Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	75,693	1.7	-11.2
Nifty-50	23,441	1.7	-10.3
Nifty-M 100	57,983	1.2	-4.1
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	7,541	-0.5	10.2
Nasdaq	25,164	-1.1	8.3
FTSE 100	10,761	0.3	8.4
DAX	25,981	0.6	6.1
Hang Seng	7,906	0.6	-11.3
Nikkei 225	63,082	-0.3	25.3
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	108	-8.8	73.5
Gold ($/OZ)	3,946	1.9	-8.6
Cu (US$/MT)	14,498	1.2	16.4
Almn (US$/MT)	3,132	0.8	5.5
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	94.9	-0.1	5.6
USD/EUR	1.1	0.2	-4.8
USD/JPY	157.9	0.2	0.8
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	7.3	-0.10	0.7
Flows (USD b)	**2-Nov**	**MTD**	**CYTD**
FIIs	0.33	-1.84	-30.4
DIIs	-0.04	6.30	74.1
Volumes (INRb)	**2-Nov**	**MTD***	**YTD***
Cash	1,254	1254	1333
F&O	2,93,556	2,93,556	2,52,761

lote: Flows, MTD includes provisional numbers.
Average

Today's top research idea

Gabriel India: New businesses set to outgrow legacy suspension business

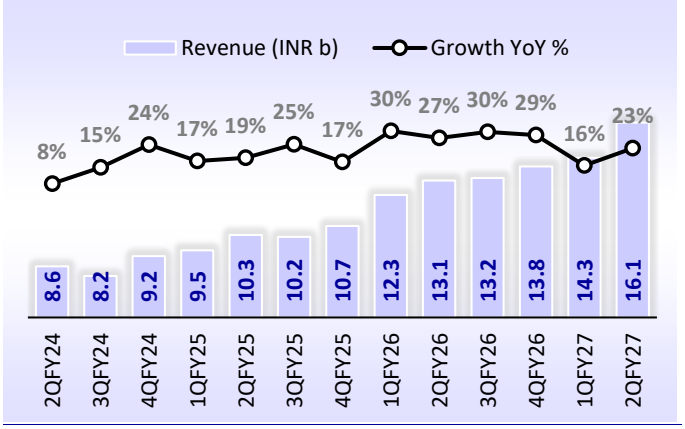
- GABR's reported revenue at INR 16.1b rose 23% YoY in 2QFY27 (in line with estimate), led by strong demand from 2W and PV segments (*Base quarter nos have been restated for appropriate comparison*).
- The demand outlook remains healthy across all key segments in India, with sequential improvements in margins expected on account of the pass-through of input costs to customers gradually. With the HL Group acquisition completed within 2QFY27, we have incorporated its financials into our estimates for 2HFY27, resulting in a 12% upgrade to FY27E EPS. We roll forward our valuation to Sep'28E and assign a 35x multiple on EPS of INR47.6. Accordingly, we maintain our BUY rating with an unchanged TP of INR1,664. Further group consolidation and selective inorganic opportunities could provide additional upside to earnings over the medium term.

Research covered

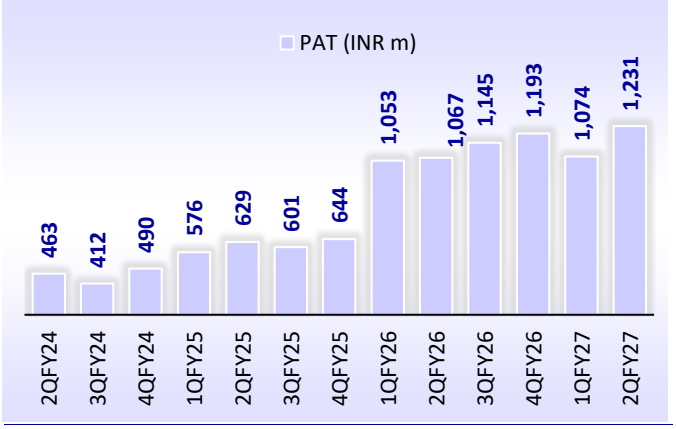
Cos/Sector	Key Highlights
Gabriel India	New businesses set to outgrow legacy suspension business
Bulls & Bears	Nifty ends in green; midcaps and smallcaps underperform largecaps
Other Updates	ITC | Marico | Lodha Developers | UPL | Syrma SGS Tech. | Escorts Kubota | LIC Housing Fin. | C D S L | Granules India | SPR Auto Technologies | Zen Technologies | Devyani Intl. | N S D L | Atlanta Electricals | Trident | A B Lifestyle | Birla Corpn. | Indigo Paints | United Foodbrands | Fusion Finance | Retail – Travelog | Economy | FLASH (Natl. Aluminium | Petronet LNG | Container Corpn. | TBO Tek | Amara Raja Ener. | Ventive Hospital | KEC International | Arvind Fashions | VRL Logistics | Gopal Snacks | Fine Organic)

Chart of the Day: Gabriel India (New businesses set to outgrow legacy suspension business)

Trend in revenue



Absolute PAT trend



Research Team

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

In the news today

Kindly click on textbox for the detailed news link

1

Marico sees copra prices ease 35% from peak, but crude-linked costs and vegetable oil inflation pose risks

Marico reported a significant expansion in gross margins due to a 35% decrease in copra prices.

2

Telcos to face up to Rs 20 lakh fine per quarter per circle for complaint redressal lapses

Telecom Regulatory Authority of India has introduced new rules for telecom operators and internet providers to enhance complaint redressal

3

Petronet LNG faces arbitration as vessel owners seek Rs 625 crore in dues

Three owners of LNG vessels are pursuing arbitration against Petronet LNG for Rs 625 crore in unpaid dues.

4

India's urban shoppers spend 13% more on FMCG but shop less often

India's urban shoppers are increasing grocery spending while making less frequent trips, reflecting higher prices' impact.

5

ITC flags illicit trade pressure on cigarettes; digital-first businesses grow over 70%

ITC Ltd has reported a significant increase in its digital-first and organic FMCG portfolio, achieving over 70% year-on-year growth.

6

Maharashtra FDA suspends 19 food licences; acts against Patanjali distributor over 'adulteration'

In a recent operation, the Maharashtra FDA suspended licenses of 19 food business operators for violations.

7

Jupiter Wagons bags Rs 324 crore orders from GATX India and Chetak International

Jupiter Wagons Ltd has obtained private sector orders worth over Rs 324 crore for automobile carrier wagons.

Gabriel India

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	GABR IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	276.7 / 2.9
52-Week Range (INR)	1600 / 796
1, 6, 12 Rel. Per (%)	5/43/22
12M Avg Val (INR M)	620

Financials & valuations (INR m)

Y/E March	FY26	FY27E	FY28E
Sales	52,452	63,090	74,822
EBITDA	5,021	5,615	7,258
Adj. PAT	4,489	5,227	7,873
EPS (Rs)	31.3	27.3	41.1
EPS Growth (%)	83.3	-12.7	50.6
BV/Share (Rs)	96.9	145.0	179.5
Ratios			
RoE (%)	34.9	25.1	25.3
RoCE (%)	23.1	12.0	10.3
Payout (%)	16.0	18.3	17.0
Valuations			
P/E (x)	46.2	52.9	35.1
P/BV (x)	14.9	9.9	8.0
EV / EBITDA (x)	40.8	51.0	39.3
Div. Yield (%)	0.3	0.3	0.5

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	66.3	63.6	55.0
DII	12.1	12.9	15.7
FII	5.9	6.4	6.5
Others	15.7	17.2	22.8

FII includes depository receipts

CMP: INR1,444 TP: INR1,664 (+15%) BUY

New businesses set to outgrow legacy suspension business

- GABR's reported revenue at INR 16.1b rose 23% YoY in 2QFY27 (in line with estimate), led by strong demand from 2W and PV segments (*Base quarter nos have been restated for appropriate comparison*).
- EBITDA stood at INR1.4b, up 12% YoY (in line with our estimate). EBITDA margin stood at 8.8% vs. 9.6% in 2QFY26 due to a spike in input costs on account of the West Asia crisis, lag effect in cost pass-through and the higher denominator effect.
- Adjusted PAT, including the restructured entities (Dana, Henkel, Anchemco, and Myutec), stood at INR1.2b (up 15% YoY), beating our estimate by 15% due to lower interest costs and higher other income.
- CFO for 1HFY27 stood at INR1.1b, while free cash outflow came in at INR10.5b due to the acquisition of HL Mando/Klemove.
- Demand outlook for the festive season remains healthy. We expect margins to improve over the coming quarters, driven by the pass-through of commodity price increases. With the HL Group acquisition completed in 2QFY27, we have incorporated its financials into our estimates for 2HFY27, resulting in a 12% upgrade to FY27E EPS. We roll forward our valuation to Sep'28E and assign a 35x multiple on EPS of INR47.6. Accordingly, we maintain our BUY rating with an unchanged TP of INR1,664.

Incremental updates

HL Group acquisitions completed:

- **GABR completed the acquisition of a 28.99% stake in HL Mando Anand India on 11th Sep'26 and a 30% stake (less one share) in HL Klemove India on 25th Aug'26.**
- **The company raised INR10b through unsecured NCDs at 8.15% p.a. for a tenure of three years to part finance the acquisition.**

Formed Seating JV:

- **Gabriel India's board has approved a joint venture agreement on 6th Oct'26 with Faurecia Automotive Seating India (FASI), FORVIA's Indian seating subsidiary. The JV, proposed to be named Faurecia Anand Seating India, will be newly incorporated. FASI will hold a 50% plus one share and Gabriel 50% less one share. Closing is targeted by 31st Dec'26, extendable by mutual consent.**

Transaction highlights

- **Scope: The JV will develop, manufacture and market primarily passenger vehicle seats, both complete seats and components, sub-assemblies and systems. Seat mechanisms are carved out and stay with FORVIA as the IP-intensive core. The mandate covers India and other mutually agreed geographies, which leaves optionality on exports.**

- **Seed business: Under a business transfer agreement, the JV will acquire FASI's existing seat-frames business as a going concern on a slump-sale basis, excluding mechanisms. The JV is therefore a new legal entity but starts with an operating revenue base, not a pure greenfield.**
- **Capital structure: Paid-up equity will be INR1b post-closing, contributed in two tranches:**
  - INR200m at incorporation, split at 51:49 ratio
  - INR800m at closing, split equally
  - **GABR's total commitment is ~INR500m** in cash, subscribed at par.
- **Governance:**
  - Board of six, with three nominees from each partner.
  - Chairman nominated by FASI, with a **casting vote**.
  - COO appointed by FASI; Deputy COO by Gabriel.
  - Voting is pro rata to shareholding, but reserved matters need the affirmative vote of both partners.
  - Standard deadlock and event-of-default provisions apply.
- **Ancillary agreements, to be executed after incorporation:**
  - A technical services and IP license agreement (TIPLA) with Faurecia Sièges d'Automobile (France) and Faurecia India.
  - Management and corporate services agreements with both FASI and Anand Automotive (AAPL).
- **Strategic rationale: For GABR, the JV diversifies it into a powertrain-agnostic category. For FORVIA, it supports a target of ~10% share of Indian seating within five years, framed as a first milestone under its IGNITE strategy. FORVIA secured its first Indian complete-seat program a few months ago. The partnership builds on a Clean Mobility relationship with ANAND dating back to 1991.**

Other key updates:

- **GABR's board declared an interim dividend of INR2.15/share for FY27.**

Valuation and view

- The demand outlook remains healthy across all key segments in India, with sequential improvements in margins expected on account of the pass-through of input costs to customers gradually. With the HL Group acquisition completed within 2QFY27, we have incorporated its financials into our estimates for 2HFY27, resulting in a 12% upgrade to FY27E EPS. We roll forward our valuation to Sep'28E and assign a 35x multiple on EPS of INR47.6. Accordingly, we maintain our BUY rating with an unchanged TP of INR1,664. Further group consolidation and selective inorganic opportunities could provide additional upside to earnings over the medium term.

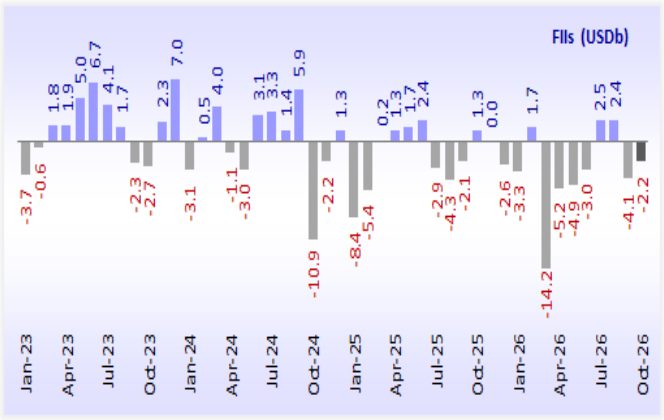
Consolidated - Quarterly Earnings (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating income	**12,344**	**13,083**	**13,217**	**13,808**	**14,257**	**16,080**	**16,246**	**16,507**	**52,452**	**63,090**	**15,573**	**3**
Change (%)	30.4	27.4	30.0	28.7	15.5	22.9	22.9	19.5	29.1	20.3	31.9	
RM/Sales (%)	72.8	73.3	73.4	74.1	74.3	75.0	74.5	74.6	73.4	74.6	74.2	80 bps
Staff Cost (%)	6.6	6.7	5.9	5.7	6.0	5.5	5.7	6.0	6.2	5.8	6.0	(50) bps
Other Exp. (%)	11.0	10.4	11.2	10.6	11.0	10.7	10.7	10.4	10.8	10.7	11.0	(30) bps
EBITDA	**1,182**	**1,259**	**1,248**	**1,332**	**1,242**	**1,409**	**1,478**	**1,486**	**5,021**	**5,615**	**1,370**	**3**
EBITDA Margins (%)	9.6	9.6	9.4	9.6	8.7	8.8	9.1	9.0	9.6	8.9	8.6	20 bps
Change (%)	30.3	27.5	36.4	22.5	5.0	11.9	18.4	11.6	28.9	11.8	18.7	
Non-Operating Income	45	69	68	104	46	66	30	58	286	200	40	65
Interest	50	63	67	84	60	147	247	198	264	652	260	-43
Depreciation	307	310	314	306	323	329	400	447	1236	1499	323	2
EO Exp	0	0	-141.67	-10.83	0	0	0	0	-152.5	0	0	
PBT after EO items	**871**	**955**	**794**	**1,035**	**905**	**999**	**861**	**899**	**3,655**	**3,664**	**1,268**	**-21**
Tax	203	231	193	284	251	242	207	179	910	879	199	
Eff. Tax Rate (%)	23.3	24.2	20.6	27.1	27.8	24.2	24.0	24.0	23.9	24.0	24.0	
Minority Int/Share of Profit	385	343	402	431	420	474	720	828	1560	2442	0	441
Rep. PAT	**1,053**	**1,067**	**1,003**	**1,183**	**1,074**	**1,231**	**1,374**	**1,548**	**4,305**	**5,227**	**1,070**	**15**
Change (%)	82.8	69.6	66.9	83.7	2.0	15.4	36.9	30.9	75.8	21.4	51.6	
Adj. PAT	**1,053**	**1,067**	**1,145**	**1,193**	**1,074**	**1,231**	**1,374**	**1,548**	**4,458**	**5,227**	**1,070**	**15**
Change (%)	82.8	69.6	90.5	85.4	2.0	15.4	20.0	29.7	82.0	17.3	51.6	

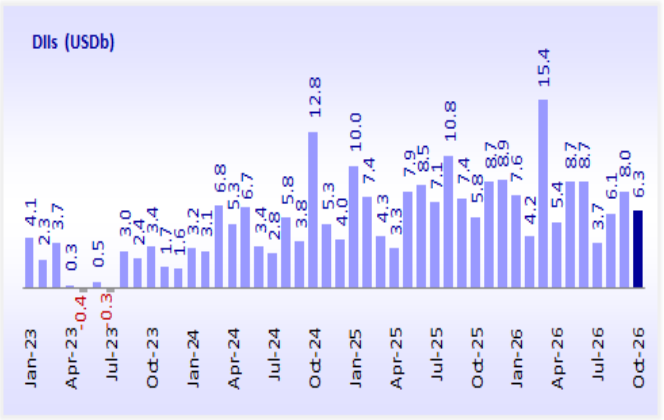
Bulls & Bears (November 2026): Nifty ends in green; midcaps and smallcaps underperform largecaps

- **Nifty manages to close in green:** The Nifty-50 managed to close in the green in Oct'26 after two consecutive months of decline. The index oscillated by 995 points before closing 433 points higher (or 1.9% MoM) at 23,053. The Nifty is down 11.8% in CY26YTD. The Nifty Smallcap 100 (-4.1%) and Nifty Midcap 100 (-3.4% MoM) underperformed the Nifty-50 during the month. Over the last 12 months, largecaps have fallen 10%, underperforming midcaps (-4% YoY) and smallcaps (flat YoY). Over the last five years, midcaps (CAGR: 13.5%) have notably outperformed largecaps (CAGR: 5.5%) by 58%, while smallcaps (CAGR: 11.4%) have markedly outperformed largecaps by 41%.
- **FIIs record outflows for the second consecutive month; DII inflows remain strong:** In Oct'26, FIIs recorded outflows of USD2.2b. FII equity outflows stand at USD30.4b in CY26YTD. DII inflows remained strong in Oct'26 at USD6.3b, taking DII equity inflows to USD74.1b in CY26YTD.
- **Breadth largely balanced in Oct'26:** Sector-wise, Technology (+18%), Media (+3%), PSU Banks (+3%), Telecom (+3%), and Healthcare (+3%) were the key gainers MoM. Meanwhile, Metals (-8%), Capital Goods (-7%), Oil & Gas (-5%), Power (-4%), and Real Estate (-4%) were the top laggards MoM. The market breadth was largely balanced in Oct'26, with 22 Nifty stocks closing higher. TCS (+22%), Infosys (+19%), Tech Mahindra (+18%), HCL Tech (+16%), and Trent (+15%) were the top gainers MoM, while Shriram Finance (-16%), Adani Enterp. (-11%), Nestle (-11%), Tata Steel (-9%), and Coal India (-8%) were the key laggards.
- **India among the gainers in Oct'26:** Among the key global markets, Germany (+2%), India (+2%), and the UK (+1%) ended higher MoM. However, Indonesia (-17%), Korea (-16%), Brazil (-10%), MSCI EM (-8%), China (-6%), Taiwan (-6%), Japan (-5%), and the US (-1%) ended lower MoM in Oct'26. During the last 12 months, the MSCI India Index (-14%) has underperformed the MSCI EM Index (+12%) in USD terms. Over the last 10 years, the MSCI India Index (CAGR: 6.4%) has delivered a marginally higher CAGR than the MSCI EM Index (CAGR: 5.7%). In P/E terms, the MSCI India Index is trading at a 43% premium to the MSCI EM Index, below its historical average premium of 72%.
- **Earnings review 2QFY27 – Strong broad-based earnings growth:** As of 31st Oct'26, 230/35 companies within the MOFSL Universe/Nifty have announced their 2QFY27 results.. Earnings of the aforesaid 230 MOFSL Universe companies witnessed strong growth, demonstrating a broad-based outperformance across all key aggregates. For the MOFSL Universe, sales/EBITDA/PAT grew 26%/24%/33% YoY (vs. our est. of +19%/+14%/+19%), the highest growth in 12 quarters; excl. OMCs, earnings grew 30% YoY vs. our est. of 22% YoY. This growth was fueled by BFSI, Metals and Oil & Gas. These three sectors contributed 78% to the incremental YoY earnings growth. In contrast, Healthcare and Cement were the only sectors that dragged down the overall aggregates. Read more
- **Valuation and view:** The Nifty is trading at a 12-month forward P/E ratio of 17.1x, below its LPA of 20.9x (at an 18% discount). Further, its P/B of 2.5x represents a 12% discount to its historical average of 2.9x. The 12-month trailing P/E for the Nifty, at 19.8x, is below its LPA of 23.2x (at a 15% discount). At 2.8x, the 12-month trailing P/B ratio for the Nifty is below its historical average of 3.2x (at an 11% discount). Notably, more than half of the sectors trade at a discount to their historical averages. Healthcare, PSU Banks, Capital Goods, Utilities, Metals, Capital Markets, Defense, EMS, Logistics, and Textile trade at a premium to their LPA valuations, while Oil & Gas, Consumer, Private Banks, Technology, Real Estate, Retail, Telecom, NBFCs, Consumer Durables, Infrastructure, and Chemicals trade at a discount to their LPA. India's ongoing market consolidation, alongside continued earnings recovery from FY25 lows, has led to a sustained cooling in valuations from the highs seen in 2024. With valuations well below their peaks, healthy earnings growth, and a resilient macroeconomic environment, we believe the risk-reward profile for Indian equities has improved meaningfully.
- **Top Nifty-50 Ideas:** Bharti Airtel, ICICI Bank, Larsen & Toubro, Titan Company, Mahindra & Mahindra, Adani Enterprises, Eternal, Bharat Electronics, Shriram Finance, BSE, and Apollo Hospitals. **Top non-Nifty-50 Ideas:** TVS Motor, Lenskart Solutions, Indian Hotels, GE Vernova T&D, Meesho, SBI Funds Management, Coforge, Dixon Tech, Radico Khaitan, RBL Bank, Physicswallah, Inventurus Knowledge Solutions, Kirloskar Oil Engines, and SPR Auto Tech.

FIIs record equity outflows for the second consecutive month in Oct'26

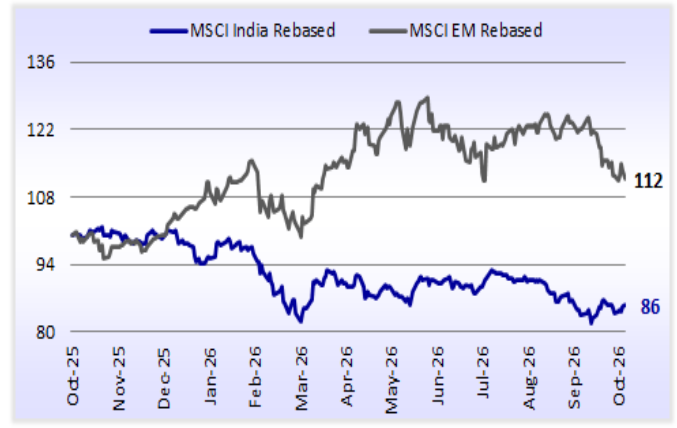


DIIs' monthly equity inflows continue to be robust

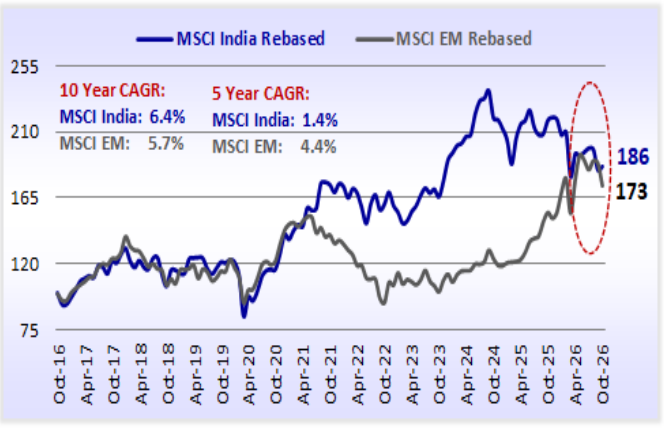


During the last 12 months, the MSCI India Index (-14%) has underperformed the MSCI EM Index (+12%)

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



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



ITC

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ITC IN
Equity Shares (m)	12531
M.Cap.(INRb)/(USDb)	3338.5 / 35.2
52-Week Range (INR)	422 / 253
1, 6, 12 Rel. Per (%)	0/-13/-28
12M Avg Val (INR M)	6870

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	788.7	811.3	879.4
Sales Gr. (%)	2.8	2.9	8.4
EBITDA	273.2	232.3	253.5
EBITDA Mrg. %	34.6	28.6	28.8
Adj. PAT	209.1	177.0	192.4
Adj. EPS (INR)	16.5	14.4	15.7
EPS Gr. (%)	5.0	-13.1	9.3
BV/Sh.(INR)	57.9	57.0	59.1
Ratios			
RoE (%)	29.0	25.0	27.0
RoCE (%)	28.3	23.3	25.2
Payout (%)	90.0	90.0	90.0
Valuations			
P/E (x)	16.1	18.5	17.0
P/BV (x)	4.6	4.7	4.5
EV/EBITDA (x)	17.6	20.6	18.8
Div. Yield (%)	5.5	4.8	5.2

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	49.8	49.2	47.4
FII	33.2	34.2	37.4
Others	16.9	16.6	15.2

FII Includes depository receipts

CMP: INR266 **TP: INR285 (+7%)** **Neutral**

Cigarette EBIT pressure sustains; beat on FMCG performance

- ITC reported consolidated net cigarette revenue (INR59.3b) contraction of 23% (in line). Given such a sharp increase in taxes, ITC has adopted a calibrated price hike strategy (unlike immediate tax pass-on historically) to protect drop-out of consumers from legal to illegal cigarette markets. Volume decline was in high single digits. Cigarette price hikes are still active, yet cumulative hike has not reached the tax-neutral level. Consolidated EBIT declined 26% YoY to INR40.4b (est. INR39.4b). Standalone EBIT declined 27% YoY.
- Consol. FMCG segment sales grew 19% YoY (ex-Atta up 23%) (beat). EBIT grew 31% YoY to INR5.8b (est. INR4.8b). EBIT margin expanded 70bp (-70bp in base) to 8%.
- Agri business revenue rose 13% YoY to INR45.5b (est. INR41.2bn, -16% in 1QFY27). EBIT margin expanded 20bp YoY to 11.4% (est. 8.5%, 4.4% in 1QFY27). Paper business sales rose 36% YoY to INR30.2b (include CPP acquisition). EBIT increased 51% YoY to INR2.7b (est. INR2.8b), while EBIT margin expanded 90bp YoY to 9.1%. Paperboard LTL revenue rose 10% and EBIT rose 52% YoY.
- In the cigarette business, the tax hike is still being passed on to consumers. Thus, cigarette revenue and EBIT performance would remain weak, with earnings pressure in cigarettes offsetting the benefits of recovery in FMCG and Paper. ITC has been trying to mitigate the tax impact (launched new SKUs across prices), but the sharp tax increase and competition from illicit cigarettes would take time to normalize. A calibrated price hike will continue to impact cigarette's EBIT performance in the coming quarters. We reiterate our Neutral rating with an **SoTP-based TP of INR285 (implying 17x P/E Sep'28E EPS).**

Cigarette EBIT down 26%; beat in FMCG

- **Consolidated performance:** ITC's 2QFY27 net revenue rose 4% YoY to INR202.7b (est. INR194.5b). EBITDA declined 16% YoY to INR56.4b (est. INR56.0b). PBT and APAT declined 17% and 17%, respectively.
- **Net cigarette sales declined 23%; EBIT dipped 26%:**
  - Consolidated net cigarette sales declined 23% YoY to INR59.3b (est. INR59.7b), given the increase in excise duty. Standalone cigarette net revenue declined 21%. Volume decline was in high single digit.
  - Consolidated EBIT declined 26% YoY to INR40.4b (est. INR39.4b). Gross cigarette EBIT margin contracted to 24.9% in 2QFY27 vs 58% in 2QFY26. Standalone EBIT declined 27% YoY.
  - Management highlighted that it has adopted staggered and agile pricing actions to minimize the loss to illicit trade while protecting its consumer franchise. ITC is still in a transitory phase, with the full tax hike yet to be passed on to consumers.

- **Strong FMCG performance:**
  - Consolidated FMCG-Others sales grew 19% YoY (ex- Atta up 23%) to INR72.1b (est. INR69.1b). Standalone FMCG revenue growth stood at 16%.
  - Dairy, Snacks, Noodles, Frozen Snacks, and Notebook delivered strong growth of over 20% YoY, and the Personal Care portfolio registered high-teen growth during the quarter.
  - EBIT grew 31% YoY to INR5.8b (est. INR4.8b) in 2QFY27. EBIT margin expanded 70bp to 8% (est. 7%).
  - Sharp input cost escalation across categories was mitigated through portfolio mix enrichment, cost management initiatives, and calibrated pricing actions.
  - Digital-first and Organic portfolio maintained strong growth momentum, with ARR surpassing INR18b.
- **Agri business** sales rose 13% YoY to INR45.5b (est. INR41.2b), despite being impacted by trade disruptions due to the West Asia conflict and delayed call-offs by customers. EBIT grew 14% YoY to INR5.2b. EBIT margin expanded 20bp YoY to 11.4% (est. 8.5%).
- **Paperboard**
  - Reported revenue growth was 36% YoY to INR30.2b (est. INR29.6b). The acquisition of the century pulp and paper business (CPP) was completed on 1st Aug'26.
  - EBIT rose 51% YoY to INR2.7b, and EBIT margin expanded 90bp YoY to 9.1% (est. 9.5%).
  - Like-for-like sales grew 10% and EBIT grew 52%.
  - Demand conditions are improving, while pricing actions are helping mitigate the impact of severe input cost inflation.
  - Wood prices remain elevated due to lower-than-expected harvests and strong demand from competing industries. However, prices are expected to moderate going forward.

Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- ITC is still in the transitory phase, with the full tax hike yet to be passed on to consumers. Thus, we believe Cigarette's revenue and EBIT performance will be volatile in the near term.
- The FMCG business continues to perform well, with robust improvement in margins. However, we believe earnings pressure on cigarettes would offset near-term catalysts (recovery in FMCG and Paper) and comfort on valuation. ITC has a full cigarette portfolio to better navigate the tax increase, but competitive pressure from illicit cigarettes will take a toll on the formal cigarette industry.
- We reiterate our Neutral rating on ITC with **our SoTP-based TP of INR285 (implying 17x Sep'28E EPS).**

Consol. Quarterly Performance (Reported) **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27 2QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Est. cigarette vol. gr. (%)	**6.0**	**6.0**	**6.5**	**0.0**	**-8.0**	**-8.0**	**-8.0**	**-8.0**	**6.2**	**-8.0**	**-8.0**	
Net Sales	**214.9**	**195.0**	**200.5**	**178.2**	**191.1**	**202.7**	**212.7**	**204.8**	**788.7**	**811.3**	**194.6**	**4.2%**
YoY change (%)	16.5	-6.0	6.7	-5.0	-11.1	3.9	6.1	14.9	2.8	2.9	-0.2	
Gross Profit	**112.6**	**113.6**	**116.3**	**120.7**	**102.2**	**110.5**	**117.0**	**124.6**	**463.2**	**454.3**	**109.9**	
Margin (%)	52.4	58.3	58.0	67.7	53.5	54.5	55.0	60.8	58.7	56.0	56.5	
EBITDA	**68.2**	**66.9**	**68.8**	**69.2**	**51.8**	**56.4**	**60.4**	**63.6**	**273.2**	**232.3**	**56.0**	**0.7%**
Growth (%)	1.0	-1.0	8.2	6.2	-24.0	-15.7	-12.3	-8.1	3.5	-15.0	-16.3	
Margins (%)	31.7	34.3	34.3	38.8	27.1	27.9	28.4	31.1	34.6	28.6	28.8	
Depreciation	4.2	4.3	4.3	4.2	4.3	4.9	4.9	4.9	17.1	18.9	4.5	
Interest	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.9	1.2	0.2	
Other Income	6.8	5.8	5.7	5.9	6.6	5.1	6.3	7.5	24.3	25.5	6.3	
PBT	**71.3**	**68.9**	**71.1**	**72.0**	**54.5**	**57.2**	**62.4**	**67.3**	**283.3**	**241.6**	**58.6**	**-2.4%**
Tax	17.8	17.9	17.4	17.0	13.5	14.7	15.7	17.9	70.2	61.8	14.7	
Rate (%)	25.0	26.0	24.4	23.7	24.8	25.6	25.1	26.6	24.8	25.6	25.1	
Adj PAT	**52.4**	**50.6**	**51.9**	**54.1**	**40.8**	**41.9**	**45.8**	**48.3**	**209.1**	**177.0**	**43.0**	**-2.6%**
YoY change (%)	3.0	1.3	11.1	6.6	-22.2	-17.3	-11.8	-10.6	5.4	-15.4	-15.1	
Reported PAT	**52.4**	**51.3**	**49.3**	**53.9**	**43.9**	**41.7**	**45.8**	**48.3**	**206.9**	**179.8**	**43.0**	**-3.0%**

E: MOFSL estimate

Marico

Estimate changes	⇔
TP change	⇑
Rating change	⇔

CMP: INR799 **TP: INR975 (+22%)** **Buy**

Robust earnings growth; positive revision in guidance

- Marico (MRCO) reported consolidated revenue growth of 13% YoY to INR39b in 2QFY27 (below est.). Domestic revenue grew 9% YoY, supported by healthy 10% volume growth, while international business delivered 13% constant-currency growth (CCG; +23% INR). Parachute volume rebounded by 13%, while Value-Added Hair Oils (VAHO) and Foods sustained strong growth momentum. Demand trends remained resilient and MRCO witnessed healthy growth across general and organized trade, along with an acceleration in quick commerce, despite rising inflation.
- GM expanded strongly by 600bp YoY to 48.1% (beat), aided by softer copra prices and favorable portfolio mix. MRCO accelerated brand investment to drive product innovation (A&P up 44%). EBITDA margin expanded 200bp YoY to 18.2% (beat). EBITDA grew by a strong 27% YoY to INR7.1b (beat).
- Management raised its FY27 EBITDA growth guidance to mid-20s from high-teens earlier, backed by a favorable mix, stronger Parachute volumes and improving profitability in Foods and Digital-first. MRCO expects mid-teen revenue growth, double-digit India volume growth, mid-teen CCG in International, and 150bp EBITDA margin expansion in FY27 (1H: 130bp).
- MRCO targets INR200b in revenue by FY30, with scope to achieve it by FY29 if the current momentum sustains. We are positive on MRCO, supported by resilient core volume growth, improving premiumization and the profitable scale-up of Foods and Digital-first businesses. We model EBITDA margins of 19-20% for FY27/FY28.
- We model a CAGR of 12% in revenue and 18% in EBITDA over FY26-29E. Earnings upgrade is a rare case in such a challenging environment. Limited consumer companies across discretionary and non-discretionary could achieve such earnings delivery over the next 12-months. The stock is trading at 39x/34x FY28E/FY29E EPS. **We reiterate our BUY rating with a TP of INR975. MRCO remains one of our top picks in our coverage universe.**

Robust 27% EBITDA growth; volume up 10%

- **Double-digit volume and revenue growth continues:** Consolidated net sales grew 13% YoY to INR39b in 2QFY27 (est. INR40.7b). Domestic revenue grew 9% YoY, supported by healthy 10% volume growth. Demand trends remained resilient amid a volatile operating environment, although MRCO continues to monitor evolving inflationary and geopolitical conditions. International business delivered 13% CCG (23% in INR terms). Bangladesh/ Vietnam/MENA/South Africa posted strong 5%/22%/15%/15% CCG. NCD and Exports also remained healthy with 17% growth during the quarter.

