Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	73,607	0.7	-13.6
Nifty-50	22,753	0.7	-12.9
Nifty-M 100	56,465	1.2	-6.6
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,677	0.7	12.1
Nasdaq	26,169	0.8	12.6
FTSE 100	10,767	0.7	8.4
DAX	25,411	0.9	3.8
Hang Seng	7,802	0.6	-12.5
Nikkei 225	62,190	-0.8	23.5
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	128	0.6	105.4
Gold ($/OZ)	4,017	0.5	-7.0
Cu (US$/MT)	14,515	0.3	16.6
Almn (US$/MT)	3,055	-0.5	2.9
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	95.2	0.3	5.9
USD/EUR	1.1	-0.2	-4.9
USD/JPY	157.5	0.4	0.5
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.5	0.01	0.9
Flows (USD b)	**26-Oct**	**MTD**	**CYTD**
FIIs	-0.15	-3.94	-32.0
DIIs	0.27	6.70	74.2
Volumes (INRb)	**26-Oct**	**MTD***	**YTD***
Cash	1,121	1225	1334
F&O	3,18,332	2,60,449	2,52,284

Note: Flows, MTD includes provisional numbers.
*Average

Today's top research idea

Urban Company: Core accelerating; cash burn on new initiatives to continue

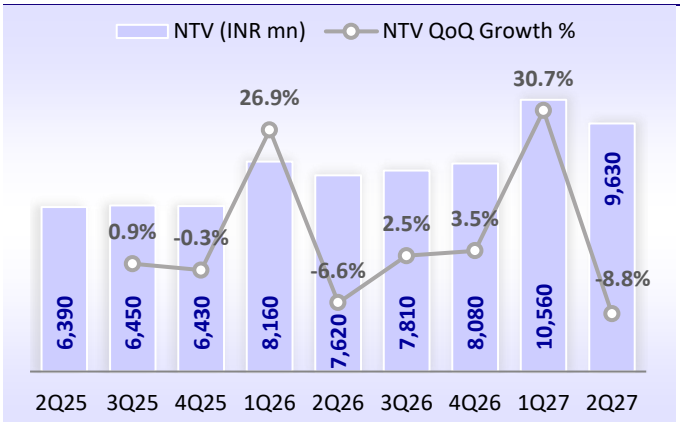
- We attended Urban Company's (UC) management meet, where discussions focused on: **1) the growth outlook for the core India consumer services (ICS) business, 2) InstaHelp's path to profitability, 3) international operations, 4) Native products, and 5) the rationale for the proposed capital raise.**
- We upgrade UC to **BUY** as we believe: **1) accelerating growth in the core business provides a healthy runway for continued expansion**, and we agree with the company's strategy of deepening penetration and improving market density; **2) we are more optimistic than the company on InstaHelp's total addressable market (TAM)** (refer to our note dated 22nd Sep'26: Instant, multi-category home services: Sizing the opportunity) and believe that this category is still at an early stage of development and could **scale up meaningfully beyond current expectations, creating upside to our earnings estimates** and the FY31 consolidated adjusted EBITDA target of INR10b; and 3) the **~25%+ correction from the stock's Sep'26 peak offers an attractive entry point**, with the risk-reward improving as core business momentum strengthens and InstaHelp provides incremental growth potential. **We retain our estimates and TP of INR165.**

Research covered

Cos/Sector	Key Highlights
Urban Company	Core accelerating; cash burn on new initiatives to continue
Symbiotec Pharmalab	Initiating Coverage: Anchored by APIs; fueled by twin turbos
Other Updates	Adani Power | B P C L | Tata Consumer | Mankind Pharma | APL Apollo Tubes | Sona BLW Precis. | L&T Technology | Supreme Inds. | Dalmia Bharat | Castrol India | Kajaria Ceramics | ERIS Lifescience | Five-Star Bus. | A B Real Estate | Fujiyama Power | AAVAS Financiers | NBFC | Defense | FLASH: One 97 | REC | Aegis Log. | KFin Technolog. | Sunteck Realty

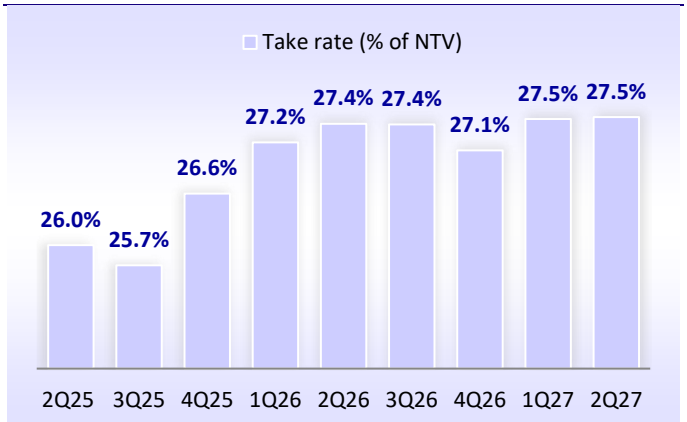
Chart of the Day: Urban Company (Core accelerating; cash burn on new initiatives to continue)

ICS NTV declined 8.8% QoQ



Source: MOFSL, Company

ICS take rate as % of NTV was flat QoQ at 27.5%



Source: MOFSL, Company

In the news today

Kindly click on textbox for the detailed news link

1

Anthropic Files for IPO Amid Soaring Growth

Anthropic has filed a registration statement with the SEC to list on the Nasdaq under the ticker "ANT." For the first half of 2026, revenue surged 14-fold to $16.3 billion, though net loss widened to $80.7 billion due to valuation-related accounting charges.

2

Electromech Infraprojects files DRHP for IPO with fresh issue of up to ₹326 crore

Electromech Infraprojects Ltd on Monday (October 26) said it has filed its Draft Red Herring Prospectus (DRHP) for an initial public offering (IPO) comprising a fresh issue of equity shares worth up to ₹326 crore and OFS of up to 18,91,000 equity shares by existing shareholders.

3

L&T Tech Services bags five-year Nokia contract to support R&D in India

L&T Technology Services (LTTS) has signed a five-year contract with Nokia to support the Finnish telecom equipment maker's engineering and research and development activities in India.

4

Bajel Projects wins largest-ever ₹1,500 crore order for 765 kV transmission lines in Gujarat

Bajel Projects secured its largest-ever transmission contract to build high-voltage lines and substations in Gujarat, supporting the evacuation of massive green energy capacities.

5

Blue Dart launches US shipping service for Indian online sellers and small businesses

Blue Dart Express has launched an international parcel shipping service to help Indian online sellers, small businesses and exporters deliver products to customers in the United States.

6

Blue Energy Motors Opens Battery-Swap Station For EV Heavy Trucks Near Mumbai

Green truck manufacturer Blue Energy Motors announced the operationalisation of Bhiwandi's first battery-swap station for electric heavy-duty trucks in partnership with state-owned oil marketing firm HPCL.

7

Landmark Cars signs deal with JSW Motors to open five outlets in Ahmedabad,Bhopal

Multi-brand automotive retail chain Landmark Cars has signed letters of intent (LoIs) with JSW Motors to open five outlets across Ahmedabad and Bhopal, as the automotive retailer looks to expand its original equipment manufacturer (OEM) partnerships ahead of the launch of JSW Motors' PVeH Business.

Urban Company

BSE SENSEX	S&P CNX
73,607	22,753

Bloomberg	URBANCO IN
Equity Shares (m)	1542
M.Cap.(INRb)/(USDb)	209.2 / 2.2
52-Week Range (INR)	184 / 96
1, 6, 12 Rel. Per (%)	-18/0/4
12M Avg Val (INR M)	1099

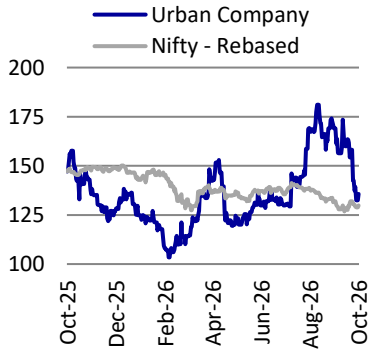
Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
NTV (India)	31.7	40.7	51.2
Net Sales (INR)	15.6	22.2	30.7
Change (%)	35.9	42.6	38.5
EBITDA	-2.2	-6.0	-5.3
EBITDA margin (%)	-14.2	-27.1	-17.2
Adj. PAT	-2.0	-5.0	-3.4
PAT margin (%)	-13.0	-22.4	-11.1
RoE (%)	-11.8	-27.5	-23.6
RoCE (%)	-18.9	-40.8	-47.0
EPS	-1.6	-3.5	-2.3
EV/ Sales	12.7	8.9	6.5
Price/ Book	9.3	12.4	15.8

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	19.0	19.0	20.4
DII	15.2	11.4	6.1
FII	56.4	59.8	67.4
Others	9.4	9.8	6.1

Stock Performance (1-year)



CMP: INR136 TP: INR165 (+22%) Upgrade to Buy

Core accelerating; cash burn on new initiatives to continue

Our takeaways from the analyst day; upgrade rating to BUY

We attended Urban Company's (UC) management meet, where discussions focused on: **1) the growth outlook for the core India consumer services (ICS) business, 2) InstaHelp's path to profitability, 3) international operations, 4) Native products, and 5) the rationale for the proposed capital raise.** Consolidated NTV grew ~40% YoY to ~INR29b in 1HFY27, while revenue rose 42% to INR10.7b. Management attributed the acceleration in the core business to **higher user growth and market densification**. InstaHelp continues to scale up, with average order frequency of 2.5-3 times per month among retained users, although profitability is dependent on gradual NOV recovery, higher utilization and improving unit economics. **It also reiterated the consolidated adjusted EBITDA breakeven target of 3QFY28 and the long-term adjusted EBITDA margin target of 10% of NTV for the core India business.**

Upgrade to BUY: The broader takeaway, in our view, is that UC's core business is gaining momentum, while InstaHelp offers incremental growth potential beyond the current investment-led drag on consolidated profitability. We upgrade UC to **BUY** as we believe: **1) accelerating growth in the core business provides a healthy runway for continued expansion**, and we agree with the company's strategy of deepening penetration and improving market density; **2) we are more optimistic than the company on InstaHelp's total addressable market (TAM)** (refer to our note dated 22nd Sep'26: Instant, multi-category home services: Sizing the opportunity) and believe that this category is still at an early stage of development and could **scale up meaningfully beyond current expectations, creating upside to our earnings estimates** and the FY31 consolidated adjusted EBITDA target of INR10b; and 3) the **~25%+ correction from the stock's Sep'26 peak offers an attractive entry point**, with the risk-reward improving as core business momentum strengthens and InstaHelp provides incremental growth potential. **We retain our estimates and TP of INR165.**

Core India services: Improving growth and profitability trajectory

- ICS NTV grew 26.3% YoY in 2QFY27, driven by ~22% growth in transacting users and ~3-3.5% growth in spend per user. **Tier-2 cities are growing faster than tier-1 cities.**
- Contribution margin (CM) improved to **22% in 2QFY27 from 20.7% a year ago**, while adjusted EBITDA margin increased to 3.5% from 2.4%. 1HFY27 adjusted EBITDA margin was **5.3% vs. 3.9%** in 1HFY26.
- The long-term adjusted EBITDA margin target remains **10% of NTV for the core India business**, supported by operating leverage, higher partner utilization and lower cost-to-serve.

- Further growth is expected from deeper penetration and supply densification across **the top eight cities and 40 tier-2 cities**, with a gradual entry into additional cities.
- **Subscriptions, bundled offerings, GOLD and preferred-partner constructs** are being developed to improve repeat usage and **customer retention (Exhibit 1)**. AI-led customer and partner support is helping keep **support costs broadly flat** despite business growth.
- Average monthly net earnings per service professional stood at INR30,708, rising to **~INR50,000 for the top 20% and ~INR53,500 for the top 10% (Exhibit 2).**

International business: Scaling growth while improving economics

- International NTV across the UAE and Singapore grew **~71% YoY to INR5b in 1HFY27** from INR3b, reflecting **continued scale-up** in existing markets. (Exhibit 3)
- **CM stood at ~18%**, while the business generated positive cash flow in each of the latest two quarters, at INR60m and INR20m, respectively. **Sustaining cash generation** while scaling up operations remains a key priority.
- The long-term adjusted EBITDA margin target for the international business is **9-10%,** with profitability expected to develop alongside the India business or **with some delay**.
- Saudi Arabia continued to expand, with NTV growing **~150% YoY** and adjusted **EBITDA loss narrowing to INR160m from INR200m**, indicating improving operating performance despite ongoing investments.
- Further growth is expected to come primarily from scaling up in existing markets, improving service-professional utilization and capturing operating leverage as business density increases. **No major new geographic expansion was indicated as a near-term priority.**

Native: Building a differentiated home products business

- Native's portfolio includes **water purifiers and smart door locks**, with product development focused on durability, lower maintenance requirements and customer convenience. Adjusted EBITDA margin improved **from -10.1% in 1HFY27 to -7% in 1HFY26**, while NTV grew by **42% YoY** in the same period (Exhibit 4).
- The M3 water purifier is positioned **for three years of operation without servicing, maintenance or filter replacement**. For the earlier M1/M2 models, filter-replacement retention was cited at **~75-80% after two years**, indicating continued engagement with existing customers.
- The **smart-home portfolio** includes Lock Ultra, a premium smart door lock with facial recognition. Further product launches are planned, with differentiation centred on performance, convenience and reduced maintenance.
- An air conditioner is planned through an **asset-light manufacturing arrangement with Amber**, leveraging UC's app and service network. The product is intended to **target the premium segment** rather than compete directly with mass-market brands on price.

InstaHelp: Growth opportunity remains significant; execution is key

- InstaHelp has scaled up rapidly since launch six quarter ago, with average usage among retained users of **2.5-3 orders per month and monthly user retention of 30%**. While repeat usage is encouraging, retention could moderate as introductory **subsidies reduce and pricing normalizes**.
- The service is also contributing to **customer acquisition for the broader platform**: in micro-markets where InstaHelp is available, **~45% of new-to-platform users** were attributed to the service (Exhibit 5).
- TAM is estimated at 7-10m households across the top 8-10 cities. At 2.5-3 orders per household per month, this implies potential demand of **20-25m orders per month**, compared with current industry volumes **of 5-6m orders per month**.
- Current NOV of INR114 is expected to recover gradually toward the long-term breakeven range of **INR280-300 as pricing normalizes**, coverage expands and additional use cases develop. The longer-term unit economics assume an average **service duration of ~1.5 hours, professional payouts of INR150 per hour and utilization of 60-65%.**
- Losses are **expected to peak in the near term** and decline gradually thereafter. Over the long term, **low-to-mid single-digit margins** are seen as steady state for this business.
- Growth is expected to **remain strong over the next 5-6 quarters** as penetration, coverage and use cases expand before gradually normalizing. Pricing, retention at normalized prices, utilization and competitive intensity remain key monitorables.

Fund raise: Building strategic flexibility

- UC has proposed a capital raise of up to INR25b against an existing balance sheet of INR19b. The raise is intended **primarily to provide strategic flexibility** rather than fund the currently envisaged InstaHelp investment trajectory.
- Potential uses include inorganic opportunities within existing businesses and geographies, as well as the **ability to respond to a more intense competitive environment**.
- Incremental cash burn until consolidated adjusted EBITDA breakeven in 3QFY28 **was estimated at ~INR5-6b**. This suggests that the existing balance sheet is expected to remain substantial even after funding the anticipated investment period.

Valuation and changes to our estimates

- Core business growth has improved, with margin expansion supported by supply densification, better partner utilization and operating leverage. We expect this **momentum to sustain**, with acceleration in 3QFY27. While our FY28 estimates factor in **higher InstaHelp investments** and consolidated adjusted EBITDA **breakeven by 3QFY28**, we see **upside risk to estimates** from the potential expansion of InstaHelp's addressable market and improving unit economics.
- We **upgrade UC to BUY** as we believe: 1) **accelerating growth in the core business provides a healthy runway for continued expansion**, and we agree with the company's strategy of deepening penetration and improving market density; 2) **we are more optimistic than the company on InstaHelp's TAM** and

believe that this category is still at an early stage of development and **could scale up meaningfully beyond current estimates**; and 3) **the ~25%+ correction from the stock's Sep'26 peak offers an attractive entry point**, with the risk-reward improving as core business momentum strengthens and InstaHelp provides incremental growth potential. **We retain our estimates and TP of INR165.**

Focus on consumer excellence has led to NTV retention improving with time

Consumer NTV retention (Consol ex KSA, ex Native)

Trailing 12 months	New users ('000)	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8
Sep'18	708	100.0%	102.9%	77.7%	95.3%	122.3%	133.0%	143.7%	150.3%	175.7%
Sep'19	1,723	100.0%	67.8%	75.2%	91.2%	98.1%	106.1%	111.4%	131.3%	
Sep'20	1,512	100.0%	82.3%	85.2%	85.8%	92.2%	97.4%	114.2%		
Sep'21	1,786	100.0%	80.7%	72.1%	74.7%	78.4%	91.4%			
Sep'22	2,087	100.0%	72.8%	69.7%	71.2%	82.1%				
Sep'23	2,151	100.0%	75.2%	71.6%	80.0%					
Sep'24	2,246	100.0%	78.3%	79.9%						
Sep'25	2,508	100.0%	88.7%							
Sep'26	3,632	100.0%								

Source: MOFSL, company

On average, partners earned ~INR30,000 net per month, while Top 5% partners earning ~INR56,700 net per month

Details	Unit	All professionals	Partners with > 30 services in a month	Top 20% partners	Top 10% partners	Top 5% partners
% monthly active partners	%	100%	71%	20%	10%	5%
Gross earnings (average) [2]	In INR per month	62,349	71,407	98,572	1,06,781	1,12,207
UC commissions & fee% [3]	%	28.6%	28.2%	28.8%	28.9%	28.9%
Indirect taxes	In INR per month	638	752	1,033	1,136	1,218
Travel costs [4]	In INR per month	2,863	3,372	4,697	5,148	5,435
Product costs [5]	In INR per month	10,316	10,428	15,262	16,112	16,385
Net average earnings	**In ₹ per month**	**30,708**	**36,684**	**49,178**	**53,545**	**56,731**
Utilised hours (including travel time)	Hours per month	97	116	156	172	183
H1 FY26						
Gross earnings (average) [7]	*In INR per month*	*54,538*	*65,651*	*89,000*	*97,241*	*1,03,426*
Utilised Hours (including travel time)	*Hours per month*	*90*	*113*	*148*	*163*	*175*
Net average earnings	*In ₹ per month*	*27,950*	*35,243*	*46,296*	*50,865*	*54,459*

Source: MOFSL, company

Symbiotec Pharmalab

BSE Sensex	S&P CNX
73,124	22,600

CMP: INR1,158 **TP: INR1,430 (+23%)** **Buy**

Bloomberg	SYMBIOTE IN
Equity Shares (m)	64
M.Cap.(INRb)/(USDb)	74.4 / 0.8
52-Week Range (INR)	1310 / 934
1, 6, 12 Rel. Per (%)	13/-/-
12M Avg Val (INR M)	2922

Financials &Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Net Sales	11.4	14.5	20.3
EBITDA	3.0	3.8	5.6
PAT	1.3	1.8	3.0
EPS (INR)	21.3	28.0	48.1
GR. (%)	14.8	31.6	71.5
BV/Sh (INR)	227.3	254.0	300.7
Ratios			
ROE (%)	10.4	11.6	17.3
RoCE (%)	9.2	10.5	15.2
Payout (%)	5.5	4.6	3.0
Valuations			
P/E (X)	54.7	41.5	24.2
P/BV (X)	5.1	4.6	3.9
EV/EBITDA (X)	25.6	20.2	13.7
Div Yield (%)	0.1	0.1	0.1

Shareholding pattern (%)

As On	Sep-26
Promoter	33.3
DII	33.2
FII	3.8
Others	29.8

FII Includes depository receipts

Anchored by APIs; fueled by twin turbos

- **Symbiotec Pharmalab (SYMBIOTEC) has evolved from a steroidal API manufacturer into an integrated platform spanning active pharmaceutical ingredients (APIs), fermentation-led CDMO, and complex injectables, backed by manufacturing investments and backward integration.**
- **A leading corticosteroid/hormone API supplier (total addressable market (TAM): USD800m), SYMBIOTEC is expanding into fermentation-based and high-value complex APIs (TAM: USD92b; 10.4% CAGR over CY24–29).**
- **SYMBIOTEC is already on a path to provide chemistry- and fermentation-based capabilities and capacity as a CDMO platform in precision fermentation, industrial biotechnology, and biologics, targeting a TAM of USD50b.**
- **It has invested in building a manufacturing facility to forward integrate into double chamber vials (DCVs; TAM of USD3b), which not only enables better profitability but also enhances traction in the most heavily regulated market (the US).**
- **Long-standing customer relationships, regulatory capabilities, and contracted business support growth visibility; commercialization of new capacities and higher utilization remain the key execution drivers.**
- **It posted a revenue/EBITDA/PAT CAGR of 15%/51%/69%, reaching INR8.7b/ INR2.4b/INR1.1b over FY23-26. We estimate a revenue/EBITDA/PAT CAGR of 33%/33%/37%, reaching INR20.3b/INR5.6b/INR3b over FY26-29, led by new product launches, scale-up of CDMO and injectable operations, and operating leverage.**
- **We value SYMBIOTEC at 35x 12M forward earnings (in-line to the sector P/E of ~36x) to arrive at our TP of INR1,430, factoring in the company's established API base and earnings potential from the newer businesses.**

API: Steroidal leadership provides a stable growth foundation

- SYMBIOTEC holds a global volume share of 38.2% in corticosteroids and 23.8% in steroidal hormones, with >60 APIs, a presence in the top 10 products, and 43 US Drug Master Files (DMFs) along with 23 Certificates of Suitability (CEPs).
- The company serves 200+ customers across 40+ countries, with exports contributing 67% of FY26 revenue and ~69% derived from customer relationships exceeding seven years.
- Portfolio expansion into high-value APIs, including vitamin D3 derivatives, and scale-up of fermentation-based products such as Mupirocin and Serratiopeptidase should support diversification.
- API sales clocked a 13.8% CAGR over FY23-26, reaching INR8.4b. We estimate an 11.7% sales CAGR in API to reach INR11.6b over FY26-FY29, led by new launches and customer relationships.

Evolution from APIs to an integrated pharmaceutical platform

- SYMBIOTEC has progressively developed capabilities across organic chemistry, biotechnology, fermentation, and complex injectables.
- Its manufacturing infra comprises 585MT of chemical-synthesis capacity, 700KL of fermentation capacity, and ~20m of annual injectable units, with backward integration covering products representing >80% of revenue.

- Cumulative gross capex is estimated at INR16.7b by the end of FY27, with ~61% directed towards newer growth platforms, shifting the focus from capacity creation to commercialization and returns on investments.

CDMO: Contract-backed fermentation expansion to drive growth

- SYMBIOTEC is leveraging its multi-scale fermentation capabilities, demonstrated at 100KL scale, to expand into pharmaceutical and industrial biotech CDMO, including insulin, alternative proteins, and enzymes.
- The Ujjain facility will support large-scale fermentation, while the proposed 14KL biologics facility targets higher-value products such as GLP-1 analogues and insulin.
- SYMBIOTEC has a five-year take-or-pay arrangement for the insulin drug substance, a 10-year US alternative-protein contract, and a term sheet with an EU customer.
- We estimate CDMO revenue to scale to INR5.3b in FY29 from INR11m in FY26, led by commercialization of contracted capacities and higher-value offerings.

Complex injectables: Forward integration into high-value products

- SYMBIOTEC has established an annual DCV capacity of 20m units at Mhow, with its initial two products addressing a USD288m US market, where innovators hold ~65-70% market share.
- A Sep'26 exclusive US commercialization agreement for two DCV products grants market access through milestone payments and post-launch profit sharing.
- The pipeline includes additional DCV products under the 505(b)(2) pathway, and double-chamber bags are currently undergoing stability testing to support portfolio expansion.
- We estimate revenue to increase from INR331m in FY26 to INR3.3b by FY29E, driven by product launches and improved capacity utilization.

Financial performance: New platforms to accelerate earnings growth

- SYMBIOTEC's revenue/EBITDA/adjusted PAT clocked a 15%/51%/69% CAGR over FY23-26, reflecting API growth, backward integration, and operating leverage.
- The company's cumulative investment of INR16.6b by the end of FY27 is expected to start generating revenue over the next 6-12 months.
- Accordingly, we estimate a revenue/EBITDA/PAT CAGR of 33%/33%/37% over FY26-29, reaching INR20.3b/INR5.6b/INR3b, led by commercialization of new businesses.
- This is also likely to drive RoE expansion from 12% in FY26 to 17% by FY29.

Valuation and view: Initiate coverage with a BUY rating

- We value SYMBIOTEC at 35x 12M forward P/E to arrive at our TP of INR1,430, implying a potential upside of 23%.
- **Bull case:** Our TP stands at INR1,690 (45% upside), assuming faster commercialization of new capacities, stronger CDMO traction, accelerated complex injectables ramp-up, and improved operating leverage.
- **Bear case:** Our TP stands at INR1,000 (14% downside), reflecting delayed capacity ramp-up, slower CDMO and complex injectables commercialization, weaker API growth, and sustained cost pressures.

Key risks

1) High dependence on APIs and a concentrated product portfolio; 2) delays in scaling CDMO, biologics, and complex injectables; 3) geographical concentration of manufacturing facilities; and 4) intensifying competition.

