, and a stronger dollar.
- EBITDA stood at INR92.5b (+108% YoY and +15% QoQ; vs. our estimate of INR83b) on account of favorable metal prices and lower cost of production. EBITDA margin stood at 61.3% in 2QFY27 vs 58.6% in 1QFY27 and 52% in 2QFY26.
- Zinc CoP (ex-royalty) stood at USD703/t in 2QFY27, declining from USD851/t in 1QFY27 and USD994/t in 2QFY26, primarily driven by better grades, higher by-product NSR, and a greater RE share. These benefits were partially offset by a lower share of domestic coal and inflated input costs amid ongoing global geopolitical crisis.
- APAT stood at INR64.1b (+142% YoY and +17% QoQ) in 2QFY27, against our estimate of INR54.8b.
- Mined metal for the quarter stood at 271kt (+5% YoY and +1% QoQ), driven by higher ore production.
- Refined metal production for the quarter stood at 264kt (+7% YoY and flat QoQ), mainly driven by additional capacity unlocked through smelter debottlenecking. The refined zinc production was 214kt (+6% YoY and +1% QoQ), while refined lead production stood at 51kt (+14% YoY and +9% QoQ) during the quarter.
- Saleable silver volume rose 17% YoY and 16% QoQ to 173kt, in line with lead production in 2QFY27.

Key management commentary

- Management reiterated its FY27 refined metal production guidance of 1.1mt. Despite producing 321t of silver in 1HFY27, management maintained its silver guidance of 680t, including concentrate sales.
- For FY27, management revised its CoP guidance to USD825-850/t from USD975-1,000/t earlier, led by higher sulphuric acid prices, partly offset by USD50/t of cost inflation amid geopolitical disruptions. For 3QFY27, management expects CoP to remain broadly at current levels.
- HZ has hedged 40kt of zinc for 3QFY27 at USD3,476/t and 36kt for 4QFY27 at USD3,698/t. Moreover, it has hedged 8t of silver for 3QFY27 at USD68/oz.
- Management also highlighted that domestic linkage coal accounted for 32% of coal consumption in 2QFY27 vs. 36% in 1QFY27 and 64% in 4QFY26, indicating continued exposure to imported coal.
- HZ continued to advance its decarbonization initiatives, with renewable share accounting for 27% of power consumption in 2QFY27. Management aims to increase it to 35% over the coming quarters.

Valuation and view

- HZ reported strong earnings in 2QFY27, primarily driven by favorable metal pricing, better grades/volume, and higher by-product NSR, which supported lower CoP. The company continues to focus on ramping up production, improving operational efficiencies, and maintaining tighter cost control, which should support margin sustenance.
- The recently announced expansion plans align with HZ's long-term objective of doubling its existing capacity and enhancing long-term earnings visibility. However, near-term earnings growth is likely to remain constrained by limited capacity headroom, making LME/silver price inflation the key catalysts for incremental earnings upside.
- Further, HZ's entry into critical minerals is expected to diversify its high exposure to a single metal, reducing metal-led volatility in the future.
- We increase our earnings estimates, with revenue and EBITDA revised upward by 6% for FY27 and ~4% for FY28, incorporating silver volume guidance of 680t for FY27 and 700t for FY28. We believe further price volatility could remain a potential risk or reward for earnings.
- **At CMP, HZ trades at 6.4x FY28E EV/EBITDA, and we believe the current valuation has priced in all the positive factors. We reiterate our Neutral rating with a TP of INR600 (premised on 7x EV/EBITDA on FY28E).**

Quarterly Performance **(INR b)**

Y/E March	FY26							FY27	FY26	FY27E	FY27	Vs.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est.%
Mine prodn. (kt)	**265**	**258**	**276**	**315**	**268**	**271**	**282**	**290**	**1,114**	**1,111**	**271**	**-**
Sales												
Zinc refined (kt)	201	202	221	227	211	214	221	225	851	871		
Lead refined (kt)	48	45	49	55	47	51	56	59	197	213		
Silver (tonnes)	145	147	158	176	149	173	174	176	627	672		
Net Sales	**77.7**	**85.5**	**109.8**	**135.4**	**137.5**	**150.9**	**147.7**	**147.8**	**408.4**	**583.9**	**136.3**	**10.8**
Change (YoY %)	(4.4)	3.6	27.5	49.0	76.9	76.5	34.5	9.1	19.8	43.0		
Change (QoQ %)	(14.5)	10.0	28.4	23.4	1.5	9.8	(2.2)	0.1				
EBITDA	**38.6**	**44.5**	**60.5**	**77.1**	**80.5**	**92.5**	**92.0**	**92.0**	**220.6**	**357.0**	**83.3**	**11.0**
Change (YoY %)	(2.2)	7.8	34.6	59.9	108.6	108.1	52.0	19.4	26.9	61.8		
Change (QoQ %)	(19.9)	15.2	36.2	27.3	4.5	14.9	(0.5)	0.0				
As % of Net Sales	49.7	52.0	55.1	56.9	58.6	61.3	62.3	62.3	54.0	61.1		
Finance cost	2.4	2.6	2.0	1.9	1.3	0.9	1.3	1.8	8.8	5.3		
DD&A	9.1	8.8	9.5	10.5	9.2	9.6	9.8	9.9	37.9	38.5		
Other Income	2.8	2.4	2.9	2.8	3.2	3.7	3.4	3.2	10.9	13.4		
PBT (before EO item)	**29.9**	**35.4**	**52.1**	**67.5**	**73.1**	**85.7**	**84.2**	**83.5**	**184.8**	**326.6**		
EO exp. (income)	-	-	0.3	-	-	-	-	-	(0.3)	-		
PBT	29.9	35.4	52.3	67.5	**73.1**	**85.7**	**84.2**	**83.5**	**185.1**	**326.6**	**73.5**	**16.5**
Total Tax	7.5	8.9	13.1	17.2	18.5	21.6	21.5	21.4	46.8	83.0		
% Tax	25.2	25.2	25.1	25.4	25.2	25.2	25.5	25.7	25.3	25.4		
Reported PAT	**22.3**	**26.5**	**39.2**	**50.3**	**54.7**	**64.1**	**62.8**	**62.1**	**138.3**	**243.7**		
Adjusted PAT	**22.3**	**26.5**	**38.9**	**50.3**	**54.7**	**64.1**	**62.8**	**62.1**	**138.1**	**243.7**	**54.8**	**17.0**
Change (YoY %)	(4.7)	9.9	46.2	67.6	144.8	142.1	61.3	23.4	32.3	76.5		
Change (QoQ %)	(25.6)	18.6	47.8	28.5	8.7	17.2	(2.1)	(1.1)				

Union Bank of India

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	UNBK IN
Equity Shares (m)	7634
M.Cap.(INRb)/(USDb)	1379.4 / 14.5
52-Week Range (INR)	205 / 137
1, 6, 12 Rel. Per (%)	4/2/43
12M Avg Val (INR M)	2700

Financials & Valuation (INR b)

Y/E March	FY26	FY27E	FY28E
NII	366.6	427.1	499.2
OP	286.2	328.6	380.9
NP	187.0	217.0	239.0
NIM (%)	2.5	2.7	2.8
EPS (INR)	24.5	28.4	31.3
EPS Gr. (%)	3.9	16.1	10.1
BV/Sh. (INR)	163	189	215
ABV/Sh. (INR)	158	183	208
RoA (%)	1.2	1.3	1.3
RoE (%)	16.3	16.5	15.8
Valuations			
P/E(X)	7.4	6.4	5.8
P/BV (X)	1.1	1.0	0.8
P/ABV (X)	1.1	1.0	0.9

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	74.8	74.8	74.8
DII	12.0	11.5	11.9
FII	8.6	9.4	7.7
Others	4.6	4.4	5.6

CMP: INR181 TP: INR200 (+11%) Neutral

Strong NII and lower provisions drive earnings beat

NIMs improve 6bp QoQ to 2.86%

- Union Bank of India (UNBK) reported 2QFY27 PAT of INR55.4b (up 30% YoY/4% QoQ, 11% beat), led by strong NII growth and lower provisioning.
- NII improved by 20% YoY/5% QoQ to INR105.8b (8% above est.), aided by strong NIMs (up 6bp QoQ to 2.86% vs. est. 2.68%). NIM uptick was largely driven by lower cost of deposits.
- Loan book grew 19.4% YoY/5.6% QoQ to INR11.3t, while deposits grew 6.9% YoY/2.8% QoQ. As a result, the CD ratio rose to 85.8%. Management retains its guidance of growing the loan book in line with industry trends.
- Fresh slippages declined by 11.5% QoQ to INR19.1b vs. INR21.6b in 1QFY27. GNPA/NNPA ratios improved 23bp/5bp QoQ to 2.42%/0.42%. PCR was stable QoQ at 82.9%.
- **We raise our FY27E earnings by 5%, factoring in the improving earnings trajectory, and project FY27E RoA/RoE at 1.3%/16.5%. Retain Neutral with a TP of INR200 (1.0x Mar'28E ABV).**

Business growth picking up; CD ratio rises to 85.8%

- UNBK reported 2QFY27 PAT of INR55.4b (30% YoY, 11% beat), driven by strong NII growth and lower provisioning. NII improved by 20% YoY/5% QoQ, with NIMs improving by 6bp QoQ to 2.86% (est. 2.68%).
- Other income rose 1% QoQ/fell 7% YoY to INR46.5b amid flat core fee income.
- Opex rose 2% QoQ/7% YoY (4% higher than MOFSLe). C/I ratio, thus, rose to 46.8% (vs. 45.3% in 1Q). PPoP improved 19% YoY (1% QoQ) to INR81.1b (6% beat).
- Advances growth was healthy at 19.4% YoY/5.6% QoQ to INR11.3t, led by strong growth in MSME (7.2% QoQ), corporate (3.8% QoQ) and steady growth in the RAM segment (14.7% YoY/4.5% QoQ). Within retail, growth was led by VF (up 5.2% QoQ) and steady growth in housing (+3.7% QoQ).
- Deposits grew 6.9% YoY/2.8% QoQ to INR13.2t, with a sharp uptick in CA deposits (10% QoQ). CASA ratio came in at 34.9% (down 17bp QoQ). CD ratio picked up to 85.8% (up 230bp QoQ).
- Fresh slippages declined 11.5% QoQ to INR19.1b, while healthy recoveries and upgrades led to an improvement in GNPA/NNPA ratios by 23bp/5bp QoQ to 2.42%/0.42%. PCR ratio was stable at 82.9%.
- Credit costs came in at 0.21% vs. 0.38% in 1QFY27, with the bank creating INR2b of additional standard asset provision. The bank expects ECL transition provisioning of INR55b, against which INR10b management overlay is already made.

Highlights from the management commentary

- The bank mobilized USD2.25b under the FCNR(B) scheme, with 70% leverage on these deposits.
- The estimated one-time ECL transition impact stands at ~INR55b, out of which provisions of ~INR10b have already been created.
- Management reiterated its FY27 target of ~INR30b in recoveries in technical write-offs and INR100-120b in total recoveries, with recoveries expected to exceed slippages.
- The bank has guided for loan growth in line with system credit and expects to maintain domestic CD ratio in the range of 80-84%.