Bloomberg	MRCO IN
Equity Shares (m)	1300
M.Cap.(INRb)/(USDb)	1038.3 / 10.9
52-Week Range (INR)	890 / 706
1, 6, 12 Rel. Per (%)	-2/5/19
12M Avg Val (INR M)	1515

Financials & Valuations (INR b)

Y/E March	2027E	2028E	2029E
Sales	155.4	171.8	189.5
Sales Gr. (%)	15.3	10.5	10.3
EBITDA	29.5	34.1	38.8
EBITDA Margin. %	19.0	19.8	20.5
Adj. PAT	22.6	26.5	30.5
Adj. EPS (INR)	17.4	20.4	23.5
EPS Gr. (%)	27.9	17.4	15.0
BV/Sh.(INR)	36.3	42.2	50.1
Ratios			
RoE (%)	50.6	52.0	50.9
RoCE (%)	46.4	48.1	47.4
Payout (%)	77.7	71.1	66.0
Valuations			
P/E (x)	45.9	39.1	34.0
P/BV (x)	22.0	18.9	15.9
EV/EBITDA (x)	34.0	29.1	25.2
Div. Yield (%)	1.7	1.8	1.9

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	58.8	58.9	58.9
DII	14.1	13.0	12.0
FII	22.6	23.6	24.5
Others	4.5	4.5	4.6

FII includes depository receipts

- **Broad-based growth across categories:** Parachute Coconut Oil reported 1% value growth, while volumes grew 13% (highest in 22 quarters), as the benefit of easing copra prices was passed on through price cuts, and prior pricing actions were anniversarized. VAHO sustained healthy momentum with 21% value growth, aided by key franchises, particularly accelerating growth in Almond Hair Oil. Saffola Edible Oils **posted** 6% revenue growth, despite high-single-digit volume decline, as MRCO continued to rationalize supplies of select variants to protect long-term profitability. Foods portfolio grew 45% YoY, crossing INR15b in annualized revenue run-rate. Saffola Foods delivered early-teen growth, led by Oats, Muesli and Soya Chunks.
- **Sharp expansion in margins:** Consolidated gross margin expanded 600bp YoY/ 150bp QoQ to 48.1% (est. 44%), supported by moderation in copra prices and favorable portfolio mix. MRCO indicated that copra prices have dropped ~35% from peak levels (-31% YTD), and remained range-bound in 2Q. Employee/ advertising/other expenses grew 19%/44%/26% YoY. Despite high operating expenditure, EBITDA margin expanded 200bp YoY to 18.2% (est. 17.2%), highlighting the strong operating leverage from gross margin recovery.
- **Double-digit earnings growth continued in 2Q:** EBITDA grew 27% YoY to INR7.1b (est. INR7b), while PBT grew 23% YoY to INR6.7b (est. INR6.8b). APAT was up 31% YoY at INR5.5b (est. INR5.3b), aided by a lower-than-expected tax.
- In 1HFY27, revenue/EBITDA/APAT grew 18%/19%/28%.

Highlights from the management commentary

- Domestic demand remained resilient, aided by policy stimulus, while food, edible oil, and fuel inflation rose. MRCO continues to monitor geopolitical developments, crude, and deficient rainfall in certain states.
- Management raised FY27 EBITDA growth guidance to mid-20s, from high teens earlier (2-yr CAGR). Revenue should deliver teen growth and comfortably cross INR150b.
- India volume growth is expected in double digits for FY27. International should sustain mid-teen CCG, with growth accelerating in 2H, led by Bangladesh.
- Operating margin is expected to expand 120-150bp in FY27 (+130bp in 1HFY27).
- Management maintains 4-6% medium-term volume growth for Parachute.

Valuation and view

- We largely maintain our EBITDA estimates for FY27 and FY28.
- MRCO expects to comfortably cross revenue of INR150b in FY27 on teen growth, with mid-20s EBITDA growth and double-digit India volume growth. It targets INR200b by FY30 on a double-digit revenue CAGR over FY26-30, backed by top-quartile India volume growth and teen CCG in International, with mid-teen EBITDA CAGR.
- Diversification improves the resilience of the International portfolio. Bangladesh's revenue share has declined from 50% in FY20 to 45% in FY26 and MRCO expects it to fall to ~35% by FY30, while premium categories should rise from ~30% to ~40%. International ex-Bangladesh targets 20%+ revenue CAGR through FY30, with EBITDA margin expanding from high teens to the twenties.
- To improve its domestic distribution reach, MRCO has started Project SETU, which helps drive growth in GT through a transformative expansion of its direct reach.

- In line with its aspiration of delivering a double-digit revenue CAGR and mid-teen EBITDA CAGR over FY26-30, we model a CAGR of 12% in revenue and 18% in EBITDA over FY26-29E. MRCO has sustained its growth trajectory and is diversifying revenue streams with a strong focus on TAM expansion. **We reiterate our BUY rating on the stock with a TP of INR975 (based on 45x Sep'28E EPS). MRCO remains one of our top picks in our coverage universe.**

Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Domestic volume growth (%)	9.0	7.0	8.0	9.0	11.0	10.0	11.7	12.2	**8.3**	11.2	11.3	
Net Sales	**32,210**	**34,500**	**35,060**	**33,010**	**39,570**	**38,970**	**39,767**	**37,090**	**1,34,780**	**1,55,397**	**40,735**	-4.3%
YoY Change (%)	21.9	29.5	25.5	20.9	22.9	13.0	13.4	12.4	24.4	15.3	18.1	
Gross Profit	**14,910**	**14,530**	**15,090**	**14,660**	**18,450**	**18,750**	**19,088**	**17,836**	**59,190**	**74,124**	**17,923**	4.6%
Gross margin (%)	46.3	42.1	43.0	44.4	46.6	48.1	48.0	48.1	43.9	47.7	44.0	
EBITDA	**6,550**	**5,600**	**5,980**	**5,210**	**8,190**	**7,090**	**7,658**	**6,530**	**23,340**	**29,468**	**7,010**	1.1%
Margins (%)	20.3	16.2	17.1	15.8	20.7	18.2	19.3	17.6	17.3	19.0	17.2	
YoY Change (%)	4.6	7.3	12.2	13.8	25.0	26.6	28.1	25.3	9.1	26.3	25.2	
Depreciation	450	470	500	600	560	640	590	559	2,020	2,349	575	
Interest	100	120	140	170	210	240	150	100	530	700	200	
Other Income	560	490	390	600	480	530	450	576	2,040	2,036	540	
PBT	**6,560**	**5,500**	**5,730**	**5,040**	**7,900**	**6,740**	**7,368**	**6,447**	**22,830**	**28,455**	**6,775**	-0.5%
Tax	1,430	1,180	1,070	960	1,380	1,160	1,474	1,393	4,640	5,406	1,355	
Rate (%)	21.8	21.5	18.7	19.0	17.5	17.2	20.0	21.6	20.3	19.0	20.0	
Adjusted PAT	**5,040**	**4,200**	**4,515**	**3,910**	**6,300**	**5,500**	**5,767**	**5,022**	**17,665**	**22,589**	**5,292**	3.9%
YoY Change (%)	8.6	7.3	13.2	14.0	25.0	31.0	27.7	28.5	10.6	27.9	26.0	
Reported PAT	**5,040**	**4,200**	**4,470**	**3,910**	**6,300**	**5,500**	**5,767**	**5,022**	**17,620**	**22,589**	**5,292**	

E: MOFSL Estimates

Lodha Developers

Estimate change	↑
TP change	↔
Rating change	↔

Bloomberg	LODHA IN
Equity Shares (m)	999
M.Cap.(INRb)/(USDb)	1002.2 / 10.6
52-Week Range (INR)	1345 / 651
1, 6, 12 Rel. Per (%)	-14/14/-7
12M Avg Val (INR M)	2357

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	166.8	197.3	224.3
EBITDA	49.2	66.9	76.3
EBITDA Margin (%)	29.5	33.9	34.0
PAT	34.3	47.8	55.9
EPS (INR)	34.3	47.8	56.0
EPS Gr. (%)	24.0	39.3	17.0
BV/Sh. (INR)	233.1	275.0	323.9
Ratios			
RoE (%)	14.7	17.4	17.3
RoCE (%)	13.0	15.4	16.1
Payout (%)	12.4	12.5	12.5
Valuations			
P/E (x)	29.2	21.0	17.9
P/BV (x)	4.3	3.6	3.1
EV/EBITDA (x)	21.6	15.1	12.7
Div yld (%)	0.4	0.6	0.7

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	70.3	70.3	71.9
DII	2.6	3.6	2.7
FII	25.3	23.7	24.1
Others	1.8	2.5	1.3

CMP: INR1,003 TP: INR1,375 (+37%) Buy

Building scale through a diversified growth trajectory

Robust launch visibility on continued business development

Lodha Developers (LODHA) added one project in MMR during 2QFY27, with 0.9msf of saleable area and an estimated GDV of INR48b. It has INR409b of launched inventory yet to be sold, which is expected to support sustenance sales. Further, a robust pipeline of INR191b is planned for launch in 2HFY27 across MMR, Bangalore, Pune and NCR. Beyond the next 12 months, LODHA would likely launch ~68msf (own land + JDA). Overall, the company has unsold GDV of ~INR2t (excl. land forming part of LandCo), which provides ample growth visibility for the medium term.

Contribution from new regions on a rise; presales to pick up in 2H

In 2QFY27, presales grew by 10% YoY to INR50.4b (in line). It launched one new project in Bengaluru (INR22b GDV) and the region contributed 37% to the quarter's presales, whereas MMR's contribution was ~49%. LODHA recently launched its first project in the NCR, with more launches in NCR, Bengaluru and Pune likely to boost presales in 2HFY27 and make the performance well diversified. The company has a strong pipeline of projects in 2H offering a GDV potential of INR191b and expects INR60-70b presales rate in each of the next two quarters. Additionally, it expects INR15b data center land transaction in 4Q. **We maintain a 16% CAGR in presales, reaching INR276b during FY26-28E**.

Progressing well in the DC business segment

LODHA's approved power availability has increased to 5GW from 3GW, translating into over 4GW of IT capacity. Definitive documents for the first multi-hundred-megawatt BTS deal are expected in FY27, with rentals likely commencing after handover to clients in FY29. The company targets signing up 1GW of input power by FY30 and delivery by FY32, with annual rental potential of INR20-23b, supporting its target of 10x growth in overall annuity income over six years.

Collections to improve in the coming quarters

Collections were flat YoY at INR34.5b, while net OCF was down 39% YoY to INR8.8b. Cash flows are expected to significantly increase in 2H, supported by improving execution and Palava land monetization. The company has guided for OCF to increase to INR85b in FY27 from INR28b in 1H. We have maintained our collection CAGR at 18% to INR212b in FY26-28E. Net debt increased INR3.5b QoQ to INR52.8b as of 2QFY27, with a net debt-to-equity ratio of 0.21x. Given the strong cash flow visibility, we expect net debt to remain at comfortable levels in the next two years.

Strong beat on PAT

- 2Q revenue increased by 18% YoY to INR44.7b. EBITDA grew 34% YoY to INR14.9b, while EBITDA margin expanded 412bp YoY to 33.3%. Adjusted EBITDA margin stood at 36%. Adj. PAT grew 28% YoY to INR10.1b, while PAT margin stood at 22.7%.
- Given the strong performance in 1H, LODHA expects to comfortably beat its full-year PAT guidance of INR41b.

Valuation and view

- With strong presales generation from regions outside MMR, LODHA has showcased its ability to diversify regionally while scaling up operations. This has expanded its addressable opportunity, derisked operational performance, and improved growth visibility over the medium term.
- The strong growth visibility in the DevCo business with INR2t unsold GDV would limit the company's requirement for business development in the near term, which would boost the free cash flows. We expect new project acquisitions to be limited to new regions and some opportunistic BD in MMR.
- Regional diversification and continuity in BD activity reinforce our confidence that LODHA can deliver higher growth compared to peers of similar scale while maintaining balance sheet strength.
- **Hence, given the continued investments toward growth, we assign a 20% premium to the residential NAV, which we believe is justified as our calculations suggest that the segment can command ~40% NAV premium.** A further increase in NAV premium would depend on the pace of project additions in the coming quarters.
- While we have maintained our presales and collections estimates, we have increased the WACC rate of residential portfolio to 11.3% and cap rate for the annuity portfolio to 8.0%. **Hence, the target price has declined to INR1,375. Reiterate BUY. LODHA is our preferred pick among large developers.**

Quarterly performance

Y/E March	FY26				FY27E				FY26	FY27	FY27 2Q Est.	2QE Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	**34,917**	**37,985**	**46,725**	**47,135**	**49,967**	**44,674**	**46,367**	**56,300**	**1,66,762**	**1,97,308**	**41,435**	**8**
YoY Change (%)	23	45	14	12	43	18	-1	19	21.0	18.3	9.1	
Total Expenditure	25,073	26,897	32,574	33,009	30,743	29,791	31,750	38,140	1,17,553	1,30,424	29,197	
EBITDA	**9,844**	**11,088**	**14,151**	**14,126**	**19,224**	**14,883**	**14,617**	**18,160**	**49,209**	**66,884**	**12,237**	**22**
Margins (%)	28.2	29.2	30.3	30.0	38.5	33.3	31.5	32.3	29.5	33.9	29.5	
Depreciation	659	714	975	1,106	692	829	950	1,138	3,454	3,609	900	
Interest	1,478	1,565	1,850	1,674	1,791	1,853	1,587	1,234	6,567	6,465	1,650	
Other Income	1,330	804	1,029	1,270	1,000	1,175	1,120	1,205	4,433	4,500	1,050	
PBT before EO expense	**9,037**	**9,613**	**12,355**	**12,616**	**17,741**	**13,376**	**13,200**	**16,992**	**43,621**	**61,309**	**10,737**	**25**
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	**9,037**	**9,613**	**12,355**	**12,616**	**17,741**	**13,376**	**13,200**	**16,992**	**43,621**	**61,309**	**10,737**	**25**
Tax	2,284	1,710	2,854	2,558	4,028	3,285	2,672	3,503	9,406	13,488	2,362	
Rate (%)	25.3	17.8	23.1	20.3	22.7	24.6	20.2	20.6	0.2	0.2	22.0	
MI & P/L of Asso. Cos.	6	16	-68	-21	-8	-39	12	85	-67	50	11	
Reported PAT	**6,747**	**7,887**	**9,569**	**10,079**	**13,721**	**10,130**	**10,517**	**13,403**	**34,282**	**47,771**	**8,365**	**21**
Adj PAT	**6,747**	**7,887**	**9,569**	**10,079**	**13,721**	**10,130**	**10,517**	**13,403**	**34,282**	**47,771**	**8,365**	**21**
YoY Change (%)	42	86	1	9	103	28	10	33	24.0	39.3	6.1	
Margins (%)	19.3	20.8	20.5	21.4	27.5	22.7	22.7	23.8	20.6	24.2	20.2	**249bp**

UPL

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UPLL IN
Equity Shares (m)	844
M.Cap.(INRb)/(USDb)	435.7 / 4.6
52-Week Range (INR)	812 / 476
1, 6, 12 Rel. Per (%)	-5/-17/-19
12M Avg Val (INR M)	1756

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	518.4	557.4	600.0
EBITDA	99.7	112.9	119.4
PAT	25.2	35.1	40.1
EBITDA (%)	19.2	20.3	19.9
EPS (INR)	29.8	41.6	47.4
EPS Gr. (%)	31.7	39.4	14.0
BV/Sh. (INR)	411	434	469
Ratios			
Net D/E	0.5	0.5	0.3
RoE (%)	7.9	9.8	10.5
RoCE (%)	9.0	11.4	11.8
Payout (%)	24.8	35.7	27.8
Valuations			
P/E (x)	17.3	12.4	10.9
EV/EBITDA (x)	6.0	5.4	4.8
Div Yield (%)	1.1	2.6	2.6
FCF Yield (%)	1.6	6.3	17.0

Shareholding Pattern (%)

	Sep-26	Jun-26	Sep-25
Promoter	41.6	43.8	43.8
DII	16.5	12.2	13.2
FII	7.4	8.2	6.0
Others	34.5	35.9	37.0

Note: FII includes depository receipts

CMP: INR516 **TP: INR580 (+12%)** **Neutral**

Advanta and Superform cushion crop protection weakness

Operating performance above our estimate

- UPL Ltd (UPLL) posted a resilient 2Q operating performance, with EBITDA growing 8% YoY to INR23.8b, driven by a better platform mix. The EBITDA of Advanta/UPL SAS/Superform grew 19%/3%/19% YoY. However, the EBITDA of UPL SAS declined 14% YoY due to weaker volumes amid adverse weather and tight channel liquidity, along with softer pricing and higher input costs.
- The seasonally stronger 2H is likely to benefit from inventory placement shifting closer to application. Further, improving pricing discipline, increasing contribution from higher-margin businesses, healthy volume-led growth in global crop protection, healthy performance from Advanta and Superform, and disciplined cost management are expected to be key growth drivers.
- We largely maintain our FY27/FY28 earnings estimates and **reiterate our Neutral rating on the stock with a TP of INR580 (premised on a 12x P/E, i.e., at a 45% discount to the five-year avg. P/E).**

Margin expansion offsets weather-led volume softness

- UPLL reported revenue of INR118.6b (est. in-line) in 2QFY27, flat YoY **(volume down: -10%, price growth: flat, forex up: +9%).** EBITDA stood at INR23.8b (est. INR22.3b), up 8% YoY. EBITDA margin stood at 20.1% (+175bp YoY) . Adj PAT was INR6.7b (est. INR4.7b) in 2QFY27, down 2% YoY (adj. PAT is adjusted for exchange difference and extraordinary expenses).
- Net debt stood at USD3b as of Sep'26 vs. USD2.7b last year (Net debt/EBITDA stood at 2.9x vs. 2.7x last year).
- **India's** revenue declined 9% YoY to INR15b, as dry spells hit crop protection and seeds. **North America**'s revenue grew 19% YoY to INR10.7b, led by volume growth from a new brand. **LATAM's** revenue declined 8% to INR52b, as unfavorable rains hurt fungicide volumes in Brazil and herbicides in other LATAM countries. **The European** business declined 12% YoY to INR12b, as the heatwave led decline continued, particularly in fungicides and Acephate, while the **RoW** business grew 19% to INR28.4b, led by growth in crop protection in Asia and Africa and seed growth in Australia.
- **Advanta's** revenue increased 12% YoY to INR18.8b, driven by growth in sunflower, grain sorghum and field corn across LATAM and Indonesia along with post-harvest growth led by US, LATAM and South Africa. **UPL Corp's** revenue declined 8% YoY to INR79.7b, as severe drought conditions continued in Europe amid tight channel liquidity. **UPL SAS** revenue grew 3% YoY to INR2.1b. **SUPERFORM's** revenue grew 28% YoY to INR35.8b, supported by new product commercialization.
- In 1HFY27, UPLL's revenue/EBITDA/Adj. PAT grew 4%/14%/7% YoY to INR220b/INR40b/INR8.3b.
- Net working capital days increased to 145 in 2QFY27 primarily due to inventory build-up ahead of seasonally larger second half and lower CP volumes (vs. 118 days in 2QFY26). The CFO stood at negative INR96b in 2QFY27 vs. INR48b in 2QFY26.

Key highlights from the management commentary

- **Outlook/guidance:** Management retained its FY27 revenue/EBITDA growth guidance of 7–11%/10–14%, contingent on no further adverse weather or escalation in West Asia. The seasonally stronger 2H should benefit from inventory placement shifting later into the season, and crop commodity prices, which are up ~25–35% over the past year, should improve farmer profitability and support spending on crop-protection inputs.
- **Debt:** The rise in net debt reflects higher working-capital requirements and growth investments. The medium-term Net Debt/EBITDA target remains 1.5x, although year-end debt will depend on input prices and better demand. The USD400m maturity in Sep'26 was refinanced to FY29, while the USD500m Dec'26 loan was prepaid and USD400m of replacement financing was raised, extending the maturity to FY32.
- **India crop protection — UPL SAS:** Volumes declined 8% amid uneven rainfall and weaker demand, while pricing improved 9%. Contribution margin expanded 60bp YoY to 35.6%, supported by differentiated products, with hyper-scale-up brands growing ~80% in 1HFY27. Portfolio mix improvement should sustain profitability, although benefits from early price increases will moderate as higher input costs flow through.
- **Global crop protection — UPL Corp:** Volumes declined 16% and pricing softened 2%, reflecting weaker Latin American demand, tight channel liquidity and weather-related disruption in Europe. North America benefited from differentiated product launches. Inventory placement should support 2H demand, while higher glufosinate prices should gain broader acceptance as low-cost channel inventory is consumed in the Americas.

Valuation and view

- UPLL delivered a resilient operating performance in 2QFY27, with EBITDA growth supported by a favorable business mix, pricing actions in India and cost efficiencies. Strong performance from Advanta and Superform cushioned weakness in global crop protection, where adverse weather, tight channel liquidity and cautious purchasing weighed on volumes, while softer pricing and elevated input costs pressured margins.
- We believe UPLL is increasingly benefiting from its diversified business model, with growing contributions from Advanta, Superform, and Sustainable Solutions reducing dependence on the cyclical crop protection business. This is supported by a stronger innovation pipeline, continued portfolio premiumization, and ongoing deleveraging efforts.
- We expect the revenue/EBITDA/Adj. PAT to clock ~8%/9%/26% CAGR over FY26-28E. **We reiterate our Neutral rating on the stock with a TP of INR580 (premised on a 12x P/E, i.e., at a 45% discount to its five-year avg. P/E).**

Cons.: Quarterly Earnings Model (INRb)

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Net Sales	**92.2**	**120.2**	**122.7**	**183.4**	**101.8**	**118.6**	**136.0**	**201.0**	**518.4**	**557.4**	**117.4**	**1%**
YoY Change (%)	1.6	8.4	12.5	17.7	10.5	-1.3	10.9	9.6	11.2	7.5	-2.3	
Total Expenditure	79.1	98.1	98.4	143.1	85.8	94.8	108.3	155.6	418.7	444.5	95.1	
EBITDA	**13.0**	**22.1**	**24.3**	**40.3**	**16.1**	**23.8**	**27.7**	**45.4**	**99.7**	**112.9**	**22.3**	**7%**
Margins (%)	14.1	18.3	19.8	22.0	15.8	20.1	20.4	22.6	19.2	20.3	19.0	
Depreciation	7.3	7.7	8.3	12.9	9.4	8.9	9.4	9.7	36.2	37.3	9.3	
Interest	10.1	7.8	7.7	8.4	8.5	8.2	8.1	8.0	34.0	32.8	7.5	
Other Income	1.4	2.5	0.9	1.8	2.2	1.9	0.9	1.8	6.6	6.7	2.1	
Exch. difference on trade rec./payable	-0.9	2.0	1.2	0.9	0.5	1.1	0.0	0.0	3.2	1.6	0.0	
PBT before EO expense	**-2.0**	**7.0**	**8.1**	**19.9**	**-0.2**	**7.5**	**11.1**	**29.4**	**32.9**	**47.9**	**7.6**	
Extra-Ord expense	0.1	-1.4	0.6	0.2	0.1	0.0	0.0	0.0	-0.6	0.1	0.0	
PBT	**-2.1**	**8.4**	**7.5**	**19.7**	**-0.3**	**7.5**	**11.1**	**29.4**	**33.5**	**47.8**	**7.6**	
Tax	-0.1	1.7	1.8	6.0	-0.4	1.6	2.3	6.0	9.4	9.6	1.6	
Rate (%)	6.7	20.5	24.1	30.4	138.5	21.8	20.4	20.4	28.0	20.0	20.6	
MI & P/L of Asso. Cos.	-1.1	1.1	1.8	3.1	0.0	1.6	1.9	3.5	4.9	7.1	1.3	
Reported PAT	**-0.9**	**5.5**	**4.0**	**10.6**	**0.1**	**4.2**	**6.9**	**19.9**	**19.2**	**31.1**	**4.7**	
Adj PAT	**1.0**	**6.8**	**6.3**	**11.1**	**1.6**	**6.7**	**6.9**	**19.9**	**25.2**	**35.1**	**4.7**	**42%**
YoY Change (%)	-147.6	-1,181.7	-36.8	-6.2	65.1	-1.7	9.9	78.9	31.7	39.4	-30.9	
Margins (%)	1.0	5.7	5.1	6.1	1.6	5.6	5.1	9.9	4.9	6.3	4.0	

Syrma SGS Technology

Estimate change	⟷
TP change	↑
Rating change	⟷

CMP: INR1,512 **TP: INR2,100 (+39%)** **Buy**

Bloomberg	SYRMA IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	291.6 / 3.1
52-Week Range (INR)	1823 / 634
1, 6, 12 Rel. Per (%)	-17/60/95
12M Avg Val (INR M)	1985

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	48.2	72.3	97.1
EBITDA	5.4	7.7	10.8
Adj. PAT	3.2	4.7	7.1
EBITDA Margin (%)	11.1	10.6	11.1
Cons. Adj. EPS (INR)	16.7	24.6	36.7
EPS Gr. (%)	72.8	47.4	49.5
BV/Sh. (INR)	160.8	185.7	223.9
Ratios			
Net D:E	-0.2	-0.0	-0.0
RoE (%)	13.9	15.4	19.4
RoCE (%)	13.9	15.9	19.4
Valuations			
P/E (x)	91	62	41
EV/EBITDA (x)	54	38	27

Shareholding Pattern (%)

As on	Sep-26	Jun-26	Sep-25
Promoter	41.6	42.3	43.0
DII	14.5	15.9	16.4
FII	9.6	7.6	7.1
Others	34.3	34.2	33.5

Note: FII includes depository receipts

Robust demand across segments drives growth

Operating performance above our estimate

- Syrma SGS Technology (SYRMA) continued its strong operating performance in 2QFY27, with EBITDA rising ~68% YoY despite EBITDA margin contraction of 34bp YoY (due to higher component costs amid supply chain constraints).
- Revenue grew 68%, driven by a strong performance in Auto (26% of sales, up 91% YoY) and Industrial/Consumer (25%/29% of sales, up 86%/57% YoY), followed by IT and Railways/Healthcare (21% of sales, up 69%/61% YoY). Exports (26% of sales) jumped 95% YoY.
- Moreover, SYRMA reported a healthy order book of INR74b (up 28% YoY). Management upgraded its FY27 revenue growth guidance to 40-45% from 35%, with EBITDA margin guidance of 10-10.5% (vs. 10.5-11% earlier). Going forward, the company is expected to report healthy performance, driven by strong order book execution across segments, increasing ODM share (16% in 2QFY27 vs. 13% in 2QFY26) and robust growth in exports.
- Despite a strong operating performance, we largely maintain our FY27/FY28 estimates due to the expected moderation in margins amid supply chain constraints. We reiterate our **BUY** rating on the stock with a **TP of INR2,100 (49x FY28E EPS).**

Broad-based growth across segments

- Consolidated revenue jumped 74% YoY to INR19.9b (est. INR17.5b), led by growth across all segments. Auto saw the highest growth of 91%, followed by Industrial/IT & Railways/Healthcare/Consumer (up 86%/69%/61%/57% YoY).
- EBITDA margin contracted 34bp YoY to 9.7% (est. 9.4%) due to gross margin contraction of 270bp YoY. EBITDA grew ~68% YoY to INR1.9b (est. INR1.6b). Adj. PAT surged ~83% YoY to INR1.2b (est. INR984m).
- The order book stood at INR74b vs. INR68b/INR58b as of Jun'26/Sep'25. Auto/Consumer/Industrial/Healthcare/IT & Railways constitute 30%/25%/25%/8%/12% of the current order book.
- In 1HFY27, revenue/EBITDA/PAT jumped 71%/76%/91% to INR35.8b/INR3.5b/INR2.2b.
- CFO for 1HFY27 stood at INR1.2b vs. a cash outflow of INR1.2b in 1HFY26. Gross debt stood at INR7.5b as of Sep'26 vs. INR3.5b as of Sep'25 and INR3.5b as of Mar'26.
- Net working capital days were 63 vs. 73 as of Sep'25.

Highlights from the management commentary

- **PCB:** SYRMA expects commercial production to begin by Sep'27, following customer approvals and quality certifications. The facility will manufacture predominantly 2-6-layer PCBs, along with single-layer and some 6-8-layer boards, catering to both captive consumption and external customers. PCB revenue is expected at INR2-3b in FY28, with the annual revenue potential reaching INR7-8b in FY29 and steady-state EBITDA margins of 15-18%, excluding incentives. Including PLI benefits, margins could improve to 17-20%.

- **Supply chain management:** SYRMA continues to face supply-chain constraints, particularly for active component, where lead times have extended to 36-42 weeks. Passive component lead times have increased from four weeks to 8-16 weeks. To ensure uninterrupted production and meet customer requirements, SYRMA has increased inventory to INR15.7b from INR10b in Mar'26. Despite high inventory, inventory days were stable at 71. Management expects supply constraints to persist for another 6-9 months, potentially easing by 1QFY28.
- **ODM:** ODM revenue grew 2x YoY to INR5.9b in 1HFY27. Management expects FY27 ODM revenue at INR10-11b. Key areas include medical technology, defense, RFID, power electronics and magnetics, with industrial ODM expected to contribute more meaningfully over the next 2-3 years. ODM remains a focus area given its higher value addition and margin-accretive potential.
- **Exports:** 1HFY27 export revenue grew 80% YoY to INR9b. The company expects exports to exceed INR17b in FY27 and reach INR20b in FY28. Exports are led by industrial, medical technology and automotive products, with growth driven largely by ramp-up of newly onboarded global customers. Management views exports as margin-accretive and a key growth driver.