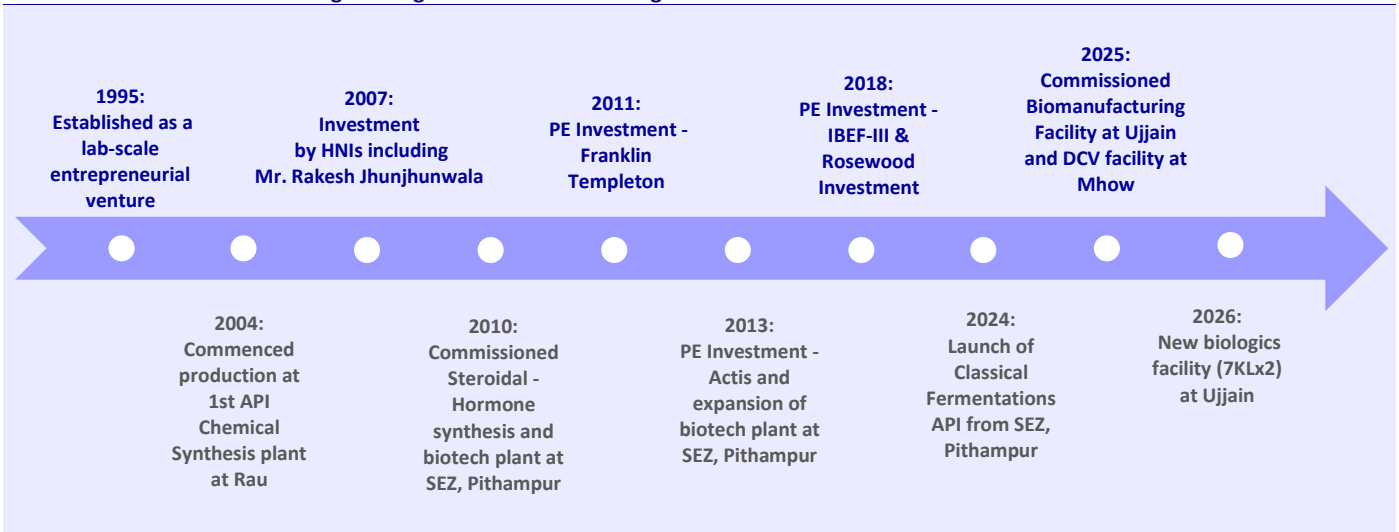
STORY IN CHARTS

KEY GROWTH DRIVERS



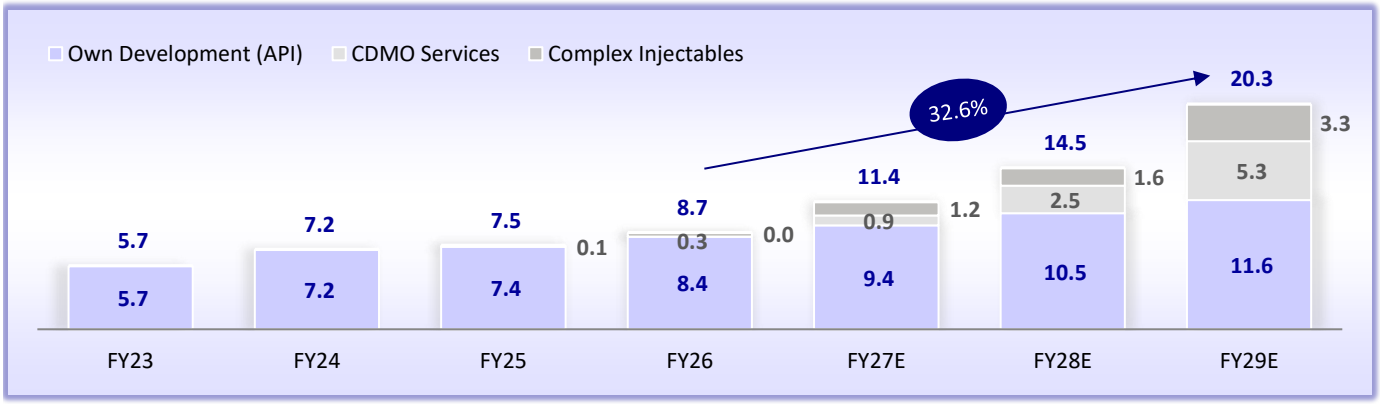


Evolution from API manufacturing to integrated biomanufacturing

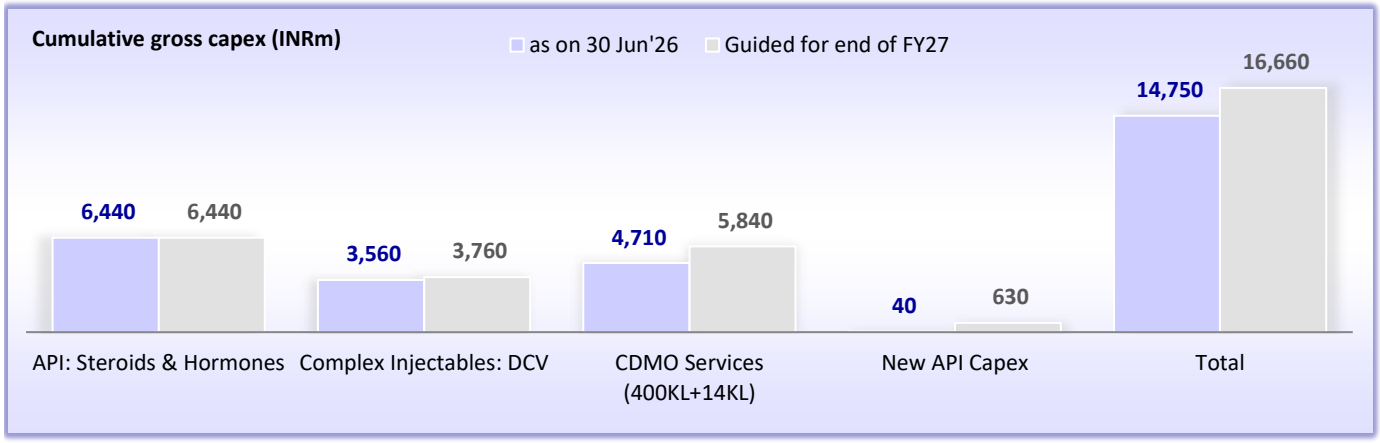


Note: IBEF – India business Excellence fund; Source: MOFSL, Company

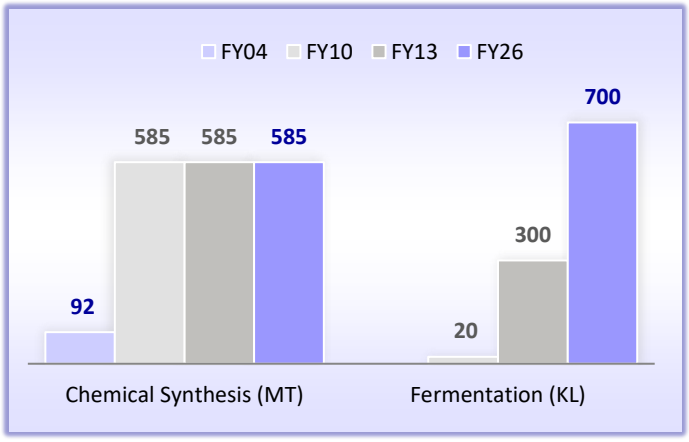
Revenue to clock a CAGR of 32.6% over FY26-29E



INR1.9b of capex is planned over 2Q-4QFY27, primarily towards additional CDMO and new API capacities

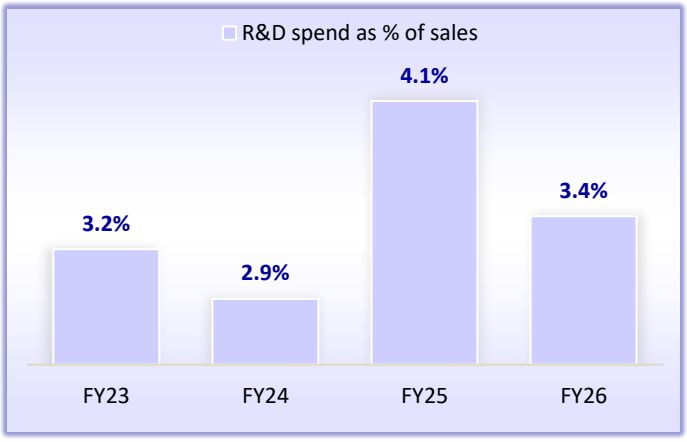


Manufacturing scale spans 585MT synthesis and 700KL fermentation capacity



Sources: MOFSL, Company

SYMBIOTEC has consistently invested 3-4% of revenue in R&D over the years



Sources: MOFSL, Company

Adani Power

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	ADANI IN
Equity Shares (m)	19285
M.Cap.(INRb)/(USDb)	3597.6 / 37.8
52-Week Range (INR)	254 / 128
1, 6, 12 Rel. Per (%)	-6/-8/23
12M Avg Val (INR M)	5723

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	704.2	771.4	904.5
EBITDA	260.1	281.7	353.1
EBITDA margin	36.9%	36.5%	39.0%
Adj. PAT	170.5	141.7	170.5
EPS (INR)	8.8	7.3	8.8
BV/Sh. (INR)	42.5	49.9	58.7
Ratios			
Net D:E	0.6	0.7	0.7
ND/EBITDA	2.0	2.4	2.3
RoE (%)	23.2	15.9	16.3
RoCE (%)	14.7	11.2	11.1
Valuation			
P/E (x)	21.0	25.3	21.0
EV/EBITDA (x)	15.8	15.1	12.4

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	75.0	75.0	75.0
DII	4.5	4.1	2.7
FII	11.0	11.8	11.5
Others	9.5	9.2	10.8

FII Includes depository receipts

CMP: INR187 **TP: INR234 (+25%)** **Buy**

Capacity expansion remains on track

- **2QFY27 adjusted earnings largely in line:** APL's consol. revenue stood at INR194.4b, 18.8% above our est., while EBITDA beat our est. by 45.5% at INR82.3b. APAT came in at INR69.2b, 121.3% above our est. However, reported performance was boosted by INR5.36b from the disposal of a subsidiary, INR24.25b of prior-period revenue adjustments and an INR12.11b tax reversal following the amalgamation of 10 wholly owned subsidiaries. Adjusting for these items, revenue was in line with our estimate, EBITDA was 7% below, and APAT was 10% above our estimate.
- **Key things we liked:** 1) Operating PLF improved to 70.1% from 62.8% in 2QFY26, driven by lower hydro availability and stronger thermal generation. 2) Merchant and short-term volumes declined 43% YoY as previously open capacity was tied up under medium-term PPAs, while merchant realizations rose 33% YoY. 3) Long-term PPAs secured for 62% of its 24GW thermal pipeline, enhancing revenue visibility. 4) Korba Phase II Unit 1 has achieved grid synchronization, with commissioning expected in 3QFY27 and in 4QFY27 for second 660MW unit. 5) APL expanded into hydropower through the CIRP acquisition of GVK Energy's operational 330MW Alaknanda plant and signed a shareholders' agreement for a 770MW Bhutan project (49:51 JV with Druk Green Power). 6) Management outlined a roadmap to achieve 45GW of operational capacity by 2032, comprising 42GW of organic additions and 3GW through inorganic opportunities.
- **Key monitorables:** 1) Thermal tender pipeline includes submitted bids in Uttar Pradesh, an upcoming 1,600MW bid in West Bengal, bids for Rajasthan in early November, and ongoing regulatory engagement in Gujarat. 2) Nuclear power expansion plans remain contingent on the formal notification of the draft regulatory framework. 3) Tariff indexation for the Gujarat PPA entails a lag of over six months, delaying the pass-through of high imported coal costs and potentially weighing on margins in the interim.
- **Valuation and view:** We value APL at 16x Sep'28E EBITDA and investments add INR1/share. The sum of these contributions, adjusted for net debt, results in a TP of INR234.

EBITDA marginally below our estimate after adj. for prior-period items

Financial highlights

- Consolidated revenue stood at INR194.4b (+44.5% YoY, +2.8% QoQ), 18.8% above our estimate.
- EBITDA came in 45.5% above our est. at INR82.3b (+59.8% YoY, +3.6% QoQ), with an EBITDA margin of 42.3%.
- Adj. PAT stood at INR69.2b (+134.3% YoY, +44.0% QoQ), 121.3% above our estimate.
- Profitability for 2QFY27 was impacted by several prior-period items:
  - 1) Revenue included INR5.36b from the disposal of APL's investment in Chandenvalle Infra Park to AdaniConnex.

- 2) Revenue included INR24.25b pertaining to earlier years, relating to the recognition of energy charges from GUVNL and the derecognition of revenue linked to Haryana discom's concerns over compensation claims for alternate coal costs.
- 3) An INR12.11b tax reversal boosted 2Q PAT, as the amalgamation of 10 wholly owned subsidiaries resulted in the reversal of current tax expenses recognized previously.

- Adjusting for these items, 2Q revenue was in line with our estimate, EBITDA was 7% below, and adjusted PAT was 10% above our estimate.

Other Highlights

- Consolidated power sales volume grew 11.5% YoY to 26.4BU in 2QFY27, driven by strong power demand growth.
- PPA power sales grew 29.7% YoY to 23.4BU, while tariff realization improved 12.7% to INR6.4/kWh on a continuing basis.
- Merchant/short-term tariff realization improved 33.1% YoY to INR7.2/kWh on stronger demand, while volumes declined 43% due to incremental tie-ups of open capacity under medium-term contracts.
- Capex of ~INR123b was incurred in 1HFY27 (FY27 guidance at INR250b).
- Net debt stood at INR458b at the end of 2QFY27 vs. INR450b at the end of FY26.

Highlights of 2QFY27 performance

- Power sales rose 11.5% YoY to 26.4BUs in 2QFY27, with PLF at 70.1% (vs. 62.8%), led by lower hydro availability and stronger thermal generation.
- Merchant and short-term volumes fell 43% YoY as open capacity was tied up under medium-term PPAs, though short-term merchant tariffs rose 33%/unit.
- Continuing revenue grew 28.5% YoY to INR175.3b and continuing EBITDA rose 18.5% to INR63.2b; reported EBITDA rose 46% to over INR87b, aided by INR24.2b of one-time prior-period revenue.
- Fuel costs rose 42% YoY to INR102.3b on higher generation and ~50% higher landed imported coal cost; tariff pass-through lags by ~two quarters, but Gujarat PPA indexation kept realizations above fuel costs.
- Korba Phase II's first 660MW unit is grid-synchronized with commissioning expected in 3QFY27 (second unit in 4QFY27); Mahan Phase II (1,600MW) targeted for early FY28.
- Received LoA from Uttarakhand for a 25-year PPA for 1,320MW gross (1,234MW net) from Korba Phase II at a fixed charge of INR4.3/unit; UP bids are submitted (opening by early Nov 2026), West Bengal (1,600MW) and Rajasthan bids are due in the first week of Nov'26, while Gujarat is progressing slowly.

Valuation

- We value APL at 16x Sep'28E EBITDA and investments add INR1/share. The sum of these contributions, adjusted for net debt, results in a TP of INR234.
- APL's substantial valuation premium over peers such as NTPC and JSW Energy is a function of 1) superior capital allocation with an average acquisition cost of INR35m/MW, significantly below the greenfield thermal plant cost of INR120m, 2) strong growth trajectory with EBITDA potential of INR80b post completion of the current capex cycle, and 3) optionality from forays into nuclear.

Consolidated performance

(INR b)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	%	(%)	(%)
Net Sales	**141.1**	**134.6**	**124.5**	**142.2**	**189.0**	**194.4**	**153.6**	**167.2**	**542.4**	**704.2**	**163.7**	**18.8**	**44.5**	**2.8**
YoY Change (%)	-5.7	0.9	-8.9	-0.1	34.0	44.5	23.3	17.5	-3.5	29.8	21.6			
Total Expenditure	84.2	83.1	82.1	94.9	109.5	112.1	105.9	116.5	344.3	444.0	107.1			
EBITDA	**56.9**	**51.5**	**42.4**	**47.3**	**79.5**	**82.3**	**47.7**	**50.7**	**198.1**	**260.1**	**56.6**	**45.5**	**59.8**	**3.6**
Margin (%)	40.3	38.3	34.0	33.3	42.1	42.3	31.0	30.3	36.5	36.9	34.6			
Depreciation	10.9	11.9	11.4	11.5	11.7	11.9	11.5	11.1	45.6	46.2	12.1	-1.3	-0.2	2.1
Interest	8.6	8.4	7.0	9.7	9.0	7.6	10.4	14.7	33.7	41.8	10.4	-27.2	-9.7	-15.7
Other Income	4.6	8.5	5.4	17.7	4.2	5.1	6.7	13.6	36.2	29.6	6.9	-26.3	-39.8	21.8
PBT before EO expense	**42.0**	**39.7**	**29.5**	**43.8**	**63.0**	**67.9**	**32.4**	**38.4**	**155.0**	**201.7**	**41.0**	**65.7**	**71.2**	**7.8**
Extra-Ord income/(exp.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
PBT	**42.0**	**39.7**	**29.5**	**43.8**	**63.0**	**67.9**	**32.4**	**38.4**	**155.0**	**201.7**	**41.0**	**65.7**	**71.2**	**7.8**
Tax	9.0	10.6	4.6	1.1	15.5	-2.3	9.8	7.2	25.3	30.3	10	-124.0	-121.8	-114.9
Rate (%)	21.4	26.7	15.5	2.6	24.6	-3.4	30.4	18.7	16.3	15.0	23.5			
Share of JV & associates	0.0	0.0	0.0	0.0	1.2	0.0	1.2	2.4	0.0	4.7	1.2			
Minority Interest	-0.8	-0.5	0.1	2.5	0.6	1.0	1.4	2.6	1.4	5.7	1.3			
Reported PAT	**33.8**	**29.5**	**24.8**	**40.2**	**48.1**	**69.2**	**22.3**	**31.0**	**128.3**	**170.5**	**31.3**	**121.3**	**134.3**	**44.0**
Adj PAT	**33.8**	**29.5**	**24.8**	**40.2**	**48.1**	**69.2**	**22.3**	**31.0**	**128.3**	**170.5**	**31.3**	**121.3**	**134.3**	**44.0**
YoY Change (%)	-13.5	-11.4	-18.9	52.3	42.0	134.3	-10.1	-22.9	-0.8	32.9	5.9			
Margin (%)	24.0	21.9	19.9	28.2	25.4	35.6	14.5	18.5	23.7	24.2	19.1			

Valuation Table

Segment	Metric type	Metric value (INRb)	Multiple	Value (INR/sh.)
Generation assets	Sep'28 EBITDA	317	16	271
Investments	Sep'28E	17		1
Less: Net Debt	Sep'28E	744		(39)
Target price				**234**
CMP				186
Upside / (Downside)				**26%**

BPCL

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BPCL IN
Equity Shares (m)	4339
M.Cap.(INRb)/(USDb)	1259.9 / 13.2
52-Week Range (INR)	392 / 267
1, 6, 12 Rel. Per (%)	-4/-1/0
12M Avg Val (INR M)	2856

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	5,351	4,565	4,580
EBITDA	49	308	301
Adj. PAT	1	177	168
EPS (INR)	0	41	39
EPS Gr.%	-99.6	15549.5	-4.7
BV/Sh. (INR)	235	262	288
Ratios			
Net D:E	0.3	0.5	0.5
RoE (%)	0.1	16.6	14.3
RoCE (%)	-0.6	11.6	9.7
Payout (%)	0.0	33.6	33.5
Valuation			
P/E (x)	1097.2	7.0	7.4
P/BV (x)	1.2	1.1	1.0
EV/EBITDA (x)	25.5	4.0	4.1
Div. yield (%)	0.0	4.8	4.6
FCF yield (%)	-4.1	-6.7	1.1

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	53.0	53.0	53.0
DII	22.4	21.9	22.3
FII	16.7	16.8	16.5
Others	7.9	8.3	8.3

FII Includes depository receipts

CMP: INR290 **TP: INR280 (-4%)** **Neutral**

Weak marketing outlook to offset refining tailwinds

- BPCL reported GRM of USD32.5/bbl during the quarter. GRM adjusted for SAED stood at USD14/bbl. Blended gross marketing margin (ex-LPG losses) (including inv.) stood at negative ~INR2.5/lit. LPG under-recovery amounted to INR34.3b (vs. INR53.8b in 1Q), while LPG under-recovery per cylinder stood at ~INR255/cyl (est.: INR375/cyl). Standalone EBITDA/PAT stood lower than est. at INR94b/50b (est.: INR114/76b).
- **Marketing margins to remain under pressure** on three counts: 1) Brent has averaged ~USD105/bbl in Oct'26 MTD, sharply increasing under-recoveries on regulated auto fuels and LPG. **MS/HSD gross marketing losses stood at ~INR18/INR31 per lit in Oct'26 MTD;** 2) **diesel GRMs are likely to remain elevated** (3x long-term avg. in Oct'26), with the IEA expecting high diesel cracks until 1HCY27, further weighing on HSD marketing margins; and 3) **there is limited room for a steep auto-fuel price hike before the UP elections.** The UP Assembly's term ends on 22nd May'27, with polls widely expected in Feb-Mar'27 and potentially brought forward to avoid clash with the Census exercise. Punjab, Goa, Uttarakhand, and Manipur are also scheduled to hold elections in CY27, with their respective assembly terms ending in Mar'27. The ECI has yet to announce the dates. **Given this, we see little room for a steep pump-price increase over the next 4-5 months.**
- **Refining gains partly offset by freight**: Realized refining margins are likely to be lower than the headline GRMs suggest, as elevated shipping freight costs would offset part of the margin gains.
- **Earnings cut primarily driven by marketing segment weakness:** Despite a stable 2QFY27 performance, we cut our full-year FY27E standalone estimates. We now expect an EBITDA of INR49b for FY27 (earlier EBITDA estimate: INR232b). This reflects: 1) higher 2HFY27E gross marketing margin (GMM) losses of INR7.5/ltr on MS and INR3/ltr on HSD (positive GMM of INR4.5/lit earlier); and 2) LPG under-recovery of INR150/cylinder in 2HFY27 (nil earlier). The cut is partly offset by our higher 2HFY27E GRM assumption of USD17/bbl (vs. USD8/bbl earlier).
- **Risk from our crude assumption**: We note that our FY28/FY29 crude assumption of USD75/bbl remains conservative. Any upward revision would lead to further earnings cuts for HPCL.
- **Valuation and view:** BPCL currently trades at 1.1x FY28 P/B (FY28E RoE: 16.6%). We reiterate our Neutral rating with an SoTP-based valuation of INR280/share.

Miss led by weaker-than-expected refining performance

- Standalone EBITDA stood below our estimate at INR93.7b (est. EBITDA: INR113.9b).
  - Reported GRM stood 19% below our estimate at USD32.5/bbl (Note: Reported GRMs exclude the impact of SAED).
  - Forex loss stood at INR4b.

- Blended gross marketing margin (ex-LPG losses) (including inv.) stood at negative ~INR2.5/lit.
- LPG under-recovery amounted to INR34.3b (INR53.8b in 1QFY27). LPG under-recovery per cylinder stood at ~INR255/cyl (est.: INR375/cyl).
- Resulting standalone PAT stood below our est. at INR49.9b (est. PAT: INR76b).
- Depreciation & finance costs were above our estimates, while other income was below estimate.
- The MoP&NG, through letters dated 3/24 Oct'25, approved a compensation of INR75.9b to the company for under-recoveries on the sale of domestic LPG up to 31st Mar'25, and those expected up to 31st Mar'26. The amount would be released in 12 equal monthly instalments, with accruals recognized on a monthly basis starting Nov'25. Accordingly, six equal monthly instalments totaling INR38b have been recognized during the quarter.
- The Board has approved the incorporation of a wholly owned subsidiary (authorized share capital of up to INR49b) for the proposed greenfield refinery & petrochemical complex at Ramayapatnam, Andhra Pradesh.
- The project's feasibility reports are being finalized, with investment decisions and financial commitments to be considered separately.
- Total standalone debt (excluding IND AS 116 Liabilities) increased to INR152.5b as of 2QFY27 (vs. INR105b as of Mar'26).
- **Operational details:**
- Refining throughput was in line at 10.4mmt.
- Marketing volumes, excluding exports, stood 4% below our estimate at 13.5mmt.
- As of Sep'26, BPCL had a cumulative negative net buffer of INR173b due to LPG cylinder under-recoveries (INR158b as of Jun'26).

Valuation and view

- BPCL's GRMs have been at a premium to SG GRMs due to the continuous optimization of refinery production, product distribution, and crude procurement. The use of advanced processing capabilities of Bina and Kochi refineries allows BPCL to process 100% of high-sulfur crude and 50% of Russian crude.
- While valuation appears reasonable, weak near-term marketing outlook and the commencement of a new capex cycle emerge as key concerns.
- BPCL currently trades at 1x one-year forward P/B vs. 10-year average of 1.6x. We reiterate our Neutral rating with an SoTP-based valuation of INR280/share.

SoTP-based valuation

Particulars	Amount/Particulars	Multiple	Amount
Dec'27E EBITDA (INR m)	2,40,150	6	14,36,099
FY28E CGD EBITDA (INR m)	3,245	12	37,347
(-) Dec'27E Net Debt (INR m)			4,84,130
Core business value (INR m)			**9,89,317**
(/) shares outstanding			4,273
Core business value (INR/share)			**232**
Add: Investments (INR/share)			
Listed investment (IGL, PLNG & OINL)	@25% discount to CMP		20
Mozambique Upstream Area 1	@40% discount to transaction value		15
Other upstream investments	Reserve based valuation @USD7/boe		6
Unlisted CGD entities	@12x FY24 P/E		9
Target price (INR/share)			**280**
CMP			290
Upside / (Downside) (%)			-3%

Valuation of Mozambique Upstream Area 1

Particulars	Unit	Amount
Total Energy acquired 26.5% stake in Sep'19	USD m	3,900.0
(x) Exchange rate	INR/USD	71.0
Total Energy acquired 26.5% stake in Sep'19	INR m	276,900.0
Total Energy's stake (%)		26.5
BPRL's stake (%)		10.0
Transaction value for BPRL	**INR m**	**104,490.6**
Transaction value for BPRL	**INR/share**	**24.5**
Discount	**%**	**0.4**
Discounted transaction value for BPRL	**INR/share**	**14.7**

Standalone - Quarterly Earning Model

(INR b)

Y/E March	FY26				FY27				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	**1,125.1**	**1,049.1**	**1,190.0**	**1,186.5**	**1,512.3**	**1,490.4**	**1,219.8**	**1,126.5**	**4,550.8**	**5,349.0**	**1,255.4**	**19%**
YoY Change (%)	-0.5	2.1	5.2	6.7	34.4	42.1	2.5	-5.1	3.4	17.5	19.7	
EBITDA	**96.6**	**103.4**	**118.4**	**110.0**	**-40.8**	**93.7**	**-36.0**	**31.5**	**428.4**	**48.4**	**113.9**	**-18%**
Margins (%)	8.6	9.9	10.0	9.3	-2.7	6.3	-3.0	2.8	9.4	0.9	9.1	
Forex loss	-0.2	5.6	1.7	9.4	-3.5	4.0	0.0	0.0	16.4	0.5	0.0	
Depreciation	18.8	19.5	19.7	20.4	20.7	20.9	22.4	22.0	78.4	85.9	20.1	4%
Interest	3.7	4.2	3.6	4.8	4.2	6.6	7.9	7.3	16.3	26.0	4.8	38%
Other Income	7.3	11.9	7.5	10.6	9.1	4.7	7.2	9.3	37.3	30.2	12.5	-63%
PBT before EO expense	**81.6**	**86.0**	**100.9**	**86.1**	**-53.1**	**66.9**	**-59.1**	**11.5**	**354.5**	**-33.8**	**101.5**	**-34%**
Extra-Ord expense	0.0	0.0	0.0	43.5	0.0	0.0	0.0	0.0	43.5	0.0	0.0	
PBT	**81.6**	**86.0**	**100.9**	**42.6**	**-53.1**	**66.9**	**-59.1**	**11.5**	**311.0**	**-33.8**	**101.5**	**-34%**
Tax Rate (%)	24.9	25.0	25.2	25.0	25.3	25.3	25.2	25.2	25.1	25.1	25.2	
Reported PAT	**61.2**	**64.4**	**75.5**	**31.9**	**-39.6**	**49.9**	**-44.2**	**8.6**	**233.0**	**-25.3**	**76.0**	**-34%**
Adj PAT	**61.2**	**64.4**	**75.5**	**64.5**	**-39.6**	**49.9**	**-44.2**	**8.6**	**265.6**	**-25.3**	**76.0**	**-34%**
YoY Change (%)	103.1	168.7	62.3	41.7	PL	-22.5	PL	-86.6	81.8	PL	17.9	
Key Assumptions												
Refining throughput (mmt)	10.4	9.8	10.5	10.4	10.2	10.4	10.2	10.4	41.2	40.9	10.7	-3%
Reported GRM (USD/bbl)	4.9	10.8	13.4	17.5	41.4	32.5	19.0	15.0	11.7	22.2	40.0	-19%
Marketing sales volume excld exports (mmt)	13.6	12.7	14.1	13.9	13.6	13.5	14.6	14.4	54.2	54.2	12.9	4%
Marketing GM incld inv (INR/litre)	8.3	7.2	6.2	5.7	-16.3	-3.1	-7.3	-1.9	6.9	-7.2	-9.2	-66%

Tata Consumer Products

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TATACONS IN
Equity Shares (m)	990
M.Cap.(INRb)/(USDb)	926.9 / 9.7
52-Week Range (INR)	1283 / 916
1, 6, 12 Rel. Per (%)	-3/-15/-7
12M Avg Val (INR M)	1790
Free float (%)	66.2

Financials & valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	203	227	247
EBITDA	28	33	38
Adj. PAT	16	19	23
EBITDA Margin (%)	14	15	15
Cons. Adj. EPS (INR)	16	19	23
EPS Gr. (%)	21	23	19
BV/Sh. (INR)	236	250	269
Ratios			
Net D:E	0	0	0
RoE (%)	7	9	10
RoCE (%)	9	10	12
Payout (%)	42	34	28
Valuations			
P/E (x)	60	48	40
EV/EBITDA (x)	30	25	22
Div. Yield (%)	1	1	1
FCF Yield (%)	2	2	3

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	33.8	33.8	33.8
DII	25.3	25.0	22.2
FII	19.8	20.1	22.1
Others	21.1	21.1	21.9

Note: FII includes depository receipts

CMP: INR937 TP: INR1,200 (+28%) Buy

Multiple levers to sustain growth

Operating performance in line with estimates

- Tata Consumer Products (TATACONS) reported ~19% YoY EBIT growth in 2QFY27, led by 28%/23%/14% YoY EBIT growth in the Non-branded business (12%)/International business (24%)/Indian branded business (64%).
- We expect TATACONS to sustain double-digit growth, driven by 25–30% growth in its growth portfolio, mid- to high-single-digit growth in the salt business, and mid-single-digit growth in the tea business. Starbucks India is also expected to contribute through improving same-store sales and accelerated store expansion. Deeper quick commerce penetration, International business recovery, and AI-led (Artificial intelligence) initiatives across sales and operations are expected to further support revenue growth and margin expansion.
- We largely maintain our FY27/FY28 earnings estimates and **reiterate BUY with an SoTP-based TP of INR1,200.**

Broad-based growth across all businesses

- TATACONS reported revenue of INR56.6b (est. in-line), up 14% YoY. EBITDA margin expanded YoY 30bp to 13.8% in 2QFY27 (est. in line), led by a 100bp decline in other expenses to 19.4% vs 20.4% in 2QFY26. EBITDA grew 17% YoY to INR7.8b (est. in line). Adj. PAT grew 17% to INR4.7b (est. INR4.5b)
- Indian Branded business grew 17% YoY to INR36.6b. EBIT grew 14% YoY to INR4.1b. International branded beverages revenue grew 6% YoY to ~INR13.7b, with EBIT growing 23% YoY to INR1.8b. Non-branded business revenue grew 12% YoY to INR6.6b, with EBIT growing 28% to INR975m.
- RTD segment (NourishCo) revenue rose ~47% YoY to ~INR2.8b, with volumes recording growth of 34%. Growth businesses (including RTD, Capital Foods, and Organic India) reported strong growth of 40% YoY, led by robust growth in Tata Sampann (up 57%). Organic India and Capital Foods grew 15% YoY on a combined basis.
- For 1HFY27, Revenue/EBITDA/Adj PAT grew 13%/18%/22% to INR110b/INR15b/INR9b. Gross debt stood at INR18b vs INR21b as of Mar'26. CFO stood at INR3.8b vs INR2.0b as of Sep'25

Highlights from the management commentary

- **Indian Salt business:** Indian Salt revenue grew 15% YoY to ~INR11b in 2QFY27, with volume growth of 9% and market share of ~39.8–39.9%. Value-added and premium salts grew at 2x the rate of base salt, supported by portfolio expansion, including the launch of Tata Salt Plus. Orange pack salt price was raised from INR30 to INR32 in May and further to INR34 in October. Management expects mid-single-digit volume growth, driven by brand equity, distribution expansion, and premiumization.