Valuation and view

UNBK reported a healthy quarter on the back of strong NII and lower-than-expected provisioning as NIMs improved 6bp QoQ. Loan growth was healthy, led by RAM segment even as deposit growth continued to lag loan growth. Though the bank remains cautious on bulk deposits, leading to LDR inching up further. Management has guided for loan growth in line with systemic growth, with a continued focus on margin-accretive expansion. The bank has built a standard asset provision buffer of INR10b (including ~INR2b created in 2Q), while the estimated ECL transition impact stands at INR55b. Asset quality continued to improve overall, with credit costs and slippages contained. **We raise our FY27E earnings by 5%, factoring in an improving earnings trajectory, and project FY27E RoA/RoE at 1.3%/16.5%. Retain Neutral with a TP of INR200 (1.0x Mar'28E ABV).**

Quarterly Performance **(INR b)**

	FY26				FY27E				FY26	FY27E	FY27E	V/S our
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	**91.1**	**88.1**	**93.3**	**94.1**	**100.4**	**105.8**	**107.6**	**113.3**	**366.6**	**427.1**	**98.3**	**8%**
% Change (YoY)	-3.2	-2.6	0.9	-1.1	10.1	20.1	15.3	20.5	-1.5	16.5	11.6	
Other Income	44.9	50.0	45.4	54.1	46.0	46.5	45.1	50.9	194.3	188.5	46.9	-1%
Total Income	**136.0**	**138.1**	**138.7**	**148.2**	**146.4**	**152.3**	**152.6**	**164.3**	**560.9**	**615.6**	**145.2**	**5%**
Operating Expenses	66.9	69.9	69.3	68.6	66.4	71.3	72.9	76.5	274.7	287.1	68.8	4%
Operating Profit	**69.1**	**68.1**	**69.4**	**79.6**	**80.0**	**81.1**	**79.7**	**87.8**	**286.2**	**328.6**	**76.4**	**6%**
% Change (YoY)	-11.3	-16.0	-7.3	3.3	15.8	19.0	14.8	10.3	-7.9	14.8	12.1	
Provisions	16.6	14.0	3.2	10.5	9.8	7.0	10.3	18.2	44.4	45.3	11.0	-36%
Profit before Tax	**52.4**	**54.2**	**66.2**	**69.0**	**70.2**	**74.1**	**69.4**	**69.5**	**241.8**	**283.3**	**65.4**	**13%**
Tax	11.3	11.7	16.0	15.8	16.9	18.7	16.2	14.4	54.8	66.3	15.3	22%
Net Profit	**41.2**	**42.5**	**50.2**	**53.2**	**53.3**	**55.4**	**53.2**	**55.1**	**187.0**	**217.0**	**50.1**	**11%**
% Change (YoY)	11.9	-10.0	9.0	6.6	29.6	30.3	6.0	3.7	3.9	16.1	17.9	
Operating Parameters												
Deposit (INR b)	12,399	12,346	12,229	13,069	12,834	13,195	13,709	14,350	13,069	14,350	13,194	
Loan (INR b)	9,461	9,483	9,909	10,533	10,723	11,327	11,665	12,081	10,533	12,081	11,280	
Deposit Growth (%)	3.6	1.9	3.4	2.7	3.5	6.9	12.1	9.8	2.7	9.8	6.9	
Loan Growth (%)	7.7	5.7	7.7	10.5	13.3	19.4	17.7	14.7	10.5	14.7	18.9	
Asset Quality												
Gross NPA (%)	3.5	3.3	3.1	2.8	2.7	2.4	2.3	2.5	2.8	2.5	2.6	
Net NPA (%)	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	
PCR (%)	82.9	83.8	83.6	83.3	82.8	82.9	82.5	81.3	82.9	81.3	82.7	

E: MOFSL Estimates

Piramal Finance

Bloomberg	PIRAMALF IN
Equity Shares (m)	227
M.Cap.(INRb)/(USDb)	461.4 / 4.9
52-Week Range (INR)	2328 / 1235
1, 6, 12 Rel. Per (%)	-13/22/-

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
PPOP	22.9	37.1	57.1
PAT	16.7	23.8	36.6
PAT (ex exceptional)	0.0	23.8	36.6
EPS	74	100	150
EPS Gr. (%)	243	35	50
Consol BV/Sh. (INR)	1,247	1,378	1,523
RoA (%)	1.6	2.0	2.5
RoE (%)	6.0	7.8	10.4
Valuation			
P/E (x)	26.4	19.5	13.0
P/BV (x)	1.6	1.4	1.3
Dividend yield (%)	0.6	1.2	1.5

Shareholding pattern (%)

As On	Sep-26	Jun-26
Promoter	44.2	46.2
DII	21.8	18.6
FII	15.6	15.7
Others	18.4	19.5

FII includes depository receipts

CMP: INR1,950 TP: INR2,470 (+27%) Buy

Levers in place to improve profitability; guidance intact

Asset quality stable; potential impact on insurance commissions manageable

- Piramal Finance (Piramal)'s 2QFY27 PAT rose 67% YoY to ~INR5.45b (in line). NII rose 42% YoY to ~INR14.5b in 2Q (in line). Other income grew ~3% YoY to INR3.2b (~15% miss).
- Credit costs dipped to ~INR303m (vs. MOFSLe of ~INR473m), led by write-backs from the legacy wholesale portfolio. This translated into credit costs of ~1.1% for 2QFY27 (PQ: 1.8%; PY: 1.1%). PPOP grew ~64% YoY to ~INR8.5b (~10% miss).
- Piramal expects margins to gradually improve to ~6.8%, driven by a favorable business mix, declining CoB, and the continued run-down of the legacy book, which now accounts for ~1.5% of total AUM. The increasing share of unsecured lending, targeted to reach 25-26% of AUM (from 21% currently), should support portfolio yields. The refinancing of maturing higher-cost debt at a lower cost of ~8.4-8.5% and the upgrade in its credit ratings to AA+, will help it manage its borrowing costs better (relative to peers) in a rising interest rate cycle. We expect Piramal's NIM to improve to 5.3%/5.6% in FY27E/FY28E (FY26: 4.7%), also partly aided by the equity raise in 1HFY27.
- Piramal's target of achieving a 2.5% RoAUM by 4QFY27 is underpinned by operating leverage, a favorable business mix, and lower funding costs. The company's calibrated expansion in higher-yielding unsecured lending, supported by granular risk-based underwriting and healthy asset quality, should enable growth while maintaining credit discipline. The execution of these strategic priorities will be key to driving a sustained improvement in profitability and delivering the company's medium-term return aspirations.
- The stock currently trades at ~1.3x FY28E P/BV. We estimate an AUM CAGR of ~28% and a PAT CAGR of 48% over FY26-FY28, with an RoA/RoE of 2.5%/10.4% in FY28E. **We reiterate our BUY rating on the stock with a TP of INR2,470 (based on Sep'28E SoTP; refer to Exhibit 1).**

Sustained growth momentum; AUM targeted to double by FY28

- Total AUM grew 24% YoY and ~6% QoQ to INR1.13t. Wholesale 2.0 AUM grew ~24% YoY to INR140b while Wholesale 1.0 AUM declined to INR17b. The growth-to-legacy AUM mix has improved to 98.5%:1.5% in Sep'26.
- Retail AUM grew ~30% YoY to INR975b with its share in the loan book remaining stable sequentially at ~86%. Retail disbursements grew ~34% YoY to INR146b.
- Piramal aims to sustain strong growth, targeting ~25% AUM expansion in FY27 and doubling AUM every three years, implying a loan book of INR1.5t by FY28. Growth is expected to be driven by its expanding customer base of ~6.5m, deeper penetration and cross-selling, which contributes ~30% of unsecured disbursements and offers lower operating costs and better credit risk metrics than open-market sourcing. We expect Piramal to deliver an AUM CAGR of ~28% over FY26-28.

Asset quality holds firm; underwriting remains disciplined

- GS3 remained stable QoQ at ~2.4% while NS3 increased ~10 bp QoQ to ~1.7%. Stage 3 PCR remained stable QoQ at ~31.4%.
- Retail business 90+ dpd remained stable QoQ at 0.7% (PY: 0.8%). Growth business credit costs declined to ~1.5% (PQ: 1.6%).
- Piramal maintained stable and healthy asset quality across its retail and wholesale businesses, with credit decisions in unsecured lending guided by subsegment-level risk and delinquency trends. While the company continues to monitor stress among home loan customers employed in the IT sector in South India, the stress has not spread to adjacent customer segments. Similarly, the weak monsoon has not materially affected agricultural-income customers, with bounce rates remaining stable sequentially and below 2QFY26 levels. We expect credit costs to moderate to 1.4%/1.6% for FY27E/FY28E (vs ~2.9% in FY26).

Highlights from the management commentary

- Piramal indicated that implementation of the IRDAI consultation paper in its current form from Apr'27 could reduce insurance commissions, resulting in an estimated gross impact of ~18-24bp on FY28 RoA. Any improvement in Pramerica Life Insurance's economics would flow proportionately back to Piramal Finance through consolidation, providing a natural offset to the potential reduction in commissions.
- Prepayments in the wholesale business remained elevated, with the company receiving INR18.9b during the quarter, equivalent to ~72% of disbursements.

Valuation and view

- Piramal delivered a healthy operational performance in 2QFY27, with a 30% YoY rise in its Growth business AUM and a 69% YoY decline in the legacy book, which now accounts for just ~1.5% of total AUM. Business momentum remained strong across secured and unsecured lending, supported by an expanding customer franchise and stable asset quality. Continued operating efficiencies, stable borrowing costs, and a favorable business mix are expected to drive profitability, with the company retaining its target of achieving RoAUM of 2.5% in the Growth business by 4QFY27.
- We estimate an AUM CAGR of ~28% and a PAT CAGR of 48% over FY26-FY28, with an RoA/RoE of 2.5%/10.4% in FY28E. **We reiterate our BUY rating on the stock with a TP of INR2,470 (based on Sep'28E SoTP; refer to Exhibit 1).**

SoTP valuation – Sep 2028

	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
Lending Business	518	5.4	2,289	93	❖ 1.5x Sep'28E PBV
Shriram Group	24	0.3	106	4	❖ Based on its stake in General Insurance Businesses
Life Insurance	8	0.1	34	1	
Alternatives	9	0.1	40	2	
Target Value	**559**	**5.8**	**2,470**	**100**	

Source: Company, MOFSL

Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	24,038	25,894	27,430	29,176	30,934	32,756	34,853	37,743	1,06,537	1,36,285	32,790	0
Interest Expenses	14,940	15,698	16,505	16,759	17,363	18,276	19,282	20,788	63,902	75,709	18,023	1
Net Interest Income	**9,098**	**10,197**	**10,924**	**12,416**	**13,571**	**14,480**	**15,571**	**16,955**	**42,635**	**60,577**	**14,767**	**-2**
YoY Growth (%)	*21.4*	*30.4*	*30.0*	*45.8*	*49.2*	*42.0*	*42.5*	*36.6*	*32.3*	*42.1*	*44.8*	
Other income	3,276	3,086	3,874	3,142	3,360	3,190	3,565	3,842	13,379	13,956	3,764	-15
Total Income	**12,374**	**13,283**	**14,798**	**15,559**	**16,931**	**17,669**	**19,136**	**20,796**	**56,013**	**74,533**	**18,532**	**-5**
YoY Growth (%)	*27.1*	*16.8*	*29.3*	*16.1*	*36.8*	*33.0*	*29.3*	*33.7*	*21.9*	*33.1*	*39.5*	
Operating Expenses	8,122	8,129	8,205	8,621	8,894	9,214	9,467	9,816	33,078	37,391	9,116	1
Operating Profit	**4,252**	**5,154**	**6,593**	**6,938**	**8,037**	**8,456**	**9,669**	**10,980**	**22,936**	**37,142**	**9,415**	**-10**
YoY Growth (%)	*57.5*	*30.0*	*83.9*	*24.5*	*89.0*	*64.1*	*46.7*	*58.3*	*45.0*	*61.9*	*82.7*	
Provisions & Loan Losses	2,025	2,481	3,703	17,872	4,596	3,025	3,629	4,595	26,080	15,844	4,734	-36
Profit before Tax	**2,227**	**2,673**	**2,891**	**-10,934**	**3,441**	**5,431**	**6,040**	**6,386**	**-3,144**	**21,298**	**4,681**	**16**
Tax Provisions	247	-776	-731	30	-180	346	0	0	-1,231	0	0	
PAT (before associate income)	**1,980**	**3,449**	**3,622**	**-10,964**	**3,621**	**5,085**	**6,040**	**6,386**	**-1,913**	**21,298**	**4,681**	**9**
Associate Income	784	631	389	86	989	369	295	803	1,889	2,456	840	-56
PAT (before exceptional)	**2,764**	**4,080**	**4,010**	**-10,877**	**4,610**	**5,454**	**6,335**	**7,189**	**-24**	**23,754**	**5,522**	**-1**
Exceptional items	0	-810	0	15,895	0	0	0	0	16,705	0	0	
PAT (after exceptional)	**2,764**	**3,270**	**4,010**	**5,018**	**4,610**	**5,454**	**6,335**	**7,189**	**16,681**	**23,754**	**5,522**	**-1**
YoY Growth (%)	52.3	100.7	940.0	389.4	66.8	66.8	58.0	43.3	244	42	69	