Valuation and view

- SYRMA continued its strong earnings momentum, driven by growth across all segments. We expect this trend to continue in FY27, led by strong growth in higher-margin segments, such as automotive, industrial, and MedTech.
- We believe the company's growth trajectory will remain strong, backed by: 1) its focus on low-volume, high-margin business; 2) an increase in exports and ODM; 3) increasing share of revenue in the industrial, automotive, and MedTech segments; 4) foray into bare PCB, HDI, and CCL manufacturing through its JV; and 5) its expansion into new verticals, such as defense, and 6) new customer additions (18 added in 1HFY27).
- We estimate a CAGR of 42%/42%/48% in revenue/EBITDA/adj. PAT over FY26-28. We reiterate our BUY rating on the stock with a **TP of INR2,100 (premised on 49x FY28E EPS).**

Consolidated - Quarterly Earning Model (INR m) (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E 2QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	**9,440**	**11,459**	**12,642**	**14,650**	**15,886**	**19,897**	**17,193**	**19,338**	**48,191**	**72,314**	**17,532**	**13**
YoY Change (%)	-18.6	37.6	45.4	58.5	68.3	73.6	36.0	32.0	27.3	50.1	53.0	
Total Expenditure	8,574	10,307	11,048	12,909	14,270	17,964	15,215	17,171	42,836	64,621	15,885	
EBITDA	**866**	**1,152**	**1,594**	**1,741**	**1,616**	**1,933**	**1,977**	**2,167**	**5,354**	**7,693**	**1,647**	**17**
Margins (%)	9.2	10.1	12.6	11.9	10.2	9.7	11.5	11.2	11.1	10.6	9.4	
Depreciation	206	218	203	214	225	227	240	241	841	933	240	
Interest	149	126	77	130	133	153	125	100	483	511	105	
Other Income	160	87	103	118	151	99	200	210	469	659	180	
PBT before EO expense	**672**	**895**	**1,417**	**1,516**	**1,408**	**1,652**	**1,812**	**2,035**	**4,500**	**6,908**	**1,482**	
Extra-Ord expense	0	0	34	12	0	0	0	0	46	0	0	
PBT	**672**	**895**	**1,383**	**1,504**	**1,408**	**1,652**	**1,812**	**2,035**	**4,454**	**6,908**	**1,482**	
Tax	172	232	280	312	351	410	456	512	996	1,730	373	
Rate (%)	25.7	25.9	20.3	20.7	24.9	24.8	25.2	25.2	22.4	25.0	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	2	23	75	180	56	69	150	168	280	444	125	
Reported PAT	**497**	**641**	**1,028**	**1,012**	**1,001**	**1,173**	**1,206**	**1,355**	**3,178**	**4,735**	**984**	
Adj PAT	**497**	**641**	**1,055**	**1,024**	**1,001**	**1,173**	**1,206**	**1,355**	**3,217**	**4,735**	**984**	**19**
YoY Change (%)	157.8	76.8	107.1	56.5	101.2	83.0	14.4	32.4	87.1	47.2	53.6	
Margins (%)	5.3	5.6	8.3	7.0	6.3	5.9	7.0	7.0	6.7	6.5	5.6	

Escorts Kubota

Estimate changes	
TP change	
Rating change	

Bloomberg	ESCORTS IN
Equity Shares (m)	112
M.Cap.(INRb)/(USDb)	271.1 / 2.9
52-Week Range (INR)	3979 / 2411
1, 6, 12 Rel. Per (%)	-14/-23/-27
12M Avg Val (INR M)	428

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	115.4	123.2	126.9
EBITDA	15.0	12.1	14.6
EBITDA Margin (%)	13.0	9.8	11.5
Adj. PAT	13.5	12.4	14.3
EPS (INR)	120.5	111.0	127.9
EPS Gr. (%)	19.8	-7.9	15.2
BV/Sh. (INR)	1,106	1,182	1,265
Ratios			
RoE (%)	11.9	9.7	10.5
RoCE (%)	15.9	13.0	13.9
Payout (%)	27.0	31.5	35.2
Valuations			
P/E (x)	20.1	21.8	18.9
P/BV (x)	2.2	2.0	1.9
EV/EBITDA (x)	18.0	22.4	18.5
Div. Yield (%)	1.4	1.4	1.9
FCF yield (%)	3.9	0.6	2.7

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	68.0	68.0	68.0
DII	10.0	10.7	11.8
FII	8.7	8.0	6.9
Others	13.2	13.3	13.2

FII includes depository receipts

CMP: INR2,423 **TP: INR2,200 (-9%)** **Neutral**

Double-digit volume decline expected in 2H

Margin headwinds to persist till 4QFY27

- Escorts Kubota's (EKL) 2QFY27 PAT at INR2.6b missed our estimate of INR3.1b due to lower-than-expected margins and other income. While construction equipment margins surprised positively, tractor margins disappointed.
- Management has cut its tractor volume guidance to a marginal single-digit decline (from mid-single growth earlier) in FY27, implying a double-digit decline in 2HFY27 for the industry. Further, margins are expected to remain under pressure in 3Q and then gradually normalize as input costs cool off in 4Q and the latest price hikes are fully reflected. Hence, due to near-term headwinds for the tractor industry, which could potentially stretch into the next fiscal, we have cut our earnings estimates by 8%/3% for FY27E/FY28E. We estimate EKL to post a CAGR of 5%/-1%/3% in revenue/EBITDA/PAT over FY26-28E. While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock appears fairly valued at ~21.8x/18.9x FY27E/28E EPS. We reiterate our Neutral rating on the stock with a TP of INR2,200, based on ~17x FY28E EPS.

PAT miss due to lower other income resulting in a weak quarter

- 2Q standalone revenue came in line with our estimate at INR32.3b, up ~16% YoY (+1.7% QoQ). Growth was driven primarily by 10.1% YoY improvement in net realizations to INR791k per unit, whereas volumes were flat YoY at 34k units.
- Gross margins declined ~370bp YoY to 27% (-20bp QoQ), primarily due to RM cost inflation.
- As a result, EBITDA margins fell 400bp YoY to 9.1%, below our estimate of 10%. EBITDA declined 19.5% YoY to INR2.9b (below est. of INR3.1b).
- Tractor margins contracted ~505bp YoY to 7.8% (below est. of 9.8%). Construction equipment margin expanded 410bp YoY to 7.9% (above our est. of 5.5%), supported by higher volumes, operating leverage and calibrated price increases.
- Other income was much lower than expected at INR1.2b (est. INR1.8b).
- As a result, PAT missed our estimates, down ~21% YoY to INR2.6b.
- In 1HFY27, CFO stood at INR46m, while free cash outflow was INR1.2b.

Highlights from the management commentary

- Following strong 1QFY27 growth, demand has moderated, with management revising FY27 industry guidance to low-single-digit decline, implying double-digit contraction in 2HFY27 amid El Niño-related rainfall concerns, lower reservoir levels and reduced subsidies.
- EKL is well positioned to benefit from stable infrastructure activity. CE industry growth is expected to moderate to 15-16% in 2HFY27 from ~20% in 1H. However, improving operating leverage and pricing discipline should support margin sustainability.

- Commodity inflation is a key margin headwind, with input cost inflation rising to 8-9% by 2Q end and a further 2-3% impact expected in 3Q, alongside high manpower and conversion costs. Margin pressure could ease after 4QFY27.
- EKL has cumulatively raised tractor prices by ~3.5% in FY27 so far and announced a further 3-3.5% increase effective mid-Nov'26, taking cumulative hikes to 6-7%. The full benefit of the latest hike should reflect in 4QFY27, supporting margin recovery.
- EKL plans normal capex of INR3.5b in FY27 and INR3b in FY28, alongside INR4-4.5b for land acquisition and a phased greenfield investment of ~INR20b over 3-4 years to expand tractor, construction equipment and parts warehousing capacity.

Valuation and view

Management has cut its tractor volume growth guidance to a marginal single-digit decline (from mid-single growth earlier) in FY27, implying a double-digit decline in 2HFY27 for the industry. Further, margins are likely to remain under pressure at least in 3Q and then gradually normalize as input costs cool off in 4Q and the latest price hikes are fully reflected. Hence, due to near-term headwinds for the tractor industry, which could potentially stretch into the next fiscal, we have cut our earnings estimates by 8%/3% for FY27E/FY28E. We estimate EKL to post a CAGR of 5%/-1%/3% in revenue/EBITDA/PAT over FY26-28E. While synergies between Escorts and Kubota are significant, they will likely materialize over the medium to long term. The stock appears fairly valued at ~21.8x/18.9x FY27E/28E EPS. We reiterate our Neutral rating on the stock with a TP of INR2,200, based on ~17x FY28E EPS.

Standalone Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E		Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Sales	**24,834**	**27,774**	**32,614**	**29,507**	**31,789**	**32,314**	**31,975**	**27,072**	**115,403**	**123,150**	**31,107**	**3.9**
YoY Change (%)	-2.9	22.6	11.1	21.4	28.0	16.3	-2.0	-8.3	13.3	6.7	12.0	
Total Expenditure	21,584	24,142	28,226	25,647	28,235	29,389	29,034	24,423	100,439	111,081	27,996	**5.0**
EBITDA	**3,250**	**3,632**	**4,387**	**3,860**	**3,554**	**2,924**	**2,942**	**2,649**	**14,964**	**12,069**	**3,111**	**-6.0**
Margins (%)	13.1	13.1	13.5	13.1	11.2	9.1	9.2	9.8	13.0	9.8	10.0	
YoY Change (%)	2.6	56.0	30.9	31.8	9.4	-19.5	-33.0	-31.4	27.0	-19.3	-14.4	
Depreciation	591	615	637	685	644	675	720	758	2,551	2,797	690	
Interest	36	42	60	50	46	38	45	46	204	175	40	
Other Income	1,556	1,336	1,537	1,214	2,074	1,229	1,900	2,147	5,664	7,350	1,800	**-31.7**
PBT	**4,939**	**4,311**	**4,702**	**4,338**	**4,938**	**3,440**	**4,077**	**3,991**	**17,637**	**16,447**	4,181	**-17.7**
Rate (%)	24.5	25.5	22.9	25.1	21.6	25.9	25.9	25.6	25.2	24.5	25.0	
Adj. PAT	**3,153**	**3,212**	**4,019**	**3,248**	**3,873**	**2,550**	**3,022**	**2,971**	**13,842**	**12,417**	**3,136**	**-18.7**
YoY Change (%)	18.5	6.1	38.4	19.9	22.8	-20.6	-24.8	-8.5	20.7	-10.3	-2.4	
Margins (%)	12.7	11.6	12.3	11.0	12.2	7.9	9.5	11.0	12.0	10.1	10.1	

E: MOSL Estimates

Key Performance Indicators

	FY26				FY27E				FY26	FY27E		
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Volumes ('000 units)	30,581	33,877	36,955	32,257	36,862	34,017	33,260	26,591	133,670	130,729	34,017	**0.0**
Change (%)	0.7	30.3	13.5	21.1	20.5	0.4	-10.0	-17.6	15.7	-2.2	0.4	
Net Realn (INR '000/unit)	713.3	718.2	749.4	742.7	750.5	790.8	783.2	768.9	736.2	773.0	750.5	**5.4**
Change (%)	-0.2	-0.9	1.0	0.2	5.2	10.1	4.5	3.5	0.0	5.0	4.5	
Cost Break-up												
RM Cost (% of sales)	69.1	69.3	71.0	69.0	72.8	73.0	72.8	71.2	69.6	72.5	72.5	
Staff Cost (% of sales)	7.4	7.3	6.4	7.0	6.4	7.1	7.4	8.5	7.2	7.3	7.5	
Other Cost (% of sales)	10.4	10.4	9.1	10.9	9.6	10.8	10.6	10.5	10.3	10.4	10.0	
Gross Margins (%)	30.9	30.7	29.0	31.0	27.2	27.0	27.2	28.8	30.4	27.5	27.5	
EBITDA Margins (%)	13.1	13.1	13.5	13.1	11.2	9.1	9.2	9.8	13.0	9.8	10.0	
EBIT Margins (%)	10.7	10.9	11.5	10.8	9.2	7.0	6.9	7.0	10.8	7.5	7.8	
Segmental PBIT Margin (%)												
Agri Machinery	12.6	12.8	13.5	11.3	10.8	7.8	8.0	9.0	12.5	8.9	9.8	
Construction Equipment	5.8	3.8	6.6	12.7	5.4	7.9	8.0	8.1	7.9	7.5	5.5	

E: MOFSL Estimates

LIC Housing Finance

Estimate change	↑
TP change	↓
Rating change	↔

Bloomberg	LICHF IN
Equity Shares (m)	550
M.Cap.(INRb)/(USDb)	272.4 / 2.9
52-Week Range (INR)	598 / 459
1, 6, 12 Rel. Per (%)	-7/-8/-4
12M Avg Val (INR M)	1121

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
NII	84.2	84.8	94.4
PPP	76.3	76.4	85.2
PAT	56.0	60.9	63.1
EPS (INR)	101.7	110.6	114.7
EPS Gr. (%)	3.1	8.8	3.8
BV/Sh (INR)	751	841	934
Ratios			
NIM (%)	2.7	2.6	2.7
C/I ratio (%)	15.1	16.0	15.8
RoAA (%)	1.8	1.8	1.8
RoE (%)	14.4	13.9	12.9
Payout (%)	9.8	9.5	9.6
Valuations			
P/E (x)	4.9	4.5	4.3
P/BV (x)	0.7	0.6	0.5
Div. Yield (%)	2.0	2.1	2.2

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	45.2	45.2	45.2
DII	21.7	21.0	22.2
FII	18.9	21.5	20.2
Others	14.2	12.3	12.5

FII Includes depository receipts

CMP: INR495 TP: INR560 (+13%) Neutral

Muted loan growth; expect margins to improve from 4QFY27

Disbursements grew ~11% YoY; asset quality continued to improve

- LIC Housing Finance's (LICHF) 2QFY27 PAT grew ~11% YoY to ~INR15.1b (in line). NII rose ~2% YoY to ~INR20.9b (in line). Fee and other income increased 50% YoY to INR705m.
- Opex grew ~8% YoY to INR3.3b (in line) and cost-income ratio declined ~65bp QoQ to ~15.4% (PY: ~14.8% and PQ: ~16.1%). PPoP grew ~3% YoY to ~INR18.3b. (in line). Credit costs (net of recoveries) resulted in write-backs of INR926m and translated into annualized credit costs of -11bp (PY: 9bp and PQ: -14bp).
- Management is targeting disbursement growth of 12–15% in FY27. The sustained disbursement momentum will translate into a gradual improvement in AUM growth by FY27 end. The company remains focused on the prime salaried housing segment, given its relatively lower risk profile and stable returns, and does not intend to pursue aggressive expansion in affordable housing. We model loan growth of ~6% in FY27E.
- LICHF increased its benchmark lending rate (PLR) by 25bp on both the existing portfolio and fresh disbursements, effective 31st Oct'26. Around one-third of the existing portfolio will be repriced from 1st Nov'26, and the remaining two-thirds will be repriced from 1st Jan'27. The company is also diversifying beyond prime salaried housing toward self-employed borrowers, LAP, LRD and project finance to improve portfolio yields. Management expects NIM to remain stable at 2.5-2.6% in FY27. We expect NIMs of ~2.6%/2.7% in FY27/FY28E (vs. 2.7% in FY26).
- LICHF's near-term performance will hinge on the trajectory of loan book growth. While diversification toward higher-yielding non-housing segments remains a focus area for the company, its impact on margin will be an important monitorable. Asset quality continues to improve, supported by improving portfolio trends and recoveries from legacy stressed accounts.
- We raise our FY27/FY28 EPS estimates by ~5%/3% to factor in relatively higher NIM and lower credit costs. LICHF's valuation of ~0.5x FY28E P/BV reflects its inability to deliver a respectable double-digit loan growth. We estimate a CAGR of ~7%/6% in advances/PAT over FY26-28E and RoA/RoE of 1.8%/13% by FY28E. Barring a near-term expansion in NIM, there are no other catalysts, and **we reiterate our Neutral rating on the stock with a TP of INR560 (based on 0.6x Sep'28E P/BV).**

Home loans grew ~5% YoY; overall disbursements grew ~11% YoY

- Loan disbursements in retail loans grew ~10% YoY, while project loan disbursements rose 49% YoY to INR5.6b (PQ: INR8.7b). Total disbursements grew ~11% YoY to ~INR181b. Repayments rate declined ~70bp YoY to 17.5% (PY: 18.2% and PQ: 17%).
- Overall loan book grew ~4.6% YoY and 1.3% QoQ to INR3.26t. Retail loans grew ~4.4% YoY, while project loans grew ~12% YoY. We expect LICHF to deliver a loan book CAGR of ~7% over FY26-28E.

NIMs were stable QoQ; PLR increased by ~25bp effective 31st Oct'26

- NIMs were stable QoQ at ~2.6%. As of 1HFY27, reported yields declined ~8bp to 9.04% (1Q: 9.12%), while CoB was broadly stable QoQ at ~7.29%. This resulted in spreads declining ~9bp to ~1.75%.
- Management shared that the 25bp repo rate hike is expected to increase the overall cost of funds by ~10bp by FY27-end.

Asset quality improves; credit costs remain benign

- GS3/NS3 declined 10bp/5bp QoQ to ~2.05%/1.05%. Stage 3 PCR rose ~95bp QoQ to ~49.1% (PQ: ~48.2%) and Stage 2 PCR declined ~20bp QoQ to ~4.7% (PQ: ~4.9%).
- Recoveries stood at INR5.5b during the quarter, along with INR840m from written-off accounts. Overall recoveries of ~INR5.6b, largely from the retail portfolio, supported provision writebacks in 2QFY27. We model (net) credit costs of -2bp/15bp in FY27E/FY28E.

Highlights from the management commentary

- Management shared that the two loan accounts associated with the Subhash Chandra group have a combined outstanding of ~INR13.65b, including interest and other dues, although principal outstanding is significantly lower. One account is 100% provided for and technically written off but continues to be classified as an NPA; the other has a provision coverage of 75%.
- LICHF is adopting a more diversified project finance strategy, moving beyond its historical focus on large-ticket exposures of INR4-6b to smaller-ticket projects of INR500m-INR1b, particularly in Tier 2, 3 and 4 cities. Regional offices have been tasked with sourcing proposals in these markets, where management is seeing healthy enquiry levels.

Valuation and view

- LICHF reported a weak quarter, marked by muted loan growth and sequentially higher repayments. Yields remained under pressure during the quarter; however, NIM was stable. The only positive was the consistent improvement in asset quality, which led to benign credit costs in the quarter.
- We estimate a CAGR of ~7%/6% in advances/PAT over FY26-28E and RoA/RoE of 1.8%/13% by FY28E. Barring a near-term expansion in NIM, there are no other catalysts, and **we reiterate our Neutral rating on the stock with a TP of INR560 (based on 0.6x Sep'28E P/BV).**

Quarterly Performance (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	Act. v/s est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Interest Income	71,131	70,335	70,439	70,093	70,236	71,120	72,685	75,605	2,81,997	2,89,646	70,657	1
Interest Expenses	50,484	49,962	49,421	47,875	49,481	50,242	51,648	53,453	1,97,752	2,04,824	50,322	0
Net Interest Income	**20,647**	**20,374**	**21,017**	**22,218**	**20,755**	**20,879**	**21,036**	**22,152**	**84,245**	**84,822**	**20,335**	3
YoY Growth (%)	3.8	3.2	5.1	2.6	0.5	2.5	0.1	-0.3	3.6	0.7	-0.2	
Fees and other income	564	469	1,431	677	420	705	1,575	3,361	5,720	6,060	1,648	-57
Net Income	**21,211**	**20,842**	**22,449**	**22,895**	**21,175**	**21,584**	**22,611**	**25,513**	**89,965**	**90,883**	**21,983**	-2
YoY Growth (%)	4.3	1.6	6.6	-1.8	-0.2	3.6	0.7	11.4	5.5	1.0	1.1	
Operating Expenses	2,928	3,075	3,488	3,889	3,401	3,324	3,656	4,118	13,618	14,500	3,469	-4
Operating Profit	**18,284**	**17,767**	**18,961**	**19,006**	**17,774**	**18,260**	**18,955**	**21,395**	**76,347**	**76,383**	**18,514**	-1
YoY Growth (%)	3.2	2.0	8.4	1.1	-2.8	2.8	0.0	12.6	6.9	0.0	-1.1	
Provisions and Cont.	1,292	720	1,536	-337	-1,111	-926	-400	1,785	5,540	-652	-400	131
Profit before Tax	**16,992**	**17,047**	**17,425**	**19,342**	**18,884**	**19,186**	**19,355**	**19,610**	**70,806**	**77,035**	**18,914**	1
Tax Provisions	3,392	3,508	3,586	4,368	4,001	4,098	4,064	4,014	14,855	16,177	3,783	8
Net Profit	**13,599**	**13,539**	**13,840**	**14,974**	**14,883**	**15,088**	**15,290**	**15,596**	**55,952**	**60,857**	**15,131**	0
YoY Growth (%)	5	2	-3	9	9	11	10	4	3	9	12	
Key Operating Parameters (%)												
Yield on loans (Cal)	9.22	9.06	9.00	8.83	8.74	8.78	8.85	9.02	9.1	8.9		
Cost of funds (Cal)	7.46	7.36	7.26	6.97	7.14	7.23	7.28	7.35	7.2	7.2		
Spreads (Cal)	1.76	1.70	1.74	1.86	1.60	1.54	1.57	1.67	1.9	1.7		
Margins (Cal)	2.68	2.62	2.69	2.80	2.58	2.58	2.56	2.64	2.7	2.6		
Credit Cost (Cal)	0.17	0.09	0.20	-0.04	-0.14	-0.11	-0.05	0.21	0.2	0.0		
Cost to Income Ratio	13.8	14.8	15.5	17.0	16.1	15.4	16.2	16.1	15.1	16.0		
Tax Rate	20.0	20.6	20.6	22.6	21.2	21.4	21.0	20.5	21.0	21.0		
Balance Sheet Parameters												
Loans (INR B)	3,096	3,118	3,143	3,207	3,221	3,262	3,308	3,399	3162	3354		
Change YoY (%)	7.2	5.8	5.1	4.2	4.0	4.6	5.3	6.0	4.4	6.1		
Indiv. Disb. (INR B)	130	159	155	202	141	176	0	0	646	704		
Change YoY (%)	4.6	5.7	7.0	10.3	9.1	10.2	-100.0	-100.0	7.2	9.0		
Borrowings (INR B)	2,709	2,725	2,721	2,775	2,768	2,788	2,885	2,931	2774	2931		
Change YoY (%)	6.8	5.8	3.6	2.5	2.2	2.3	6.0	5.6	2.5	5.7		
Loans/Borrowings (%)	114.3	114.4	115.5	115.6	116.4	117.0	114.7	116.0	114.0	114.4		
Asset Quality Parameters												
GS 3 (INR B)	81.1	78.3	77.0	69.3	68.9	66.9			69.3	66.1		
Gross Stage 3 (% on Assets)	2.62	2.51	2.45	2.16	2.14	2.05			2.2	2.0		
NS 3 (INR B)	39.9	36.7	35.0	34.6	35.7	34.0			34.6	33.1		
Net Stage 3 (% on Assets)	1.31	1.20	1.13	1.10	1.12	1.06			1.1	1.0		
PCR (%)	50.8	53.1	54.5	50.0	48.2				50.0	50.0		
ECL (%)	1.63	1.63	1.62	1.42	1.37	1.32						
Loan Mix (%)												
Home loans	84.8	97.2	84.6	84.5	84.4	82.0						
LAP	13.6	0.0	13.8	14.2	14.3	15.0						
Non-Individual loans	1.6	2.8	1.6	1.3	1.3	3.0						
Borrowing Mix (%)												
Banks	31.0	35.0	38.0	39.0	37.0	38.0						
NCD	55.0	53.0	50.0	46.0	46.0	45.0						
Sub Debt	0.0	0.0	0.0	0.0	0.0	0.0						
Deposits	4.0	4.0	4.0	4.0	4.0	3.0						
NHB	5.0	4.0	5.0	7.0	8.0	9.0						
CP	5.0	4.0	3.0	4.0	5.0	5.0						

E: MOFSL Estimates

CDSL

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	CDSL IN
Equity Shares (m)	209
M.Cap.(INRb)/(USDb)	261.7 / 2.8
52-Week Range (INR)	1674 / 1116
1, 6, 12 Rel. Per (%)	-4/1/-12
12M Avg Val (INR M)	2310

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Revenue	11.4	13.6	15.5
EBITDA	5.9	7.0	8.0
EBITDA Margin (%)	51.2	51.3	51.4
PAT	4.6	5.4	6.1
PAT Margin (%)	39.7	39.6	39.2
EPS	21.8	25.8	29.1
EPS Grw. (%)	-13.1	18.4	12.7
BVPS	93.8	106.1	120.1
RoE (%)	24.5	25.8	25.7
Div. Payout (%)	58.6	52.4	51.6
Valuations			
P/E (x)	57.5	48.6	43.1
P/BV (x)	13.4	11.8	10.4
Div. Yield (%)	1.0	1.1	1.2

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	15.0	15.0	15.0
DII	17.7	15.2	14.2
FII	8.7	8.2	11.5
Others	58.6	61.6	59.3

FII includes depository receipts

CMP: INR1,252 TP: INR1,300 (+4%) Neutral

Strong all-round beat

- CDSL's operating revenue rose 24% YoY/35% QoQ to INR3.9b (14% beat). Standalone depository income grew 25% YoY/37% QoQ to INR3.4b. For 1HFY27, revenue grew 19% YoY.
- Operating expenses grew 18% YoY/7% QoQ to INR1.7b (in-line), driven by 11%/20% YoY increase in employee costs/other expenses. Strong revenue growth resulted in 23% EBITDA beat, which rose 29% YoY/66% QoQ to INR2.3b, resulting in EBITDA margin of 57.9% (vs. 55.7% in 2QFY26 and MOFSLe – 53.5%).
- Strong operational performance and other income beat lead to 33% PAT beat, which rose 24% YoY and 47% QoQ to ~INR1.7b. For 1HFY27, PAT grew 20% YoY.
- KYC pricing impact was limited, as higher KYC account creation and fetch volumes largely offset the price cut. Higher IPO activity and an increasing number of prospectuses filed provide a strong growth opportunity for the IPO and corporate actions business going forward.
- We have increased our FY27/FY28 earnings estimates by 15%/15% based on strong 2QFY27 performance. We expect revenue/EBITDA/PAT CAGR of ~16%/17%/16% over FY26–28, and reiterate a Neutral rating with a one-year TP of INR1,300 (45x FY28E P/E).

Robust IPO activity drives sequential growth; KYC income recovers

- Transaction revenue increased 15% YoY/3% QoQ to INR680m due to improvement in the market activity during the quarter.
- Annual issuer charges grew 12% YoY/flat QoQ to INR1.3b. Unlisted issuer fees contributed INR9m, while application processing generated INR22m during the quarter.
- IPO and corporate action revenue rose 65% YoY and 278% QoQ due to improvement in corporate activity and strong IPO pipeline during the quarter.
- Online data charges grew 17% YoY/20% QoQ to INR540m. Higher KYC account creation and fetch volumes have offset the impact of revised pricing effective 1st Apr'26.
- For 1HFY27, CVL's revenue from operations grew 20% YoY to INR999m. However, a 33% YoY increase in expenses to INR758m led to a PBT/PAT decline by 11%/12% YoY to INR319m/INR237m.
- Insurance segment has scaled its network to 49 insurer partnerships, with policies rising to 2.6m (vs 1.9m policies YoY).
- Other income was flat YoY and declined 52% QoQ to INR228m. Pledge income stood at INR62m, e-voting income at INR220m, and e-CAS income at INR128m.
- Total operating expenses grew 18% YoY/7% QoQ to INR1.7b, with CIR at 42.1% vs 44.3% in 2QFY26 and 52.9% in 1QFY27.

- Employee costs grew 11% YoY/declined 1% QoQ to INR460m .
- Other administrative expenses increased due to variable costs such as SMS alerts, which are directly linked to business activity and operational volumes.
- Total number of issuers and ISINs grew 16%/22% YoY and 3%/5% QoQ to 51.1k/0.1m, respectively.
- Demat account additions during the quarter stood at 7.5m in 2QFY27 vs 6.5m in 2QFY26 and 5.8m in 1QFY27. Assets Under Custody (AUC) stood at INR89t, progressing from INR80t recorded in 1QFY26 and INR88t in 1QFY27.

Key takeaways from the management commentary

- There is a need for continuous tech innovation to adapt to evolving market dynamics, with investments focused on improving operational efficiency and client experience.
- Rack rates stand at INR5 for KYC creation and INR28 for KYC fetches.
- CDSL has separately introduced Aadhaar-based e-KYC, which entails additional charges on records processed.

Valuation and view

- CDSL continues to benefit from structural tailwinds, supported by healthy issuer additions, rising AUC, resilient transaction activity, and strong IPO momentum. The impact of KYC pricing revisions has been largely mitigated by higher volumes. CDSL will continue to invest in technology, with a focus on improving operating efficiency and client experience.
- We have increased our FY27/FY28 earnings estimates by 15%/15% based on strong 2QFY27 performance. We expect revenue/EBITDA /PAT CAGR of ~16%/17%/16% over FY26–28 and **reiterate a Neutral rating with a one-year TP of INR1,300 (45x FY28E P/E).**

Quarterly Performance (INR m)

Y/E March	FY26				FY27				FY26	FY27E	2Q FY27E	adt v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	2,588	3,189	3,044	2,629	2,928	3,945	3,658	3,092	11,449	13,622	3,473	13.6	24%	35%
Change YoY (%)	0.6	-1.0	9.4	17.1	13.1	23.7	20.2	17.6	5.8	19.0	8.9			
Employee expenses	390	414	403	359	466	460	470	482	1,565	1,878	476	-3.2	11%	-1%
Other Expenses	894	999	1,030	1,103	1,082	1,200	1,209	1,269	4,025	4,760	1,138	5.5	20%	11%
Total Operating Expenses	1,283	1,413	1,433	1,461	1,549	1,660	1,679	1,751	5,590	6,639	1,613	2.9	18%	7%
Change YoY (%)	25	15	22	27	21	18	17	20	22	19	14			
EBITDA	**1,305**	**1,776**	**1,610**	**1,168**	**1,379**	**2,285**	**1,979**	**1,340**	**5,859**	**6,983**	**1,859**	**22.9**	29%	66%
Other Income	363	225	292	55	477	228	200	202	936	1,107	80	185.3	1%	-52%
Depreciation	152	161	171	178	192	205	208	209	664	815	200	2.5	27%	7%
PBT	**1,516**	**1,840**	**1,732**	**1,045**	**1,665**	**2,308**	**1,971**	**1,332**	**6,131**	**7,275**	**1,739**	32.7	25%	39%
Change YoY (%)	-13	-18	3	-17	10	25	14	28	-11	19	-5			
Tax Provisions	488	427	390	234	490	571	493	332	1,539	1,886	435	**31.3**	34%	17%
P&L from associate	-4	-13	-12	-12	3	-4	0	0	-41	0	0			
Net Profit	**1,025**	**1,400**	**1,329**	**798**	**1,177**	**1,733**	**1,477**	**1,000**	**4,551**	**5,389**	**1,304**	**32.9**	24%	47%
Change YoY (%)	-24	-14	2	-21	15	24	11	25	-14	18	-7			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	49.6	44.3	47.1	55.6	52.9	42.1	45.9	56.6	48.8	48.7	46.5	-438 bps	-16bps	-1082bps
EBITDA Margin	50.4	55.7	52.9	44.4	47.1	57.9	54.1	43.4	51.2	51.3	53.5	438 bps	16bps	1082bps
PBT Margin	58.6	57.7	56.9	39.7	56.9	58.5	53.9	43.1	53.5	53.4	50.1	842 bps	-177bps	165bps
Tax Rate	32.2	23.2	22.5	22.4	29.4	24.7	25.0	24.9	25.1	25.9	25.0	-26 bps	173bps	-470bps
PAT Margin	39.6	43.9	43.7	30.4	40.2	43.9	40.4	32.4	39.7	39.6	37.6	637 bps	-274bps	373bps

Granules India

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	GRAN IN
Equity Shares (m)	273
M.Cap.(INRb)/(USDb)	223.9 / 2.4
52-Week Range (INR)	924 / 520
1, 6, 12 Rel. Per (%)	-5/20/54
12M Avg Val (INR M)	809

Financials & Valuations (INRb)

Y/E MARCH	FY26	FY27E	FY28E
Sales	53.7	63.7	73.4
EBITDA	11.9	14.4	17.7
Adj. PAT	6.0	7.8	10.2
EBIT Margin (%)	16.6	17.4	19.4
Cons. Adj. EPS (INR)	24.3	31.6	41.3
EPS Gr. (%)	26.2	29.8	30.9
BV/Sh. (INR)	205.2	236.1	276.6
Ratios			
Net D:E	0.3	0.2	0.2
RoE (%)	13.7	14.3	16.1
RoCE (%)	11.7	12.3	14.3
Payout (%)	4.9	3.7	2.8
Valuations			
P/E (x)	33.7	26.0	19.9
EV/EBITDA (x)	14.5	12.0	9.5
Div. Yield (%)	0.1	0.1	0.1
FCF Yield (%)	2.4	-0.5	3.1
EV/Sales (x)	3.2	2.7	2.3

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	37.4	38.0	38.8
DII	15.3	16.1	17.9
FII	20.3	17.5	14.1
Others	27.0	28.4	29.2

FII includes depository receipts

CMP: INR821 **TP: INR985 (+20%)** **Buy**

In-line 2Q; broad-based growth drives earnings

Niche launches and resolving regulatory constraint – key monitorables

- Granules India (GRAN) delivered in-line revenue/EBITDA/PAT performance in 2QFY27, with 20%/21%/39% YoY growth, respectively. Performance remained broad-based across FDF, API, PFI, and CDMO, supporting sustained earnings momentum.
- Geographically, North America grew 14% YoY, while Europe reported strong 65% growth, supported by higher CDMO revenue and improved performance across the broader portfolio. ROW also delivered healthy 17% growth.
- Complex Gx continued to gain traction, growing 32% YoY in 2QFY27 and accounting for 47% of the FDF portfolio versus 40% in 2QFY26 (up 700bp YoY). The company has filed 67 complex Gx dossiers, with 30 awaiting approval, alongside three potential sole FTF ANDAs.
- The USFDA completed its inspection of the Gagillapur facility in Oct'26. Management indicated that the inspection progressed constructively, with observations expected to be addressed through responses and corrective and preventive actions. Operations remained unaffected, with capacity utilization at ~75%.
- We maintain our FY27/FY28 estimates and expect revenue/EBITDA/PAT to expand at a CAGR of 17%/22%/30% over FY26-28, driven by complex generics, peptide CDMO scale-up, and controlled-substance opportunities, supported by growth across key geographies.
- We value GRAN at 21x 12-month forward earnings and reiterate BUY, supported by its improving product mix, expanding complex Gx pipeline, and multiple growth engines.

Revenue growth drives healthy earnings growth

- GRAN's 2QFY27 sales grew 20% YoY to INR15.6b (in line).
- Gross margin (GM) contracted 130bp to 64.4%.
- EBITDA margin remained stable YoY at 21.6% (our est. of 21.6%). Lower other expenses and employee expenses (down 110bp/40bp as % of sales) offset the impact of decline in gross margin.
- EBITDA grew 21.3% YoY to INR3.4b (in line) for the quarter.
- Adjusted PAT grew 39.2% YoY to INR1.8b (in line).
- For 1HFY27, revenue/EBITDA/PAT grew 21.1%/28.9%/37.3% to INR30.4b/6.7b/3.6b

Broad-based growth across key business segments

- FDF sales grew 18.2% YoY to INR11.4b (73% of sales).
- Integrated Gx declined 4% YoY to INR5.2b (48% of FDF sales, down 800bp YoY as % of FDF sales). Complex Gx grew 32% YoY to INR5.1b (47% of FDF sales, up 700bp YoY as % of FDF sales).
- Intermediate (PFI) sales grew 20.5% YoY to INR1.6b (10% of sales).