- **Sampann:** Revenue grew 57% YoY in 2QFY27, driven by strong volume growth. Margin expanded 270–280bp YoY to 14–15% (margin was negative 5% five years ago), supported by scale and premiumization. The business continues to expand through quick commerce and value-added products, with management expecting core category growth of around 30%.
- **AI-led initiatives:** The company is scaling AI across sales and operations, with ~1,700 salespeople using personalized AI sales companions and 100% coverage targeted by Dec'26. AI voice agents facilitate retailer ordering when sales representatives miss visits, while other applications include tea-leaf quality assessment, bottle inspection, procurement planning, invoice validation, consumer insights, and trade-spend optimization.
- **Starbucks:** Revenue grew 15% YoY in 2QFY27, marking its fifth consecutive quarter of positive same-store sales growth, with store traffic increasing ~10%. The company opened seven stores during the quarter, taking its network to 505. Following the implementation of its revised business model, management expects to accelerate store openings.

Valuation and view

- We expect TATACONS' growth momentum to strengthen further, driven by improving go-to-market (GTM) execution, rising e-commerce penetration, premium product launches, and the continued scale-up of high-growth businesses such as Tata Sampann, RTD Beverages, Capital Foods, and Organic India.
- The company expects operating margins to expand over the coming years, driven by portfolio premiumization, innovation-led product expansion, and an increasing contribution from higher-margin growth businesses and health & wellness categories.
- We expect TATACONS to clock a CAGR of 10%/16%/21% in revenue/EBITDA/PAT during FY26-28. **Reiterate BUY with an SoTP-based TP of INR1,200.**

Consolidated - Quarterly Earning Model **(INRm)**

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	(%)
Gross Sales	**47,789**	**49,659**	**51,120**	**54,336**	**53,489**	**56,611**	**56,539**	**60,516**	**2,02,904**	**2,27,154**	**55,841**	**1**
YoY Change (%)	9.8	17.8	15.0	17.9	11.9	14.0	10.6	11.4	15.2	12.0	12.4	
Total Expenditure	41,720	42,941	43,913	46,412	46,247	48,779	47,939	51,117	1,74,986	1,94,082	48,134	
EBITDA	**6,069**	**6,718**	**7,207**	**7,924**	**7,241**	**7,832**	**8,600**	**9,399**	**27,918**	**33,072**	**7,707**	**2**
Margins (%)	12.7	13.5	14.1	14.6	13.5	13.8	15.2	15.5	13.8	14.6	13.8	
Depreciation	1,489	1,533	1,593	1,652	1,648	1,638	1,800	1,878	6,267	6,964	1,800	
Interest	338	332	316	384	391	257	250	225	1,370	1,123	375	
Other Income	412	380	330	526	719	386	450	450	1,648	2,005	426	
PBT before EO expense	**4,654**	**5,233**	**5,628**	**6,414**	**5,922**	**6,323**	**7,000**	**7,746**	**21,928**	**26,991**	**5,958**	
Extra-Ord expense	0	0	-229	28	0	-74	0	0	-201	-74	0	
PBT	**4,654**	**5,233**	**5,399**	**6,442**	**5,922**	**6,249**	**7,000**	**7,746**	**21,728**	**26,917**	**5,958**	
Tax	1,190	1,262	1,371	1,530	1,474	1,577	1,762	1,950	5,353	6,762	1,501	
Rate (%)	25.6	24.1	25.4	23.7	24.9	25.2	25.2	25.2	24.6	25.1	25.2	
Minority Interest	-24	21	-1	49	2	8	-1	54	45	64	22.6	
Profit/Loss of Asso. Cos.	-147	95	-183	-672	-177	29	-164	-605	-907	-917	104	
Reported PAT	**3,342**	**4,045**	**3,846**	**4,191**	**4,270**	**4,693**	**5,075**	**5,137**	**15,423**	**19,174**	**4,538**	
Adj PAT	**3,342**	**4,045**	**4,018**	**4,170**	**4,270**	**4,748**	**5,075**	**5,137**	**15,573**	**19,230**	**4,538**	**5**
YoY Change (%)	10.2	5.1	41.7	34.1	27.8	17.4	26.3	23.2	21.4	23.5	12.2	
Margins (%)	7.0	8.1	7.9	7.7	8.0	8.4	9.0	8.5	7.7	8.5	8.1	

Mankind Pharma

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	MANKIND IN
Equity Shares (m)	413
M.Cap.(INRb)/(USDb)	955 / 10
52-Week Range (INR)	2642 / 1910
1, 6, 12 Rel. Per (%)	-5/7/7
12M Avg Val (INR M)	1304

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	142.8	164.7	186.2
EBITDA	36.2	43.2	50.3
Adj. PAT	20.2	25.2	30.8
EBITDA Margin (%)	25.4	26.2	27.0
Cons. Adj. EPS (INR)	49.0	61.2	74.5
EPS Gr. (%)	5.4	24.9	21.8
BV/Sh. (INR)	395.1	442.1	499.6
Ratios			
Net D:E	0.2	0.1	0.0
RoE (%)	13.2	14.6	15.8
RoCE (%)	11.6	12.8	15.0
Payout (%)	18.9	20.0	20.0
Valuations			
P/E (x)	47.2	37.8	31.0
EV/EBITDA (x)	28.5	23.4	19.6
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	3.4	5.4	4.8
EV/Sales (x)	7.2	6.1	5.3

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	72.6	72.6	72.7
DII	15.5	15.4	11.9
FII	9.4	9.5	12.8
Others	2.5	2.5	2.6

FII Includes depository receipts

CMP: INR 2,312 TP: INR 2,915 (+26%) Buy

Superior execution drives earnings growth

Strategic measures lift DF growth above IPM; BSV scale-up on track

- Mankind Pharma (Mankind) delivered slightly better-than-expected financial performance with a 4%/3%/5% beat on revenue/EBITDA/PAT for the quarter. Healthy performance in domestic formulation (DF), BSV portfolio, and exports supported the outperformance, while YoY growth of Consumer Wellness remained muted during the quarter.
- After multiple quarters of underperforming industry (IPM), 2QFY27 was the first quarter where Mankind outperformed IPM for first time in 2QFY27, driven by a focus on chronic and acute therapies.
- The consumer wellness segment saw a moderation in growth for 1HFY27 compared to earlier years. Management is implementing course correction to revamp this segment through leadership changes and revised strategy.
- Exports grew 32.7% YoY, supported by healthy growth across Mankind International and BSV, with new US launches and specialty portfolio expansion supporting the growth outlook.
- BSV continued to scale up, supported by domestic specialty portfolio growth and international expansion, strengthening its contribution to overall business growth.
- Mankind's strategic initiatives are beginning to translate into improved growth in its DF business. The BSV portfolio is also tracking well across both domestic as well as export markets.
- We largely maintain our estimates. We expect an overall earnings CAGR of 23% over FY26-28, driven by sustained chronic therapy growth, recovery in acute therapies, a rising specialty portfolio contribution, and improving BSV traction. Reiterate BUY with a TP of INR2,915 on 35x 12M forward earnings.

Segment mix/operating leverage drives better profitability YoY

- Sales grew 17.3% YoY to INR43.4b for the quarter (vs est. INR41.9b).
- Gross margin expanded 90bp YoY to 72.2%.
- EBITDA margin expanded 210bp YoY to 27% (vs est. 27.2%), driven by lower employee expenses and other expenses (down 40bp/60bp YoY as % of sales).
- Accordingly, EBITDA grew 27.1% YoY to INR11.7b (vs our estimates of INR11.4b).
- Adj. PAT grew 40.4% YoY to INR7.1b (our est: INR6.7b).
- For 1HFY27, revenue/EBITDA/PAT grew 15.1%/26%/36.3% to INR83.7b/22.3b/12.8b.

Growth across domestic formulations and exports

- Domestic business (84% of sales) grew 14.8% YoY to INR36.6b for the quarter, driven by strong double-digit growth in both Mankind and BSV specialty business.
- Prescription business (Rx; 94% of domestic sales) grew 15.9% YoY to INR34.3b, driven by outperformance in both chronic and acute therapies.

- Consumer wellness revenue (6% of domestic sales) grew 1.2% YoY to INR2.3b, impacted by slower offtake across the industry and some regional impact in East and South.
- Exports (16% of sales) grew 32.7% YoY to INR6.8b, driven by healthy growth in both Mankind and BSV International.

Highlights from the management commentary

- Management expects double-digit international business growth in FY27.
- BSV portfolio recorded 20% growth for the second consecutive quarter, supported by performance across domestic and international markets.
- The strategic reset and leadership changes have strengthened Mankind's confidence in outperforming IPM by 1.1x-1.2x.
- Mankind DF (ex-BSV) grew 16% YoY, led by strong 6.7% YoY growth in volume. BSV domestic grew at a mid-teen rate on a YoY basis.
- MR productivity has improved from INR7L PCPM to INR7.4L PCPM on a YoY basis.
- Management maintained its EBITDA margin guidance of 25.5%-26.5% for FY27. That said, management has indicated a scope for 100bp margin expansion on an annualized basis going forward.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var %
(INR m)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	
Gross Sales	**35,704**	**36,972**	**35,672**	**34,429**	**40,306**	**43,379**	**41,346**	**39,651**	**1,42,776**	**1,64,681**	**41,880**	3.6
YoY Change (%)	23.4	20.2	11.5	11.8	12.9	17.3	15.9	15.2	16.6	15.3	13.3	
Total Expenditure	27,236	27,758	26,442	25,131	29,744	31,666	30,761	29,342	1,06,567	1,21,513	30,489	
EBITDA	**8,468**	**9,213**	**9,230**	**9,299**	**10,562**	**11,713**	**10,585**	**10,309**	**36,210**	**43,168**	**11,391**	2.8
YoY growth %	17.0	8.4	13.1	31.3	24.7	27.1	14.7	10.9	17.6	19.2	23.6	
Margins (%)	23.7	24.9	25.9	27.0	26.2	27.0	25.6	26.0	25.4	26.2	27.2	
Depreciation	2,187	2,218	2,226	2,231	2,257	2,357	2,253	2,161	8,862	9,028	2,327	
Interest	1,707	1,697	1,572	1,418	1,100	1,049	1,032	1,000	6,393	4,181	1,053	
Other Income	799	919	728	1,143	450	949	940	1,046	3,588	3,384	850	
PBT before EO expense	**5,373**	**6,217**	**6,160**	**6,793**	**7,655**	**9,254**	**8,240**	**8,194**	**24,543**	**33,343**	**8,861**	
Extra-Ord expense	0	0	1,066	232	0	0	0	0	1,298	0	0	
PBT	**5,373**	**6,217**	**5,094**	**6,562**	**7,655**	**9,254**	**8,240**	**8,194**	**23,246**	**33,343**	**8,861**	
Tax	958	1,038	951	998	1,954	2,130	1,928	1,975	3,946	7,986	2,082	
Rate (%)	17.8	16.7	18.7	15.2	25.5	23.0	23.4	24.1	17.0	24.0	23.5	
Minority Interest & P/L of Asso. Cos.	94.7	109.9	-32.1	-29.9	20.9	9.6	30.0	46.6	142.6	107.1	30.0	
Reported PAT	**4,320**	**5,069**	**4,175**	**5,594**	**5,681**	**7,115**	**6,282**	**6,173**	**19,158**	**25,250**	**6,749**	
Adj PAT	**4,320**	**5,069**	**5,042**	**5,791**	**5,681**	**7,115**	**6,282**	**6,173**	**20,221**	**25,250**	**6,749**	5.4
YoY Change (%)	-24.3	-22.4	35.0	80.3	31.5	40.4	24.6	6.6	5.4	24.9	33.1	
Margins (%)	12.1	13.7	14.1	16.8	14.1	16.4	15.2	15.6	14.2	15.3	16.1	
EPS	**10.8**	**12.7**	**12.6**	**14.5**	**14.2**	**17.8**	**15.7**	**15.4**	**49.0**	**61.2**	**16.8**	

E: MOFSL Estimates

APL Apollo Tubes

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APAT IN
Equity Shares (m)	278
M.Cap.(INRb)/(USDb)	576.9 / 6.1
52-Week Range (INR)	2301 / 1690
1, 6, 12 Rel. Per (%)	-4/8/30
12M Avg Val (INR M)	1441

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	230.8	281.8	315.9
EBITDA	18.0	22.9	25.0
PAT	12.0	15.4	17.6
EBITDA (%)	7.8	8.1	7.9
EPS (INR)	43.4	55.5	63.4
EPS Gr. (%)	58.9	28.0	14.1
BV/Sh. (INR)	191.0	240.5	297.9
Ratios			
Net D/E	-0.1	-0.3	-0.4
RoE (%)	25.3	25.7	23.5
RoCE (%)	24.6	25.7	23.3
Payout (%)	19.6	10.8	9.5
Valuations			
P/E (x)	47.9	37.4	32.8
EV/EBITDA (x)	31.7	24.4	21.7
Div Yield (%)	0.4	0.3	0.3
FCF Yield (%)	2.5	2.5	2.7

Shareholding Pattern (%)

As on	Sep-26	Jun-26	Sep-25
Promoter	28.2	28.3	28.3
DII	20.9	18.6	18.9
FII	34.1	35.1	33.7
Others	16.9	18.1	19.1

Note: FII includes depository receipts

CMP: INR2,078 TP: INR2,535 (+22%) Buy

On track to achieve 20%+ EBITDA growth in FY27

Operating performance above estimates

- APL Apollo Tubes (APAT) reported its highest-ever quarterly volumes of 963,143MT in 2QFY27, up 13% YoY, driven by roofing products (14% of volumes) and APL Apollo brand (80% of volumes), which reported volume growth of 29% and 19% YoY, respectively. Operations at its Dubai plant remained under pressure (down 55%YoY) due to the ongoing war in the Middle East.
- APAT recorded the highest-ever quarterly EBITDA/MT of INR5,999, largely on account of a higher share of value-added products. Hence, EBITDA grew by 29% YoY/40% QoQ to INR5,778m.
- The company is well on track to achieve EBITDA growth of 20%+ YoY on account of growth in EBITDA/MT, supported by a higher contribution of APL Apollo brand and the ramp-up of roofing structures. Any improvement in operations at the Dubai plant will drive up margins. Moreover, its foray into new high-end segments, defense and aerospace, will further boost profitability in the coming years.
- We largely retain our FY28 earnings estimates and value the stock at 40x FY28E EPS to arrive at our TP of INR2,535. **Reiterate BUY**.

Highest quarterly volumes and record EBITDA/MT

- Consolidated revenue grew 29% YoY and 25% QoQ to INR70b (est. INR72b).
- Total volumes grew 13% YoY to 963,193MT. APL Apollo brand volumes witnessed strong growth of 19% YoY to 774,751MT (80% of total volumes). SG premium (3% of volumes) declined by 30% YoY owing to a surge in primary steel prices, while UAE (3% of volumes) continued to face headwinds due to the ongoing war, down 55% YoY but flat QoQ. Roofing structures (14% of volumes) registered healthy 29% YoY growth.
- For 1HFY27, volumes stood at 1.7MMT, up 4%YoY. In 1HFY27, APL Apollo/ SG Premium/Dubai/Roofing structures constituted 79%/5%/3%/13% of overall volumes as compared to 78%/3%/6%/12% in 1HFY26.
- EBITDA grew 29% YoY/40% QoQ to INR5.8 (above est.), with EBITDA/MT of INR5,999 (vs. INR5,228/INR5,522 in 2QFY26/1QFY27). Margin expansion was largely driven by a higher share of value-added products (VAP) and brand-pull of APL Apollo.
- Adj. PAT grew 27% YoY/45% QoQ to INR3.8b (est. INR3.6b).
- Net cash balance stood at INR16.3b as of 1HFY27 vs. INR15.3b as of Mar'26, and the company maintained its NWC days at nil, the same as the FY26 level.

Key highlights from the management commentary

- **Capacity:** APAT plans to add 3MTPA of incremental capacity over the next 2-3 years. 2MMT greenfield & brownfield capacity will be added in East (Gorakhpur, Siliguri), South (Malur) and Western coastal area. 1MMT will be enhanced via debottlenecking (plant modernization and replacement of conventional mills). Cumulative capacity of the company will be 8MMT by FY28.
- **EBITDA to grow 20%+ YoY:** The company achieved EBITDA/MT of INR5,999, backed by a higher contribution from roofing structures and APL Apollo brand. With Dubai and low-end product sales likely to remain soft, management expects to maintain EBITDA/MT of INR6,000+ in 2HFY27. Consequently, APAT is confident of achieving EBITDA growth guidance of 20%+ YoY in FY27, or even better if the Dubai plant resumes operations.
- **New applications:** The company stated that it has entered new segments, viz. defense and aerospace, via a new tube mill, and product samples have been submitted to relevant authorities for approvals. Management expects meaningful volumes and higher margins from these new applications.

Valuation and view

- APAT's growth outlook remains robust, underpinned by the rising adoption of structural tubes across housing and infrastructure segments, supporting our 11% volume CAGR estimate over FY26-28. Expansion into high-growth sectors such as solar infrastructure, defense and aerospace further strengthens its growth runway and addressable market.
- Owing to better EBITDA/MT, we have increased our FY27E EPS by 6% and we forecast a revenue/EBITDA/PAT CAGR of 17%/18%/21% over FY26-28. At CMP, the stock trades at 32.7x FY28E EPS of INR63.4. **We reiterate our BUY rating and value APAT at 40x FY28E EPS to arrive at our TP of INR2,535.**

Consolidated - Quarterly Earnings Model (INRm)

Y/E March	FY26				FY27				FY26	FY27	Q2FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	%
Gross Sales	**53,955**	**54,320**	**59,824**	**62,692**	**56,067**	**70,017**	**76,512**	**79,157**	**2,30,790**	**2,81,754**	**72,641**	**-4**
YoY Change (%)	8.5	13.8	10.1	13.8	3.9	28.9	27.9	26.3	11.5	22.1	33.7	
Total Expenditure	50,235	49,850	55,106	57,581	51,954	64,239	70,075	72,590	2,12,772	2,58,859	67,280	
EBITDA	**3,720**	**4,470**	**4,718**	**5,110**	**4,113**	**5,778**	**6,437**	**6,567**	**18,018**	**22,895**	**5,361**	**8**
Margins (%)	6.9	8.2	7.9	8.2	7.3	8.3	8.4	8.3	7.8	8.1	7.4	
Depreciation	544	581	592	593	594	659	700	747	2,309	2,700	750	
Interest	333	276	329	317	389	524	110	177	1,254	1,200	200	
Other Income	256	251	247	365	395	402	400	391	1,119	1,588	385	
PBT before EO expense	**3,099**	**3,864**	**4,045**	**4,566**	**3,524**	**4,997**	**6,027**	**6,034**	**15,574**	**20,582**	**4,796**	
PBT	**3,099**	**3,864**	**4,045**	**4,566**	**3,524**	**4,997**	**6,027**	**6,034**	**15,574**	**20,582**	**4,796**	
Tax	728	848	944	1,023	893	1,173	1,590	1,525	3,543	5,181	1,199	
Rate (%)	23.5	22.0	23.3	22.4	25.3	23.5	26.4	25.3	22.7	25.2	25.0	
Reported PAT	**2,372**	**3,015**	**3,100**	**3,544**	**2,631**	**3,824**	**4,438**	**4,508**	**12,031**	**15,401**	**3,597**	
Adj PAT	**2,372**	**3,015**	**3,100**	**3,544**	**2,631**	**3,824**	**4,438**	**4,508**	**12,031**	**15,401**	**3,597**	**6**
YoY Change (%)	22.8	460.4	42.9	20.9	10.9	26.8	43.1	27.2	58.9	28.0	19.3	
Margins (%)	4.4	5.6	5.2	5.7	4.7	5.5	5.8	5.7	5.2	5.5	5.0	

Exhibit 1: Brand-wise volume breakup

Volumes MT	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
APL Apollo	6,40,259	6,53,679	6,64,992	6,97,095	5,68,691	7,74,751
SG Premium	14,141	38,356	87,860	90,504	58,686	26,910
UAE operations	48,162	57,931	58,093	49,835	25,929	26,227
Roofing products	91,788	1,05,071	1,06,031	87,447	91,516	1,35,255
Total	**7,94,350**	**8,55,037**	**9,16,976**	**9,24,881**	**7,44,823**	**9,63,143**

Source: Company, MOFSL

SONA BLW Precision Forging

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	SONACOMS IN
Equity Shares (m)	622
M.Cap.(INRb)/(USDb)	488 / 5.1
52-Week Range (INR)	844 / 438
1, 6, 12 Rel. Per (%)	-4/43/75
12M Avg Val (INR M)	1456

Financials & Valuations (INR b)

Y/E Mar	2027E	2028E	2029E
Sales	60.1	71.5	85.8
EBITDA (%)	23.1	23.4	24.1
Adj. PAT	8.5	10.5	13.2
EPS (INR)	13.6	16.9	21.3
EPS Gr. (%)	26.8	24.5	25.6
BV/Sh. (INR)	108.0	119.9	136.2
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	13.2	14.9	16.6
RoCE (%)	12.5	14.1	15.9
Payout (%)	31.2	29.5	23.5
Valuations			
P/E (x)	57.6	46.3	36.8
P/BV (x)	7.3	6.5	5.8
EV/EBITDA (x)	34.7	28.6	22.9
Div. Yield (%)	0.5	0.6	0.6
FCF Yield (%)	0.8	0.9	1.4

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	27.9	28.0	28.0
DII	41.2	41.6	40.1
FII	23.9	23.6	23.5
Others	7.0	6.8	8.4

FII Includes depository receipts

CMP:INR782 **TP: INR800 (+2%)** **Neutral**

Earnings beat led by strong top-line performance

Strong demand, margins to remain under pressure

- SONA BLW Precision Forging's (SONACOMS) 2QFY27 consol. PAT at INR2.2b beat our estimates, aided by strong 35% YoY revenue growth to INR15.5b. EBITDA margin contracted 230bp YoY to 23% (in line), remaining broadly stable QoQ despite commodity headwinds and adverse product mix due to positive impact from operating leverage.
- While the company is seeing traction from the domestic EV market, the global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS, given that 61% of its order book is from EVs. Its recent strategic partnership with Denso is certainly a key positive as it is likely to open up strong growth opportunities for both partners in the long run. However, following the recent run-up in the stock, most of the positives appear to be factored in. The stock at 57.6x/46.3x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR800, valued at 42x Sep'28E EPS.**

Margins remain stable despite commodity headwinds

- SONACOMS' 2QFY27 revenue grew 35% YoY to INR15.5b (15% above est). BEV revenue grew 129% YoY to INR6.06b and now accounts for 51% of automotive product revenue (vs 35% in FY26).
- 1H segment mix: PV – 49%, CV – 7%, E2W/E3W – 14%, Non-auto – 29%, Robotics and Physical AI – 1%.
- EBITDA margin contracted 230bp YoY to 23% (in line) due to higher input costs and an adverse product mix (higher contribution from the traction motor business).
- As a result, EBITDA grew 23% YoY to INR3.5b (15% above est).
- PAT grew 30% YoY to INR2.2b (20% above est).

Highlights from the management commentary

- EBITDA margin contracted 230bp YoY to 23.0% due to an adverse product mix, led by strong traction motor growth, and persistent input cost inflation and higher freight rates. Management has maintained its 23-25% margin guidance, supported by operating leverage, although sustained material inflation remains a downside risk.
- SONACOMS secured its third-highest-ever quarterly order wins by value, taking its net order book to INR251b (5.6x FY26 revenue). Wins across EV and non-EV products, including additional traction motor volumes and differential assemblies, provide strong revenue visibility and reinforce customer diversification.
- The company began commercialization of three products, helical limited-slip differential, railway air springs, and rear radar sensors for two-wheelers. These launches strengthens its presence across driveline, railway, and connected mobility segments. Continued product development across segments, European OEMs seeking Chinese alternates for DA and DG and acquisitions will continue to be the growth levers for SONA going forward.

- On the partnership with Denso, Management expects JV1, involving the carve-out of the relevant business, to close by the end of December 2026 or January 2027, subject to timing considerations. JV2, involving high-voltage electric and hybrid systems for passenger and commercial vehicles is targeted for closure in H1CY27.