L&T Technology

Estimate change	⟷
TP change	↑
Rating change	⟷

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	383.1 / 4
52-Week Range (INR)	4747 / 3010
1, 6, 12 Rel. Per (%)	10/9/-2
12M Avg Val (INR M)	537

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	110.0	123.7	136.1
EBIT Margin (%)	14.5	16.0	16.3
Adj. PAT	12.8	15.3	17.7
Adj. EPS (INR)	119.2	143.9	166.3
EPS Gr. (%)	3.2	20.7	15.6
BV/Sh. (INR)	610.6	682.7	777.2
Ratios			
RoE (%)	20.3	24.8	22.8
RoCE (%)	16.8	18.8	18.4
Payout (%)	48.6	41.7	36.1
Valuations			
P/E (x)	30.3	25.1	21.7
P/BV (x)	5.9	5.3	4.6
EV/EBITDA (x)	18.4	14.9	12.9
Div Yield (%)	1.6	1.7	1.7

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	73.5	73.6	73.6
DII	14.1	14.6	13.9
FII	4.1	3.9	4.8
Others	8.3	7.9	7.7

FII includes depository receipts

CMP: INR3,611 TP: INR3,850 (+7%) Neutral

Gaining some traction

Sustainability supports performance; broader growth recovery awaits

- L&T Technology (LTTS)'s 2QFY27 revenue grew 2.7% QoQ in CC terms, above our estimate of 2.2% QoQ CC. Sustainability/Mobility grew 4.9%/ 2.3% QoQ, while Tech was down 0.9% QoQ.
- EBIT margin stood at 16.3%, up 60bp QoQ and above our est. of 15.6%. Adj. PAT rose 7.9% QoQ/19.7% YoY to INR3.8b, vs. our estimate of 3.7b.
- For 1HFY27, LTTS's revenue/EBIT/adj. PAT grew 11.8%/29%/18.6% YoY in INR terms. In 2HFY27, we expect its revenue/EBIT/adj. PAT to grow 13.2%/21.2%/ 19.8% YoY. **We reiterate our Neutral rating on the stock with a revised TP of INR3,850, implying 7% upside**.

Our view: 2H likely to be better than 1H

- **Growth momentum to strengthen in 2H; long-term aspirations reiterated: LTTS expects stronger revenue growth in 2H than 1H, supported by conversion of previously won large deals, improving order backlog and pipeline, and ramp-up of ongoing engagements. Management reiterated its 13-15% revenue CAGR aspiration over the next 3-5 years, with EBIT margins of 16-17%. We build in 5.9% YoY CC growth for FY27.**
- **Mid-16% EBIT margins to be sustained despite wage hikes: EBIT margin expanded 60bp QoQ to 16.3%, ahead of management's earlier timeline of 4Q, with improvement across all three segments. Margin performance was boosted by a favorable segment mix, an offshore mix improvement to 55.9%, and a better fixed-price mix. Wage hikes are scheduled for 3Q, with an estimated 50-80bp impact. Management expects margins to remain around mid-16% levels after absorbing the impact. We build in EBIT margins of 16.0%/16.3% for FY27/FY28, at the lower end of the management aspiration band.**
- **Strong deal wins and AI-led spending underpin growth visibility: Large deal TCV stood at USD203m in 2Q, with over 50% of wins being AI-led. Management intends to sustain a USD200m quarterly deal-win run rate, with the pipeline up over 25% YoY. Previously won deals are increasingly translating into revenue, although a significant portion of recent AI-led wins is yet to ramp up.**
- **Sustainability remains the key growth and margin driver: Revenue grew 4.9% QoQ and 13.4% YoY, with the segment contributing ~38% of total revenue and delivering a 29.5% EBIT margin, up 40bp QoQ. Growth was supported by industrial products, data-center infrastructure, energy transition, automation, and plant engineering. Nearly half of the 2Q large-deal wins were in Sustainability, while earlier wins are increasingly moving into execution.**
- **Tech recovery likely to be back-ended, while Europe remains a headwind for Mobility: Mobility grew 2.3% QoQ, led by North American automotive, aerospace, rail, and trucks/off-highway, while European automotive remained muted amid OEM restructuring. Tech is expected to remain muted in 3Q, affected by a MedTech program ramp-down and delayed follow-on work, before recovering from 4Q, supported by tech infrastructure, semiconductors, and AI-driven engagements.**

Valuation and revisions to our estimates

- We model a **USD revenue CAGR of ~7% over FY26-28E**, with **~5% YoY USD growth in FY27E**, as Sustainability remains the key growth driver. Mobility improved in 2Q but the European auto overhang remains, and Hi-Tech is expected to remain muted in 2H. While management commentary has turned more constructive, we believe 2H deal conversion and execution will be needed before building in a stronger growth trajectory.
- We expect EBIT margins to improve **20bp/50bp in FY27/FY28**, led by a better mix and execution. We largely retain our estimates. We reiterate our **Neutral** rating with a revised TP of INR3,850, based on 23x (vs. 20x) FY28E EPS, as we see a better margin trajectory and growth outlook for FY28 with consistency in execution.

Beat on revenue and margins; TCV wins of over USD200m in 2Q

- Revenue was USD317m, up 2.7% QoQ CC, above our estimate of 2.2% QoQ CC.
- LTTS reiterated its guidance to deliver 13-15% CAGR over the next five years with EBIT margins in the range of 16-17% under the five-year Lakshya 31 Plan.
- Sustainability/Mobility grew 4.9%/2.3% QoQ, while Tech was down 0.9% QoQ.
- EBIT margin stood at 16.3% up 60bp QoQ and above our estimate of 15.6%.
- Adj. PAT was up 7.9%/19.7% QoQ/YoY to INR3.8b vs. our estimate of 3.7b.
- The employee count addition grew 0.8% QoQ to 24,035, while attrition remained flat at 14.7%.
- Large deal momentum continues to be strong with one USD75m, one USD30m+ win, one USD20m+ win, and six deals above USD10m.
- The Board declared an interim dividend of INR20/share for 2QFY27.

Key highlights from the management commentary

- Clients are prioritizing growth over cost cutting despite macro uncertainty, keeping management cautiously optimistic.
- Management believes it is ~9-12 months ahead of peers on EI (Engineering Intelligence), implying market share gains.
- Revenue grew ~2.7% QoQ in CC and ~4.8% YoY to ~USD 317.1m, while INR revenue rose ~3.4% QoQ and ~12.1% YoY to ~INR 30.4b.
- Growth in 2H is guided to be better than 1H both QoQ and YoY, with the long-term aspiration of 13-15% revenue CAGR and 16-17% EBIT margins reiterated.
- A large AI-led deal with a global telecom equipment provider began ramping up in 2Q, with management aiming to improve ACV share over TCV.
- The EI1 platform of 100+ solutions is gaining traction, while AI patent filings surpassed 253 this quarter, taking the total to 1,808.
- SWC divestment was concluded in 2QFY27, and only continuing operations and overall DSO will be reported from 3Q.
- A new EI lab with Nvidia was launched, and partnerships expanded to include Cognite, Anthropic, Nvidia, and Databricks.

Quarterly Performance

(INR m)

Y/E March	FY26				FY27E				FY26*	FY27*	Est.	Var.
	1Q*	*2Q	3Q*	4Q*	1Q*	2Q	3QE	4QE			2QFY27	(% / bp)
Revenue (USD m)	**309**	**307**	**311**	**306**	**310**	**317**	**327**	**340**	**1,233**	**1,293**	**316**	**0.3**
QoQ (%)	1.2	-0.6	1.4	-1.7	1.3	2.3	3.0	4.0	8.3	4.9	2.0	30bp
Revenue (INR m)	**26,375**	**27,133**	**27,872**	**28,579**	**29,401**	**30,404**	**31,322**	**32,575**	**1,09,959**	**1,23,702**	**30,211**	**0.6**
YoY (%)	7.1	5.5	5.1	8.3	11.5	12.1	12.4	14.0	14.0	12.5	1.4	1066bp
GPM (%)	**29.2**	**29.8**	**30.7**	**32.2**	**31.7**	**32.4**	**32.2**	**32.1**	**30.5**	**32.1**	**31.3**	**110bp**
SGA (%)	12.5	12.3	12.8	13.9	13.1	13.1	13.1	13.1	12.9	13.1	13.0	13bp
EBITDA	**4,407**	**4,744**	**4,986**	**5,215**	**5,483**	**5,858**	**5,972**	**6,178**	**19,351**	**23,492**	**5,529**	**6.0**
EBITDA Margin (%)	**16.7**	**17.5**	**17.9**	**18.2**	**18.6**	**19.3**	**19.1**	**19.0**	**17.6**	**19.0**	**18.3**	**97bp**
EBIT	**3,601**	**3,824**	**4,125**	**4,350**	**4,613**	**4,965**	**5,052**	**5,222**	**15,899**	**19,852**	**4,713**	**5.3**
EBIT Margin (%)	**13.7**	**14.1**	**14.8**	**15.2**	**15.7**	**16.3**	**16.1**	**16.0**	**14.5**	**16.0**	**15.6**	**73bp**
Other income	506	500	184	383	147	170	251	261	1,571	828	302	-43.7
ETR (%)	26.9	26.5	26.0	26.6	26.0	26.0	26.0	26.0	26.5	26.0	26.0	-2bp
Adj PAT	**2,997**	**3,172**	**3,184**	**3,467**	**3,518**	**3,796**	**3,919**	**4,052**	**12,819**	**15,285**	**3,706**	**2.4**
Exceptional items	160	115	158	147	48	1,686	0	0	27	1,734	0	
PAT	**3,157**	**3,287**	**3,026**	**3,320**	**3,566**	**5,482**	**3,919**	**4,052**	**12,792**	**17,019**	**3,706**	**47.9**
QoQ (%)	6.9	5.8	0.4	8.9	1.5	7.9	3.2	3.4			5.3	
YoY (%)	-4.4	-0.8	0.6	23.6	17.4	19.7	23.1	16.9	7.4	19.2	12.8	
Adj. EPS (INR)	28.3	29.9	31.0	30.1	33.1	35.7	36.9	38.1	119.2	143.9	34.9	2.4

*Note: 1Q/2Q/3Q/4QFY26 and FY26 numbers have been restated to reflect continuing business.