- API sales grew 22.6% YoY to INR2.1b (13% of sales).
- CDMO sales grew 76.8% YoY to INR488m (3% of sales).
- North America revenue grew 14% YoY to INR11.3b.
- Europe revenue sustained healthy growth of 65% YoY to INR2.5b.
- RoW revenue grew 17% YoY to INR1.8b.

Highlights from the management commentary

- US FDA conducted a two-week CGMP inspection with three inspectors at the Gagillapur facility from Oct 19-30, concluding with Form 483 observations focused on investigations, change control, process and equipment qualification, visual inspection controls, and documentation practices.
- Gagillapur plant is operating at approximately 75% capacity utilization with no disruption to ongoing manufacturing, packaging, or product distribution.
- Five new products scheduled for US launch in 2HFY27, including two limited-competition extended-release controlled substances from the GPI facility.
- Genome Valley facility operated at approximately 25% utilization in 2QFY27 and is projected to ramp up beyond 50% utilization by 4QFY27.
- GRAN holds 26 ANDAs pending USFDA approval, with eight pending product approvals tied to the Gagillapur facility, of which two have already been tech-transferred to the US manufacturing site.
- Net working capital to sales increased slightly to 30% from 29% in 1QFY27, reflecting a deliberate safety stock inventory build-up in the US for controlled substances and complex generics.

Consolidated - Quarterly Earning Model

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
INRm	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	vs Est
Net Sales	**12,101**	**12,970**	**13,879**	**14,706**	**14,768**	**15,600**	**16,476**	**16,819**	**53,656**	**63,662**	**15,560**	**0.3**
YoY Change (%)	2.6	34.2	22.0	22.8	22.0	20.3	18.7	14.4	19.7	18.6	20.0	
Total Expenditure	9,634	10,188	10,799	11,185	11,379	12,224	12,703	12,934	41,805	49,239	12,199	
EBITDA	**2,467**	**2,782**	**3,081**	**3,521**	**3,389**	**3,376**	**3,773**	**3,885**	**11,851**	**14,423**	**3,361**	**0.4**
YoY Change (%)	-4.8	36.8	33.8	39.5	37.4	21.3	22.5	10.3	25.4	21.7	20.8	
Margins (%)	20.4	21.5	22.2	23.9	22.9	21.6	22.9	23.1	22.1	22.7	21.6	
Depreciation	688	720	735	817	796	839	861	879	2,961	3,375	814	
EBIT	**1,779**	**2,062**	**2,346**	**2,704**	**2,593**	**2,537**	**2,912**	**3,006**	**8,890**	**11,048**	**2,547**	
YoY Change (%)	-13.8	36.7	35.1	43.2	45.8	23.0	24.1	11.2	23.5	24.3	23.5	
Margins (%)	14.7	15.9	16.9	18.4	17.6	16.3	17.7	17.9	16.6	17.4	16.4	
Interest	238	292	287	327	211	210	276	276	1,144	972	276	
Other Income	163	-11	-36	88	23	107	62	64	203	256	59	
PBT before EO expense	**1,704**	**1,759**	**2,022**	**2,464**	**2,404**	**2,434**	**2,699**	**2,794**	**7,950**	**10,331**	**2,331**	
Extra-Ord expense	259	0	0	-159	0	0	0	0	100	0	0	
PBT	**1,445**	**1,759**	**2,022**	**2,624**	**2,404**	**2,434**	**2,699**	**2,794**	**7,850**	**10,331**	**2,331**	
Tax	319	453	520	608	604	616	634	651	1,900	2,506	545	
Rate (%)	22.1	25.7	25.7	23.2	25.1	25.3	23.5	23.3	24.2	24.3	23.4	
(Profit)/Loss of JV/Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	**1,126**	**1,306**	**1,502**	**2,016**	**1,800**	**1,818**	**2,065**	**2,143**	**5,950**	**7,826**	**1,785**	**1.9**
Adjusted PAT	**1,328**	**1,306**	**1,502**	**1,893**	**1,800**	**1,818**	**2,065**	**2,143**	**6,030**	**7,826**	**1,785**	**1.9**
YoY Change (%)	-1.4	34.3	27.7	47.5	35.5	39.2	37.4	13.2	26.2	29.8	36.7	
Margins (%)	11.0	10.1	10.8	12.9	12.2	11.7	12.5	12.7	11.2	12.3	11.5	

SPR Auto Technologies

Estimate change	⇄
TP change	⇄
Rating change	⇄

Bloomberg	SPRL IN
Equity Shares (m)	46
M.Cap.(INRb)/(USDb)	196.7 / 2.1
52-Week Range (INR)	4843 / 2526
1, 6, 12 Rel. Per (%)	-10/24/71
12M Avg Val (INR M)	381

Financials & valuations (INR m)

Y/E March	FY26	FY27E	FY28E
Sales	44,587	63,559	71,075
EBITDA	8,758	10,869	13,007
Adj. PAT	5,796	6,350	8,721
EPS (Rs)	131.6	136.9	188.0
EPS Growth (%)	14.4	9.6	37.4
BV/Share (INR)	685.2	995.3	1175.4
Ratios			
RoE (%)	21.0	16.6	17.3
RoCE (%)	16.0	14.1	16.2
Payout (%)	14.3	14.7	18.9
Valuations			
P/E (x)	32.2	31.0	22.6
P/BV (x)	6.2	4.3	3.6
EV / EBITDA (x)	22.0	17.4	14.0
Div. Yield (%)	0.2	0.3	0.3

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	41.6	43.8	43.8
DII	16.5	12.1	13.3
FII	7.4	8.2	5.9
Others	34.5	35.9	37.0

FII includes depository receipts

CMP: INR4,241 TP: INR6,150 (+45%) BUY

Growth momentum backed by new programs

- SPR Auto Technologies (SPR) reported all-time high revenue of INR16.5b, rising 62% YoY (*6% above our estimates*). Revenue growth was led by strong demand, primarily from OEMs. *Note: Revenue includes Antolin's financials, which were not part of the base quarter on a YoY basis.*
- Reported EBITDA stood at an all-time high of INR2.7b (up 32% YoY; *in line with our estimates).* EBITDA margin stood at 16.6% (down 380bp YoY) vs our estimate of 17.9%, due to an adverse sales mix (higher sales to OEMs compared to the aftermarket, driven by stronger demand from OEMs), as well as a higher denominator effect.
- Adjusted PAT stood at INR1.6b (*in line with our estimate*).
- CFO as of 1HFY27 stood at INR1.9b, while free cash flow came in at a INR542m.
- The company raised INR10b through **QIP** on 20th Aug'26 by issuing 2.34m equity shares at INR4,280/share. As of Sep'26, INR7.36b had been utilized, while INR2.51b remained temporarily invested in scheduled commercial banks pending utilization.
- Demand outlook remains steady across key segments in India, with sequential improvements in margins expected on account of the pass-through of input costs to customers gradually. Our estimates broadly remain unchanged and we reiterate our BUY rating on the stock with an unchanged TP of INR6,150.

Valuation and view

- SPR is transforming itself from a traditional piston manufacturer into a diversified, technology-driven, powertrain-agnostic mobility platform through strategic inorganic acquisitions. Its piston business remains a strong cash cow business with market leadership, ~500bp higher margins than the next peer, and 50%+ core RoCE, benefiting from rising multi-fuel opportunities (CNG, ethanol, hydrogen, hybrids), strong aftermarket demand, and global competitors exiting the ICE ecosystem prematurely. Leveraging this strong balance sheet and cash flow profile, SPR is reinvesting into acquisitions such as Antolin, Takahata, TGPEL, and EMFi, which diversify the company's precision plastic-molding components and expand the CPV by ~6x to INR30k+ per vehicle- creating a scalable auto component platform with balanced exposure across all powertrains.
- We estimate a 21% PAT CAGR, driven by a stable standalone business and rapid scaling of subsidiaries. The balance sheet is expected to improve gradually from the FY26 base due to a sharp improvement in subsidiaries' margins, with limited further growth capex. Consolidated core business RoCE is expected to improve from 20% in FY26 to 28% in FY29E. We reiterate a BUY rating on SPR with with an unchanged TP of INR6,150, premised on 30x Sept 28E earnings. Additionally, the company has recently completed INR10b QIP to fund future organic and inorganic growth opportunities, which could act as a key trigger for further upside.

Consolidated - Quarterly Earnings (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net operating income	**9,633**	**10,165**	**10,232**	**14,558**	**14,744**	**16,482**	**16,400**	**15,933**	**44,587**	**63,559**	**15,588**	**6**
Change (%)	15.1	16.0	20.7	47.3	53.1	62.1	60.3	9.4	25.6	42.6	53.4	
RM/Sales (%)	42.1	44.0	44.5	51.5	51.0	53.4	52.7	52.8	46.1	52.5	50.9	250 bps
Staff Cost (%)	14.8	13.8	13.2	10.9	11.4	10.7	10.7	10.8	12.9	10.9	11.2	(50) bps
Other Exp. (%)	22.8	21.9	22.2	19.2	20.0	19.3	19.4	19.3	21.3	19.5	20.0	(70) bps
EBITDA	**1,951**	**2,073**	**2,058**	**2,679**	**2,580**	**2,739**	**2,821**	**2,729**	**8,758**	**10,869**	**2,790**	**-2**
EBITDA Margins (%)	20.3	20.4	20.1	18.4	17.5	16.6	17.2	17.1	19.6	17.1	17.9	(130) bps
Change (%)	17.9	16.5	20.6	27.4	32.2	32.1	37.1	1.9	20.9	24.1	34.6	
Non-Operating Income	284	262	331	249	248	264	300	314	1126	1126	250	6
Interest	90	85	117	329	342	319	260	254	622	1175	300	6
Depreciation	315	326	328	517	534	555	555	537	1486	2181	534	4
EO Exp	0	0	-252	-19	0	0	0	0	-271	0	0	
PBT after EO items	**1,830**	**1,924**	**1,692**	**2,063**	**1,952**	**2,129**	**2,306**	**2,251**	**7,505**	**8,638**	**2,184**	**-3**
Tax	481	503	435	472	475	506	588	573	1891	2142	552	
Eff. Tax Rate (%)	26.3	26.1	25.7	22.9	24.3	23.8	25.5	25.5	25.2	24.8	25.3	
Minority Int/Share of Profit	12	22	27	28	33	38	38	37	89	146	23	
Rep. PAT	**1,337**	**1,399**	**1,230**	**1,563**	**1,444**	**1,585**	**1,680**	**1,641**	**5,525**	**6,350**	**1,632**	**-3**
Change (%)	15.8	12.1	2.6	6.7	8.0	13.3	36.6	5.0	8.9	15.7	16.7	
Adj. PAT	**1,337**	**1,399**	**1,482**	**1,582**	**1,444**	**1,585**	**1,680**	**1,641**	**5,796**	**6,350**	**1,632**	**-3**
Change (%)	15.8	12.1	23.6	7.9	8.0	13.3	13.3	3.7	14.4	9.6	16.7	

Zen Technologies

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	ZEN IN
Equity Shares (m)	90
M.Cap.(INRb)/(USDb)	155.4 / 1.6
52-Week Range (INR)	2044 / 1223
1, 6, 12 Rel. Per (%)	5/5/36
12M Avg Val (INR M)	1025

Financials Snapshot (INR b)

Y/E MARCH	2027E	2028E	2029E
Sales	11.0	14.4	17.5
EBITDA	3.8	5.2	6.3
EBITDA Margin (%)	34.9	36.4	36.4
PAT	3.2	4.4	5.3
EPS (INR)	35.6	48.5	58.3
EPS Growth (%)	120.5	36.1	20.3
BV/Share (INR)	237.4	285.9	344.2
Ratios			
Net D/E	-0.6	-0.6	-0.6
RoE (%)	16.2	18.5	18.5
RoCE (%)	16.3	18.6	18.6
Valuations			
P/E (x)	48.3	35.5	29.5
P/BV (x)	7.2	6.0	5.0
EV/EBITDA (x)	37.9	27.3	22.1

Shareholding pattern (%)

As Of	Sep-26	Jun-26	Sep-25
Promoter	48.5	48.5	48.5
DII	10.8	10.4	7.9
FII	7.1	6.9	6.4
Others	33.6	34.2	37.2

FII includes depository receipts

CMP: INR1,721 TP: INR1,700 (-1%) Neutral

Execution ramping up

Zen Technologies' (ZEN) 2QFY27 result was ahead of our estimates as ZEN has begun delivering the fast-track procurement (FTP) orders received last year, ahead of the contractual timelines. Order inflow during the quarter stood at ~INR4.3b, taking the order book to INR12.6b on a standalone basis. We expect further inflows from simulator orders worth ~INR4b, followed by anti-drone orders. During 2HFY27, we would expect a further ramp-up in order inflows and execution, along with margin improvement, as simulator orders received during last year will enter into execution stage. We marginally raise our estimates by 6%/3%/3% for FY27/28/29E to bake in 1HFY27 performance and roll forward our TP to Dec'28E. Maintain Neutral with a revised TP of INR1,700, based on 30x two-year forward earnings (INR1,600 earlier).

Good set of results

ZEN reported a good set of results, with a beat across revenue, EBITDA, and PAT. Revenue grew by 148% YoY to INR3.1b (vs our estimate of INR2.5b), due to the low base of 2QFY26 as well as delivery of FTP orders. Gross margins declined to 50.5% (55.1% in 2QFY26) during the quarter vs. our estimate of 55.0%. The decline in gross margins led to EBITDA margins of 31.5%, down 200bp YoY, in line with our estimates. Absolute EBITDA rose 133% YoY to INR973m (23% above our est.). PAT stood at INR792m, up 72% YoY, with PAT margins falling to 25.6% for the quarter against 37% in 2QFY26 due to lower other income. The standalone order book as of 2QFY27-end increased 161% YoY to ~INR12.6b, whereas consolidated order book stood at INR13.8b, indicating that subsidiaries OB stands at ~INR1.2b.

Execution ramp-up keeps FY27 on track

ZEN delivered a revenue of INR3.1b (+148% YoY) on a standalone basis, as execution of last year's orders, including FTP orders delivered ahead of schedule, picked up sharply. Management is comfortable with FY27 revenue of INR12-13b, implying 2H revenue of ~INR7.1-8.1b against a 1H base of INR4.9b. With an equipment order book of INR9.9b, we expect standalone revenue to clock a CAGR of 60% over FY26-29E.

Order inflows hinge on timing of ADS tenders

Consolidated order inflow of INR4.8b exceeded execution, lifting the order book to INR13.8b (domestic INR12.8b, export INR0.9b). However, ADS tenders under FTP are yet to be floated, with orders now expected in 4QFY27, with a possible spillover to 1HFY28, while near-term simulator orders are now pegged at INR4b. We believe FY28 revenue will depend on the timing of these orders, though ZEN's capabilities position it well to win a meaningful share once tenders are floated. We expect order inflows to clock a CAGR of 32% over FY26-29E.

Margins normalize; working capital a key monitorable

Standalone EBITDA margin dipped to 31.5% from 33.5% in 2QFY26. This fall was led by the revenue mix. The stretch in working capital cycle, drove negative 1H operating cash flow. As receivables are largely from government and defense customers, we expect a partial unwind in 2H as collections come through. We expect EBITDA margin of 36% over FY27-28E.

New products and acquisitions build long-term optionality

HyperStrike is undergoing internal trials, with first orders and revenue expected in FY28 and a ramp-up in FY29. The capacity being built (180,000 units a year, or ~USD1-1.5b at ~USD10,000 per unit) indicates the scale of the opportunity. The Cognit acquisition adds AI-led command and control, which management sees as a significant contributor within five years, while R&D at ~12% of revenue and capex of ~INR1.5b per year support a steady pipeline across ADS, robotics and naval simulation. We estimate ZEN's order book to grow at a CAGR of 26% over FY26-29.

Export ramp-up a medium-term story

Advanced export negotiations in the Middle East have been delayed by the Iran-Israel war, while US entry through prime contractors and European opportunities under the SAFE program's 65% local-content rule are likely to materialize only from next year. Exports currently form just ~7% of the order book. We therefore expect exports to remain a modest contributor in FY27, with meaningful scale-up from FY28-29, led by simulators for Russian-origin equipment, naval combat training centers and ADS.

Financial outlook

We revise our estimates and expect revenue/EBITDA/PAT CAGR of 60%/67%/53% over FY26-29E, with an EBITDA margin of ~36% for FY27-29. Subsidiaries' contributions to consolidated numbers are also expected to improve meaningfully over the next two years.

Valuation and view

The stock currently trades at 48x/35x/30x P/E on FY27/28/29E earnings. **We reiterate our Neutral rating on the stock with a revised TP of INR1,700, based on 30x Dec'28E earnings.**

Key risks and concerns

Any slowdown in procurement from the defense industry, especially for simulators, can expose the company to the risk of reduced order inflows and hinder its growth. ZEN is also exposed to foreign currency risk due to its export revenue.

Standalone - Quarterly Earnings Model (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**1,111**	**1,247**	**1,162**	**719**	**1,030**	**3,092**	**3,081**	**3,799**	**4,238**	**11,002**	**2,479**	**25**
YoY Change (%)	(56.3)	(48.4)	(17.9)	(75.5)	(7.3)	148.1	165.2	428.4	(54.5)	159.6	98.9	
Total Expenditure	730	829	636	683	747	2,120	2,049	2,251	2,877	7,167	1,686	26
EBITDA	**380**	**418**	**526**	**36**	**282**	**973**	**1,032**	**1,548**	**1,360**	**3,835**	**793**	**23**
YoY Change (%)	(63.1)	(47.4)	43.2	(96.2)	(25.8)	132.7	96.2	4,217.3	(56.6)	182.0	89.8	
Margins (%)	34.3	33.5	45.3	5.0	27.4	31.5	33.5	40.7	32.1	34.9	32.0	
Depreciation	31	33	36	37	47	52	47	41	137	187	38	36
Interest	14	4	10	6	5	5	9	15	34	34	8	(38)
Other Income	199	230	143	200	175	145	177	212	772	709	177	(18)
PBT	**535**	**610**	**624**	**192**	**405**	**1,061**	**1,154**	**1,703**	**1,961**	**4,323**	**924**	**15**
Tax	164	149	145	45	113	269	296	430	502	1,107	237	14
Rate (%)	30.6	24.4	23.3	23.2	27.9	25.4	25.6	25.2	25.6	25.6	25.6	
Reported PAT	**371**	**462**	**478**	**147**	**292**	**792**	**858**	**1,274**	**1,459**	**3,216**	**688**	**15**
Adj PAT	**371**	**462**	**478**	**147**	**292**	**792**	**858**	**1,274**	**1,459**	**3,216**	**688**	**15**
YoY Change (%)	(50.0)	(29.2)	23.8	(82.6)	(21.3)	71.5	79.5	763.6	(44.5)	120.5	48.9	
Margins (%)	33.4	37.0	41.2	20.5	28.4	25.6	27.9	33.5	34.4	29.2	27.7	

Devyani International

Estimate changes	⟷
TP change	↓
Rating change	⟷

Bloomberg	DEVYANI IN
Equity Shares (m)	1233
M.Cap.(INRb)/(USDb)	143.9 / 1.5
52-Week Range (INR)	165 / 92
1, 6, 12 Rel. Per (%)	-13/-4/-19
12M Avg Val (INR M)	538

Financials & Valuations (INR b)

Y/E Mar	2027E	2028E	2029E
Sales	63.6	71.2	79.5
Sales Gr. (%)	13.3	11.9	11.7
EBITDA	10.2	12.1	13.6
Margins (%)	16.1	17.0	17.1
Adj. PAT	0.3	1.1	1.7
Adj. EPS (INR)	0.2	0.9	1.4
EPS Gr. (%)	LP	313.4	59.0
BV/Sh.(INR)	13.0	13.2	11.7
Ratios			
RoE (%)	1.7	6.7	11.3
RoCE (%)	4.5	5.6	6.9
Valuation			
P/E (x)	549.1	132.8	83.6
P/BV (x)	9.0	8.9	10.0
EV/Sales (x)	2.4	2.5	2.2
EV/EBITDA (x)*	26.0	20.4	17.4

* Pre-Ind AS

Shareholding Pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	61.4	62.6	62.7
DII	19.8	18.1	15.4
FII	6.6	9.4	11.2
Others	12.3	9.9	10.7

FII includes depository receipts

CMP: INR117 TP: INR155 (+33%) Buy

KFC underscores; eyes on recovery in near-term

- Devyani International's (DEVYANI) consolidated revenue grew 10% YoY in 2QFY27. India revenue increased 9% YoY, with KFC and acquired brands supporting growth. Devyani's 2Q performance lagged peers as KFC's SSSG came below expectations despite a weak base. Pizza Hut continued to report negative SSSG. Management is cautious on near-term discretionary demand but expects slight improvement in 3Q.
- KFC sales grew 12% YoY, with SSSG at 4.4% (base -4.2%; 3.3% in 1QFY27), below expectations of 6.5%. KFC ADS declined 1% YoY to INR88k. Management reiterated that mid-single-digit SSSG remains sustainable over the long term, supported by value-led offerings and calibrated promotions. PH revenue declined 1% YoY, with SSSG at -1.4% (-2.2% in 1QFY27).
- India's RoM increased 23% YoY to INR1.4b, with margin expanding 130bp YoY to 13%. GM was impacted QoQ by higher wage and LPG costs and an adverse mix from value-led offerings. PH's RoM loss widened to INR33m from INR4m in 2QFY26, highlighting continued execution challenges. Consolidated pre-Ind AS EBITDA grew 34% YoY to INR1.25b (in line), with margin expanding 150bp YoY to 8.2%.
- International revenue grew 13% YoY to INR5.1b, despite flooding in Thailand and high fuel costs. RoM stood at INR912m (vs. INR749m in 2QFY26), while margin expanded 130bp YoY to 17.9%.
- The company has been focused on value-led offerings to drive transaction growth. The proposed Devyani-Sapphire merger, targeted for FY27-end, could unlock scale efficiencies; however, bridging the performance gap and improving brand-level profitability remain key monitorables. We reiterate our BUY rating with a TP of INR155 per share.

Unexciting KFC print; in-line EBITDA

- **Soft KFC performance weighs on revenue growth:** Consolidated sales grew 10% YoY to INR15.2b (est. INR15.5b). India revenue increased 9% YoY to INR10.2b (est. INR10.4b), supported by KFC and acquired brands. KFC sales grew 12% YoY to INR6.4b (est. INR6.6b), while SSSG stood at 4.4% (est. 6.5%) on a base of -4.2%. PH sales declined 1% YoY to INR1.8b (est. INR1.9b), with SSSG at -1.4% (est. +1.5%). KFC ADS declined 1% YoY to INR88k, while PH ADS fell 3% YoY to INR32k. International revenue grew 13% YoY to INR5.1b (est. INR5.1b). Own brands delivered healthy traction, with BBK and Vaango reporting SSSG of 8.1% and 6.9%, respectively, while franchise brands revenue grew 7% YoY.
- **Store network grew 3% QoQ:** It opened 70 store in 2QFY27 to reach 2,325 stores. The store additions/closure in KFC/PH/Franchisee brands/own brands/airports are 50/6/5/7/0. It also added 2 net new store in international market. The total store count for KFC/PH/ Franchisee brands/own brands/International stood at 844/632/202/225/402.

- **In-line EBITDA:** Gross profit increased 12% YoY to INR10.4b (est. INR10.6b), with gross margin expanding 70bp YoY but declining 60bp QoQ to 68.5% (est. 68.5%). Reported EBITDA grew 18% YoY to INR2.3b (est. INR2.2b), with consolidated EBITDA margin expanding 90bp YoY but contracting 100bp QoQ to 15% (est. 14.4%). Consolidated RoM increased 23% YoY to INR2b, with margin expanding 130bp YoY but declining 120bp QoQ to 13%. Pre-Ind AS EBITDA grew 34% YoY to INR1.25b (est. INR1.24b), with margin expanding 150bp YoY to 8.2% (est. 8%).
- PBT stood at INR16m (est. loss of INR10m) versus a loss of INR297m in 2QFY26, aided by higher other income. APAT came in at INR6m (est. INR47m) versus a loss of INR186m in 2QFY26.
- In 1HFY27, revenue/EBITDA grew 13%/21% YoY.

Highlights from the management commentary

- SSSG ranged 4-9% across brands in India, except Pizza Hut, which improved sequentially. Growth was transaction-led, with the on-premise channel gaining traction.
- The festive shift hurt 2Q. Durga Puja, key for KFC's South- and East-heavy mix, moved to 3Q, while North KFC's SSSG was +20%. On a combined 2-3 quarter basis, management indicated that the performance should be in line with peers.
- Devyani stated that October's SSSG should hold at 2Q levels, and it is aspiring for 3Q to be slightly above 2Q.
- Total price hikes stood at 1-2% YTD, taken in stages, and do not fully offset inflation. Gross margin should not deteriorate further, as more pricing and promo/deal optimization headroom remain available.
- FY27 guidance of 200-220 net store additions is on track.
- The Devyani Sapphire merger is expected to be completed by end of FY27.

Valuation and view

- We trim our EBITDA estimates by 2% for FY27 and FY28.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings across brands.
- The merger of Devyani and Sapphire is expected to unlock meaningful scale benefits, improve unit economics through operating leverage and revised commercial terms, and enhance execution across brands and geographies.
- The merger is expected to deliver recurring annual synergies of ~INR2.2b, driven by lower Pizza Hut operating costs, reduction in overall corporate overheads, and other operational efficiencies. We estimate an EBITDA gain of ~INR500m in FY28, considering weak QSR industry performance and any delay in occurring synergy benefits (refer to our detailed merger note).
- We value Devyani at 25x EV/EBITDA (pre-IND AS) on Sep'28E for the Indian business and 15x EV/EBITDA for international. We reiterate our BUY rating with a TP of INR155.

Quarterly Performance

(INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
KFC - No. of stores	704	734	788	783	794	844	894	893	783	893	824	
PH - No. of stores	618	621	639	639	626	632	636	659	639	659	630	
KFC - SSSG (%)	-0.7	-4.2	-2.9	4.9	3.3	4.4	7.0	4.1	-0.8	4.7	6.5	
PH - SSSG (%)	-4.2	-4.1	-9.1	-3.7	-2.2	-1.4	0.0	-0.4	-5.3	-1.0	1.5	
Net Sales	**13,570**	**13,768**	**14,409**	**14,369**	**15,805**	**15,194**	**16,512**	**16,069**	**56,115**	**63,581**	**15,507**	-2%
YoY change (%)	11.1	12.6	11.3	18.5	16.5	10.4	14.6	11.8	13.3	13.3	12.6	
Gross Profit	**9,252**	**9,329**	**9,928**	**9,886**	**10,915**	**10,403**	**11,311**	**11,223**	**38,396**	**43,852**	**10,623**	-2%
Margin (%)	68.2	67.8	68.9	68.8	69.1	68.5	68.5	69.8	68.4	69.0	68.5	
EBITDA (Pre-IND AS)	**1,095**	**934**	**1,240**	**1,230**	**1,511**	**1,251**	**1,557**	**1,539**	**4,501**	**5,858**	**1,240**	1%
EBITDA growth %	-22.6	-18.3	-5.1	13.8	38.0	33.9	25.6	25.1	-8.9	30.1	32.8	
Margin (%)	8.1	6.8	8.6	8.6	9.6	8.2	9.4	9.6	8.0	9.2	8.0	
EBITDA	**2,049**	**1,943**	**2,267**	**2,295**	**2,548**	**2,286**	**2,657**	**2,754**	**8,554**	**10,245**	**2,240**	2%
EBITDA growth %	-8.3	-2.2	3.4	14.3	24.4	17.7	17.2	20.0	1.6	19.8	15.3	
Margin (%)	15.1	14.1	15.7	16.0	16.1	15.0	16.1	17.1	15.2	16.1	14.4	
Depreciation	1,497	1,603	1,656	1,943	1,815	1,736	1,620	2,423	6,698	7,595	1,620	
Interest	668	688	700	701	701	653	690	1,017	2,757	3,061	690	
Other Income	135	51	123	141	192	120	60	170	451	541	60	
PBT	**19**	**-297**	**35**	**-207**	**223**	**16**	**407**	**-516**	**-450**	**130**	**-10**	
Tax	5	-52	-49	-47	58	22	81	-136	-143	26	-2	
Rate (%)	27.0	17.5	-142.2	22.9	26.0	137.1	20.0	26.3	31.8	20.0	20.0	
Adjusted PAT	**15**	**-186**	**27**	**-36**	**178**	**6**	**381**	**-292**	**-179**	**263**	**47**	
Margin (%)	0.1	-1.4	0.2	-0.2	1.1	0.0	2.3	-1.8	-0.3	0.4	0.3	
YoY change (%)	-94.5	NM	NM	NM	1,052.4	NM	NM	NM	-179.2	-246.9	NM	

E: MOFSL Estimates

NSDL

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	NSDL IN
Equity Shares (m)	200
M.Cap.(INRb)/(USDb)	144.1 / 1.5
52-Week Range (INR)	1180 / 688
1, 6, 12 Rel. Per (%)	-9/-16/-29
12M Avg Val (INR M)	500

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Revenue	15.3	21.5	26.6
EBITDA	4.3	4.7	5.4
EBITDA Margin (%)	28.4	21.9	20.4
PAT	3.8	4.2	4.7
PAT Margin (%)	24.8	19.4	17.8
EPS	19.0	20.9	23.6
EPS Grw. (%)	12.3	9.8	13.3
BVPS	119.0	138.4	160.8
RoE (%)	17.3	16.2	15.8
Div. Payout (%)	4.2	4.8	5.1
Valuations			
P/E (x)	37.9	34.6	30.5
P/BV (x)	6.1	5.2	4.5
Div. Yield (%)	0.1	0.1	0.2

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	43.8	47.6	50.5
FII	2.6	1.9	4.7
Others	53.6	50.6	44.9

FII includes depository receipts

CMP: INR721 **TP: INR800 (+11%)** **Neutral**

Robust operating efficiency leads to a beat on profitability

- NSDL's operating revenue grew 36% YoY/6% QoQ to INR5.5b (in line). Depository revenue (42% of the mix) grew 12% YoY/25% QoQ, while the banking services segment (54% of the mix) surged 66% YoY but dipped 7% QoQ. In 1H, revenue grew ~50% YoY.
- Operating expenses rose 48% YoY, but dipped 3% QoQ to INR4b (6% below our est.). Employee costs increased 20% YoY (6% below est.), while other expenses rose 54% YoY (6% below est.). EBITDA rose 11% YoY/41% QoQ to INR1.4b (22% beat due to strong operational efficiency), resulting in an EBITDA margin of 26.1% (vs. 32% in 2QFY26 and 19.5% in 1QFY27).
- PAT for the quarter rose 11% YoY/25% QoQ to ~INR1.3b (31% beat due to better-than-expected EBITDA and a beat on other income). PAT margin came in at 22.4% vs. 27.6% in 2QFY26 and 19% in 1QFY27. For 1HFY27, PAT grew 10% YoY.
- NSDL's depository income rebounded as market activity improved, while Payments Bank revenue, which was boosted by a one-time card onboarding project (including a joining fee in the last quarter), normalized in 2QFY27. Margin normalization is expected once tech investments start delivering productivity gains.
- We raise our earnings estimates for FY27/FY28 by 10%/9% due to the strong performance in 2QFY27. We expect NSDL to post a revenue/EBITDA/PAT CAGR of 32%/12%/12% over FY26-28E. We reiterate our Neutral rating on the stock with a one-year TP of INR800 (premised on a P/E multiple of 35x on FY28E earnings).

Depository income rebounds sequentially

- On the revenue front, the banking services income grew 66% YoY, but dipped 7% QoQ to INR2.9b, with its share in revenue mix rising to 54% from 44% in 2QFY26 and 61% in 1QFY27, while depository revenue rose 12% YoY/25% QoQ to INR2.3b with its share in the mix at 42% vs 51% in 2QFY26.
- Within the depository revenue, the share of recurring income improved to 44.7% from 43.6% in 2QFY26 at INR1b, up 15% YoY/flat QoQ.
- The non-recurring portion comprising corporate actions fees (Incl. IPO) grew 24% YoY/93% QoQ (due to improving corporate actions in 2Q), while e-voting charges rose 10% YoY/258% QoQ, settlement charges grew 11% YoY/4% QoQ, pledge fees rose 18% YoY/were flat QoQ, and other transaction charges dipped 12% YoY/rose 17% QoQ.
- Among the subsidiaries, NPBL segment revenue rose 63% YoY, but dipped 7% QoQ to INR2.9b. Retail payments bank customer base grew 1.6x YoY in 2QFY27, while deposit balances increased 1.4x, reflecting continued traction in the payments banking business.
- The database management business has accumulated ~20.6m KYC records. Cumulative policies held in the insurance repository stood at ~17.5m.

- Custody income grew ~14.5% YoY/flat QoQ to INR1b. Some saturation is emerging in the unlisted issuer segment, resulting in a moderation in incremental company additions.
- Pledge income grew 18% YoY/ flat QoQ. Other income rose 14% YoY/down 16% QoQ to INR367m (47% beat).
- Total expenses rose 48% YoY/fell 3% QoQ to INR4b, with CIR at 73.9% vs 68% in 2QFY26 and 80.5% in 1QFY27.
- Employee costs for the quarter rose 20% YoY/ flat QoQ to INR535m.
- Other expenses rose 54% YoY/down 3% QoQ to INR3.5b. The company continues to make technology investments to enhance productivity and support margin normalization over the medium term.
- Total demat accounts stood at 47.2m vs 41.9m in 2QFY26 with demat share at 19.6% from 20.2% in 2QFY26. The net additions during the quarter stood at 1.6m vs. 1.4m in 2QFY26.