Valuation and view

While the company is seeing traction from the domestic EV market, the global auto demand slowdown and a slower-than-expected EV transition in key markets remain the key concerns for SONACOMS, given that 61% of its order book is from EVs. Its recent strategic partnership with Denso is certainly a key positive as it is likely to open up strong growth opportunities for both partners in the long run. However, following the recent run-up in the stock, most of the positives appear to be factored in. The stock at 57.6x/46.3x FY27E/FY28E appears fairly valued. **We reiterate our Neutral rating with a TP of INR800, valued at 42x Sep'28E EPS.**

Consol. Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E		Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating revenues	**8,509**	**11,435**	**12,085**	**12,723**	**13,104**	**15,464**	**15,363**	**16,156**	**43,341**	**58,275**	**13,418**	15.2
Change (%)	-4.7	23.6	39.2	49.8	54.0	35.2	27.1	27.0	21.9	34.5	17.3	
EBITDA	**2,026**	**2,891**	**3,046**	**3,106**	**3,026**	**3,562**	**3,579**	**3,698**	**11,069**	**13,866**	**3,086**	15.4
EBITDA Margins (%)	23.8	25.3	25.2	24.4	23.1	23.0	23.3	22.9	24.7	23.1	23.0	0bp
Change (%)	-19.4	13.4	30.1	43.8	49.4	23.2	17.5	19.0	13.5	25.3	6.8	
Depreciation	670	716	749	743	769	789	805	815	2,877	3,178	780	
EBIT	**1,356**	**2,174**	**2,298**	**2,364**	**2,257**	**2,773**	**2,774**	**2,883**	**8,191**	**10,688**	**2,306**	20.3
EBIT Margins (%)	15.9	19.0	19.0	18.6	17.2	17.9	18.1	17.8	18.3	17.8	17.2	
Interest	53	52	55	75	105	123	102	137	235	467	102	
Non-Operating Income	442	170	173	186	257	310	290	282	970	1,138	290	
PBT	**1,652**	**2,276**	**2,014**	**2,474**	**2,409**	**2,960**	**2,962**	**3,027**	**8,926**	**11,358**	**2,494**	18.7
Effective Tax Rate (%)	26.3	25.1	25.4	24.5	25.9	24.7	25.5	26.0	0.2	0.3	25.5	
Adjusted PAT	**1,309**	**1,717**	**1,807**	**1,869**	**1,785**	**2,230**	**2,207**	**2,240**	**6,786**	**8,462**	**1,858**	20.0
Change (%)	-7.6	13.0	16.5	23.6	36.4	29.8	22.2	19.9	9.5	24.7	8.2	

E: MOFSL Estimates

L&T Technology

BSE SENSEX	S&P CNX
73,607	22,753

L&T Technology Services

Stock Info

Bloomberg	LTTS IN
Equity Shares (m)	106
M.Cap.(INRb)/(USDb)	428.2 / 4.5
52-Week Range (INR)	4747 / 3010
1, 6, 12 Rel. Per (%)	27/24/9
12M Avg Val (INR M)	713
Free float (%)	26.5

Financials & Valuations (INR b)

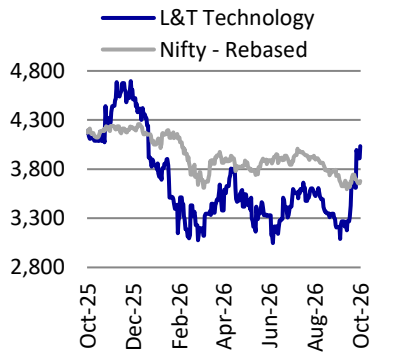
Y/E Mar	FY26	FY27E	FY28E
Sales	110.0	123.7	136.1
EBIT Margin (%)	14.5	16.0	16.3
Adj. PAT	12.8	15.3	17.7
Adj. EPS (INR)	119.2	143.9	166.3
EPS Gr. (%)	3.2	20.7	15.6
BV/Sh. (INR)	610.6	682.7	777.2
Ratios			
RoE (%)	20.3	24.8	22.8
RoCE (%)	16.8	18.8	18.4
Payout (%)	48.6	41.7	36.1
Valuations			
P/E (x)	33.8	28.0	24.3
P/BV (x)	6.6	5.9	5.2
EV/EBITDA (x)	20.8	16.8	14.7
Div Yield (%)	1.4	1.5	1.5

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	73.5	73.5	73.6
DII	13.8	14.1	14.1
FII	4.4	4.1	4.7
Others	8.3	8.3	7.6

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR4,036 TP: INR3,850 (-5%) Neutral

Management meet takeaways: Margins stable, revenue rises

Re-rating hinges on all three verticals firing at double-digit growth

- **We met with L&T Technology Services (LTTS)'s CEO Mr. Amit Chadha to discuss** the 1) FY27-28 growth outlook, 2) key verticals including Sustainability, Mobility and Tech, 3) emerging opportunities in data centers and Physical AI, and 4) outlook on margins and pricing. The long-term aspiration is a 13-15% revenue CAGR, with the strategy and key growth priorities to be outlined at the Investor Day in Jan/Feb'27.
- Management highlighted that Sustainability continues to grow in double digits; US Mobility is stabilizing, though European auto remains a near-term drag, and Tech should improve once portfolio pruning is complete. **We believe the portfolio is well set up and well diversified for a recovery in ER&D. However, all three verticals firing is critical for a re-rating, which we await in FY28.** We value LTTS at 23x FY28E EPS with a **TP of INR3,850**, implying 5% downside**. We believe margins are now stable, and we will turn incrementally positive as we see signs of a broader recovery across verticals.** We reiterate our **Neutral** rating on the stock.

Growth outlook: FY27 a transition year; setup improving beyond

- We expect H2FY27 to be better than H1; **European auto weakness remains the key drag on consolidated growth, partly offset by steady momentum in Sustainability.** The outlook beyond FY27 is more supportive as Mobility and Tech recover.
- The company's ambition is for all three verticals to grow in double digits. If two verticals deliver, consolidated growth reaches double digits; if all three deliver, growth moves into high double digits. **In our view, a re-rating needs all three verticals firing together, which we do not yet see in FY27.**
- **LTTS now runs Mobility, Sustainability and Tech as three internally separate businesses, each with its own peer set.** About 60% of resources sit in horizontals, allowing talent to move as demand shifts across verticals – this is key to margin resilience as well.
- Management believes new bets, **which contribute less than 50% of revenue today, could account for ~80% of revenue in about five years, implying that 40-50% of the current business may be displaced.**

Sustainability: Double-digit growth to continue; margins at peak

- **Sustainability remains the strongest vertical, with healthy growth over the past 4-5 years.** It spans four sub-segments: Oil & Gas/Chemicals/LNG, CPG, Building and Plant Automation, and Machinery/Equipment/Electricals. **Current growth is led by Electricals, Machinery and Oil & Gas.**
- Management **expects double-digit growth in Sustainability to continue over the medium term.** Drivers include data center equipment, electrical OEM work and plant modernization. Competitive intensity in this vertical is limited, which management believes supports both growth visibility and pricing.

- **Margins in the vertical are already at peak levels, and management does not expect further expansion because it would not be sustainable**. We therefore see Sustainability as the growth anchor for FY27, but not a source of incremental margin upside for the consolidated business.

Mobility: US recovering; Europe remains a near-term drag

- **Mobility had a difficult period as LTTS built auto OEM exposure near the cycle peak, which was followed by the China recalibration and shifts in EV investments.** Revenue is split broadly evenly between US auto and Japan plus Europe auto, with Trucks and Off-Highway as the third pillar and Aerospace as the fourth.
- We believe US auto has absorbed write-offs and is already recovering, with SDV spending returning and EV programs pivoting to hybrid. **European auto, however, remains a drag, and its recovery is likely to take longer.** Given that Japan and Europe together are roughly the size of US auto, we see Europe as the key swing factor for Mobility growth.
- Management expects Mobility growth to improve as Europe stabilizes. **Mobility accounts for the largest share of the >USD50m deal pipeline, supporting the recovery case, and margins also have further headroom.** In our view, the timing of the European recovery remains the key risk to this trajectory.

Tech: Portfolio pruning largely done; recovery to follow

- Growth was muted this year as LTTS pruned some business, amid continued weakness among telecom operators.
- **LTTS expects Tech growth to improve once the portfolio pruning is behind it.** Focus areas are Semicon, Data Centers, Hyperscalers, Retail Tech and FinTech. The Semicon franchise has broadened from one anchor client to three leading chipmakers, which management believes improves the quality and durability of growth in the vertical.
- Margin improvement in Tech was masked by the Medtech ramp-down. **Tech is the most competitive of the three verticals, and in our view the hardest to scale**. A sustained recovery here is a prerequisite for the high double-digit consolidated growth scenario outlined by management.

Data centers and Physical AI: Early-stage growth options

- **LTTS works with data center cooling, energy, electrical OEM, chip and network equipment providers, rather than operators directly**. The roadmap includes orchestration layers for platform data center companies, observability apps, agents and GPU bring-up. Management sees the landscape as fragmented with limited competition so far, and notes that several industrial and auto companies are setting up data center divisions.
- **The Engineering Intelligence (EI) platform is model-agnostic and marketplace-based, with ~45 clients live and ~253 IP filings.** It rests on three pillars: EI for Engineering (faster development and testing), EI for Products (edge AI in devices) and AI for Manufacturing. The last two together form the company's Physical AI proposition.
- **LTTS has set up a Physical AI lab with a leading GPU OEM and is hosting top clients there to demonstrate capabilities. Around 64% of employees are AI-trained** and the sales force has been retrained for the new selling environment.

Revenue contribution remains small; more detail is expected at the Investor Day.

Margins and pricing: 16-17% band; upside to be reinvested

- EBIT margin stands at 16.3%, and **management is comfortable holding a 16-17% band. Levers include a higher offshore mix, more fixed-price contracts, AI deployment in delivery and SG&A optimization**. SG&A has declined to ~13% from ~14%, with ~50bp of further headroom.
- Any margin upside will be reinvested in tuck-in acquisitions, labs and accelerators rather than flowing to the bottom line. **R&D and lab capex is held at 1.5-2.0% of revenue. We therefore expect limited margin-led EPS upside, with earnings growth over FY27-29E driven by revenue acceleration**.

Valuation and view: Well diversified; re-rating hinges on all three verticals firing

- **We believe LTTS's three-vertical portfolio is well set up and well diversified for a recovery in ER&D: Sustainability provides stability, Mobility is leveraged to the auto recovery** and Tech offers optionality from Semicon and data centers. However, all three verticals firing together is critical for a re-rating, and European Mobility remains a drag in the near term.
- Key monitorables are the pace of the European auto recovery, the Tech turnaround and the Investor Day in Jan/Feb'27, where management will detail the 13-15% CAGR aspiration. **We value LTTS at 23x FY28E EPS, with a TP of INR3,850, implying 5% downside. We reiterate our Neutral rating on the stock.**

Supreme Industries

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	SI IN
Equity Shares (m)	127
M.Cap.(INRb)/(USDb)	412.8 / 4.3
52-Week Range (INR)	4075 / 3140
1, 6, 12 Rel. Per (%)	-7/-7/-7
12M Avg Val (INR M)	996

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	112.2	146.5	153.8
EBITDA	15.5	20.2	20.9
Adj. PAT	9.5	13.3	13.4
Adj. EPS (INR)	75.1	104.9	105.8
EPS Gr. (%)	-0.7	39.7	0.9
BV/Sh. (INR)	486	549	609
Ratios			
RoE (%)	15.5	19.1	17.4
RoCE (%)	19.7	23.8	21.5
Payout (%)	47.9	39.1	43.5
Valuations			
P/E (x)	43.3	31.0	30.8
P/BV (x)	6.7	5.9	5.3
EV/EBITDA (x)	26.2	20.1	19.1
Div. Yield (%)	1.1	1.3	1.4

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	49.0	49.0	48.9
DII	19.7	19.1	16.1
FII	16.6	17.1	20.7
Others	14.8	14.9	14.4

CMP: INR3,250 TP: INR3,704 (+14%) Neutral

Earnings miss; volume guidance downgraded

Volume/revenue in line; earnings miss due to lower margins

- Supreme Industries (SI) reported a 19% YoY rise in overall volume in 2QFY27, whereas its revenue surged 40% YoY, aided by better realization.
- Both volume and revenue were in line with our expectations.
- EBITDA/PAT grew 45%/59% YoY but missed our estimates by 7-11%.
- Gross margin contracted ~400bp YoY and QoQ to 29.8% and dragged down EBITDA margin to 12.8% vs. our estimate of 14.3%.
- EBIT margin contracted across key segments.
- Cash flows remained robust. Net cash surplus stood at INR6.9b.
- VAP segment contributed ~43% to total revenue.

Key highlights from the management commentary

- Volumes revived strongly in 2Q (up 19% YoY), driven by broadly stable PVC prices, removal of customs duty exemption w.e.f. 16th Jul'26, and MIP implementation for suspension-grade PVC resin.
- While the momentum has sustained in 3Q with 20%+ growth in Oct so far, management has lowered its FY27 volume growth guidance to ~10% from 13-15% earlier. Pipe volume growth guidance has been cut to ~13% now from 15-17% earlier. We still see this as an optimistic scenario after flat growth in 1H.
- EBITDA margin guidance is unchanged at 14-14.5%. We also see this as an optimistic guidance after a low 12.8% reported in 2Q (1H at 13.6%).
- CPVC volume growth for SI stood at 13.5% YoY in 1H.
- Industry-wide PVC volume is expected to decline ~10% YoY in 1H.
- Channels are keeping inventory low due to volatile PVC prices.
- Capex in FY27 is aimed at over INR7b, to be majorly used for new greenfield plants in Bihar, Jammu and MP (Malanpur). These plants are expected to be completed in phases over the next two years.
- SI is now supplying composite LPG cylinders to all three OMCs. It has also commenced supplying cascades for CNG applications.

Valuation and view: Maintain Neutral rating

- After 19.4% volume growth in 2Q and flat growth in 1H, we expect ~9% volume growth in FY27 as compared to management's downward revised guidance of over 10% (from earlier 15%).
- After a miss in EBITDA/PAT in 2Q, we cut our FY27/28 EPS estimates by 2%/4%. We now expect flat earnings in FY28 on a high base of FY27.
- Over FY26-28, we now expect a CAGR of 17%/16%/19% in revenue/ EBITDA/APAT, with a 10% volume CAGR, ~13.8% EBITDA margin (vs. 14-14.5% guidance), strong FCF and healthy return ratios.
- We maintain our Neutral rating on SI with a revised TP of INR3,704, based on 35x FY28E P/E. Higher-than-expected volume growth and/or margins are the key upside risk to our call.

Consolidated quarterly performance (INR m)

	FY26				FY27E				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q Est.	%
Net Sales	**26,092**	**23,939**	**26,869**	**35,277**	**27,177**	**33,613**	**38,200**	**47,518**	**1,12,177**	**1,46,507**	**32,534**	**3**
YoY Change (%)	-1	5	7	17	4	40	42	35	7.4	30.6	35.9	
Total Expenditure	22,903	20,965	23,731	29,045	23,197	29,303	32,931	40,833	96,645	1,26,264	27,892	
EBITDA	**3,189**	**2,974**	**3,138**	**6,231**	**3,980**	**4,310**	**5,269**	**6,684**	**15,532**	**20,243**	**4,642**	**-7**
Margins (%)	12.2	12.4	11.7	17.7	14.6	12.8	13.8	14.1	13.8	13.8	14.3	
Depreciation	930	1,044	1,095	1,214	1,223	1,223	1,233	1,243	4,283	4,922	1,233	
Interest	28	58	114	90	42	31	40	40	290	153	50	
Other Income	169	155	38	86	91	87	90	100	448	368	100	
PBT before EO expense	**2,400**	**2,028**	**1,967**	**5,013**	**2,806**	**3,143**	**4,086**	**5,501**	**11,407**	**15,537**	**3,458**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**2,400**	**2,028**	**1,967**	**5,013**	**2,806**	**3,143**	**4,086**	**5,501**	**11,407**	**15,537**	**3,458**	**-9**
Tax	629	529	527	1,195	729	815	1,062	1,430	2,879	4,037	899	
Rate (%)	26.2	26.1	26.8	23.8	26.0	25.9	26.0	26.0	25.2	26.0	26.0	
Minority Interest												
Profit/(Loss) - Associates	252	149	94	517	731	296	300	500	1,012	1,827	400	
Reported PAT	**2,023**	**1,647**	**1,534**	**4,336**	**2,807**	**2,624**	**3,324**	**4,571**	**9,540**	**13,327**	**2,959**	**-11**
Adj PAT	**2,023**	**1,647**	**1,534**	**4,336**	**2,807**	**2,624**	**3,324**	**4,571**	**9,540**	**13,327**	**2,959**	**-11**
YoY Change (%)	-26.0	-20.3	-18.0	47.5	38.8	59.3	116.7	5.4	-0.7	39.7	79.6	
Margins (%)	7.8	6.9	5.7	12.3	10.3	7.8	8.7	9.6	8.5	9.1	9.1	

E: MOFSL Estimates

Dalmia Bharat

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	DALBHARA IN
Equity Shares (m)	188
M.Cap.(INRb)/(USDb)	304.8 / 3.2
52-Week Range (INR)	2260 / 1573
1, 6, 12 Rel. Per (%)	-3/-12/-11
12M Avg Val (INR M)	529
Free float (%)	44.2

Financial Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	147.7	165.6	187.3
EBITDA	30.5	28.2	35.8
Adj. PAT	10.5	7.1	8.0
EBITDA Margin (%)	20.6	17.0	19.1
Adj. EPS (INR)	56.2	37.8	42.8
EPS Gr. (%)	51.5	-32.7	13.1
BV/Sh. (INR)	959	968	1,000
Ratios			
Net D:E	0.1	0.3	0.3
RoE (%)	6.0	3.9	4.3
RoCE (%)	6.0	5.4	5.3
Payout (%)	16.0	23.8	23.4
Valuations			
P/E (x)	29.0	43.1	38.1
P/BV (x)	1.7	1.7	1.6
EV/EBITDA(x)	9.6	12.0	10.1
EV/ton (USD)	62	59	57
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	0.8	-14.0	2.4

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	55.8	55.8	55.8
DII	19.1	20.1	18.0
FII	7.4	6.8	8.8
Others	17.7	17.3	17.5

FII includes depository receipts

CMP: INR1,625 **TP: INR1,950 (+20%)** **Buy**

Higher cost impacts performance

Pricing recovery to support margins; organic expansions on track

- Dalmia Bharat's (DALBHARA) 2QFY27 EBITDA was below our estimates, led by lower volume and higher-than-estimated opex/t. Revenue grew ~4% YoY to INR35.6b however, EBITDA declined ~29% YoY to INR4.9b (~10% miss). OPM dipped 6.5pp YoY to ~14% (est. ~15%); and EBITDA/t stood at INR694 (down ~31% YoY; ~8% below estimates). PAT (adj. for impairment loss and one-time employee separation cost) was INR325m vs. our est. of INR429m.
- DALBHARA indicated that its volume growth (organic business) in 2HFY27 is likely to be in line with the industry. The company's organic expansions are progressing as planned and is expected to be commissioned in 2HFY28, taking total grinding capacity to 67mtpa by the end of FY28. Elevated petcoke prices and input cost inflation has driven up variable costs by ~INR220/t, with packing materials adding another ~INR100/t in 1HFY27. Encouragingly, price hikes in Sep-Oct'26 are likely to support profitability.
- We cut our FY27 EBITDA/EPS estimates by ~4%/6%, to factor in the weak 2Q performance while, retaining our FY28 estimates. We value the stock at 12x FY28E EV/EBITDA to arrive at our TP of INR1,950. **Reiterate BUY.**

Volume rises ~3% YoY; realization/t increases ~1% YoY (down ~2% QoQ)

- Consol. revenue/EBITDA/adj. PAT stood at INR35.6b/INR4.9b/INR325m (+4%/-29%/-86% YoY and -2%/-10%/-26% vs. our estimates) in 2QFY27. Overall volume increased ~3% YoY to 7.1mt (-2% vs. estimates). Realization increased ~1% YoY (down ~2% QoQ) to INR5,018/t (in-line).
- Opex/t increased ~10% YoY driven by ~21%/11%/6% YoY increase in other expenses/variable cost/employee cost per ton. Freight cost/t declined ~1% YoY. OPM contracted 6.5pp YoY to ~14%. EBITDA/t declined ~31% YoY to INR694. Depreciation/interest costs increased ~13%/7% YoY. Other income declined 30% YoY.
- In 1HFY27, revenue/EBITDA/PAT stood at INR74.5b/INR13.0b/INR3.6b (+6%/-18%/-41% YoY). OPM contracted 5pp YoY to ~17%. EBITDA/t declined ~22% YoY to INR883. OCF stood at INR4.7b vs. INR7.4b in 1HFY26. Capex stood at INR14.2b vs. INR11.9b in 1HFY26. Net cash outflow stood at INR9.5b vs. INR4.5b in 1HFY26. Net debt increased to INR57.2b vs. INR14.3b as of Mar'26. Net-debt-to-EBITDA stood at 2.0x vs. 0.5x as of Mar'26.

Highlights from the management commentary

- Regional demand remained mixed, with East and North-East markets witnessing subdued activity due to floods and heavy rainfall, while South and West markets recorded healthy growth approaching double-digit levels.
- In 2QFY27 pricing remained weak in the East but stable in the South and West. However, prices have risen by ~INR15/bag in the South and East vs. the 2Q average, with positive momentum expected to continue.
- Organic capex stood at INR9.1b in 2QFY27, taking H1FY27 spending to INR14.2b, while FY27 capex guidance remains unchanged at INR32-34b.

Valuation and view

- DALBHARA's 2QFY27 performance was below our estimates, primarily due to higher costs and lower volume. While near-term cost pressures persist due to elevated fuel prices and additional costs associated with ramping up the acquired Central India plants, improving cement prices and internal cost-saving initiatives are expected to partly offset the impact. Central India plants are targeted to reach utilization of ~35-40% by the end of FY27 and achieve break-even by 4QFY27. We believe timely completion of ongoing organic capacity expansions and improved capacity utilization (currently at ~52-53%, including Central India capacity) remain the key catalysts for stock performance.
- We estimate a CAGR of 13%/8% in revenue/EBITDA over FY26-28. PAT is estimated to decline from FY26 levels due to higher depreciation and interest costs associated with capacity additions. We estimate a volume CAGR of ~10% over FY26-28E and EBITDA/t of INR871/ INR987 in FY27/FY28E vs. INR1,015 in FY26. The company's net-debt (excluding investment in IEX) is estimated to surge to INR61.3b/INR61.6b in FY27/FY28 vs. INR14.2b in FY26. The net-debt-to-EBITDA ratio is estimated at 2.6x/2.1x in FY27/FY28 vs. 0.9x in FY26.
- At CMP, the stock is trading at 12x/10x FY27E/FY28E EV/EBITDA and an EV/t of USD59/USD57. We value the stock at 12x FY28E EV/EBITDA to arrive at our TP of INR1,950. **Reiterate BUY.**

Quarterly Performance (Consolidated) **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	**36.4**	**34.2**	**34.7**	**42.5**	**38.9**	**35.6**	**41.4**	**49.7**	**147.7**	**165.6**	**36.4**	**-2**
YoY Change (%)	0.4	10.7	9.1	3.8	7.0	4.3	19.5	17.0	5.6	12.2	6.4	
Total Expenditure	27.5	27.2	29.0	33.4	30.9	30.7	34.8	41.0	117.2	137.4	30.9	-1
EBITDA	**8.8**	**7.0**	**5.7**	**9.0**	**8.1**	**4.9**	**6.6**	**8.6**	**30.5**	**28.2**	**5.5**	**-10**
Margins (%)	24.3	20.4	16.3	21.2	20.7	13.8	15.9	17.4	20.6	17.0	15.0	-116
YoY Change (%)	32.0	60.4	10.6	13.7	-8.8	-29.2	16.8	-4.1	26.5	-7.3	-21.6	
Depreciation	3.2	3.2	3.4	3.7	3.6	3.6	3.9	4.2	13.5	15.3	3.7	-2
Interest	1.1	1.2	1.2	1.3	1.5	1.3	1.6	1.6	4.8	6.0	1.6	-20
Other Income	0.5	0.7	0.6	0.5	1.4	0.5	0.4	0.5	2.2	2.7	0.5	-8
PBT before EO Expense	**5.0**	**3.2**	**1.7**	**4.5**	**4.4**	**0.5**	**1.5**	**3.3**	**14.4**	**9.6**	**0.6**	**-26**
Extra-Ord expense	-0.2	0.0	-0.1	0.1	1.8	3.4	0.0	0.0	-0.1	5.2	0.0	
PBT after EO Expense	**5.2**	**3.2**	**1.7**	**4.4**	**2.5**	**-2.9**	**1.5**	**3.3**	**14.5**	**4.4**	**0.6**	**NM**
Tax	1.2	0.8	0.4	1.2	0.6	-0.9	0.4	0.8	3.7	1.0	0.2	NM
Prior Period Tax Adjustment	0.0	0.0	0.0	-0.8	0.0	0.0	0.0	0.0	-0.7	0.0	0.0	
Rate (%)	24.5	24.8	26.0	26.7	14.2	-184.8	25.0	24.7	25.4	10.0	24.8	
Reported PAT (Pre Minority)	**4.0**	**2.4**	**1.3**	**4.0**	**1.9**	**-2.1**	**1.1**	**2.5**	**11.6**	**3.5**	**0.5**	**NM**
Minority + Associate	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.2	0.2	0.0	
Adj. PAT	**3.7**	**2.4**	**1.2**	**3.3**	**3.2**	**0.3**	**1.1**	**2.4**	**10.5**	**7.1**	**0.4**	**-26**
YoY Change (%)	65.8	329.1	100.4	-8.5	-13.0	-86.2	-8.0	-25.2	51.5	-32.7	-81.4	
Per Ton Analysis (Blended) INR/t												
Sales Dispatches (m ton)	**7.0**	**6.9**	**7.3**	**8.8**	**7.6**	**7.1**	**8.1**	**9.6**	**30.0**	**32.4**	**7.2**	**-2**
YoY Change (%)	-5.4	3.0	9.5	2.3	8.6	2.9	10.9	9.1	2.1	8.0	5.0	
Net Realization	**5,194**	**4,952**	**4,752**	**4,824**	**5,118**	**5,018**	**5,118**	**5,172**	**4,922**	**5,112**	**5,018**	**-0**
YoY Change (%)	6.2	7.5	-0.4	1.4	-1.5	1.3	7.7	7.2	3.4	3.9	1.3	
RM Cost	667	732	800	889	653	744	760	791	779	740	750	-1
Employee Expenses	324	328	307	247	322	346	312	269	298	309	345	0
Power, Oil & Fuel	1,036	1,039	1,019	902	1,120	1,231	1,261	1,330	993	1,242	1,170	5
Freight and Handling Outward	1,136	1,055	1,059	1,066	1,133	1,049	1,110	1,120	1,078	1,105	1,090	-4
Other Expenses	770	790	793	695	832	954	861	763	758	845	911	5
Total Expenses	**3,933**	**3,943**	**3,978**	**3,799**	**4,059**	**4,324**	**4,303**	**4,272**	**3,907**	**4,241**	**4,266**	**1**
EBITDA	**1,261**	**1,009**	**774**	**1,025**	**1,059**	**694**	**815**	**900**	**1,015**	**871**	**753**	**-8**

Source: Company, MOFSL Estimates

Castrol (India)

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	188.7 / 2
52-Week Range (INR)	203 / 170
1, 6, 12 Rel. Per (%)	-4/9/7
12M Avg Val (INR M)	430

Financials & Valuations (INR b)

Y/E Dec	CY26E	CY27E	CY28E
Sales	70.4	71.4	74.9
EBITDA	14.3	14.0	15.5
PAT	10.3	10.0	10.9
EPS (INR)	10.4	10.1	11.1
EPS Gr. (%)	6.3	-2.7	9.5
BV/Sh.(INR)	20.1	21.0	22.0
Ratios			
Net D:E	-0.6	-0.6	-0.7
RoE (%)	52.8	49.1	51.4
RoCE (%)	53.2	49.5	51.8
Payout (%)	91.1	91.1	91.1
Valuations			
P/E (x)	18.4	18.9	17.3
P/BV (x)	9.5	9.1	8.7
EV/EBITDA (x)	12.3	12.6	11.3
Div. Yield (%)	5.0	4.8	5.3
FCF Yield (%)	5.7	5.4	5.9

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	51.0	51.0	51.0
DII	13.3	14.4	15.0
FII	10.4	8.2	10.3
Others	25.3	26.4	23.8

FII includes depository receipts

CMP: INR191 **TP: INR220 (+15%)** **Buy**

Pricing actions & margin recovery remain the key monitorables

- Castrol (CSTRL)'s 3QCY26 EBITDA declined 19% YoY to INR2.6b, with margin contracting 860bp YoY and 1,130bp QoQ to 15.1% (vs. our estimate of 21.5%). Raw material costs increased >60%, compounded by adverse forex movements; pricing actions provided only a partial cushion. Reported PAT came in 30% below our estimate at INR1.8b. Other income and depreciation came in above our estimate.
- **Things we liked about the result:** 1) the industrial business has sustained double-digit volume growth for ~1.5-2 years, driven by customer additions across steel, cement and other sectors, alongside new metalworking fluid launches, with ~400 net customers added in 9MCY26; 2) the industrial business margins remained healthy and are expected to improve YoY, supported by product localization, cost efficiencies, and specialized product offerings; 3) CSTRL expects the rural business to grow ahead of the market, having expanded its rural reach to ~46,000 outlets and its rural service network to 1,000+ locations; 4) nationwide reach expanded to ~167,000 outlets, including ~50,000 physical stores for Auto Care products. The service network comprises 870+ Castrol Auto Service centres, 37,000 independent bike workshops and 16,000 multi-brand workshops.
- **Key monitorables:** 1) Management expects continued input costs and forex volatility in the short to medium term, and although the medium-term EBITDA margin target remains 21-24%, the pace of recovery is uncertain; 2) no near-term volume guidance was provided amid raw material volatility, and passing on cost increases without compromising volumes and market share remains challenging in a competitive industry, with overall volumes likely to remain soft in the short to medium term; 3) progress in the commercialization of data center cooling lubricants remains in focus; and 4) clarity on the timeline for completion of the BP-Stonepeak transaction and the subsequent open offer remains a key monitorable.
- CSTRL has always enjoyed a strong brand legacy, and we are confident in its ability to maintain profitability through an improved product mix, stringent cost-control measures, and the launch of advanced products that command better realization. **We value the stock at 20x Sep'28 EPS to arrive at our TP of INR220. We reiterate our BUY rating.**

Miss due to a weaker-than-estimated EBITDA margin

- CSTRL's 3QCY26 revenue stood 6% above our est. at ~INR17.3b (up 27% YoY).
- EBITDA stood 26% below our est. at INR2.6b (down 19% YoY).
  - EBITDA margin declined 860bp/1130bp YoY/QoQ to 15.1% (est.: 21.5%).
- Reported PAT came in 30% below our estimate at INR1.8b.
  - Other income and depreciation came in above our estimate.