Key Performance Indicators

Y/E March	FY26				FY27		FY26
	*1Q	*2Q	*3Q	*4Q	*1Q	2Q	
Revenue (QoQ CC %)	-4.2	1.3	-2.8	-1.1	1.5	2.7	
Margins (%)							
Gross Margin	29.2	29.8	30.7	32.2	31.7	32.4	30.5
EBIT Margin	13.7	14.1	14.8	15.2	15.7	16.3	14.5
Net Margin	11.4	11.7	11.4	12.1	12.0	12.5	11.7
Operating metrics							
Headcount	23,626	23,359	23,308	23,830	23,845	24,035	23,698
Attrition (%)	14.8	15.0	14.8	14.7	14.7	14.7	14.3
Key Geographies (YoY %)							
North America	16.0	14.4	15.4	3.2	3.3	4.5	12.0
Europe	7.5	3.3	0.8	-1.8	-2.8	-3.7	2.8

*Note: 1Q//2Q/3Q/4QFY26 and FY26 numbers have been restated to reflect continuing business.

Sobha

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SOBHA IN
Equity Shares (m)	107
M.Cap.(INRb)/(USDb)	126 / 1.3
52-Week Range (INR)	1732 / 1130
1, 6, 12 Rel. Per (%)	-1/-6/-12
12M Avg Val (INR M)	253

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	51.9	52.2	63.1
EBITDA	3.1	4.7	6.7
EBITDA (%)	6.0	9.1	10.6
PAT	1.9	3.3	5.2
EPS (INR)	18.1	30.7	48.9
EPS Gr. (%)	104.3	69.8	59.2
BV/Sh. (INR)	441.4	465.7	508.2
Ratios			
Net D/E	(0.1)	(0.2)	(0.2)
RoE (%)	4.2	6.8	10.0
RoCE (%)	5.1	7.2	9.9
Payout (%)	35.2	20.7	13.0
Valuations			
P/E (x)	81	42	26
P/BV (x)	3	3	3
EV/EBITDA (x)	49	28	20
Div Yield (%)	0.4	0.4	0.4

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	52.9	52.9	52.9
DII	26.0	26.1	24.6
FII	6.1	6.2	8.1
Others	15.0	14.8	14.4

CMP: INR1,178 **TP: INR1,710 (+45%)** **Buy**

Multiple new launches expected in 2H

Strong operational performance; Bangalore remains top performer

Sobha reported 16% YoY pre-sales growth to INR22.1b in 2QFY27 (second highest-ever bookings after 1QFY27), driven by mix of sustenance sales and new launches. It launched two projects in 2Q – Sobha Boulevard in Mysuru (plotted development) with GDV of INR1.2b and Sobha Bellevue in Calicut with GDV of INR11.5b. In 2QFY27, Bangalore remained the largest contributor with 60% share of the quarter's presales, followed by NCR at 27% and Kerala at 10%. In terms of price segments, INR20-30m/unit contributed ~30% to the presales, followed by 26% from >INR50m. In 1HFY27, the company clocked INR59b in presales, of which 70% came from new launches.

Strong launch pipeline; well on track for 30% YoY growth

The company's forthcoming launch pipeline consists of 18 projects covering 20.4msf (INR314b GDV), out of which 12msf (GDV of ~INR180b) across eight projects is expected to be launched during 2HFY27. This pipeline comprises three projects in Bengaluru and one project each in Hyderabad, Chennai, Gurgaon, Greater Noida and Thrissur. It also has ~INR229b worth inventory across its ongoing projects. Sobha has maintained 30% YoY presales growth guidance for FY27, which translates into ~INR105b in presales. We bake in a 27% CAGR in presales to INR130b during FY26-28E.

Highest quarterly collections; land payments increase

In 2QFY27, collections from the residential segment grew 4% YoY to INR19.2b, recording the highest-ever quarterly collections, driven by the deferred collections from 1QFY27. Net operational cash flow (NOCF) declined 14% YoY to INR4.4b, with NOCF margin at 21% (vs. 25% in 2QFY26 and 16% in 1QFY27). Sobha incurred INR6.2b, up 76% YoY, toward land investment during the quarter. We expect a 21% CAGR in residential collections in FY26-28 to INR103b.

Contracts & Manufacturing business reports steady performance

As of 1HFY27, revenue from the Contracts & Manufacturing business grew 6.8% YoY to INR4.0b, of which INR1.9b (+4.5% YoY) came in from Contracts business and INR2.1b from Manufacturing & Retail. Overall, 1H collections from this division declined by 12.9% YoY to INR3.3b.

P&L performance:

- In 2QFY27, revenue declined by 31% YoY to INR9.7b. EBITDA fell 28% YoY to INR687m, with EBITDA margins of 7.1%. Adj. PAT declined 54.6% YoY to INR330m, with PAT margin of 6.1%.
- As of 1HFY27, revenue remained flat YoY at INR22.4b. EBITDA increased 23% YoY to INR1.5b, with EBITDA margins of 6.5%. Adj. PAT declined 3% YoY to INR838m with PAT margin of 3.7%.
- The company reported net cash of INR3.2b as of 2QFY27.

Valuation and view

- Ongoing and upcoming projects are valued on a DCF basis at INR148b.
- We have factored in land value from only the subsequent projects (191 acres/ 15.6msf) that are in the future pipeline. However, we are now not factoring in any value from the additional 1,745 acres of land, which is still under various stages of consolidation. We would consider value from these land parcels once there are concrete plans in place. **Hence, the TP is revised to INR1,710, indicating a 45% upside potential. We reiterate our BUY rating on the stock.**

Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27	FY27 2Q Est.	2QE Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**8,519**	**14,076**	**9,431**	**19,878**	**12,782**	**9,671**	**9,578**	**20,161**	**51,905**	**52,192**	**13,024**	**-26%**
YoY Change (%)	33.0	50.8	-23.0	60.2	50.0	-31.3	1.6	1.4				
Total Expenditure	8,281	13,120	9,044	18,357	12,004	8,983	8,723	17,736	48,801	47,447	11,891	
EBITDA	**238**	**956**	**388**	**1,522**	**777**	**687**	**855**	**2,426**	**3,104**	**4,745**	**1,133**	**-39%**
Margins (%)	2.8	6.8	4.1	7.7	6.1	7.1	8.9	12.0	6.0	9.1	8.7	-159.4
Depreciation	237	262	277	285	284	316	316	218	1,060	1,134	284	
Interest	310	322	303	439	321	401	210	211	1,374	1,143	260	
Other Income	495	617	400	421	520	502	428	494	1,933	1,943	485	
PBT before EO expense	**187**	**989**	**208**	**1,219**	**693**	**471**	**757**	**2,490**	**2,602**	**4,410**	**1,074**	**-56%**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**187**	**989**	**208**	**1,219**	**693**	**471**	**757**	**2,490**	**2,602**	**4,410**	**1,074**	**-56%**
Tax	50	264	51	299	183	140	193	610	665	1,126	274	
Rate (%)	27.0	26.7	24.6	24.6	26.4	29.8	25.5	24.5	25.5	25.5	25.5	
MI & P/L of Asso. Cos.	0	0	2	1	1	1	0	-3	4	0	0	
Reported PAT	**136**	**725**	**154**	**918**	**508**	**330**	**563**	**1,882**	**1,934**	**3,284**	**800**	**-59%**
Adj PAT	**136**	**725**	**154**	**918**	**508**	**330**	**563**	**1,882**	**1,934**	**3,284**	**800**	**-59%**
YoY Change (%)	124.9	178.0	-28.9	124.8	273.4	-54.6	265.2	105.0	104.3	69.8	10.3	
Margins (%)	1.6	5.2	1.6	4.6	4.0	3.4	5.9	9.3	3.7	6.3	6.1	

Source: MOFSL, Company

Le Travenues Technology

Estimate changes	↓
TP change	↔
Rating change	↔

Bloomberg	IXIGO IN
Equity Shares (m)	439
M.Cap.(INRb)/(USDb)	69.3 / 0.7
52-Week Range (INR)	335 / 136
1, 6, 12 Rel. Per (%)	-3/-6/-42
12M Avg Val (INR M)	474

Financials Snapshot (INR m)

Y/E MARCH	FY26	FY27E	FY28E
Sales	12,280	14,157	16,955
Sales Gr. (%)	34.3	15.3	19.8
EBITDA	615	921	1,231
EBITDA Margin (%)	5.0	6.5	7.3
Reported PAT	609	1,527	1,448
EPS (Rs)	1.7	3.7	3.5
EPS Gr. (%)	10.8	113.4	-5.2
BV/Share	49.2	52.9	56.3
Ratios			
RoE	4.5	7.2	6.4
RoCE	2.2	3.0	4.0
Valuations			
EV/Sales	5.1	4.4	3.7
EV/EBITDA	102.0	68.1	51.0
P/E (X)	91.3	42.8	45.1
P/BV (X)	3.2	3.0	2.8

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	17.1	13.0	9.4
FII	56.5	61.3	59.6
Others	26.4	25.7	31.0

CMP: INR 157 TP: INR180 (+15%) Neutral

Revenue/GTV in line; margin/earnings below est.

- Ixigo reported a resilient performance in 2QFY27, with revenue growing 13% YoY to INR3,210m (our est.: INR3,226m), while GTV increased 22% YoY to INR53,045m (our est.: INR52,583m).
- Contribution margin increased 14% YoY to INR1,249m. EBITDA stood at INR181m (our est. INR296m) and margin was 5.6% (our est. 9.2%).
- Adjusted PAT stood at INR228m (our est.: INR283m). Reported PAT reached an all-time high of INR634m, aided by the partial sale of Ixigo's stake in Freshbus.
- We expect a CAGR of 19%/42%/46% in revenue/EBITDA/PAT over FY26-29. We value the stock at 38x FY29E EPS to arrive at a TP of INR180 and maintain our Neutral rating as we believe margin and profit could remain under pressure amid continued investments in new initiatives.
- Flight and bus businesses' GTV increased 37% and 32% YoY, respectively, and higher airfares and limited availability of confirmed train tickets continued to support intercity bus demand.
- Ixigo continued to strengthen its customer experience through AI-led assistance while expanding distribution through train-booking integration with Uber and food delivery partnerships across railway stations.
- Aggressive investments in hotel and technology hit margins and earnings.

Building scale across hotels, buses and digital travel solutions

- In 2Q, Ixigo strengthened its AI capabilities and hotel business, driving platform expansion and improving customer experience and operating efficiency.
- TARA resolved 94% of chat queries and ~82% of customer calls autonomously, while Ixigo's advanced agentic AI, voice-first experiences and Smart Lock flight product enhance customer experience and operating efficiency.
- Hotel GTV reached INR1,110m (~26x YoY), with ~470k room nights and 12k+ direct hotel tie-ups across ~1,100 towns; management targets leadership in the budget-to-mid-market hotel segment over the next 4-5 years.
- Bus GTV/revenue grew 32%/24% YoY, supported by expanding supply, operator partnerships and product innovation, with management expecting healthy contribution margins.
- Train GTV/revenue grew 7%/16% YoY, with online rail market share reaching ~64%. The company is expanding ancillary offerings through food-on-train, metro ticketing and Bharat Darshan packages.
- Despite 37% GTV growth, flight revenue declined 8% amid elevated fares, capacity constraints and lower take rates. International flight GTV grew 59% YoY, while management remains cautious on near-term demand.
- Hotel investments stood at ~INR110m, with quarterly spending of INR100-120m expected over the next couple of quarters. Adjusted EBITDA declined 17% to INR236m.
- We believe that over the next 4-5 years, the bus and hotel segments will emerge as the top two segments.