Key takeaways from the management commentary

- Fintech brokers contributed 23.5% of incremental demat account sourcing in 2QFY27, up from 9.3% in 2QFY26.
- The IPO income trajectory should sustain at current levels if pipeline momentum and SEBI approvals remain favorable.
- Elevated technology and skill-enhancement costs are weighing on the current cost structure without a corresponding pricing reset in issuer solutions.

Valuation and view

- With the share of recurring fees rising YoY to ~44.7% of 2QFY27 depository income, imparting greater stability to the annuity-led business model, and a strong contribution from banking services, NSDL is well positioned to benefit from operating leverage, supporting improvement in profitability. Sustained momentum in demat account additions and successful onboarding of new fintech partners remain key monitorables for future growth.
- **We raise our earnings estimates for FY27/FY28 by 10%/9% due to the strong performance in 2QFY27. We expect NSDL to post a revenue/EBITDA/PAT CAGR of 32%/12%/12% over FY26-28E. We reiterate our Neutral rating on the stock with a one-year TP of INR800 (based on a P/E multiple of 35x on FY28E earnings).**

Quarterly Performance (INRm)

Y/E March	FY26				FY27				FY26	FY27E	2Q FY27E	adt v/s Est. %	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE						
Revenue from Operations	3,120	4,000	3,596	4,583	5,166	5,459	5,219	5,649	15,300	21,493	5,474	-0.3	36%	6%
Change YoY (%)	-7.5	12.2	-0.8	26.0	65.6	36.5	45.1	23.3	7.7	40.5	37			
Employee expenses	383	446	501	477	540	535	546	564	1,808	2,184	567	-5.7	20%	-1%
Other Expenses	1,785	2,275	2,022	3,066	3,617	3,501	3,598	3,886	9,148	14,602	3,737	-6.3	54%	-3%
Total Operating Expenses	2,168	2,721	2,523	3,543	4,157	4,036	4,144	4,450	10,956	16,786	4,304	-6.2	48%	-3%
Change YoY (%)	-16	12	-7	30	92	48	64	26	4.9	53.2	58			
EBITDA	**952**	**1,279**	**1,074**	**1,039**	**1,010**	**1,423**	**1,075**	**1,199**	**4,344**	**4,707**	1,169	**21.7**	11%	41%
Other Income	348	322	347	285	439	367	350	345	1,302	1,500	250	46.7	14%	-16%
Depreciation	96	111	134	139	145	149	152	155	480	601	148	0.7	34%	3%
Interest	16	15	19	17	17	17	18	20	67	72	18			
PBT	**1,188**	**1,475**	**1,268**	**1,168**	**1,286**	**1,624**	**1,255**	**1,369**	**5,099**	**5,534**	1,253	**29.5**	10%	26%
Change YoY (%)	19	11	16	6	8	10	-1	17	13.0	8.5	-15			
Tax Provisions	287	358	358	252	305	395	308	355	1,255	1,363	307	**28.5**	10%	29%
Net Profit	**896**	**1,104**	**897**	**903**	**983**	**1,225**	**938**	**1,027**	**3,800**	**4,172**	936	**31**	11%	25%
Change YoY (%)	15	15	5	8	10	11	5	14	10.8	9.8	-15			
Key Operating Parameters (%)														
Cost to Operating Income Ratio	69.5	68.0	70.1	77.3	80.5	73.9	79.4	78.8	71.6	78.1	78.6		5.9	-6.53
EBITDA Margin	30.5	32.0	29.9	22.7	19.5	26.1	20.6	21.2	28.4	21.9	21.4		-5.9	6.53
PBT Margin	38.1	36.9	35.2	25.5	24.9	29.7	24.0	24.2	33.3	25.7	22.9		-7.1	4.85
Tax Rate	24.2	24.3	28.2	21.6	23.7	24.3	24.5	25.9	24.6	24.6	24.5			
PAT Margin	28.7	27.6	24.9	19.7	19.0	22.4	18.0	18.2	24.8	19.4	17.1		-5.2	3.40

Atlanta Electricals

Estimate change	↓
TP change	↑
Rating change	↔

Bloomberg	ATLANTAE IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	110 / 1.2
52-Week Range (INR)	2200 / 708
1, 6, 12 Rel. Per (%)	-21/-16/54
12M Avg Val (INR M)	246

Financials Snapshot (INR b)

Y/E MARCH	2027E	2028E	2029E
Sales	24.9	34.1	41.6
EBITDA	4.4	6.3	7.7
EBITDA Margin (%)	17.5	18.5	18.5
PAT	2.6	4.0	5.1
EPS (INR)	34.3	51.6	66.4
EPS Growth (%)	30.0	50.5	28.5
BV/Share (INR)	155.2	206.8	273.2
Ratios			
Net D/E	-0.0	-0.1	-0.2
RoE (%)	22.1	25.0	24.3
RoCE (%)	22.1	25.6	24.4
Valuations			
P/E (x)	41.7	27.7	21.6
P/BV (x)	9.2	6.9	5.2
EV/EBITDA (x)	25.2	17.2	13.7

Shareholding pattern (%)

As Of	Sep-26	Jun-26	Sep-25
Promoter	87.3	87.3	87.3
DII	4.9	4.8	3.9
FII	1.5	1.9	2.2
Others	6.3	6.1	6.7

FII includes depository receipts

CMP: INR1,430 TP: INR1,980 (+38%) Buy

Soft quarter

Atlanta Electricals' (ATLANTAE) 2QFY27 revenue and EBITDA were in line with our estimates, while lower-than-expected depreciation led to a PAT beat vs our estimate. Execution during the quarter was impacted by heavy monsoon, deferment of deliveries, and higher RM prices. Inflows were also weaker than 1QFY27. However, the company remains optimistic about a recovery in both inflows and execution during 2HFY27. Our focus remains on short circuit test for the 400kV facility, which is expected by Dec'26. Discussions on a technology tie-up for the 765kV facility have not yielded results, prompting the company to start working on the technology in-house. We, thus, expect some delays in ordering and execution ramp up for 765kV transformers. We marginally revise our estimates to factor in 1HFY27 performance and roll forward TP to Dec'28. Our target multiple of 32x two-year forward earnings is at a 40-45% discount to players operating in the 765kV range and does not factor in any premium for the 765kV transformer facility, where output is currently delayed. Reiterate BUY with a revised TP of INR1,980 (INR1,950 earlier).

In-line revenue and EBITDA with a beat on PAT

Revenue and EBITDA came in line with our estimates for this quarter, with a beat on PAT led by lower-than-expected depreciation. Revenue for the quarter grew 23% YoY to INR3.9b. Gross margin during the quarter contracted 420bp YoY to 26.6%. Absolute EBITDA increased 9% YoY to INR 596m, while margin contracted 200bp YoY to 15.3%. PAT increased 28% YoY to INR321m, 15% above our estimates. During 1HFY27, OCF stood at INR590m against INR1,183m in 1HFY26 and FCF for 1HFY27 stood at negative INR212m vs a positive FCF of INR576m in 1HFY26. Order book stood at INR32b as of 2QFY27-end, with order inflows of ~INR4.2b during the quarter.

2Q margin dip transient; operating leverage to aid 2H

During 2QFY27, gross margin contracted ~420bp YoY as earlier firm-price orders (~15% of 2Q revenue) absorbed higher copper, steel, and oil prices, while rain-led dispatch deferrals of ~INR1.8b hurt fixed-cost absorption. We see both as transient: the remaining fixed-price contracts have been renegotiated and repriced to current levels, all new orders carry price variation clauses, and ~70% of deferred deliveries have already been dispatched. With Vadod unit running at ~30% utilization and management expecting it to scale up, a seasonally stronger 2H should drive meaningful operating leverage. We cut our margin estimate by 50bp and expect EBITDA margin of 17.5%/18.5%/18.5% in FY27/28/29.

Inflows to ramp up in 2H

2Q inflow moderated to ~INR4.2b as commodity volatility delayed conversion of L1 positions. We expect inflows to ramp up in 2H, driven by these L1 conversions and the opening of 400kV bidding once the prototype clears testing by Dec'26 or Jan'27. 1H inflows of ~INR14b already form ~42% of our FY27 estimate of INR33b. The INR32b order book, backed by an INR195b inquiry pipeline, is also improving in the mix, with 220kV and 400kV orders at ~40% and 8.6% of the book, respectively. We expect order inflows to clock a CAGR of 21% over FY26-29.

EHV ramp-up: 400kV on track, 765kV going in-house

The 400kV prototype is under manufacturing, with short-circuit testing targeted in 3Q, which can potentially ramp up order flows for 400kV-transformers from 4QFY27. On 765kV, ATLANTAE has moved to in-house development after the proposed technology tie-up has not materialized. Design and raw material ordering are already underway, and testing is targeted by 1H. Though the company is independently working on the design, given that the CEA has standardized the specifications, we believe this could delay the ordering for 765kV, which we were earlier building from mid-FY28. We thus incorporate this delay and corresponding margin expansion from 765kV by taking lower margin assumptions.

US entry: brand-led strategy adds a margin lever

ATLANTAE secured its first US order for a specialty transformer and has inquiries for ~120 transformers (~9,300MVA). Rather than white labeling or contract manufacturing, it plans to build its own brand through two shortlisted long-term partners, starting with 220kV and below products supplied from India, with no tariff impact seen so far. The export target is now ~15% of revenue within two years. We believe this brand-led approach will help build a sustainable franchise, while better margin exports will hedge lower-kV margins.

Backward integration to aid quality and delivery timelines

The tank and radiator unit (capex of ~INR2b, by Oct'27) is aimed at improving quality and shortening supply timelines rather than addressing shortages, as ATLANTAE faces no difficulty procuring copper conductors, bushings, or other components. We see this as a structural advantage for export-grade quality and on-time delivery. Along with the IDT facility (capex of INR650m, by 3QFY27), capex remains modest and internally funded. Inventory nearly doubled from Mar'26 levels on deferred dispatches, while part should unwind in 3Q.

Financial outlook

Management reiterated its 40% revenue CAGR guidance and EBITDA margin in the range of 16-18% over the next 2-3 years. We bake in a slightly lower margin in our estimate and expect a revenue/EBITDA/PAT CAGR of ~31%/31%/36% over FY26-29E, with an EBITDA margin of 17.5%/18.5%/18.5% for FY27/FY28/FY29.

Valuation and view

The stock currently trades at 42x/28x/22x P/E on FY27/28/29E EPS. We reiterate our BUY rating with a revised TP of INR1,980 based on 32x two-year forward earnings, rolled forward to Dec'28. Our target multiple of 32x two-year forward earnings is at a 40-45% discount to players operating in the 765kV range and does not factor in

any premium for the company's 765kV transformer facility, where output is currently delayed.

Key risks and concerns

Key risks include: 1) a slowdown in the tendering of orders, 2) customers' non-acceptance of higher kV transformers, 3) supply chain-related issues, and 4) a spike in commodity prices.

Consolidated - Quarterly Snapshot (INR m)

Income Statement	FY26				FY27E				FY26	FY27E	FY27E	Est
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var %
Net Sales	**3,151**	**3,170**	**4,718**	**7,476**	**4,663**	**3,901**	**6,339**	**9,955**	**18,515**	**24,858**	**3,928**	**(1)**
Change (%)	5.1	17.3	79.7	81.7	48.0	23.1	34.3	33.2	48.8	34.3	23.9	
Expenses	2,663	2,622	3,805	5,981	3,892	3,305	5,261	8,049	15,071	20,508	3,338	**(1)**
EBITDA	**488**	**548**	**913**	**1,496**	**771**	**596**	**1,078**	**1,906**	**3,444**	**4,350**	**589**	**1**
Change (%)	17.8	30.5	119.6	117.9	58.1	8.7	18.0	27.4	77.9	26.3	7.5	
As of % Sales	15.5	17.3	19.4	20.0	16.5	15.3	17.0	19.1	18.6	17.5	15.0	
Depreciation	24	55	90	93	101	100	119	156	261	476	138	(27)
Interest	69	132	205	160	57	85	90	127	566	358	85	(1)
Other Income	24	16	41	76	23	34	18	16	157	91	17	96
PBT pre EO items	**420**	**377**	**659**	**1,319**	**636**	**445**	**887**	**1,639**	**2,774**	**3,607**	**383**	**16**
Extraordinary Items	-	-	(11)	(1)	-	-	-	-	(12)	-	-	
PBT	**420**	**377**	**648**	**1,318**	**636**	**445**	**887**	**1,639**	**2,762**	**3,607**	**383**	**16**
Tax	108	126	214	296	167	124	238	438	744	968	103	21
Effective Tax Rate (%)	25.8	33.4	33.1	22.4	26.3	27.9	26.8	26.7	26.9	26.8	26.8	
MI & P/L Share of JV	-	-	-	-	-	-	-	-	-	-	-	
Reported PAT	**311**	**251**	**433**	**1,022**	**468**	**321**	**649**	**1,201**	**2,018**	**2,639**	**280**	**15**
Adj PAT	**311**	**251**	**445**	**1,023**	**468**	**321**	**649**	**1,201**	**2,030**	**2,639**	**280**	**15**
Change (%)	25.3	(6.6)	99.7	129.1	50.4	28.0	46.0	17.4	71.1	30.0	11.8	
Margin (%)	9.9	7.9	9.4	13.7	10.0	8.2	10.2	12.1	11.0	10.6	7.1	

Trident

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	TRID IN
Equity Shares (m)	5096
M.Cap.(INRb)/(USDb)	113.2 / 1.2
52-Week Range (INR)	31 / 20
1, 6, 12 Rel. Per (%)	-4/-12/-14
12M Avg Val (INR M)	202
Free float (%)	26.3

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	67.0	69.5	77.1
EBITDA	8.9	11.8	11.0
EBITDA (%)	13.2	17.0	14.2
Adj. PAT	3.9	6.1	5.4
EPS (INR)	0.8	1.2	1.1
EPS Gr.%	0.1	0.6	-0.1
BV/Sh. (INR)	9.6	10.3	10.9
Ratios			
Net D/E	0.2	0.0	0.0
RoE (%)	8.4	12.4	10.3
RoCE (%)	7.3	10.6	9.2
Payout (%)	67.6	42.1	41.5
Valuations			
P/E (x)	28.9	18.5	20.9
P/B (x)	2.3	2.2	2.0
EV/EBITDA (x)	14.1	10.3	11.1
Div. yield (%)	2.2	2.2	2.0

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	73.7	73.7	73.7
DII	0.3	0.3	0.1
FII	3.2	3.2	3.1
Others	22.8	22.9	23.1

CMP: INR22 **TP: INR24 (+8%)** **Neutral**

Healthy margins offset the decline in revenue

Trident (TRID)'s revenue dipped 3.8% YoY to INR17.2b in 2QFY27 due to a 10.4% YoY decline in the home textile portfolio, led by bath linen. Bed linen and paper businesses reported robust growth, while the yarn business continued with strong growth momentum. Gross margin expanded 660bp YoY, driven by high cotton yarn spreads, while EBITDA margins also expanded by 612bp YoY. Yarn delivered the highest EBIT margins of 18.8%, followed by bed linen (12.4%) and the paper business (11.9%). We expect TRID's revenue to clock a 7.3% CAGR over FY26-28, led by bed linen in the home textile portfolio, followed by the yarn and paper segments. We expect margins to improve gradually toward 14.2% by FY28, aided by vertical integration benefits. The board has approved INR46.5b capex for capacity expansion and modernization. The plan includes adding spindle capacity at Budhni and Dhar, modernizing the Budhni facility, expanding sheeting looms, enhancing paper capacity, and setting up a renewable energy plant.

Decline in bath linen weighs on revenue growth

TRID's revenue fell 3.8% YoY to INR17.2b in 2QFY27. The home textiles portfolio dipped 10.4% YoY, due by a 21.1% YoY decline in the bath linen business (26% of sales), while the bed linen business (14% of sales) delivered a robust 19.2% YoY growth. Yarn (47% of sales) continued to deliver a strong quarter with 10.3% YoY growth. The paper business (13% of sales) also delivered a robust 16.6% YoY growth. For 1HFY27, the yarn and bed linen businesses improved ~8% YoY each, paper business grew 15.5% YoY, while bath linen dipped 11.2% YoY. We expect the home textile portfolio to deliver a 5.6% CAGR over FY26-28, led by the bed linen business, while bath linen is expected to remain muted.

Margins continue to improve, driven by better cotton yarn spreads

In 2QFY27, gross margin expanded 660bp YoY to 52.9%, while EBITDA margin improved 612bp YoY to 18.1%, led by better cotton yarn spreads. EBITDA grew 45.3% to INR3.1b, with employee costs and other expenses declining by 2.2% and 2.5% YoY, respectively. Yarn delivered the highest EBIT margins of 18.8% (+1360bp), led by the higher cotton yarn spreads. In home textiles, bedsheets delivered high EBIT margins of 12.4% (+540bp), while bath linen EBIT margins declined ~510bp to 5.7%. The paper segment's EBIT margin too dipped 553bp to 11.9%. We expect the EBITDA margin to expand 100bp to 14.2% by FY28.

Valuation and view: Reiterate Neutral

TRID's home textile portfolio declined due to a dip in bed linen as well as bath linen, while the yarn and paper businesses remained flat. We expect the home textile portfolio to clock a 5.6% CAGR over FY26-28, driven by higher demand, while yarn and paper businesses are expected to clock at 6.3% and 12.6% CAGR, respectively. We model a revenue, EBITDA, and PAT CAGR of 7%, 11%, and 17%, respectively, over FY26-28, driven by the home textile portfolio bed linen segment, followed by the yarn and paper portfolios. We have trimmed our earnings estimates and reiterate our Neutral rating with a revised TP of INR24 (valuing the stock at 12x FY28E EV/EBITDA). Key risks: raw material price volatility, tariffs in the US market, and a slowdown in export markets (refer to our IC note dated Jun'26).

Consolidated - Quarterly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	1QFY27E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	**17,069**	**17,872**	**15,745**	**16,325**	**17,868**	**17,195**	**16,925**	**17,496**	**67,011**	**69,484**	*18,765*	*-8.4*
YoY Change (%)	*-2.1*	*4.3*	*-5.6*	*-12.4*	*4.7*	*-3.8*	*7.5*	*7.2*	*-4.1*	*3.7*	*5.0*	
Gross Profit	**8,755**	**8,277**	**7,232**	**8,343**	**9,050**	**9,100**	**8,886**	**8,896**	***32,607***	***35,932***	*9,523*	
Total Expenditure	14,179	15,726	14,350	13,903	14,783	14,078	13,935	14,867	58,158	57,663	*15,396*	
EBITDA	**2,890**	**2,145**	**1,395**	**2,423**	**3,085**	**3,117**	**2,990**	**2,629**	**8,852**	**11,821**	*3,369*	*-7.5*
Margin (%)	*16.9*	*12.0*	*8.9*	*14.8*	*17.3*	*18.1*	*17.7*	*15.0*	*13.2*	*17.0*	*18.0*	
Depreciation	928	829	719	697	702	715	800	1,097	3,173	3,314	*745*	*-4.0*
Interest	313	249	256	322	300	325	300	178	1,140	1,103	*310*	*4.9*
Other Income	200	161	205	176	164	176	205	220	741	764	*175*	*0.5*
PBT before EO items	**1,849**	**1,229**	**625**	**1,579**	**2,247**	**2,252**	**2,095**	**1,573**	**5,281**	**8,168**	*2,489*	
Extraordinary Loss	-29	3	37	149	87	-21	0	0	160	87	*0*	
PBT	**1,877**	**1,226**	**588**	**1,430**	**2,160**	**2,273**	**2,095**	**1,573**	**5,120**	**8,081**	*2,489*	*-8.7*
Tax	478	330	176	445	582	569	524	346	1,428	2,020	*622*	*-8.6*
Rate (%)	*25.4*	*27.0*	*29.9*	*31.1*	*26.9*	*25.0*	*25.0*	*22.0*	*27.9*	*25.0*	*25.0*	
JV and Associates	0	14	30	35	2	52	0	0	79	2	*0*	
Reported PAT	**1,400**	**909**	**442**	**1,020**	**1,581**	**1,756**	**1,572**	**1,228**	**3,771**	**6,063**	*1,867*	*-6.0*
Adj PAT	**1,371**	**912**	**479**	**1,169**	**1,668**	**1,734**	**1,572**	**1,228**	**3,932**	**6,150**	*1,867*	*-7.1*
YoY Change (%)	*100.9*	*16.1*	*-34.2*	*-13.9*	*21.7*	*90.1*	*227.9*	*5.0*	*10.6*	*56.4*	*104.6*	
Margin (%)	*8.0*	*5.1*	*3.0*	*7.2*	*9.3*	*10.1*	*9.3*	*7.0*	*5.9*	*8.9*	*9.9*	

Aditya Birla Lifestyle Brands

Estimate changes	⇔
TP change	⇓
Rating change	⇔

Bloomberg	ABLBL IN
Equity Shares (m)	1221
M.Cap.(INRb)/(USDb)	88 / 0.9
52-Week Range (INR)	142 / 69
1, 6, 12 Rel. Per (%)	-8/-28/-37
12M Avg Val (INR M)	227

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	92.1	100.9	109.4
EBITDA	15.1	16.6	18.1
Adj. PAT	2.6	2.9	3.1
EBITDA Margin (%)	16.3	16.5	16.5
Adj. EPS (INR)	2.1	2.4	2.6
BV/Sh. (INR)	13.2	14.8	16.4
Ratios			
Net D:E	1.9	1.8	1.6
RoE (%)	17.2	16.8	16.4
RoCE (%)	13.1	12.3	11.9
Valuations			
P/E (x)	33.9	30.6	28.2
EV/EBITDA (x)	7.9	7.2	6.6
EV/Sales (x)	1.3	1.2	1.1
Div. Yield (%)	1.0	1.4	1.7

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	46.6	46.6	46.6
DII	20.9	20.8	11.5
FII	12.8	13.2	21.9
Others	19.7	19.4	20.0

FII includes depository receipts

CMP: INR72 **TP: INR80(+11%)** **Neutral**

In-line 2Q; consistent double-digit growth and margin expansion key to re-rating

- Aditya Birla Lifestyle Brands (ABLBL) reported ~11% YoY revenue growth in 2Q, supported by robust ~27% YoY growth in Emerging Brands. Lifestyle Brands' revenue grew ~9% YoY, aided by ~5% retail LTL growth, despite the festive shift and double-digit growth in the wholesale channel.
- Gross margin remained broadly flat YoY at 57.7% (~20bp beat). Operating leverage on employee and rental costs, which grew ~8% and ~6% YoY, respectively, supported ~14% YoY EBITDA growth and ~35bp YoY margin expansion to 15.9% (~30bp beat).
- Management reiterated its target of ~11-12% revenue growth CAGR with consistent margin expansion over the medium term, driven by 7-8% LTL growth and retail network expansion. Over the medium term, management expects Reebok's margin (adjusted for royalty) to be in line with the lifestyle brands' margins, while it still expects Van Heusen Innerwear to achieve break-even in one of the quarters in FY27 with further scale-up in FY28.
- We fine-tune our estimates and model a CAGR of 9%/10%/14% in revenue/ reported EBITDA/adj. PAT over FY26-29E.
- **We reiterate our Neutral rating with a revised TP of INR80,** premised on ~13x Dec'28E pre-Ind AS EV/EBITDA (implies ~32x Dec'28E EPS).
- Consistent double-digit revenue growth, along with improved profitability in emerging brands, remains the key catalyst for a potential re-rating.

In-line 2Q; LTL-led growth boosts profitability

- ABLBL's 2Q revenue at INR22.7b grew 11% YoY (vs. our est. ~10% YoY), despite the festive shift, led by **strong retail LTL growth in Lifestyle (5%) and Emerging (~11%) brands.**
  - Lifestyle Brands grew 9% YoY, driven by 5% retail LTL growth and double-digit YoY wholesale growth, while Emerging Brands delivered 27% YoY growth.
  - The company expanded its footprint to 3,434 brand stores (~72 net store additions in 2Q vs. ~14 in 1Q; 100+ gross additions).
- Gross profit rose ~11% YoY to INR13.1b as gross margin was stable YoY at 57.7% (~20bp beat).
- Other expenses rose ~12% YoY due to input and logistics cost inflation, while employee costs (up 8% YoY) and rental expenses (up 6% YoY) were contained.
- Reported **EBITDA of INR3.6b** grew ~14% YoY (~4% beat), with **EBITDA margin expanding ~35bp YoY to 15.9% (~30bp beat)**, driven by operating leverage.
- Depreciation increased ~7% YoY, while finance costs declined ~2% YoY. Other income rose ~41% YoY to INR298m.
- **Reported PAT of INR530m surged ~2.3x YoY** but was a 5% miss on our estimates, due to higher-than-estimated depreciation and finance costs, partly offset by higher other income.

Robust growth and reported profitability in 1H

- Its 1HFY27 revenue grew ~11% YoY to INR43.1b, driven by healthy growth across Lifestyle (9% YoY) and Emerging Brands (23% YoY).
- Gross margin contracted ~75bp YoY to 59.3% in 1H, but contained opex (up 8% YoY) drove the company's **1HFY27 EBITDA** higher by **15% YoY to INR6.7b**, with margin expanding ~55bp YoY to 15.5%.
- ABLBL's 1HFY27 pre-Ind AS EBITDA stood at INR2.6b (**up 6% YoY**), with margin contracting ~30bp YoY to 6%, as lease payments rose 22% YoY due to accelerated store additions (up by 86 YoY on a net basis).
- ABLBL's adjusted 1HFY27 PAT grew ~73% YoY to INR821m, supported by higher operating profitability and ~2% YoY decline in finance costs.
- For 2HFY27, the implied ask-rate for revenue/reported EBITDA/adj. PAT growth is ~9-10%, which should be achievable, given the shift in the festive period.

FCF outflow moderates in 1HFY27; net debt inches up due to WC build-up

- Core working capital days improved to 58 in 1HFY27 (vs. 65 days in 1HFY26), led by lower inventory days at 103 (vs. 112 YoY) and receivable days at 60 (vs. 63 YoY), with this partly offset by lower payable days at 106 (vs. 110 YoY).
- Overall CWC was stable YoY at INR14b despite ~11% YoY revenue growth. This narrowed the NWC outflow to INR2.1b during 1HFY27 (vs. INR2.8b).
- ABLBL's 1HFY27 OCF outflow (after interest and leases) moderated to INR466m (vs. outflow of INR920m in 1HFY26), led by improved profitability and lower WC.
- Its 1HFY27 cash capex stood at INR1.4b (vs. INR1.2b YoY). 1HFY27 FCF outflow (after interest and leases) came in at INR1.8b (vs. INR2.15b outflow in 1HFY26).
- Net debt rose to INR9.7b (vs. INR7.3b in Mar'26).

Key highlights from the management interaction

- **Demand outlook:** Consumption environment remained broadly stable in 2QFY27. The festive shift from Sep'25 to Oct'26 led to zero LTL growth in Sep'26. Adjusted for the same, LTL for 2Q would have been ~8%. Management indicated encouraging demand trends during the early festive period and expects stronger momentum in 2H, supported by festive demand, acceleration in store expansion, and continued traction across channels.
- **Outlook:** Management reiterated its target of ~11-12% revenue growth CAGR with consistent margin expansion over the medium term, driven by 7-8% LTL and retail network expansion. Over the medium term, management expects Reebok's margin (adjusted for royalty) to be in line with the lifestyle brands' margins, while it still expects Van Heusen Innerwear to achieve break-even in one of the quarters in FY27 with further scale-up in FY28.
- **Store expansion and network optimization:** ABLBL accelerated store expansion, adding over 100 gross stores in 2QFY27, its highest quarterly additions in over two years. During 1HFY27, the company added ~180 gross stores and ~90 net stores, with closures largely reflecting relocation to better locations or to larger formats in the same markets. Management expects further acceleration in store additions during 2HFY27, with relatively fewer closures.

Valuation and view

- ABLBL combines scaled and profitable lifestyle brands with a portfolio of currently sub-scale but emerging brands with high growth potential, offering a balanced mix of steady cash generation and levers for growth and margin expansion.
- We expect ~9% CAGR in overall revenue over FY26-29, driven by ~150 net annual store additions, mid-single digit LTL growth, and the scale-up of emerging brands.
- We build in a CAGR of ~10%/15% in reported EBITDA/adj. PAT, aided by ~55bp blended reported EBITDA margin expansion over FY26-29. Improved profitability of emerging brands, remains the key driver for margin expansion.
- We expect ABLBL to generate cumulative OCF of ~INR16.6b and FCF of ~INR7.6b over FY26-29, which should provide headroom for increasing shareholder payouts while deleveraging the balance sheet.
- **We reiterate our Neutral rating** with a revised TP of INR80 (earlier INR85), based on 13x Dec'28E pre-Ind AS EV/EBITDA (implies ~32x Dec'28E EPS).
- Consistent double-digit revenue growth, along with improved profitability in emerging brands, remains the key catalyst for a potential re-rating.

Our TP of INR80 is premised on ~13x Dec'28E pre-IND AS EV/EBITDA (~32x Dec'28E EPS)

Dec'28E (INR b)	EBITDA/Revenue	Multiple	EV	EV/share
Lifestyle Brands EBITDA	17.7	6.5	115	95
Emerging Brands revenue	18.9	0.8	14	12
ABLBL EV	**17.7**	**7.3**	**130**	**106**
Net debt (inc. leases)			31	26
ABLBL equity value			**98**	**80**
Share count (m)			1,220	
ABLBL TP			**80**	

Quarterly earnings summary

Y/E March	FY26				FY27E				FY26	FY27	FY27 2QE	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue	**18,406**	**20,379**	**23,432**	**21,742**	**20,457**	**22,656**	**26,029**	**22,998**	**83,958**	**92,141**	**22,310**	**1.6**
YoY Change (%)	3.1	10.0	11.4	11.9	11.1	11.2	11.1	5.8	7.2	9.7		
Total Expenditure	15,775	17,212	19,314	18,218	17,377	19,053	21,434	19,223	70,518	77,082	18,827	**1.2**
EBITDA	**2,631**	**3,167**	**4,118**	**3,523**	**3,081**	**3,603**	**4,596**	**3,776**	**13,440**	**15,059**	**3,482**	**3.5**
Change, YoY (%)	-2.1	12.7	23.6	14.1	17.1	13.8	11.6	7.2	12.8	12.0		
Depreciation	1,725	2,090	2,037	2,103	2,041	2,236	2,326	2,394	7,954	8,997	2,143	
Interest	850	978	954	863	833	961	932	827	3,644	3,553	815	
Other Income	225	211	191	224	185	298	238	236	851	957	222	
PBT before EO expense	**282**	**311**	**1,318**	**781**	**392**	**704**	**1,576**	**790**	**2,692**	**3,466**	**746**	**-5.5**
Extra-Ord expense	0	0	-413	-77	0	0	0	0	-490	0	0	
PBT	**282**	**311**	**905**	**704**	**392**	**704**	**1,576**	**790**	**2,202**	**3,466**	**746**	**-5.5**
Tax	41	76	215	159	102	174	397	200	492	872	188	
Rate (%)	14.6	24.6	23.8	22.6	25.9	24.7	25.2	25.3	22.3	25.2	25.2	
Reported PAT	**241**	**234**	**690**	**545**	**290**	**530**	**1,179**	**590**	**1,711**	**2,593**	**558**	**-4.9**
Adj PAT	**241**	**234**	**999**	**603**	**290**	**530**	**1,179**	**590**	**2,077**	**2,593**	**558**	**-4.9**
YoY Change (%)	4.6	-39.7	49.4	269.8	20.6	126.3	18.0	-2.1	56.0	24.8		

Birla Corporation

Estimate change	⟷
TP change	⟷
Rating change	⟷

CMP: INR801 **TP: INR1,100 (+37%)** **Buy**

In-line EBITDA; cautions near-term demand outlook

Modest pricing recovery; cost inflation weighs on margin

- Birla Corp. (BCORP)'s 2QFY27 operating performance was in line. Revenue grew ~9% YoY to INR24.2b; however, EBITDA declined ~25% YoY to INR2.3b. OPM contracted 4.4pp YoY to ~9%. EBITDA/t dipped ~30% YoY to INR502 (est. INR483). Adj. PAT declined ~59% YoY to INR375m (~48% beat, led by lower-than-estimated depreciation).
- Management indicated that pricing improved MoM in Oct'26 in the trade segment. However, recovery remains modest and its sustainability is uncertain amid intense competition. BCORP remains cautious on near-term demand, given deficient rainfall and drought-like conditions in parts of Maharashtra and Rajasthan, and potential disruptions from upcoming state elections in Uttar Pradesh. Fuel cost is estimated to increase by ~INR100/t QoQ in 3QFY27, with fuel cost rising to INR2.00-2.05/Kcal from INR1.81/Kcal in 2QFY27. To mitigate the higher fuel cost impact, it is increasing the green power share and ramping up production at its captive coal mine.
- We broadly retain our earnings estimates for FY27/FY28. We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,100. **Reiterate BUY.**

Volume rises ~7% YoY; cement realization up ~2% YoY (flat QoQ)

- Consol. revenue/EBITDA/adj PAT stood at INR24.2b/INR2.3b/INR375m (+9%/-25%/-59% YoY and +6%/+7%/+48% vs. estimates). Sales volumes rose 7% YoY to 4.5mt (+3% vs. estimate). OPM contracted 4.4pp YoY to ~9%.
- Opex/t rose ~8% YoY to INR4,819 led by ~18%/4%/1% increase in variable costs/other expenses/freight expenses per ton. However, staff cost/t declined ~5% YoY. EBITDA/t declined ~30% YoY to INR502. Depreciation increased 3% YoY, while interest costs declined ~5% YoY. Other income fell ~4% YoY. ETR stood at ~27.9% vs. 30.9% in 2QFY26.
- In 1HFY27, revenue/EBITDA/PAT stood at INR50.6b/ INR5.7b/INR1.5b (+9%/-13%/-27% YoY). OPM contracted 2.7pp YoY to ~11%. EBITDA/t declined 18% YoY to INR594. OCF stood at INR1.3b vs. INR2.1b in 1HFY26. Capex stood at INR3.1b vs. INR2.2b in 1HFY26. Net cash outflow stood at INR1.8b vs. INR105m in 1HFY26.