Press release KTAs

- **Expanded distribution reach and strengthened service network:**
  - Increased the nationwide distribution footprint to ~167,000 outlets, including ~46,000 rural outlets, while extending Auto Care availability to ~50,000 physical outlets alongside e-commerce and modern trade channels.
  - Further strengthened the service network with 870+ Castrol Auto Service centers, 37,000+ independent bike workshops and 16,000 multi-brand workshops. Rural Service Express expanded to 1,000+ locations.
  - Acquired 175+ new customers across automotive and mining segments, including workshops and franchise networks, while the industrial business added 700 customers across automotive and machinery manufacturing, metals, aerospace and sugar.
- **Advanced product innovation and localisation:**
  - Introduced Magna CTX, a circulating oil range for demanding industrial applications, including MORGOIL back-up roll bearings.
  - Expanded localized offerings with Castrol Engine Shampoo for cars and bikes, alongside Hysol 35 XBB and Hysol 61 XBB, a boron-free metalworking fluid for industrial machining.
- **Enhanced brand engagement and community outreach:**
  - Reinforced the "non-stop protection even before you start" proposition for Castrol MAGNATEC, highlighting its ability to protect critical engine components even when the engine is switched off.
  - Organized Freedom to Ride community rides across Mumbai, Pune and Hyderabad, engaging performance biking enthusiasts.
  - Recognized Castrol Super Mechanics through a graduation ceremony, with participants receiving certifications from the Automotive Skills Development Council (ASDC), India's automotive sector skill council.

Valuation and view

- We cut our EBITDA margin estimates to factor in sustained input cost pressures and limited near-term pricing flexibility. We now model EBITDA margins of 20.3%/19.5% for CY26/CY27, below the company's long-term guidance range of 21-24%, factoring in the impact of elevated crude oil prices and ongoing supply chain disruptions, which are likely to weigh on profitability in the near to medium term. We estimate a volume CAGR of 6% over CY25-27, primarily driven by growth in the industrial and rural segments. The stock currently trades at ~19x CY27E EPS, with a ~5% dividend yield and healthy RoE/RoCE of ~50% in CY27.
- We value the stock at 20x Sep'28 EPS to arrive at our TP of INR220. **We reiterate our BUY rating.**

Quarterly Performance (INR m)

Y/E December	CY25				CY26				CY25	CY26E	CY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Volume (m litres)	**63.0**	**66.0**	**59.0**	**63.7**	**67.7**	**70.0**	**62.1**	**67.0**	**251.7**	**266.8**	**62.0**	**0%**
Realization	**226**	**227**	**231**	**226**	**228**	**268**	**279**	**280**	227	264	**265**	**6%**
Net Sales	**14,220**	**14,968**	**13,628**	**14,399**	**15,452**	**18,715**	**17,347**	**18,747**	**57,215**	**70,352**	**16,398**	**6%**
YoY Change (%)	7.3	7.1	5.8	6.4	8.7	25.0	27.3	30.2	6.6	23.0	20.3	
EBITDA	**3,074**	**3,495**	**3,228**	**3,678**	**3,293**	**4,942**	**2,620**	**3,371**	**13,475**	**14,309**	**3,528**	**-26%**
YoY Change (%)	4.6	8.4	12.8	-2.1	7.1	41.4	-18.8	-8.3	5.4	6.2	9.3	
Margin (%)	21.6	23.4	23.7	25.5	21.3	26.4	15.1	18.0	23.6	20.3	21.5	**-30%**
Depreciation	246	266	252	245	277	305	303	267	1,008	1,099	274	
Interest	23	26	21	23	19	17	17	24	93	98	22	
Other Income	322	93	123	136	233	140	134	120	674	628	130	
PBT before EO expense	**3,127**	**3,295**	**3,079**	**3,547**	**3,231**	**4,760**	**2,434**	**3,201**	**13,048**	**13,740**	**3,362**	**-28%**
Extra-Ord expense	0	0	0	225	0	0	0	0	225	0	0	
PBT	**3,127**	**3,295**	**3,079**	**3,322**	**3,231**	**4,760**	**2,434**	**3,201**	**12,823**	**13,740**	**3,362**	**-28%**
Tax	793	855	801	875	809	1,283	670	807	3,324	3,462	847	
Rate (%)	25.3	26.0	26.0	26.3	25.0	27.0	27.5	25.2	25.9	25.2	25.2	
PAT	**2,335**	**2,440**	**2,278**	**2,447**	**2,422**	**3,477**	**1,764**	**2,394**	**9,499**	**10,277**	**2,515**	**-30%**
Adj PAT	**2,335**	**2,440**	**2,278**	**2,613**	**2,422**	**3,477**	**1,764**	**2,394**	**9,666**	**10,277**	**2,515**	**-30%**
YoY Change (%)	8.0	5.1	9.8	-3.7	3.7	42.5	-22.6	-8.4	4.2	6.3	10.4	
Margins (%)	16.4	16.3	16.7	18.1	15.7	18.6	10.2	12.8	16.9	14.6	15.3	
E: MOFSL Estimates												
Operational Details (INR/lit)												
Volume (m litres)	63.0	66.0	59.0	63.7	67.7	70.0	62.1	67.0	251.7	266.8	62.0	0%
YoY Change (%)	8.6	8.2	7.3	8.0	7.5	6.0	5.3	5.2	8.0	6.0	5.0	5%
Realization	225.7	226.8	231.0	226.0	228.2	267.5	279.4	279.6	227.3	263.7	264.7	6%
Gross margin	108.5	109.9	115.1	112.2	111.9	136.0	102.1	116.0	111.3	117.3	123.8	-18%
EBITDA	48.8	53.0	54.7	57.7	48.6	70.6	42.2	50.3	53.5	53.6	57.0	-26%
PAT	37.1	37.0	38.6	41.0	35.8	49.7	28.4	35.7	38.4	38.5	40.6	-30%

Note: # We have assumed volume growth of 6%/5.3% YoY in 2QCY26/3QCY26

Kajaria Ceramics

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	KJC IN
Equity Shares (m)	157
M.Cap.(INRb)/(USDb)	178.8 / 1.9
52-Week Range (INR)	1276 / 870
1, 6, 12 Rel. Per (%)	-3/2/5
12M Avg Val (INR M)	392
Free float (%)	53.3

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	48.3	59.1	65.0
EBITDA	8.6	11.4	12.1
Adj. PAT	5.3	7.5	8.0
Adj. EPS (INR)	33.2	47.0	49.9
EPS Gr. (%)	79.9	41.4	6.2
BV/Sh. (INR)	192	223	255
Ratios			
RoE (%)	17.3	21.0	19.6
RoCE (%)	23.9	29.4	27.4
Payout (%)	45.9	34.1	36.1
Valuations			
P/E (x)	34.2	24.1	22.7
P/BV (x)	5.9	5.1	4.4
EV/EBITDA (x)	20.3	15.2	13.9
Div. Yield (%)	1.2	1.4	1.6

Shareholding pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	46.7	47.7	47.6
DII	26.1	26.2	26.0
FII	12.1	11.6	11.6
Others	15.1	14.5	14.8

CMP: INR1,120 TP: INR1,500 (+34%) Buy

Strong business traction to sustain in 2HFY27

KJC's 2Q results beat our earnings estimates

- Kajaria Ceramics (KJC) reported better-than-estimated results in 2QFY27.
- Its consolidated revenue/EBITDA/PAT grew 24%/34%/43% YoY.
- Tile volume (up 10% YoY) and revenue were in line. EBITDA/PAT came in 7-8% higher than our estimates.
- Volume growth was aided by improved demand and market share gains.
- KJC's EBITDA margin remained high at 19.5%, aided by reasonable price hikes (tile NSR up 11% YoY, 1% QoQ) and limited competition, despite rise in power and fuel costs (20.3% of revenue).
- The Board also announced an interim dividend of INR12/share.

Key highlights from the management commentary

- Volume growth in 2Q came from across regions and segments and was aided by improved demand and market-share gains.
- About 50% of Morbi-based export-focused manufacturers are still shut due to the continued elevated freight rates and limited container availability.
- Gas prices were broadly stable, with a slight dip in 2Q. However, they have started rising and are expected to remain at elevated levels in 2H.
- **Guidance:** Management expects double-digit growth in tile volume to sustain in 2HFY27. The current EBITDA margin of 18-20% is sustainable for at least some time.
- Adhesive revenue is aimed at INR2.4b in FY27 and ~INR4.0b in FY28 vs. ~INR1.25b in FY26.
- Bathware and Adhesive segments are high-focus areas and have strong margin and RoCE profiles.
- Price hikes: KJC has taken 12-13% price hikes to date across segments vs. 30%+ hikes taken by Morbi players.
- KJC has announced several capex plans at multiple locations (Srikalahasti, Gailpur, Durgapur), scheduled to be commissioned from Apr'27 onwards.

Valuation and view

- Following a strong 2Q and robust guidance, we raise our FY27 earnings estimates by 2% and maintain them for FY28.
- We now expect a CAGR of 10%/16%/19%/23% in tile volume/revenue/EBITDA/PAT over FY26-28 (FY19-26: 6%/7%/10%/13%).
- We also project ~20% RoE, ~27% RoCE (pre-tax), and ~35% RoIC in FY28, and more than INR5b annual FCF for the company.
- **Expecting a recovery in sales volume, high margins, and strong cash flows, we reiterate our BUY rating on KJC with an unchanged TP of INR1,500, based on 30x FY28E EPS.**
- **Key downside risk: Strong comeback by Morbi players may intensify competition and dent the financials of KJC.**

Consolidated quarterly performance (INR m)

	FY26				FY27E				FY26	FY27E	FY27	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q Est.	%
Net Sales	**11,027**	**11,860**	**11,683**	**13,734**	**13,281**	**14,683**	**14,541**	**16,632**	**48,304**	**59,136**	**14,392**	**2**
YoY Change (%)	0.6	2.1	1.1	12.4	20.4	23.8	24.5	21.1	4.2	22.4	21.3	
Total Expenditure	9,159	9,726	9,671	11,099	10,677	11,816	11,783	13,386	39,654	47,662	11,707	
EBITDA	**1,869**	**2,135**	**2,012**	**2,635**	**2,604**	**2,867**	**2,758**	**3,246**	**8,650**	**11,475**	**2,685**	**7**
YoY Change (%)	9.3	30.6	31.2	90.4	39.3	34.3	37.1	23.2	38.1	32.7	25.8	
Margins (%)	16.9	18.0	17.2	19.2	19.6	19.5	19.0	19.5	17.9	19.4	18.7	
Depreciation	436	419	415	423	422	431	436	441	1,694	1,730	427	
Interest	52	58	59	57	50	53	53	53	226	208	50	
Other Income	132	155	117	125	171	158	163	168	529	659	176	
PBT before EO expense	**1,513**	**1,813**	**1,654**	**2,279**	**2,303**	**2,541**	**2,432**	**2,920**	**7,258**	**10,195**	**2,384**	
Extra-Ord expense	0	0	-396	-44	0	-16	0	0	-440	-16	0	
PBT	**1,513**	**1,813**	**1,258**	**2,235**	**2,303**	**2,525**	**2,432**	**2,920**	**6,818**	**10,179**	**2,384**	**6**
Tax	396	472	386	674	603	643	644	774	1,928	2,664	632	
Rate (%)	26.2	26.0	30.7	30.2	26.2	25.5	26.5	26.5	28.3	26.2	26.5	
Minority Interest	-13	-10	16	-8	-16	-12	-5	-5	16	38	-5	
Profit/(Loss) - Associates	-14	-1	-11	5	11	25	10	10	-20	56	10	
Reported PAT	**1,090**	**1,330**	**877**	**1,558**	**1,695**	**1,895**	**1,792**	**2,151**	**4,854**	**7,534**	**1,757**	**8**
Adj PAT	**1,090**	**1,330**	**1,274**	**1,601**	**1,695**	**1,911**	**1,792**	**2,151**	**5,294**	**7,549**	**1,757**	**9**
YoY Change (%)	14.9	53.2	58.8	265.3	55.5	43.7	40.7	34.3	79.9	42.6	32.2	
Margins (%)	9.9	11.2	10.9	11.7	12.8	13.0	12.3	12.9	11.0	12.8	12.2	

E: MOFSL Estimates

Eris Lifesciences

Estimate change	⇔
TP change	↓
Rating change	⇔

CMP: INR1,100 TP: INR1,140 (+4%) Neutral

Operationally in line; DBF steady; Swiss in repair mode

Portfolio rationalization, Bhopal ramp-up and Swiss remediation underway

- Eris Lifescience (ERIS) delivered in-line revenue/EBITDA in 2QFY27. Notably, PAT was marginally better than our estimates (6% ahead) due to a lower tax rate for the quarter.
- The domestic branded formulation (DBF) segment's YoY growth trend improved, with the diabetes and VMN therapies outperforming the industry. Notably, excl. Zorvia, DBF grew 16.5% YoY this quarter.
- ERIS wrote off receivables worth INR360m related to at-risk products taken back.
- The international business performance remained subdued due to EU GMP-remediation at Swiss Parenterals, with recovery contingent on CAPA closure and ramp-up of CDMO commercialization.
- The out-licensing of Zorvia portfolio and Bhopal facility ramp-up are expected to support ~100bp gross margin (GM) improvement in 2HFY27, with further benefits from the planned manufacturing shift.
- We largely maintain our FY27/FY28 estimates, factoring in: a) portfolio rationalization, b) enhanced product pipeline in diabetes segment, c) gradual scale-up of Swiss Parenterals business considering planned shutdown for the implementation of remediation measures. We value ERIS at 20x 12M forward earnings to arrive at a TP of INR1,140.
- We expect a CAGR of 13%/15%/28% revenue/EBITDA/PAT over FY26-28, reaching INR40b/INR15b/INR8b. The current valuation adequately factors in the earnings upside. **Reiterate Neutral.**

Increased opex lowers YoY EBITDA growth

- 2Q revenue grew 12.6% YoY to INR8.9b (vs our est: INR8.7b).
- DBF revenue grew 14.3% YoY to INR8.1b. International business was flat YoY at INR830m.
- Gross margin expanded 20bp YoY to 74.7%.
- However, EBITDA margin contracted 170bp YoY to ~34.7% (our est. 35.4%). Other expenses increased (up 260bp YoY), partially offset by employee expenses (down 60bp YoY).
- EBITDA increased by 7% YoY to INR3.1b.
- Adjusted PAT grew by 32% YoY to INR1.6b (vs our estimate: INR1.5b). An exceptional item of INR359m was related to the write-down of amounts due from customers.
- For 1HFY27, revenue/EBITDA/PAT grew 13%/7%/27% YoY.

Highlights from the management commentary

- ERIS raised 2HFY27 EBITDA margin guidance to ~36% from 35%.
- Zorvia out-licensing is expected to improve gross margin by ~100bp in 2HFY27.

Bloomberg	ERIS IN
Equity Shares (m)	139
M.Cap.(INRb)/(USDb)	152.6 / 1.6
52-Week Range (INR)	1740 / 1069
1, 6, 12 Rel. Per (%)	-11/-15/-19
12M Avg Val (INR M)	178

Financials & valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	31.3	35.1	39.8
EBITDA	11.2	12.3	14.8
Adj. PAT	4.8	6.1	7.8
EBIT Margin (%)	26.9	26.8	29.1
Cons. Adj. EPS (INR)	34.6	44.2	56.9
EPS Gr. (%)	35.1	27.6	28.9
BV/Sh. (INR)	283.8	323.4	373.8
Ratios			
Net D:E	0.6	0.4	0.2
RoE (%)	14.1	14.6	16.3
RoCE (%)	15.0	13.4	14.5
Payout (%)	14.4	14.1	11.4
Valuations			
P/E (x)	31.9	25.0	19.4
EV/EBITDA (x)	15.6	13.8	10.9
Div. Yield (%)	0.6	0.6	0.6
FCF Yield (%)	1.6	5.3	6.6
EV/Sales (x)	5.6	4.8	4.1

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	54.7	54.1	54.9
DII	20.2	20.7	19.4
FII	5.7	5.8	7.2
Others	19.3	19.4	18.6

FII includes depository receipts

- Initially, the Zorvia portfolio (~INR1b) remained a drag on the margins. Notably, the royalty (~7%) is expected to offset the lost EBITDA contribution.
- The Bhopal facility is expected to deliver ~100bp gross margin benefit over 2HFY27, increasing to ~150-200bp by 2QFY28.
- The GLP-1 market, excluding oral formulations, is tracking at ~INR450-500m per month, doubling to ~INR800-900m per month next year onward.
- Swiss Parenterals planned shutdown in Nov'26 will finalize remediation measures.
- Commercial validation batches (PV batches) at Swiss Parenterals' new manufacturing block are scheduled for Mar-Apr'27 to address supply capacity constraints.

Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27E		Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	
Gross Sales	**7,730**	**7,924**	**8,075**	**7,566**	**8,733**	**8,924**	**8,683**	**8,771**	**31,294**	**35,110**	**8,747**	2.0
YoY Change (%)	7.4	6.9	11.0	7.3	13.0	12.6	7.5	15.9	8.1	12.2	10.4	
Total Expenditure	4,963	5,042	5,258	4,830	5,770	5,830	5,618	5,605	20,093	22,823	5,651	
EBITDA	**2,767**	**2,882**	**2,816**	**2,736**	**2,962**	**3,094**	**3,065**	**3,166**	**11,201**	**12,287**	**3,097**	-0.1
Margins (%)	35.8	36.4	34.9	36.2	33.9	34.7	35.3	36.1	35.8	35.0	35.4	
Depreciation	705	691	703	696	721	734	699	706	2,795	2,861	698	
Interest	487	496	488	456	467	464	436	413	1,927	1,779	459	
Other Income	27	28	0	22	24	32	22	22	78	99	22	
PBT before EO expense	**1,602**	**1,724**	**1,625**	**1,606**	**1,799**	**1,927**	**1,952**	**2,069**	**6,557**	**7,747**	**1,962**	
Extra-Ord expense	-9	-3	172	0	0	359	0	0	161	359	0	
PBT	**1,611**	**1,727**	**1,452**	**1,606**	**1,799**	**1,568**	**1,952**	**2,069**	**6,396**	**7,388**	**1,962**	
Tax	360	382	365	-1,197	362	-312	400	424	-90	874	402	
Rate (%)	22.3	22.1	25.1	-74.5	20.1	-19.9	20.5	20.5	-1.4	11.8	20.5	
Minority Interest & Profit/Loss of Asso. Cos.	71	143	90	-24	13	42	63	63	280	181	63	
Reported PAT	**1,180**	**1,202**	**997**	**2,827**	**1,424**	**1,838**	**1,489**	**1,582**	**6,206**	**6,333**	**1,497**	
Adj PAT	**1,173**	**1,200**	**1,126**	**1,261**	**1,424**	**1,580**	**1,489**	**1,582**	**4,759**	**6,075**	**1,497**	5.6
YoY Change (%)	41.0	31.0	34.7	34.4	21.4	31.7	32.2	25.5	35.1	27.6	24.8	
Margins (%)	15.2	15.1	13.9	16.7	16.3	17.7	17.1	18.0	15.2	17.3	17.1	

Five Star Business Finance

Estimate changes	⟷
TP change	↓
Rating change	⟷

Bloomberg	FIVESTAR IN
Equity Shares (m)	295
M.Cap.(INRb)/(USDb)	122.5 / 1.3
52-Week Range (INR)	666 / 338
1, 6, 12 Rel. Per (%)	-19/-11/-11
12M Avg Val (INR M)	855

Financials Snapshot (INR b)

Y/E March	FY26	FY27E	FY28E
NII	23.9	27.3	33.4
PPoP	16.8	18.3	22.1
PAT	11.0	11.9	14.3
EPS (INR)	37	40.5	49
EPS Growth (%)	2	9	20
BVPS (INR)	250	288	335
Ratios (%)			
NIM	19.4	18.7	18.2
C/I ratio	33.1	36.9	37.0
Credit Costs	1.7	1.8	1.6
RoAA	7.3	6.8	6.6
RoAE	16.1	15.0	15.6
Dividend Payout	5.4	4.9	5.2
Valuation			
P/E (x)	11.1	10.3	8.6
P/BV (x)	1.7	1.4	1.2
Div. Yield (%)	0.5	0.5	0.6

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	18.6	18.6	18.6
DII	23.5	22.4	12.2
FII	43.6	44.0	55.8
Others	14.3	15.1	13.5

FII Includes depository receipts

CMP: INR415 TP: INR570 (+37%) Buy

Healthy business momentum; early delinquencies improve

Earnings in line; reported NIMs declined ~10bp QoQ

- Five Star Business Finance's (FIVESTAR) 2QFY27 PAT grew 5% YoY and 10% QoQ to INR3b (in line). PAT included a one-time reversal of excess tax provision amounting to INR188m from earlier years. NII grew ~12% YoY to INR6.7b (in line). Other income rose 25% YoY to INR416m (~15% beat).
- Opex grew 39% YoY to INR2.7b (~8% higher than est.). PPoP rose ~1% YoY to INR4.4b (in line). Credit costs stood at INR643m (in line). Annualized credit cost (as a % of AUM) stood at ~1.8% (PQ: ~1.85% and PY: ~1.6%).
- Disbursements grew ~74% YoY and ~39% QoQ to ~INR21b. AUM grew 14% YoY/7% QoQ to ~INR146b. Management shared that it expects to comfortably exceed its initial FY27 AUM growth guidance of ~20% YoY, supported by improving business momentum, strong collections and controlled slippages. We model FY27 AUM growth of ~25%.
- Management indicated that Oct'26 collections remained broadly in line with Jul'26 and Sep'26 levels, despite fewer collection days because of festivities. Current-bucket CE reached a historical high of 99.4% in 2Q, while collections during the first 15 days of Oct'26 were ~1.5% higher than the corresponding period in Sep'26, supported by in-house calling initiatives, including AI-led efforts, and active involvement of the business team. The company expects slippages and credit costs to remain broadly flat over the next two quarters. We model credit costs of ~1.75%/1.6% in FY27/FY28E.
- FIVESTAR continues to focus on promoting responsible credit behavior, which should strengthen portfolio resilience and sustain strong business momentum over the medium term. **We estimate FIVESTAR to deliver a CAGR of ~25%/~14% in AUM/PAT over FY26-28, with FY28E RoA/RoE of 6.6%/15.6%. Maintain BUY with a revised TP of INR570 (based on 1.6x Sep'28E BV).**

NIM contracts ~10bp QoQ; incremental CoB up ~10bp QoQ

- Reported yields declined ~20bp QoQ to 22.25%, while CoB was broadly stable QoQ at 8.8%. Reported spreads declined ~18bp QoQ to 13.5%. Reported NIM (as % of AUM) declined ~10bp QoQ to ~19.9%.
- Incremental CoF rose ~10bp QoQ to ~8.45%. Management shared that the company has increased lending rates by ~100bp across ticket sizes and borrower credit profiles. The increase applies to incremental disbursements and will feed through gradually on the book yields as fresh loans form a larger share of the book.

Early delinquencies improve; GNPA broadly stable sequentially

- GS3/NS3 remained broadly stable QoQ at 3.5%/2.15%. PCR on stage 3 declined ~65bp QoQ to ~39.5%. Stage 2 PCR declined ~40bp QoQ to 3.05% (PQ: 3.47% and PY: 5.1%).
- 30+ dpd declined ~90bp QoQ to 11.5% and 1+dpd declined ~150bp QoQ to 15.2%. Overall collection efficiency and unique customer collection efficiency for the quarter stood at 99.4% (PQ: 99.2%) and 97.9% (PQ: 98.2%), respectively. Slippage ratio remained stable QoQ at 0.68% (PQ and PY: 0.7%).
- Cash proportion in collections was stable at ~15% (PY: ~18%).

Highlights from the management commentary

- Five Star shared that incremental CoF is expected to increase by 20-25bp in 2HFY27 to ~8.7-8.75%, driven by higher borrowing costs and elevated hedging costs on the pending second tranche of ADB funding. CoF on the existing book is expected to rise by 12-15bp to ~8.9% by FY27-end, reflecting repo-rate hikes and MCLR repricing.
- The full cost of investments in collection and legal infrastructure has been absorbed, with no further material increase expected from these initiatives. Higher productivity and operating leverage should support a gradual decline in the cost ratio.
- Recoveries from written-off loans typically take 18–24 months due to the legal process involved in resolving smaller-ticket loans. 1HFY27 recoveries from written-off accounts stood at ~INR200m, largely attributable to loans written off before FY26; recoveries from recent write-offs are expected to become more meaningful in FY28-29.

Valuation and view

- FIVESTAR appears on track to regain its mojo, with a healthy pick-up in disbursement volumes and AUM growth. Early-stage delinquencies improved meaningfully, driven by a decline in 1+ dpd and 30+ dpd, while slippages and credit costs remained broadly stable sequentially. With the business now on a stronger footing, the company is well-positioned to build from hereon, aided by healthy underlying demand, strong asset quality, and improving productivity.
- The stock currently trades at 1.2x FY28E P/BV. We estimate FIVESTAR to post a CAGR of ~25%/~14% in AUM/PAT over FY26-28, with RoA/RoE of 6.6/15.6% in FY28. Maintain BUY with a revised TP of INR570 (based on 1.6x Sep'28E BV).