Consolidated - Quarterly earnings model **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	2Q FY27E	Act. vs Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue	**3,161**	**2,842**	**3,197**	**3,081**	**3,568**	**3,209**	**3,699**	**3,681**	**12,280**	**14,157**	**3,226**	-0.5
QoQ (%)	11.2	-10.1	12.5	-3.6	15.8	-10.0	15.3	-0.5	34.3	15.3		
Employees Cost	523	742	451	485	586	644	739	734	2,200	2,703	526	22.4
Other Expenses	2,407	2,165	2,513	2,379	2,738	2,385	2,731	2,678	9,465	10,532	2,404	-0.8
Total Expenditure	**2,930**	**2,907**	**2,963**	**2,865**	**3,324**	**3,029**	**3,470**	**3,412**	**11,665**	**13,236**	**2,930**	3.4
% of Sales	92.7	102.3	92.7	93.0	93.2	94.4	93.8	92.7	95.0	93.5	90.8	
EBITDA	**231**	**-65**	**234**	**216**	**244**	**180**	**229**	**269**	**615**	**921**	**296**	-39.1
Margin (%)	7.3	-2.3	7.3	7.0	6.8	5.6	6.2	7.3	5.0	6.5	9.2	
Depreciation	32	33	39	44	47	60	69	68	148	244	43	38.8
EBIT	**199**	**-98**	**194**	**172**	**197**	**121**	**160**	**200**	**467**	**677**	**254**	-52.5
Margin (%)	6.3	-3.5	6.1	5.6	5.5	3.8	4.3	5.4	3.8	4.8	7.9	
Int. and Finance Charges	7	6	8	7	7	7	7	7	27	27	7	
Other Income	70	52	164	188	292	221	246	244	473	1,003	158	39.7
PBT bef. EO Exp.	**262**	**-53**	**351**	**353**	**481**	**335**	**400**	**438**	**913**	**1,653**	**405**	-17.3
EO items	-	-	-28	-		407	-	-	-28	407		
Associate P/L, net of tax	-23	-15	-29	-46	-40	-25	-25	-25	-112	-115	-40	
Minority interest	-1	-3	-3	1	17	22	-	-	-7	39		
PBT after EO Exp.	**240**	**-64**	**297**	**306**	**440**	**716**	**375**	**413**	**780**	**1,906**	**365**	
Total Tax	74	-5	85	17	99	83	94	103	171	379	82	
Tax Rate (%)	31	8	29	5	23	12	25	25	22	20	22	
Reported PAT	**166**	**-59**	**212**	**290**	**341**	**634**	**281**	**310**	**609**	**1,527**	**283**	
Change (%)	-0.9			36.5	17.2	86.1	-55.6	10.2	1.2	150.7	-17	
Margin (%)	5.3		6.6	9.4	9.5	19.7	7.6	8.4	5.0	10.8	8.8	
Adjusted PAT	**166**	**-59**	**240**	**290**	**341**	**227**	**281**	**310**	**637**	**1,120**	**283**	-19.8

Our revised estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	14,157	16,955	14,157	17,904	0.0%	-5.3%
EBITDA (INR m)	921	1,231	1,211	1,340	-23.9%	-8.1%
EBITDA margin (%)	6.5	7.3	8.6	7.5	-210bp	-20bp
PAT (INR m)	1,120	1,448	1,276	1,361	-12.2%	6.4%

Ellenbarrie Industrial Gases

BSE SENSEX	S&P CNX
73,853	22,889

CMP: INR325 TP: INR420(+29%) BUY

Capturing India's structural growth in industrial gases

Ellenbarrie Industrial Gases (ELLEN) is one of India's leading industrial gas manufacturers, supplying oxygen, nitrogen, argon and carbon dioxide to key end-user industries, including steel, healthcare, pharmaceuticals and manufacturing, through on-site and merchant supply models. We believe ELLEN is well positioned to benefit from the structural growth in India's domestic solar cell manufacturing ecosystem and the expansion of the steel and pharmaceutical industries.

- **ELLEN is expanding its presence in high-value solar manufacturing applications through ultra-high-purity gases, with its upcoming central India facility (FY28) set to supply ammonia and nitrous oxide to capitalize on the sector's growth.**
- **India's crude steel capacity is projected to reach 604 MT by CY47, which presents a significant growth opportunity for ELLEN. The recently commercialized 320 TPD on-site plant in East India, backed by a long-term steel supply contract, along with planned capacity expansions, positions the company well to capitalize on rising industrial gas demand.**
- **Further, India's growing prominence as a pharmaceutical manufacturing hub, supported by cost competitiveness, supply-chain diversification from China and government initiatives such as PLI schemes and Ayushman Bharat, is expected to drive industrial gas demand, creating growth opportunities for ELLEN.**
- **We expect ELLEN to clock a CAGR of 40%/36%/26% in revenue/EBITDA/ PAT during FY26-29. We value the company based on 30x Sep'28 EPS. Reiterate BUY with a TP of INR420.**

Positioning for growth in India's solar manufacturing ecosystem

- ELLEN is strengthening its presence in emerging sectors such as solar manufacturing by supplying application-specific gases, including ultra-high-purity gases (99.9999% purity), while expanding its capabilities to serve higher-value applications.
- India's solar cell manufacturing industry is poised for further growth, with ALMM-listed solar cell manufacturing capacity reaching ~37.8 GW as of Oct'26. The total capacity is expected to reach to ~56.6 GW in FY27 and ~64.3GW in FY28.
- Domestic solar cell manufacturing will be supported by government initiatives such as the production-linked incentive (PLI) scheme, mandatory sourcing of approved list of models and manufacturers (ALMM), the extension of ALMM requirements to ingots and wafers from Jun'28, and domestic content requirement (DCR) mandates under the PM Surya Ghar, PM-KUSUM and CPSU schemes. These factors will also strengthen local solar supply chain, including locally manufactured industrial gasses, which are one of the key inputs for solar cell.
- Solar cell manufacturing requires ultra-high-purity oxygen, which commands significantly higher realizations than conventional oxygen, nitrogen and argon, along with high-purity ammonia and nitrous oxide.

Bloomberg	ELLEN IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	45.8 / 0.5
52-Week Range (INR)	474 / 175
1, 6, 12 Rel. Per (%)	-11/31/-18
12M Avg Val (INR M)	165
Free float (%)	22.8

Financials Snapshot (INR b)

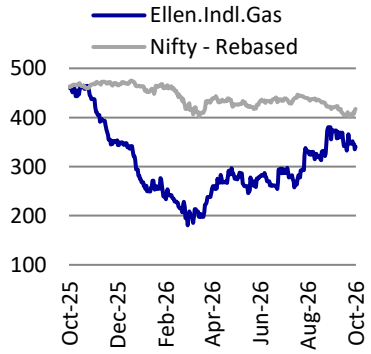
Y/E Mar	FY27E	FY28E	FY29E
Sales	4.6	8.0	9.5
EBITDA	1.8	2.4	3.0
PAT	1.4	1.8	2.1
EPS (Rs)	10.0	13.0	15.2
EPS Growth (%)	30.5	29.7	17.3
BV/Share (Rs)	79.3	92.3	107.5
P/E (x)	32.4	25.0	21.3
P/BV (x)	4.1	3.5	3.0
EV/EBITDA (x)	27.3	20.1	15.6
EV/Sales (x)	10.6	6.1	4.9
RoE (%)	13.4	15.1	15.2
RoCE (%)	11.4	12.4	13.7

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	77.2	77.2	77.2
DII	11.6	13.0	10.6
FII	1.1	1.3	2.0
Others	10.2	8.5	10.3

FII Includes depository receipts

Stock's performance (one-year)



- To capture the opportunity, ELLEN is installing a new plant in central India, which will be strategically located near a major solar cell manufacturing hub and will supply key industrial gasses for the manufacturing of solar cells. The upcoming facility is expected to be operational by FY28.

Positioned to benefit from long-term steel industry growth

- The steel industry is a key end-market for ELLEN, accounting for ~31% of FY26 revenue. Oxygen is used for decarburization, while argon supports stirring and refining, and nitrogen is used for inerting and oxygen-enrichment applications.
- India's crude steel capacity is expected to increase at a CAGR of 4.9% from 220MT in FY26 to 604MT in FY47. Considering this, ELLEN focuses on expanding its capacity to capture the growing demand from the steel sector. Ellen has recently commercialized its 320 TPD on-site plant in East India with revenue contribution starting from Sep'26, supported by a long-term steel supply contract.
- The ramp-up at the Kurnool and Uluberia 2 merchant plants is progressing well, with continued focus on improving capacity utilization through FY27.

API self-reliance to reshape pharma gas demand

- The pharmaceutical industry is one of the key end-user segments for ELLEN, contributing 22% of FY26 revenue. With the Indian pharmaceutical market expected to see a CAGR of 11-13% over FY26-30 (Source: Nexdigm), rising production volumes are likely to drive incremental demand for industrial gases, supporting growth in ELLEN's pharmaceutical segment.
- Key industrial gases used in pharmaceutical manufacturing are nitrogen, oxygen and argon. Nitrogen is used for inerting, blanketing and purging to prevent oxidation and contamination. Oxygen supports fermentation and other process applications, while argon is used in specialized applications requiring an inert atmosphere.
- India's growing prominence as a global pharmaceutical manufacturing hub, supported by cost competitiveness, a skilled workforce and supply-chain diversification away from China, should drive sustainable growth in the domestic pharmaceutical industry.
- The key growth drivers include rising CDMO and API demand amid China+1 diversification, expansion of GLP-1s and peptides, growth in chronic therapies, and increasing biologics and biosimilars manufacturing. These trends are expected to drive demand for nitrogen, hydrogen, liquid nitrogen, CO_2 and oxygen (refer Exhibit 1).
- ELLEN is well positioned to capitalize on the industry's growth, supported by rising demand for high-purity gases and increasing requirements from API, CDMO and biologics manufacturing. Its established customer relationships and ability to supply industrial gases provide a platform to capture incremental demand as India's pharmaceutical manufacturing ecosystem expands.

Valuation and view

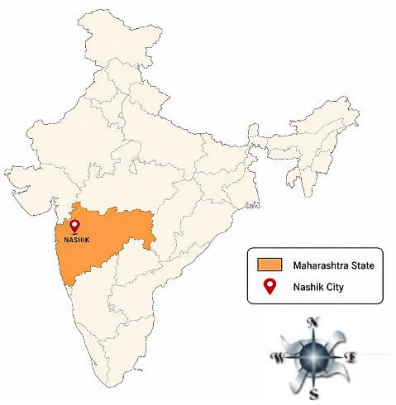
- ELLEN operates through a diversified portfolio of gases, supported by long-term contracts that ensure stable demand and customer retention. Its balanced business model across bulk, packaged, and onsite supplies contributed 68%, 15%, and 16% of revenue in FY26, respectively.
- Ellen is expected to sustain its growth momentum, aided by the mid- to long-term triggers such as 1) capacity expansion across India, especially In North and Central India to capture the opportunity in these markets, 2) development of domestic solar cell manufacturing ecosystem and capturing opportunities in solar cell industry, 3) stable demand from well-diversified core industries, and 4) ramp-up of newly commercialized plants.
- **We expect ELLEN to clock a CAGR of 40%/36%/26% in revenue/EBITDA/ PAT during FY26-29. We value the company based on 30x Sep'28 EPS. Reiterate BUY with a TP of INR420.**