Highlights from the management commentary

- BCORP indicated that demand remained mixed across key markets, with earlier flood-related disruptions in Bihar and eastern UP gradually receding. However, deficient rainfall has resulted in drought-like conditions in parts of Maharashtra and Rajasthan, which could weigh on cement demand.
- Pricing pressure has extended beyond the mass-market segment to premium/A-category cement, with leading players diluting price premiums to defend market share. Industry consolidation has not translated into meaningful pricing improvement, particularly in Central India.

Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USDb)	61.7 / 0.6
52-Week Range (INR)	1246 / 756
1, 6, 12 Rel. Per (%)	-8/-10/-23
12M Avg Val (INR M)	91

Financial Snapshot (INR b)

Y/E MARCH	FY26	FY27E	FY28E
Sales	96.6	104.0	110.9
EBITDA	14.5	12.4	15.5
Adj. PAT	5.6	3.8	5.5
EBITDA Margin (%)	15.1	11.9	13.9
Adj. EPS (INR)	72.7	49.0	71.6
EPS Gr. (%)	72.2	-32.7	46.2
BV/Sh. (INR)	956	993	1,052
Ratios			
Net D:E	0.3	0.3	0.4
RoE (%)	7.8	5.0	7.0
RoCE (%)	6.3	4.9	6.2
Payout (%)	17	26	17
Valuations			
P/E (x)	11.0	16.4	11.2
P/BV (x)	0.8	0.8	0.8
EV/EBITDA(x)	5.4	6.2	5.6
EV/ton (USD)	38	38	38
Div. Yield (%)	1.6	1.6	1.6

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	62.9	62.9	62.9
DII	16.6	17.0	15.8
FII	6.0	6.1	6.7
Others	14.6	14.0	14.6

FII includes depository receipts

- It reiterated its earlier commissioning timelines for the upcoming capacity expansion, with the next major capacity addition estimated in FY29E.

Valuation and view

- BCORP's 2QFY27 operating performance was in line with our estimates as higher-than-estimated opex/t was offset by higher-than-estimated volume and realization. Modest price hikes in the company's core market of Central India, amid heightened competition and elevated fuel costs, are likely to keep margins under pressure in the near term. Further, volume growth is estimated to be subdued over FY27-28 as the company is already operating at optimum utilization and a new capacity addition is expected in FY29.
- We estimate a revenue/EBITDA CAGR of ~7%/3% over FY26-28. We project EBITDA/t at INR631/INR742 in FY27/FY28E vs. INR777 in FY26. We expect the company's net debt to increase to INR29.3b by FY28E from INR20.8b in FY26 and the net debt-to-EBITDA ratio to increase to 1.9x from 1.4x in FY26. BCORP trades at 6.2x/5.6x FY27E/FY28E EV/EBITDA (vs. its long-term one-year forward average EV/EBITDA of 8.4x). We value the stock at 7x FY28E EV/EBITDA to arrive at our TP of INR1,100. **Reiterate BUY.**

Consolidated performance (INR b)

Y/E March	FY26				FY27E				FY26	FY27	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Cement Sales (MT)	4.8	4.3	4.2	5.5	5.1	4.5	4.4	5.6	18.7	19.7	4.4	3
YoY Change (%)	9.1	7.1	(5.6)	3.8	5.6	6.8	5.0	3.2	3.5	5.0	4.0	
Cement Realization	4,899	4,878	4,791	4,984	4,981	4,968	5,128	5,141	4,892	5,057	4,891	2
YoY Change (%)	1.2	3.3	(0.4)	(2.8)	1.7	1.8	7.0	3.2	0.0	3.4	0.3	
QoQ Change (%)	(4.4)	(0.4)	(1.8)	4.0	(0.1)	(0.2)	3.2	0.2			(1.8)	
Net Sales	**24.5**	**22.1**	**21.6**	**28.4**	**26.5**	**24.2**	**23.9**	**29.6**	**96.6**	**104.0**	**22.9**	**6**
YoY Change (%)	12.0	13.0	(4.3)	0.8	7.8	9.5	10.6	4.2	4.8	7.7	3.6	
Total Expenditure	21.1	19.0	18.7	23.3	23.0	21.9	21.2	25.5	82.0	91.6	20.7	6
EBITDA	**3.5**	**3.0**	**2.9**	**5.1**	**3.4**	**2.3**	**2.7**	**4.0**	**14.5**	**12.4**	**2.1**	**7**
Margin (%)	14.1	13.8	13.6	18.0	12.9	9.4	11.2	13.6	15.1	11.9	9.3	8
YoY Change (%)	34.3	72.1	18.0	-4.4	-1.3	-25.3	-8.8	-21.0	19.5	-14.7	-29.9	
Depreciation	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	5.3	5.7	1.4	(4)
Interest	0.7	0.7	0.7	0.6	0.7	0.6	0.7	0.7	2.6	2.7	0.6	(1)
Other Income	0.3	0.3	0.2	0.4	0.2	0.3	0.3	0.3	1.2	1.0	0.3	(10)
Profit before Tax	**1.8**	**1.3**	**1.1**	**3.5**	**1.6**	**0.5**	**0.8**	**2.1**	**7.8**	**5.1**	**0.3**	**53**
EO (Income)/Expense	-	-	0.3	(0.5)	-	-	-	-	(0.2)	-	-	
Profit before Tax after EO	**1.8**	**1.3**	**0.8**	**4.1**	**1.6**	**0.5**	**0.8**	**2.1**	**7.9**	**5.1**	**0.3**	**23**
Tax	0.6	0.4	0.3	1.1	0.4	0.1	0.2	0.5	2.4	1.3	0.1	
Rate (%)	32.6	30.9	33.8	27.5	25.7	27.9	25.5	25.2	29.8	25.7	25.7	
Reported PAT	**1.2**	**0.9**	**0.5**	**2.9**	**1.2**	**0.4**	**0.6**	**1.6**	**5.6**	**3.8**	**0.3**	**48**
Adj. PAT	**1.2**	**0.9**	**0.8**	**2.7**	**1.2**	**0.4**	**0.6**	**1.6**	**5.6**	**3.8**	**0.3**	**48**
Margin (%)	4.9	4.1	3.5	9.7	4.4	1.6	2.6	5.4	5.8	3.6	1.1	
YoY Change (%)	266.6	NM	141.6	(4.1)	(3.2)	(58.6)	(16.1)	(41.5)	72.2	(32.7)	(72.0)	
Per ton analysis (INR)												
Blended Realization	**5,134**	**5,192**	**5,103**	**5,204**	**5,240**	**5,320**	**5,373**	**5,254**	**5,158**	**5,293**	**5,170**	**3**
YoY Change (%)	2.7	5.6	1.3	(2.9)	2.1	2.5	5.3	1.0	1.2	2.6	(0.4)	
Raw Material	965	649	591	911	871	897	907	810	792	868	851	5
Staff Cost	318	357	350	243	308	338	351	280	312	317	351	(4)
Power and Fuel	825	1,052	1,049	861	950	1,115	1,120	1,147	937	1,083	1,050	6
Transport and Forwarding	1,348	1,299	1,336	1,314	1,343	1,310	1,335	1,330	1,323	1,330	1,300	1
Other Exp.	953	1,119	1,086	939	1,091	1,159	1,060	970	1,022	1,065	1,135	2
Total Expenditure	**4,409**	**4,474**	**4,412**	**4,268**	**4,563**	**4,819**	**4,772**	**4,537**	**4,387**	**4,662**	**4,687**	**3**
EBITDA	**725**	**717**	**692**	**936**	**678**	**502**	**601**	**717**	**777**	**631**	**483**	**4**

Source: Company, MOFSL Estimates

Indigo Paints

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	INDIGOPN IN
Equity Shares (m)	48
M.Cap.(INRb)/(USDb)	41.5 / 0.4
52-Week Range (INR)	1346 / 702
1, 6, 12 Rel. Per (%)	-22/3/-4
12M Avg Val (INR M)	154

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	14.1	16.6	18.5
Sales Gr. (%)	4.8	18.3	11.3
EBITDA	2.5	2.8	3.3
EBIT Margin (%)	18.1	16.9	17.9
Adj. PAT	1.5	1.8	2.2
Adj. EPS (INR)	31.8	37.8	45.7
EPS Gr. (%)	6.8	18.7	21.0
BV/Sh.(INR)	242.6	280.5	321.4
Ratios			
RoE (%)	13.9	14.5	15.2
RoCE (%)	13.5	14.1	14.9
Valuation			
P/E (x)	27.3	23.0	19.0
P/BV (x)	3.6	3.1	2.7
EV/EBITDA (x)	15.0	12.9	10.5

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	53.8	53.9	53.9
DII	24.9	25.2	19.7
FII	5.7	5.7	11.8
Others	15.6	15.2	14.6

FII Includes depository receipts

CMP: INR870 TP: INR1,150 (+32%) Buy

Healthy demand; weak margin delivery

- Indigo Paints (INDIGOPN) reported standalone revenue growth of 14% YoY (in line with the industry), led by pricing growth. Management indicated healthy demand momentum in Oct'26. A late Diwali is likely to support the Oct demand, while Nov-Dec demand would be sensitive to macro stability (geopolitically driven). The company aims to grow ahead of the industry (1.5-2x), supported by premiumization, a deeper distribution, and a focus on premium wood coatings. Apple Chemie reported strong revenue growth of 35% YoY. Consolidated revenue grew 15% YoY to INR3.6b (est. INR3.7b).
- Gross margin contracted sharply by 640bp YoY to 38.3%, at an all-time low, hit by an unfavorable product mix (200-250bp impact) and high-cost raw material carried from last quarter. EBITDA margin contracted 630bps YoY to 8.6% (est. 14.3%). Management indicated that most high-cost inventory was consumed in 2Q and expects sequential margin recovery from 3Q onward. We model an EBITDA margin of 16.9%/17.9% for FY27/FY28.
- INDIGOPN continues to prioritize accelerated revenue growth, even at a marginal cost to profit growth, through influencer-led BTL activities and deeper engagement with dealers and painters. With no major capex planned until FY29, improving capacity availability and operating leverage should support growth and cash generation going forward. We reiterate our BUY rating with a TP of INR1,150 (based on 25x Sep'28E EPS).

A sharp miss on margins hurts 2Q performance

Consolidated performance

- **Healthy revenue growth:** Indigo Paints reported consolidated revenue growth of 15% YoY (base +4%) to INR3,588m (est. INR3,674m). Gross revenue grew 19%, but an unfavorable product mix led to higher discounts, restricting net revenue growth to 15%.
- **Segmental performance:** In 2QFY27, Primers, distempers, and others led with 29% value growth and 9% volume growth. Putty & cement paint posted 13% value and flat volume growth. Emulsions saw a recovery and delivered 13% value and 10% volume growth. Enamels and wood coatings delivered 18% value and 8% volume growth.
- **Margins below our estimate:** Gross margin contracted 640bp YoY to 38.3% (est. 43%), hit by an unfavorable product mix and high-cost raw material inventory carried over from 1QFY27. Employee expenses grew 18% YoY, and other expenses rose 12% YoY. A&P expenses were 5.4% of revenue (vs 5.3% in 2QFY26). EBITDA margin dipped 630bp YoY to 8.6% (est. 14.3%), hurt by gross margin compression and higher A&P spending. EBITDA fell 33% YoY to INR310m (est. INR524m).
- **Weak profitability growth:** Other income declined YoY as adverse bond yield movements weighed on treasury returns. PBT decreased 51% YoY to INR167m (est. INR411m), while APAT decreased 47% YoY to INR133m (est. INR306m).

Highlights from the management commentary

- Management expects to grow at 1.5-2x the industry growth rate, rather than the previously perceived 2-3x.
- The industry has announced two price hikes in 3Q, with one already implemented and the second anticipated in the third week of Nov'26.
- The company highlighted that the industry leader is gaining disproportionately during price hikes, as dealers tend to stock up more on leading brands. However, the leader's recent growth also reflects recovery from two years of negative growth and the rebuilding of its dealer network.
- INDIGOPN's new water-based plant at Jodhpur, with an annual capacity of 90,000 KL, commenced trial production in Sep'26. Full operations are expected by the end of Nov'26.

Valuation and view

- We cut our EPS estimates by 8% for FY27 and 5% for FY28 as the margins saw a sharp contraction. However, management indicated that most high-cost inventory was used up by August, and margins started recovering from September. Margins may remain under pressure in the near term, but the impact is expected to be less severe.
- INDIGOPN's strategic shift toward focusing on non-metro towns and increasing investments in distribution and influencers as part of its Strategy 2.0 is proving to be a successful endeavor. That said, the company continues to focus on the premium and emulsion segments, with a deliberate shift away from the economy segment.
- INDIGOPN continues to prioritize accelerated topline growth, even at a marginal cost to bottom-line growth, through influencer-led BTL activities and deeper engagement with dealers and painters. With no major capex planned until FY29, improving capacity availability and operating leverage should support growth and cash generation going forward. **We reiterate our BUY rating with a TP of INR1,150 (based on 25x Sep'28E EPS).**

Consolidated Quarterly Performance **(INR m)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27E 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	**3,089**	**3,121**	**3,588**	**4,253**	**3,697**	**3,588**	**4,399**	**4,945**	**14,050**	**16,628**	**3,674**	-2.3%
Change (%)	-0.7	4.2	4.7	9.7	19.7	15.0	22.6	16.3	4.8	18.3	17.7	
Raw Material/PM	1,671	1,723	1,910	2,210	2,049	2,212	2,463	2,587	7,514	9,312	2,094	
Gross Profit	**1,418**	**1,397**	**1,677**	**2,044**	**1,647**	**1,375**	**1,936**	**2,358**	**6,536**	**7,316**	**1,580**	-12.9%
Gross Margin (%)	45.9	44.8	46.8	48.0	44.6	38.3	44.0	47.7	46.5	44.0	43.0	
EBITDA	**443**	**465**	**683**	**956**	**620**	**310**	**776**	**1,101**	**2,548**	**2,806**	**524**	-40.9%
Margin (%)	14.3	14.9	19.0	22.5	16.8	8.6	17.6	22.3	18.1	16.9	14.3	
Change (%)	-6.5	12.1	19.5	9.3	40.0	-33.5	13.5	15.2	9.1	10.2	12.5	
Interest	7	7	6	9	6	7	8	9	29	30	8	
Depreciation	148	151	150	153	156	157	155	152	602	621	155	
Other Income	60	30	37	3	102	22	50	76	130	250	50	
PBT	**348**	**338**	**565**	**796**	**560**	**167**	**663**	**1,016**	**2,046**	**2,406**	**411**	-59.4%
Tax	87	85	132	204	143	33	167	261	509	604	103	
Effective Tax Rate (%)	25.0	25.2	23.4	25.7	25.6	19.6	25.2	25.7	24.9	25.1	25.2	
Adjusted PAT	**259**	**251**	**425**	**577**	**417**	**133**	**495**	**752**	**1,514**	**1,798**	**306**	-56.5%
Change (%)	-1.0	10.9	18.0	1.4	61.0	-47.0	16.4	30.4	6.8	18.7	21.9	

E: MOFSL Estimates

United Foodbrands

Estimate change	⟷
TP change	↓
Rating change	⟷

Bloomberg	UFBL IN
Equity Shares (m)	39
M.Cap.(INRb)/(USDb)	23.6 / 0.2
52-Week Range (INR)	853 / 171
1, 6, 12 Rel. Per (%)	-18/74/205
12M Avg Val (INR M)	88

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	13.4	17.3	19.6
Sales Gr. (%)	8.6	29.4	13.1
EBITDA	2.1	2.9	3.4
Margins (%)	15.4	17.0	17.1
Adj. PAT	-0.5	0.1	0.2
Adj. EPS (INR)	-12.4	3.1	5.8
EPS Gr. (%)	N/M	L/P	86.0
BV/Sh. (INR)	79.4	82.5	88.4
Ratios			
RoE (%)	-15.6	3.8	6.6
RoCE (%)	2.4	6.6	7.3
Valuation			
P/E (x)	N/M	192.4	103.4
EV/EBITDA (x)	11.9	8.2	7.0
Pre-IND AS EV/ EBITDA (x)	33.7	18.6	14.6

Shareholding Pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	34.6	34.6	33.7
DII	17.4	17.2	18.6
FII	10.9	10.6	9.7
Others	37.1	37.6	38.0

FII includes depository receipts

CMP: INR603 TP: INR650 (+8%) Neutral

SSSG remains strong; favorable base fading away

- United Foodbrands (UFBL) reported another strong quarter, with consolidated revenue growing 41% YoY to INR4.2b (beat), led by 25% SSSG (est. 22%, 29% in 1QFY27). Revenue growth was volume-led as the company refrained from price hikes. Dine-in revenue increased 40% YoY (+56% volume), while delivery revenue grew 44% YoY. BBQ India revenue rose 41% YoY to INR3.3b, driven by 28% SSSG and 61% dine-in transaction growth. BBQ India added six stores during the quarter, taking the network to 216 stores.
- BBQ International revenue increased 59% YoY to INR439m, with 27% SSSG, while Premium CDR revenue grew 29% YoY to INR608m, supported by 8% SSSG. The company added two international restaurants to 16 stores, while the Premium CDR portfolio remained at 42 stores. Management reiterated its target of reaching 300 restaurants by FY27-end.
- GM contracted 60bp YoY to 63.7% for BBQ India due to continued value investments, while RoM (Pre-Ind AS) expanded 720bp YoY to 13.3% on strong operating leverage. RoM increased 208% YoY.
- Consolidated GM contracted 70bp YoY to 65.5%, primarily due to value-led investments in India and inflation. However, Pre-Ind AS EBITDA margin expanded 500bp YoY to 6.1%, supported by operating leverage. Reported EBITDA increased 59% YoY to INR600m, with EBITDA margin expanding 160bp YoY to 14% despite continued investments to drive transactions.
- Management remains focused on driving volume-led growth, with selective price hikes planned in established markets. Margins are expected to improve gradually through operating leverage and procurement efficiencies. While the strong 2Q performance demonstrates the success of its initiatives, 2HFY27 is expected see growth moderation (favorable base fading away). We believe sustaining strong volume growth alongside an expansion in operating margins will be difficult in the current environment, particularly given the high investment requirements. We model EBITDA Pre-Ind AS margin of 7.5% for FY27 and 8.1% for FY28. Given the volatile execution in the past, we reiterate our Neutral rating with a TP of INR650.

Growth momentum sustains; slight miss on margins

- **Robust revenue growth:** Consolidated sales grew 41% YoY (43% 1QFY27, flat in base) to INR4.3b (est. INR 4.0b) in 2QFY27, led by growth across channels and segments. Same store sales rose 25% in 2QFY27 on a base of -2% (est. 22%, 29% in 1Q), led by robust transaction growth with no price hikes. Dine-in channel (84% of sales) grew 40% YoY to INR3.6b. Delivery channel (16% of sales) rose 44% YoY to INR0.7b.
- **Improving Digital KPIs:** Cumulative app download was 10m in 2QFY27 vs 8.5m in 2QFY26. Own digital asset contribution was at 65% vs. 42% in 2QFY26.

- **Store addition target of 300 by FY27 intact:** The company added net eight new restaurants, taking the network to 274 restaurants. The portfolio comprises 216 Barbeque Nation India, 16 international Barbeque Nation, and 42 Toscano & Salt outlets. Metro/Tier-1 cities account for 216 stores, while Tier-2/3 cities contribute 58 stores. Management reiterated its target of reaching 300 restaurants by FY27-end, supported by a pipeline of 19 stores currently under construction.
- **Miss on margins:** Consolidated gross margin contracted 70bp YoY to 65.5% (est. 66.2%) amid **continued** value investments and inflation. However, EBITDA increased 59% YoY to INR600m (est. INR711m), with EBITDA margin expanding 160bp YoY to 14% (est. 17.6%), driven by operating leverage. Pre-Ind AS EBITDA surged 694% YoY to INR262m, with margin expanding 500bp YoY to 6.1%. RoM Pre-Ind As rose 130% YoY (base 34% decline) and margin expanded 520bp YoY at 13.4%.

Highlights from the management commentary

- Management expects long-term SSSG of 5-7%, in line with the historical 15-year average of ~6%. The recent ~20% growth is partly a recovery from the weakness over the preceding two years.
- Management has not taken any price hikes over the past year despite ~60% volume growth. Selective price increases could be considered in markets and day parts where volumes are well established.
- Big Buffet, priced at ~INR450, is gaining traction in Tier 2/3 markets by attracting a new customer base. Mixed-format restaurants are also seeing customers upgrade from Big Buffet to regular buffet offerings.
- Management remains on track to cross 300 restaurants by FY27-end, with annual additions of 40-50 restaurants planned over the medium term, largely funded through internal accruals.

Valuation and view

- We largely maintain our EBITDA estimates for FY27 and FY28.
- Management remains focused on driving volume-led growth, with selective price hikes planned in established markets. Margins are expected to improve gradually through operating leverage and procurement efficiencies. While the strong 2Q performance demonstrates the success of its initiatives, 2HFY27 is expected see growth moderation (favorable base fading away). We believe sustaining strong volume growth alongside an expansion in operating margin will be difficult in the current environment, particularly given the high investment requirements. We model EBITDA Pre-Ind AS margin of 7.5% for FY27 and 8.1% for FY28. Given the volatile execution in the past, **we reiterate our Neutral rating with a TP of INR650.**

Cons. Quarterly Performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
SSSG (%)	**-3%**	**-2%**	**8%**	**14%**	**29%**	**25%**	**13%**	**7%**	**5%**	**18%**	**22%**	
No. of stores	**236**	**241**	**249**	**262**	**266**	**274**	**278**	**293**	**262**	**293**	**273**	
Net Sales	**2,970**	**3,048**	**3,766**	**3,604**	**4,259**	**4,293**	**4,637**	**4,135**	**13,387**	**17,326**	**4,047**	6.1
YoY change (%)	-2.8	-0.3	14.5	23.1	43.4	40.9	23.1	14.7	8.6	29.4	32.8	
Gross Profit	**2,010**	**2,019**	**2,499**	**2,361**	**2,802**	**2,812**	**3,095**	**2,810**	**8,889**	**11,519**	**2,678**	5.0
Margin (%)	67.7	66.2	66.4	65.5	65.8	65.5	66.7	68.0	66.4	66.5	66.2	
Total Exp	2,510	2,670	3,084	3,060	3,560	3,694	3,762	3,361	11,323	14,380	3,336	
EBITDA	**460**	**377**	**682**	**544**	**699**	**600**	**875**	**773**	**2,064**	**2,946**	**711**	-15.7
EBITDA growth %	-9.6	-17.2	10.9	2.1	51.8	58.9	28.3	42.1	-2.3	42.8	88.5	
Margin (%)	15.5	12.4	18.1	15.1	16.4	14.0	18.9	18.7	15.4	17.0	17.6	
Depreciation	449	483	482	486	457	490	510	543	1,900	2,000	490	
Interest	200	207	227	226	229	236	235	238	860	939	230	
Other Income	19	81	17	31	12	45	40	58	148	155	60	
PBT	**-170**	**-232**	**-10**	**-138**	**24**	**-81**	**170**	**50**	**-549**	**163**	**51**	
Tax	-3	-7	-67	13	1	-17	0	56	-64	41	0	
Rate (%)	1.8	2.8	692.6	-9.6	5.2	20.7	0.0	112.4	11.6	25.0	0.0	
Adjusted PAT	**-167**	**-225**	**57**	**-151**	**23**	**-64**	**170**	**-6**	**-485**	**122**	**51**	
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	

E: MOFSL Estimates

Fusion Finance

Estimate change	
TP change	
Rating change	

Bloomberg	FUSION IN
Equity Shares (m)	39
M.Cap.(INRb)/(USDb)	23.6 / 0.2
52-Week Range (INR)	853 / 171
1, 6, 12 Rel. Per (%)	-18/74/205
12M Avg Val (INR M)	88

Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Total Income	11.9	13.9	17.0
PPP	3.6	5.4	7.2
PAT	0.1	3.7	4.4
EPS (INR)	0.9	22.7	27
EPS Gr. (%)	-	-	21
BV (INR)	152	175	202
Valuations			
NIM (%)	14.1	15.2	15.5
C/I ratio (%)	69.7	61.4	57.4
RoAA (%)	0.2	4.1	4.2
RoE (%)	0.7	13.9	14.5
Valuations			
P/E (x)	-	5.9	4.9
P/BV (x)	0.9	0.8	0.7

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	34.6	34.6	33.7
DII	17.4	17.2	18.6
FII	10.9	10.6	9.7
Others	37.1	37.6	38.0

FII includes depository receipts

CMP: INR133 TP: INR190 (+42%) Buy

Earnings beat; stronger growth and earnings recovery ahead

Collections trend in drought-affected districts a near-term monitorable

- Fusion Finance (FUSION)'s 2QFY27 PAT rose 39% QoQ to INR865m (~10% beat). NII in 2QFY27 grew ~10% YoY to ~INR2.7b (in line).
- Opex stood at INR2.1b (in line). The cost-to-income ratio declined ~420bp QoQ to ~62.7% (PQ: ~67% and PY: ~70%). PPoP rose ~40% YoY to ~INR1.25b (~5% beat). Net credit costs stood at ~INR385m (in line). Annualized credit costs in 2QFY27 stood at ~2.4% (PQ: ~2.4%).
- FUSION is focused on rebuilding its growth trajectory through a calibrated, branch-led expansion strategy, with greater emphasis on customer retention, portfolio diversification and disciplined underwriting rather than pursuing aggressive AUM growth.
- While the company's ambition of reaching ~INR100b in AUM may be deferred slightly amid macroeconomic uncertainty, management remains confident about the underlying growth opportunity, particularly in relatively stable geographies and differentiated customer segments. The immediate priority is to retain ~50% of eligible repeat-loan customers, while expanding its presence across premium JLG, individual lending and secured MSME lending. The integrated branch-led model is expected to support growth by improving productivity without requiring a commensurate increase in infrastructure or operating costs.
- FUSION MFI's improving asset quality, strengthening profitability and diversified lending franchise position it well to rebuild its business momentum, with disciplined underwriting and a calibrated growth strategy underpinning a more resilient and sustainable business model. We increase our FY27 PAT estimates by ~10%, primarily to factor in higher NIM and lower credit costs. We expect FUSION to deliver an AUM CAGR of ~26% over FY26E-28, with an RoA/RoE of ~4.2%/15% by FY28. **We reiterate our BUY rating with a TP of INR190 (based on 0.9x Sep'28E P/BV).**

Growth set to accelerate; diversification gathers steam

- Disbursements grew 33% YoY to ~INR17.3b. AUM grew ~14% YoY and rose 4% QoQ to ~INR80b. Borrower base declined to ~1.9m as of Sep'26 (down from ~2m as of Jun'26).
- The newly launched Vishwas product contributed ~20% of MFI disbursements over Sep- Oct'26, while MSME sourcing through MFI branches has increased to ~10% of disbursements, with the spoke network doubling to ~100 branches. Both MFI and MSME disbursements grew ~10% MoM in Oct'26. Going forward, FUSION aims to accelerate growth in stable markets while maintaining tighter underwriting in drought-affected districts.

NIM expansion to continue, driven by lower CoB and gradual yield accretion

- Reported NIM rose ~60bp QoQ to ~12.5%. Yields improved by ~30bp QoQ to 22.8%, while the CoB declined ~30bp QoQ to ~10.3%, resulting in a ~60bp QoQ improvement in spreads to ~12.5%.
- FUSION MFI expects margins to improve by ~15-20bp in 3QFY27 and remain stable over the subsequent two quarters, driven by lower borrowing costs, an increased share of lower-cost PTC funding and higher yields being progressively reflected in the portfolio. The marginal cost of borrowings declined to ~9.35% in 2QFY27 from 10.1% in 1QFY27, with further improvement expected amid the company's improving profitability and lender confidence. We expect FUSION to deliver NIMs of 15.2%/15.5% for FY27E/FY28E.

Asset quality strengthens further

- GS3 declined ~90bp QoQ to ~1.6% while NS3 declined ~40bp QoQ to 0.1%. Stage 3 PCR improved ~12pp QoQ to 93.4% (PQ: 81.4%). Stage 2 remained stable QoQ at 0.7% and S2 PCR improved ~140bp QoQ to ~67%. The company did not utilize any management overlay in the quarter and continued to maintain its management overlay of INR195m.
- Avg. CE (MFI) stood at 99.77% in 2QFY27 (vs 99.76% in 1QFY27). The net forward flow rate was ~0.16% in 2QFY27 and 0.07% in Sep'26.
- FUSION MFI's asset quality improvement is supported by tighter underwriting, enhanced household-level credit assessments and a greater emphasis on borrower indebtedness and repayment capacity rather than historical repayment behavior. In drought-affected districts, the company has adopted calibrated disbursement practices, tighter FOIR limits and lower ticket sizes. We model credit costs of ~2.3%/3% for FY27E/FY28E.

Highlights from the management commentary

- Barring Maharashtra, management does not see significant headwinds across the broader market, with growth opportunities remaining intact in the identified customer segments.
- Around 83% of newly onboarded MFI customers have no more than two lending relationships, including FUSION.