FIVE STAR BUSINESS: 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	7,647	7,731	7,959	7,955	8,076	8,334	8,868	9,460	31,291	34,738	8,439	-1
Interest Expenses	1,873	1,800	1,885	1,814	1,715	1,677	1,845	2,163	7,372	7,400	1,772	-5
Net Interest Income	**5,774**	**5,931**	**6,073**	**6,141**	**6,361**	**6,658**	**7,023**	**7,297**	**23,919**	**27,339**	**6,668**	**0**
YoY Growth (%)	*19.6*	*14.9*	*12.5*	*9.8*	*10.2*	*12.2*	*15.6*	*18.8*	*14.0*	*14.3*	*12.4*	
Other Income	265	334	264	306	311	416	436	499	1,168	1,662	361	15
Total Income	**6,039**	**6,265**	**6,337**	**6,447**	**6,672**	**7,073**	**7,459**	**7,796**	**25,088**	**29,001**	**7,029**	**1**
YoY Growth (%)	*18.1*	*15.4*	*13.2*	*10.3*	*10.5*	*12.9*	*17.7*	*20.9*	*14.1*	*15.6*	*12.2*	
Operating Expenses	2,012	1,936	2,078	2,271	2,435	2,682	2,757	2,829	8,296	10,703	2,490	8
Operating Profit	**4,027**	**4,330**	**4,259**	**4,175**	**4,238**	**4,391**	**4,702**	**4,968**	**16,792**	**18,298**	**4,540**	**-3**
YoY Growth (%)	*13.5*	*13.9*	*9.7*	*5.3*	*5.2*	*1.4*	*10.4*	*19.0*	*10.5*	*9.0*	*4.8*	
Provisions & Loan Losses	478	510	571	604	618	643	677	689	2,163	2,628	643	0
Profit before Tax	**3,550**	**3,819**	**3,688**	**3,571**	**3,620**	**3,748**	**4,024**	**4,279**	**14,629**	**15,670**	**3,897**	**-4**
Tax Provisions	886	958	918	879	905	754	966	1,104	3,641	3,729	966	-22
Net Profit	**2,663**	**2,861**	**2,770**	**2,693**	**2,714**	**2,993**	**3,058**	**3,175**	**10,988**	**11,941**	**2,930**	**2**
YoY Growth (%)	6	7	1	-4	2	5	10	18	*2.5*	*8.7*	*2.4*	
Key Parameters (%)												
Yield on loans	25.1	24.4	24.7	24.3	24.0	23.5	23.5	23.6				
Cost of funds	9.5	8.9	9.1	8.8	8.5	8.5	8.6	8.7				
Spread	15.7	15.6	15.6	15.5	15.4	15.0	14.9	14.8				
NIM	19.0	18.8	18.8	18.8	18.9	18.8	18.6	18.2				
Credit cost	1.57	1.61	1.77	1.85	1.84	1.81	1.79	1.71				
Cost to Income Ratio (%)	33.3	30.9	32.8	35.2	36.5	37.9	37.0	36.3				
Tax Rate (%)	25.0	25.1	24.9	24.6	25.0	20.1	24.0	25.8				
Performance ratios (%)												
AUM/Branch (INR m)	162.4	161	155.3	156.7	160.3	167						
Balance Sheet Parameters												
AUM (INR B)	124.6	128.5	129.6	132.2	137.2	146.4	155.8	165.5				
Change YoY (%)	20.4	17.6	16.0	11.3	10.1	14.0	20.2	25.2				
Disbursements (INR B)	**12.9**	**12.0**	**9.8**	**12.1**	**15.0**	**20.8**	**21.5**	**22.3**				
Change YoY (%)	-2.1	-4.4	3.8	-16.9	16.0	73.7	120.0	83.5				
Borrowings (INR B)	78.7	83.8	82.0	82.0	78.7	79.7	91.9	106.3				
Change YoY (%)	17.1	21.8	11.4	3.5	-0.1	-4.9	12.1	29.6				
Borrowings/Loans (%)	63.2	65.2	63.2	62.0	57.3	54.4	59.0	64.2				
Debt/Equity (x)	1.1	1.1	1.0	1.0	1.0	0.9	1.1	1.2				
Asset Quality (%)												
GS 3 (INR M)	**3,070**	**3,388**	**4,119**	**4,461**	**4,752**	**5,100**						
G3 %	**2.5**	**2.64**	**3.2**	**3.4**	**3.5**	**3.48**						
NS 3 (INR M)	**1,534**	**1,857**	**2,478**	**2,614**	**2,845**	**3,086**						
NS3 %	**1.3**	**1.5**	**1.9**	**2.0**	**2.1**	**2.1**						
PCR (%)	**50.0**	**45.2**	**39.8**	**41.4**	**40.1**	**39.5**						
ECL (%)	**1.9**	**1.9**	**1.8**	**1.8**	**1.8**	**1.7**						
Return Ratios (%)												
ROAUM (Rep)	8.8	0.0	8.5	8.4	8.1	0.0						
ROE (Rep)	16.6	0.00	15.8	15.1	14.5	0.00						

E: MOSL Estimates

Aditya Birla Real Estate

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	ABREL IN
Equity Shares (m)	112
M.Cap.(INRb)/(USDb)	120.4 / 1.3
52-Week Range (INR)	1914 / 1002
1, 6, 12 Rel. Per (%)	-11/-19/-24
12M Avg Val (INR M)	347

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	4.1	13.8	48.4
EBITDA	-3.6	-0.6	15.2
EBITDA (%)	-88.2	-4.5	31.4
PAT	-0.8	-1.9	9.5
EPS (INR)	-7.0	-16.7	84.8
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	331.3	389.4	471.2
Ratios			
Net D/E	-2.1	-4.6	19.7
RoE (%)	-3.2	-0.9	13.2
RoCE (%)	-27.0	4.9	3.5
Valuations			
P/E (x)	-153.4	-64.5	12.7
P/BV (x)	3.3	2.8	2.3
EV/EBITDA (x)	-42.3	-246.0	9.9
Div Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	50.2	50.2	50.2
DII	16.8	16.6	16.4
FII	9.7	10.0	10.1
Others	23.3	23.2	23.2

CMP: INR1,078 **TP: INR1,800 (+67%)** **Buy**

A transient dip before growth reaccelerates

Weak 2Q pre-sales, but on expected lines; BD sees healthy revival

Aditya Birla Real Estate (ABREL)'s bookings declined 66% YoY to INR3.0b in 2QFY27 (broadly in line), as there were no launches during the quarter. Birla Taranya, Thane (INR1.2b; ~42% share) and Birla Niyaara, Worli (INR1.1b; ~39%) were the key drivers of its quarterly presales. Post-2Q, ABREL added a new project in Hinjewadi, Pune offering INR16.5b GDV (JDA; 75% revenue share). It cumulatively added INR43b GDV as part of BD in YTDFY27. Additionally, its net GDV in Worli increased by INR19b due to the additional FSI, following amalgamation of land parcels. More projects are under active discussions and ABREL remains on track to achieve its BD target of INR100-150b in FY27, enhancing medium-term growth visibility.

Scope-led deferrals to cause a dip in FY27; set to rebound in FY28

The amalgamation of land parcels in Worli has resulted in Niyaara Tower-C's GDV increasing by INR30b to INR78b (net GDV in Worli increased by INR19b). Redesigning of the project has deferred its launch to FY28. Consequently, it now has projects offering only INR47b GDV to be launched in FY27. Further, it has limited sustenance inventory worth INR66b left to be sold. Hence, we have cut our FY27 pre-sales estimates by 34% to INR54b (-34% YoY). Beyond FY27, the company has INR435b GDV available to be launched (including Niyaara T-3 and Hinjewadi projects). Considering the recalibration of launches in the next FY, we cut our FY28E pre-sales by 9% to INR90b, which would still translate into 68% YoY growth.

Collections remain healthy; net debt sharply reduced

In 2QFY27, despite the muted pre-sales performance, collections grew strongly by 47% YoY to INR7.1b, while net operating cash flow (NOCF) was INR720m. The sale and transfer of the Century Pulp and Paper division to ITC was concluded in 2QFY27, and the transaction proceeds have led to a sharp decline in net debt to INR2.8b (vs. INR32b in FY26). Based on presales growth and project execution, we expect a 29% collections CAGR, reaching INR55b during FY26-28E. Ultra-low leverage, along with strong cash flow generation makes ABREL well positioned to acquire new land parcels to achieve its BD target as well as undertake capex to scale up the annuity portfolio.

Financials

In 2QFY27, revenue increased 743% YoY to INR8.2b, much higher than our estimate, mainly due to the recognition of revenue from project Birla Tisya, Bengaluru, in the quarter. EBITDA stood at INR1.6b, with an EBITDA margin of 19.3%. Birla Tisya's completion also contributed INR1.8b towards the company's EBITDA. It reported PAT worth INR8.6b, which includes an exceptional gain of INR8.7b from the sale and transfer of its pulp and paper business. After adjusting for this gain, it reported an adjusted loss of INR96m.

Valuation and view

- Following the Vashi project acquisition, BD activity has continued into FY27, with the recent addition of the Pune project. Also, the additional FSI in Worli is value accretive for the company. With several new projects under active discussions for potential acquisitions, ABREL remains well positioned to achieve its INR100-150b BD target in FY27.
- The company is also expanding its annuity portfolio, which is expected to build a stable cash flow business over the medium term.
- The paper division sale has sharply deleveraged the balance sheet and released management bandwidth, enabling an increased focus on real estate development.
- We value the residential business at its NAV, and assigning a NAV premium would depend on the sustained revival of BD.
- We have included value from the new projects in the portfolio. However, as we have increased the WACC rate to 11.6% for the residential business, deferred the cash flows from Niyaara T-3 due to the delayed launch, and raised the cap rate of the annuity portfolio to 8%, **the TP has been revised down to INR1,800. The stock is currently trading at a 40% discount to the residential NAV, which is attractive. Reiterate BUY.**

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	**1,456**	**978**	**812**	**826**	**1,889**	**8,250**	**1,750**	**1,910**	**4,072**	**13,799**	**3,582**	130%
YoY Change (%)	-58.8	-63.3	-60.3	-79.1	29.7	743.2	115.5	131.2	-66.6	238.9	266.1	
Total Expenditure	1,855	1,679	1,702	2,427	2,442	6,656	2,531	2,785	7,664	14,414	3,763	
EBITDA	**-399**	**-701**	**-891**	**-1,601**	**-553**	**1,594**	**-782**	**-874**	**-3,592**	**-615**	**-181**	
Margins (%)	-27.4	-71.6	-109.7	-193.8	-29.3	19.3	-44.7	-45.8	-88.2	-4.5	-5.0	2436bps
Depreciation	155	157	178	185	174	200	210	218	675	801	178	
Interest	71	177	190	206	258	0	220	160	644	638	144	
Other Income	119	154	92	156	169	358	89	86	520	702	141	
PBT before EO expense	**-506**	**-882**	**-1,167**	**-1,836**	**-816**	**1,752**	**-1,123**	**-1,166**	**-4,391**	**-1,352**	**-362**	
Extra-Ord expense	0	0	223	25	0	-8,681	0	0	248	-8,681	-4,000	
PBT	**-506**	**-882**	**-1,390**	**-1,861**	**-816**	**10,434**	**-1,123**	**-1,166**	**-4,639**	**7,329**	**3,638**	187%
Tax	-58	-187	-332	-813	-160	305	-225	-258	-1,390	-338	715	
Rate (%)	11.5	21.2	23.9	43.7	19.7	2.9	20.0	22.1	30.0	-4.6	19.7	
MI & P/L of Asso. Cos.	9	16	-9	0	53	617	108	75	16	853	321	
Reported PAT	**-255**	**-157**	**-729**	**108**	**-386**	**8,585**	**-1,006**	**-379**	**-1,032**	**6,814**	**2,602**	230%
Adj PAT	**-255**	**-157**	**-506**	**133**	**-386**	**-96**	**-1,006**	**-379**	**-784**	**-1,867**	**-683**	
Margins (%)	-17.5	-16.1	-62.3	16.1	-20.4	-1.2	-57.5	-19.9	-19.3	-13.5	-19.1	

Source: Company, MOFSL

Fujiyama Power Systems

BSE SENSEX	S&P CNX
73,607	22,753

CMP: INR363 **TP: INR500 (+38%)** **Buy**

TOPCon and BESS expansion to drive next growth phase

- **China has proposed export restrictions on 16th Oct'26 on advanced solar manufacturing technologies, including Tunnel Oxide Passivated Contact (TOPCon), Heterojunction Technology (HJT) and X-Back Contact (XBC), as well as thin-wafer, perovskite and tandem technologies. However, the curbs are not expected to impact UTLSOLAR, as it has already secured a technology transfer agreement from China. This supports the development of its 1.2GW TOPCon cell manufacturing facility at Ratlam, Madhya Pradesh. Commercial production at this facility is expected to commence in 1HFY28.**
- **China dominates solar cell manufacturing, with capacity of ~1,302GW (91% of global capacity) and production of 695GW (53% capacity utilization) in CY24, including exports of ~58.3GW (~8% of output). China also accounts for ~97% of global wafer manufacturing capacity, with 1,349GW capacity and 775.8GW production in CY24, implying 58% utilization. Wafer exports stood at ~60.9GW (8% of production), with India accounting for 11% of exports by value. Given surplus capacity and the importance of overseas markets, outright export restrictions on cells and wafers may be less likely.**
- **India's shift toward integrated solar-plus-storage solutions and proposed domestic content requirements for inverters and batteries under the next phase of the PM Surya Ghar Muft Bijli Yojana could benefit UTLSOLAR. The company has installed a 5MW battery energy storage system (BESS) at Dadri and plans an additional 10MW system at Ratlam, supporting its entry into the commercial and industrial storage market by leveraging its existing rooftop solar portfolio and distribution network.**
- **We expect UTLSOLAR to clock a CAGR of 52%/57%/59% in revenue/EBITDA/adj PAT during FY26-28. We reiterate our BUY rating with a TP of INR500 (based on 20x FY28E EPS).**

China's tech curbs unlikely to impact TOPCon expansion

- China has proposed export controls on 12 solar photovoltaic manufacturing technologies, including advanced solar cell manufacturing technologies such as TOPCon, HJT and XBC.
- The proposal also includes prohibitions on specified technologies used in thin wafer, perovskite and tandem solar cell manufacturing, alongside certain polysilicon production processes. The proposed measures are intended to regulate the overseas transfer of advanced manufacturing technologies.
- **The restrictions are not expected to impact UTLSOLAR, as the company has already secured a technology transfer agreement from China for its planned TOPCon solar cell manufacturing facility.**
- This provides a basis for proceeding with its backward integration plans, including the development of its 1.2GW TOPCon cell manufacturing facility at Ratlam. The facility is expected to commence commercial production in 1HFY28 and is intended to strengthen domestic cell sourcing, improve cost control and support the availability of domestic content requirement (DCR)-compliant solar cells.

Bloomberg	UTLSOLAR IN
Equity Shares (m)	307
M.Cap.(INRb)/(USDb)	111.8 / 1.2
52-Week Range (INR)	494 / 171
1, 6, 12 Rel. Per (%)	-11/25/-
12M Avg Val (INR M)	186

Financials & Valuations (INR b)

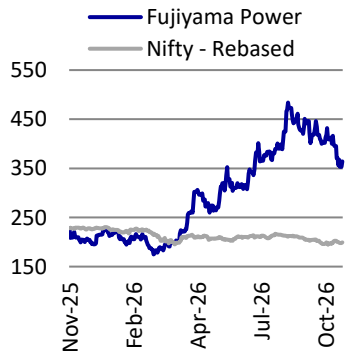
Y/E March	FY26	FY27E	FY28E
Sales	26.5	47.0	61.7
EBITDA	4.9	8.9	12.0
PAT	3.0	5.5	7.7
EBITDA %	18.5	19.0	19.5
EPS (INR)	9.9	17.8	25.0
EPS Gr. (%)	94.8	79.2	40.3
BV/Sh.(INR)	41.6	55.9	80.9
Ratios			
Net D:E	0.2	0.3	0.0
RoE (%)	36.5	36.6	36.6
RoCE (%)	27.2	27.8	30.3
Valuations			
P/E (x)	36.6	20.4	14.5
P/BV (x)	8.7	6.5	4.5
EV/EBITDA (x)	23.3	13.1	9.3
FCF per share	(16.8)	(0.2)	16.5

Shareholding pattern (%)

As on	Jun-26	Mar-26
Promoter	86.6	86.8
DII	6.0	5.6
FII	1.6	1.9
Others	5.8	5.7

Note: FII includes depository receipts

Stock's performance



China's surplus capacity lowers export restriction risk

- China has established a substantial lead in solar cell manufacturing, supported by large-scale manufacturing capacity, an integrated supply chain and cost competitiveness. During CY24, China's solar cell manufacturing capacity reached ~1,302GW, accounting for ~91% of global capacity of 1,427GW, highlighting its dominant position in the global solar cell supply chain.
- **Despite this scale, China's solar cell production stood at 695GW in CY24, implying capacity utilization of only 53%. Meanwhile, solar cell exports reached 58.3GW, equivalent to ~8% of domestic production (Refer Exhibit 1).**
- Further, **India accounted for ~48% of China's solar cell exports by value in CY24**, underscoring its importance as an export market. Restricting finished-cell exports to India could jeopardize this established market and further weigh on capacity utilization for Chinese manufacturers.
- China has established a near-monopoly in solar silicon wafer manufacturing, supported by an integrated upstream supply chain, economies of scale, technological expertise and cost competitiveness. Silicon ingots are produced by melting polysilicon and growing cylindrical silicon crystals, which are subsequently sliced into thin wafers for solar cell manufacturing.
- During CY24, China's annual silicon wafer manufacturing capacity stood at 1,349GW, while wafer production stood at 775.8GW, representing capacity utilization of 58%. This puts wafers at one of the most geographically concentrated stages of the global solar supply chain.
- Further, China exported ~60.9GW of silicon wafers in CY24 (~8% of production), with India accounting for ~11% of China's solar cell exports by value, highlighting the importance of the Indian market to China's export business.
- **Despite China's dominance in wafer manufacturing, an outright export restriction may be less likely given its interest in maintaining access to overseas markets and utilizing surplus capacity.**

Solar-plus-storage integration to drive growth opportunities

- India's solar market is expected to transition from standalone power generation toward integrated solar-plus-storage solutions, driven by the growing mismatch between daytime solar generation and evening peak electricity demand. As solar penetration increases, grid congestion, renewable curtailment, and the need for reliable and dispatchable power are increasing the importance of BESS.
- India is also considering mandating locally manufactured inverters and minimum domestic content in batteries under the next phase of the PM Surya Ghar Muft Bijli Yojana. This could benefit UTLSOLAR through increased demand for its inverters and battery storage solutions, while mandatory battery usage could accelerate the adoption of energy storage alongside rooftop solar installations.
- **This convergence presents an opportunity to expand beyond rooftop solar panels and inverters into integrated solar-plus-BESS solutions. The company has installed a 5MW BESS at its Dadri plant and plans to install an additional 10 MW system at Ratlam.**
- These projects are intended to demonstrate the technical and economic benefits of industrial energy storage and could support its entry into the commercial and industrial BESS market. **Its existing rooftop solar portfolio and**

distribution network could provide a potential customer-acquisition base for storage solutions, enabling it to offer integrated energy systems.

Valuation and view

- Fujiyama's growth is supported by strong traction under the PMSGMBY scheme (13GW opportunity for 3.7m pending installations) and its in-house DCR manufacturing facility, enabling the company to effectively capture rising demand. Backward integration is aiding margin expansion, while continued expansion of the distribution network is enhancing market penetration.
- Meanwhile, India's solar-plus-storage opportunity and proposed domestic content requirements could support UTLSOLAR's BESS expansion, including its installed 5MW system at Dadri and planned 10MW system at Ratlam.
- **We expect UTLSOLAR to clock a CAGR of 52%/57%/59% in revenue/EBITDA/ adj PAT during FY26-28. We reiterate our BUY rating with a TP of INR500, based on 20x FY28E EPS.**

AAVAS Financiers

Estimate change	⇔
TP change	↓
Rating change	⇔

Bloomberg	AAVAS IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	89.3 / 0.9
52-Week Range (INR)	1775 / 1050
1, 6, 12 Rel. Per (%)	-9/-15/-21
12M Avg Val (INR M)	288

Financials & Valuations (INR b)

INR b	FY26	FY27E	FY28E
NII	11.8	13.3	15.9
PPP	8.7	10.2	12.1
PAT	6.5	7.6	9.1
EPS (INR)	83	96	115
EPS Gr. (%)	14	16	20
BV/Sh. (INR)	637	733	848
Ratios (%)			
NIM	5.4	5.2	5.3
C/I ratio	45.0	43.1	42.4
Credit cost	0.19	0.24	0.18
RoA	3.3	3.3	3.4
RoE	13.9	14.0	14.5
Valuation			
P/E (x)	13.7	11.8	9.8
P/BV (x)	1.8	1.5	1.3

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	48.9	48.9	49.0
DII	22.4	22.2	14.1
FII	15.2	16.3	25.9
Others	13.5	12.7	11.0

FII includes depository receipts

CMP: INR1,126 TP: INR1,220 (+8%) Neutral

Growth ambitions intact; execution key to delivery

NIM expanded ~10bp QoQ; run-offs moderate

- AAVAS Financiers' (AAVAS) 2QFY27 PAT grew 11% YoY to ~INR1.8b (in line). NII in 2QFY27 grew 13% YoY to ~INR3.2b (in line). Other income grew 3% YoY to INR1.1b (PQ: INR926m and PY: INR1b).
- Opex rose ~6% YoY to INR1.8b (~5% lower than est.). CI ratio declined ~180bp YoY to ~42.3% (PY and PQ: ~44%). PPoP grew 14% YoY to INR2.5b. Credit costs stood at INR134m (vs. MOFSLe of INR115m) and translated into annualized credit costs of ~22bp (PY: ~15bp and PQ: ~20bp).
- AAVAS is targeting FY27 AUM growth of ~16-17%, with its strategy centered on improving employee productivity, deepening penetration in existing markets, calibrated branch expansion, and gradual increase in ticket sizes. Importantly, growth will remain anchored in its core AHF segment, with disciplined underwriting and risk-adjusted returns taking precedence over aggressive expansion. We expect AAVAS to deliver an AUM CAGR of ~18% over FY26-28.
- AAVAS expects asset quality to remain stable, supported by improving lead indicators, conservative underwriting, and close portfolio monitoring. The company does not anticipate any material deterioration despite rainfall-deficit concerns in Maharashtra, given its limited exposure to the affected Marathwada region and cautious approach toward borrowers dependent solely on agricultural income.
- The company has outlined an ambitious growth roadmap, with improving productivity, operating leverage, and margin expansion expected to drive sustainable growth while maintaining asset quality. However, the key monitorable remains the translation of these aspirations into measurable improvements in growth, profitability, and operating efficiency, which will be critical to validating the company's long-term prospects. We estimate AUM/PAT CAGR of 18% each over FY26-28, with RoA/RoE of 3.4%/14.5% by FY28E. **Reiterate Neutral with a TP of INR1,220 (based on 1.5x Sep' 28E BVPS).**

Productivity-led growth to drive AUM expansion

- AUM grew 16% YoY and ~4% QoQ to ~INR248b. Disbursements rose ~21% YoY to ~INR18.9b. Annualized run-off in the loan-book declined to ~17% (PQ: ~19.4% and PY: 18.2%).
- Over the long term, AAVAS targets AUM growth of over ~20%. Growth is expected to be driven by an estimated ~8% contribution from branch expansion, ~10% from productivity improvement, and an additional 5-7% from higher ATS. The company aims to increase RO productivity from ~1.2 loans per month in 2QFY27 to ~1.5 by FY27-end, with a longer-term target of ~2.5 loans per month. Technology-led sourcing and selective expansion will support execution, with disbursement growth of over 20% targeted in FY27, aided by a seasonally stronger 2HFY27.

Margins to expand gradually, with targeted spreads above 5%

- Reported NIM in 2QFY27 expanded ~10bp QoQ to ~7.8%. (PQ: 7.7%). Reported yields declined ~5bp QoQ to 12.66%, while CoF remained stable QoQ at 7.64%. Reported spreads declined ~5bp QoQ to ~5%.
- AAVAS aims to maintain spreads above 5%, with margins expected to expand gradually as higher lending rates on incremental disbursements support origination yields and overall portfolio yields. Despite the potential increase in borrowing costs following the RBI's 25bp repo rate hike, diversified funding sources and the ability to reprice incremental lending are expected to cushion the impact on spreads and margin. We expect AAVAS to deliver an NIM of ~5.2-5.3% for FY27-FY28.

Asset quality remains stable, supported by prudent underwriting

- Asset quality remained stable QoQ, with GNPA/NNPA at 1.11%/0.71%. 1+dpd stood at 3.8% (PQ: 3.8% and PY: 4%).
- The company remains focused on balancing growth with prudent credit selection, with asset quality and governance taking precedence over aggressive expansion. Incremental lending, particularly in MSME, will be calibrated to prevailing risk conditions, ensuring that growth remains aligned with risk-adjusted returns. We model credit costs of 24bp/18bp for FY27/FY28.

Highlights from the management commentary

- While changes in insurance commission regulations (expected to be effective from Apr'27) will impact distribution economics, management expects to recoup a significant portion of the impact on its fee income.
- Around ~30% of borrowings are linked to repo rate, while the remainder is linked to other benchmarks, including MCLR, or comprises fixed-rate instruments. This diversified liability mix will help balance the impact of interest rate movements.

Valuation and view

- AAVAS delivered a steady quarter, with healthy disbursement growth and stable asset quality. Going forward, the focus will remain on improving productivity and operating efficiency, with execution against growth targets and a sustained recovery in margins remaining key monitorables.
- We estimate AUM/PAT CAGR of 18% each over FY26-28, with RoA/RoE of 3.4%/14.5% by FY28. Reiterate Neutral with a TP of INR1,220 (based on 1.5x Sep' 28E BVPS).