Exhibit 1: Key growth drivers of pharma industry

Pharma segment	Key growth drivers (India-level)	Gases that benefit
CDMO / API	❖ Global innovators diversifying supply chains away from China (China+1); India's cost advantage and the largest base of USFDA-approved plants outside the US; government push for API and KSM self-reliance under PLI; rising share of complex chemistry and high-potency APIs	❖ N**itrogen** (inerting, blanketing, purging, drying)
GLP-1 / peptides	❖ 1) Rising prevalence of diabetes and obesity in India; 2) GLP-1 patent expiries opening the domestic generic market; 3) export opportunities as patents lapse in emerging markets, followed by regulated markets later in the decade; 4) India building peptide manufacturing scale	❖ **Nitrogen** (solid-phase synthesis, purging, lyophilisation)
Domestic formulations	❖ 1) Shift toward chronic therapies (cardiac, diabetes, CNS, respiratory) with an ageing population and lifestyle disease; 2) rising health-insurance coverage and government health schemes; 3) better access in Tier 2/3 cities and rural areas; 4) growth of trade generics and organized pharmacy retail	❖ **Nitrogen** (base-load inerting and packaging flush)
Biologics / biosimilars	❖ 1) India's growing biomanufacturing and vaccine capacity; 2) government support for biotech manufacturing; 3) emerging cell and gene therapy capability	❖ **Oxygen** (bioreactor aeration)

Travelog
the analyst's diary

Retail



Nashik Retail Pulse – Ground checks ahead of festive

- *We visited Nashik in early Oct'26 to assess pre-festive demand, store-level growth and inventory trends across value fashion, branded apparel, footwear and eyewear. Our findings draw on store visits and discussions with sales associates and store/area managers.*
- *The checks cover key retail catchments across Pathardi Phata, Govind Nagar, Mumbai Naka, Hanuman Galli, Gangapur Road, Ashoka Marg, College Road, Nashik Road and City Centre Mall.*
- Our interactions with store/area managers and sales associates covered
  - **Value fashion:** Zudio, Intune, Ownd!
  - **Departmental stores**: Westside, Shoppers Stop, Pantaloons
  - **Premium and mid-premium brand EBOs:** Louis Philippe, Van Heusen, Peter England, US Polo, Allen Solly
  - **Footwear:** Metro, Walkway, Bata, Campus
  - **Eyewear:** Lenskart.
- As with any regional channel check, observations at the store, mall and catchment level may not extrapolate nationally, given inherent differences in consumer preferences and local nuances across the country.

Value fashion and Lenskart see robust trends, though festive demand outlook remains cautious

- As per our discussions with store managers, demand was healthy in July and improved further in Aug driven by EOSS and festive, before softening in Sep-Oct amid the festive shift and Pitrupaksha period weighing on footfalls.
- Retailers expect traction to pick up from mid-Oct, with the bulk of festive demand likely in early November on salary disbursements. Nonetheless, they remain cautious, as drought and water shortages in nearby villages could weigh on rural incomes and discretionary spending amid inflationary pressure.
- **Value fashion** leads in terms of demand trends, with ***Zudio*** witnessing double-digit LFL growth at select stores and beauty driving frequent stock-outs. ***Intune*** is posting high single-digit LFL growth on a fresher kidswear assortment. ***Ownd***! is delivering positive LFL growth, with beauty featuring in ~30-40% of bills.
- **Departmental stores** are witnessing steady trends, with **Westside** seeing healthy engagement, led by women's western wear, though beauty is mixed. **Pantaloons' LFL growth** is flat or mildly positive after a better Aug EOSS, while **Shoppers Stop's** footfalls stay moderate due to its location constraints.

- **Branded apparel** is witnessing divergent trends. **Louis Philippe** COCO stores, **US Polo** (30-35% FY26 growth) and **Peter England** (high single-digit YTD) are performing well. **Allen Solly** and **Van Heusen** remain weak on lower footfalls and inventory issues at the warehouse.
- **Footwear** is mixed, with **Metro** posting high single-digit LFL growth, **Campus** positive at mall stores but flat on the high street, and **Bata** still sluggish.
- **Lenskart** stands out, with top stores growing ~20-25% LFL and no major cannibalization despite aggressive expansion to ~19 stores.

Lenskart: Robust Demand and strong brand acceptance across Nashik

- Lenskart is the strongest performer in our Nashik channel checks, with top stores delivering **20-25% LFL growth** and limited cannibalization despite aggressive expansion to ~19-store network.
- Free lens replacement drives repeat footfalls, with many customers upgrading to blue-cut lenses priced at ~INR649. Bi-monthly replenishment and regular launches keep the assortment fresh.
- Conversion varies by catchment. Stores near colleges attract walk-ins for free eye tests, but the conversion into purchases is lower.

Trent: Zudio drives growth; Westside sees healthy traction

- Trent's formats continue to see healthy demand in Nashik, supported by value pricing, rising brand awareness and a strong EOSS response. Zudio is delivering **double-digit LFL growth** at select stores, while Westside is achieving sales targets, though performance varies by catchment and store maturity.
- Zudio's acceptance is improving in middle-income catchments such as Pathardi Phata, home to its largest Nashik store. Store managers said cannibalization from new openings is limited to the first few months.
- Beauty is a key contributor for Zudio, with strong demand causing frequent stock-outs. Inventory availability and freshness improved in the Aug EOSS, supporting healthy target achievement across stores.
- Westside's sales are led by women's western wear, with its large 20,000-30,000 sqft formats supporting a wider assortment. The new store saw footfalls improve during Aug EOSS, while healthy weekday walk-ins indicate steady demand beyond peak hours.
- Beauty at Westside remains mixed, with some concerns around product quality and customer experience.

Departmental stores steady; value formats drive traction at ABFRL and Shoppers Stop

- Growth is increasingly driven by value formats, with Intune and Ownd! benefiting from fresher assortments and beauty. Intune is gaining footfalls from its adjacency to Zudio, while department stores' performance is dependent on EOSS execution and store accessibility.
- **Pantaloons' LFL growth is flat or mildly positive**. EOSS performance improved YoY, supported by better inventory management and display execution.
- **Shoppers Stop's footfalls** remain constrained by its location away from City Centre Mall. Within the store, Louis Philippe and Van Heusen lead in formalwear, UCB and US Polo in casualwear, while ONLY and Vero Moda drive womenswear.

- **Intune is delivering high-single-digit LFL growth**, supported by shared walk-ins with adjacent Zudio. Kidswear (~35% contribution) is the anchor category, while fresher colors and designs (vs. Zudio) differentiate its offering.
- **Ownd! is attracting healthy traffic,** particularly on weekends, but **modest conversion** limits apparel sales. Beauty features in ~30-40% of bills, and is serving as a key traffic driver and basket builder.

Branded fashion: Louis Philippe and US Polo outperform amid uneven demand

- Branded apparel trends remain divergent across key brands. The growth seems to be driven by brand strength, inventory freshness and store location.
- Within ABLBL portfolio, Louis Philippe continues to lead in formalwear, with COCO stores reporting healthy LFL growth and the top store growing in double digits. Franchisee-operated stores remain subdued due to limited inventory and difficulty in sourcing the required merchandise.
- Peter England is delivering high-single-digit YTD growth, supported by fresh inventory and healthy footfalls. Allen Solly and Van Heusen remain weak amid subdued footfalls; Van Heusen is also witnessing fresh inventory constraints.
- US Polo Association reported 30-35% YoY growth in FY26, driven by higher footfalls and fresh designs. EOSS delivered double-digit LFL growth, with mall stores outperforming high-street locations.

Footwear: Metro outperforms; Campus seeing divergent trends; Bata subdued

- Footwear trends are mixed and driven more by inventory availability and location than by demand. Metro leads, Campus is showing divergent trends between mall and high-street stores, and Bata is seeing muted traction.
- Metro Brands is posting high single-digit LFL growth YTD, as inventory has normalized after the Apr-May warehouse shift. Walkway's new stores are ramping up steadily, helped by discounts and stronger sales of shoe-care add-ons.
- Campus mall stores are posting positive LFL growth, while high-street stores remain flat on weaker footfalls. Weekly design refreshes and a ~10% EOSS uplift show the brand is leaning on freshness and promotions.
- Bata's early monsoon uptick did not sustain, and the ZBM model has yet to meaningfully lift footfalls or sales.

Our take: Value retail and Lenskart outperform; rural stress clouds festive demand outlook

- Demand in Nashik improved in Aug, led by EOSS, but softened seasonally in Sep and Oct. Retailers expect a festive recovery, with demand likely to peak in early Nov. **Rural stress due to drought and water shortages remains the key downside risk**.
- **Lenskart** stands out in our checks, with top stores delivering **20-25% LFL growth and limited cannibalization**.
- **Trent is best placed among apparel retailers**. Zudio’s strong LFL growth, healthy Westside traction and limited cannibalization support continued expansion. Inventory freshness and value positioning remain key differentiators.
- Branded apparel growth is concentrated in brands with stronger pull and better inventory. Within ABLBL, Louis Philippe/Peter England are driving the growth,

while Allen Solly/Van Heusen have been a drag. US Polo's strong growth makes it a bright spot for Arvind Fashions.

- Footwear is likely to stay flat or mildly positive, with Metro best placed to sustain its high single-digit LFL growth as its inventory constraints have now normalized. Campus is seeing diverging trends at its mall and high-street stores.
- **We prefer Trent and Lenskart**, given their stronger store-level traction and execution. Near-term upside for apparel and footwear retailers is contingent on festive demand conversion, with rural purchasing power being the key monitorable amid weaker monsoon and inflationary pressure on household budgets.

Footfall/demand trends across retailers

Segment	Company	Brand	Observation
Eyewear	Lenskart	Lenskart	Strong
Departmental Stores	Trent	Zudio	Strong
		Westside	Good; beauty mixed
	Shoppers Stop	Intune	Strong
		Shoppers Stop	Moderate; location-constrained
	ABFRL	Ownd!	Decent; conversion modest
		Pantaloons	Moderate
Premium EBOs	Arvind Fashions	USPA	Strong
	ABLBL	Louis Philippe	Good. COCO better than franchisee
		Peter England	Good
		Allen Solly	Weak
		Van Heusen	Weak; inventory constraints
Footwear	Metro Brands	Metro, Walkway	Good
	Campus	Campus	Moderate. Mall better than high street
	Bata	Bata	Weak

Source: Company, MOFSL

Valuation snapshot for key retailers under our coverage

	CMP	M.Cap	FY26-29E CAGR (%)			P/E (X)		EV/EBITDA (x)		RoE (%)	
		INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
VMM	94	442	18.8	24.3	26.9	42.3	33.0	26.8	20.8	13.2	14.7
V2 Rel	175	64	40.1	36.7	34.4	40.9	24.5	18.9	12.2	14.7	19.7
V-Mart	780	62	18.0	26.3	33.7	39.8	26.6	20.9	15.5	15.2	19.0
Value Retail			**22.4**	**26.7**	**28.7**	**41.8**	**31.0**	**24.7**	**18.4**	**14.4**	**17.8**
D-Mart	3,304	2,155	16.3	16.1	16.2	63.7	54.4	38.8	33.3	13.3	13.5
Trent	2,892	1,542	19.9	26.4	24.7	73.6	57.8	44.2	34.4	28.0	28.4
Lenskart	640	1,113	27.3	46.4	59.1	117.2	76.0	65.0	45.6	10.2	13.9
Manyavar	510	124	5.9	10.5	7.8	31.7	28.5	23.1	19.6	20.0	20.9
ABLBL	72	88	8.3	8.5	9.8	33.6	33.7	14.0	12.2	17.3	15.4
Arvind fashions	392	52	11.8	20.5	27.8	33.4	22.3	11.9	9.8	15.5	19.9
Raymond Lifestyle	568	35	6.9	12.5	28.1	20.2	13.7	6.3	4.6	3.9	5.5
Shoppers Stop	348	38	10.7	27.5	NA	94.1	38.1	16.4	12.9	10.9	13.5
Go Fashion	265	14	9.0	19.6	20.3	24.2	17.4	11.0	7.8	7.3	9.1
Traditional retailers			**13.2**	**20.1**	**24.2**	**49.7**	**38.0**	**26.8**	**20.9**	**14.4**	**15.8**
Metro	890	243	13.3	12.3	11.3	54.7	48.3	36.5	31.7	20.7	20.5
Relaxo	289	72	6.6	9.5	14.1	34.6	28.4	21.2	17.1	9.2	10.5
Bata	636	82	5.6	7.9	16.3	38.2	31.6	17.1	14.8	13.0	14.6
Campus	199	61	14.8	22.3	22.9	33.3	26.8	19.4	15.6	18.8	20.2
Footwear			**10.1**	**13.0**	**16.1**	**40.2**	**33.8**	**23.5**	**19.8**	**15.4**	**16.5**

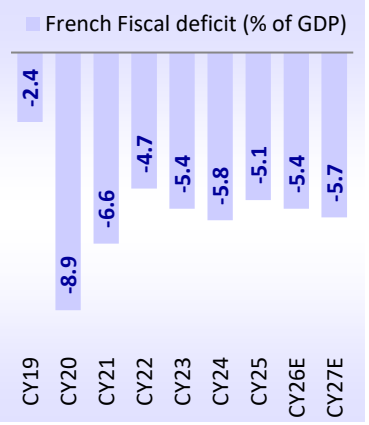
Source: Company, MOFSL

Economy | Macro-Cap

Global markets at a crossroads!