Valuation and view

- FUSION MFI delivered a strong quarter in 2QFY27, with continued improvement across asset quality, margins and operating performance. Having achieved two of its three strategic milestones ahead of schedule, the company is now shifting its focus towards rebuilding its AUM base while preserving portfolio quality. The gradual normalization of growth, coupled with continued funding cost benefits and higher portfolio yields, should support an improvement in earnings momentum over the coming quarters.
- The stock currently trades at ~ 0.7x FY28E P/B. We expect FUSION to deliver an AUM CAGR of ~26% over FY26E-28, with an RoA/RoE of ~4.2%/15% by FY28. **We reiterate our BUY rating with a TP of INR190 (based on 0.9x Sep'28E P/BV).**

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	4,219	3,808	3,629	3,625	3,922	4,219	4,437	4,698	15,325	17,276	4,138	2
Interest Expenses	1,489	1,343	1,235	1,321	1,498	1,505	1,553	1,646	5,387	6,203	1,551	-3
Net Interest Income	**2,730**	**2,465**	**2,394**	**2,304**	**2,424**	**2,714**	**2,883**	**3,052**	**9,938**	**11,073**	**2,587**	**5**
YoY Growth (%)	*-31.4*	*-38.2*	*6.6*	*-14.4*	*-11.2*	*10.1*	*20.4*	*32.5*	*-23.0*	*11.4*	4.9	
Other Income	237	519	612	677	661	637	680	820	2,000	2,798	692	-8
Total Income	**2,967**	**2,984**	**3,006**	**2,980**	**3,085**	**3,352**	**3,563**	**3,872**	**11,938**	**13,871**	**3,279**	**2**
YoY Growth (%)	*-38.6*	*-37.4*	*11.8*	*0.5*	*4.0*	*12.3*	*18.5*	*29.9*	*-21.7*	*16.2*	10	
Operating Expenses	2,101	2,094	2,071	2,050	2,064	2,102	2,140	2,207	8,315	8,512	2,090	1
Operating Profit	**866**	**890**	**936**	**931**	**1,021**	**1,250**	**1,423**	**1,665**	**3,622**	**5,359**	**1,189**	**5**
YoY Growth (%)	*-70.9*	*-68.6*	*44.5*	*3.3*	*17.9*	*40.4*	*52.1*	*79.0*	*-50.8*	*47.9*	33.6	
Provisions & Loan Losses	1,789	1,112	795	556	397	385	424	489	4,252	1,695	401	-4
Profit before Tax	**-923**	**-221**	**141**	**374**	**624**	**865**	**1,000**	**1,176**	**-629**	**3,665**	**789**	**10**
Tax Provisions	0	0	0	-768	0	0	0	0	-768	0	0	
Net Profit	**-923**	**-221**	**141**	**1,142**	**624**	**865**	**1,000**	**1,176**	**139**	**3,665**	**789**	**10**
YoY Growth (%)	*159*	*-93*	*-102*	*-169*	*-168*	*-491*	*611*	*3*	*-101*	*2,545.9*	-456	
Key Parameters (%)												
Yield on loans	20.6	21.2	21.6	21.7	22.5	22.8						
Cost of funds	10.3	10.4	10.3	10.3	10.6	10.3						
Spread	10.3	10.9	11.3	11.4	11.9	12.5						
NIM	10.3	10.9	11.3	11.4	11.9	12.5						
Credit cost	2.30	1.50	1.00	0.90	0.60	0.60						
Cost to Income Ratio (%)	70.8	70.2	68.9	68.8	66.9	62.7						
Tax Rate (%)	0.0	0.0	0.0	-205.2	0.0	0.0						
Performance ratios (%)												
Avg o/s per borrower (INR '000)	25	25	27	31	35	38						
AUM/ RO (INR m)	0.8	8.0	9.0	10.0	11.0	12.0						
AUM/ Branch (INR m)	5	44	43	46	49	52						
Borrower/ Branch (INR m)	1,932	1,759	1,602	1,487	1,406	1,375						
Balance Sheet Parameters												
AUM (INR B)	**76.9**	**70.4**	**68.8**	**74.1**	**77.0**	**80.1**	**86.8**	**95.8**				
Change YoY (%)	-36.9	-39.2	-35.1	-17.5	0.2	13.8	26.2	29.4				
Disbursements (INR B)	**9.5**	**13.0**	**15.9**	**21.4**	**17.8**	**17.3**	**21.5**	**25.7**				
Change YoY (%)	-68.2	-21.9	36.5	85.2	87.7	33.0	35.0	19.9				
Borrowings (INR B)	**52.7**	**49.3**	**51.8**	**55.7**	**58.4**	**59.4**						
Change YoY (%)	-42.3	-42.9	-29.2	-13.0	10.9	20.3						
Borrowings/Loans (%)	81.4	83.1	91.8	92.8	91.2	87.4	83.7	79.7				
Debt/Equity (x)	2.7	2.6	2.2	2.3	2.3	2.3						
Asset Quality (%)												
GS 3 (INR M)	**3,830**	**2,940**	**2,620**	**2,010**	**1,670**	**1,120**						
G3 %	5.4	4.6	4.4	3.2	2.5	1.6						
NS 3 (INR M)	130	230	360	310	310	70						
NS3 %	0.20	0.39	0.64	0.52	0.48	0.10						
PCR (%)	**96.6**	**92.2**	**86.3**	**84.6**	**81.4**	**93.8**						
ECL (%)	8.2	7.0	5.9	4.3	3.5	3.0						
Return Ratios - YTD (%)												
ROA (Rep)	-4.7	-1.2	0.8	5.7	2.9	4.0	4.3	4.7				
ROE (Rep)	-20.6	-4.6	2.6	19.1	10.0	13.5	15.3	19.2				

E: MOFSL Estimates

Travelog

the analyst's diary

Retail



Surat Retail Pulse – Branded apparel leads; LP and USPA outperform

- Our second festive-season channel check moves from Nashik to Surat, a more urban market and India's textile hub. The demand picture is consistent: It has held up YTD and softened in Oct'26. What changes is the drag. In Surat, network cannibalization and local competition matter more than the rural stress we flagged in Nashik. We met store managers and local fabric manufacturers across Surat's key catchments in early Oct'26.
- Demand remains consistent across both cities on a YTD basis, with weak trends in Sep/early Oct'26 due to the festive calendar shift. Surat's fabric order inflows, however, point to a festive pickup, though near-term growth depends on retail demand conversion.
- Brand-wise reads remain encouraging. **Louis Philippe and USPA** are the clear outperformers, though inventory issues at ABLBL persist. **Zudio** continues to grow despite network densification, with older stores recovering from cannibalization. **Metro Brands** is capturing catchment demand through its new Mochi store. **Manyavar** faces stiff competition from local ethnic wear retailers.
- *Our interactions with store managers and sales staff covered:*
  - ***Value fashion and departmental stores:*** *Zudio, Westside, Shoppers Stop*
  - ***Premium and mid-premium brand EBOs:*** *Louis Philippe (LP), Allen Solly (AS), Peter England (PE), US Polo (USPA), Arrow*
  - ***Ethnic and specialty apparel:*** *Manyavar/Mohey, Go Colors, Burnt Toast*
  - ***Footwear:*** *Metro, Campus, Fila*
- *As with any regional channel check, observations at the store, mall and catchment level may not extrapolate nationally. Sales and LTL figures are approximate, based on store-manager discussions, and reflect individual stores rather than company-wide performance.*

Branded apparel and Westside lead, while cannibalization weighs on footwear and specialty formats

- Demand has held up through the year, with most branded stores seeing positive YTD growth, but the run-up to the festive season has been softer. Sep/early Oct saw weak trends as the Shradh period and a festive calendar shifted purchases.
- Retailers expected a pickup from Navratri, and festive collections are stocked, with winter merchandise arriving. **Local fabric manufacturers also reported better festive order inflows than last year.**

- **Branded apparel has seen strong demand,** with most brands seeing high-single-digit to early double-digit YTD LTL growth, led by footfalls and volumes rather than pricing alone. LP and USPA remain the clear outperformers.
- **Departmental stores** are seeing healthy growth, supported by premiumization. Westside is delivering double-digit LFL growth, led by beauty, while Shoppers Stop is benefiting from higher ASPs despite weak mall footfalls. **Value fashion, led by Zudio,** reported low-to-mid-single-digit LTL growth, partly constrained by cannibalization from new store openings.
- **Footwear remains weak**, with performance affected by store locations and assortment gaps. Metro faces store level growth challenges from self-cannibalization, while Campus is constrained by its mall location and gaps in its product range.
- **Ethnic wear** is where local competition bites, as Surat's textile market offers comparable designs at similar or lower prices. **Manyavar** has been flat for several years, and Mohey's floor space was cut due to weak customer traction.

Trent: Westside outperforms; Zudio's growth awaits normalization of cannibalization

- **Westside** is delivering **double-digit LFL growth**, led by beauty, improving footfalls and fresh assortments. The recent EOSS was among the year's better-performing events, with positive customer feedback and no inventory concerns.
- **Zudio** is growing at **low- to mid-single digits** as cannibalization from recent store additions is yet to normalize. Mature stores have returned to positive LTL growth, indicating scope for recovery as new outlets mature.
- Catchment quality drives **Zudio's productivity, with revenue per sq. ft. at the best-performing store roughly twice that of the new one.** Premium catchments report healthy traffic and conversion.
- **Burnt Toast** is an early bright spot, with its Surat store among the brand's better-performing locations nationally and delivering MoM growth. Its broad appeal across age groups is encouraging.
- Festive demand offers an upside, supported by healthy inventory availability and beauty-led footfalls.

Branded apparel and Shoppers Stop: Healthy growth, led by volumes and premiumization

- Branded apparel remains the best-performing segment in Surat, with most brands delivering high-single-digit to early-double-digit YTD LTL growth, driven by footfalls and volumes. Inventory is healthy, although Oct saw a slowdown across brands.
- **Arvind Fashions** is seeing healthy growth, with USPA delivering ~10% YTD LTL, marginally below targets, while Arrow is growing at mid-single digits. Store management and inventory improvements are supporting recovery at weaker Arrow outlets, with festive demand offering further upside.
- **ABLBL brands** are also growing steadily, with LP at ~10% YTD LTL, PE in double digits aided by newer stores and a low base, and AS at high single digits.
- **Shoppers Stop** is delivering double-digit growth, supported by premiumization, with ASPs roughly twice Lifestyle's. Beauty and menswear lead, while weak mall footfalls constrain store productivity; ethnic wear also faces competition from local players.

- **Manyavar** stores have remained at flattish sales for several years as local retailers offer comparable designs at similar or lower prices, squeezing franchise returns. **Go Colors** faces cannibalization from nearby stores despite healthy demand for its core bottom-wear range.

Footwear: Weak demand, compounded by cannibalization and store-level execution issues

- **Footwear is the weakest**-performing segment in Surat, with soft demand compounded by poor locations and assortment gaps. Inventory remains healthy, but store productivity is under pressure.
- **Metro Brands** is densifying its presence in high-potential catchments, opening a Mochi store near its high performing Metro outlet and shifting FILA to a standalone outlet. This has pressured Metro store's LTL, but much of the decline reflects intra-group sales redistribution rather than lost demand.
- **FILA** is tracking below sales targets despite MoM improvement, with repositioning toward lifestyle and sneakers offset by slow replenishment of new collections.
- **Campus** remains weak due to poor mall footfalls, low visibility and assortment gaps. Its new women's range, is gaining traction, but this remains an early positive against broader store-level challenges.

Our view: Demand remains resilient; festive conversion and store productivity are key monitorable

- Demand has held up YTD, but the festive run-up was soft. Wholesalers expect a festive pickup based on enquiries, though conversion needs to be tracked.
- Branded apparel remains the strongest segment, with high-single-digit to early-double-digit growth led by volumes. **Trent stands out, with Westside** sustaining double-digit LFL growth and mature Zudio stores returning to positive LTL.
- Cannibalization is affecting Zudio, Metro and Go Colors as new openings redistribute sales across existing catchments.
- **Trent is our preferred** pick, supported by Westside's execution and Zudio's recovery trajectory.
- Local competition is a structural risk for ethnic wear players like Manyavar.

Footfall/demand trends across retailers

Segment	Company	Brand	YTD growth	Key driver or constraint
Value and departmental	Trent	Westside	Double-digit LFL	Beauty, fresh assortment
		Zudio	Low-to-mid single-digit LTL	Catchment quality, cannibalization
		Burnt Toast	Positive MoM	New format, early ramp-up
	Shoppers Stop	Shoppers Stop	Double-digit	Premiumization, mall footfalls a cap
Premium and mid-premium EBOs	ABLBL	Louis Philippe	~10% LTL	Volume-led
		Peter England	~10–20% LTL	Low base
		Allen Solly	High single-digit LTL	Location-specific weakness
	Arvind Fashions	USPA	~10% LTL	Below ~15–20% target
		Arrow	Mid-single-digit	Festive pickup expected
Ethnic and specialty	Vedant Fashions	Manyavar/Mohey	Flat	Local competition
	Go Fashion	Go Colors	Decline	Cannibalization
Footwear	Metro Brands	Metro	Decline	Cannibalized by new Mochi store
		Fila	Below target, improving MoM	Repositioning, slow replenishment
	Campus	Campus	Weak	Location, assortment gaps

Source: Company, MOFSL

Relative Valuation in retail sector

	CMP (INR)	M.Cap INR b	FY26-29E CAGR (%)			P/E (X)			EV/EBITDA (x)			RoE (%)		
			Sales	EBITDA	PAT	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
VMM	88	412	18.4	23.7	26.1	40.9	31.7	24.5	25.8	19.8	15.0	12.7	14.3	15.9
V2 Rel	160	58	40.1	36.7	34.4	37.4	22.4	16.0	17.1	10.9	8.0	14.7	19.7	21.6
V-Mart	750	60	18.0	26.3	33.7	38.2	25.6	20.0	20.1	14.9	12.0	15.2	19.0	20.0
Value Retailers			**22.2**	**26.4**	**28.2**	**40.2**	**29.6**	**22.6**	**23.6**	**17.3**	**13.2**	**14.2**	**17.7**	**19.2**
D-Mart	3,211	2,095	16.3	16.1	16.2	61.9	52.9	45.0	37.8	32.4	27.7	13.3	13.5	13.8
Trent	3,015	1,607	20.9	27.6	26.9	72.6	56.7	45.2	44.0	34.3	27.4	29.0	29.3	29.0
Lenskart	672	1,169	27.3	46.4	59.1	123.1	79.8	54.4	68.4	47.9	35.2	10.2	13.9	17.3
Vedant fashions	492	120	5.9	10.5	7.8	30.6	27.5	25.3	22.2	18.8	16.8	20.0	20.9	20.8
ABLBL	73	90	8.3	8.5	9.8	34.2	34.2	32.6	14.2	12.4	10.9	17.3	15.4	14.8
Arvind fas	371	50	11.8	20.5	27.8	31.7	21.2	16.2	12.0	9.5	7.9	15.5	19.9	21.8
Raymond Life	501	30	8.1	17.0	28.6	21.1	12.6	10.1	5.7	3.7	2.4	3.3	5.2	6.2
Shoppers Stop	360	40	10.7	27.5	NA	97.1	39.4	28.9	17.0	13.3	11.4	10.9	13.5	13.9
Go Fashion	244	13	7.6	15.7	15.0	25.0	17.9	14.3	11.7	7.6	5.4	6.6	8.4	10.0
Traditional retailers			**13.3**	**20.3**	**23.9**	**50.0**	**37.9**	**30.4**	**27.0**	**20.8**	**16.7**	**14.4**	**15.8**	**16.7**
Metro	846	231	13.3	12.3	11.3	52.0	45.9	40.3	34.6	30.0	25.9	20.7	20.5	20.4
Relaxo	286	71	6.6	9.5	14.1	34.2	28.1	25.9	20.9	16.9	15.1	9.2	10.5	10.7
Bata	639	82	5.6	7.9	16.3	38.4	31.7	25.4	17.2	14.9	14.2	13.0	14.6	16.9
Campus	194	59	14.8	22.3	22.9	32.5	26.1	21.3	18.9	15.1	11.9	18.8	20.2	21.2
Footwear			**10.1**	**13.0**	**16.1**	**39.3**	**32.9**	**28.2**	**22.9**	**19.2**	**16.8**	**15.4**	**16.5**	**17.3**

Source: Company, MOFSL

Brand-wise performance snapshot

Brand / Store	Area (sq ft)	Sales/sq ft/month (INR)	YTD LTL / Trend
Burnt Toast	2,500	~950*	Positive MoM
Zudio Store 1	12,000	~700	Positive
Zudio Store 2	12,000	~1,500	~4–5%
Zudio Store 3	15,000	~800	Appears flat
Westside	25,000–27,000	N.A.	Double-digit
Shoppers Stop	25,000	~650	~15% YoY
Louis Philippe	750	~1,600	~10%
Allen Solly	2,900	~1,550	~10%
US Polo Assn.	2,200	~1,350	~10–12%
Arrow	2,200	~650	~6%
Manyavar / Mohey	4,500	~1,000	Broadly flat
Go Colors	750	~800	Declining
Metro	2,500	~1,600	Cannibalization
Fila	1,000	~850	Improving MoM
Campus	750	~550	Below potential

*Sales figures are approximate, based on store-manager discussions. LTL/LFL figures are store-specific and not representative of company-wide performance; Source: Company, MOFSL

Economy | Macro-Cap

US midterm elections: Implications for India

The US goes to the mid-term polls on 3rd Nov'26, with the Democrats widely expected to win the House of Representatives and favored, though less decisively, to win the Senate. Since the President retains his veto, the most likely outcome is a divided government, with harder budget negotiations on defense, AI, healthcare, pharmaceuticals and affordable housing.

Democrats will not have the two-thirds majority needed to overturn a presidential veto. As a result, the 2025 tax cuts cannot be reversed, new AI laws are unlikely, and the White House keeps the control of trade and foreign policy. What Democrats will gain is control over government spending decisions and, if they win the Senate, a say in key appointments, including to the Federal Reserve.

For India, the election matters mainly through its effect on US Treasury yields, the dollar, crude oil prices and trade policy. Our main conclusions are as follows.

- **Yields and INR**: A Democratic or divided Congress that is unable to pass large tax cuts or spending increases reduces the risk of a further rise in US long-term yields (a big positive for Indian bonds and equities) and helps stabilize USD (positive for INR).
  - In the base case scenario, we expect India 10Y yield to inch closer to 7.5-7.6% by FY27 end. In an adverse scenario, with oil price shock continuing, the yields could move toward 7.75% by FY27 end.
  - In the base case scenario, INR is likely to remain range-bound around 95 levels. In an adverse scenario, it can head toward 97-98.
- **Trade deal:** Tariff policy will remain with the President, irrespective of the outcome. The India-US trade negotiation is therefore unlikely to be affected by the election and can continue on its current track.
- **Oil:** Greater congressional oversight of US military involvement in West Asia could modestly reduce the risk premium in crude oil, which would benefit India's current account and inflation outlook.
- **Flows:** The more immediate risk is the expiry of US government funding on 11th Dec'26. A prolonged shutdown would weigh on global risk appetite at a time when FPI flows into India remain weak.
- **Sectors:** Among Indian sectors, pharmaceuticals and rate-sensitive financials are best placed under the most likely outcome of a divided house.

US election outlook

- **Historical patterns, the President's approval rating and prediction polls all point toward Democratic gains.**

Nalco

BSE SENSEX	S&P CNX
75,693	23,441

CMP: INR328 — Neutral

Conference Call Details



Date: 3 November 2026
Time: 10:30 am IST
Registration Link
Dial In:
+91 22 6280 1297
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In-line earnings

Highlights of 2Q Consolidated performance:

- Revenue came in at INR54b (+26% YoY and +2% QoQ; against our estimate of INR50b), mainly driven by favorable alumina prices, offsetting muted aluminum prices.
- Consolidated EBITDA stood in line at INR24b (+25% YoY) but declined 11% QoQ on account of higher energy cost.
- EBITDA margin softened to 44.5% in 2QFY27 vs 51.1% in 1QFY27 and 44.1% in 2QFY26.
- Adj. PAT for the quarter stood in line with our est. at INR18b (+28% YoY and -8% QoQ), supported by healthy operating performance.

Chemical business performance:

- Revenue from the chemical business declined 8% YoY but grew 8% QoQ to INR16.9b, mainly driven by a surge in global alumina prices.
- EBIT came in at INR2.8b, declining 55% YoY but improving 4% QoQ in 2QFY27 as prices improved sequentially during the quarter.

Aluminum business performance:

- Revenue from the aluminum business grew 45% YoY to INR42b (flat QoQ) on account of favorable LME prices.
- EBIT for the vertical stood at INR20b, which grew 73% YoY but fell 12% QoQ in 2QFY27 over higher energy costs.

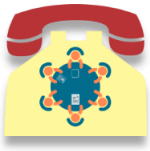
Quarterly performance - INR m

Y/E March	FY26				FY27		FY26	FY27E	FY27	Vs
	1Q	2Q	3Q	4Q	1Q	2Q			2QE	Est %
Net Sales	**38,069**	**42,923**	**47,310**	**50,128**	**53,024**	**54,194**	**1,78,431**	**2,06,761**	**49,816**	**8.8**
Change (YoY %)	33.3	7.3	1.5	(4.8)	39.3	26.3	6.3	15.9		
Change (QoQ %)	(27.7)	12.8	10.2	6.0	5.8	2.2				
Total Expenditure	23,148	23,665	25,517	26,633	25,949	30,089	98,963	1,03,030		
EBITDA	**14,921**	**19,259**	**21,793**	**23,495**	**27,075**	**24,106**	**79,468**	**1,03,731**	**24,403**	**(1.2)**
Change (YoY %)	59.7	24.3	(6.4)	(14.7)	81.5	25.2	5.1	30.5		
Change (QoQ %)	(45.8)	29.1	13.2	7.8	15.2	(11.0)				
Interest	80	84	596	238	96	96	998	96		
Depreciation	1,783	1,738	1,821	2,112	1,824	1,777	7,454	9,096		
Other Income	1,235	1,515	1,941	1,968	1,733	2,481	6,658	6,500		
PBT (after EO)	**14,293**	**18,952**	**21,316**	**23,113**	**26,889**	**24,713**	**77,675**	**1,01,039**		
Total Tax	3,654	4,621	5,306	5,936	6,865	6,363	19,517	26,775		
% Tax	25.6	24.4	24.9	25.7	25.5	25.7	25.1	26.5		
PAT before MI and Asso.	**10,639**	**14,332**	**16,010**	**17,177**	**20,024**	**18,351**	**58,158**	**74,264**		
Sh. of Associate	(144)	(32)	(59)	47	8	(0)	(188)	(310)		
Reported PAT after MI and Asso.	**10,495**	**14,299**	**15,952**	**17,224**	**20,031**	**18,351**	**57,970**	**73,954**		
Adjusted PAT	**10,495**	**14,299**	**15,952**	**17,224**	**20,031**	**18,351**	**57,970**	**73,954**	**17,396**	**5.5**
Change (YoY %)	78.4	36.7	1.8	(16.7)	90.9	28.3	10.0	27.6		
Change (QoQ %)	(49.2)	36.3	11.6	8.0	16.3	(8.4)				

Petronet LNG

BSE SENSEX	S&P CNX
75,693	23,441

Conference Call Details



Date: 03 Nov'26
Time: 12:00 pm IST
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CMP: INR301 — Buy

Beat driven by strong marketing performance; Regas volumes remain resilient

- PLNG's reported EBITDA stood 31% above estimate at INR16.6b (+49% up YoY).
  - The company reversed provisions of INR1.2b and waived off INR2.5b against UoP dues during the quarter. EBITDA adjusted for UoP provisioning and waiver would have stood 42% above estimate.
- Reported PAT was 47% above our estimate at INR12.4b (+53% YoY).
  - PAT, if adjusted for UoP provisioning, waivers, and recovery impact, would have been 59% above estimates.
- The Board of Directors declared an interim dividend of INR7/share (face value: INR10/share).
- **Operational performance:**
  - Total volumes came in 8% above our estimate at 231tbtu.
  - Dahej utilization was also 600bp above our estimate at 76%, while Kochi utilization stood 76bp below our estimate at 24%.
- As of **Sep'26**, provisions on UoP dues stood at INR2.3b.
  - UoP dues of INR4.1b (net of provision: INR1.8b) were included in trade receivables as of Sep'26. PLNG has obtained bank guarantees from certain customers to recover UoP charges. While some customers have not given balance confirmations toward these dues, management is confident of recovering such charges.

Standalone - Quarterly Earning Model (INR b)

Y/E March	FY26				FY27		2QE	Var	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q		(%)	(%)	(%)
Net Sales	**118.8**	**110.1**	**111.6**	**94.4**	**55.5**	**72.0**	**52.5**	**37%**	**-35%**	**30%**
YoY Change (%)	*-11.4*	*-15.5*	*-8.7*	*-23.3*	*-53.2*	*-34.6*	*-52.3*			
EBITDA	**11.6**	**11.2**	**12.2**	**18.6**	**15.3**	**16.6**	**12.7**	**31%**	**49%**	**9%**
Margin (%)	*9.8*	*10.1*	*11.0*	*19.7*	*27.6*	*23.1*	*24.1*			
Depreciation	2.1	2.1	2.1	2.1	2.0	1.9	2.3			
Interest	0.6	0.6	0.6	0.6	0.5	0.5	0.7			
Other Income	2.4	2.4	2.2	2.0	2.3	2.3	1.5			
PBT	**11.4**	**10.8**	**11.4**	**17.9**	**15.1**	**16.6**	**11.2**	**48%**	**53%**	**10%**
Tax	2.9	2.8	3.0	4.6	3.8	4.2	2.8			
Rate (%)	*25.1*	*25.6*	*25.8*	*25.5*	*25.2*	*25.5*	*25.2*			
Reported PAT	**8.5**	**8.1**	**8.5**	**13.4**	**11.3**	**12.4**	**8.4**	**47%**	**53%**	**9%**
YoY Change (%)	*-25.5*	*-4.9*	*0.0*	*25.0*	*33.2*	*53.3*	*4.3*			
Margin (%)	*7.2*	*7.3*	*7.8*	*14.2*	*20.4*	*17.2*	*16.0*			
Key Assumptions										
Total Volumes (Tbtu)	220.0	228.0	233.0	219.0	207.0	231.0	214.5	**8%**	**1%**	**12%**
Dahej utilization (%)	*94%*	*92%*	*94%*	*90%*	*68%*	*76%*	*70%*	**0.06**	**(0.16)**	**0.08**
Kochi utilization (%)	*21%*	*27%*	*29%*	*28%*	*24%*	*24%*	*25%*	**(0.01)**	**(0.03)**	**-**

Container Corporation

BSE SENSEX	S&P CNX
75,693	23,441

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Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	90.6	94.8	112.5
EBITDA	19.2	20.3	25.1
Adj. PAT	12.2	12.9	16.2
EBITDA Margin (%)	21.2	21.4	22.3
Adj. EPS (INR)	16.0	17.0	21.3
EPS Gr. (%)	(5.8)	6.0	25.1
BV/Sh. (INR)	169.2	177.1	187.0
Ratios			
Net D:E	(0.3)	(0.3)	(0.3)
RoE (%)	9.7	9.8	11.7
RoCE (%)	10.1	10.3	12.0
Payout (%)	53.6	53.6	53.6
Valuations			
P/E (x)	26.1	24.6	19.6
P/BV (x)	2.5	2.4	2.2
EV/EBITDA(x)	14.2	13.3	10.5
Div. Yield (%)	2.1	2.2	2.7
FCF Yield (%)	1.1	2.0	3.9

CMP: INR418 — Buy

Largely in-line performance

- Revenue was flat YoY at INR23.7b during 2QFY27 (in line). Total volume was flat YoY at 1.45m TEUs, with EXIM/Domestic volumes at 0.109m/0.35m TEUs (flat/+2% YoY).
- Blended realization was flat YoY at INR16,385/TEU. EXIM/Domestic realization stood at INR14,568/INR21,967 per TEU (+1%/-1% YoY).
- EBITDA margins came in at 22.9% (vs. our est. 21.3%). EBITDA fell by ~5% YoY to INR5.4b (6% above our estimate).
- APAT fell by 8% YoY to INR3.47b (7% above our estimate).
- Land license fee for 1HFY27 stood at INR2.17b.
- In 1HFY27, revenue rose 1%, while EBITDA/APAT fell -2%/-2%.

Standalone quarterly snapshot (INR m)

Y/E March	FY26				FY27		FY26	FY27E	FY27 2QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q				
Net Sales	**21,495**	**23,514**	**23,017**	**22,568**	**21,540**	**23,732**	**90,595**	**94,779**	**23,972**	**(1)**
YoY Change (%)	2.5	3.0	4.5	-1.1	0.2	0.9	2.2	4.6	2.0	
EBITDA	**4,265**	**5,688**	**5,059**	**4,203**	**4,361**	**5,427**	**19,215**	**20,322**	**5,106**	**6**
Margins (%)	19.8	24.2	22.0	18.6	20.2	22.9	21.2	21.4	21.3	
YoY Change (%)	-1.3	-1.1	10.4	-3.0	2.3	-4.6	1.2	5.8	-10.2	
Depreciation	1,570	1,427	1,490	1,488	1,463	1,531	5,976	6,068	1,510	
Interest	164	177	196	206	191	213	744	800	195	
Other Income	935	959	953	891	939	937	3,738	3,788	940	
PBT before EO expense	**3,465**	**5,043**	**4,325**	**3,400**	**3,646**	**4,619**	**16,233**	**17,242**	**4,341**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	
PBT	**3,465**	**5,043**	**4,325**	**3,400**	**3,646**	**4,619**	**16,233**	**17,242**	**4,341**	
Tax	888	1,275	1,034	818	870	1,148	4,015	4,293	1,092	
Rate (%)	25.6	25.3	23.9	24.0	23.9	24.8	24.7	24.9	25.2	
Reported PAT	**2,577**	**3,768**	**3,291**	**2,582**	**2,777**	**3,472**	**12,218**	**12,948**	**3,249**	**7**
Adj PAT	**2,577**	**3,768**	**3,291**	**2,582**	**2,777**	**3,472**	**12,218**	**12,948**	**3,249**	**7**
YoY Change (%)	0.9	-4.9	-4.2	-14.5	7.7	-7.9	-5.8	6.0	-13.8	
Margins (%)	12.0	16.0	14.3	11.4	12.9	14.6	13.5	13.7	13.6	

	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Revenue (INR m)							
EXIM	15,774	15,332	14,972	14,335	15,918	**1%**	**11%**
Domestic	7,739	7,685	7,597	7,205	7,814	**1%**	**8%**
Total Segment Revenue	**23,514**	**23,017**	**22,568**	**21,540**	**23,732**	**1%**	**10%**
Segmental EBIT							
EXIM	4,239	3,658	3,501	3,123	4,321	**2%**	**38%**
Domestic	644	454	17	254	146	**-77%**	**-43%**
Total	**4,883**	**4,112**	**3,518**	**3,376**	**4,467**	**-9%**	**32%**
EBIT Margin (%)							
EXIM	26.9%	23.9%	23.4%	21.8%	27.1%		
Domestic	8.3%	5.9%	0.2%	3.5%	1.9%		
Total	**20.8%**	**17.9%**	**15.6%**	**15.7%**	**18.8%**		

	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	YoY (%)	QoQ (%)
Volumes (TEU)							
EXIM	10,93,453	10,72,145	10,68,283	10,69,082	10,92,652	**0%**	**2%**
Domestic	3,47,271	3,51,121	3,59,819	3,35,739	3,55,727	**2%**	**6%**
Total	**14,40,724**	**14,23,266**	**14,28,102**	**14,04,821**	**14,48,379**	**1%**	**3%**
Realizations (INR / TEU)							
EXIM	14,426	14,300	14,015	13,409	14,568	**1%**	**9%**
Domestic	22,286	21,888	21,112	21,460	21,967	**-1%**	**2%**
Total	**16,321**	**16,172**	**15,803**	**15,333**	**16,385**	**0%**	**7%**
EBIT (INR/TEU)							
EXIM	3,877	3,412	3,277	2,921	3,955	**2%**	**35%**
Domestic	1,855	1,293	48	755	410	**-78%**	**-46%**
Total	**3,389**	**2,889**	**2,464**	**2,403**	**3,084**	**-9%**	**28%**

TBO Tek

BSE Sensex	S&P CNX
75,693	23,441

Conference Call Details



Date: 03rd November 2026
Time: 04:00 PM IST
Webinar Registration - Zoom

CMP: INR 1,594 — Buy

Organic performance in line

- Organic revenue at INR6,500m, grew 14% YoY and CC growth at 7% (MOFSLe: INR6,550m). This growth was in line with our estimate.
- Revenue at INR8,656m grew 53% YoY and CC growth at 45% (MOFSLe: INR9,266m) – Miss, due to QoQ lower contribution from CV.
- EBITDA at INR1,446m, Margin: 16.7%, (MOFSLe: INR1,465m, Margin:15.8%) – These were above our estimates.
- Adj. PAT at INR841m grew 25% YoY (MOFSLe: INR873m) – in line.
- Monthly transacting buyers (MTBs) reached 34,529 in 2Q, up 13% YoY.
- Organic MTBs stood at 32,412 up 6% YoY.
- Overall GTV stood at INR1,16,953m, up 31% YoY (up 25% in CC terms).
- Organic GTV at INR1,08,900m was up 22% YoY (in CC terms 16% YoY).
- GTV for the Hotels + Ancillary business reached INR78,885m, up 39% YoY. GTV for the Airlines business reached INR38,068m, up 18% YoY.

Valuation and view

We believe TBO Tek has delivered a strong set of numbers despite a challenging operating environment and we expect it to deliver a revenue/ EBIT/PAT CAGR of 32%/41%/47% over FY26-28, mainly backed by an increased contribution from the high take-rate hotels and ancillary segments in the GTV mix. Currently, we have a **BUY rating** on TBO Tek with a TP of INR1,938 valued at 36x P/E on FY28E EPS.

Consolidated – Quarterly (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	2QFY27E	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue from Operations	**5,113**	**5,675**	**7,843**	**8,144**	**9,258**	**8,656**	**9,897**	**9,657**	**26,775**	**37,468**	**9,266**	**-6.6**
YoY Change (%)	22.2%	25.9%	85.8%	82.6%	81.1%	52.5%	26.2%	18.6%	54.1%	39.9%		
Service Fees	1,780	2,042	3,011	3,202	3,734	3,046	3,959	3,863	10,035	14,601	3,706	
Gross Profit	**3,333**	**3,633**	**4,832**	**4,941**	**5,524**	**5,611**	**5,938**	**5,794**	**16,740**	**22,867**	**5,559**	**0.9**
Employee Benefit Expenses	960	1,051	1,590	1,648	1,730	1,829	1,881	1,835	5,249	7,274	1,760	**3.9**
Other Expenses	1593	1702	2171	2240	2359	2336	2503	2396	7,706	9,593	2334	**0.1**
Total Expenditure	**2,553**	**2,753**	**3,760**	**3,888**	**4,089**	**4,165**	**4,383**	**4,230**	**12,955**	**16,867**	**4,095**	**1.7**
EBITDA	**779**	**881**	**1,072**	**1,053**	**1,435**	**1,446**	**1,555**	**1,564**	**3,785**	**6,000**	**1,465**	**-1.3**
Margins (%)	15.2	15.5	13.7	12.9	15.5	16.7	15.7	16.2	14.1	16	15.8	**90bp**
Depreciation	140	161	264	299	330	338	338	338	864	1,346	330	
EBIT	**639**	**719**	**808**	**754**	**1,105**	**1,107**	**1,217**	**1,225**	**2,921**	**4,654**	**1,134**	**-2.4**
Margins (%)	12.5	12.7	10.3	9.3	11.9	12.8	12.3	12.7	10.9	12.4	12.2	**60bp**
Interest	53	89	149	146	146	170	170	170	436	655	146	
Other Income	89	152	55	128	74	59	99	97	424	328	93	
PBT before Exceptional item	**676**	**782**	**714**	**737**	**1,033**	**997**	**1,146**	**1,152**	**2,909**	**4,328**	**1,081**	**-7.8**
Exceptional Item	-77	0	53	0	0	81	0	0	-24	81	0	**0**
PBT after Extraordinary Items	**753**	**782**	**661**	**737**	**1,033**	**915**	**1,146**	**1,152**	**2,933**	**4,247**	**1,081**	
Tax	123	107	124	136	199	155	195	196	490	745	209	
Rate (%)	16.4	13.7	18.8	18.4	19.3	17	17	17	16.7	17.5	19.3	
PAT	**630**	**675**	**537**	**601**	**834**	**760**	**951**	**957**	**2,443**	**3,502**	**873**	
Adj. PAT	**552**	**675**	**590**	**601**	**834**	**841**	**951**	**957**	**2,419**	**3,583**	**873**	**-3.6**
YoY Change (%)	3.4	12.4	7.4	2.0	32.4	12.5	77.0	59.2	6.3	43.3		
EPS (INR)	**5.9**	**6.3**	**5**	**5.6**	**7.8**	**7.1**	**8.9**	**9**	**22.7**	**32.8**	**8.2**	

Amara Raja

BSE SENSEX	S&P CNX
75,693	23,441

Conference Call Details



Date: 3rd Nov 2026
Time: **4:00**PM IST
Dial-in details: Diamond Pass Registration

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	135.5	155.2	169.5
EBITDA	15.4	15.2	18.6
Adj. PAT	6.0	7.2	9.4
EPS (INR)	32.8	39.3	51.3
EPS Gr. (%)	-26.6	19.6	30.6
BV/Sh. (INR)	446	477	517
Ratios			
RoE (%)	7.7	8.5	10.3
RoCE (%)	7.6	8.3	9.9
Payout (%)	42.9	21.6	20.5
Valuations			
P/E (x)	21.6	18.1	13.8
P/BV (x)	1.6	1.5	1.4
Div. Yield (%)	1.5	1.2	1.5
FCF yield (%)	3.5	5.4	6.5

CMP: INR709

Earnings beat on strong margin performance

- AMRJ's 2QFY26 standalone revenue grew ~13% YoY to INR38.4b (in line). New energy business revenue grew 37% YoY to INR2.3b, while lead acid business revenue grew 18% YoY to INR38.7b.
- Double-digit growth momentum in OEM segment across 2W and 4Ws was sustained while domestic aftermarket volumes registered modest growth during the quarter. The Industrial UPS registered steady growth rates driven by demand from data centers while exports continues to face headwinds due to geopolitical uncertainty.
- EBITDA margin contracted ~190bp YoY to 10.1%, above our estimate of 9.2%.
- EBITDA declined 5% YoY to INR3.8b (8% above estimate).
- PAT declined ~11% YoY to INR1.8b (13% above estimate) due to better margin performance.
- CFO for 1H stood at INR7.9b, while FCF was negative at INR1.1b.
- The company approved a further capex of INR23.2b in the new energy business, in addition to the previous approval of INR20b (majority of which was spent by 1QFY27). This new investment would be funded via internal accruals and debt.
- **Valuation view:** The stock trades at 18.1x/13.8x FY27E/FY28E EPS.