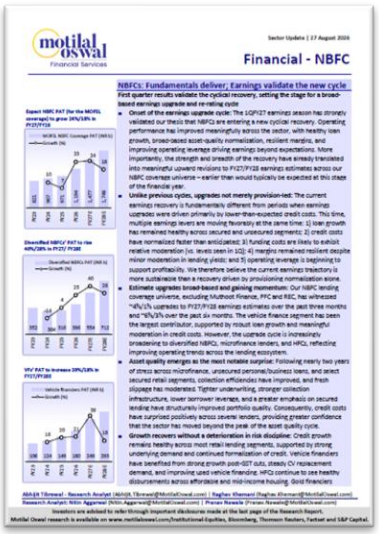
Quarterly performance

INR m

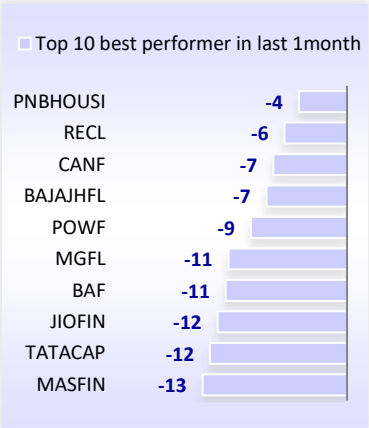
Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	v/s Est.
	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	3QFY27	4QFY27				
Interest Income	5,489	5,636	5,738	5,934	6,165	6,299	6,595	7,032	22,798	26,091	6,319	0
Interest Expenses	2,713	2,755	2,745	2,735	2,926	3,053	3,267	3,502	10,948	12,749	3,026	1
Net Income	**2,776**	**2,881**	**2,993**	**3,199**	**3,238**	**3,246**	**3,328**	**3,530**	**11,849**	**13,342**	**3,293**	**-1**
YoY Growth (%)	14	19	18	18	17	13	11	10	17	13	14	
Other income	790	1,038	1,008	1,214	926	1,069	1,171	1,467	4,051	4,632	1,064	0
Total Income	**3,566**	**3,919**	**4,001**	**4,414**	**4,165**	**4,314**	**4,499**	**4,996**	**15,900**	**17,974**	**4,357**	**-1**
YoY Growth (%)	16	18	18	18	17	10	12	13	18	13	11	
Operating Expenses	1,662	1,727	1,730	2,040	1,836	1,824	1,911	2,182	7,158	7,753	1,929	-5
YoY Growth (%)	21	26	19	19	10	6	10	7	21	8	12	
Operating Profits	**1,904**	**2,192**	**2,272**	**2,374**	**2,329**	**2,490**	**2,588**	**2,815**	**8,742**	**10,222**	**2,429**	**3**
YoY Growth (%)	12	12	17	18	22	14	14	19	15.1	16.9	10.8	
Provisions	113	80	78	67	128	134	134	81	337	477	115	17
Profit before Tax	**1,791**	**2,112**	**2,193**	**2,308**	**2,201**	**2,356**	**2,453**	**2,734**	**8,404**	**9,744**	**2,313**	**2**
Tax Provisions	399	473	493	491	488	541	542	563	1,856	2,134	511	6
Profit after tax	**1,392**	**1,639**	**1,700**	**1,817**	**1,713**	**1,815**	**1,911**	**2,171**	**6,549**	**7,610**	**1,802**	**1**
YoY Growth (%)	10	11	16	18	23	11	12	20	14.1	16.2	9.9	
Key Parameters (%)												
Yield on loans	13.13	13.1	13.02	12.82	12.70	12.7			13.5	13.2		
Cost of funds	8.02	7.9	7.68	7.62	7.64	7.6			7.4	7.5		
Spread	5.11	5.23	5.34	5.20	5.06	5.02			6.1	5.8		
NIM	7.48	8.04	8.01	8.45	7.70	7.81			5.4	5.2		
Credit cost	0.2	0.15	0.1	0.1	0.2	0.22	0.2	0.1	0.2	0.2		
Cost to Income (%)	46.6	44.1	43.2	46.2	44.1	42.3	42.5	43.7	45.0	43.1		
Tax Rate (%)	22.3	22.4	22.5	21.3	22.2	23.0	22.1	20.6	22.1	21.9		
Balance Sheet Parameters												
AUM (INR B)	**207.4**	**213.6**	**222.0**	**234.5**	**239.3**	**248.0**	**258.5**	**274.1**	**234.5**	**274.1**		
Change YoY (%)	16.2	16.1	15.4	14.8	15.4	16.1	16.4	16.9	15	17		
AUM mix (%)												
Home loans	67.0	67.0	66.0	65.0	64.0	63.0			65.0	62.1		
Mortgage loans	13.0	13.0	13.0	13.0	13.0	14.0			35.0	37.9		
Loans (INR B)	**162.3**	**166.6**	**173.0**	**183.7**	**187.3**	**193.2**	**202.7**	**215.2**	**183.7**	**215.2**		
% of AUM	78.2	78.0	77.9	78.3	78.3	77.9	78.4	78.5	13.2	17.1		
Disbursements (INR B)	**11.5**	**15.6**	**17.2**	**23.5**	**16.1**	**18.9**	**21.2**	**27.1**	**67.8**	**83.4**		
Change YoY (%)	-5.4	20.6	8.0	16.0	40.9	21.2	23.0	15.5	11	23		
Borrowings (INR B)	**143.9**	**144.1**	**150.0**	**156.9**	**160.7**	**164.9**	**176.3**	**183.6**	**156.9**	**183.6**		
Change YoY (%)	14.2	15.5	12.1	12.7	11.7	14.4	17.5	17.0	13	17		
Borrowings/Loans (%)	88.7	86.5	86.7	85.4	85.8	85.3	87.0	85.3	85.4	85.3		
Debt/Equity (x)	3.2	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.1	3.2		
Asset Quality (%)												
GS 3 (INR M)	**1,987.0**	**2,081.0**	**2,066.0**	**1,938.0**	**2,101.0**	**2,170.0**			**1,425**	**1,319**		
G3 %	1.22	1.2	1.19	1.05	1.11	1.1			1.09	0.94		
NS 3 (INR M)	1,360.0	1,418.0	1,366.0	1,241.0	1,328.0	1,343.0			1,033	939		
NS3 %	0.84	0.85	0.79	0.68	0.71	0.70			0.79	0.67		
PCR (%)	**31.6**	**31.9**	**33.9**	**36.0**	**36.8**	**38.1**			**27.5**	**28.8**		
ECL (%)	0.7	0.7	0.7	0.7	0.7	0.8			0.65	0.60		
Return Ratios - YTD (%)												
ROA (Rep)	2.9	3.4	3.4	3.5	3.2	3.3			3.3	3.3		
ROE (Rep)	12.6	14.3	14.3	14.7	13.3	13.6			13.9	14.0		

E: MOFSL Estimates

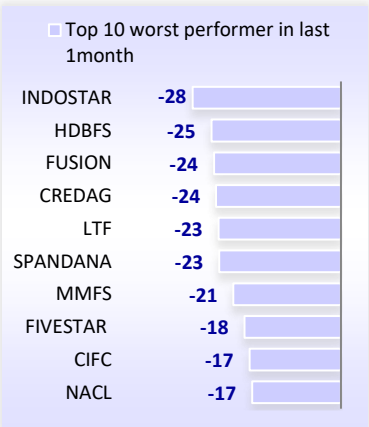
Financials - NBFCs



Performance in terms of stock returns over the last one month



Worst performers in terms of stock returns over the last one month



Note: Returns calculated from 24st Sep'26 to 24h Oct'26; Source: Bloomberg; MOFSLe

NBFCs: Near-term headwinds mount; awaiting a macro and regulatory reprieve

Weak monsoons, higher crude prices and regulatory uncertainty cloud the earnings outlook; de-escalation in geopolitical tensions could revive the investment case

- We had turned constructive on the NBFC sector following the de-escalation of the US-Iran conflict and the strong set of 1QFY27 results (Refer Report- NBFCs: Fundamentals deliver; Earnings validate the new cycle). NBFCs delivered a robust performance despite the seasonally weak 1Q, reinforcing our conviction that investors should maintain exposure to the sector. The results suggested that the calibration phase experienced by several retail lending segments was giving way to a more favorable credit cycle, supported by healthy loan growth, improving asset quality and easing funding-cost pressures. Additionally, the high inflow of FCNR deposits into Indian banks meant that NBFCs would benefit in an environment where the incremental CoB was already inching up for companies.
- However, the balance of risks has turned less favorable over the past month. Higher crude prices have increased inflationary concerns and raised the possibility of a deeper interest-rate hiking cycle. The Southwest monsoon has ended significantly below normal, with substantial regional disparities and drought conditions across several states. In parallel, two regulatory proposals – the RBI's proposed restrictions on revolving credit facilities and IRDAI's proposed changes to insurance distribution economics – have introduced uncertainty around the growth and profitability of several large NBFCs.
- We believe these developments warrant a reassessment of the sector's near-term risk-reward. Importantly, the concerns are not limited to a single variable: they span funding costs, credit demand, asset quality, lending-product economics and fee income. Their simultaneous occurrence could challenge the sustainability of the earnings momentum witnessed in 1QFY27 and the ongoing 2QFY27 earnings season.
- **Our stance is, therefore, more cautious in the near term, while the medium-term recovery thesis remains conditional on a moderation in crude prices, limited spillover from the weak monsoon into credit costs and a more calibrated regulatory outcome.**

Four headwinds cloud the near-term outlook

- **Higher crude prices could trigger a deeper rate-hiking cycle:** The US-Iran conflict and elevated crude prices have increased inflationary risks, shifting market expectations towards a potentially deeper rate-hiking cycle. Higher funding costs, delayed lending-yield repricing and pressure on borrower cash flows could weigh on NBFC margins and asset quality, with the impact varying by funding mix and pricing power.
- **Weak monsoons raise the risk of lagged rural asset-quality deterioration:** Deficient and uneven rainfall could weigh on agricultural incomes, rural consumption and repayment capacity, particularly across tractor, two-wheeler, MFI and rural MSME portfolios. The impact may emerge with a lag over the next

few quarters; collection efficiency, early-stage delinquencies and geographic stress will be key monitorables.

- **Proposed RBI restrictions on revolving credit could disrupt product economics:** The draft framework on revolving credit facilities could constrain flexi-loan offerings, affecting customer acquisition, loan growth and product profitability for lenders with meaningful exposure. The extent of disruption will depend on the final rules and whether alternative term-loan structures can preserve customer utility and risk-adjusted returns.
- **IRDAI's proposed insurance reforms could structurally compress fee income:** Proposed changes to insurance distribution commissions and related practices could weigh on fee income and returns for NBFCs with meaningful credit-linked insurance distribution. The impact will depend on the final framework and implementation timeline, with a phased transition potentially limiting near-term earnings disruption while leaving longer-term pressure on distribution economics.

Why could the risks compound?

The four headwinds operate through different channels but could reinforce one another.

- Higher crude prices may raise inflation and increase the likelihood of monetary tightening. Weak monsoons could subsequently affect borrower cash flows and asset quality. Meanwhile, regulatory changes could constrain lending-product economics and reduce fee income, limiting lenders' ability to offset higher funding costs or credit costs through other revenue streams.
- This combination creates uncertainty around both the pace and quality of earnings growth. Strong reported results may therefore be insufficient to sustain a favorable sector view if forward-looking commentary points to higher funding costs, delayed credit stress or a structural reduction in non-interest income.

What could change our view?

- **Geopolitical de-escalation and lower crude prices:** A sustained decline in crude prices, supported by US-Iran de-escalation, could ease inflationary pressures, moderate expectations of monetary tightening and support NBFC funding costs and borrower repayment capacity.
- **A less aggressive rate cycle:** Softer-than-expected inflation and a more measured RBI response could limit funding-cost pressure, reducing the risk of simultaneous margin compression and weakening borrower cash flows.
- **Calibrated regulatory outcomes:** A pragmatic RBI framework for revolving credit and a phased adjustment in insurance distribution commissions could limit disruption to loan growth, fee income and profitability, while providing greater regulatory clarity.
- **Resilient rural collections:** Stable collections in drought-affected geographies despite weak monsoons would indicate resilience in borrower cash flows, underwriting and collection infrastructure, easing concerns around asset quality and credit costs.

Stance in NBFC sector: Near-term caution, with crude prices as the key swing factor

- The NBFC sector entered FY27 with strong earnings momentum, and 1QFY27 results reinforced the view that the earlier phase of credit calibration was giving way to a more favorable operating environment. However, the subsequent rise in crude prices, the severity of the monsoon shortfall and two potentially significant regulatory changes have altered the near-term risk-reward.
- The key concern is that these headwinds could affect earnings through multiple channels at the same time: funding costs and margins, rural asset quality, lending-product economics and insurance-related fee income. Their effects will vary by lender, but the combination warrants greater selectivity and a closer focus on forward-looking management commentary.
- **We would look for three developments before becoming more constructive again: a sustained decline in crude prices and moderation in rate-hiking expectations; evidence that rural collections remain resilient despite the weak monsoon; and greater clarity on the final RBI (revolving credit) and IRDAI frameworks.**
- **A favorable shift in the geopolitical outlook could be the quickest catalyst for a reassessment. Until then, we believe the near-term balance of risks remains less favorable than it was until a month back, even as the medium-term earnings recovery thesis remains intact, subject to the evolution of these risks. Some of the names, which we believe are less vulnerable to the headwinds and/or can give relative outperformance vs. their NBFC peers, are PNB Housing, Piramal Finance, Poonawalla Fincorp and Aditya Birla Capital.**

Defense

BHE - Financials & Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	319.2	375.8	414.8
EBITDA	92.9	107.3	118.6
Adj PAT	70.1	81.7	92.0
EPS (INR)	9.6	11.2	12.6
EPS Gr. (%)	15.8	16.6	12.6
BV/Sh (INR)	41.4	51.9	63.6
Ratios			
RoE (%)	23.1	21.5	19.8
RoCE (%)	25.9	24.0	21.8
Payout (%)	6.6	6.6	6.6
Valuations			
P/E (x)	37.9	32.5	28.9
P/BV (x)	8.8	7.0	5.7
EV/EBITDA (x)	27.1	22.9	20.1
Div Yield (%)	0.2	0.2	0.2

HAL - Financials & Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	376.5	472.9	608.6
EBITDA	110.7	136.6	165.4
Adj PAT	100.2	120.1	145.8
EPS (INR)	149.9	179.6	218.0
EPS Gr. (%)	10.0	19.8	21.4
BV/Sh (INR)	719	853	1,026
Ratios			
RoE (%)	20.9	21.1	21.2
RoCE (%)	21.3	21.4	21.5
Payout (%)	30.0	25.1	20.6
Valuations			
P/E (x)	32.4	27.0	22.3
P/BV (x)	6.8	5.7	4.7
EV/EBITDA (x)	24.7	19.3	15.1
Div Yield (%)	0.9	0.9	0.9

SOLAR - Financials & Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	141.2	318.3	362.0
EBITDA	39.7	65.7	78.4
Adj PAT	25.8	34.2	43.6
EPS (INR)	284.9	378.3	481.5
EPS Gr. (%)	53.7	32.8	27.3
BV/Sh (INR)	969	1,337	1,808
Ratios			
RoE (%)	29.4	28.3	26.6
RoCE (%)	25.7	15.7	17.7
Payout (%)	3.5	2.6	2.1
Valuations			
P/E (x)	65.6	49.4	38.8
P/BV (x)	19.3	14.0	10.3
EV/EBITDA (x)	42.9	28.0	23.1
Div Yield (%)	0.1	0.1	0.1

DAC approvals further expanding the TAM

In another tranche of approvals, India's Defence Acquisition Council (DAC) has granted Acceptance of Necessity (AoNs) for proposals worth INR2.1t for the Army, Navy, and Air Force. This takes total approvals of INR3.7t in YTDFY27. It further enhances the TAM for defense companies, as the focus remains on indigenization. However, despite these approvals, finalization of contracts has been delayed in the current fiscal due to changes in project scope, which we expect to ebb in the coming quarters. Defense stocks have declined in recent times due to delays in finalizing large-sized tenders that are at different stages of approval. We, however, expect execution and margins to remain strong, backed by a healthy order book and indigenization. Stocks are trading at attractive valuations, and we remain positive on the overall sector with BHE as our top pick.

DAC approvals worth INR2.1t, with 82% sourcing from Indian players

On 26th Oct'26, the DAC granted AoNs for capital procurement proposals worth around INR2.1t, taking cumulative approvals to INR3.7t in FY27YTD. **Army** approvals include high-mobility vehicles, which could potentially benefit auto companies catering to the defense sector. Approvals were also granted for light multi-role helicopters (LMRH) and special utility helicopters, which could potentially benefit **HAL.** We expect **BDL** to benefit from approvals for very short-range air defense systems (VSHORADS), as well as other strike systems. In this round of approvals, DAC also cleared multiple UAV-based AoNs, including the Platform-Based Counter-Unmanned Aerial System (C-UAS), Unmanned Aerial System Brick Long Range, Surveillance UAV, and long-range Kamikaze drone systems, which could benefit players such as **BHE, Zen Technologies, Solar Industries**, and other private defense players. Defense electronics players such as **BHE, Astra Microwave, and Data Patterns** are likely to benefit from orders for the Mobile X-Band Doppler Weather Radar System for the Indian Air Force, the Active Offboard Decoy System (AODS) for the Indian Navy, and the electronics portion of orders related to helicopters, UAVs, and surveillance systems.

Recent developments in the Indian defense sector

- India's defense exports reached INR384b in FY26 (+60% YoY). Exports are spread across Europe, Southeast Asia, the Middle East, Africa, and other regions, covering a wide range of products, including standard ammunition, artillery shells, large- and small-caliber ammunition, small arms, artillery gun systems, tactical gear such as helmets and bulletproof jackets, and defense components. India now exports defense products to more than 80 countries.
- HAL Koraput delivered its 2,000th aero-engine on 6th Oct'26, and announced multiple capex plans including 1) INR3.4b to increase AL-31FP engine manufacturing capacity from 30 to 50 engines, and 2) INR2.2b in capex for a second Shakti engine production line for Dhruv ALH, and Prachand LCH, to be established by FY29 with an annual capacity of up to 100 engines.
- GE Aerospace delivered four F404 engines in Sep'26, in addition to the three engines delivered in Aug'26, taking the total number of engines delivered to 14. GE plans to deliver more than 20 engines annually from CY27 onwards.
- DRDO's indigenously developed Air Independent Propulsion (AIP) energy module entered the 'Setting to Work Phase-2' activity at L&T's Hazira facility on

ASTM - Financials & Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	13.6	16.7	22.7
EBITDA	3.7	4.6	6.2
Adj PAT	2.4	3.3	4.7
EPS (INR)	25.8	35.3	49.7
EPS Gr. (%)	26.8	36.9	40.9
BV/Sh (INR)	164.2	199.5	249.2
Ratios			
RoE (%)	17.0	19.4	22.2
RoCE (%)	14.9	16.8	19.0
Valuations			
P/E (x)	58.2	42.5	30.1
P/BV (x)	9.1	7.5	6.0
EV/EBITDA (x)	38.0	30.8	22.6

BDL - Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	24.4	42.3	61.2
EBITDA	2.2	6.3	9.5
Adj PAT	4.2	6.7	9.5
EPS (INR)	11.5	18.2	26.0
EPS Gr. (%)	(23.5)	58.8	43.0
BV/Sh (INR)	115.7	127.0	145.0
Ratios			
RoE (%)	9.9	14.3	18.0
RoCE (%)	10.2	14.7	18.3
Valuations			
P/E (x)	89.7	56.5	39.5
P/BV (x)	8.9	8.1	7.1
EV/EBITDA (x)	147.8	50.6	32.1

ZEN - Financials & Valuations (INR b)

Y/E MARCH	FY27E	FY28E	FY29E
Sales	9.9	13.7	17.5
EBITDA	3.6	5.0	6.4
Adj PAT	3.0	4.2	5.3
EPS (INR)	33.6	47.0	58.8
EPS Gr. (%)	107.8	40.0	25.1
BV/Sh (INR)	235.4	282.4	341.2
Ratios			
RoE (%)	15.4	18.2	18.9
RoCE (%)	15.5	18.3	19.0
Valuations			
P/E (x)	46.0	32.9	26.3
P/BV (x)	6.6	5.5	4.5
EV/EBITDA (x)	36.3	25.5	19.6

24th Oct'26. Testing will precede its handover to MDL for integration into a Kalvari-class submarine in early CY27.

- On 16th Oct'26, the Indian Navy commissioned the INS Samarthak, the first indigenous multi-purpose vessel designed and constructed by L&T Shipyard, with over 75% indigenous content.

Key near-term monitorables

- **QRSAM:** BHE is expected to receive the CCS nod for the INR300b QRSAM order soon. The MoD is reportedly planning to split the missile component equally, with 50% allocated to BDL and the remaining 50% to a private defense player.
- **Tejas Mk1A:** With 14 engines now received from GE, and 27 airframes reportedly built, HAL is nearing the commencement of Tejas Mk1A deliveries.
- **Pinaka rockets:** Demand for ~4,000 Pinaka rockets is expected, split equally between domestic requirements and exports to Armenia. The MoD is expected to place an order for 2,000 rockets by the end of Dec'26.
- **P75(I) submarine:** Commercial negotiations with Thyssenkrupp Marine Systems (TKMS) and MDL have concluded, with final government clearance pending. The program covers six conventional submarines and is estimated at ~INR900b.
- **Next-Generation Corvettes:** GRSE is in the advanced stages of concluding a contract for five corvettes. The estimated program value is above INR330b, with final clearance and contract signing being key triggers.

Valuation and recommendation

- **BHE** is currently trading at 37.9x/32.5x/28.9x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR530, based on the 45x two-year forward earnings.
- **HAL** is currently trading at 31.8x/26.6x/21.9x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR5,800, based on the average of DCF valuation and 30x two-year forward earnings.
- **BDL** is currently trading at 56.5x/39.5x/33.0x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our Neutral rating on the stock** with an unchanged TP of INR1,210, based on the 42x two-year forward earnings.
- **Solar Industries** is currently trading at 65.6x/49.4x/38.8x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR23,000, based on the 50x two-year forward earnings.
- **AMPL** is currently trading at 58.2x/42.5x/30.1x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our BUY rating on the stock** with an unchanged TP of INR1,900, based on the 42x two-year forward earnings.
- **ZEN** is currently trading at 46.0x/32.9x/26.3x on FY27E/FY28E/FY29E EPS. **We maintain our estimates and reiterate our Neutral rating on the stock** with an unchanged TP of INR1,600, based on the 30x two-year forward earnings.

One 97 Communications

Bloomberg	PAYTM IN
Equity Shares (m)	642
M.Cap.(INRb)/(USDb)	1062.5 / 11.2
52-Week Range (INR)	1857 / 931
1, 6, 12 Rel. Per (%)	1/49/40
12M Avg Val (INR M)	5149

Conference Call Details



Date: 27th October 2026
Time: 3.45 pm IST
Dial-in details:
Link

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Revenue from Op	84.4	109.7	160.4
Contribution Profit	48.6	62.6	91.8
Adjusted EBITDA	6.8	13.9	32.9
EBITDA	5.0	13.9	32.9
PAT	5.5	13.6	28.7
EPS (INR)	11.5	20.6	42.9
EPS Gr. (%)	NM	78.5	108.3
Ratios			
Contribution Margin (%)	57.6	57.0	57.2
EBITDA Margin (%)	5.9	12.6	20.5
Adj. EBITDA Margin (%)	8.0	12.6	20.5
RoE (%)	4.8	8.3	16.5
RoA (%)	3.3	5.5	10.9
Valuations			
P/E(X)	143.5	80.4	38.6
P/BV (X)	6.6	6.5	6.1
P/Sales (X)	12.6	9.9	6.9

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	29.5	24.9	20.0
FII	43.5	48.1	51.7
Others	27.0	27.1	28.4

FII includes depository receipts

CMP: INR1,655 — Neutral

Revenue in line; EBITDA margin expands; GMV flat QoQ

- One 97 Communications (Paytm) reported a net profit of INR2.25b (18% miss to our estimate of INR2.7b), owing to higher indirect expenses and taxes, while GMV growth was flat QoQ.
- Paytm's revenue was robust, reporting an increase of 8% QoQ (up 28% YoY) to INR26.5b (in line), led by healthy trends in both payments as well as financial services.
- Revenue from payment and financial services grew 34% YoY/7% QoQ to INR23.5b (in line to MOFSLe). Revenue from Financial Services grew 49% YoY/12% QoQ to INR9.1b (in line). Revenue from Marketing Services (Commerce and Cloud) grew 26% YoY to INR2.9b (8% beat).
- GMV rose 25% YoY/remained flat QoQ at INR7.1t (6% lower than our estimate of INR7.5t), as industry GMV moderated sequentially with the festive season falling in 3Q this year.
- Registered Merchant grew 11% YoY/4% QoQ, while payment devices grew 20% YoY/4% QoQ.
- Payment processing charges grew 28% YoY/1% QoQ to INR8.05b/11bp of GMV vs 11bp in 1QFY27.
- Net Payment margin grew 8% YoY/7% QoQ (amid healthy traction in payments and financial services business) to INR6.4b/9bp of GMV vs 8bp in 1QFY27.
- Contribution profit thus grew healthy at 23% YoY/10% QoQ to INR14.8b (in line). Contribution margin rose to 55.9% vs 55.1% in 1QFY27 (higher to MOFSLe of 55.4%).
- EBITDA increased 90% YoY/33% QoQ to INR2.7b (MOFSLe of INR2.9b, a slight miss owing to higher software, cloud, and data center expenses). EBITDA margin expanded 10.2% vs 8.3% in 1QFY27.
- The company reported net profit of INR2.3b (vs our estimate of INR2.7b, a miss owing to higher tax rate).
- **Valuation and view:** Paytm reported a steady quarter, supported by robust revenue growth and disciplined management, resulting in strong PAT growth. The company continues to make healthy progress toward sustainable profitability and improving operating leverage, even while GMV was flat QoQ owing to festive season getting pushed to 3Q. Contribution margin stood healthy at 56%, while the software, cloud, data center expenses and taxes were higher than expected. Based on the proposed MDR cap of 0.4% on select payments above INR2,000 and Paytm's current GMV mix, the company has indicated ~2.5bp rise in overall PPM. The earnings call is scheduled for 27th Oct'26 at 3.45pm IST.