Global markets are facing a growing divergence between economic fundamentals and financial-market performance. France's persistent fiscal deficits, rising debt, and widening sovereign spreads are reviving concerns over eurozone stability, while resilient US activity, elevated bond yields, and the AI investment boom continue to attract global capital toward dollar assets. However, the AI-led sell-off that has begun raises questions about the sustainability of this concentration and the returns on massive technology investments. Despite strong domestic growth, India has faced foreign portfolio outflows and currency pressure as global capital remains concentrated in US assets. In the sections below, we examine these global risks, the outlook for the dollar and US interest rates, and how a potential shift in global capital allocation could shape India's market prospects.

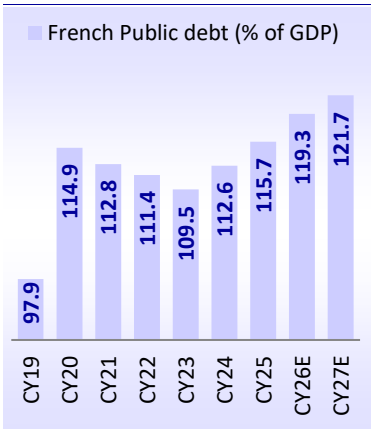
French fiscal deficit at 5.1% of GDP in CY25; projected to rise to 5.4% in CY26



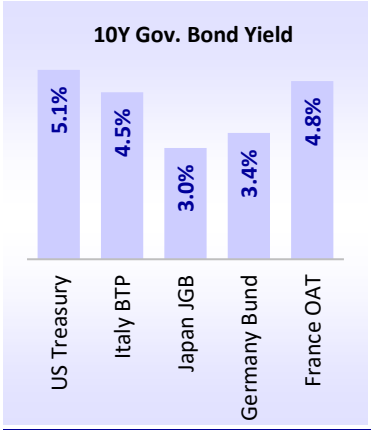
Let's talk France

- **France's fiscal problem has been building for decades, but rising borrowing costs and political uncertainty are making it harder to ignore.** The fiscal deficit has exceeded the EU's 3% of GDP limit in around 20 of the 26 years since 2000. The deficit widened to 7.4% of GDP in 2009 (from 2.7% in 2007) during the GFC and 8.9% in 2020 during Covid-19 (vs. 2.1% in 2019), but France struggled to bring it sustainably under control after these shocks passed. The deficit stood at 5.1% of GDP in 2025 and is expected to widen to 5.4% in 2026. Public debt rose from ~64% of GDP in 2007 to 84% in 2009 during the global financial crisis (GFC) and further mounted to 115% in 2020 (vs. 98% in 2019) amid the pandemic. **The debt burden has continued to mount, reaching 119.3% of GDP (EUR3.6t) in 2QCY26 from 115.6% in 2025, and is projected to rise further to 121.7% by 2027.**
- **High debt, weak growth (projected at 0.6% in 2026), and rising interest payments—which are projected to increase from EUR79.2b in 2026 to EUR91.2b in 2027—are leaving less room for public spending**. French 10-year government bond yields have approached 5%, their highest levels since 2002, while the spread over German bonds has approached 140–160bp (the first time since the 2011–12 eurozone debt crisis), reflecting growing investor concerns over France's fiscal outlook and political stability.
- **Austerity is now the political flashpoint.** Prime Minister Sébastien Lecornu's proposed 2027 budget envisages a total fiscal adjustment of around EUR54b, including EUR43b of measures in the draft budget, to bring the deficit down to 5.0% of GDP. **These measures include restraining pension increases, freezing public-sector pay, tightening sick-leave rules, reducing healthcare costs, limiting selected tax concessions, and curbing public spending.** They are unpopular because households, workers, and businesses are being asked to bear the cost of correcting years of overspending through lower real benefits, tighter services or higher taxes. With a divided parliament and opposition from unions and political parties, passing the budget remains uncertain. This creates a difficult cycle: France needs fiscal restraint to reassure bond investors, but political resistance could dilute or delay the measures, keeping borrowing costs

French public debt at 115.7% of GDP in CY25; projected to rise to 119.3% in CY26



Global bond yields have spiked



elevated and making debt reduction even harder. The central risk is no longer simply high debt, it is whether France has the political capacity to control it.

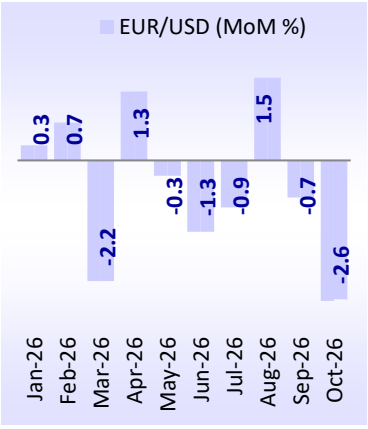
The problem extends beyond France

- Italy and other more indebted eurozone economies have also faced pressure, with the Italian–German 10-year spread approaching 100bp during the recent sell-off. Europe's common monetary policy coexists with nationally determined fiscal policies, leaving countries with different debt burdens and growth prospects exposed to diverging borrowing costs. **The ECB faces a difficult trade-off: persistent inflation argues for restrictive policy, but tighter financial conditions could weaken growth and increase sovereign financing stress.** A full-scale eurozone debt crisis is not inevitable, but prolonged fiscal uncertainty and elevated sovereign risk premiums could tighten credit conditions across the region and complicate the ECB's policy response.
- ***The euro's sharp depreciation is an important channel through which European stress is affecting global markets*. EUR/USD fell to approximately USD1.112 in early October, its weakest level in around 17 months.** The decline reflects concerns over French fiscal credibility, political fragmentation, weaker relative growth prospects, and Europe's exposure to higher energy prices. The dollar has benefited from this weakness, alongside relatively attractive US yields and demand for liquidity. **The US Dollar Index (DXY), which assigns the euro a weight of approximately 57.6%, climbed to an 18-month high near 102.9 in mid-Oct'26 before easing toward 101.84 on 16th Oct'26.** This composition matters: the dollar can strengthen substantially because the euro is weakening, even without an equivalent appreciation against every other currency.

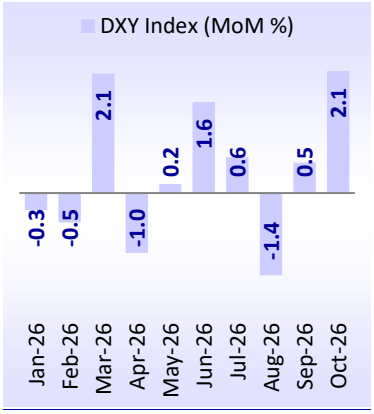
US: The dollar's safe-haven appeal

- **The dollar's rally reflects persistent inflation, resilient economic activity, and expectations of interest rates remaining higher for longer.** The US manufacturing and services PMIs remained in expansionary territory in Sep'26 at 54.5 and 54.9, respectively. However, inflationary pressures have intensified: CPI accelerated to 3.7% YoY in Sep'26 from 3.4% in Aug'26, while core CPI rose to 2.6% from 2.4%. Although headline inflation remains well below the 9.1% peak reached during the 2022 inflation shock, the renewed acceleration is complicating the Fed's policy outlook. Producer price inflation also surged to 1.3% MoM in Sep'26 from 0.5% in Aug'26, marking its largest monthly increase since Mar'22, led by a 10.8% rise in energy prices. The labor market is also sending mixed signals: payrolls increased by just 29k in Sep'26, well below the average monthly gain of 45k over the preceding 12 months. Nevertheless, the Fed lowered its median unemployment forecast for 2026 and 2027 to 4.1% from 4.3% earlier, indicating that unemployment is likely to remain broadly stable.
- Following its September hike, the Fed's policy rate stands at 3.75–4.00%. **Markets expect a pause at the 28th Oct'26 meeting, with a 72.3% probability of no change. However, expectations point to further tightening by Dec'26: the market-implied probability of at least one 25bp hike at the 9th Dec'26 meeting stands at 89.3%, including a 23.6% probability of a cumulative 50bp rate hike.** Our view is that the Fed will pause in Oct'26 and deliver a 25bps hike in Dec'26, allowing more time to assess incoming data ahead of the US midterm elections

EUR/USD contracted 2.6% in Oct'26



US DXY Index jumped 2.1% MoM in Oct'26



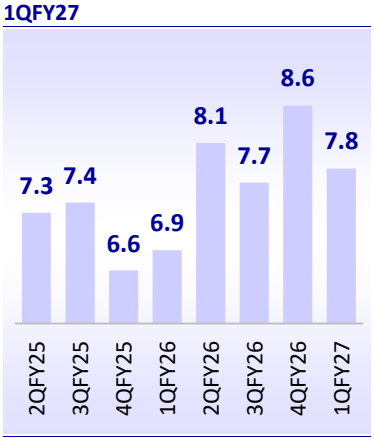
on 3rd Nov'26, while persistent inflation keeps further tightening on the table. The US 10-year Treasury yield reached around 5.1% in mid-Oct'26, supporting the relative returns available on dollar assets while raising global borrowing costs. The combination of sticky inflation, expectations of further Fed tightening, and continued AI-related investment has supported the dollar, although a deeper AI-led sell-off could weaken risk appetite and pull Treasury yields lower.

- **The current environment fits the Dollar Smile theory. The dollar tends to strengthen at both ends of the economic spectrum: when the US outperforms its peers and attracts capital through stronger returns, and when global uncertainty drives investors toward liquidity and relatively safe assets.** Both forces are operating simultaneously. On the right-hand side of the smile, resilient US activity, AI investment, and relatively high yields support demand for dollar assets. On the left-hand side, French fiscal stress, widening European sovereign spreads, geopolitical uncertainty, and higher energy prices encourage defensive positioning. The prospect of a further 25bp Fed rate hike in Dec'26 strengthens the case for a firm dollar. While this expectation is partly priced in, persistent inflation and the prospect of US rates remaining higher for longer could sustain dollar strength, particularly if economic and fiscal risks elsewhere continue to mount. **A sustained dip in US yields, stabilization in European sovereign spreads, and improving global risk appetite would move markets toward the middle of the smile, creating a more supportive environment for emerging-market capital flows.**

India: Strong growth, but capital is flowing elsewhere

- **India's problem is not growth; it is global capital allocation.** Real GDP grew 7.8% YoY in 1QFY27, prompting the RBI to raise its FY27 growth forecast to 7.1% (from 6.7%). Further upside surprises are possible if domestic demand, services activity, and investment remain resilient. Yet strong growth has not translated into equivalent equity-market outperformance, because foreign investors are comparing India's returns with opportunities elsewhere. Higher US yields increase the return hurdle for emerging-market assets, while a stronger dollar and elevated crude oil prices put pressure on portfolio flows and the rupee.