Quarterly Performance (INR m)

Y/E March (INR m)	FY26				FY27E				FY26	FY27E	2QE	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	**33,499**	**33,882**	**33,508**	**34,599**	**40,414**	**38,433**	**39,540**	**36,811**	**135,489**	**155,198**	**38,964**	**-1.4**
YoY Change (%)	7.0	8.0	5.9	16.3	20.6	13.4	18.0	6.4	9.2	14.5	15.0	
RM Cost (% of sales)	70.5	67.2	68.2	70.2	71.5	70.2	70.9	70.6	69.1	70.8	71.5	-130bp
Staff Cost (% of sales)	5.9	6.6	6.1	6.2	5.6	5.9	6.3	6.2	6.2	6.0	5.8	10bp
Other Exp (% of sales)	12.0	14.2	14.5	12.7	12.9	13.8	13.6	13.3	13.3	13.4	13.5	30bp
EBITDA	**3,867**	**4,059**	**3,745**	**3,771**	**4,074**	**3,863**	**3,638**	**3,636**	**15,442**	**15,209**	**3,585**	**7.7**
Margins (%)	11.5	12.0	11.2	10.9	10.1	10.1	9.2	9.9	11.4	9.8	9.2	90bp
YoY Change (%)	-10.2	-7.9	-9.9	10.2	5.4	-4.9	-2.9	-3.6	-5.2	-1.5	-11.7	
Depreciation	1,292	1,380	1,409	1,396	1,403	1,405	1,510	1,586	5,477	5,904	1,450	
Interest	104	83	87	134	107	133	115	95	407	450	110	
Other Income	139	241	263	276	159	182	210	276	919	827	220	
PBT before EO expense	**2,610**	**2,838**	**2,513**	**2,517**	**2,723**	**2,507**	**2,223**	**2,230**	**10,478**	**9,683**	**2,245**	**11.7**
Extra-Ord expense	0	-1,218	438	-1,812	0	0	0	0	-2,591	0	0	
PBT after EO	**2,610**	**4,056**	**2,075**	**4,329**	**2,723**	**2,507**	**2,223**	**2,230**	**13,069**	**9,683**	**2,245**	**11.7**
Tax	670	1,032	558	1,106	695	624	573	606	3,365	2,498	579	
Tax Rate (%)	25.7	25.4	26.9	25.5	25.5	24.9	25.8	27.2	25.7	25.8	25.8	
Adj PAT	**1,940**	**2,120**	**1,842**	**1,874**	**2,028**	**1,883**	**1,649**	**1,625**	**7,780**	**7,185**	**1,666**	**13.1**
YoY Change (%)	-20.7	-11.9	-19.8	12.4	4.5	-11.2	-10.5	-13.3	-11.7	-7.7	-21.4	

Ventive Hospitality

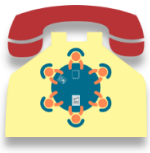
BSE SENSEX	S&P CNX
75,693	23,441

CMP: INR541 — Buy

Operating performance beats estimates

- Consol. revenue grew 13% YoY to INR5.5b (est. in line)
- EBITDA grew 11% YoY to INR2.1b (est. INR1.9b). EBITDA margins contracted 60bp YoY to 38.2% (est. 36.1%) led by higher other expenses (up 70bp) and RM expenses (up 10bp)
- Adj. PAT declined 55% YoY to INR233m (est. INR392m). Annual decline in adj PAT is largely led by higher depreciation due to addition of new assets and lower other income
- For 1HFY27, Revenue/EBITDA/Adj PAT grew 10%/2%/31% to INR10.9b/INR4.0b/INR/1.0b
- Gross debt stood at INR24.8b vs INR20.3b as of Mar'26. CFO stood at INR3.6b vs INR3.2b as of Sep'25

Conference Call Details



Date: 3rd Nov, 2026
Time: 4:00pm IST
Dial-in details:
Click Here

Consolidated - Quarterly Earning Model — INRm

Y/E March	FY26				FY27E				FY26	FY27	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	%
Gross Sales	**5,075**	**4,893**	**6,855**	**7,788**	**5,428**	**5,511**	**7,466**	**8,864**	**24,610**	**27,270**	**5,373**	**3**
YoY Change (%)	341.7	89.7	28.4	11.6	7.0	12.6	8.9	13.8	53.4	10.8	9.8	
Total Expenditure	2,997	2,997	3,745	3,935	3,498	3,405	4,061	4,430	13,674	15,393	3,435	
EBITDA	**2,078**	**1,896**	**3,110**	**3,852**	**1,930**	**2,107**	**3,405**	**4,434**	**10,937**	**11,876**	**1,938**	**9**
Margins (%)	40.9	38.8	45.4	49.5	35.6	38.2	45.6	50.0	44.4	43.6	36.1	
Depreciation	798	789	843	843	897	1,022	900	900	3,274	3,719	900	
Interest	601	559	601	534	522	566	485	450	2,295	2,023	500	
Other Income	124	652	365	909	116	311	150	200	2,050	777	120	
PBT before EO expense	**803**	**1,200**	**2,032**	**3,384**	**627**	**830**	**2,170**	**3,284**	**7,418**	**6,911**	**658**	
Extra-Ord expense	0	0	30	51	0	0	0	0	81	0	0	
PBT	**803**	**1,200**	**2,001**	**3,333**	**627**	**830**	**2,170**	**3,284**	**7,337**	**6,911**	**658**	
Tax	424	557	597	745	-629	470	546	827	2,323	1,214	166	
Rate (%)	52.8	46.5	29.8	22.4	-100.3	56.6	25.2	25.2	31.7	17.6	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	110	117	239	293	449	127	150	249	758	975	100	
Reported PAT	**269**	**526**	**1,166**	**2,295**	**807**	**233**	**1,474**	**2,208**	**4,256**	**4,722**	**392**	
Adj PAT	**269**	**526**	**1,187**	**2,335**	**807**	**233**	**1,474**	**2,208**	**4,311**	**4,722**	**392**	**-41**
YoY Change (%)	2.0	-193.4	367.0	82.6	199.8	-55.7	24.2	-5.4	248.1	9.5	-25.4	
Margins (%)	5.3	10.7	17.3	30.0	14.9	4.2	19.7	24.9	17.5	17.3	7.3	

KEC International

BSE SENSEX	S&P CNX
75,693	23,441

Conference Call Details



Date: 3rd November 2026
Time: 10:00am IST
Dial-in details:
Diamond pass

Financials & Valuations (INR b)

Y/E March	2027E	2028E	2029E
Sales	246.5	283.4	332.7
EBITDA	15.7	19.3	23.0
Adj. PAT	5.5	8.0	9.9
Adj. EPS (INR)	20.8	30.2	37.2
EPS Gr. (%)	-14.9	44.9	23.2
BV/Sh.(INR)	244.7	266.9	296.0
Ratios			
RoE (%)	8.7	11.8	13.2
RoCE (%)	9.4	10.8	11.7
Valuations			
P/E (x)	16.8	11.6	9.4
P/BV (x)	1.4	1.3	1.2
EV/EBITDA (x)	8.8	7.5	6.6
Div. Yield (%)	2.1	2.3	2.3

CMP: INR476 — Buy

Weak set of results

- KEC International reported a weak set of results. The company witnessed a challenging operating environment during the quarter on account of continued geopolitical and supply chain disruptions in the Middle East, Right of Way (RoW) & land acquisition related challenges in India T&D, and calibrated supplies of select projects amid the elevated global cost environment.
- Revenue declined 10% YoY to INR55b, 8% below estimates. Revenue declined YoY across segments barring Cables, while on a sequential basis, it improved for T&D segment.
- Gross margin contracted 60bp YoY to 21.3%, vs. our estimate of 21.5%.
- While gross margin was broadly in-line with our estimate, EBITDA margin came in 100bp below our estimate at 5%, mainly due to higher-than-expected employee cost and other expenses as percentage of sales. Absolute EBITDA declined 37% YoY to INR2.7b, vs. our estimate of INR3.5b.
- PAT came in below our est. at INR297m (down 82% YoY) vs. our estimate of INR1.1b, mainly due to weaker execution, lower-than-expected margins, and higher-than-expected interest cost and tax rate.
- Order inflow for 2QFY27 declined 31% YoY to INR72.3b, taking the closing order book to INR400b.
- For 1HFY27, revenue/EBITDA/PAT declined 6%/28%/64% YoY, while margin contracted 160bp YoY to 5.4%.
- For 1HFY27, the company reported a net operating cash outflow of INR4b, vs. an outflow of INR92b last year.
- Net Debt including Acceptances stood at INR80b as of 30 Sept'26 (vs. INR65b last year).
- NWC stood at 155 days as on 30 Sep'26, vs 138 days last year.

Consolidated - Quarterly Earning Model (INR m)

Y/E March - INR m	FY26				FY27E				FY26	FY27E	FY26E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Net Sales	**50,229**	**60,916**	**60,014**	**63,898**	**50,235**	**54,677**	**64,082**	**77,474**	**2,35,05**	**2,46,46**	**59,152**	**(8)**
YoY Change (%)	11.3	19.1	12.2	(7.0)	0.0	(10.2)	6.8	21.2	7.6	4.9	(2.9)	
Total Expenditure	46,728	56,612	55,714	59,417	47,327	51,964	59,916	71,598	2,18,47	2,30,80	55,603	(7)
EBITDA	**3,501**	**4,304**	**4,300**	**4,481**	**2,908**	**2,713**	**4,165**	**5,876**	**16,586**	**15,662**	**3,549**	**(24)**
YoY Change (%)	29.5	34.4	14.8	(16.8)	(16.9)	(37.0)	(3.1)	31.1	10.3	(5.6)	(17.5)	
Margins (%)	7.0	7.1	7.2	7.0	5.8	5.0	6.5	7.6	7.1	6.4	6.0	
Depreciation	459	506	504	506	508	530	552	617	1,974	2,207	538	(2)
Interest	1,511	1,715	1,711	1,699	1,640	1,907	1,717	1,603	6,636	6,867	1,675	14
Other Income	54	46	102	301	139	133	130	158	503	561	125	6
PBT before EO expense	**1,585**	**2,130**	**2,187**	**2,577**	**899**	**409**	**2,027**	**3,814**	**8,479**	**7,149**	**1,461**	**(72)**
Extra-Ord expense			588	0					588	0		
PBT	**1,585**	**2,130**	**1,599**	**2,577**	**899**	**409**	**2,027**	**3,814**	**7,891**	**7,149**	**1,461**	**(72)**
Tax	339	522	325	649	173	111	456	868	1,836	1,609	329	
Rate (%)	21.4	24.5	20.3	25.2	19.2	27.3	22.5	22.8	23.3	22.5	22.5	
Reported PAT	**1,246**	**1,608**	**1,275**	**1,928**	**726**	**297**	**1,571**	**2,946**	**6,056**	**5,541**	**1,132**	**(74)**
Adj PAT	**1,246**	**1,608**	**1,743**	**1,910**	**726**	**297**	**1,571**	**2,946**	**6,507**	**5,541**	**1,132**	**(74)**
YoY Change (%)	42.3	88.2	34.5	(28.8)	(41.7)	(81.5)	(9.9)	54.2	14.0	(14.9)	(29.6)	
Margins (%)	2.5	2.6	2.9	3.0	1.4	0.5	2.5	3.8	2.8	2.2	1.9	

	FY26				FY27		FY26	FY27E	YoY (%)
INR m	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**			
Segmental revenue									
T&D (domestic + SAE)	31,570	40,800	41,610	44,850	32,170	36,860	1,58,830	1,68,490	(9.7)
Cables	3,830	5,240	5,560	7,540	6,010	6,130	22,170	25,318	17.0
Railways	4,710	4,250	3,490	3,090	2,590	2,240	15,540	11,469	(47.3)
Civil	11,360	12,100	11,220	11,290	11,660	10,620	45,970	49,013	(12.2)
Less intersegmental	(1,240)	(1,470)	(1,870)	(2,880)	(2,190)	(1,180)	(7,460)	(7,822)	(19.7)
Grand total	**50,230**	**60,920**	**60,010**	**63,890**	**50,240**	**54,670**	**2,35,050**	**2,46,468**	(10.3)

Arvind Fashions

BSE SENSEX	S&P CNX
75,693	23,441

Conference Call Details



Date: 3rd Nov 2026
Time: 14:30pm IST

Financials & Valuations

Y/E March	FY27E	FY28E	FY29E
Sales	58.9	66.0	73.6
EBITDA	5.2	6.1	7.1
Adj. PAT	1.6	2.3	3.1
EBITDA Margin (%)	8.8	9.3	9.6
Adj. EPS (INR)	11.7	17.6	23.0
EPS Gr. (%)	6.7	49.5	31.0
BV/Sh. (INR)	102.6	119.7	141.7
Ratios			
Net D:E	0.2	0.0	-0.3
RoE (%)	12.4	15.9	17.7
RoCE (%)	20.0	23.3	26.1
Valuations			
P/E (x)	42.1	28.1	21.5
EV/EBITDA (x)	15.9	12.6	10.6
EV/Sales (X)	1.2	1.0	0.9

CMP: INR494 — Buy

Festive shift masks ~15% underlying growth; gross margin drives earnings beat

- Arvind Fashions reported 10.0% YoY revenue growth to INR15.6b, in line with our estimate.
  - **Adjusted for the shift** in the festive season and online sale events, **underlying growth was ~15%,** at the top end of the 12–15% FY27 guidance.
- Retail remained the largest growth driver, growing 15.4% YoY, supported by **7.3% LTL growth (10% adjusted for the festive shift)** and lower discounting.
  - Area additions continued to outpace store additions, with ~26k net sq. ft. added on 24 gross EBO openings, taking the network to 1,044 EBOs (14 net additions).
- Wholesale (MBO + department stores) grew 17% YoY, while consumer sales in the channel grew mid-single digits due to the festive shift.
- **Online B2C grew ~28% YoY** (45% adjusted for the timing of online sale events), while Online B2B declined ~23% YoY as the company continued to scale down marketplace B2B.
- Consequently, direct channels (Retail + Online B2C) contributed 53% of revenue, up ~380bp YoY, growing 17% YoY.

Margin expansion driven by gross margin improvement

- **Gross margins expanded 135bp YoY to 53.9%** (~80bp above est), driven by strong LTL, lower retail discounting and a better channel mix.
- Employee costs rose only 6% YoY (4% below our est), while other expenses rose 13% YoY on continued marketing investments across all key brands.
- **EBITDA increased 16% YoY to INR2.2b**, (in line), with EBITDA margin expanding 65bp YoY to 13.9% despite higher marketing spends.
  - ***On a pre-Ind AS basis, EBITDA grew 18% YoY to INR1.4b, with margin up 60bp to 9.2%.***
- EBIT grew 15.2% YoY to INR1.3b, partly offset by 16.1% higher depreciation from store expansion.
- Finance costs increased 18.3% YoY, while other income declined 46% YoY to INR70m.
- Adj. PAT increased 19.6% YoY to INR677m, (5% beat). Pre-Ind AS PAT grew 37.5% YoY to INR550m.
  - **Attributable PAT rose 29.8% YoY to INR489m (8% beat);**
  - Minority interest was flat at INR187m (vs. INR189m YoY).
- For 1HFY27, revenue grew 12.4% YoY to INR28.4b, pre-IND AS EBITDA grew 21% YoY to INR2.3b (margin up 55bp to 8.1%), and adj. PAT grew 17% YoY to INR957m.

Balance sheet and cashflow

- AFL's inventory rose to 103 days (vs. 95 days YoY), due to the higher share of direct channels. However, lower receivables (down 14 days) kept inventory + receivables growth at 9% YoY, below direct channel's revenue growth of 17%.

- Thus, CWC days stood at 54 (vs. 56 YoY). CWC in absolute terms stood at INR8.3b (up 11% YoY).
- **Pre-Ind AS CFO turned positive at INR117m** (vs. -INR524m in 1HFY26), driven by higher operating profit (OCF before WC up 19% YoY) and a lower WC outflow (INR1.7b vs. INR2.0b), despite higher lease (up 12% YoY) and interest payments (up 21% YoY).
- However, **capex nearly doubled to INR1.0b** (vs. INR544m), keeping FCFF negative at -INR922m (vs. -INR1.1b in 1HFY26).
- Together with the INR1.35b paid in Dec'25 for the Flying Machine stake buyout, this took net borrowings to INR5.8b (vs. INR3.9b YoY and INR4.7b at FY26-end).

Consolidated Quarterly

	2QFY26	1QFY27	2QFY27	YoY%	QoQ%	2QFY27E	v/s est (%)
Revenue	**14,175**	**12,785**	**15,588**	**10.0**	**21.9**	**15,666**	**-0.5**
Raw Material cost	6,734	5,533	7,193	6.8	30.0	7,357	-2.2
Gross Profit	**7,441**	**7,252**	**8,395**	**12.8**	**15.8**	**8,310**	**1.0**
Gross Margin (%)	**52.5**	**56.7**	**53.9**	**137bps**	**-286bps**	**53.0**	**82bps**
Employee Costs	856	833	905	5.7	8.6	940	-3.7
Other Expenses	4,712	4,823	5,326	13.0	10.4	5,258	1.3
Total Expenses	**5,568**	**5,656**	**6,231**	**11.9**	**10.2**	**6,198**	**0.5**
EBITDA	**1,873**	**1,595**	**2,165**	**15.6**	**35.7**	**2,112**	**2.5**
EBITDA margin (%)	**13.2**	**12.5**	**13.9**	**67bps**	**141bps**	**13.5**	**40bps**
Depreciation	713	788	828	16.1	5.0	819	1.0
EBIT	1,160	807	1,337	15.2	65.6	1,292	3.4
EBIT margin (%)	8.2	6.3	8.6	39bps	226bps	8.3	33bps
Finance Costs	416	477	492	18.3	3.2	499	-1.2
Other income	130	70	70	-46.3	-0.3	67	4.6
Exceptional item	0	-4	0				
Profit before Tax	**874**	**400**	**914**	**4.6**	**128.5**	**861**	**6.2**
Tax	308	120	238	**-22.8**	**97.9**	217	9.6
Tax rate (%)	35.2	30.0	26.0	NA	-401bps	25.2	79bps
Adj PAT	**566**	**280**	**677**	**19.6**	**141.5**	**644**	**5.1**
Adj PAT margin (%)	4.0	2.2	4.3	35bps	215bps	4.1	23bps
Attributable PAT	**377**	**100**	**489**	**29.8**	**390.7**	**454**	**7.7**
Adj PAT margin (%)	2.7	0.8	3.1	48bps	236bps	2.9	24bps

VRL Logistics

BSE SENSEX	S&P CNX
75,693	23,441

Conference Call Details



Date: 05 November 2026
Time: 10:30 am IST
Conference call details: Link

Financials & Valuations (INR b)

Y/E MARCH	2026	2027E	2028E
Sales	32.2	37.0	40.0
EBITDA	6.5	7.8	8.1
Adj. PAT	2.4	3.2	3.2
EBITDA Margin (%)	20.2	21.0	20.1
Adj. EPS (INR)	13.5	18.6	18.3
EPS Gr. (%)	29.5	37.1	-1.5
BV/Sh. (INR)	65.3	73.9	80.1
Ratios			
Net D:E	0.4	0.2	0.1
RoE (%)	21.3	26.7	23.7
RoCE (%)	18.7	23.4	22.0
Payout (%)	36.9	53.9	65.6
Valuations			
P/E (x)	20.6	15.0	15.3
P/BV (x)	4.3	3.8	3.5
EV/EBITDA(x)	8.2	6.6	6.3
Div. Yield (%)	1.8	3.6	4.3
FCF Yield (%)	7.4	7.8	8.4

CMP: INR279 — Buy

Strong performance yet again

- VRL's revenue grew 21% YoY to INR9.6b (7% above our estimate).
- EBITDA grew 46% YoY to INR 2.2b in 2Q FY27 (17% above estimate).
- EBITDA margin stood at 23% (+400bp YoY and +180bp QoQ) vs. our estimate of 21%.
- Driven by strong operating performance, its APAT rose to INR 1.03b in 2QFY27 vs. INR 499m in 2QFY26 (32% above our estimate).
- Volume grew 11% YoY to 1.08MT.
- During 1HFY27, its revenue/EBITDA/APAT grew 19%/35%/84% YoY.

Quarterly performance — INR m

Y/E March (INR m)	FY26				FY27		FY26	FY27E	FY27	Var.
	1Q	2Q	3Q	4Q	1Q	2Q			2QE	vs Est
Net Sales	**7,443**	**7,970**	**8,270**	**8,529**	**8,788**	**9,619**	**32,211**	**37,043**	**9,028**	**7**
YoY Change (%)	2.4	-0.3	0.2	5.4	18.1	20.7	1.9	15.0	13.3	
EBITDA	**1,516**	**1,511**	**1,700**	**1,775**	**1,866**	**2,210**	**6,502**	**7,791**	**1,894**	**17**
Margins (%)	20.4	19.0	20.6	20.8	21.2	23.0	20.2	21.0	21.0	
YoY Change (%)	74.5	13.6	2.1	-4.9	23.1	46.2	13.5	19.8	25.3	
Depreciation	647	648	681	635	624	639	2,610	2,643	650	
Interest	262	242	219	227	227	239	950	1,063	260	
Other Income	65	70	38	64	60	47	237	256	60	
PBT before EO expense	**672**	**691**	**838**	**977**	**1,075**	**1,378**	**3,179**	**4,341**	**1,044**	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	
PBT	**672**	**691**	**838**	**977**	**1,075**	**1,378**	**3,179**	**4,341**	**1,044**	
Tax	172	192	191	255	270	349	811	1,094	263	
Rate (%)	25.6	27.8	22.8	26.1	25.1	25.3	25.5	25.2	25.2	
Reported PAT	**500**	**499**	**648**	**721**	**805**	**1,030**	**2,368**	**3,247**	**781**	
Adj PAT	**500**	**499**	**648**	**721**	**805**	**1,030**	**2,368**	**3,247**	**781**	**32**
YoY Change (%)	272.4	39.2	9.0	-2.8	60.9	106.4	29.5	37.1	56.5	
Margins (%)	6.7	6.3	7.8	8.5	9.2	10.7	7.4	8.8	8.7	

Gopal Snacks

BSE Sensex	S&P CNX
75,693	23,441

CMP: INR251 **BUY**

Conference Call Details



Date: 03 November 2026

Time: 15:00 IST

Diamond pass link

Beat on EBITDA with the highest ever quarterly revenue

- Consolidated revenue grew 22.9% YoY to INR4.6bn (2% ahead of MOFSLe), led by Wafers (+40.0% YoY), Gathiya (+25.6% YoY) and Pellets & Extruded Snacks (+23.0% YoY).
- Momentum was supported by the Rajkot main facility (105,233 MTPA), which restarted in 1QFY27. Moving Gondal's production to Rajkot is expected to lower operating, transport and power costs.
- In Sep'26, it commissioned a Besan unit (19,642 MTPA) at its Nagpur plant. This should cut transport costs and deepen backward integration.
- Core states grew 15.5%, Focus states rose 34.7% and Other states increased 94.0% YoY.
- Gross margin improved 70bp YoY to 27.1%, despite commodity inflation.
- EBITDA came in at INR416m (+72.3% YoY; 12% ahead of our estimate), with EBITDA margin at 9.0% (+260bp YoY). Other expenses rose 14.9% YoY and employee costs grew 5.7% YoY.
- The distributor network grew to 1,057 distributors (1,007 in 1QFY27), improving product availability and reach.
- The insurer approved a full and final claim of INR364m for the Rajkot fire, taking total recovery to INR774m. The quarter includes an exceptional gain of INR353m.
- APAT grew 153.2% YoY to INR105m (our est. INR186m), dragged down by higher interest (+81.8% YoY), higher depreciation (+36.2% YoY) and lower other income (-54.4% YoY). Reported PAT was INR459m (+78.5% YoY).
- The Board declared the first interim dividend of INR0.5/share.

Consolidated Qtrly performance (INR m)

Y/E March	FY26				FY27E				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	**3,222**	**3,757**	**4,008**	**4,096**	**4,223**	**4,615**	**4,657**	**4,489**	**15,082**	**17,985**
YoY Change (%)	-9.1	-6.7	1.8	29.0	31.1	22.9	16.2	9.6	2.7	19.2
Gross Profit	**837**	**992**	**1,106**	**1,134**	**1,136**	**1,250**	**1,285**	**1,274**	**4,069**	**4,946**
Total Expenditure	3,070	3,515	3,704	3,781	3,909	4,199	4,247	4,101	14,070	16,456
EBITDA	**152**	**241**	**304**	**315**	**315**	**416**	**410**	**388**	**1,013**	**1,529**
Margin (%)	4.7	6.4	7.6	7.7	7.4	9.0	8.8	8.6	6.7	8.5
Depreciation	82	90	104	111	106	123	118	67	387	414
Interest	20	19	11	18	29	35	15	13	69	93
Other Income	3.3	2.4	1.0	37.8	6.8	1.1	19.0	39.8	44	67
PBT before EO items	**53**	**134**	**190**	**224**	**186**	**259**	**296**	**348**	**601**	**1,089**
Extraordinary Inc / (Exp)	2	215	1	175	0	353	0	0	393	0
PBT	**55**	**350**	**191**	**399**	**186**	**612**	**296**	**348**	**994**	**1,089**
Tax	30	93	36	99	58	154	74	-14	258	272
Rate (%)	54.2	26.5	18.8	24.9	31.3	25.1	25.0	-4.0	25.9	25.0
JV and Associates										
Reported PAT	**25**	**257**	**155**	**299**	**128**	**459**	**222**	**361**	**737**	**817**
Adj PAT	**23**	**42**	**154**	**125**	**128**	**105**	**222**	**361**	**343**	**817**
YoY Change (%)	-90.5	-85.6	189.8	62.3	456.1	153.2	44.0	190.3	-48.1	137.9
Margin (%)	0.7	1.1	3.8	3.0	3.0	2.3	4.8	8.1	2.3	4.5

Fine Organic Industries

BSE SENSEX	S&P CNX
75,693	23,441

CMP: INR5,220 **Sell**

Earnings beat our estimate

- Revenue came in at INR7.3b (est. of INR6.7b), +22% YoY, +5% QoQ.
- Gross margin stood at 40.3% (+70bp YoY, +230bp QoQ).
- EBITDA margin was at 25.4% (+270bp YoY, flat QoQ)
- EBITDA was at INR1.8b (est. INR1.5b) up 37% YoY/up 5% QoQ
- Adj. PAT was at INR1.5b (est. INR1.2b) up 40% YoY/up 10% QoQ
- In 1HFY27, its revenue/EBITDA/Adj. PAT grew 20%/39%/32% YoY to INR14.2b/INR3.6b/INR2.9b
- Gross debt stood at INR1.5b as of Sep'26 vs. INR450m as of Sep'25.
- CFO stood at INR997.5m as of Sep'26 vs. INR1.6b in Sep'25.

Consolidated - Income Statement (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	**5,884**	**5,973**	**5,548**	**6,253**	**6,942**	**7,294**	**5,992**	**6,566**	**23,658**	**26,793**	**6,690**	**9%**
YoY Change (%)	*7.0*	*0.2*	*7.3*	*3.1*	*18.0*	*22.1*	*8.0*	*5.0*	*4.3*	*13.3*	*12.0*	
Total Expenditure	4,648	4,621	4,533	4,955	5,182	5,445	4,883	5,220	18,757	20,730	5,218	
Gross Margin (%)	*40.4%*	*41.6%*	*38.0%*	*40.3%*	*45.4%*	*43.3%*	*38.5%*	*39.5%*	*20.7%*	*22.6%*	*41.0%*	
EBITDA	**1,236**	**1,352**	**1,015**	**1,298**	**1,760**	**1,849**	**1,108**	**1,346**	**4,901**	**6,063**	**1,472**	**26%**
Margin (%)	*21.0*	*22.6*	*18.3*	*20.8*	*25.3*	*25.4*	*18.5*	*20.5*	*20.7*	*22.6*	*22.0*	
Depreciation	118	128	138	180	138	144	150	170	564	603	140	
Interest	5	4	5	27	9	21	8	7	41	45	7	
Other Income	398	211	211	346	243	306	250	350	1,167	1,149	250	
PBT before EO expense	**1,511**	**1,431**	**1,084**	**1,437**	**1,855**	**1,990**	**1,200**	**1,519**	**5,462**	**6,565**	**1,575**	**26%**
Extra-Ord expense	-70	0	71	0	0	0	0	0	1	0	0	
PBT	**1,581**	**1,431**	**1,013**	**1,437**	**1,855**	**1,990**	**1,200**	**1,519**	**5,461**	**6,565**	**1,575**	
Tax	403	335	268	253	454	445	302	382	1,453	1,582	396	
Rate (%)	*25.5*	*23.4*	*26.5*	*17.6*	*24.5*	*22.3*	*25.1*	*25.1*	*26.6*	*24.1*	*25.1*	
MI & Profit/Loss of Asso. Cos.	7	10	5	9	19	23	8	8	31	58	8	
Reported PAT	**1,171**	**1,086**	**739**	**1,175**	**1,381**	**1,522**	**891**	**1,130**	**3,976**	**4,924**	**1,171**	
Adj PAT	**1,119**	**1,086**	**792**	**1,175**	**1,381**	**1,522**	**891**	**1,130**	**3,977**	**4,924**	**1,171**	**30%**
YoY Change (%)	*-1.4*	*-7.6*	*-4.3*	*20.7*	*23.4*	*40.2*	*12.6*	*-3.8*	*-3.1*	*23.8*	*7.9*	
Margin (%)	*19.0*	*18.2*	*14.3*	*18.8*	*19.9*	*20.9*	*14.9*	*17.2*	*16.8*	*18.4*	*17.5*	



Sun Pharma: Reaffirms Outlook Amid Innovative Segment Headwinds
Jeyashree Satagopan, CFO

- Sun Pharma reaffirmed its FY27 guidance despite innovative business growth slowing to 6.9%.
- Psoriasis drug Ilumya faced US pricing and purchasing headwinds, with recovery expected from a new psoriatic arthritis approval.
- Launches like Unilokit and Leqselvi track positively.
- The Organon deal closes by year-end, while US manufacturing investments and Halol reinspection requests advance.

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Ramkrishna Forgings: Strong Operational Momentum, Margin Expansion, and Growth Levers
Naresh Jalan, Managing Director

- Revenue jumped 55% YoY in Q2, and expects to sustain and build on this growth in H2.
- Margins expanded to 18%, targeting a 30–40 bps sequential expansion aided by operational scale and raw material cost pass-through.
- Casting capacity utilization is projected to reach 80–85% by year-end, driven by strong North American order wins across oil & gas and passenger vehicles.
- The Mexican plant targets $40–45 million in revenue over two years, while railway wheel production and passenger vehicle exports anchor forward growth.

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Muthoot Finance: Raises Growth Guidance To 25%
Alexander George Muthoot, Managing Director

- Consolidated AUM crossed a historic ₹2 lakh crore; full-year FY27 AUM growth guidance was raised to 25%.
- Stage 2 and 3 loans rose due to RBI's transition from bullet payments to regular monthly servicing; low principal LTVs (53% on Stage 3, 72% on Stage 2) eliminate credit loss risk.
- Provisioning increased due to strong loan additions, regulatory borrower-level NPA classification, and ₹102 crore write-offs on unsecured personal loans overdue beyond 6 months.
- Added 262 branches in H1 with industry-leading productivity of ₹34 crore per branch, maintaining confidence despite rising sector competition.

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Explanation of Investment Rating	
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SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
Contact: (+65) 8328 0276

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Grievance Redressal Cell:

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

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