Exhibit 1: Total GMV grew 25% YoY/flat QoQ to INR7.1t

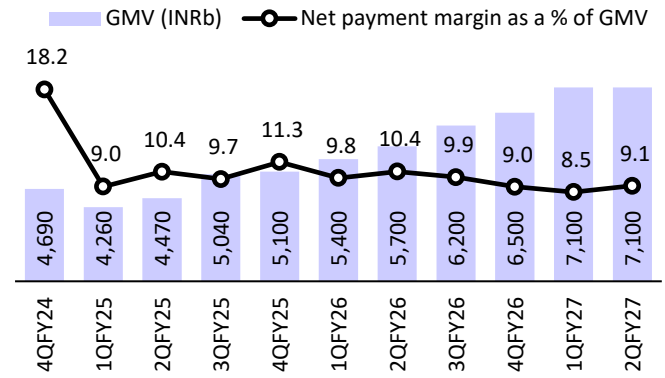


Exhibit 2: Merchant base grew to 52m in 2QFY27

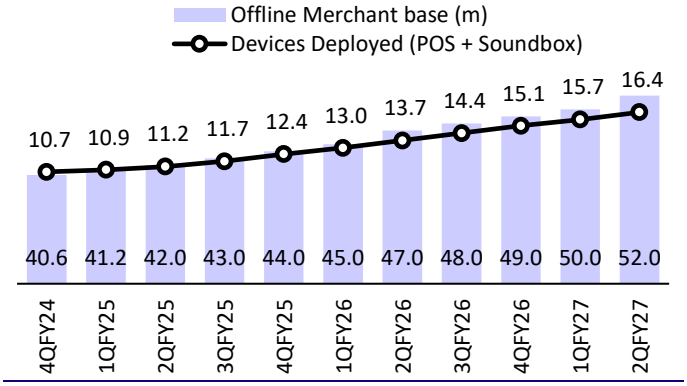


Exhibit 3: Payment processing charges as a % of GMV stood at 11bp

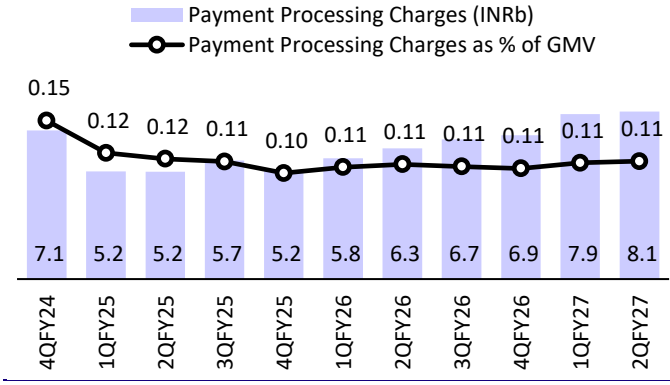


Exhibit 4: Contribution margin stood at 55.9% (55.1% as of 1QFY27)

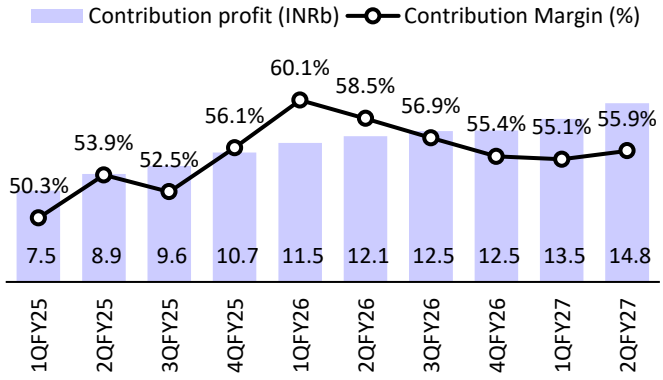
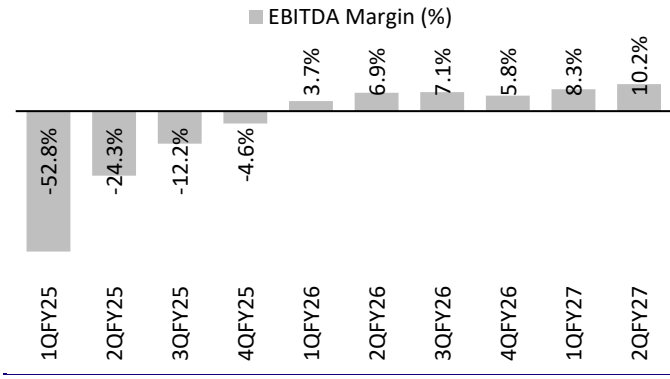
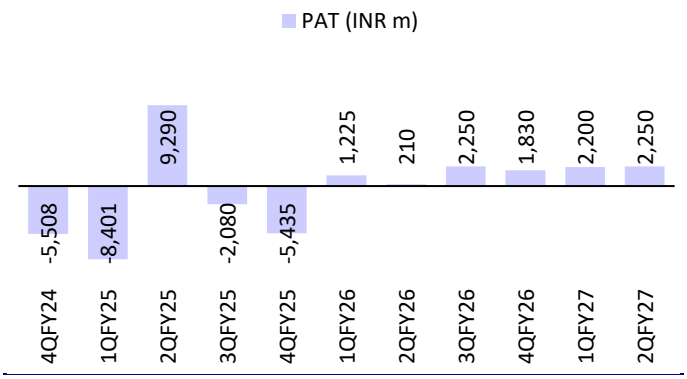


Exhibit 5: EBITDA margin expanded to 10.2%



Source: MOFSL, Company

Exhibit 6: PAT was INR2250m (one of the best in recent quarters)



Source: MOFSL, Company

Quarterly Snapshot

	FY26				FY27		Change (%)	
Profit and Loss (INR b)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY**	**QoQ**
Payment and Financial Services	**16.1**	**17.6**	**18.6**	**20.2**	**22.0**	**23.5**	**33.5**	**6.7**
Commerce and Cloud Services	**2.5**	**2.3**	**2.4**	**2.4**	**2.4**	**2.9**	**25.9**	**20.1**
Total revenue from Operations	**19.2**	**20.6**	**21.9**	**22.6**	**24.5**	**26.5**	**28.4**	**8.2**
Direct Expenses	7.7	8.6	9.5	10.1	11.0	11.7	36.7	6.5
Contribution Profit	**11.5**	**12.1**	**12.5**	**12.5**	**13.5**	**14.8**	**22.5**	**9.6**
Indirect Expenses	10.5	10.3	10.9	11.2	11.5	12.1	17.4	5.4
EBITDA	**0.7**	**1.4**	**1.6**	**1.3**	**2.0**	**2.7**	**90.1**	**33.0**
Depreciation and Amortization	1.7	1.4	1.3	1.3	1.3	1.5	6.6	11.5
Other Income	2.4	2.2	2.1	1.8	1.8	1.8	-18.0	0.0
PBT	**1.4**	**2.2**	**2.3**	**1.7**	**2.5**	**3.0**	**33.9**	**19.8**
Tax	0.0	0.1	0.1	0.1	0.3	0.7	570.0	148.1
PAT	**1.2**	**0.2**	**2.3**	**1.8**	**2.2**	**2.3**	**971.4**	**2.3**
Key Metrics (INR b)								
GMV (INRt)	5.4	5.7	6.2	6.5	7.1	7.1	24.6	0.0
MTU (average over the period) (mn)	74.0	75.0	76.0	77.0	80.0	85.0	13.3	6.3
Registered Merchants (mn)	45.0	47.0	48.0	49.0	50.0	52.0	10.6	4.0
Payment Devices (mn)	13.0	13.7	14.4	15.1	15.7	16.4	19.7	4.5
Ratios (%)	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**YoY (bp)**	**QoQ (bp)**
Payment processing charges % of GMV (%)	0.11	0.11	0.11	0.11	0.11	0.11	0	0
Net Payment Margin as % of GMV, bp	9.81	10.42	9.89	8.97	8.46	9.07	(135)	61
Net Payment Margin (%)	50.8	51.8	51.4	46.1	43.4	44.9	(692)	148
Direct Expense % of Revenues	39.9	41.5	43.1	44.6	44.9	44.1	268	(71)
Contribution Margin (%)	60.1	58.5	56.9	55.4	55.1	55.9	(268)	71
Indirect Expense % of Revenues	54.7	50.0	49.8	49.6	46.9	45.7	(429)	(120)
EBITDA Margin (%)	3.7	6.9	7.1	5.8	8.3	10.2	331	190
PAT Margin (%)	7.3	10.2	10.3	7.2	9.0	8.6	(158)	(34)

E: MOFSL Estimates

Rural Electrification Corp

BSE SENSEX	S&P CNX
73,607	22,603

Conference Call Details



Date: 29th Oct'26
Time: 1:00 PM
Dial-in details: Link

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	216	223	244
PPP	209	203	237
PAT	163	164	176
EPS (INR)	61.8	62.4	66.7
EPS Gr. (%)	4	1	7
BV/Shr (INR)	320	364	409
ABV/Shr (INR)	319	363	409
RoAA (%)	2.6	2.5	2.4
RoE (%)	20.1	18.2	17.3
Div. Payout (%)	30.0	34.5	35.2
Valuation			
P/E (x)	4.8	4.8	4.5
P/BV (x)	0.9	0.8	0.7
Div. Yield (%)	6.2	7.2	7.9

CMP: INR298 — Buy

Strong sequential loan growth; asset quality stable

Earnings miss; Reported NIM contracted ~12bp sequentially

- REC's 2QFY27 PAT declined ~23% YoY to INR33.9b (~14% miss). NII in 2QFY27 declined ~6% YoY to ~INR51.3b (~7% miss). Other income stood at -INR1.8b. This included fee and commission income of INR597m (PQ: INR1.1b and PY: INR4.7b) and exchange loss of INR2.6b (PQ: INR9.1b and PY: INR795m).
- Opex grew 120% YoY to ~INR3b (vs MOFSLe of INR1.6b). Cost-income ratio increased to ~5.9% (PQ: 2.3% and PY: 2.5%).
- PPoP declined ~18% YoY to INR46.5b (~8% miss). Provisions for the quarter stood at INR3.7b (vs. MOFSLe of INR1.2b). This translated into annualized credit costs of 6bp (PY: 2bp and PQ: -16bp).
- REC declared second interim dividend of INR3.5/share.

Sequential pickup in disbursements; loan book grows ~4.5% QoQ

- Loan book stood at INR6.2t and rose ~6% YoY and ~4.5% QoQ. Repayments rose sequentially to ~20.3% (PQ: 18.8% and PY: 39.9%). Renewable loan book grew 27% YoY to INR867b and forms ~14% of the overall loan mix.
- Disbursements in 2QFY27 grew 1% YoY and 67% QoQ to INR565b.

NIMs and spreads decline amid higher borrowing costs

- Reported NIM for 1HFY27 declined ~12bp to ~3.22% (1QFY27: 3.34%).
- Yields (calc.) rose ~25bp QoQ to ~9.8%, while CoB (calc.) rose ~45bp QoQ to ~7.35%, resulting in spreads (calc.) declining ~20bp QoQ to ~2.45%.

Asset quality remains stable, with steady PCR

- GS3 and NS3 was broadly stable QoQ at ~0.22% and 0.11%, respectively. PCR on Stage 3 was stable QoQ at ~51.2%. Standard asset (Stage 1 and 2) provisions were also stable QoQ at 0.87% (PQ: 0.86%).
- CRAR stood at ~24% as of Sep'26.

Valuation and view

- REC's performance remained subdued, with profitability impacted by a sharp rise in opex, primarily due to higher CSR expenses and contraction in margins. However, loan growth improved sequentially, driven by strong disbursements during the quarter. Asset quality remains comfortable, leading to benign credit costs. The earnings call, scheduled for 29th Oct at 1pm, will be key to assessing post-merger growth prospects, margin trajectory, and the merged entity's outlook.

Quarterly Performance INR m

Y/E March	FY26				FY27E				FY26	FY27E	2Q FY27E	v/s Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	1,45,022	1,45,771	1,45,184	1,41,016	1,41,867	1,46,574	1,50,238	1,49,539	5,78,118	5,88,219	1,43,961	2
Interest Expenses	89,351	91,316	92,429	89,317	87,484	95,230	98,372	83,970	3,62,413	3,65,057	88,796	7
Net Interest Income	**55,671**	**54,455**	**52,755**	**51,699**	**54,383**	**51,344**	**51,866**	**65,568**	**2,15,705**	**2,23,162**	**55,164**	**-7**
YoY Gr (%)	19.2	9.6	2.8	-16.1	-2.3	-5.7	-1.7	26.8	3	3	1.3	
Other Operational Income	1,442	4,738	3,925	2,545	1,091	597	657	2,714	3,657	5,060	1,200	
Net Operational Income	**57,113**	**59,192**	**56,680**	**54,244**	**55,474**	**51,942**	**52,523**	**68,283**	**2,16,636**	**2,28,222**	**56,365**	**-8**
YoY Gr (%)	21.1	18.0	8.8	-15.1	-2.9	-12.2	-7.3	25.9	0	5	-4.8	
Other Income	-5,406	-943	-2,698	-1,074	-11,753	-2,438	0	-2,789	473	(16,980)	-4,150	-
Total Net Income	**51,707**	**58,249**	**53,982**	**53,171**	**43,721**	**49,503**	**52,523**	**65,494**	**2,17,109**	**2,11,242**	**52,215**	**-5**
YoY Gr (%)	3.1	14.5	1.2	-17.0	-15.4	-15.0	-2.7	23.2	0	(3)	-10.4	
Operating Expenses	**1,404**	**1,374**	**1,708**	**3,479**	**1,253**	**3,019**	**1,964**	**2,441**	**7,965**	**8,676**	**1,580**	**91**
YoY Gr (%)	-35.4	-29.0	-45.7	45.2	-10.8	119.7	15.0	-29.8	7	9	15.0	
% to Income	2.7	2.4	3.2	6.5	2.9	6.1	3.7	3.7	4	4	3.0	
Operating Profit	**50,303**	**56,875**	**52,274**	**49,692**	**42,468**	**46,485**	**50,559**	**63,053**	**2,09,144**	**2,02,565**	**50,635**	**-8**
YoY Gr %	4.8	16.2	4.1	-19.4	-15.6	-18.3	-3.3	26.9	0	(3)	-11.0	
Provisions	-6,166	1,347	1,110	5,721	-9,625	3,745	1,750	-726	2,012	(4,856)	1,200	-
PBT	**56,469**	**55,528**	**51,164**	**43,971**	**52,093**	**42,740**	**48,809**	**63,779**	**2,07,132**	**2,07,421**	**49,435**	**-14**
YoY Gr (%)	30.5	10.2	0.1	-18.3	-7.7	-23.0	-4.6	45.0	4	0	-11.0	
Tax	**11,959**	**11,269**	**10,733**	**10,348**	**10,599**	**8,828**	**10,494**	**13,223**	**44,309**	**43,144**	**10,134**	**-13**
Tax Rate (%)	21.2	20.3	21.0	23.5	20.3	20.7	21.5	20.7	21	21	20.5	
PAT	**44,510**	**44,259**	**40,431**	**33,623**	**41,495**	**33,912**	**38,315**	**50,555**	**1,62,823**	**1,64,277**	**39,300**	**-14**
YoY Gr (%)	29.3	10.5	0.3	-20.6	-6.8	-23.4	-5.2	50.4	3.5	0.9	-11.2	
Key Parameters (Calc., %)												
Yield on loans	9.99	9.95	9.91	9.59	9.54	9.79	9.68	8.86				
Cost of funds	7.17	7.19	7.35	7.11	6.91	7.36	7.31	6.08				
Spread	2.8	2.76	2.6	2.5	2.6	2.43	2.4	2.8				
NIM	3.83	3.68	3.6	3.48	3.09	3.23	3.26	3.98				
C/I ratio	2.5	2.5	3.2	6.7	2.3	5.9	3.8	3.7				
Credit cost	-0.11	0.02	0.02	0.10	-0.16	0.06	0.03	-0.01				
Balance Sheet Parameters												
Disbursements (INR b)	**595**	**560**	**500**	**457**	**337**	**565**	**520**	**458**				
Growth (%)	36.3	18.3	-8.6	0.4	-43.3	0.9	4.0	0.1				
AUM (INR b)	**5,846**	**5,822**	**5,818**	**5,837**	**5,900**	**6,165**	**6,331**	**6,403**				
Growth (%)	10.4	6.6	2.9	3.0	0.9	5.9	8.8	9.7				
Asset Quality Parameters												
GS 3 (INR B)	61.5	61.5	51.2	13.9	13.8	13.8						
GS 3 (%)	1.05	1.06	0.88	0.24	0.23	0.22						
NS 3 (INR B)	14.1	14.10	11.8	6.8	6.8	6.74						
NS 3 (%)	0.24	0.24	0.20	0.12	0.11	0.11						
PCR (%)	77.1	77.05	77.0	51.0	51.2	51.16						

E: MOFSL Estimates

Aegis Logistics

BSE SENSEX	S&P CNX
73,607	22,753

Conference call details awaited

CMP: INR1,291 — Neutral

Strong performance of the gas division drives a beat

- Aegis's 2QFY27 revenue came in 18% below our expectations at INR22.1b, while EBITDA came in 12% below our estimates at INR4.3b.
  - EBITDA margin stood at 19.6% (vs. 12.7% in 2QFY26).
- PAT came in 16% below our estimate at INR2.6b.
- Depreciation came in below our estimate, while interest costs were above our estimate.

Segmental performance during the quarter

- The Liquids division's revenue was INR1.9b (+21% YoY), and EBIT was INR1.2b (+31% YoY).
- The Gas division's revenue stood at INR20.3b (-5% YoY), and EBIT was INR2.8b (+42% YoY).

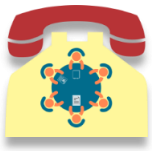
Consolidated - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27			Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	2QE	(%)	(%)	(%)
Net Sales	**17,194**	**22,940**	**17,254**	**25,944**	**23,569**	**22,133**	**26,945**	**-18%**	**-4%**	**-6%**
YoY Change (%)	*7.4*	*31.1*	*1.1*	*52.2*	*37.1*	*-3.5*	*17.5*			
EBITDA	**2,399**	**2,907**	**2,971**	**6,242**	**7,136**	**4,343**	**4,917**	**-12%**	**49%**	**-39%**
Margin (%)	*14.0*	*12.7*	*17.2*	*24.1*	*30.3*	*19.6*	*18.2*	*8%*	*55%*	*-35%*
Depreciation	417	522	528	527	529	553	638			
Interest	328	243	257	631	477	572	380			
Other Income	625	960	807	873	1,063	984	1,060			
PBT	**2,279**	**3,102**	**2,994**	**5,958**	**7,193**	**4,203**	**4,958**	**-15%**	**35%**	**-42%**
Rate (%)	*23.1*	*21.3*	*22.3*	*23.7*	*24.3*	*23.7*	*25.2*			
MI & P/L of Asso. Cos.	440	644	558	443	604	599	599	0%	-7%	-1%
Reported PAT	**1,313**	**1,796**	**1,768**	**4,104**	**4,844**	**2,606**	**3,109**	**-16%**	**45%**	**-46%**
Segmental performance										
Revenue (INR m)										
Liquid Terminal Division	1,439	1,546	1,614	1,841	1,783	1,873			21%	5%
Gas Terminal Division	15,755	21,395	15,640	24,103	21,786	20,260			-5%	-7%
EBIT (INR m)										
Liquid Terminal Division	804	917	982	1,010	1,097	1,205			31%	10%
Gas Terminal Division	1,321	1,962	1,728	4,955	5,753	2,777			42%	-52%

KFin Technologies

BSE Sensex	S&P CNX
73,607	22,753

Conference Call Details



Date: 27th October 2026

Time: 11:00 AM IST

Link for the call

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Revenue	13.0	16.7	19.4
EBITDA	5.3	6.8	7.8
PAT	3.6	4.4	5.0
EPS	20.9	25.7	29.3
EPS Grw. (%)	7.3	23.0	14.0
BVPS	85.9	95.6	105.9
RoE (%)	26.0	28.3	29.1
Div. Payout (%)	57.4	54.4	56.3
Valuations			
P/E (x)	39.6	32.2	28.3
P/BV (x)	9.7	8.7	7.8
Div. Yield (%)	1.4	1.7	2.0

CMP: INR829 — Buy

In-line performance

- KFin Technologies (KFin)'s operating revenue grew 30% YoY/13% QoQ to INR4b in 2QFY27 (in line). In 1HFY27, revenue rose 30% YoY.
- Revenue from domestic MF solutions grew 8% YoY (7% beat), issuer solutions grew 16% YoY (in-line), and international solutions witnessed 158% YoY growth (20% miss).
- Total operating expenses grew 39% YoY/3% QoQ to INR2.4b (in line), with employee expenses growing 43% YoY to INR1.6b and other expenses rising 31% YoY to INR778m. The cost-to-income ratio was at 59.9% (56.1% in 2QFY26).
- EBITDA grew 19% YoY/32% QoQ to INR1.6b, with EBITDA margins at 40.1% vs. 43.9% in 2QFY26 (est. 40.1%).
- Other income came in at INR82m vs. est. INR60m.
- KFin reported a net profit of INR1b in 2Q, up 8% YoY/33% QoQ (in line). For 1HFY27, PAT grew 3% YoY.

Valuation and view

- Structural tailwinds in the MF industry, coupled with increasing diversification into international, issuer solutions, alternates and pension businesses, are expected to drive KFin's long-term growth. Its technology-led, asset-light platform model, improving global fund administration capabilities through Ascent, and continued focus on operational efficiency position the company well to capitalize on opportunities across both Indian and global markets.
- We will update our estimates after the conference call scheduled for 27th Oct'26.

Quarterly Performance

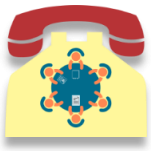
(INs m)

Y/E March	FY26				FY27		FY26	FY27E	2QFY27E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q						
Revenue from Operations	2,741	3,092	3,709	3,473	3,565	4,018	13,015	16,694	4,130	-2.7	30%	13%
Change YoY (%)	15.4	10.3	27.9	22.9	30.1	29.9	19.3	28.3	33.6			
Employee expenses	1,117	1,140	1,476	1,518	1,608	1,630	5,251	6,616	1,640	-0.6	43%	1%
Other Expenses	485	595	716	671	738	778	2,467	3,306	834	-6.7	31%	5%
Total Operating Expenses	1,602	1,735	2,193	2,189	2,346	2,408	7,718	9,922	2,473	-2.7	39%	3%
Change YoY (%)	16.2	12.7	37.5	36.4	46.4	38.7			42.5			
EBITDA	**1,139**	**1,357**	**1,516**	**1,285**	**1,220**	**1,610**	**5,297**	**6,772**	**1,657**	-2.8	19%	32%
Other Income	100	108	66	150	104	82	424	424	60	36.7	-24%	-21%
Depreciation	176	184	233	269	273	284	863	1,285	333	-14.7	54%	4%
Finance Cost	11	11	12	13	14	16	47	56	14	13.1	46%	16%
PBT	**1,052**	**1,270**	**1,338**	**1,152**	**1,037**	**1,392**	**4,812**	**5,855**	**1,370**	1.7	10%	34%
Change YoY (%)	14.5	6.3	9.6	0.8	-1.4	9.7	7.5	21.7	7.9			
Tax Provisions	276	336	332	296	282	386	1,241	1,464	342	12.8	15%	37%
Net Profit	**773**	**933**	**920**	**811**	**752**	**1,003**	**3,571**	**4,391**	**1,027**	-2.3	8%	33%
Change YoY (%)	13.5	4.5	2.0	-4.6	-2.6	7.5	7.3	23.0	10.1			
Key Operating Parameters (%)												
Cost to Operating Income Ratio	58.5	56.1	59.1	63.0	65.8	59.9	59.3	59.4	59.9	3bp	381bp	-587bp
EBITDA Margin	41.5	43.9	40.9	37.0	34.2	40.1	40.7	40.6	40.1	-3bp	-381bp	587bp
PBT Margin	38.4	41.1	36.1	33.2	29.1	34.7	37.0	35.1	33.2	149bp	-641bp	558bp
Tax Rate	26.3	26.5	24.8	25.7	27.2	27.7	25.8	25.0	25.0	275bp	127bp	54bp
PAT Margin	28.2	30.2	24.8	23.4	21.1	25.0	27.4	26.3	24.9	10bp	-520bp	388bp
Opex Mix (%)												
Employee expenses	69.7	65.7	67.3	69.3	68.5	67.7	68.0	66.7	66.3	140bp	201bp	-84bp
Other Expenses	30.3	34.3	32.7	30.7	31.5	32.3	32.0	33.3	33.7	-140bp	-201bp	84bp

Sunteck Realty

BSE SENSEX	S&P CNX
73,607	22,753

Conference Call Details



Date: 27th July 2026
Time: 16:00 IST
Dial-in details:
+91-22 6280 1289 /
+91-22 7115 8190

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	11.2	12.2	15.2
EBITDA	3.0	3.6	4.7
EBITDA Margin (%)	27.1	29.6	30.7
PAT	2.0	2.4	3.2
EPS (INR)	14.0	16.1	21.9
EPS Gr. (%)	36.0	15.2	36.3
BV/Sh. (INR)	246.5	261.1	281.5
Ratios			
RoE (%)	5.9	6.3	8.1
RoCE (%)	6.3	6.4	7.7
Payout (%)	10.8	9.4	6.9
Valuations			
P/E (x)	19.6	17.0	12.5
P/BV (x)	1.1	1.0	1.0
EV/EBITDA (x)	15.4	13.1	9.8
Div yld (%)	0.5	0.5	0.5

CMP: INR274 — Buy

Healthy pre-sales growth

Broadly in-line operational performance

In 2QFY27, Sunteck Realty's (SRIN) pre-sales grew 17% YoY to INR8.2b, which were broadly in line with our expectations. Collections grew 12% YoY to INR3.7b. Net cash flow surplus stood at INR1.5b in 2QFY27 (down 7% YoY), while net debt-to-equity increased to 0.09x. Net OCF surplus rose 27% YoY to ~INR3.5b in 1HFY27, after investing ~INR3.9b in business development during this period. Of this, ~90% was funded from operating cash flows.

Strong development pipeline and launch visibility

SRIN acquired a new land parcel at Borivali (West) on an outright basis. With this, it now has a cumulative GDV of INR469b, including a launched GDV of INR77b and a to-be-launched GDV of INR139b. The FY27 launch pipeline (ex-Dubai) stands at INR70b, with key launches planned in 2HFY27 at Sunteck Belvedere Park, Mira Road, and Andheri in MMR.

P&L highlights

- In 2QFY27, revenue rose 27% YoY to INR3.2b. EBITDA grew 14% YoY to INR886m (13% miss on our estimate). EBITDA margin stood at 27.6%. Adj. PAT rose 19% YoY to INR582m (in line with our estimate). PAT margin was at 18.1%.
- In 1HFY27, revenue rose 16% YoY to INR5.1b. The company's EBITDA also increased 24% YoY to INR1.6b. EBITDA margin stood at 30%. Adj. PAT rose 22% YoY to INR1b. PAT margin was at 19.6%.

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	**1,883**	**2,524**	**3,441**	**3,390**	**1,916**	**3,208**	**3,120**	**3,978**	**11,238**	**12,221**	**3,495**	**-8**
YoY Change (%)	-40.5	49.3	112.7	64.5	1.7	27.1	-9.3	17.3	31.7	8.7	38.5	
Total Expenditure	1,406	1,745	2,626	2,424	1,246	2,322	2,310	2,731	8,190	8,609	2,477	
EBITDA	**477**	**778**	**815**	**967**	**670**	**886**	**810**	**1,246**	**3,048**	**3,612**	**1,019**	**-13**
Margins (%)	25.4	30.8	23.7	28.5	35.0	27.6	26.0	31.3	27.1	29.6	29.1	-152.0
Depreciation	34	36	37	38	39	39	44	87	145	208	40	
Interest	149	194	117	202	216	212	188	120	673	735	226	
Other Income	132	98	119	98	105	130	125	110	448	470	98	
PBT before EO expense	**426**	**646**	**780**	**826**	**520**	**765**	**703**	**1,151**	**2,678**	**3,139**	**851**	**-10**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**426**	**646**	**780**	**826**	**520**	**765**	**703**	**1,151**	**2,678**	**3,139**	**851**	**-10**
Tax	92	159	212	197	105	195	200	362	659	785	255	
Rate (%)	21.6	24.5	27.1	23.9	20.2	25.5	28.4	31.5	24.6	25.0	30.0	
MI & P/L of Asso. Cos.	0	-2	-13	-9	-8	-12	0	20	-25	0	25	
Reported PAT	**334**	**490**	**582**	**638**	**423**	**582**	**503**	**769**	**2,044**	**2,355**	**571**	**2**
Adj PAT	**334**	**490**	**582**	**638**	**423**	**582**	**503**	**769**	**2,044**	**2,355**	**571**	**2**
YoY Change (%)	46.7	41.4	36.9	26.5	26.5	18.8	-13.5	20.6	36.0	15.2	16.6	
Margins (%)	17.8	19.4	16.9	18.8	22.1	18.1	16.1	19.3	18.2	19.3	16.3	

Source: MOFSL, Company
Note: Estimates are under review since we will revise them after the earnings call.

In conversation



Supreme Petrochem | Profit Down 60%, Revenue Up 16%
ED, Rakesh Nayyar

- Styrene prices rose to $1,600, while tight supply and higher freight costs compressed margins.
- Duty-free polymer imports intensified competition and pressured profitability.
- Domestic demand remains strong, but FY27 volume growth is capped at 5%.
- Exports may decline 70–75% in FY27 due to soaring freight rates.
- Value-added products contribute 40%; raw materials are sourced from China, Northeast and Southeast Asia.

Read More

Jupiter Life Line Hospitals | Steady Q2FY27 Performance
Ankit Thakker, CEO

- Average revenue per occupied bed rose to ₹72,000; future growth is expected slightly above inflation.
- Consolidated margins should improve as newer hospitals stabilize and reduce EBITDA losses.
- Expansion plans target 2,900 beds, funded through cash reserves, internal accruals and debt.
- BKC hospital construction is expected to take three years after regulatory approvals.

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DCB Bank | Talks With Chrys Capital & Other PE Players For Equity Capital Raise
MD & CEO, Praveen Kutty

- Net interest income grew 17%, while overall revenue increased 21%.
- Capital raise discussions are nearing closure, with ₹800–900 crore targeted by year-end.
- Gold loan slippages increased, particularly in the inorganic portfolio, but NPAs remain controlled.
- The bank maintains conservative loan-to-value ratios and expects asset quality to remain stable.

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Newgen Software | See Large Deals In Healthcare & Insurance
CEO, Tarun Nandwani

- Net margin guidance remains at 20–22%, with continued investment in AI products.
- Healthcare and insurance are driving large deals across the US and Europe.
- License revenue fell 18% year-on-year, but delayed large deals are expected to close in H2.
- AI offerings secured 10 deals in Q2, with three entering production; Middle East markets remain stable.

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UNDER REVIEW	Rating may undergo a change
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