India's Real GDP grew 7.8% in 1QFY27



Source: CEIC, MOFSL

- **A potential rationalization of LTCG tax and STT could improve India's competitiveness for global capital by raising post-tax returns and lowering transaction costs**. The government's willingness to hear investor feedback ahead of Budget 2027-28 is a positive signal, although no tax changes have been announced. However, scrapping these taxes would entail a significant fiscal cost through lower government revenue. **Our calculations suggest that a complete waiver of LTCG and STT taxes could put an estimated INR1.8–1.9t* of annual government revenue at risk on a static basis**, adding to the fiscal trade-off at a time when consolidation remains a priority. Further, tax cuts alone are unlikely to offset higher US yields, dollar strength, and the concentration of global capital in AI-related investments. Tax reform could strengthen India's ability to capture the next wave of global inflows, but the timing of that rotation will still depend on global market conditions, especially when the global AI cycle turns.
- **The global AI investment cycle has intensified this divergence.** The US benefits from its technology platforms and AI infrastructure businesses, while Taiwan and South Korea have captured substantial demand through semiconductor

manufacturing and memory chips. These markets are capturing earnings benefits from AI infrastructure spending. India's listed market has comparatively lower direct exposure to advanced semiconductor and memory-chip supply chains.

Our view: India's Opportunity and risks

- **Our view is that India's opportunity depends on how the global AI cycle evolves.** The AI sell-off has already begun, with investors reassessing stretched valuations, the sustainability of massive AI infrastructure spending, and the ability of companies to generate adequate returns on capital. The correction has spread from AI-linked equities to semiconductor manufacturers and companies financing data-center expansion. The global semiconductor index has fallen for seven consecutive sessions, losing more than 11% and ~USD1.6t in market value over the last six sessions. South Korea's KOSPI fell 7.6% on 15th Oct'26, while Japan's Nikkei dipped 4.9%, reflecting the heavy concentration of these markets in AI-linked stocks. The sell-off reflects a combination of hotter-than-expected US inflation, rising interest-rate expectations, concerns over debt-funded data-center investment, and growing competition from China**. If the sell-off remains orderly, US yields moderate, and the dollar weakens, capital could gradually rotate towards India's domestic-growth story, supporting foreign portfolio inflows, equity-market performance, and currency stability. However, an outright AI bust or global recession would initially be negative for India, as investors seek dollar liquidity and emerging markets face further outflows.**
- **India's medium-term fundamentals remain strong, but near-term market performance will continue to be determined by global yields, the dollar, crude oil prices, and the concentration of capital in AI-related assets.** France's fiscal stress and the wider eurozone sovereign repricing reinforce the importance of global financial conditions in determining currency and portfolio flows. A sustained recovery in Indian markets is more likely when US yields moderate, the dollar softens, and global capital allocation broadens beyond a narrow group of technology and semiconductor beneficiaries—not simply when India delivers another strong GDP print.

Note: **Indicative calculation: INR1.29t of equity LTCG tax collections (AY2025–26) + INR521.97b of STT receipts (FY2024–25 actual) to INR636.70b (FY2025–26 revised estimate), implying INR1.81–1.93t of potential revenue exposure. Figures cover different reporting periods and represent a static estimate, not an official assessment of revenue foregone.*

Insurance Tracker

Premium and YoY growth (%)

GWP; INR b	Sep'26	YoY (%)
Industry	**328.5**	**5.4**
Public	**91.9**	**10.4**
Private	**172.7**	**14.3**
SAHI	**43.5**	**25.2**
New India	33.0	1.6
ICICI -Lombard	22.0	13.7
Bajaj General	23.6	6.5
Tata-AIG	21.2	15.7
HDFC ERGO	20.8	24.8
SBI General	16.2	32.9
Go Digit	7.8	2.3
Star Health	17.6	16.1
Care Insurance	10.4	45.1
Niva Bupa	7.9	33.1

Source: GI Council, MOFSL

Industry growth in single digits

Retail segments maintain momentum; lumpy businesses affect growth

- **The industry's gross written premium (GWP) grew ~5% YoY to INR329b in Sep'26, led by a 19% YoY growth in the health segment and 13% YoY growth in the motor segment. This was offset by a 14% YoY decline in the fire segment, a 28% YoY dip in the crop segment, and 35% YoY decline in the government health segment.**
- **The motor segment maintained double-digit growth momentum (13% YoY) with GWP at INR93b, driven by an 18% YoY growth, while Motor TP grew 10% YoY.**
- **The health segment's 19% YoY growth was driven by 32% YoY growth in retail health, and 16% YoY growth in group health, while GWP from government schemes declined 35% YoY. Growth for private players/SAHIs stood at 29%/26% YoY, while public players grew 2% YoY in Sep'26.**
- **In Sep'26, GWP for private players grew 14% YoY to INR173b, while public players posted 10% YoY growth in GWP, reaching INR92b. SAHIs retained their industry-leading growth momentum, with GWP rising 25% YoY, aided by double-digit growth across all players.**
- **Among key multi-line insurers, SBI General was one of the fastest-growing players (+33% YoY). ICICIGI witnessed better-than-industry growth of 14% YoY, with a market share of 8.4% in FY27YTD (8.7% in FY26YTD). Bajaj General posted 7% YoY growth, with market share improving slightly to 7.1% (7.0% in FY26YTD). Care Health was the fastest-growing SAHI (+45% YoY), while Niva Bupa/Star Health grew 33%/16% YoY.**
- **While the industry continues to witness a recovery in motor segment growth trajectory and maintains strong momentum in the health business, uncertainty around the final commission regulations remains a key overhang for future growth and economics. Potential rate modifications in motor TP is also a key monitorable.**

Retail health on a roll

- The overall health business grew 19% YoY to INR128.3b, led by 32% YoY growth in retail health to INR57.4b and 15% YoY growth in group health to INR65.4b.
- Within the retail health segment, SAHIs/private multi-line players grew 34%/46% YoY, while the public segment grew 7% YoY. Star Health grew 18% YoY, while all other SAHIs reported growth of over 30% YoY (Niva Bupa at +46% YoY). ICICIGI reported a strong growth of 61% YoY, bringing its market share to 4.7% in FY27YTD, up from 3.7% in FY26YTD.
- In the group health segment, private players grew 36% YoY, with ICICIGI growing 16% YoY. SAHIs witnessed tepid growth of 2% YoY, within which Star Health dipped 28% YoY, and Niva Bupa dipped 1% YoY. Public insurers grew 2% YoY.

Motor OD grows in high-teens

- Motor GWP grew 13% YoY to INR93b, backed by 18% YoY growth in motor OD, while Motor TP grew 10% YoY.
- Within motor OD, private players grew 18% YoY. Of this, ICICIGI posted a 14% YoY growth and BGen reported a 26% YoY growth. Public players posted a 16% YoY growth, with New India Assurance at 17% YoY. Other notable performance included 33% YoY growth in HDFC Ergo and 47% YoY growth in SBI General.
- Within motor TP, private players grew 10% YoY. Of this, ICICIGI rose 10% YoY and BGen reported a growth of 8% YoY. Public players reported a 9% YoY growth.

Performance of key players in FY27YTD

- **ICICIGI** reported a GWP growth of 5% YoY (market share of 8.4% vs. 8.7% in FY26YTD).
- **Bajaj General** reported a growth of 11% YoY (market share of 7.1% vs. 7.0%).
- **STARHEAL** registered a growth of 19% YoY (market share of 5.3% vs. 4.9%).
- **NIVABUPA** recorded a growth of 33% YoY (market share of 2.6% vs. 2.1%).

Exhibit 1: Overall GWP performance of key general insurance players

INRb	GWP						Market share		
	Sep-26	Sep-25	YoY	YTDFY27	YTDFY26	YoY	YTDFY27	YTDFY26	YoY bps
New India	33.0	32.5	1.6%	226.7	218.8	4%	12.6%	13.3%	-63
ICICI -Lombard	22.0	19.3	13.7%	151.1	143.3	5%	8.4%	8.7%	-26
Bajaj General	23.6	22.2	6.5%	128.0	115.5	11%	7.1%	7.0%	13
Tata-AIG	21.2	18.3	15.7%	121.9	97.1	26%	6.8%	5.9%	91
HDFC ERGO	20.8	16.7	24.8%	93.5	73.8	27%	5.2%	4.5%	73
SBI General	16.2	12.2	32.9%	86.9	72.0	21%	4.8%	4.4%	48
Go Digit	7.8	7.6	2.3%	48.0	48.9	-2%	2.7%	3.0%	-29
Star Health	17.6	15.2	16.1%	95.6	80.6	19%	5.3%	4.9%	44
Care Insurance	10.4	7.2	45.1%	61.9	43.5	42%	3.4%	2.6%	81
Niva Bupa	7.9	5.9	33.1%	46.3	34.7	33%	2.6%	2.1%	48
Public	**91.9**	**83.2**	**10.4%**	**548.9**	**523.9**	**4.8%**	**30.6%**	**31.7%**	**-116**
Private	**172.7**	**151.1**	**14.3%**	**956.5**	**857.6**	**11.5%**	**53.3%**	**51.9%**	**132**
SAHI	**43.5**	**34.8**	**25.2%**	**255.9**	**196.2**	**30.4%**	**14.2%**	**11.9%**	**236**
Specialized	**20.2**	**42.5**	**-52.6%**	**34.9**	**73.8**	**-52.7%**	**1.9%**	**4.5%**	**-252**
Industry	**328.5**	**311.7**	**5.4%**	**1,796.1**	**1,651.6**	**8.8%**	**100.0%**	**100.0%**	



Rossari Biotech | Revenue Rises 19% YoY In Q2
Co-founder & Managing Director, Sunil Chari

- Rosari Biotech reported over 20% first-half growth in revenue and EBITDA, driven by strong exports.
- Cash flow stood at ₹131 crore, with focus on working capital and cost reduction.
- Saudi Arabia expansion groundwork continues amid geopolitical uncertainty.
- FY27 growth target remains 10%+, with revenue doubling and ROCE exceeding 20% over 3–4 years.

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HDB Financial Services | Maintain Net Interest Margin Guidance Of 8.1%
MD & CEO, G Ramesh

- HDB aims to maintain 8%+ net interest margins through loan repricing and funding diversification.
- Q2 disbursements grew 19% YoY, with mid-teens AUM growth expected.
- Diversified lending and 74% secured loans help mitigate regional and sectoral risks.
- Proposed IRDAI commission caps may require business-model adjustments.

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LTM | Tech Services Expected To Improve From Q3FY27
MD & CEO, Venu Lambu

- LTM targets FY27 growth close to FY26, supported by financial services, technology recovery and AI demand.
- Randstad acquisition adds nearly $500 million in annualised revenue, supporting FY28 growth.
- Saudi revenue losses are permanent; no recovery is expected over the next two quarters.
- AI-native services offer materially higher gross margins, with profits reinvested in capabilities and talent.

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Leela Palaces | Q2 Among Best Quarters In Leela's History
Whole-time Director & CEO, Anuraag Bhatnagar

- Leela expects sustained double-digit same-store growth, supported by 13% international traffic growth in Q2.
- Expansion includes luxury residences, new clubs and at least two additional hotels annually.
- EBITDA margins are expected to remain strong at 48–51%, supported by pricing power and premium experiences.
- Management sees EBITDA potentially rising from ₹1,000 crore in FY27 to nearly ₹2,000 crore by FY30.

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NOTES

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

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

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